



# 2021 Contents



## **ABOUT** this report

### **GRUPO** security

This Integrated Report discloses the performance of Grupo Security and its subsidiaries for the period between January 1 and December 31, 2021. It reports on the activities and results of the Group's companies in Chile and Peru: Banco, Vida, Inversiones, Factoring, Corredora de Seguros, Travel, Inmobiliaria and Protecta.

This publication constitutes a change with respect to previous versions, as the Group seeks to better communicate with shareholders, investors, customers, authorities and society in general on matters of corporate governance, risk management and aspects that have an impact on the creation of value for the community and the market. This is the first step in developing an Integrated Report for Grupo Security, providing financial and sustainability data for each stakeholder in a single document. With this same purpose in mind, the contents were developed in accordance with the guidelines established by the Sustainability Accounting Standards Board (SASB), globally renowned in the commercial banking and insurance industries, the Group's main businesses.

Although the contents were prepared in accordance with the requirements of the current regulations of the Financial Market Commission (CMF), the new requirements contained in General Standard No. 461, published in November 2021, were incorporated to ensure transparency, and are not yet mandatory for Grupo Security and its subsidiaries.

Given the conviction and commitment of Grupo Security's Board of Directors to observe and incorporate sustainability best practices, this publication reflects the progress of the Group's performance in ESG factors (environment, social and governance) to contribute to creating a better world for everybody.

The Financial Statements and Management Analysis of Grupo Security are available on the website <u>ir.security.cl</u> to complement the information contained in this report.

Corporate Contact:

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## INTEGRATED REPORT 2021 GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE

## a word from our chairman

#### **DEAR SHAREHOLDERS:**

It is my pleasure to present Grupo Security's inaugural Integrated Report for the previous fiscal year. In this report, we provide shareholders and employees with all the relevant information regarding the company's management and results in its different business units during 2021. During this period, we achieved the highest results in our history, thanks to outstanding management, proper strategic planning, timely organizational transformation, sound investment decisions and, above all, the trust of our customers. I would like to specially thank all the employees of Grupo Security, whose dedication, effort and commitment combined caring for their families during the pandemic with working remotely, decisively contributing to achieve the company's objectives.

All these variables together resulted in profit of MCH\$88,603, 36% higher than the MCH\$65,146 obtained in 2020. Virtually

all of Grupo Security's subsidiaries contributed to this result, including our Peruvian subsidiary Protecta Security, which obtained profit of MS/. 37.6 (Peruvian Soles).

**GRUPO SECURITY** 

COMPANIES

Our performance can be undoubtedly explained by multiple factors; however, I would like to highlight the organizational and cultural transformation plan that we began implementing in late 2019 at Banco Security and subsidiaries, focusing on the customer service model and the generation of additional income and cost control.

I would like to highlight that our efforts have earned us public recognition from entities that analyze and weigh the different institutional levels. This makes us proud and encourages us to continue working to consolidate our position as a benchmark



Our 2021 results inspire great pride in our Board of Directors, employees, senior management, shareholders, suppliers, and customers, but at the same time challenge us to achieve excellence in all institutional dimensions.

for our employees, customers, investors and suppliers. In fact, in 2021 Grupo Security was distinguished among the 27 best companies to work for in Latin America and obtained the first place in the ranking of the Best Companies to Work for as a Woman in Chile for 2021. We also obtained the first place in the Merco Talento 2021 ranking as the Best Company to Attract and Retain Talent in Chile in the Business Holding Company category. These accolades are proof of our consistency, since we have been chosen as one of the best companies to work for in Chile for more than 20 years, thanks to our ongoing concern, respect and care for each and every one of the people who are part of Grupo Security and its companies.

This was in addition to the three Salmón Awards obtained by different investment instruments offered by Inversiones Security and the various recognitions that AGF Security received for its mutual fund management, which earned it recognition as the AGF with the best overall performance in 2021 by El Mercurio Inversiones.

Our 2021 results inspire great pride in our Board of Directors, employees, senior management, shareholders, suppliers and customers, but at the same time challenge us to work to achieve excellence in all institutional dimensions. We are therefore making decisive progress in improving the integration of social, environmental and governance aspects in all our actions and areas of corporate development (known as ESG or Environmental, Social and Governance).

The immediate objective is to accelerate the sustainable progress

of our businesses and thus build a future based on environmental care and social commitment to our stakeholders. This initiative will help us walk the path of a sustainable future for business development compatible with the needs of our customers.

Meanwhile, we will adapt to incorporate the new regulations to be enacted on data privacy, the deregulation that will entail the access of new financial competitors as a result of Open Banking and, in general, the increased competition in all areas of national activity.

These legal reforms are taking place in an environment of farreaching changes in the digital sphere. The deregulation of customer data management will necessarily lead to a new search by new stakeholders for digital products and applications.

Our Group is prepared for this new scenario and has hired expert advice of the highest level, for a thorough digital development that is compatible with our own track record.

Before addressing other matters that are not directly related to the review of the previous fiscal year, I would like to mention that shareholders approved the program to buy back self-issued shares for up to 5% of the subscribed and paid-in shares, for a period of 5 years, delegating to the Board of Directors the faculty to define the acquisition mechanism. As of December 31, 2021, Grupo Security acquired 38,395,994 shares, equivalent to 0.95% of the subscribed and paid-in shares. This initiative is a way for the Grupo Security to find surpluses from its own businesses, which it knows well and manages efficiently.

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE GRUPO SECURITY COMPANIES

The immediate objective is to accelerate the sustainable progress of our businesses and thus build a future based on environmental care and social commitment to our stakeholders.

I believe it is important to provide shareholders with a perspective that transcends the review of the 2021 results, analyzing the short and medium-term future from a multidimensional perspective, especially because companies are only one link in a longer and more complex chain called society. Under this logic, the business context cannot be reviewed without considering the permanent pressures related to health, politics, economics and, most recently, international geopolitics in the wake of Russia's invasion of Ukraine. This sparked a resounding rejection from the international community and also a coordinated reaction from the G7 nations, which pushed for an unprecedented package of sanctions and economic restrictions that will mark the commercial, political and cultural isolation of Russia.

This fragile international situation meant that for a moment we forgot the pandemic that entered its third year hand in hand with global vaccination efforts. Although the end of the pandemic is nowhere in sight, it is an objective fact that we have learned to live with it thanks to a renowned and effective mass vaccination strategy that adapts our defenses to the different variations and characteristics developed by the COVID-19 virus.

This adaptation does not only apply to the daily economic life of citizens, who had to incorporate concepts such as "IFE" (Emergency Family Income, for its Spanish Acronym) and "onetime withdrawals" (from the private pension funds in Chile) into our lexicon, but also to a political adaptation as a result of a year marked by multiple electoral processes that ended with the election of the new government authorities who will lead the country's destiny for the next four years. The extensive electoral cycle began with the election of constituent convention representatives, governors, mayors and councilors, followed by senators, deputies, regional councilors (Cores), and ended last December 19 with Gabriel Boric's victory in the second round of the presidential election.

The government program contains sweeping economic, social and political reforms, yet there is no guarantee that these reforms will translate into a better quality of life for Chileans, especially if they are carried out without due consideration of the fragile global context and that of a local economy that is operating beyond its short-term capacity. We see how new social demands emerge on a daily basis without sustainable financing and where excess domestic demand resulted in a higher current account deficit, despite the increase in the price of copper and the depreciation of the peso against the dollar.

Although growth in 2021 was 11.7%, this figure contrasts with the drastic 5.8% drop in the country's economic activity in 2020. This fluctuation in GDP mirrors an abnormal period in regulatory and monetary terms resulting from the successive withdrawals of pension savings and the 'advance payment' of life annuities, an initiative that ignored the legal and social nature of a pension alternative that allows pensioners to have a stable and guaranteed income for life.

This clearly generated legal uncertainty, volatility in the financial market and financial damage to the affected companies, forcing their shareholders to file legal actions against those who



promoted openly illegal and unconstitutional provisions, with clear damages to the life insurance sector.

In addition, the withdrawal of pension funds, together with the increase in liquidity, unleashed an inflationary outbreak that rose to levels we had not seen in more than 14 years. This resulted in a drop in real wages, an increase in the exchange rate and economic instability, three negative externalities that were the consequence of bad public policy, as acknowledged by economic experts, academics, the Chilean Central Bank and the very politicians who promoted them, regardless of the sector they represent.

This scenario suggests that 2022 will bring lower investment, higher unemployment and a fall in real wages, affected by inflation, which is not only a domestic phenomenon, but is also fueled by the increase in the international price of the main raw materials and the significant disruption of global supply chains. To address this situation, the monetary authority began a cycle of interest rate hikes starting in July, with an escalating increase from 0.5% to 4.0% at the end of December. It is clear and foreseeable that there will be further interest rate hikes, since monthly inflation rates have not shown signs of decline, but rather the opposite.

During the third quarter of this year, the country will decide the fate of the new constitution proposed by the Constitutional Convention through an exit referendum. Although it is still early to anticipate what the proposed content will be, it is clear that so far the process has not been able to position itself as the "Constitution of all Chileans" or "the house of everybody", as it was originally dubbed, and which meant a massive approval to start the drafting of a new Constitution.

As of the date of this letter, a discussion, still unfinished, is taking place in the Constituent Convention that contains profound re-

foundational measures of the State of Chile, which is defined as a Plurinational and Intercultural State, which recognizes the existence of diverse nations living in the country, with all that this means from a territorial, fiscal and international relations perspective, among others.

There are also motions on a new political order, judicial pluralism, legislative unicameralism, limitations to the right of ownership of intangible goods.

We hope that the final text of the new Constitution, which will be voted on in a referendum, will take into account the countless calls to moderate many of these concepts, which could have negative consequences for development, growth and the longawaited reduction of poverty and inequality.

Our experience and trajectory of more than 30 years will require us to adapt to the new political cycle; however, from our economic and social viewpoint, we have noticed signs of instability and uncertainty, which we naturally hope will be resolved in the best way possible, for everyone's sake.

Finally, I would like to thank and acknowledge the unrestricted and committed support of our employees, whose work has been key, and also our shareholders, who for many years have stood by our side, actively participating in the management of Grupo Security's businesses, allowing for its long-term development.

FRANCISCO SILVA S. Chairman Grupo Security

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



### a message from our CEO

#### **DEAR SHAREHOLDERS:**

I am very pleased to present the results obtained by Grupo Security during 2021, a particularly challenging year for our business.

Last year we not only dealt with year two of the pandemic but also a climate of uncertainty marked by political instability, weakened legal certainty and a poor economic outlook, both locally and internationally.

In this regard, it is important to mention the difficult legal scenario faced by the life insurance industry, specifically a third withdrawal of pension funds and, for the first time, an advance on life annuities. This legislation undermined the foundations that have supported the annuity industry for the past 30 years, affecting our country's long-term investment sources. This will affect Chile's growth rate and employment, which can only recover with sound public policies that encourage savings, investment and private-sector development.

Despite this negative scenario, Grupo Security had significant achievements, reaching MCH\$88,603 in profit, a 36% increase over the previous year, which translated into the highest results in our history, with an ROAE of 10.6% at year end. The economic value generated during this period was MCH\$412,320, of which MCH\$115,902 was allocated to compensation, benefits and contributions to the community, MCH\$122,490 to operating expenses, MCH\$45,208 to financial suppliers, MCH\$45,482 to dividends to shareholders and MCH\$38,036 in taxes, contributions and other items. Finally, retained economic value was MCH\$45,202.

Among the results achieved by Grupo Security, Banco Security's



consolidated profit for the year reached MCH\$77,127. This 28.2% increase over the previous year led to an efficiency ratio of 44.1%, the lowest in the last 10 years. It also reported growth of 8.1% in total loans.

Vida Security also performed very well, with profit of MCH\$45,496 for the year 2021, strongly influenced by an extraordinary return on its investments. The company also achieved 43.8% growth in insurance sales and a 7.3% market share in annuities. In addition, Fitch Ratings upgraded Vida Security's risk rating from AA- to AA.

In 2021, Factoring Security also recorded its highest profit since its creation, achieving results of MCH\$10,192, up 7.6% over the previous year.

In non-financial services, Inmobiliaria Security obtained results of MCH\$2,039 and the travel business in Chile and Peru, after adjusting its business model, closed the year with positive results.

The savings plan launched in 2020 was strictly monitored during the year. Over the last two years, this plan has led to a 5.1% reduction in administrative and personnel expenses at Grupo Security and all its companies.

As we face the challenges ahead, at Grupo Security we will continue to pursue initiatives to achieve our goals of efficiency, earnings growth and the creation of sustainable value. These initiatives are part of a strategy based on three focal points: consolidation, protection and growth of the businesses in which we have achieved a relevant position, through the use of technology and modernization of business models. Second, true to our purpose of delivering comprehensive financial services solutions, we will continue to explore opportunities that complement our value proposition for customers and strengthen our capabilities, considering partnerships and investments in fintechs and startups. Finally, we will continue to strengthen our teams, ensuring governance and management models in line with the times and maintaining our distinctive culture that has allowed us to attract and retain the best talent.

Given our vision and commitment for more than 30 years, we have become an industry benchmark in terms of closeness, respect and transparency towards our employees. In 2021, we were recognized by Great Place to Work (GPTW) as the best company to work for women in the category of Large Companies with more than 1,000 employees. We also ranked 27th among the best companies to work for in Latin America, and we ranked first in the Merco Talent 2021 ranking as the Best Company to Attract and Retain Talent in the corporate holding category.

Finally, in terms of sustainability, as Grupo Security we have set the goal of improving the environment in which we do business, seeking to contribute to the wellbeing of our stakeholders. In line with this commitment, in this Integrated Report we have decided to move towards reporting a comprehensive view of both financial management and the environmental, social and governance factors of our businesses. We have therefore incorporated international SASB standards, which will allow us to provide consistent and standardized information.

I thank our employees, customers, suppliers and shareholders for their permanent effort, commitment and trust in our institution, which encourages us in the search for new challenges.

/ RENATO PEÑAFIEL M. Chief Executive Officer

GRUPO SECURITY AT A GLANCE

CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

## 01 GRUPO SECURITY at a glance

Grupo Security and its companies seek to provide a comprehensive range of financial services, creating relationships of trust with its customers.





## ABOUT Grupo Security

Grupo Security is a financial group that offers banking services, life insurance, asset management and other types of products and services. Its main clients are large and medium-sized companies and high-income individuals. Grupo Security was created in 1991 and has since expanded its product and service offerings to industries with high growth potential in Chile and Peru through a combination of organic growth and acquisitions, on the one hand, and a strategy of segmentation and innovation, on the other. Grupo Security believes that it is the employees who allow the business to develop and move ahead. That is why it focuses on enhancing their talents, competencies and skills and, at the same time, on caring for and promoting their wellbeing and that of their families. In this regard, Grupo Security has been a pioneer in building a robust corporate culture that offers a balance between family life and work life, earning it recognition for more than 20 years as one of the best companies to work for in the Great Place to Work ranking (3<sup>rd</sup> place 2022).



#### GRUPO security

#### **COMPANY INFORMATION**

NAME OR CORPORATE NAME: GRUPO SECURITY S.A.

DOING BUSINESS AS: GRUPO SECURITY

LEGAL ADDRESS: AV. APOQUINDO 3.150, PISO 14

**TAXPAYER ID NUMBER:** 96.604.380-6

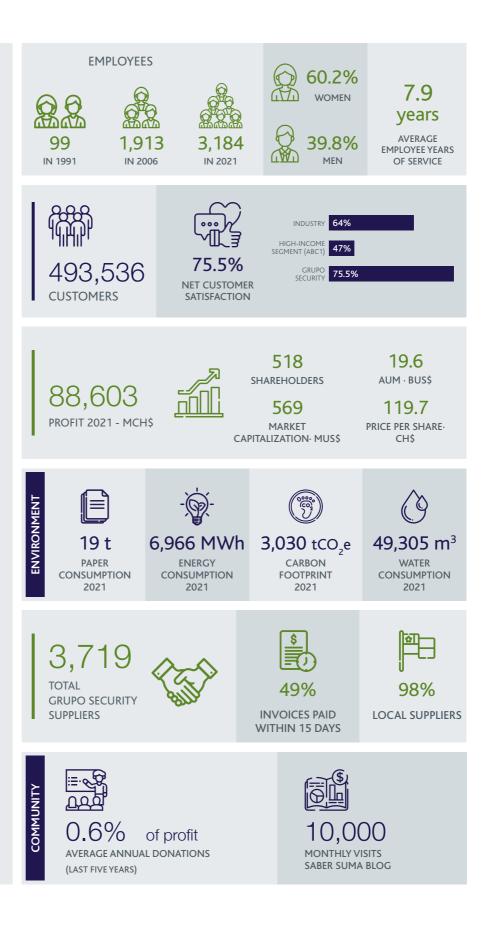
TYPE OF ENTITY: PUBLICLY TRADED CORPORATION

**PHONE:** +56 22 584 4540

WEBSITE: HTTP://IR.SECURITY.CL

INVESTOR RELATIONS: MARCELA VILLAFAÑA relacioninversionistas@security.cl

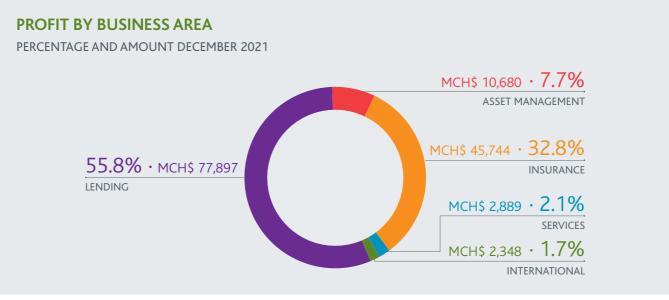
CORPORATE AFFAIRS : PAULINA GUERRA asuntoscorporativos@security.cl





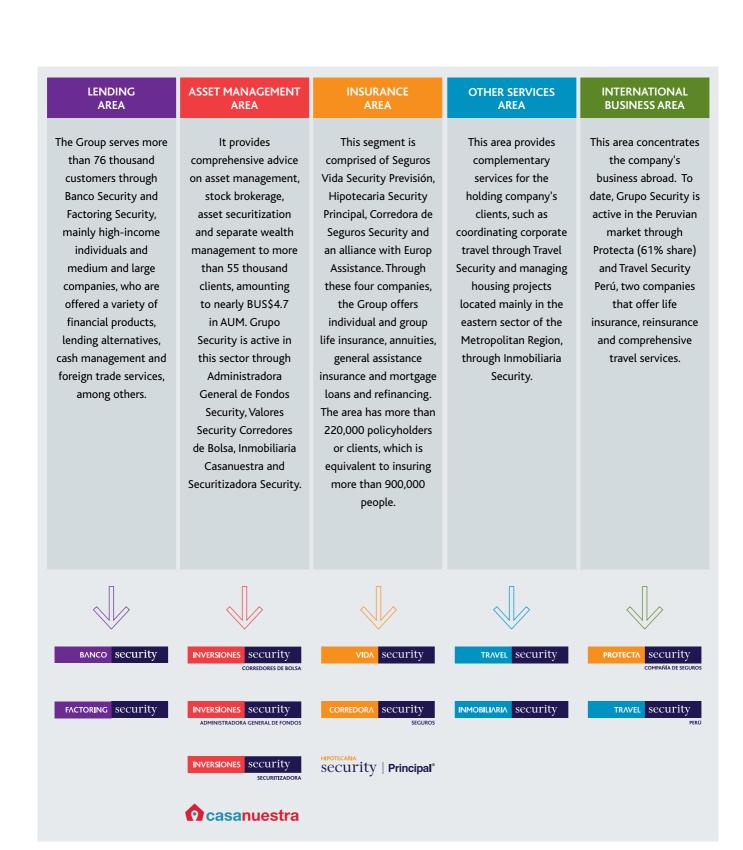
## BUSINESS DIVISIONS Security companies

Grupo Security has five integrated business areas: lending, asset management, insurance, services and international, whose services are offered and rendered through various subsidiaries and divisions to more than 493 thousand customers. In its 30 years doing business, it has always placed the customer at the center, and this has been recognized by a series of awards. The awards won in 2021 by Banco Security position it as one of the best Chilean companies in terms of service experience, according to the PXI ranking prepared by Praxis, and among the best Chilean banks in terms of service quality, according to Procalidad, a joint initiative between Universidad Adolfo Ibáñez and Praxis.



(\*) THE COLUMN "CONSOLIDATION ADJUSTMENTS, SUPPORT AREAS AND GROUP EXPENSES" MUST BE ADDED TO CALCULATE PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT. SOURCE: GRUPO SECURITY





GRUPO SECURITY AT A GLANCE

CORPORATE GOVERNANCE

## **BUSINESS** strategy

Grupo Security is a financial conglomerate and the strategic controller of its companies. It provides a range of financial services by forging trust-based relationships with its customers, in addition to other complementary services (travel and real estate).

It is characterized by service excellence, closeness, professionalism and transparency, safeguarding the regulatory compliance of all its businesses and respecting the corporate governance of each of its companies.

## value creation

Grupo Security has always created value for our shareholders through a track record of earnings growth, conservative risk management, diversification within the financial sector and a business model with a long-term, sustainable outlook. The company has a corporate shared services center, which achieves synergies and provides strategic guidelines and best practices to its companies to better serve their customers.

Employees work in an environment that values the

dignity of individuals and work-life balance. People management at Grupo Security helps employees perceive their work as a way to grow professionally and personally, and as a way to improve every day and thus contribute to their families and society at large.

Suppliers play a fundamental role by providing the goods and services required to operate the holding's companies. These processes are all guided by the principles of transparency and fairness.







vision

To set the standard in all of our relationships, both in business and among employees, in order to meet the needs of our customers, employees, shareholders and the world in which we do business, while encouraging a healthy work-family-life balance.



## mission

To satisfy our customers' requirements for lending, asset management, insurance, travel and real estate projects, by providing services of exceptional quality that exceed their expectations.

### purpose

To contribute to the financial wellbeing of people and companies in a close, transparent and professional way.



#### **CLOSENESS**

Inspired by a strong vocation for service and concern for others, listening to others and meeting their needs.





#### **TRANSPARENCY**

Love of truth, transparency in relationships and honorable conduct.



#### **PROFESSIONALISM**

Loyalty and commitment to our company's objectives and motivated to do a "good job" the first time.

#### FOUNDATIONS OF THE SECURITY CULTURE

RESPECT AND INDIVIDUAL DIGNITY

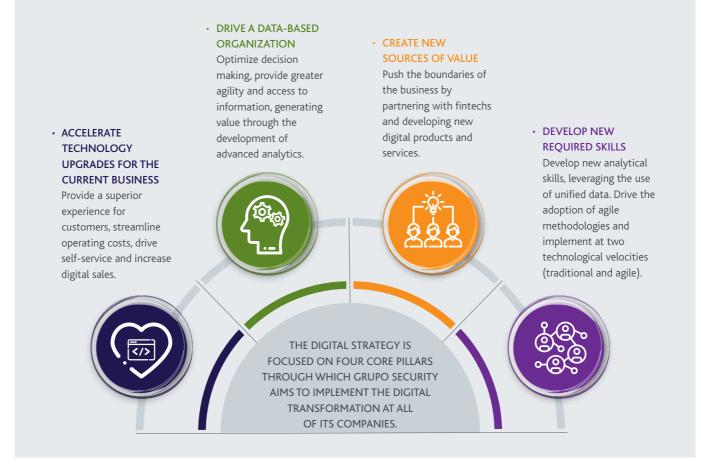
WORK-FAMILY-LIFE BALANCE THE IMPORTANCE OF HOW



## **DIGITAL** strategy

Grupo Security's main asset is its relationship with its customers. The profound transformation process experienced in the various industries in which its companies participate, accelerated by the recent pandemic years, has impacted the needs and expectations of customers, who demand personalized digital services and optimal user experiences.

The Group has thus defined a digital strategy based on the following four pillars:



The ongoing enhancement of digital platforms, as well as the widespread use of advanced analytics, will improve the customer experience and positively impact the efficiency and profitability of the Group's companies.



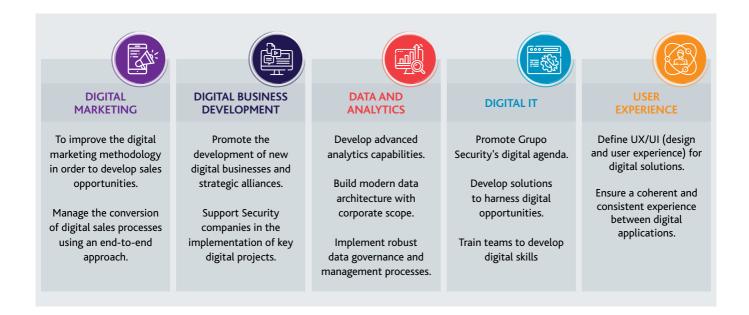
## **NEW OPERATING** Model

In 2021, Grupo Security conducted an in-depth corporate review of its integrated digital strategy, with support from international consultants. The Corporate Digital and Data Management Division was created as part of this program, with the following objectives:

- Accelerate companies' digitalization process.
- Implement integrated data governance.
- Promote agile methodologies and new ways of working.
- Launch the advanced and digital analytics factory.
- Reuse digital developments for shared problems, and supplement the Group's product and service portfolio.

#### DIGITAL MANAGEMENT

This management is composed of five areas with the following five objectives:



CORPORATE GOVERNANCE

## **RELEVANT** milestones



#### VALUE CREATION THROUGH NEW PARTNERSHIPS

At the end of 2021, Banco Security signed an agreement with MercadoPago to become its sponsor bank and enable electronic funds transfer services.

This agreement reflects Grupo Security's conviction to establish partnerships so that people who have not traditionally been customers of the company can have access to first-class financial products and services.

The institution believes it is essential to create ecosystems that can help modernize the banking industry and facilitate access to it, with the closeness, reliability, transparency and professionalism that characterize Security companies.



#### FINTECH INVESTMENT

In line with its digital strategy, in 2021 Grupo Security purchased a stake in Monument Bank, an English bank regulated by the Bank of England, which offers a 100% digital experience to the high-income professional segment in the United Kingdom.

This investment will help Grupo Security to explore alternatives that complement its business model in Chile and identify other opportunities in the region. It is also a chance to access cutting-edge technology and high standards in digital financial services.



#### **NEW SECURITY PASS**

In keeping with the roadmap defined in 2021, Security Pass was launched in early 2022 for Inversiones Security clients.

It is a single application for customers of the lending and asset management areas, bringing to life the design of multi-company solutions and enabling transactions to be approved with a better experience and security.

#### LAUNCH OF RENMINBI ACCOUNT

In order to offer improved products and services to Commercial Banking customers, and to facilitate foreign trade processes, the Renminbi account became available in 2021.

Banco Security is now one of the few banks in the market with a corporate account in this currency.



#### **PROCESS EFFICIENCY**

In order to move forward on the digitization of key business processes, focused on offering a better customer experience and minimizing costs, in 2021 Grupo Security invested in an accelerated development platform.

This milestone marked the beginning of a plan to redesign and reimplement organizational processes, which has already seen its first deliverable for internal customers through a newly optimized process. CREATING VALUE

APPENDICES

FINANCIAL STATEMENTS



## 43DS

### GREATER SECURITY FOR CUSTOMERS

In line with the commitment to give customers a secure experience, as of the second half of 2021, Banco Security implemented the 3D Secure security protocol, becoming one of the first local banks with this security tool.

3D Secure significantly reduces fraud in purchases made at international online merchants with credit and debit cards, placing Banco Security at the forefront of security protocols for online commerce.



#### ROBUST AND SECURE DATA FOR BETTER DECISION MAKING

The volumes of data processed at Grupo Security are increasing exponentially every year.

Therefore, achieving a analytics-based approach and extracting value from data requires scalability, accessibility, agility and efficiency.

In line with this need, Grupo Security developed a corporate data strategy based on the construction of a modern data architecture, under robust governance and security processes that ensure the continuous improvement of data-driven decision-making processes.



#### MODEL INNOVATION FOR OPTIMAL DECISION-MAKING

Two key aspects were prioritized to improve the data-driven decision-making process:

- Having reliable, secure, quality, fast and easy access to data (modern architecture).
- World-class analytical capabilities.

This approach was used to implement a corporate advanced analytics factory in order to develop and generate value for all of Grupo Security's businesses, incorporating a more integrated vision focused on solving customer needs.



#### **PROGRESS IN DIGITAL SALES**

In its continuous effort to builder closer relationships with customers, Grupo Security has sought to make digital solutions available where and when customers need them, improving digital sales processes.

A significant example of this is the improvements made to the flow of consumer loan sales in Retail Banking during July 2021.

These important changes have helped transform digital channels into the main sales channel for this product, increasing from 50% to more than 80% of loans processed digitally.



#### **FIRST STEPS IN APIS**

In 2021, Banco Security achieved an important milestone by making the first Application Programming Interfaces available to its Commercial Banking and Vida Security clients.

These APIs allow unprecedented integration with customers, resulting in the creation of new and better financial services.

This implementation has also accelerated the development of new forms of agile work with a significant reduction in timeto-market in order to respond adequately to a more demanding market.



#### SIMPLER AND SAFER HIGH-VALUE INVESTMENTS

In order to save customers time and simplify their transactions with Inversiones Security, we implemented a new alternative for large transactions that is fast, remote, simple and secure.

Payment from major banks with a minimum number of clicks became available in July 2021.

These payment buttons have expanded our customer base, saved money and, above all, improved the experience of our existing customers.

### **STAKEHOLDER** relations

Grupo Security is particularly mindful of the relationship with each of the stakeholders that are essential to the development and growth of the business: shareholders and investors, employees, customers, suppliers and the community in general.

Guided by the conviction that respect for the dignity of individuals is key and by the corporate values of closeness, transparency and professionalism, the Group seeks to develop a long-term relationship of trust in which the needs and interests of each stakeholder group are addressed.





#### **INVESTORS AND STAKEHOLDERS**

To create value via growth and sustainable profitability, with conservative risk management, offering diversification within the financial sector and a long-term outlook that embraces innovation and sustainability in its business model.



COMMUNICATION CHANNELS

Investor Relations

 Integrated Report Investor Relations Website (https://www.security.cl/investor-relations/es/home)

HOW WE COMMUNICATE/ ENGAGE

- Unit in charge of Investor Relations
- Annual General Meetings
- Remote meetings
- Email communications
- · Online earnings presentations



#### **CUSTOMERS**

To establish long-term, close relationships of mutual trust with customers, by providing them with exceptional products and services that fully satisfy their needs.



MMUNICATION CHANNELS

- Business Units
- Corporate Affairs Division
- Institutional websites
- Group company apps
- Customer Service channels
- Self-service channels
- News media
- Digital channels
- (blog, YouTube)
- Complaint Channel



- Satisfaction surveys
- Economic Seminar
- · Financial literacy podcasts and videos
- Webinar on national and international topics





#### **EMPLOYEES**

To work every day to create the conditions for employees to feel that the company is a place where they can develop their full potential and successfully and harmoniously balance their personal and professional lives.



Corporate Culture Division



 Internal surveys Complaint Channel "Aló Security" telephone channel



- Flow weekly survey Mass emails
- "Mi Aprendizaje" self-learning channel
- Ongoing training program
- Remote large-group meetings
- Virtual coffee breaks • "MiSecurity" App



#### **SUPPLIERS**

To develop a sustainable, long-term relationship based on transparency and fairness.

· Corporate Services Division



UNIT IN



HOW WE COMMUNICATE/ ENGAGE

Email communications





To develop and cultivate a sustainable relationship over time, based on respect for human dignity and care for the environment, with a focus on financial literacy, social inclusion, family wellbeing and the development of public policies.



(a)

Corporate Divisions

- Institutional websites
- News media COMMUNICATION CHANNELS
  - "Saber Sumar" Blog
  - YouTube channel
  - Complaint Channel
  - Webinars
  - Partnerships with foundations
  - Partnerships with think tanks to support public policies



- Economic Seminar
- Financial literacy podcasts, videos and newsletters
- Webinar on national and international topics
- Training workshops for women facing disadvantages

GRUPO SECURITY AT A GLANCE

CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



## **GRUPO SECURITY ON COURSE** with sustainability

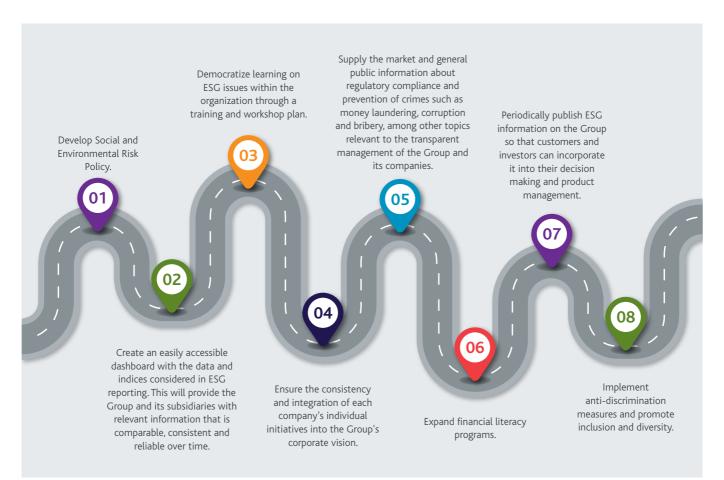
In the second half of 2020, management decided to incorporate international standards to its sustainability efforts, so as to have policies, initiatives and indicators in place to provide visibility and benchmark performance against the financial industry both locally and internationally.

The company assessed the situation with an international ESG risk rating agency, which helped to identify sustainability risks and opportunities and to establish a roadmap for the coming years in the creation of value in the short, medium and long term.



The first steps were completed in 2021 with the creation of the new Corporate Affairs Division, which took on this challenge by incorporating international methodologies and standards. This new division, which reports to the Board of Directors, is also responsible for coordinating the work between subsidiaries and permanently monitoring progress through matrix reports. The goal is ambitious, but concrete: to be leaders in the Group's core business, i.e. ESG-based risk management.

A roadmap was also established for this period, which includes short- and medium-term initiatives to be implemented in 2022. These include:



## SUSTAINABLE G ALS



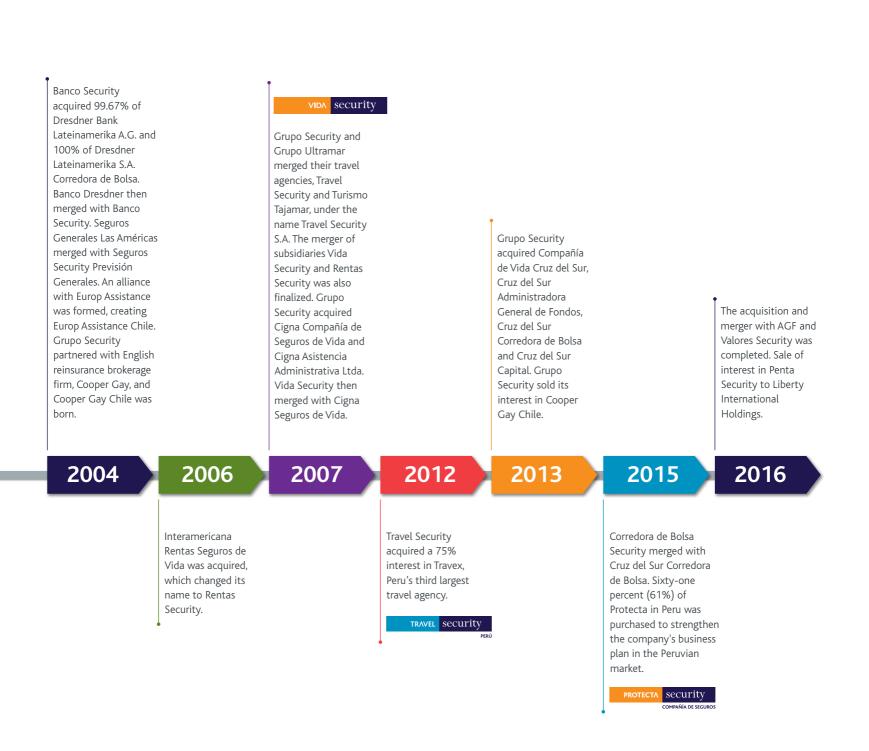
As part of the transformation process, Grupo Security has identified initiatives that contribute to the sustainable development of society and the fulfillment of the Sustainable Development Goals (SDGs), set by the United Nations for 2030. The challenge is to develop work methodologies, goals and long-term programs in 2022 and make them a permanent and conscious effort at each of the holding's companies. The diagram below shows how the company is contributing to the fulfillment of these objectives.



SDG	CONTRIBUTION METHOD	INITIATIVES
4 QUALITY EDUCATION	<ul> <li>Content channel open to customers and non-customers to share knowledge with the community.</li> <li>Production of audiovisual material to address topics related to local and global economic conditions</li> <li>Making donations to different educational institutions and charities.</li> </ul>	<ul> <li>"Saber Suma" Blog: 10,000 visits / month and 2,000 newsletter subscribers.</li> <li>Donations to: Universidad Católica, ESE Business School, Centro de Estudios Públicos, Becas Padre Hurtado and Fundación Nocedal (MCH\$500 annual average over the last five years).</li> </ul>
5 GENDERY	<ul> <li>Grupo Security has corporate policies aimed at balancing work and family life. These policies are consistently implemented and supported by the entire corporate governance structure, which has translated into actions and outcomes that have encouraged women's participation.</li> <li>Promoting inclusive and diverse work environments through initiatives that foster diversity.</li> <li>Partnerships with foundations that provide work tools for the reintegration of women in vulnerable situations and entrepreneurs to help them grow their businesses.</li> </ul>	<ul> <li>Measurement and monitoring of the gender pay gap.</li> </ul>
7 AFTORDABLE AND CLEAN ENERGY	<ul> <li>Granting loans to support renewable energy, energy efficiency and/or circular economy investment projects.</li> </ul>	CORFO Green Loans.
8 DECENT WORK AND ECONOMIC GROWTH	<ul> <li>Grupo Security is committed to its customers by providing liquidity and strengthening their working capital, in addition to granting loans to support them in complex situations.</li> </ul>	<ul> <li>In addition to the company's own options, Banco Security has participated in the government's Fogape program.</li> <li>Creation of a liability restructuring area to support companies.</li> <li>Partnerships with Prodemu and Soy más.</li> </ul>
13 CLIMATE	<ul> <li>Carbon Footprint measurement, committing to measuring and then managing it.</li> <li>The Group is developing an environmental policy, which will guide the company's decisions in line with ESG factors.</li> </ul>	<ul> <li>Recycling at Factoring Security.</li> <li>Initiatives to reduce paper use.</li> </ul>
16 PEACE JUSTICE AND STRONG INSTITUTIONS	<ul> <li>Grupo Security promotes clear anti-corruption (KYC) and anti-bribery policies and conducts continuous training.</li> <li>Transparent market information.</li> </ul>	<ul> <li>Code of Ethics and Code of Conduct for Directors and Employees.</li> <li>Crime prevention and money laundering policy.</li> <li>Conflict of interest policy.</li> <li>Complaint Channel.</li> <li>Continuous training on Law No. 20,393 and its amendments.</li> <li>Quarterly earnings presentations (online), preliminary publication of the Bank's monthly results.</li> </ul>







CORPORATE GOVERNANCE

## MILESTONES AND accolades 2021

## FITCH RATINGS UPGRADES VIDA SECURITY'S RISK RATING

In June 2021 Vida's rating was upgraded from AA- to AA. This improvement resulted from the company's strengthened business profile through a larger operational scale and a favorable reinvestment risk trend. This also included appropriate product diversification and capitalization and leverage indicators within the ranges deemed favorable by the rating agency.

#### **RESTRUCTURING OF CORPORATE AREAS**

The updated model for the corporate areas was defined following best practices. Changes included creating the **Corporate Affairs Division and the Corporate Digital and Data Division**. The new model envisages greater efficiency in the current divisions and further growth in the Group's ESG and Digital areas.

## CORE FOR VIDA SECURITY'S INDIVIDUAL PRODUCT LINE

Vida Security began implementing a new insurance core for the Vida individual business line, which was chosen from the different policy management system solutions available in the domestic and international markets. The preferred solution is a platform that fully meets such requirements. Its implementation will help develop a more flexible and diverse product offering for customers and accelerate time-to-market. It will also facilitate a better customer experience and deploy end-to-end internal digital processes, taking into account the trends and evolution of life insurance companies worldwide.

## IMPLEMENTATION OF NEW GRC SOFTWARE

This is a technological platform for comprehensive risk management, based on a three-line-of-defense model for Grupo Security and its subsidiaries.

#### MIGRATION TO NEW ERP FOR CORPORATE ACCOUNTING



The three-year project to integrate the companies' core applications was launched. It involves four deployments encompassing all the companies. A thorough evaluation of suppliers and employees has been carried out to meet this challenge, which will help us build a high-performance team in line with international standards.

#### TECHNOLOGY UPGRADES FACTORING SECURITY CORE



Upgrading of the current technological architecture of the Core Modules. The technological migration project underway will automate and streamline Factoring Security's core processes, generating new customer experiences and strengthening Factoring Security's corporate brand.

#### **MARCH 2021**

## THREE GREAT PLACE TO WORK AWARDS:

- First place in the ranking of the Best Places to Work for Women in 2021.
- 27<sup>th</sup> place in the ranking of the Best Places to Work in Latin America.
- Grupo Security ranked 5<sup>th</sup> in the Best Places to Work for Women in Chile.

Los Mejor para Traba	es Lugares njar‴
para Mujer	es .
Great Place To Work。	CHILE 2021

#### JULY 2021

The takeover of Global Security by Capital was completed in July.

#### **AUGUST 2021**

Grupo Security ranked 1st in the Merco Talento 2021 ranking, as the Best Company for Attracting and Retaining Talent in Chile, in the corporate holding category. The ranking identifies the 100 companies with the greatest ability to attract and retain talent.



#### **AUGUST 2021**

At Grupo Security's extraordinary shareholders' meeting in August, the shareholders approved a stock buyback program for up to 5% of the subscribed and paid-in shares, for a period of five years.

#### **NOVEMBER 2021**

Grupo Security purchased a minority interest in Monument Bank, a banking entity recently licensed by the English financial regulator that offers a 100% digital experience to the mass affluent segment in the United Kingdom. The purpose of this investment is to develop services that complement Grupo Security's existing offering in Chile and the region.

#### **MONUMENT**

#### AWARDS FOR INVERSIONES SECURITY

Grupo Security's investment instruments were awarded the following honors:

#### THREE SALMON AWARDS:

- Fondo Mutuo Security Index Fund U.S. (B Series).
- Fondo Mutuo Security Crecimiento Estratégico (B Series).
- Fondo Mutuo Security Retorno Estratégico (I-APV Series).



#### EL MERCURIO INVERSIONES RANKING RECOGNITION:

- Best Balanced Fund Managers
- Best Mutual Fund Managers for High-Net-Worth Individuals.
- Best Mutual Fund Administrators for APV (Voluntary Retirement Savings)
- Best Mutual Fund Managers for Institutional Investors.



## partnerships and memberships

Grupo Security makes contributions and adheres to various initiatives that promote the development of good international relations, commitment to sports and social interests, among others.

#### CONTRIBUTIONS TO FOUNDATIONS



- Casa Acogida La Esperanza
- Centro de Estudios Públicos
- Club Deportivo Best Ball
- Fundación para Ayuda y Rehabilitación de Discapacitados (Fundación PAR)
- Fundación Las Rosas
- Universidad de Los Andes



#### BI-NATIONAL CHAMBERS OF COMMERCE

- Swiss-Chilean Chamber of Commerce
- German-Chilean Chamber of Commerce
- Canadian-Chilean Chamber of Commerce
- Chinese-Chilean Chamber of Commerce
- French-Chilean Chamber of Commerce
- AMCHAM American Chamber of Commerce



#### REGIONAL ORGANIZATIONS

- Santiago Exchange
- Santiago Chamber of Commerce
- FOLATUR Latin American Tourism Forum
- WWTA Worldwide Tourism Association

#### TRADE, INSTITUTIONAL AND OTHER ORGANIZATIONS



- Chilean Association of Leasing Companies
- International Federation of Pension Fund Administrators AG. Chile: FIAP
- Chilean Mutual Fund Association AG. (AFM)
- Chilean Association of Investment Fund Managers (ACAFI)
- Hotel Trade Association
- Association of Banks and Financial Institutions
- Chilean Chamber of Construction
- Santiago Chamber of Commerce
- Confederation of Production and Commerce
- Circle of Banking Executives
- Corporación Club El Golf 50
- Fedefruta F.G.
- Instituto de Estudios Bancarios Guillermo Subercaseaux
- ACHET Chilean Association of Tourism Companies
- ACHILLA Industry Suppliers Association
- AMEX GBT (Franchise / Exclusive Representation in Chile)
- Chilean Association of Insurers A.G.
- Real Estate Developers Association
- Chilean Insurance Self-Regulation Council
- Capital Goods Technology Development Corporation
- ESE Business School Universidad de Los Andes
- Instituto Libertad y Desarrollo
- Pontificia Universidad Católica



## **COMPANY** information

#### **ARTICLES OF INCORPORATION**

Sociedad de Inversiones Grupo Security S.A. was incorporated by public instrument on February 8, 1991, granted by notary public Mr. Enrique Morgan Torres in Santiago, Chile. An extract of this instrument was recorded in the Commercial Registry of Santiago on page 5,720 No. 2,820 on February 19, 1991, and published in the Official Gazette on February 22, 1991.

Grupo Security S.A. was incorporated as a publicly held corporation by public instrument on January 30, 1995, registered in the Securities Registry under No. 0499 and, therefore, supervised by the Superintendency of Securities and Insurance until 2018, when it was replaced by the Financial Market Commission (CMF).

A shareholders' meeting held on October 20, 1997 approved a legal name change from Security Holdings S.A. to the company's current name Grupo Security S.A.

#### **OWNERSHIP STRUCTURE**

#### **CONTROL SITUATION**

Grupo Security does not have a controlling shareholder or controlling group, as defined in Article 97 of Section XV of the Securities Market Law. A group of shareholders representing a nearly 72% interest in the Group has a share transfer agreement and has actively participated in the Group's management since its founding in 1991. Since that date, Grupo Security has created and incorporated new subsidiaries and development areas, expanding its business base in the financial sector and positioning itself as a first-rate provider of comprehensive financial services and other ancillary services for its customers.

No ownership changes were made during the reporting period.

A CHART SHOWING THE CORPORATE STRUCTURE AND OWNERSHIP INTERESTS BETWEEN GRUPO SECURITY AND ITS SUBSIDIARIES CAN BE FOUND ON PAGE 209:

#### IDENTIFICATION OF MAJORITY PARTNERS OR SHAREHOLDERS

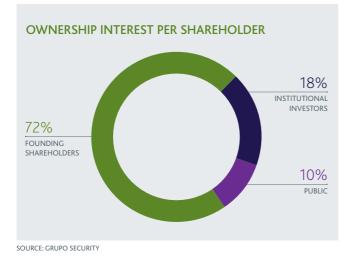
As of December 31, 2021, Grupo Security's 12 largest shareholders were:

NO. OF SHARES	OWNERSHIP %
384,000,000	9.50%
373,744,200	9.25%
344,857,609	8.53%
252,305,012	6.24%
207,381,770	5.13%
164,275,460	4.06%
158,800,000	3.93%
152,920,716	3.78%
152,879,473	3.78%
152,879,472	3.78%
138,000,000	3.41%
95,213,135	2.36%
	384,000,000 373,744,200 344,857,609 252,305,012 207,381,770 164,275,460 158,800,000 152,920,716 152,879,473 152,879,472 138,000,000

#### INDIVIDUALS BEHIND LEGAL ENTITIES WITH MORE THAN 10% OWNERSHIP

NAME	CHILEAN NATIONAL ID	OWNERSHIP INTEREST	OWNERSHIP TYPE (DIRECT OR INDIRECT)
Juan Cristóbal Pavez Recart	9.901.478-4	12.91% through the companies Centinela SpA and Sociedad Comercial de Servicios e Inversiones Ltda.	Representing himself, his father, mother and sisters.
Horacio Pavez García	3.899.021-7	11.35% through Sociedad de Ahorro Tenaya Dos Ltda., Sociedad de Ahorro Atacalco Dos Ltda. and Sociedad de Ahorro Alisios Dos Ltda.	Representing himself and his children.
Jorge Marín Correa	7.639.707-4	10.95% through Inversiones Hemaco Ltda., Polo Sur Soc. de Rentas e Inv. San Antonio Ltda, Sociedad de Rentas Don Ernesto Ltda. and Don Guillermo S.A.	Representing himself, his spouse, children, siblings, nieces, nephews and aunts and uncles.

SOURCE: GRUPO SECURITY



#### STOCK PERFORMANCE AND SHAREHOLDER RIGHTS

As of December 31, 2021, the Group had 4,042,335,913 single-series shares and 518 registered shareholders.

#### TOTAL SHAREHOLDERS

2019	2020	2021
412	486	518

AS OF DECEMBER 31, THE SHARE BUYBACK PROGRAM TOTALED 38,395,994 SHARES.

SHARE TRANSACTIONS

	AVERAGE PRICE (CH\$)	MARKET PRESENCE	VOLUME (MCH\$)	VALUE TRADED (MCH\$)
2019	258		489	126,267
1Q 2019	285	99.44%	171	48,689
2Q 2019	275	100%	101	27,771
3Q 2019	254	99.44%	80	20,483
4Q 2019	214	99.44%	137	29,217
2020	152		598	90,980
1Q 2020	169	98.89%	209	35,392
2Q 2020	147	98.33%	159	23,442
3Q 2020	148	95.00%	124	18,328
4Q 2020	132	91.7%	106	13,981
2021	134		515	69,176
1Q 2021	158	91.11%	111	17,477
2Q 2021	145	95.00%	127	18,377
3Q 2021	127	96.11%	76	9,737
4Q 2021	117	97.78%	201	23,584

NOTE: NUMBER OF SHARES AND TRADED VALUE COME FROM SANTIAGO EXCHANGE AND THE CHILEAN ELECTRONIC STOCK EXCHANGE. SOURCE: GRUPO SECURITY



#### OTHER SECURITIES ISSUED, OTHER THAN SHARES OUTSTANDING

BOND SERIES	REGISTRATION NUMBER	ISSUANCE DATE	CURRENCY	AMOUNT	ANNUAL INTEREST RATE	TERM (YEARS)	MATURITY
F	620	9/15/09	UF	41,938	4.50	23	9/15/32
К	763	6/30/13	UF	3,000,000	4.00	25	6/30/38
L3	795	10/09/14	UF	3,000,000	3.40	21	11/15/35
М	842	10/25/16	UF	1,189,000	4.20	25	10/15/41
N1	885	1/31/18	UF	1,500,000	2.85	25	12/10/42
S	1,036	6/30/20	UF	1,000,000	2.00	20	6/30/40
TOTAL			UF	9,730,938			

SOURCE: GRUPO SECURITY

### **DIVIDEND POLICY**

The current dividend policy, approved at the annual general meeting on April 6, 2021, establishes to distribute at least 30% of profit for the year, split into an interim and a final dividend. To this end, at the AGM shareholders agreed to grant the Board of Directors the authority to distribute, if deemed appropriate, an interim dividend between October and November of each year as appropriate, charged to the company's profit for January to June of that year, and second to distribute a final dividend in April or May of 2021 to reach 30% of the company's profit. At the meeting, shareholders also agreed to distribute an additional dividend out of retained earnings from prior years of CH\$4.5 per share, and authorized the Board of Directors to set its payment date during 2021.

DIVIDENDS PAID CALENDAR YEAR - MCH\$	INTERIM	FINAL*	TOTAL	PER SHARE
2019	8,129	37,135	45,264	12.25
2020	3,032	38,644	41,676	10.95
2021	12,097	31,303	43,401	10.75

\* FINAL DIVIDEND INCLUDES ADDITIONAL DIVIDEND. SOURCE: GRUPO SECURITY

SOURCE: GRUPO SECURITY

## **RISK RATING**

#### RISK RATING OF GRUPO SECURITY'S MAIN COMPANIES

NAME	GRUPO SECURITY	BANCO SECURITY	VIDA SECURITY	FACTORING SECURITY	INVERSIONES PREVISIÓN SECURITY
FITCH RATINGS (LOCAL)	AA-	AA	AA	AA-	A+
ICR (LOCAL)	AA-	AA	AA	AA-	A+
FITCH RATINGS (INTERNATIONAL)		BBB			

\* THE RISK CLASSIFICATION, WHERE APPLICABLE, OF EACH OF THE GROUP'S COMPANIES IS DISCLOSED IN THE APPENDICES. SOURCE: GRUPO SECURITY

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 02 **CORPORATE** governance

Grupo Security has a governance framework in place to ensure that the activities of its companies are conducted in a responsible manner consistent with corporate values.



CREATING VALUE

APPENDICES

FINANCIAL STATEMENTS





GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



# **CORPORATE** governance

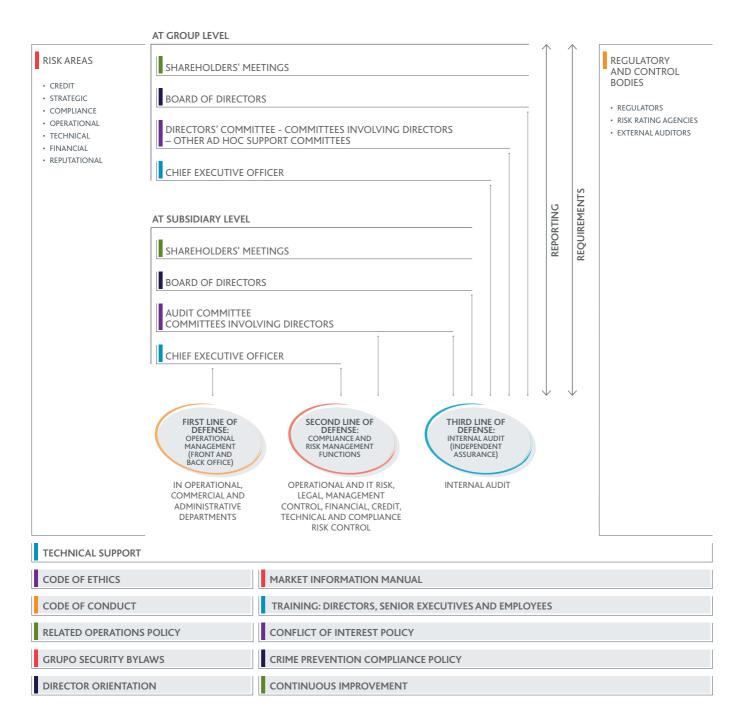
## **GOVERNANCE** framework

In its ongoing commitment to its stakeholders, Grupo Security has gradually incorporated good corporate governance practices, abiding by its bylaws and complying with current corporate regulations, in addition to the regulations that apply to the specific industries in which the Group's companies operate in their respective countries of operation (Chile and Peru).

The company has a governance framework that aims to ensure that the activities of its companies are carried out responsibly and in line with its purpose, vision, mission and values, which translates into a sustainable business strategy, with innovative, ethical and transparent business practices, and with due diligence in decision making, prioritizing and mitigating corporate risks. It also ensures the promotion of mechanisms that protect the company's interests and promote the efficient use of resources, with the ultimate goal of creating value for its stakeholders.



### CORPORATE GOVERNANCE BASED ON COMPREHENSIVE RISK MANAGEMENT AT GRUPO SECURITY



CORPORATE GOVERNANCE **GRUPO SECURITY** COMPANIES

**BOARD OF** directors



HORACIO PAVEZ GARCÍA DIRECTOR



ANA SAÍNZ DE VICUÑA BEMBERG DIRECTOR



FRANCISCO SILVA SILVA CHAIRMAN OF THE BOARD



NAOSHI MATSUMOTO TAKAHASHI DIRECTOR



JORGE MARÍN CORREA DIRECTOR



BRUNO PHILIPPI IRARRÁZABAL DIRECTOR





JUAN CRISTÓBAL PAVEZ RECART DIRECTOR



MARIO WEIFFENBACH OYARZÚN DIRECTOR



Grupo Security's corporate governance is headed by a Board of Directors, which is responsible for issuing directives, monitoring and controlling the guidelines that ensure the company's proper operation. It also actively participates in defining business strategy.

## 11% women

PARTICIPATION ON BOARDS OF DIRECTORS



RTICIPATES ONLY ON GRUPO SECURITY BOARDS OF DIRECTORS

SOURCE: GRUPO SECURITY

CHILEAN

11% Independent members

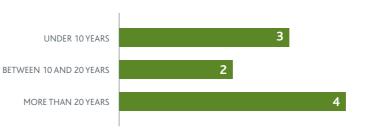
12 ordinary meetings

6 EXTRAORDINARY MEETINGS

98% AVERAGE ATTENDANCE OF DIRECTORS



#### SENIORITY ON THE BOARD



3

6

SOURCE: GRUPO SECURITY

#### **GRUPO SECURITY BOARD OF DIRECTORS**

DIRECTORS	POSITION	AGE	NATIONALITY	EFFECTIVE TERMS AS DIRECTOR	ATTENDANCE, BOARD MEETINGS	ATTENDANCE, DIRECTORS' COMMITTEE
Francisco Silva Silva	Chairman	80	Chilean	10	18/18	
Hernán de las Heras Marín	Independent Director	67	Chilean	3	18/18	13 of 13
Jorge Marín Correa	Director	61	Chilean	9	18/18	13 of 13
Naoshi Matsumoto Takahashi	Director	85	Chilean	10	18/18	
Horacio Pavez García	Director	83	Chilean	10	18/18	12 of 13
Juan Cristóbal Pavez Recart	Director	51	Chilean	6	18/18	
Bruno Philippi Irarrázabal	Director	77	Chilean	3	18/18	
Ana Saínz de Vicuña Bemberg	Director	59	Spanish	4	15/18	
Mario Wiffenbach Oyarzún	Director	77	Chilean	2	18/18	

SOURCE: GRUPO SECURITY

THE TERM IS DEFINED AS ESTABLISHED IN THE BYLAWS AND PURSUANT TO THE PROVISIONS OF LAW NO. 18,046 OF THE CORPORATIONS ACT.

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

#### FRANCISCO SILVA SILVA CHAIRMAN OF THE BOARD

CHILEAN NATIONAL ID: 4.103.061-5

Business leader with a long track record managing several companies in the financial, banking, insurance and industrial sectors. He has served as Chairman of Grupo Security for more than 30 years.

In 1987, he was chairman of Banco Security Pacific Chile and from that position he became one of the founders of Grupo Security (1991), a group of companies that renders services and consultancy in lending, insurance, asset management, travel and real estate projects, which was born from the creation of Corredora de Bolsa Security and has become a major company, considered one of the publicly traded corporations with the largest stock market presence in Chile (IPSA). Moreover, it has expanded internationally by acquiring Protecta and Travex companies in Peru and opening a representative office in Hong Kong.

Francisco Silva has a degree in civil engineering from Pontificia Universidad Católica de Chile and a Master of Science in engineering from Stanford University. Throughout his professional career he has been, among others, finance manager of Banco del Trabajo, vice-president of Chase Manhattan Bank N.A., director of operations of the Chilean Central Bank, vice-president and president of ICARE.

He is currently a director of several subsidiaries of Grupo Security and chairman of the Chile-China Bilateral Business Committee of Sofofa.

#### HORACIO PAVEZ GARCÍA DIRECTOR

CHILEAN NATIONAL ID: 3.899.021-7

With more than 50 years of experience in the construction industry, he is a founding partner of Sigdo Koppers and Grupo Security. He also has an outstanding track record as a businessman and trade association leader.

In 1974, together with a group of professionals from Sigdo Koppers, he participated in the takeover of the company, which started a process to develop and expand one of the main industrial conglomerates in Chile, with operations on six continents.

As a founding partner of Grupo Security, he has served on the boards of the Group and its subsidiaries. His analytical skills and strategic vision, together with his knowledge of the needs of the companies, have been decisive in supporting the growth of Grupo Security.

Horacio Pavez holds a degree in civil construction from Universidad Federico Santa María, where he later served as a member of its board. His experience in the construction industry has led him to hold various positions in the Chilean Chamber of Construction, where he served as Chairman from 1998 to 2000.

Currently, in addition to serving as a director of Grupo Security, he sits on the boards of Grupo Sigdo Koppers, Ingeniería y Construcción Sigdo Koppers, FEPASA and Energía Latina S.A. He is chairman of Empresas Villuco Group, a family holding company.

#### ANA SAÍNZ DE VICUÑA BEMBERG DIRECTOR

CHILEAN ID NUMBER: 48.128.454-6

Businesswoman with more than 35 years of experience in the financial sector. She started in 1984 at Merrill Lynch in Spain. She joined the board of Grupo Security in 2009, contributing with her international experience and knowledge of the European markets.

Director in Spain of two Ibex companies, where she actively participates in the Sustainability and Corporate Governance Committees. She brings her expertise in international regulatory matters as well as in sustainability, one of Grupo Security's main focuses. She is involved in her family group's financial business in the field of private equity and asset management, mainly in Europe and the United States.

Ana Sainz holds a degree in agricultural economics from Reading University in the United Kingdom and completed a Management Development Program at Harvard University. She worked for 18 years at Merrill Lynch, where she held various management positions. She served as Chief Operating Officer, responsible for the finance, operations, systems and human resources teams.

Besides being a member of the Board of Directors of Grupo Security, she is also a member of the Board of Directors of Acciona S.A., a leading company in infrastructure and renewable energies, and of Prosegur Cash, a leading company in cash transportation. She is an active member of the board of trustees of Fundación Altamar and Fundación Arpe in Spain.

Date elected: 04/29/2019

Date elected: 04/29/2019

FINANCIAL STATEMENTS

#### NAOSHI MATSUMOTO TAKAHASHI DIRECTOR

CHILEAN NATIONAL ID: 3.805.153-9

He has more than 50 years of experience as a businessman. He has actively promoted and encouraged the strengthening of relations between Chile and Japan. He is a founding partner of Sigdo Koppers and Grupo Security.

In 1961 he started as general controller of the company Ingeniería y Construcción Sigdo Koppers S.A. Then, in 1974, together with a group of executives of Ingeniería y Construcción Sigdo Koppers, he participated in the takeover of the company, which started a process to develop and expand one of the main industrial conglomerates in Chile, with operations on six continents.

He has been a director of Grupo Security for more than 30 years. He has also been a director of several of its subsidiaries, where he has contributed his vast experience, playing a key role in the Group's development and growth.

Naoshi Matsumoto Takahashi holds a degree in business administration from Pontificia Universidad Católica de Chile. During his career he has held various leadership positions, mainly at Sigdo Koppers, where he has been a director of Enaex S.A., Puerto Ventanas S.A., Ferrocarril del Pacífico S.A., SK Comercial S.A. and SK Bergé, among other companies.

He is currently a director of Grupo Security, Vice-Chairman of the Board of Directors and member of the Directors' Committee of Sigdo Koppers S.A., and a director of Ingeniería y Construcción Sigdo Koppers S.A., Ingeniería y Construcción Sigdo Koppers Group S.A. and Converge S.A.

#### JORGE MARÍN CORREA DIRECTOR

CHILEAN NATIONAL ID: 7.639.707-4

Businessman with an extensive track record of more than 39 years in the financial, construction, industrial and energy sectors, in which he has held prominent executive positions both in Chile and abroad. He is a founding partner of Nevasa S.A. Corredores de Bolsa, and CEO of Rentas Santa Marta Ltda. and Inversiones Hemaco Ltda. He chaired the board of Grupo CGE between 2006 and 2014, a position from which he led the sale of the Spanish holding company to Gas Natural Fenosa (now Naturgy).

He has been an active shareholder and director of Grupo Security since 1994. As a member of the Boards of Grupo Security and Banco Security, he has contributed his local and international financial expertise to their development and growth, helping build them into large-scale companies.

Jorge Marín has a technicalprofessional degree in finance and marketing. He has also completed postgraduate studies in finance and marketing at PROSAD IPEVE, as well as a PADE from the Business School of Universidad de Los Andes, Chile. He has held several positions such as chairman of the board of directors of the CGE Group, in national and international subsidiaries, director of EMEL Norte S.A., Gasco S.A., Indiver S.A., Transnet S.A., Sopraval S.A., ICARE and Emec S.A., among others.

In addition to serving as a director of Grupo Security, he is currently a member of the Boards of CMPC S.A. and Detroit S.A. In the latter, he is vicechairman.

#### JUAN CRISTÓBAL PAVEZ RECART DIRECTOR

CHILEAN NATIONAL ID: 9.901.478-4

Businessman with vast experience in business management in the financial, industrial, energy, insurance and pharmaceutical sectors. He is CEO of Centinela, an investment company linked to his family, with interests in different areas, including the financial and energy industries. Centinela is one of the main shareholders of Grupo Security.

He has been a board member of Group Security since 2002. He has also served on the Boards of Vida Security since 2008 and Banco Security since 2020.

Juan Cristóbal Pavez has a degree in business administration from Pontificia Universidad Católica de Chile and an MBA from the Massachusetts Institute of Technology (MIT).

Over the course of his professional career, he has been CEO of Santana and Laboratorios Andrómaco, among other positions. He was also cofounder and CFO of Eventures, an Internet company with subsidiaries in Chile, Argentina and Brazil.

He has also been a director of several companies, including: Geopark, Enaex S.A., CTI S.A., Frimetal S.S., Quintec and vice-chairman of Laboratorios Andrómaco. He is currently a director of Grupo Security and several of its subsidiaries, and is president of the Instituto de Estudios de la Sociedad (IES).

Date elected: 04/29/2019

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

#### HERNÁN DE LAS HERAS MARÍN INDEPENDENT DIRECTOR

CHILEAN NATIONAL ID:

6.381.765-1

Independent director of Grupo Security since 2013. He worked for Banco de Santiago and its subsidiaries for more than 25 years, serving in many positions and making an important contribution to the bank's success. He has vast knowledge of the financial sector, which has contributed to his work within the Group's Board of Directors.

From 1980 to date, he has also been involved in asset management, real estate and textile importing.

Hernán de las Heras holds a degree in business administration from Universidad de Chile. He served as commercial manager and credit manager of Banco Colocadora Nacional de Valores and director of Banco Torquist (Argentina). He was a director of Banco de Santiago, where he also held other positions, including advisor to the chairman of Banco de Santiago, executive director of Santiago Leasing and executive director of Santiago Corredores de Bolsa.

Currently, in addition to being a member of the Board of Directors of Grupo Security, he is CEO of Inversiones y Servicios Víctor Ltda. and Las Heras Hermanos Ltda.

Date elected: 04/29/2019

#### BRUNO PHILIPPI IRARRÁZABAL DIRECTOR

CHILEAN NATIONAL ID: 4.818.243-7

Renowned scholar, businessman, researcher, consultant and trade association leader. He has over 50 years of experience in the financial and industrial sectors. He was chairman of the Chilean Manufacturers' Association (Sociedad de Fomento Fabril) from 2005 to 2009.

He is one of the founding partners of Grupo Security, where he has served as a director for more than eight years. With his extensive knowledge, he has helped the Group develop and grow into a large-scale enterprise.

Bruno Philippi has a degree in civil engineering from Pontificia Universidad Católica de Chile and a Master's degree in Operations Research and a PhD in Economic Systems Engineering from Stanford University (California, USA). In 1967, he began an academic career as a professor and researcher in systems engineering at Pontificia Universidad Católica de Chile, and later became a full professor and Director of Development of the School of Engineering at the same university. His expertise in energy issues led him to become a consultant to the World Bank.

He has served, among other positions, as chairman of the board of Gener S.A. with its expansion to Argentina (Puerto Ventanas), Colombia (Chivor), as well as in other countries; chairman of the board of Telefónica (CTC Chile); director of Cencosud, director of Fundación Chile, director of Magotteaux (Belgium) and advisor to Conicyt, Fosis and Consejo de Innovación.

Currently, in addition to being a director of Grupo Security and due to his interest in education, he is a member of the Board of Directors and the Council of Universidad Andrés Bello.

#### MARIO WEIFFENBACH OYARZÚN DIRECTOR

CHILEAN NATIONAL ID: 4.868.153-0

Businessman with more than 40 years of experience in the commercial, financial, industrial and professional services sectors, in which he has held various executive positions.

He has been a founding partner and shareholder of Grupo Security since its inception. With his extensive accounting and financial knowledge, he has made a great contribution to the growth of the company, participating in its Board and those of its subsidiaries.

Mario Weiffenbach holds a degree in business administration and accounting from Universidad de Chile.

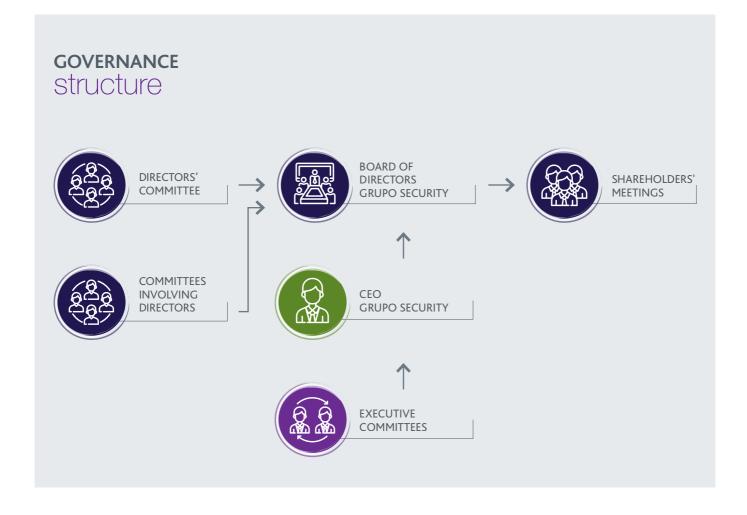
He is founding director of Weiffenbach Profesionales SpA, a company that since 1982 has been providing professional consulting and support to individuals and small and mediumsized domestic and foreign companies in the accounting, administration, finance, auditing and taxation sectors.

He has held several positions, such as: Finance Manager of Indisa S.A. and Automotriz Curifor S.A. and member of the Board of Directors of Compañía de Seguros Generales La Previsión S.A., Security Merchant S.A., Melón S.A., Tricahue S.A., Antarfish S.A., Agrona S.A., Forestal Copihue S.A., Consorcio Maderero S.A., Bosques de Chile S.A., Gec Alsthom S.A..

Currently, in addition to being a director of Grupo Security, he serves as alternate director of Banco Security and director of Factoring Security. He is a director of Don Ma S.A. and Inversiones Kassel Ltda.

Date elected: 04/29/2019





The Board of Directors of Grupo Security is composed of nine directors, who serve for three years, after which period the Board of Directors must be completely renewed, and its members may be re-elected indefinitely in accordance with the provisions of its bylaws and in compliance with Law No. 18,046 on Corporations.

The last election of the Group's directors was held on April 29, 2019, so the next election will take place in April 2022. Grupo Security does not have alternate directors.

## main board activities 2021

The following is a selection of the main activities of the Board of Directors in 2021:

## STRATEGY MATTERS

BOARD ACTIVITY	MATTER
Analysis / Monitoring	<ul> <li>Follow-up on COVID-19-related measures.</li> <li>Corporate Affairs Management Report on Brand Care, Strategic Communication and Public Relations, Quality, Sustainability, Community and Environmental Relations.</li> <li>Biannual report from the Controller (appointed by the Board of Directors as the person responsible for the Prevention Model) on compliance with the Crime Prevention Model.</li> </ul>
Approval / Leadership	<ul> <li>The Board of Directors approved the granting of a loan or a reciprocity agreement to the subsidiary Inversiones Security Perú SAC, as a debtor, for a total amount of US\$1,100,000.</li> <li>Optimization of the structure and personnel costs in Security companies in Chile.</li> <li>Governance and Cybersecurity Report Analysis. Approval of the Group's Risk Policy update regarding cybersecurity.</li> </ul>

## REGULATORY MATTERS

BOARD ACTIVITY	MATTER
Analysis / Monitoring	<ul> <li>Status of Basel III implementation at the Bank and Regulatory Capital Self-Assessment Report (EAPR).</li> <li>Possible impacts and effects of Law No. 21,330, which allows annuity retirees to make withdrawals charged to technical reserves of contracted pensions.</li> <li>Changes in the areas of corporations, securities market, insurance, prevention of money laundering and others introduced by Law No. 21,314.</li> <li>Periodic compliance review with Law 20,393 and 19,913 (Crime Prevention Model, including subsidiaries).</li> </ul>
Approval / Leadership	<ul> <li>Agreement, approval and acceptance of the terms of the Conflict of Interest Policy for Grupo Security and subsidiaries.</li> <li>Corporate governance self-assessment report in accordance with the provisions of NCG No. 385 of the CMF.</li> <li>Summons to an extraordinary shareholders' meeting of the company on August 25, 2021, to approve the creation of a share buyback program pursuant to Articles 27A to 27C of Law No. 18,046.</li> </ul>

#### TRAINING MATTERS

BOARD ACTIVITY	MATTER
Approval / Leadership	<ul> <li>Dates for training of the Board of Directors, by specialized lawyers, in matters related to changes introduced by Laws No. 20,393 and No. 21,314.</li> </ul>

### AUDIT MATTERS

BOARD ACTIVITY	MATTER
Analysis / Monitoring	<ul> <li>Approval of the 2021 annual audit plan.</li> <li>Status of compliance with the annual audit plan of Grupo Security and subsidiaries for 2021.</li> </ul>

## **BOARD** orientation

Prior to the start of a new director's term on the Board of Directors, Grupo Security carries out a New Director Orientation Program, which has been previously approved by the Board of Directors and is managed and executed by the Chief Executive Officer.

This program involves meetings between the new director and different Group executives, with the purpose of gaining access to relevant and timely information on the company.

Some of the most relevant topics included in the Orientation Program include:

• Information regarding the Group's purpose, vision, mission, strategic objectives, principles and values.

- Information on the operation of the Board of Directors.
- Information on incentives and compensation structure of key executives.
- Description of the businesses and industries in which the company operates.
- Description of the company's inclusion, diversity, sustainability and risk management policies.
- Background information on the current legal framework governing the company's operations.
- Description of the Group's conflict of interest policies.



## FREQUENCY OF MEETINGS with key teams

The Risk Management and Audit unit of Grupo Security meets once a month with the Directors' Committee and at least every six months with the Board of Directors to report on risk management, audits carried out during the period, follow-up of action plans and also to report on compliance with the Crime Prevention Model and regulatory changes. The Board of Directors meets with the external auditor to review the annual audit plan, the Management Letter and the annual and interim financial statements. Similarly, the external auditor reports on the results of its work at the corresponding board meeting. GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE GRUPO SECURITY COMPANIES

## **ASSESSMENT AND** continuous improvement

As part of Grupo Security's interest in and commitment to develop a sustainable business strategy, during the last quarter of 2020, a consulting firm specializing in environmental, social and corporate governance (ESG) matters was hired to carry out a diagnosis and draft an ESG Strategic Plan. The initiative, led by the Corporate Affairs Division, contemplates the effective implementation of improvements in corporate governance, which will be rolled out between 2021 and 2022. This Strategic ESG Plan includes the following:



CORPORATE GOVERNANCE SCREENING

Based on an international, robust and independent methodology, we analyze and diagnose the corporate governance processes, policies and practices at Grupo Security, in order to confirm compliance with the General Corporations Act.

An ESG assessment is also carried out to identify potential improvement opportunities and strengths in comparison with the Group's peers in the relevant industry sector. Furthermore, the methodology considers an in-depth review of **Interlocking Directorates**, in order to rule out any ties that may jeopardize or impact free competition.



DIRECTOR TRAINING WORKSHOPS

These workshops will be designed and executed in 2022 in order to procure a better understanding of the general concepts and specific contents of ESGrelated topics. A cascade methodology is also being considered for rolling out these workshops to the entire organization.



The policy will be drafted and approved by the Board of Directors in 2022, formalizing the continued interest in integrating these factors into the corporate strategy.



REVIEW OF COMMITTEES INVOLVING DIRECTORS

Together with recognized international advisors, a review was conducted in 2021 of all the committees involving Group directors. The resulting proposals will be analyzed over the course of 2022.

NOTE: THE NATIONAL ECONOMIC PROSECUTOR'S OFFICE DEFINES "INTERLOCKING" AS A LINK BETWEEN TWO COMPETING COMPANIES, WHICH OCCURS WHEN THEY DIRECTLY OR INDIRECTLY SHARE PERSONS IN THEIR RELEVANT EXECUTIVE POSITIONS OR ON THEIR BOARDS OF DIRECTORS (SOURCE: FNE.GOB.CL).



## **BOARD** compensation

NAME		TENDANCE NSATION		CTORS' OMPENSATION	AU COMMITTEE CO		PROFIT	SHARING	FE	ES
GRUPO SECURITY · AMOUNTS IN UF	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Francisco Silva Silva	850	850	-	-	-	-	10,605	4,374	-	-
Hernán de las Heras Marín	595	595	165	195	-	-	648	343	-	-
Bruno Philippi Irarrázabal	525	595	-	-	_	-	648	343	_	-
Ana Saínz de Vicuña Bemberg	560	490	-	-	-	-	648	343	-	-
Jorge Marín Correa	595	595	150	195	-	-	-	-	-	-
Naoshi Matsumoto Takahashi	595	595	-	-	-	-	648	343	-	-
Juan Cristóbal Pavez Recart	595	595	-	-	-	-	648	343	-	-
Horacio Pavez García	595	595	150	180	-	-	648	343	-	-
Mario Weiffenbach Oyarzún	595	595	-	-	-	-	-	-	-	-
TOTAL GRUPO SECURITY	5,505	5,505	465	570	-	-	14,492	6,431	-	-
BANCO SECURITY · AMOUNTS IN UF	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Francisco Silva Silva	600	1,125	-	-	-	-	-	-	11,949	11,911
Jorge Marín Correa	600	1,125	-	-	186	287	648	638	-	-
Horacio Pavez García <sup>(*)</sup>	150	-	-	-	30	-	-	-	-	-
Juan Cristóbal Pavez Recart	-	1,050	-	-	-	-	-	-	-	295
Mario Weiffenbach Oyarzún	100	150	-	-	117	257			1,958	295
TOTAL BANCO SECURITY	1,450	3,450	-	-	333	544	648	638	13,907	12,501
VIDA SECURITY · AMOUNTS IN UF	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Francisco Silva Silva	341	372	-	-	-	-	-	-	-	-
Juan Cristóbal Pavez Recart	341	372	-	-	-	-	-	-	-	-
TOTAL VIDA SECURITY	682	744	-	-	-	-	-	-	-	-
FACTORING SECURITY · AMOUNTS	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
Mario Weiffenbach Oyarzún	140	420	-	-	-	-	648	343	1,767	2,100
TOTAL FACTORING SECURITY	140	420	-	-	-	-	648	343	1,767	2,100

\* HORACIO PAVEZ GARCÍA STEPPED DOWN AS A DIRECTOR OF THE BANK IN APRIL 2020.

SOURCE: GRUPO SECURITY

Grupo Security has a budget allocated by shareholders at the annual general meeting to hire consultants, which can be used by the Board of Directors collectively. Whenever each director deems appropriate, he/she may formally request the Board of Directors to use this budget for hiring these consultants, which must be approved by a simple majority of the Board of Directors. Based on the activities carried out by the Board of Directors in 2021, and in view of the diligent exercise of their duties, the directors considered that the resources, knowledge and regular advisors available to the Group were adequate. As such, no additional advisory services were deemed necessary, nor was it necessary to use the budget allocated at the shareholders' meeting for such purposes. In 2021, the external audit of the Financial Statements was performed by EY Servicios Profesionales de Auditoría y Asesorías SpA.



## ordinary and extraordinary board meetings

The Board meets on a monthly basis, without exceptions, and can also hold extraordinary meetings whenever necessary. In 2021, it met 18 times (12 ordinary and 6 extraordinary sessions), addressing issues related to Grupo Security's business performance.

The Board of Directors has an extranet in place, which allows each director to securely, remotely and permanently access all minutes and documents viewed at each board meeting over the last 11 years, according to a sorting mechanism that facilitates indexing and searching for information. The minutes of the meetings are published and signed electronically on a duly certified technological platform. Documents may also be requested in physical form at the Group's offices.

In 2021, the Board of Directors met remotely and participated online due to the COVID-19 health crisis. The technological platform used by each director was Webex. It guarantees adequate safekeeping of data and that the session is carried out under the highest data security standards, ensuring compliance with the law.

## BOARD committees

The directors of Grupo Security are members of different committees, which seek to match the activities of the Group's companies with the defined sustainable business strategy. It also ensures alignment with institutional values, the purpose and parameters defined for risk mitigation, as well as care of the company's self-regulation and compliance with current regulations.



## DIRECTORS' COMMITTEE

Grupo Security has a committee established pursuant to Article 50 bis of Law No. 18,046. In 2021, the committee met 13 times.

In both 2020 and 2021, it consisted of:

- Hernán de las Heras Marín\*, (appointed 04/29/2019) (Independent Director)
- Jorge Eduardo Marín Correa (appointed 04/29/2019)
- Horacio Pavez García (appointed 04/29/2019)

#### ACTIVITIES OF THE 2021 DIRECTORS' COMMITTEE

- Permanently monitor compliance with the established Annual Internal Audit Plan of the Group and subsidiaries.
- Regularly check the most important operational, technological, compliance and credit risks as identified through comprehensive risk management and implemented at each subsidiary.
- 3. Periodically review the progress of the annual internal, traditional, remote and continuous audit plan, of the main audit findings in the different lines of business and companies of Grupo Security, and follow up on compliance with the commitments undertaken to resolve the audit observations, focusing on the action plans, as well as on the development of continuous auditing and the ongoing projects of the Corporate Controller's office.
- Be aware of and follow up on the progress and findings of the information security, cybersecurity, business continuity and data protection audit.
- 5. Be aware of regulatory changes made by regulatory bodies during the year.

- Periodically review compliance with the duties established in Laws No.
   20,393 (on Criminal Liability of Legal Entities) and No. 19,913 (on the Financial Analysis Unit and amending Provisions on Money and Asset Laundering) both in the Group and its subsidiaries.
- Monitor statistics on reports, alerts, donations, attendance at corporate compliance committee meetings and the status of certifications under Law No. 20,393.
- Regularly review any loss events reported by the Group's various companies.
- Receive the report of complaints received by the Group and its subsidiaries.
- 10. Be informed of transactions between related companies, subsidiaries and partners of Grupo Security, as reported by them. Regarding this last item, the Directors' Committee has verified compliance with the General Policy on the Company's Routine Customary Transactions with Related Parties, approved at board meeting No. 211 on April 29, 2010, and subsequent amendments to such policy.

- 11. The committee meets at least three times a year to review the Annual Audit Plan, examine the review of the interim financial statements, examine and review the report of the independent auditors, the balance sheet and the other consolidated financial statements addressed to the shareholders of Grupo Security and its subsidiaries.
- 12. Quote external auditing services for the corresponding fiscal year and propose the names to the Board of Directors.
- **13.** Recommend the hiring of risk rating agencies.
- Address other topics of interest to the committee and matters regarding internal auditing.
- Review the compensation systems and compensation plans presented by the Corporate Culture Division.
- **16.** Acknowledge the Regulatory Capital Self-Assessment Report (IAPE).
- **17.** Review the management report issued by the Directors' Committee.

GRUPO SECURITY AT A GLANCE

CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

#### COMPENSATION OF DIRECTORS' COMMITTEE MEMBERS

At the annual general meeting, shareholders agreed to set an attendance fee of UF 15 per meeting for 2021, with a maximum of 12 paid meetings throughout the year.

FOR FURTHER DETAILS ON THE COMPENSATION OF THE MEMBERS OF THIS COMMITTEE SEE THE DIRECTORS' COMPENSATION TABLE -PAGE 49.

#### ADVISORY SERVICES CONTRACTED BY THE DIRECTORS' COMMITTEE

In 2021, the directors sitting on the committee considered that the resources, knowledge and regular advisors available to the Group were adequate to perform its role, so the hiring of additional advisors was not deemed necessary, nor was the use of the allocated budget.

## REPORTING TO THE BOARD OF DIRECTORS

The Directors' Committee reports to the Board of Directors through an annual management report. Throughout the year, each time the committee presents a specific topic to the Board of Directors, the Board is actively notified of the work performed by the Directors' Committee. The Controller also reports semiannually to the Board of Directors, including the matters discussed by the Directors' Committee.

## **OTHER COMMITTEES AT GRUPO SECURITY**

#### **BOARD COMPENSATION COMMITTEE**

This committee seeks to collaborate with the Directors' Committee to inform the Board of Directors on the compensation structure, market studies on compensation and incentives for senior executives and employees of the Group.

Due to the pandemic, the Strategy, Planning and Development, Marketing and Quality, Operations and IT committees did not meet and are currently in the process of restructuring for 2022.



## senior management



FERNANDO SALINAS PINTO CORPORATE FINANCE AND PERFORMANCE MANAGER



ISABEL ALLIENDE KINGSTON CORPORATE CULTURE MANAGER



RENATO PEÑAFIEL MUÑOZ CHIEF EXECUTIVE OFFICER



FELIPE HERNÁN JAQUE SARRO CHIEF ECONOMIST



PAULINA GUERRA MÉNDEZ CORPORATE AFFAIRS MANAGER





FRANCISCO LETELIER BALLOCCHI CORPORATE DIGITAL AND DATA MANAGER



SANDRA ROITMAN CACHI CORPORATE TECHNOLOGY MANAGER



RODRIGO CARVACHO CONTRERAS CORPORATE SERVICES MANAGER



ALFONSO VERDUGO RAMÍREZ DE ARELLANO CORPORATE BUSINESS RISK MANAGER AND CONTROLLER

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

#### RENATO PEÑAFIEL MUÑOZ CHIEF EXECUTIVE OFFICER

CHILEAN NATIONAL ID: 6.350.390-8

Businessman with more than 40 years of experience in the financial sector, where he has held various executive positions in banking, insurance, asset management, among others. For more than 30 years he has been the CEO of Grupo Security, as well as one of its founders.

Under his administration, he has been able to drive and boost Grupo Security's development, a financial business that began in 1987 with the creation of Corredora de Bolsa Security. Since then, it has become a major company, considered one of the publicly traded corporations with the largest stock market presence in Chile (IPSA). It has expanded internationally by acquiring Protecta and Travex companies in Peru and opening a representative office in Hong Kong.

Renato Peñafiel holds a degree in business administration from Pontificia Universidad Católica de Chile and Master of Arts in Economics from the University of Chicago. Throughout his professional career he has served, among others, as director of financial policies at the Chilean Central Bank, and professor at Pontificia Universidad Católica de Chile and Universidad de Chile.

He also currently sits on the boards of several subsidiaries of Grupo Security and is an active member of the board of directors of the Association of Banks and Financial Institutions of Chile (ABIF), COMBANC and COMDER, these last two being companies that support the banking business. FERNANDO SALINAS PINTO CORPORATE FINANCE AND PERFORMANCE MANAGER

CHILEAN NATIONAL ID: 8.864.773-4

Business Administration and Master of Business Administration, Pontificia Universidad Católica de Chile and Stanford Executive Program, Stanford University.

Fernando Salinas has been the Finance and Corporate Manager of Grupo Security since 2005. He joined Grupo Security in 2003. He plays an active and decisive role overseeing the budget and management control divisions of all subsidiaries, as well as the strategic initiatives carried out by the various companies. He is involved in confidential matters, such as executive compensation models, new business valuation, mergers and acquisitions and capital structure decisions. Between 1996 and 2003, he held various positions at Banmédica, a leading healthcare company in Latin America.

Date appointed: 01/11/.2005

ISABEL ALLIENDE KINGSTON CORPORATE CULTURE MANAGER

CHILEAN NATIONAL ID: 13.551.750-K

Industrial Engineer, Pontificia Universidad Católica de Chile

Isabel Alliende has been Corporate Culture Manager since August 2020. She is responsible for fostering an organizational culture based on the values that define the Security companies: closeness, transparency and professionalism. She focuses on developing workplace practices to strengthen the corporate culture, which is centered around the customer experience, work-family balance and the professional and personal growth of employees.

She joined Grupo Security in 2011 as Deputy Compensation and Benefits Manager, reporting to the Corporate Culture Manager, and held the position for nine years. Before joining Grupo Security, she was Head of Retail Compensation for Walmart Chile (2009-2011).

Date appointed: 08/17/2020



#### FELIPE HERNÁN JAQUE SARRO CHIEF ECONOMIST

CHILEAN NATIONAL ID: 10.577.183-5

Business Administration, Universidad de Chile and Master of Science, Economics and Finance, Warwick University, U.K.

Felipe Jaque is the Chief Economist at Grupo Security. He heads a team of nine investment analysts and economists who study local and global markets with a special focus on fixed income assets, equities and the economy of Chile, Latin America and the main developed and emerging economies, culminating in investment recommendations for the main asset classes.

Before joining Grupo Security he worked as Research and Strategy Manager at LarraínVial (Chilean investment bank), as Chief Economist at BBVA Group, BBVA Research Chile, and in different positions within the Research and International Division of the Chilean Central Bank, where he last worked as head of the International Situation and Projections Group. He has also worked as an undergraduate and graduate professor of economics and finance at Universidad de Chile and Universidad del Desarrollo. PAULINA GUERRA MÉNDEZ CORPORATE AFFAIRS MANAGER

CHILEAN NATIONAL ID: 12.264.077-9

Business Administration, Universidad Católica de Chile, and MBA, ESE Universidad de los Andes.

Paulina Guerra was named Grupo Security's Corporate Affairs Manager in September 2021. She joined Grupo Security in 2004. In this role, she is responsible for providing guidelines on environmental, social and corporate governance (ASG) aspects, reputation, editorial lines, brand, quality, advertising and public affairs for both the holding and its subsidiaries.

She previously served as Corporate Commercial Control Manager, overseeing and monitoring company budgets. During that period, Grupo Security was awarded the international Global Transformation Award from Qlik Sense.

In 2014 she was a member of the ESE Alumni Association Advisory Board and part of the Board of Women program. As of 2021, she is a Director at Netmentora Chile. Prior to joining Grupo Security, she led information management at Citigroup.

Date appointed: 08/01/2021

FRANCISCO LETELIER BALLOCCHI CORPORATE DIGITAL AND DATA MANAGER

CHILEAN NATIONAL ID: 12.152.746-4

Industrial Engineer, Pontificia Universidad Católica de Chile, and MBA from the Massachusetts of Technology (MIT Sloan School of Management).

Francisco Letelier was appointed Corporate Digital and Data Manager in 2021. He joined Grupo Security's Digital Development Department in 2018 in the department's infancy. He is responsible for leading and implementing the digital strategy at all Group companies in order to accelerate the digital transformation, provide better experiences and generate value for the business through analytics and data.

Prior to joining Grupo Security, Francisco worked in leading multinational companies in the retail and financial services sector, such as Cencosud, Falabella (Banco Falabella) and BBVA. Prior to joining Grupo Security, Francisco worked at BBVA in various management positions related to improving business performance through the use of technology. Throughout those years he worked in the Digital Banking Division, and later in the Business Development Division.

Date appointed: 10/01/2021

Date appointed: 03/01/2017

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

#### SANDRA ROITMAN CACHI CORPORATE TECHNOLOG MANAGER

CHILEAN NATIONAL ID: 21.612.261-5

IT Systems Engineering, Universidad Tecnológica Nacional Regional Córdoba Campus, Argentina, and holds a certification in Digital Transformation from Massachusetts Institute of Technology (MIT).

Sandra Roitman has been Grupo Security's Corporate IT Manager since 2018. In this role, she manages a multidisciplinary team that covers the technology needs of Grupo Security and its subsidiaries.

With more than 20 years' experience, she has been responsible for the technology areas of several financial sector companies in positions like Regional IT Director for ING in Central and Eastern Europe (2008-2010) and Vice President of Technological Development for Metlife (2015-2018).

Date appointed: 11/09/2018

#### RODRIGO CARVACHO CONTRERAS CORPORATE SERVICES MANAGER

CHILEAN NATIONAL ID: 13.434.182-3

Business Administration, Pontificia Universidad Católica de Chile, and Master in Business Law, Universidad Adolfo Ibáñez, Master in Tax Management, Universidad Adolfo Ibáñez, Master in International Finance, Instituto Español de Analistas Financieros, Universidad Adolfo Ibáñez.

Rodrigo Carvacho is Grupo Security's Corporate Services Manager. He joined Grupo Security in 2013, and is responsible for accounting, infrastructure management, general services, procurement and corporate contracts for Grupo Security and all subsidiaries.

Prior to joining Grupo Security, he was CFO of Cooper Gay Chile. He was also a consultant at Accenture, held positions at RSA Insurance Group and worked as a Credit Analyst at Citibank.

Date appointed: 06/01/2014

#### ALFONSO VERDUGO RAMÍREZ DE ARELLANO

CORPORATE BUSINESS RISK MANAGER AND CONTROLLER

CHILEAN NATIONAL ID: 7.097.708-7

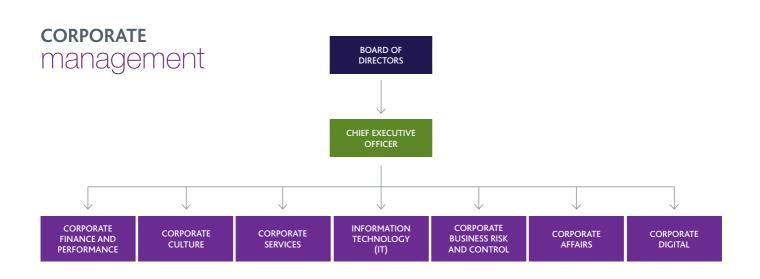
Business Administration, Pontificia Universidad Católica de Valparaíso, and MBA Loyola University in Maryland, USA.

Alfonso Verdugo has been Corporate Business Risk Manager and Controller of Grupo Security since 2006. He is responsible for internal audits and compliance monitoring of current regulations, as well as internal policies, monitoring of action plans for risk mitigation, and preparing reports for the Boards of Directors, Audit Committees and Directors' Committees. He also monitors compliance with the internal crime prevention regulations and controls set forth under Law No. 20,393.

Before joining Grupo Security, he held various corporate banking, risk and electronic channels management positions at Banco Bhif-BBVA (1993-2006). He was Derivatives Group Manager in the Treasury of Chase Manhattan Bank, Chile (1989-1993) and held executive positions at Banco Santiago and administrative positions at Citibank Chile.

Date appointed: 05/02/2006





In order to continuously improve its management and operation, during 2021 Grupo Security hired international consultants to review the roles and tasks of the main executive positions. This consultancy resulted in the creation of the Corporate Affairs and Digital divisions. The Planning and Development Division was also reorganized and renamed the Corporate Finance and Performance Division.

#### CHIEF EXECUTIVE OFFICER

- Operational and strategic management of the Group, with the objective of defining and planning joint goals with the different Security companies, reporting to the Board of Directors.
- Ensure compliance with strategic growth and development objectives, directly involved in financial and commercial management of the business areas.
- Participate in most board meetings, as well as the Expense, Corporate Services and Commercial committees, all of which provide coordination opportunities among the Group companies' senior management units.

#### CORPORATE FINANCE AND PERFORMANCE

- Establish corporate guidelines for the commercial and financial management of Grupo Security companies, as well as strategic business plan development.
- Report monthly to the CEO of Grupo Security on the commercial and financial performance of the companies.
- Produce information for investors on the Group's businesses and their operation.

#### CORPORATE CULTURE DIVISION

- Maintain and foster an organizational culture that inspires employees to put the Group's values into practice on a daily basis and guarantees the availability of human capital to ensure compliance with the Group's corporate strategy.
- Contribute to the good labor practices that make Grupo Security a great place to work and earned it accreditation as a family-responsible company (FRC) and recognition as a company that promotes work-family balance as well as professional and personal growth for all employees.

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

#### CORPORATE SERVICES DIVISION

- Provide high-quality, accurate and timely corporate accounting services, issuing financial statements that reflect the consolidated financial situation of Grupo Security.
- Manage infrastructure and general services, as well as corporate purchases and contracts.

#### CORPORATE IT DIVISION

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

#### CORPORATE BUSINESS RISK AND CONTROL DIVISION

- Framed within the Group's Comprehensive Risk Management Policy, its duties include verifying and regularly reporting to senior management on the effectiveness of corporate governance, risk management and internal control.
- Support and coordinate the organization as it implements and operates the Integrated Risk Management process through a technological platform.
- Support Compliance Officers with prevention of money laundering, terrorism financing, bribery, fraud and receiving stolen property, in order to comply with the board of director's instructions in the Crime Prevention Model and the corresponding regulations (Laws 19,913, number 20,393 and 20,119, and their amendments).

#### CORPORATE AFFAIRS DIVISION

- Establish guidelines regarding the development, implementation and management of environmental, social and corporate governance aspects in the Group and its member companies.
- Determine the guidelines and strategic focuses in relation to reputation, editorial lines, brand strategy, service quality, loyalty, commercial integration and public affairs for the Group and its subsidiaries.

#### CORPORATE DIGITAL AND DATA DIVISION

• Lead and implement the digital strategy at all Group companies in order to accelerate the digital transformation, provide better experiences and generate value for the business through analytics and data.



### **EXECUTIVE COMMITTEES**

In order to support management's decision-making process, and to generate additional analysis and reporting instances that help deepen governance, Grupo Security has executive committees that follow up on different management divisions.

#### **EXPENSE COMMITTEES**

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

#### **STRATEGY COMMITTEES**

They are comprised of the Group's CEO, the Corporate Finance and Performance Manager and the corporate services divisions. They meet on a quarterly basis to monitor each unit's plans and ensure that services are provided efficiently.

#### **COMMERCIAL COMMITTEES**

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

#### **COMPLIANCE COMMITTEE**

This committee is led by the Controller, appointed by the Board of Directors as the person in charge of prevention. Compliance officers from all companies participate in the committee, together with representatives from the Corporate Compliance area.

## and executive ownership

NAME	POSITION	OWNERSHIP INTEREST (%)
Juan Cristóbal Pavez R.	Director	12.91%
Horacio Pavez G.	Director	11.35%
Jorge Marín C.	Director	10.95%
Naoshi Matsumoto T.	Director	9.86%
Francisco Silva S.	Director	6.28%
Ana Sainz de Vicuña B.	Director	6.24%
Renato Peñafiel M.	Grupo Security CEO	4.09%
Bruno Philippi I.	Director	1.45%
Mario Weiffenbach O.	Director	0.54%

CORPORATE GOVERNANCE

#### COMPENSATION OF SENIOR EXECUTIVES

MCH\$2,359

2020

NOTE: AS PROVIDED BY NCG 30, THE AMOUNT CORRESPONDS TO THE AGGREGATE TOTAL OF THE COMPENSATION RECEIVED.

## COMPENSATION AND BENEFIT PLANS FOR SENIOR EXECUTIVES

Both Grupo Security and its subsidiaries have an incentive plan that sets individual, group and corporate goals, which are defined based on profit generation, achievement of efficiencies and profitability on capital and reserves, in addition to the execution of the budget established each year. This plan seeks to align the incentives of the work teams with the corporate strategy, and to promote achievement of the holding company's short and longterm objectives.

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

Grupo Security is also evaluating whether to incorporate compensation metrics associated with ESG indicators.

#### SUCCESSION PLAN

Grupo Security has a Talent Management Program, whose purpose is to identify, retain and develop the main executives of the company and its subsidiaries. It also has a succession and replacement practice for senior management to ensure business continuity, which includes the transfer of duties and an orientation program for the new managers. The company's Chief Executive Officer validates this program and reviews it every three years in order to keep it in line with the company's strategic objectives.

# MCH\$2,102

In addition, the Board of Directors has a procedure for replacing the Chief Executive Officer, which was approved on September 26, 2013, as well as a Policy for Removal, Succession and Untimely Replacement of the Chief Executive Officer.

#### SALARY STRUCTURES OF SENIOR EXECUTIVES

The company has an Incentives Policy, which is reviewed annually by the Board Compensation Committee. Furthermore, the Group has a Senior Management Incentive Plan that is reviewed annually in terms of amounts and indicators used to measure group and individual performance, in different spheres: financial, commercial, efficiency, human capital, strategic projects. The development of these plans and their annual cost to the business is reported to the Board Compensation Committee, which reviews the compensation and incentive systems for managers, senior executives and employees of Grupo Security and subsidiaries.

The existing Incentive Plan was designed with the advice of third parties and is continually reviewed and updated as necessary. In addition, once a year the Board Compensation Committee meets with the Corporate Culture Manager to review the compensation and incentive systems for managers, senior executives and employees of Grupo Security.

Finally, the Group outsources industry salary surveys to third parties, which provide information on compensation trends and updated annual figures.

## stakeholder engagement

One of Grupo Security's priorities is its relationship with its investors; therefore, it has a specialized area (Investor Relations), which is responsible for actively liaising with various agents in the capital market, such as investors, risk classifiers, financial analysts, ESG rating agencies, among others. This area also provides financial and nonfinancial analysis, and communicates to the market the evolution of the Group's businesses, as well as growth projections for the main variables and the company's strategic focal points. Similarly, to permanently update information to the market, the Investor Relations Area posts on the web the earnings reports, annual reports, ownership structure, information on the Board of Directors and main executives, financial indicators and the area's contact information, among others.

The new Corporate Affairs Division has been entrusted with media relations, spokespersons, corporate reputation management, brand management and sustainability.



## shareholders

In accordance with Chile's Corporations Law, shareholders' meetings provide the highest level of corporate governance. The last annual general meeting took place on April 6, 2021.

Stakeholder engagement with this group is handled by the Group's Investor Relations Area. Communication is made through the Group's investor relations website (https://www.security.cl/investor-relations/es/home), to announce the annual general meeting, where new directors are elected, at least two days in advance. This process includes background information on the candidates who have accepted the nomination and have declared that they are not disqualified from holding office. The candidates are proposed by the shareholders prior to the meeting, and the information on the site is always provided by each candidate. The votes are subsequently published in the minutes of each meeting, in the corporate governance section of the investor relations website.

https://www.security.cl/investor-relations/es/home



## SHAREHOLDERS' MEETINGS

#### MAIN AGREEMENTS

#### ANNUAL GENERAL MEETING

TYPE OF AGREEMENT	SUBJECT MATTER OF THE AGREEMENT
Acknowledgment	<ul> <li>Activities, annual management and expenses of the Directors' Committee in 2020.</li> <li>Information on the Board of Directors' expenses in 2020.</li> <li>Information on transactions with related parties in accordance with the Corporations Act.</li> </ul>
Approval	<ul> <li>Annual report, balance sheets and consolidated financial statements for fiscal year 2020 and external auditors' report for that fiscal year.</li> <li>Approved profit distribution and dividend payments.</li> <li>Dividend Policy.</li> </ul>
Determination	<ul> <li>Compensation of the Board of Directors for 2021.</li> <li>Compensation of the Directors' Committee and approval of the committee's budget for 2021.</li> <li>Company's external auditors.</li> <li>Risk rating agencies.</li> <li>Written media (newspaper) used for legal publications.</li> </ul>

#### EXTRAORDINARY MEETING

TYPE OF AGREEMENT	SUBJECT MATTER OF THE AGREEMENT
Approval	• Share buyback program under articles 27A to 27C of Law No. 18,046.
Determination	<ul> <li>The maximum percentage of shares to be acquired will be equivalent to 5% of the company's subscribed and paid-in shares, and the acquisition may only be made up to the amount of retained earnings.</li> <li>The purpose of the Share Buyback Program is to invest by acquiring and selling company stock. The program's term will be five years.</li> </ul>



## **REMOTE SHAREHOLDERS'** meeting

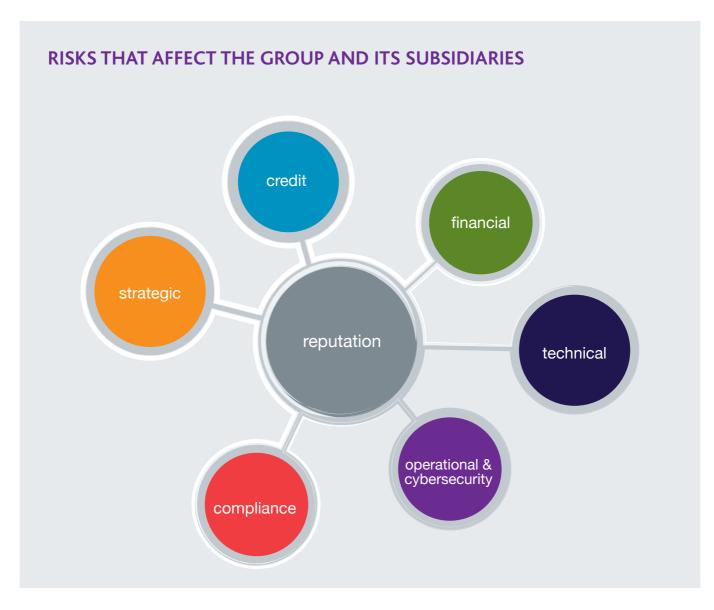
Due to the national contingency caused by the pandemic, the annual general meeting of Grupo Security was held remotely on April 6, 2021. In order to comply with General Standard No. 435 and Circular No. 1,141, both issued by the Financial Market Commission (CMF), the Board of Directors, in an extraordinary meeting held in March 2021, agreed to allow the use of technology to participate and vote remotely in the aforementioned meeting. The Board also approved the specific mechanism to be used for these purposes and the way in which each shareholder or their representative can accredit their identity and proxy.

The technology allowed shareholders who were not physically present at the meeting venue to attend, together with the remote voting mechanisms designed to guarantee the identity of the shareholders or their representatives participating by this means, thus safeguarding the principle of simultaneity or secrecy of the votes taken at the meeting.

The technological platforms used to allow each shareholder to participate were Webex and the Santiago Exchange system called Click & Vote, which was used to enable remote voting.

The procedure carried out for the meeting is explained in detail on Grupo Security's investor relations website. This format made it possible to guarantee and safeguard that the session was carried out under the highest data security standards and ensured compliance with the law.

## RISK ANALYSIS and management



Grupo Security's businesses are operated in environments strongly influenced by changes and uncertain situations that may be caused by factors inside or outside the company. The Group constantly identifies, monitors, manages and mitigates them according to the business area in which the companies are located.



Below is a detail of the risks associated with the sectors in which Grupo Security is present. To better understand these risks, this section should be analyzed together with the risk notes presented in the Financial Statements of Grupo Security and each of its subsidiaries and associates.

# credit

#### **CREDIT RISK**

This takes into account the probability that the counterparty in the loan operation will not be able to comply with its contractual obligation, resulting in a potential credit loss. Credit risk is dependent on economic activity and monetary policy, which ultimately determines a customers' payment capacity.

#### **CONCENTRATION RISK**

This is the risk associated with concentrating in a small number of borrowers a significant portion of the Bank's loans and/or liabilities. It also stems from concentrating a significant portion of loans in a few economic sectors.



#### **OPERATIONAL RISK**

This is the risk of suffering losses from the lack of adaptation, or a failure involving processes, personnel and internal systems or due to external events.

#### **CYBERSECURITY RISK**

Risk of suffering financial, reputational or business continuity impacts due to IT attacks that may compromise the entity's ability to conduct business or affect its information.

#### **MARKET RISK**

## financial

Corresponds to the risk that results from variations in market factors, such as inflation and interest rate variations. This affects the value of the Bank's positions in its trading portfolios and its structural balance sheet. For the insurance company in particular, the decrease in annuity sales interest rates may lead to a strong decrease in individuals' willingness to retire under this mechanism, negatively affecting the industry in the short term.

#### LIQUIDITY RISK

This risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or obtain funds not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (market liquidity).

GRUPO SECURITY AT A GLANCE

technical

CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

compliance

reputation

#### **TECHNICAL RISK**

This refers to the potential losses that insurers may incur as a result of insufficient premiums due to errors in pricing or underwriting models that may lead to excess claims, or insufficient technical reserves due to factors such as longevity, mortality, policy lapses, expenses and errors in calculation parameters.

#### ASSET LAUNDERING RISK

This risk is related to the probability of incurring financial losses or reputational damage, derived from our companies' propensity to be used directly or indirectly as an instrument for committing the crimes of asset laundering or terrorism for financing.

#### **COMPLIANCE RISK**

The likelihood of incurring financial losses or reputational damage derived from legal or administrative sanctions for failing to comply with laws, regulations or internal standards applicable to the banking activity.

#### **COMPETITION RISK**

The industries in which Grupo Security participates are characterized by being highly competitive, especially the banking and insurance industries, which trend toward decreased margins.

The mergers and alliances that arise between competitors are proof of the competition that Group companies face.

#### **RISK OF REGULATORY CHANGES**

The banking and insurance industries in which Grupo Security does business are government-regulated and are consequently subject to potential regulatory changes over time. However, this risk is estimated to be low thanks to market transparency, the considerable development of these industries and their excellent global reputation.

#### **REPUTATION RISK**

Risk related to changes in the perception that various stakeholders, such as customers, shareholders and employees, among others, have of Grupo Security, or of the companies that comprise it.

This risk results in a potential loss of financial capital, equity and/or market share due to reputational damage to a company.

strategic



## GENERAL RISK management guidelines

Grupo Security believes it is vital to manage, control and mitigate risks in order to create the value and profitability expected by its shareholders and stakeholders, guaranteeing business continuity. As a conglomerate of companies diversified in different sectors of the financial industry, its subsidiaries face a series of risk factors unique to the sector in which they participate.

Accordingly, the Group has a comprehensive risk management vision defined in an Integral Risk Management Policy, which applies to each of the holding companies. The policy is based on international best practices, such as ISO 31,000 on Risk Management, and the recommendations issued by the Committee of Sponsoring Organizations of the Treadway Commission and the Control Objectives for Information and Related Technology (COSO and COBIT, respectively).

To better manage, control and monitor risks, the organization has a technological platform that integrates the three lines of defense, which allows risks to be identified, acted on and reported in a timely fashion.

Grupo Security carries out comprehensive risk management based on three pillars:

### GOVERNANCE



Independent Control Unit

Specialized committees with representation on the Board of Directors

- Each month, the Directors' Committee, together with the Business Risk Manager and Controller, monitors the companies' risk management, in accordance with the policies and regulations of the subsidiaries and the regulator's requirements.
- In turn, the Board of Directors reviews compliance with the defined metrics and their updates on a semiannual basis.



GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE GRUPO SECURITY COMPANIES

## POLICIES, CODES AND PROCEDURES

Scaling-up report

Scale of attributions

**Risk management policies** 

Regulatory and internal limits

Automated risk management systems

Capital adequacy measurement

Stress scenarios

 Each company in the Group has its own Risk Appetite Frameworks and Risk Appetite Policy, which depend on the volume and complexity of operations, growth projections and new business development. Effectiveness is measured at least once a year.

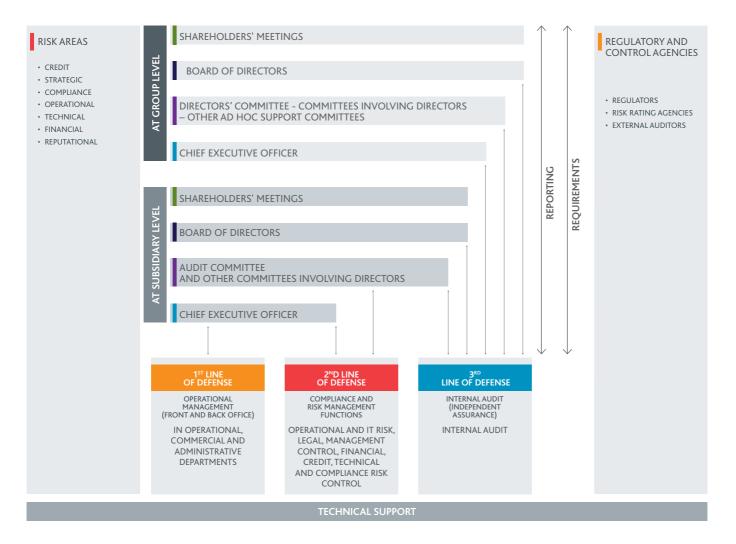
## **MAJOR DEVELOPMENTS 2021**

#### **BANCO SECURITY**

- Basel III implementation at Banco Security and Regulatory Capital Self-Assessment (CASEI) report.
- Developing a comprehensive view of risk management with the approval of the Risk Appetite Framework and the Risk Appetite Statement, in addition to the creation of the Comprehensive Risk Management Committee.
- Definition of a regulatory structure, consisting of: policies (Board), guidelines (Integral Risk Committee) and procedures (Management). This risk management segmentation has provided flexibility and speed in dealing with market variations.



## THREE-LINES-OF-DEFENSE model



Grupo Security has a three-line-of-defense model to ensure effective risk control and management:

#### FIRST LINE

Consisting of all lines of business and those that give rise to risks. Its role is to ensure that they are in line with the risk appetite approved by the company and within the corresponding limits. They also have the primary responsibility for managing the risks they cause.

#### SECOND LINE

Risk management units of the Group and each of the subsidiaries. Its role is to monitor and challenge the risk management activities of the first line of defense to ensure consistency with the risk appetite.

#### THIRD LINE

Overseen by Internal Audit, its role is to ensure correct application of policies, methodologies and procedures. The Group has a corporate platform for this purpose, whereby its subsidiaries can report on their risks and action plans.

## MANAGING THE RISK of anti-competitive practices

### LENDING AREA

COMPANY	DESCRIPTION AND MITIGATION
BANCO SECURITY	Anti-competitive risks involve poor detection and management of conduct that could be detrimental to free competition. Banco Security, given its size (measured by market share), may be exposed to risks related to antitrust offenses, such as abuse of dominant position. Ongoing legislative renewal related to the search for a more competitive industry, such as, for example, financial portability and the most recent amendments to the Consumer Protection Act, evidence efforts to prevent such behaviors. At Banco Security these risks are managed through adequate internal controls and permanent reporting to the Board of Directors, through the Audit and Standards committees. Furthermore, and in line with the Bank's commitment to prevent abusive practices, the Bank has filed legal actions for anti-competitive behavior, antitrust and monopoly practices against other market players.
FACTORING SECURITY	The factoring market has about 216 players, including both banks and private companies. Since there are no regulatory risks and there are no exit barriers for clients, it is a highly competitive market, with high portfolio turnover for market players.

### **INSURANCE AREA**

COMPANY	DESCRIPTION AND MITIGATION
VIDA SECURITY	The Group participates in the highly competitive insurance industry through Vida Security. The market is made up of more than 30 players with annual gross written premiums of over MUS\$6,000. There are strict regulatory and capital requirements in the event of a possible risk of market concentration, which could increase risk of anti-competitive practices. On the other hand, variations in mortgage portfolio tenders could lead to more open competition.

### ASSET MANAGEMENT AREA

COMPANY	DESCRIPTION AND MITIGATION
SECURITIZADORA AND INMOBILIARIA CASA NUESTRA	No relevant regulatory changes are foreseen in the operation of both the capital market and the financing of mortgages with subsidies within the sphere of action of Securitizadora Security and Inmobiliaria Casanuestra; thus, no anti-competitive risks have been identified.



## **OTHER SERVICES AREA**

COMPANY	DESCRIPTION AND MITIGATION
INMOBILIARIA SECURITY	The real estate industry in Chile is highly fragmented. There are many companies engaged in the development and construction of housing, many of which are real estate companies with a short history and even less financial solvency. This could result in adverse market situations leading them to reduce their prices, thus affecting the profitability of the sector. One way to mitigate this risk is by having a recognized brand, such as Inmobiliaria Security, and by developing value-added products that differentiate the company from its competitors. In addition to competing for homebuyers, Security must face other players to purchase land for project development. Increased competition in this area may impact costs and margins. Once again, having a strong market position and a well-known brand differentiates Security from other real estate developers.

## **INTERNATIONAL BUSINESS AREA**

COMPANY	DESCRIPTION AND MITIGATION
PROTECTA	For Protecta, the main anticompetitive risks relate to regulatory matters. Although the insurance market in Peru is freely competitive, it is small and highly concentrated, due to barriers to entry because of the high capital requirements. There is also a risk of unfair competition with banks in products that could be subject to some competition. For example, in insurance products with savings components, the main risk faced is the loss of income tax and General Sales Tax exemption (IGV, for its Spanish acronym), as well as the higher capital requirements with respect to savings products offered by banks. The current Peruvian government requested extraordinary powers from Congress to legislate on tax matters, proposing the introduction of IGV for life insurance policies. This is an imminent risk that would reduce the supply of life insurance. As of December 2021, this is still an unresolved issue and Congress is expected to only grant it limited powers, not including the aforementioned tax.
TRAVEL PERÚ	In the case of Travel Peru (Travex), risk of anti-competitive practices for Peruvian market players are the result of the consolidation of more than 80% of the airline supply, which results in less bargaining power for travel agencies. In order to face this challenge, the company focuses its offer on ancillary services for hospitality, events and other activities, thus increasing its bargaining power and achieving a better revenue structure.

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

## customer data security

Grupo Security fosters a culture of data protection and responsibility in each of its employees. This definition is part of the Risk Appetite approved and enforced by the Group's Board of Directors since 2019. It is reviewed at least once a year through a presentation to the Board. This is supplemented by monthly presentations by the Risk Committees of each of the Group's companies.

Within the specific regulations governing cybersecurity, the action scope in this matter is determined by the laws that regulate the processing of data (e.g. No. 20,575, Law No. 19,799, No. 19,913, No. 20. 009), the specific regulation for the financial industry (Updated Compilation of Standards - RAN in all its circulars) and the cybersecurity standards in force worldwide (NCh-ISO 27002:2013 and subsequent regulation family 27xxx, NCh-ISO 31000:2012), NIST Cybersecurity Framework v1.1 and GDPR - General Data Protection Regulation - EU 2016).

Regarding current regulations, it should be noted that Law No. 19,628 (1999) on the processing of personal data (which covers the communication, transmission, storage and use of any information that serves to identify an individual), is currently being updated. A new bill is currently in its first constitutional procedure in the Senate, hoping to align it with international standards. The initiative seeks to acknowledge the rights of owners over their data, the existence of an autonomous, independent authority capable of enforcing obligations and rights, and adding the right of portability.

# **TECHNOLOGICAL ROADMAP** 2021

One milestone in technological development was the creation of a technological roadmap, consisting of medium-term planning of projects and technologies that ensure the operational continuity of the Group's companies.

The structuring is based on the recommendations of external consultants, internal and external audits, as well as observations made by the regulator. This information is used to define priorities and investments, which go through the budget approval process to form the annual project plan. The main benefits of having a technology roadmap are:

- Having a long-term approach to achieve synergies and standardization across companies with different strategies and implementation speeds.
- Setting a common thread in relation to corporate priorities, definition of IT capabilities, and training and work focuses for each year.



## **CYBERSECURITY DEVELOPMENTS IN 2021**

## PREVENTION AREA

CYBERSECURITY ACTIVITY	MATTER
Reinforcement	Reinforcement of preventive services, detection and reaction to possible cyber-attacks.
Hiring	Strengthening of the first line of defense team, with the incorporation of a Deputy IT Cybersecurity Manager at Banco Security and Vida and a new cybersecurity engineer in the corporate team.
Scaling	Privacy Policy of the Group's companies, and definition of the implementation process for obtaining data-processing consent from customers.
Remote Work	Improved information security and cybersecurity standards for remote work.
Risk Management	Strengthening of cloud-based services, identifying emerging risks and management of risk mitigators.

## IMPLEMENTATION AREA

CYBERSECURITY ACTIVITY	MATTER
Journey to cloud	Cloud consolidation of IT services such as email, collaboration, security, monitoring and public sites. Progress on the group-wide data strategy.
Automation	Improved operation to reduce time and errors through the automation of operational tasks.
Training	Launching of a platform to customize training for the different stakeholders, reinforcing the importance of taking the courses, with an average 95% approval rate for courses at the Bank and subsidiaries.
Preventive blocking	Preventive blocking for non-compliance with configuration policies and regulations, along with detailed security monitoring.
Creation of synergies	Definition of corporate architecture governance for the Group's larger companies, in order to generate synergies and opportunities for access to new technologies by the Group's smaller companies.
Process management	Implementation of a corporate data platform, which allows us to monitor compliance with Data Policies, and management of the processes of the data governance operating model, in order to improve customer and employee data protection.
Cookies Policy	Completion of implementation of the Cookies Policy for all the Group's websites.
"Opera Seguro"	Launch of the "Opera Seguro" program, aimed at transmitting good practices to customers regarding the management of personal data and passwords to prevent fraud.

## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE GRUPO SECURITY COMPANIES

## SELF-CARE AND BUSINESS CONTINUITY MEASURES

In 2021, we continued with the operational continuity plan initiated in the first quarter of 2020, focusing on the health and safety of both customers and employees.

In organizational matters, we implemented a mixed-work modality, that is, a mix of remote and on-site work, according to the health conditions defined by the Ministry of Health and employees' health status and risk factors. The Business Continuity Plan (BCP) was updated, emphasizing the role of communications and cybersecurity, and the internal network was strengthened to organize the return to the office with voice and video as the main type of consumption.

With regard to self-care measures, we were able to consolidate a culture of self-care and care for the community, thanks to the guidelines and provisions on the criteria for returning to work in person and the behavior of employees in their daily routine during the pandemic, ensuring compliance with regulations and the safety of those working in offices and branches in person.

We developed and implemented capacity monitoring processes for each of the offices and branches. Each employee must fill out an application form to use one of the physical workspaces and a health declaration questionnaire. Based on this information, they may or may not be issued a QR code allowing them to access the company's facilities. Furthermore, besides maintaining the permanent measures of wearing masks at all times, disinfecting spaces and distancing, the company provided 6,077 kits with personal protective equipment, increased signs in work and customer service areas, and distributed an Employee's Guide during the Health Crisis. This document describes the implemented measures and how Security employees should conduct themselves on a daily basis.

## GRUPO | security

With regard to customers, we continued to work to ensure operational continuity and uphold the service standards that have always been a hallmark of the Group and its subsidiaries. Investments were therefore made in cloud or hybrid services, allowing for controlled employee access to work platforms, in compliance with the highest security standards.

In order to uphold the closeness that has always characterized Security, the following actions were carried out:

 Remote customer care, using different communication channels, in order to reduce and neutralize the distance imposed by the pandemic.

- 2. Strengthening of the proactive communications plan with customers, which allows for constant and up-to-date awareness of their needs and expectations.
- Adjustment of contact protocols and scripts, in order to continue providing close and personalized advice to the Bank's customers.
- 4. Focus on detecting and identifying the needs of customers financially impacted by the pandemic, in order to provide them with products to help them cope with such hard times.
- 5. Reopening of branches based on customer levels and easing of public health measures decreed by the Health Ministry.

## ethics and compliance

## PREVENTION OF CRIMES AND ETHICAL VIOLATIONS

At Grupo Security, ethical and transparent business management, as well as concern for the stakeholders of each of its subsidiaries, is key to operations and decision making at all levels. Beyond compliance with current regulations, the relationships established are based on commitments of trust, respect for people, the environment and the complete conviction that our actions must be a benchmark of probity.

Within this action framework, Grupo Security has guidelines that govern the behavior of all those who make up each of the companies, and has compliance officers in each of the companies, who are in charge of compliance.

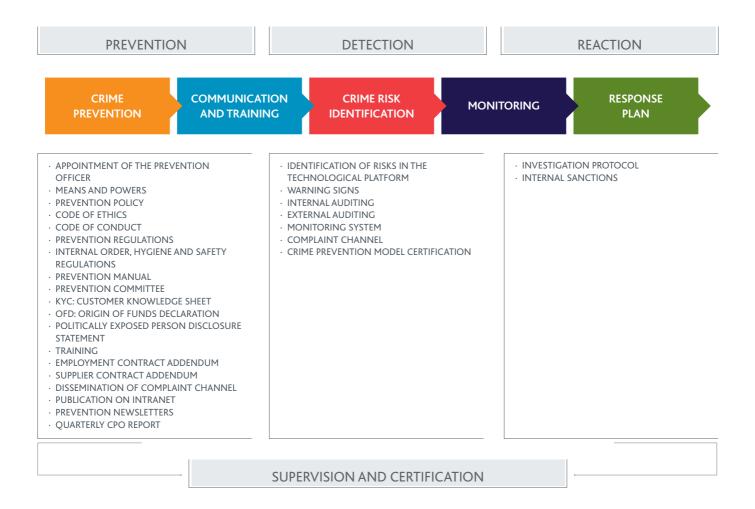
The ethical framework is composed of the following documents (some of which are available on the web) <a href="http://ir.securrity.cl/es/gov-docs:">http://ir.securrity.cl/es/gov-docs:</a>

- Certified Crime Prevention Model at each subsidiary.
- Code of Ethics and Code of Conduct.
- Internal Order, Hygiene and Safety Regulations.
- Complaint Channel.
- Conflict of Interest Policy.
- Market Information Manual.
- Related Transactions Policy.

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

## **CRIME PREVENTION MODEL**

It is essential for Grupo Security to have clear guidelines for all Group companies in terms of crime prevention (Law No. 20,393). The Group's Crime Prevention Model is aimed at ensuring that subsidiaries comply with local regulations and are therefore protected against potential reputational risks and civil and criminal actions arising from claims for legally established offenses. The model is adapted to the requirements and needs of each of the subsidiaries, according to the nature of their business.



All Group employees participate once a year in regulatory training courses (classroom and e-learning) on the following subjects:

## CRIME PREVENTION MODEL

Aimed at providing information on regulatory updates and new challenges posed by the market with respect to Law No. 20,393 on Criminal Liability of Legal Entities and its amendments, and Law No. 19,913 on Money Laundering and Asset Laundering.

## NOTIFICATION OF UPDATES

Code of Ethics, Code of Conduct, Internal Order, Hygiene and Safety Regulations, and Crime Prevention Regulations.

## **CODE OF ETHICS**

Summarizes the Group's business experience at all levels, which establish certain principles that guide employees in the performance of their daily work. This implies that Group employees should be clearly committed to their closest stakeholders.

#### CUSTOMERS

Our first duty lies in providing customers with top quality products and services that meet their requirements, using the latest technologies and that comply with technological and operational requirements.

#### SHAREHOLDERS

We work to ensure the company's ongoing development and achieve an attractive rate of return for shareholders, who have placed their trust in Grupo Security.

#### EMPLOYEES

The duty of the company and its subsidiaries to create a work environment that fosters the professional development of its employees, allows them to reach their maximum work potential and ensures they can deliver the creativity and responsibility expected of them. All within a framework of equity for all.

## **COMPLAINT CHANNEL**

This is where suppliers, customers, employees and auditors/regulators, among others, can make anonymous complaints. The information reported can be monitored, which is forwarded to the highest levels of the organization to be investigated and resolved. It is hosted on an external server and available both on the intranet and on the Group's public website. https://security.ines.cl/security/formulario/



## CONFLICT OF INTEREST POLICY

As part of the corporate culture of compliance, prevention and transparency, the Group and its companies have a Conflict of Interest Policy in place. Its objective is to prevent and manage conflicts of interest, by identifying the main situations involved and procedures so that the executives, directors and employees of Grupo Security and its subsidiaries can declare and resolve them. This policy is part of the Chilean legal framework (Law No. 18,046 on Corporations and its Regulations and Law No. 21,314).

## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 03 **THE SECURITY** Culture

Grupo Security has an organizational culture focused on respect and care for people, thereby creating a workplace that enhances the quality of life of its employees and their families.



## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



# THE SECURITY Culture

Since its inception, Grupo Security has been committed to promoting family values, which has resulted in diverse teams. This has allowed it to improve the quality of service to customers, strengthening the experiences of all the company's stakeholders: customers, employees, suppliers, shareholders and the communities where they operate. The company has put people at the core of its business, fostering balance between their professional, family and personal lives. Building trusting relationships has become a differentiating factor for the company in both the business and personal spheres.

Policies, processes and procedures have been devised to achieve this objective and generate long-term relationships. The company's ambition is clear: that each of the people who work at Security feel that it is a place where they can fully develop and reach their maximum potential, setting a milestone for people joining the company. years among the 15 best companies to work for in Chile, according to the Great Place to Work<sup>®</sup> ranking. This evidences the consistency of the company's concern for its people throughout its history. Over the past five years, Grupo Security has ranked among the five best places to work in Chile and in 2021 it became the best in the financial sector.

Moreover, Security's efforts were recognized in 2021 with two important distinctions: the award for the Best Company at Attracting and Retaining Talent in the corporate holding category, granted by Merco Talento, and first place in the ranking of the Best Companies to Work for Women in Chile 2021, in the category of Large Companies, for organizations with more than 1,000 employees, awarded by Great Place to Work<sup>®</sup>. Grupo Security was also ranked 27th among the Best Companies to Work for in Latin America and became the first company to be accredited by the IESE Business School of Universidad de Navarra in Spain as a Family-Responsible Company.

This is how Grupo Security has been ranked for 20 consecutive



## GRUPO SECURITY AWARDS and honors





## **GREAT PLACE TO WORK**

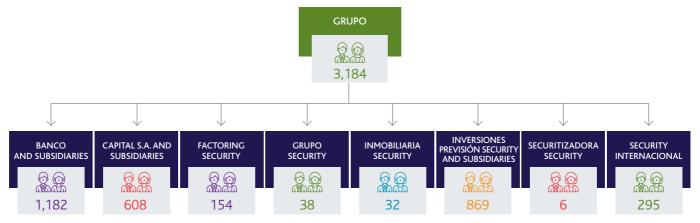
Grupo Security has been ranked third in the Best Places to Work in Chile and first in the category of companies with more than 1,000 employees, within the Best Places to Work for Women in Chile 2021.

## **GPTW CERTIFICATION**

The certification granted by Great Place to Work (GPTW) reflects how highly Grupo Security's employees rate their work environment.

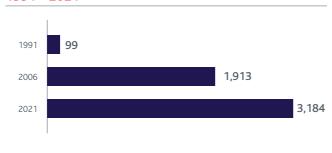
COMPANY NAME	AWARD
	Best Companies to Work for in Chile 2006 (#14)
	Best Companies to Work for in Chile 2007 (#5)
	Best Companies to Work for in Chile 2008 (#7)
	Best Companies to Work for in Chile 2009 (#9)
	Best Companies to Work for in Chile 2010 (#15)
	Best Companies to Work for in Chile 2013 (#14)
	Best Companies to Work for in Chile 2014 (#9)
Grupo Security	Best Companies to Work for in Chile 2015 (#9)
	Best Companies to Work for in Chile 2016 (#8)
	Best Companies to Work for in Chile 2017 (#7)
	Best Companies to Work for in Chile 2018 (#3)
	Best Companies to Work for in Chile 2019 (#4)
	Best Companies to Work for in Chile 2020 (#5)
	Best Companies to Work for in Chile 2021 (#3)
	Best Places to Work for Women in Chile 2021 (#1)
	The Best Companies to Work for in Latin America 2011 (#47)
Grupo Security	The Best Companies to Work for in Latin America 2013 (#21)
	The Best Companies to Work for in Latin America 2015 (#25)
Grupo Security (Banco, Factoring, AGF, Vida)	The Best Companies to Work for in Latin America 2008 (#15)
Grupo Security	The Best Companies to Work for in Latin America 2021 (#27)

## THE SECURITY CULTURE at a glance



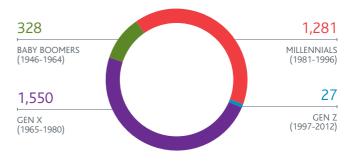
SOURCE: GRUPO SECURITY

## GROWTH IN EMPLOYEE NUMBERS 1991 - 2021



SOURCE: GRUPO SECURITY

### EMPLOYEES BY GENERATION

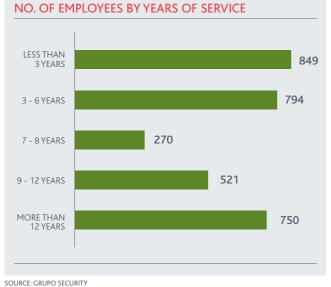


3,184 TOTAL EMPLOYEES AT		NUMB	ER OF EMPLOYEES
GRUPO SECURITY IN 2021	2021	2020	2019
60.2% WOMEN	1,917	2,004	2,548
39.8% MEN	1,267	1,252	1,413



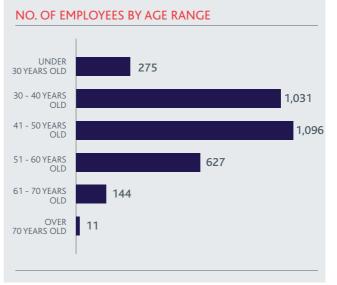
# 7.9 years

OF SERVICE



## 6.6%

VOLUNTARY TURNOVER IN 2021



SOURCE: GRUPO SECURITY

#### SOURCE: GRUPO SECURITY

## 30.8% OF WOMEN IN EXECUTIVE POSITIONS

	NO. OF EMPLOYEES BY POSITION ACCORDING TO GENDER	
470	ADMINISTRATIVE STAFF	230
441	SALES FORCE	93
218	DEPARTMENT HEADS	241
83	MANAGEMENT	172
7	SENIOR MANAGEMENT	30
698	OTHER PROFESSIONALS	501
1,917	OVERALL TOTAL	1,267

## 33.4 hours

AVERAGE TRAINING HOURS PER EMPLOYEE

	TRAINING INDICATORS BY GENDER	
1,917	CURRENT WORKFORCE	1,267
1,803	NO. OF ACTIVE PEOPLE TRAINED	1,229
68,802	TRAINING HOURS	37,574
36	AVERAGE HOURS PER PERSON	30

# the security hallmark

To ensure the long-term success of Grupo Security and continue to generate sustainable growth, all individuals must have a clear understanding of what it takes to embrace the Security Hallmark to leverage their competencies and skills.

The Security Hallmark refers to a particular way of doing things, stemming from a collection of elements that make up the Security Culture.



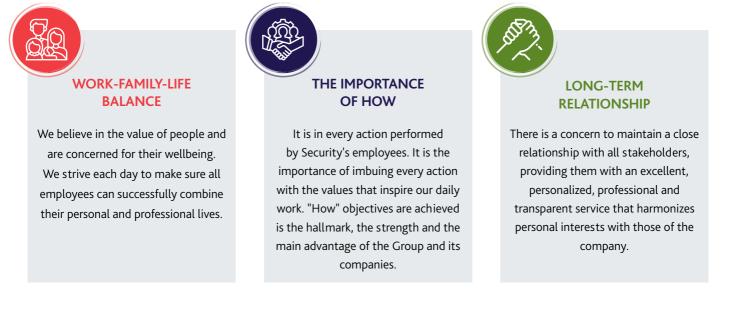


## **CULTURE PILLAR**

The Security Culture rests on respect and care for people.

Grupo Security's actions are inspired by respect and care for people, respect for customers, co-workers and suppliers like one would like to be treated, recognizing them as unique individuals who can develop to the fullest according to their life purpose.

Inspired by our corporate values—closeness, professionalism and transparency—and in light of the Culture pillar, we came up with three slogans:



Focusing on these three slogans over time has allowed us to build teams that are capable, committed and willing to tackle all the challenges required to provide the best service, reflecting our corporate values in our day-to-day work and in every step we take.



GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE

## EMBEDDING THE SECURITY HALLMARK

In 2021 we developed a project called "Imprimiendo el Sello Security" (Embedding the Security Hallmark), whose purpose is to provide a set of concrete habits on how to materialize the strategy on a daily basis and to sustainably put our culture to work, so as to breathe life into Grupo Security's mission. This model was built in-house and more than 300 employees participated in working sessions, focus groups and individual interviews.

The three guiding principles for embedding the Security Hallmark are as follows:

## K)

### **CONNECT WITH PEOPLE**

For Security, each person is unique and irreplaceable and, therefore, deserves respect. Connecting with people means respecting everybody's individuality, caring about each other and being a place where everyone can fully develop in order to unfold their maximum potential.

Connecting with people is achieved by developing three habits:

- APPRECIATE AND RECOGNIZE
- COMMUNICATE WITH EMPATHY
- DEVELOP AND EMPOWER



#### **MAKE IT HAPPEN**

Security operates under the conviction that the only way to succeed is to become a unified team, working collaboratively between departments, operations and companies. Things are accomplished with excellence and simplicity, prioritizing and acting swiftly even when faced with challenges. It turns strategy into execution and execution into results, maintaining the highest ethical standards.

Things are achieved by developing three habits:

- NETWORKING AND
   COMMITMENT
- SIMPLIFY AND ACCELERATE
- GET RESULTS





### SHAPE OUR TOMORROW

Security fosters an inclusive environment in which people are invited to share their views openly and honestly with a forward-looking approach. We are committed to making a difference, challenging traditional ways of working and continually improving and promoting solutions that respond to the needs and expectations of the different stakeholders.

Shaping our tomorrow is achieved by developing three habits:

- LISTEN AND LEARN
- CHALLENGE AND TRANSFORM
- MAKE A DIFFERENCE

APPENDICES

FINANCIAL STATEMENTS



## GRUPO SECURITY Online summit

To bring 2021 to a close and welcome 2022, Grupo Security held a large Online Summit, which was broadcast live and direct for all employees across Chile along with their families, and for representatives of Security companies in Peru, totaling 1,891 attendees.

The event took place on Thursday, December 16<sup>th</sup> and was hosted by renowned entertainers. The Chairman and CEO of Grupo Security, some of the company's directors, some CEOs and corporate managers of Security companies, union leaders and the winners of the Security Spirit and Integration awards were present at the Espacio Riesco Live Studio.

A few days before the meeting, employees received a box of appetizers in their homes to celebrate with their families and to follow the event's broadcast. A total of 2,873 celebration boxes were delivered directly to employees' homes. The meeting offered fun opportunities for executives, employees and presenters to chat, and employees were able to participate in contests directly from their homes. The event ended with a routine by a famous comedian.

The most exciting moment of the evening was the presentation of the Security Spirit and Integration Awards. The Security Spirit Award seeks to honor the members of the organization who best represent the company's values and culture. Recipients of this award stand out for their outstanding daily performance, loyalty and commitment to their colleagues, their work and the company. The Integration Award honors employees who permanently promote and facilitate collaborative work among the company's various departments and businesses. Twenty-two people were awarded the Security Spirit Award and 13 were awarded the Integration Award.



"I love being part of Grupo Security. I have worked in other companies, but working at Security is different because its culture makes it special. Their concern for people is real and we experienced it on a daily basis during the pandemic over the past two years. They are all very attentive to employees and their families. At Security, everyone's job is important and we feel that we are key to achieving our objectives.

BÁRBARA SOLER SECURITY SPIRIT AWARD 2021 ACCOUNT EXECUTIVE, BANCO SECURITY

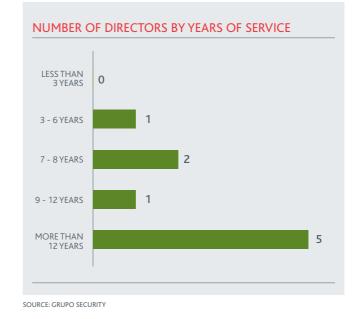
## BOARD diversity





SOURCE: GRUPO SECURITY





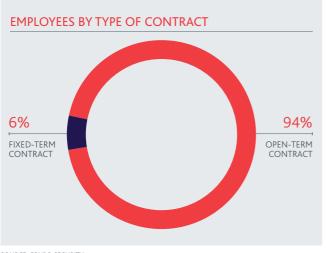
SOURCE: GRUPO SECURITY

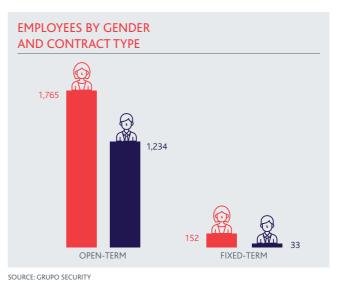
88



## No. of employees

## **EMPLOYMENT CONTRACTS**





SOURCE: GRUPO SECURITY

Banco Security and subsidiaries 1,182 Capital S.A. and subsidiaries Factoring Security S.A. Grupo Security S.A. Inmobiliaria Security S.A. Inversiones Previsión Security and subsidiaries Securitizadora Security S.A. Security Internacional S.p.A and subsidiaries OVERALL TOTAL 1,765 1,917 1,234 1,267 3,184

# corporate social responsibility and sustainable development

### **GENDER**



60.2% WOMEN

	FEMALE	MALE	OVERALL TOTAL
Administrative staff	470	230	700
Senior management	7	30	37
Sales force	441	93	534
Management	83	172	255
Department heads	218	241	459
Other professionals	698	501	1,199
OVERALL TOTAL	1,917	1,267	3,184

## NATIONALITY

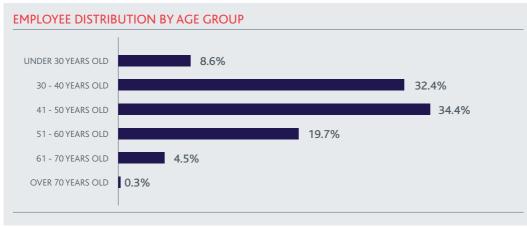


SOURCE: GRUPO SECURITY DOES NOT CONSIDER INFORMATION FOR PERU

	CHILEAN	NON-CHILEAN	OVERALL TOTAL
Administrative staff	654	17	671
Senior management	31	4	35
Sales force	654	17	671
Management	230	4	234
Department heads	339	6	405
Other professionals	923	21	944
OVERALL TOTAL	2,761	62	2,823

SOURCE: GRUPO SECURITY

## AGE GROUP

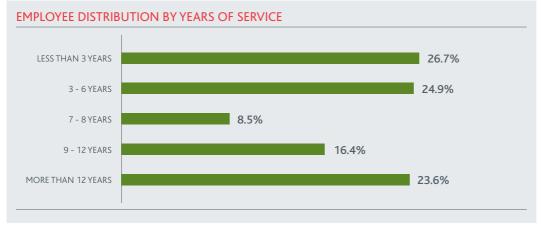


SOURCE: GRUPO SECURITY

	UNDER 30	30 - 40	41 - 50	51 - 60	61 - 70	OVER 70	OVERALL TOTAL
Administrative staff	113	274	185	105	23	-	700
Senior management	-	4	13	15	4	1	37
Sales force	16	121	189	148	51	9	534
Management	-	49	122	73	11	-	255
Department heads	8	136	213	83	18	1	459
Other professionals	138	447	374	203	37	-	1,199
OVERALL TOTAL	275	1,031	1,096	627	144	11	3,184



## YEARS OF SERVICE



SOURCE: GRUPO SECURITY

#### EMPLOYEE DISTRIBUTION BY YEARS OF SERVICE

	LESS THAN 3 YEARS	3 - 6 YEARS	7 - 8 YEARS	9 - 12 YEARS	MORE THAN 12 YEARS	OVERALL TOTAL
Administrative staff	176	208	67	100	149	700
Senior management	5	7	2	6	17	37
Sales force	167	134	42	61	130	534
Management	39	447	14	49	106	255
Department heads	72	83	45	101	158	459
Other professionals	390	315	100	204	190	1,199
OVERALL TOTAL	849	794	270	521	750	3,184



## **PEOPLE WITH DISABILITIES**



	FEMALE	MALE	OVERALL TOTAL
Administrative staff	3	5	8
Sales force	1	1	2
Management	2		2
Other professionals	3	2	5
OVERALL TOTAL	9	8	17

SOURCE: GRUPO SECURITY (\*) THE CHART INCLUDES BOTH INTERNAL STAFF AND EXTERNAL HIRES.

## PEOPLE WITH DISABILITIES VS. DISABILITY LAW COMPLIANCE NUMBER OF PEOPLE WITH DISABILITIES DISABILITY LAW COMPLIANCE 17 15

SOURCE: GRUPO SECURITY

10

Grupo Security respects the dignity of every individual, which is why we strive for a barrier-free organizational environment where everyone feels appreciated, including people with disabilities.

Banco Security has even taken a step further and created a Child Inclusion Bonus, consisting of financial assistance for employees who have one or more children with disabilities.

The number of people with disabilities increased by 13% compared to the previous year. Companies that partially complied with the legal requirement made their corresponding donations to Fundación para Ayuda y Rehabilitación de Discapacitados (Fundación PAR), including: Banco Security, Vida Security, Capital and Corredora de Seguros Security (insurance broker).

In corporate publications on employee recruitment, a paragraph

focused on inclusiveness was added, so that people with disabilities may apply to join the company.

Finally, we worked on a series of initiatives to promote a more inclusive culture, which are listed below:

- Interdisciplinary training plan (Law No. 21,275).
- Train one inclusion expert per company (Law No. 21,275).

#### **VIDA SECURITY PILOT:** •

Two positions were opened that can only be filled by people with disabilities. If the initiative succeeds, it will be extended to the rest of the Group's companies, with the aim of generating jobs in positions reserved exclusively for people living with this condition.



## **EMPOWERING EMPLOYEES** to the fullest

By the end of 2021, Grupo Security will have a workforce of 2,823 people in the country, of varying ages and seniority. The company has a Talent Identification and Development Policy that addresses a key objective for business sustainability and achieving strategic goals: to have people who are ready to face current and future challenges and who are aligned with the organization's culture and its values.

This policy entails the following four objectives:

 Promote the ongoing learning and professional development of employees.

- **2.** Provide a clear framework regarding development conditions and possibilities within the company.
- **3.** Ensure the necessary measures are taken to have people prepared to fill key positions, guaranteeing the Group's sustainability.
- Define company-wide criteria for planning and formalizing internal promotions and lateral mobility within the organization.

The core principles that govern Grupo Security's people development policy are as follows:



DEVELOPMENT AS A STRATEGIC PILLAR

The comprehensive development of employees fosters commitment, alignment with corporate values and the development of the necessary competencies to face current and future challenges. The Group is therefore committed to promoting and facilitating the development of its employees, both in their current position and in preparation for future positions. COMMITMENT TO INTERNAL MOBILITY At Security, we focus on filling

vacancies with internal candidates in order to promote talent development and retention.



DEVELOPMENT OF COMPETENCIES FOR ALL

IDENTIFICATION AND DEVELOPMENT OF TOP POTENTIALS

In order to have the right people in key positions to ensure that the company and its businesses remain sustainable, we apply tools to identify the growth potential of employees and their performance levels. The holding's employees are given the opportunity and responsibility to design and implement, with the guidance of their direct supervisor, a competency development plan to facilitate their professional and personal growth.

## training

MCH\$302.3 TOTAL TRAINING GRUPO SECURITY

MCH\$82.6 TOTAL TRAINING BANCO SECURITY

The total number of trained personnel and their proportion of the total workforce are as follows:

GENDER	CURRENT WORKFORCE	NO. OF ACTIVE PEOPLE TRAINED	HOURS OF TRAINING	AVERAGE HOURS PER PERSON	% PEOPLE TRAINED
Female	1,917	1,803	68,802	36	94%
Male	1,267	1,229	37,574	30	97%
OVERALL TOTAL	3,184	3,032	106,376	33	95%

BY 2022, THE GOALS FOR HOURS AND EMPLOYEES TO BE TRAINED ARE:

- TRAINING HOURS: 36 HOURS AVERAGE - TRAINED EMPLOYEES: 97%

SOURCE: GRUPO SECURITY

Grupo Security seeks to promote the personal and professional development of our employees and align it with the strategic objectives of the company, enhancing their talents and ensuring the best opportunities for growth. To achieve this objective, the company delivers relevant content using various methodologies, in order to optimize the learning process, creating value for people and customers.

The company uses the 70:20:10 model, whereby 70% of learning is experiential, 20% from interaction with others and 10% from courses, lectures and seminars.

70% EXPERIENTIAL LEARNING

20% LEARNING THROUGH INTERACTION WITH OTHERS

10% LEARNING THROUGH COURSES AND LECTURES



The programs and courses offered by the company are classified into the following categories:

• **REGULATORY**:

These seek to comply with current legal regulations, as well as reinforcing safety mechanisms for Grupo Security's employees and customers.

The subjects addressed in 2021 were:

- \_ Crime Prevention Model.
- \_ Cybersecurity.
- Occupational accident prevention.

#### • FUNCTIONAL:

Specific technical programs, adapted to each job position. Their aim is to improve people's efficiency and productivity, maximizing their performance in their current position.

The subjects addressed in 2021 were:

- \_ Collaboration tools.
- \_ Remote work.
- \_ Product and service training.

#### • EXCELLENCE:

These develop critical skills to leverage the transformation process of Security's businesses while boosting the talent and professional development of the Group's members.

The subjects addressed in 2021 were:

- Leadership skills: change management, difficult conversations, feedback and others.
- Model development: imprinting the Security Hallmark.



## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



## work-family-life balance

Since its inception, Grupo Security has prioritized work-family-life balance within its organizational culture. To achieve this, the company has a series of benefits that cut across the various interests of its employees, aimed at promoting their development within the company. These extend to all employees with open-ended contracts and are in addition to their gross salary.

Grupo Security seeks the comprehensive development of its employees and to promote co-responsibility as caregivers. Within this framework, when any of the people working in the Group's companies experience the birth of a son or daughter or adopt a child, they receive special benefits beyond those required by law. An example of this is extended parental leave, with gradual return that depends on the modality chosen by the employee. If an employee chooses the 12-week full-time mode, upon returning from maternity leave, she will be be able to leave the office at 4:00 p.m. during the first month. Furthermore, we have decided to strengthen the half-day parental leave period in 2022, by extending it over time. Thus, if a female employee chooses this option, upon her return from the traditional maternity leave, she will have the option of working part-time for 10 weeks and for the following two months she will be able to leave at 4:00 pm. With this change, the benefit will last until the child's first birthday.

Similarly, in order to encourage bonding with the newborn, men who become fathers have a one-month flexible schedule, counted from the birth of the child. In 2022 this benefit will be extended to three months, as long as the position allows it.

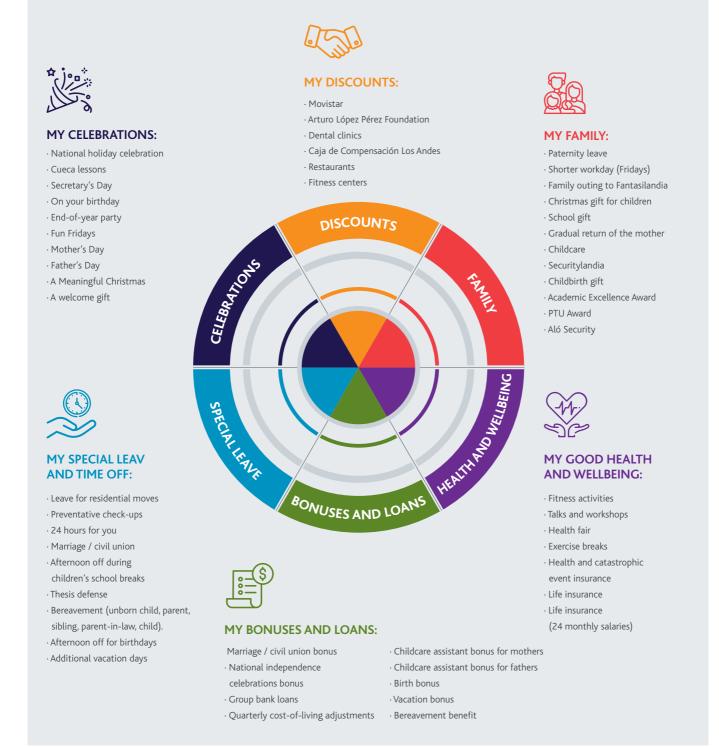
The company also provides a childcare benefit, whereby mothers can access financing for daycare or a voucher allocated for a childcare assistant to care for their child at home until the child reaches two years of age.

On the other hand, in order to promote all-round development of its employees, the company has implemented the "Vivo + Salud y Bienestar" program, which seeks to provide the tools to make participants the protagonists of their own self-care and of those around them. The initiative is based on the pillars of learning, connection with surroundings through dialogue and balance to strengthen body and mind. In 2021, given the new scenario brought about by COVID-19, the workshops focused on providing resources for the management and containment of employees and their families. Furthermore, we developed workshops for fathers and mothers, on emotional management, happiness in times of pandemic, stress management and dayto-day mindfulness.



## benefits

FOR GRUPO SECURITY EMPLOYEES



## **BENEFITS INCLUDE:**

## **BENEFITS: MY FAMILY**

BENEFIT	BRIEF DESCRIPTION
Gradual return of the mother	During the first month of her return from maternity leave, she will be able to leave at 4:00 pm: 00 hours
Paternity leave	A flexible work schedule during a child's first month of life, in addition to the five legal days of paternity leave.
Childcare	Tuition and monthly fee capped at \$220,000 until the child is two years old.
Shorter workday (Fridays)	Employees can leave the office earlier.
Family outing (Fantasilandia)	A fun afternoon at Fantasilandia amusement park with family and colleagues.
Christmas gift for children	A Christmas gift of choice for children up to 14 years of age.
School gift	Gift for all employees' children up to the last year of high school.
Securitylandia	Securitylandia winter and summer: For children between 5 and 13 years of age, we have trained staff in charge of specialized programs during school breaks. All programs conducted in 2021 were held online.
Childbirth gift	Gift when the child of a Security employee is born and posting of the child's photo in Mi Security.
Academic Excellence Award	An award of \$75,000 to the children of employees who achieve an average of 6.5 or higher in high school.
PTU Award	Prize of \$130,000 in a drawing that includes all those who performed well on the PTU.
Aló Security	Confidential channel for all employees and their families to receive free psychological, financial and legal counseling.

SOURCE: GRUPO SECURITY

## BENEFITS: MY HEALTH AND WELLBEING

BENEFIT	BRIEF DESCRIPTION
Sports activities	Soccer and bowling championships during the year.
Talks and workshops	Free open lectures and hands-on workshops with expert speakers throughout the year.
Health fair	Carrying out medical examinations and consultations in different specialties. The objective is to allocate time within the workday to review medical issues that may be troubling employees.
Exercise breaks	Pause gymnastics in all Security offices.
Health and catastrophic event insurance	Supplemental insurance for reimbursement of benefits not covered and catastrophic event insurance that is activated when the supplemental insurance reaches its maximum limit.
Life insurance	Financed 100% by the company, it is activated in the event of the employee's death.
Life insurance (24 monthly salaries)	Co-funded insurance that is activated in the event of death with an indemnity of 24 gross monthly salaries.



## BENEFITS: MY BONUSES AND LOANS

BENEFIT	BRIEF DESCRIPTION
Marriage / civil union bonus	Upon getting married or entering a civil union, employees receive a bonus.
National holiday bonus	A bonus is paid to all employees in September.
Group bank loans	Loans with preferential conditions.
Quarterly cost-of-living adjustment	Salary readjustment provided that the quarterly variation of the CPI is positive.
Childcare assistant bonus for mothers	Bonus for mothers who hire a nursery assistant to care for their child up to 2 years of age.
Childcare assistant bonus for fathers	Bonus to hire qualified personnel to help with the care of the baby during their first month of life.
Birth bonus	A bonus is given for each registered child.
Vacation benefits	Bonus for taking 10 or more working days of vacation in a row.
Bereavement benefit	A bonus is given in the event of death in the immediate family.

SOURCE: GRUPO SECURITY

## BENEFITS: MY SPECIAL LEAVE AND TIME OFF

BENEFIT	BRIEF DESCRIPTION
House move	One day per house move.
Preventative check-ups	Half day for preventive check-ups.
24 hours for you	24 chronological hours (three days) per year for personal matters.
Marriage / civil union	Seven days for marriage.
Afternoon off during children's school breaks	Two afternoons off during children's school breaks.
Thesis defense	One day off.
Bereavement (Unborn child, parent, sibling, parent- in-law, child).	From two to 15 days off in addition to the legal days off in the face of these painful losses.

### BENEFITS: MY CELEBRATIONS

BENEFIT	BRIEF DESCRIPTION
National holiday celebration	Celebrating in the office during Independence Day week.
Cueca lessons	Cueca lessons in August so you can hit the dance floor in September.
Secretary's Day	A celebration just for them.
On your birthday	A free afternoon and a company present.
End-of-year party	Costume party with a surprising theme every year-end.
Fun Fridays	Break up the Friday routine with fun activities and giveaways coming to a work station.
Mother's Day	A gift for them in May.
Father's Day	A gift for them in June.
A Meaningful Christmas	A gift to enjoy with your family.
Welcome gift	New hires are sent a welcome present and message to their homes.

SOURCE: GRUPO SECURITY

### **BENEFIT: MY BENEFITS**

BENEFIT	BRIEF DESCRIPTION
Movistar	Preferential phones and mobile plans.
Arturo López Pérez Foundation	Additional coverage in oncological treatment, for hospital and in-patient procedures.
Dental clinics	Special discounts for all employees at two partnering dental clinics.
Restaurants	Special discounts.
Fitness centers	Special discounts.

SOURCE: GRUPO SECURITY

Finally, Grupo Security has an outplacement program for employees who must leave the company involuntarily. It consists of a series of employability workshops and four individual consultancies geared towards helping people understand their skills, competences and areas for improvement, in order to successfully tackle their job hunt. Similarly, the company has a Support Program for managers and deputy managers, lasting six months.

In 2021, 108 people participated in the outplacement consultancies and workshops, while eight managers and deputy managers participated in the Support Program.



### NO WAGE GAP: POLICY AND TABLE

Since its inception, Grupo Security has established a corporate culture that seeks balance between work, family and the personal life of each of its employees. The consistency of this policy has materialized into concrete results. To date, women make up 60.2% of the company's workforce, while in Chile the average is only 49%. In addition, 33.4% of mangers are women, a much higher rate than the domestic labor market average of 13%.

The company manages the compensation of all the holding's workers using the HAY methodology. It conducts an evaluation

#### FEMALE WAGE GAP BY NCG430 FUNCTIONAL CATEGORY

FUNCTIONAL CATEGORY	GAP IN 2021
Administrative staff	97%
Senior management	66%
Sales force	84%
Management	78%
Department heads	91%
Other professionals	83%

SOURCE: GRUPO SECURITY

Besides the above, we monitor the wage gap for each of the salary tiers in the seven companies that make up Grupo Security, so as to match the tasks of both men and women, keeping an eye on how much they make.

of each position using objective metrics based on three concepts: the knowhow required for the job, problem-solving skills and undertaken responsibilities, in terms of the extent to which the person's actions have translated into results.

This methodology provides an objective benchmark to manage compensation at Grupo Security, ensuring internal equity and external competition to attract and retain talent, regardless of the employee's social or academic background, job title or gender.

#### FEMALE WAGE GAP HAY METHODOLOGY CATEGORIES

CATEGORY	GAP IN 2021
Junior administrative staff	94%
Mid-range administrative staff	92%
Senior administrative staff	98%
Junior executives	105%
Mid-range executives	60%
Senior executives	92%
Mid-range supervisors	87%
Senior department heads	87%
Junior professionals	100%
Mid-range professionals	97%
Senior professionals	103%
Mid-range deputy managers	93%
Senior deputy managers	81%

SOURCE: GRUPO SECURITY

THE GROSS MONTHLY MINIMUM WAGE FOR EACH GRUPO SECURITY COMPANY INCLUDES: BASE SALARY, MONTHLY LEGAL BONUS, MEALS AND COMMUTING BONUSES. THESE AMOUNTS PRECLUDE THE SALES FORCE AT EACH SECURITY COMPANY. SINCE THEIR MONTHLY COMPENSATION IS NOT FIXED.

Twice in the last five years, our achievements in terms of equity have earned Grupo Security recognition as the best company in the Banking and Financial Institutions Sector through the Impulsa Talento Femenino award. This award is given by Fundación ChileMujeres, PwC Chile and the newspaper Pulso, honoring corporate commitment to the promotion of female talent in Chile.

## **GROSS MONTHLY MINIMUM WAGE AT GRUPO SECURITY**

Grupo Security companies have established a minimum gross salary threshold that is much higher than the legal Chilean minimum wage and for similar positions in the market. This is on top of the other benefits that employees at each subsidiary get throughout the year.

	GS MINIMUM WAGE	LEGAL MINIMUM WAGE	% GS VS. LMW
Inmobiliaría	CH\$1,227,901	CH\$337,000	364%
Valores	CH\$1,000,162	CH\$337,000	297%
AGF	CH\$999,459	CH\$337,000	297%
Capital	CH\$985,921	CH\$337,000	293%
Vida	CH\$949,774	CH\$337,000	282%
Inmobiliaria Casanuestra	CH\$911,306	CH\$337,000	270%
Banco	CH\$858,081	CH\$337,000	255%
Securitizadora	CH\$786,759	CH\$337,000	233%
Hipotecaria	CH\$738,852	CH\$337,000	219%
Factoring	CH\$729,746	CH\$337,000	217%
Corredora	CH\$635,368	CH\$337,000	189%
Travel	CH\$615,039	CH\$337,000	183%
AVERAGE	CH\$869,864	CH\$337,000	258%

The Gross Monthly Minimum Wage for each Grupo Security company includes: Base salary, monthly legal bonus, meals and commuting bonuses. These amounts preclude the sales force at each of the holding's companies, since their monthly compensation is not fixed.

## WORKPLACE FLEXIBILITY

	NORMAL WORK SHIFT	SIGNED EMERGENCY REMOTE WORK ADDENDUM	UNSIGNED EMERGENCY REMOTE WORK ADDENDUM	100% REMOTE WORK + PART TIME	100% REMOTE WORK UNTIL 12/31/2021	100% REMOTE WORK UNDER LAW 21,247 UNTIL THE END OF THE PANDEMIC	REMOTE WORK UNDER THE SAFE RETURN ACT (LRS)	TOTAL WORKFORCE
Female	350	1,018	16	16	1	262	18	1,681
Male	66	915	13	3	-	137	8	1,142
TOTAL	416	1,933	29	19	1	399	26	2,823
	15%	68%	1%	1%	0%	14%	1%	100%

DOES NOT INCLUDE INFORMATION ON WORKERS IN PERUVIAN SUBSIDIARIES



#### WORKPLACE SAFETY

Aware of the importance of everything related to employee health and prevention, Grupo Security has prioritized its Occupational Risk Prevention Policy, whose main objective is to create a safe work space.

This policy rests on the following pillars:

- Employee health and safety must always come first.
- Continuous improvement in all aspects of occupational risk and disease prevention and management are key to Grupo Security and its future endeavors.
- · Guaranteeing that all company decisions entail compliance

with current legal provisions in terms of occupational risk and disease prevention.

- Successfully identifying, evaluating and monitoring occupational risk.
- Demanding that contractors comply with the prevention rules set by the company, making them active players in its culture of prevention.
- Encouraging employee participation in promoting health and safety, cooperating with the Group to increase safety standards.

OCCUPATIONAL SAFETY INDICATORS	2019	2020	2021
Accident rate	0.49%	0.15%	0.18%
Fatality rate	0.00%	0.00%	0.00%
Occupational disease rate	0.00%	0.03%	0.32%
Average days lost to work-related accidents	20.47	41.40	22.20
Average days lost to occupational disease	-	7.00	39.33
Average total days lost	21.82	35.67	33.21

SOURCE: GRUPO SECURITY

The mental and emotional health of employees and their families is another great concern for Grupo Security. That is why the holding has created the "Aló Security" hotline, which provides free phone consultation in psychological, financial and legal matters. In addition, we continued to conduct the Flow Survey in 2021, to follow up on each employee's mood and mental wellbeing. This was done to provide timely support to employees showing a lack of motivation. This initiative, conducted daily in 2020, turned into a weekly measure in 2021, with an average response rate of 33%.

## 489

EMPLOYEES USED THE ALÓ SECURITY HOTLINE

44

FORMAL CONVERSATIONS BETWEEN EMPLOYEES AND SENIOR MANAGEMENT. GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE

## caring for our health during the pandemic

Just like 2020 was marked by the implementation of remote work, 2021 saw employees' safe return to the offices and facilities of the Group and its subsidiaries. This was done through a hybrid work modality, with revolving weekly on-site work shifts that allowed for social distancing between teams.

Our newly acquired knowhow allowed us to strengthen our corporate culture and remain close despite physical distance. We encouraged collaboration through digital tools, creating online meeting, support and recognition opportunities for employees.

We held special events, such as large group meetings and virtual coffee breaks, where employees were able to share their

concerns with senior management while also learning about the company's challenges and goals. 12 large group meetings and 32 virtual coffee breaks were held, with 1,743 and 791 total attendees, respectively.

This was supplemented with additional measures, such as the "Cuidémonos entre todos" (Let's take care of one another) communications program, the distribution of PPEs (face masks, filters and hand sanitizer), capacity control through a digital access system and the implementation of the "Employee Health Emergency Handbook", a document that outlines the measures and behaviors to be adopted by Grupo Security members in their everyday routines.



PPE (PERSONAL PROTECTIVE EQUIPMENT) KITS



## subcontracting policy

Grupo Security has a policy with guidelines for subcontracting employees from temporary service agencies for all holding companies. This policy seeks to organize and standardize subcontracting criteria, monitoring associated expenses and making resource allocation efficient throughout the entire organization.

Temporary outsourcing is a transitory service provided by a temporary service agency. In line with current regulations, this policy provides several guidelines for subcontracting staff, such as:

- Limitation on executive subcontracting in leadership positions.
- Once the term of the contract has expired, the person

must leave. The contract may not be extended or renewed. The only way to do this is to be hired directly by the company.

- Salaries for these workers must match the company's internal salary ranges. In case of substitutions, the salary cannot be more than 80% of the salary of the person being substituted.
- They do not receive company benefits aside from the monthly salary, meal and commuting bonuses, and other legal bonuses.
- They must attend and pass all company training sessions required to, for example, successfully carry out their work and any other relevant matters.



## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 04 GRUPO SECURITY Companies

The services provided by Grupo Security companies are distinguished by their excellence, closeness, professionalism and transparency.



# **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# operational context context

# **GLOBAL CONDITIONS**

In 2021 the global economy managed to consolidate its recovery, following the health restrictions that marked the whole of 2020 and that negatively impacted businesses everywhere. This rebound resulted from the quick response by various economies, which provided several monetary stimulus and tax relief measures.

Yet economic recovery, together with excessive global liquidity, brought about a risk that had otherwise been contained: inflation. Both the higher costs of raw materials, especially for energy and foodstuffs, and increased demand plus supply issues led to general price hikes, with global CPI reaching 5%— something we had not witnessed since 2008. All this happened against the backdrop of a stronger dollar and the depreciation of other currencies, which exacerbated inflation, especially in emerging economies. In light of the above, these economies began pulling back on their monetary stimuli.

6% GLOBAL GDP (% CHANGE 2020 · 2021)

6.8% LATIN AMERICAN GDP (% CHANGE 2020 · 2021)

All in all, it was a good year for the stock markets, which rose 17% as measured by the MSCI Global index. Still, there were differences between countries and regions: developed markets rose by 20% while emerging ones dropped 4.6%, in spite of raw material prices rising 30% on average. Copper was particularly strong, starting the year at US\$3.5/pound and reaching US\$4.5 by year end. Oil, on the other hand, rose from US\$50 per barrel to US\$70 per barrel.

#### **GLOBAL GDP**

The year began with a positive outlook due to the recovery experienced by many world economies. However, this thinned out as months passed and inflation reared its head. Global GDP expanded by 6% overall in 2021, greatly surpassing historical averages. In disaggregated figures, developed economies grew 5% while emerging economies grew 6.5%.

APPENDICES

FINANCIAL STATEMENTS



#### **DEVELOPED MARKETS**

The United States, which had contracted by -3.4% in 2020, grew 5.7% in 2021, driven by strong private consumption (up 7.9%). This upswing in consumption was due to the recovery of nearly 7 million jobs in 2021, adding to the 12 million created in 2020. Meanwhile, industrial investment (non-residential) reached an annual variation of 7.4%, adding one percentage point to annual GDP. Stock markets reflected this growth with a 25% increase in 2021.

The Eurozone, on its part, expanded its GDP by 5.2%, with every economy growing, especially Germany (2.9%), France (7%), Italy (6.6%), and Spain (5%). Stock markets rose 12% as measured by the MSCI Europe index.

#### **EMERGING NATIONS**

Emerging economies also recovered significantly, expanding their economic activity in 6.5%, with similar recoveries in Asia (7.2%), Latam (6.8%) and emerging European economies (6.5%). China, one of the world's most important economies, grew 8.1%, while India, another of the world's largest economies, expanded 9%. Disaggregation in Latin America showed that Peru had the best performance (13.3%), followed by Chile (11.7%), Colombia (10.6%) and Argentina (10.3%). The most relevant ones due to their size were Brazil and Mexico, which grew 4.6% and 4.8%, respectively.

That being said, the stock market did not do very well, dropping -4.6% in aggregate (MSCI Emerging Markets Index). When broken down by region there were many differences, with a lower drop by emerging Asia (-6.6%), even though China decreased by -23%, which was partially offset by a 25% rise in India. While Latin America fell -13%, there were also big differences between the main economies, with a -24% drop in Brazil and a 20% hike in Mexico.

The fixed-income market was unique in that the riskiest U.S. bonds (high yield) returned 6% in 2021, while the safest (high grade) bonds fell by -1.1%. Meanwhile, sovereign bonds from emerging countries (EMBI) showed a negative yield of -1.5%; while corporate bonds (CEMBI) fell by -0.9%.

**11.7%** CHILEAN GDP (% CHANGE 2020 · 2021)

# CHILE

As in most countries, economic authorities in Chile applied both monetary and fiscal stimuli to tackle the pandemic. The latter were among the highest in the world (as a percentage of GDP), helping to consolidate economic recovery. The economy therefore managed not only to get back to pre-pandemic levels, but to surpass them, with GDP growth of 11.7% for the year as a whole. The latter helped to improve economic forecasts by businesses, which remained optimistic throughout most of the year, in contrast to consumer perspectives, which remained pessimistic from January to December. This may be explained by the fact that, in spite of the economic recovery, the country was subject to high levels of political uncertainty all year long due to the presidential elections and the drafting of the new constitution.

## SPENDING

From a domestic demand perspective, which expanded 21.6% over the year, private consumption had the greatest impact. It grew 20.3%, responding to the greater liquidity resulting from tax incentives and pension fund withdrawals, while investment rose 17.6%, back to pre-pandemic levels; however, it did show a much slighter increase than would have otherwise been expected given the substantial increase in trade.

#### **ANALYSIS BY INDUSTRY**

Broken down by industry, all sectors grew, with the exception of mining, which fell by -0.6% (a sector that was not affected by the stoppages in production processes in 2020). In fact, the sectors most affected during 2020 had the best performances in 2021. Personal services rose 22.4%, wholesale and retail trade rose 22.6%, business services grew 11% and construction rose 13.6%.

This outstanding performance of economic activity resulted in an average increase of 5.5% in job creation, equivalent to nearly 435,000 jobs, in addition to the one million jobs recovered in 2020. The construction sector accounted for the largest number of jobs, followed by wholesale and retail trade. The breakdown of employment by category showed that the greatest recovery occurred in self-employment (17%) while on average, salaried jobs grew only 3.2% year-on-year. Thus, the unemployment rate fell from an average of 10.7% in 2020 to 8.8% in 2021.

## **FOREIGN TRADE**

In terms of foreign trade, exports totaled BUS\$94.7, well above the BUS\$74.1 of 2020. More than half of these exports were copper shipments, totaling BUS\$33.4. In quantitative terms, exports fell by -1.5%, as the drop in copper shipments (-4.4%) more than offset the increase of only 0.3% in the rest of the products. Imports reached BUS\$83.8, with increases in all categories, including 81% in fuels, 70% in consumer goods and 36% in capital goods. Total import volumes bounced back 31.3%. Accordingly, the year-end balance of trade was a positive BUS\$10.9.

In fiscal terms, last year saw a 7.8% deficit in GDP, larger than the 7.3% observed in 2020. This was due to increased spending to counteract the effects of the pandemic, which was partially offset by increased revenue from stronger economic activity and the price of copper.

## **PRICE INDEXES**

As in most countries, inflation began to accelerate more than expected due to the higher demand brought about by the economy's excess liquidity, issues with supply, currency depreciation and higher international prices. After closing at 3% in 2020, year-on-year CPI variation rose to 4% by midyear and 7.2% by December, the highest rate since 2007. Core inflation (IPCSAE), which excludes volatile prices, showed a similar yet smaller trend, rising from 3% at the beginning of the year to 5.2% by year end. The CPI for tradables increased by 8.6% in the year, while the CPI for non-tradables reached 5.4%.

## **BENCHMARK INTEREST RATES**

The surprising increase in inflation—which grew throughout the year—made the Chilean Central Bank cancel its monetary stimuli sooner than expected, increasing the Monetary Policy Rate (MPR) by 25 basis points in July, 75 basis points in September, 125 basis points in October and 125 basis points in December.

## **EXCHANGE RATE**

In 2021 the dollar remained highly volatile yet, contrary to expectations, it tended to appreciate as the months went by. This is because the US economy managed to handle the pandemic better, creating relative strength compared to the rest of the world. Against this backdrop, the Chilean peso began the year at close to CH\$720, rising gradually as months went by to close at CH\$850, equivalent to depreciation of 20% from December to December.





# 13.3% GDP PERU (% CHANGE 2020 · 2021)

# PERU

#### ACTIVITY

Peru was one of the countries that grew the most across the globe, even though it was one of the hardest hit by the pandemic and has high levels of political uncertainty, with GDP expansion of 13.3% for the whole year. All in all, according to the Peruvian Central Bank, activity remained 5% to 7% below what it would have otherwise been without the pandemic. In terms of demand, which expanded 14% for the entire year, all components rose significantly. Both private and public consumption grew 11%, while private and public investment grew 36% and 22%, respectively.

#### **BALANCE OF TRADE**

The trade balance reached a surplus of MUS\$14,752 in 2021. This was due to exports increasing by 47.1% to MUS\$63,106, while imports increased by 39.3% to MUS\$48,354. Terms of trade climbed 11.8% in 2021, the highest growth rate in 11 years, explained by the 30.3% increase in export prices, well above the 16% rise in import prices. The current account deficit on the balance of payments was 2% of GDP in the year, in line with the average since 2006.

#### INFLATION

The inflationary scene was similar to the rest of Latin America. Year-on-year inflation began at nearly 2%, hovering around 2.5% in the first few months of the year, but then hit the accelerator to 6.4% by December. This was driven mainly by volatile products, food and energy, as well as rising exchange rates. Meanwhile, inflation without considering food or energy saw a slower increase, from 1.8% in December 2020 until 3.2% in December 2021, slightly above the target set by the monetary authority (1% to 3%). Core inflation also went from 1.8% to 3.8% in the same period.

#### **BENCHMARK INTEREST RATES**

The Central Reserve Bank of Peru (BCRP) reacted similarly to the monetary authorities in the rest of the emerging economies in the face of inflation: it began withdrawing monetary stimuli, increasing the benchmark rate by 25 basis points in August and 50 bps in September, October and December. The interest rate went from 0.25% (a historical minimum) to 2.5% by year end.

#### **EXCHANGE RATE**

In line with trends in other Latin American currencies, the exchange rate depreciated 12% as months went by, from 3.6 soles per dollar in late 2020 to 4 soles per dollar by year close in 2021.

CORPORATE GOVERNANCE

# MAIN RESULTS Grupo Security 2021

# MAIN GRUPO SECURITY RESULTS IN 2021

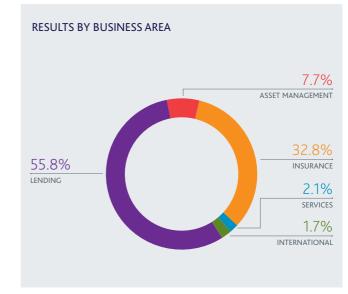
FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

	2017	2018	2019	2020	2021
Equity attributable to owners of the parent	704,910	728,495	769,753	835,520	837,799
Return on average equity	11.6%	11.2%	10.8%	8.1%	10.6%

SOURCE: GRUPO SECURITY



SOURCE: GRUPO SECURITY



SOURCE: GRUPO SECURITY

# **RESULTS BY BUSINESS AREA**

FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

	DEC-20	DEC-21	CHANGE % 21 / 20
Lending	64,446	77,897	21%
Asset Management	6,174	10,680	73%
Insurance	23,949	45,744	91%
Services	3,001	2,889	-4%
International	-929	2,348	353%
TOTAL - BUSINESS AREAS	96,641	139,558	44%

SOURCE: GRUPO SECURITY

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# **PROFIT TRENDS BY BUSINESS AREA**

FIGURES IN MILLIONS OF NOMINAL CHILEAN PESOS

PROFIT OF GRUPO SECURITY'S MAIN COMPANIES	2017	2018	2019	2020	2021
GRUPO SECURITY	74,708	80,548	81,156	65,146	88,603
Banco Security, Consolidated <sup>1</sup>	63,022	72,653	76,951	60,150	77,127
LENDING AREA					
Banco Security, Standalone	53,902	63,970	77,581	54,989	67,722
Factoring Security	7,502	8,155	9,171	9,471	10,192
ASSET MANAGEMENT AREA					
Valores Security	2,458	2,123	-5,834	1,326	2,343
AGF Security	6,666	6,563	5,210	3,838	6,901
Securitizadora Security	872	2,004	1,232	969	351
Inmobiliaria Casanuestra	-355	163	-136	-65	920
INSURANCE AREA					
Vida Security <sup>2</sup>	13,258	30,159	20,146	23,529	45,496
Corredora de Seguros Security	487	504	617	426	612
Europ Assistance	412	451	540	347	-276
SERVICES AREA					
Inmobiliaria Security	3,298	-232	-2,214	6,038	2,039
Travel Security	4,050	3,752	4,020	-4,742	832
INTERNATIONAL SECURITY COMPANIES' FINANCIAL RESULTS (MILLIONS OF SOLES) <sup>3</sup>	2017	2018	2019	2020	2021
Protecta Compañía de Seguros	5.2	2.8	22.6	23.1	37.6
Travel Security Perú	2.9	3.0	0.1	-6.0	-1.3

SOURCE: GRUPO SECURITY

NOTE:

SUBSIDIARY EARNINGS REFLECT ALL OF THEIR PROFITS AND DIFFER FROM THOSE USED TO PREPARE THE BUSINESS SEGMENT NOTE, WHICH INCLUDES CONSOLIDATION ADJUSTMENTS TO ACCOUNT FOR GRUPO SECURITY'S PERCENTAGE OWNERSHIP IN EACH OF ITS RESPECTIVE SUBSIDIARIES.

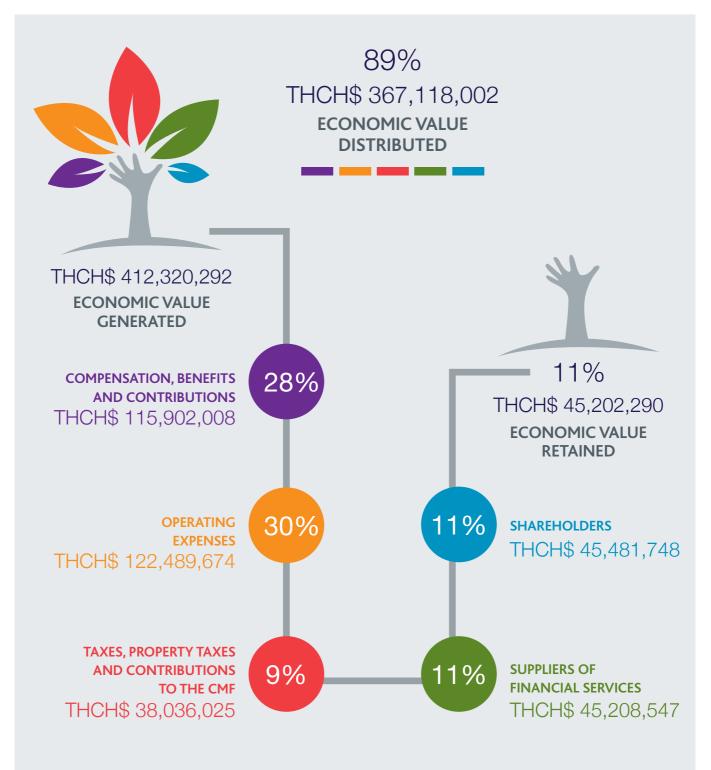
THE RESULTS OF PROTECTA COMPAÑÍA DE SEGUROS AND TRAVEL SECURITY PERU USED THE EXCHANGE RATE AS OF 12/31/2021. SOLES/US\$:3.973 CLP/US\$:850.25.

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

 IN 2018, THE FIGURE SHOWN IS THE BEFORE-TAX GAIN ON THE SALE OF THE NON-CONTROLLING INTEREST IN THE COMPANY. THE NET GAIN WAS MCH\$14,937.
 PERUVIAN ACCOUNTING STANDARDS MUST BE ADAPTED TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) IN ORDER TO CONSOLIDATE IN CHILE THE COMPANIES LOCATED IN PERU. THESE DIFFER FROM PERUVIAN ACCOUNTING STANDARDS, ESPECIALLY WITH RESPECT TO THE VALUATION OF INVESTMENT PROPERTIES AND THE TREATMENT OF DEFERRED ACQUISITION COSTS.

# economic value

THE GRUPO SECURITY CONTRIBUTION





## ECONOMIC VALUE GENERATED

REVENUE

Consolidated revenue from Security companies.

## ECONOMIC VALUE DISTRIBUTED

SUPPLIERS OF
<b>FINANCIAL SERVICES</b>

Interest derived from all types of debts and loans, cost of funds (depositors and bondholders).

COMPENSATION, BENEFITS AND CONTRIBUTIONS Salaries and benefits of Security companies' direct employees (including amounts paid to governmental institutions on behalf of employees). Total investments in the community (contributions to charities, NGOs and research institutes, funds to support community infrastructure).

OPERATING EXPENSES Expenses incurred with suppliers (for materials, product components, facilities and services purchased).

TAXES, PROPERTY TAXES AND CONTRIBUTIONS TO THE CMF

Payments made to governmental organizations (taxes, contributions and bonuses).

**SHAREHOLDERS** 

Dividends paid in 2021.

## **RETAINED ECONOMIC VALUE**

**RETAINED EARNINGS** 

Capital retained by the company to keep a balance between its growth and regulatory requirements.

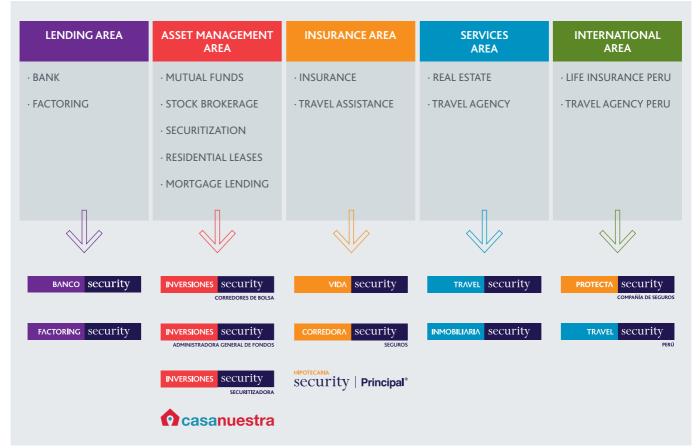
Economic value creation and distribution is a basic reflection of how an organization has created wealth for the company's stakeholders.

# **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



# security companies





# LENDING area

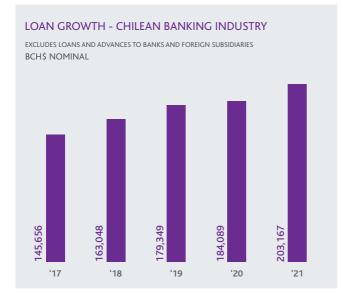
Grupo Security's Lending Area is comprised of Banco Security and Factoring Security. Banco Security specializes in commercial banking, high-net-worth individuals and treasury services. Factoring Security provides factoring and confirming services.

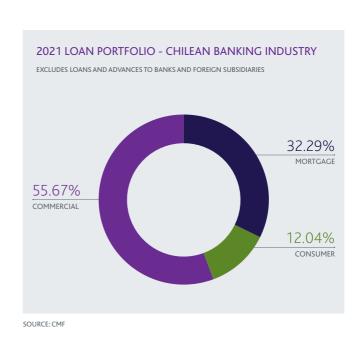
The consolidated result for 2021 includes the results of Banco Security and Factoring Security, which are 99.97% and 99.99% owned by the Group, respectively.

# banking

# THE INDUSTRY

At year-end 2021, the banking system in Chile was reduced to 17 institutions, plus one state-owned bank (Banco Estado). The reduction in the number of entities is the result of the authorization granted by the CMF in December 2021 to terminate the branch established in Chile of Banco do Brasil S.A., a decision adopted by the parent company of that banking institution. The products and services offered by the banking industry deal with money management, such as receiving deposits, executing transactions, granting loans, managing liabilities and providing investment advisory services, among others. By nature, these services depend on customer experience, the customization of the solutions provided, the provision of consulting services at all levels, and the quality and response time associated with backoffice capacity. As of December 2021, the industry employs 54,253 people, working in 1,644 branches. The sector also offers its customers a network of 7,596 ATMs distributed nationwide.





# **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

In terms of performance, 2021 was a year of recovery for the industry, in the wake of the disruption caused by the COVID-19 pandemic in 2020. As of December 31, industry loans, excluding loans and advances to banks, amounted to MCH\$221,109,994. This figure stands at MCH\$203,166,616 when excluding the industry's participation abroad, representing growth of 10.36% over the previous year, which is 772 basis points higher than the growth recorded in 2020. The Bank's total equity amounted to MCH\$24,786,934, while profit for the year amounted to MCH\$3,826,709, with a return on average equity of 15.44%.



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SOURCE: CMF

# **OPERATING SUPPORT EXPENSES** 2021 MCH\$5,556,330 2020 MCH\$5,359,504 CHANGE 3.67% FACTORS BEHIND THE CHANGE · LOW GROWTH IN PAYROLL EXPENSES 2.8%. · DROP IN DEPRECIATION AND AMORTIZATION EXPENSES -8.3%. · THESE TWO FACTORS OFFSET THE INCREASE IN ADMINISTRATIVE EXPENSES 9.1%

SOURCE: CMF

# BANCO Security

#### BANCO security

TAXPAYER ID NUMBER: 97.053.000-2 CHIEF EXECUTIVE OFFICER: EDUARDO OLIVARES VELOSO JOINED GROUP IN: 1991 LEGAL ADDRESS: APOQUINDO 3100 LAS CONDES, SANTIAGO PHONE: +56 22 5844 000 WEBSITE: www.bancosecurity.cl



#### TRADE ASSOCIATION OR OTHER ORGANIZATION MEMBERSHIPS

#### **BI-NATIONAL CHAMBERS OF COMMERCE**

- · SWISS-CHILEAN CHAMBER OF COMMERCE
- · GERMAN-CHILEAN CHAMBER OF COMMERCE
- · CANADIAN-CHILEAN CHAMBER OF COMMERCE
- · CHINESE-CHILEAN CHAMBER OF COMMERCE
- · FRENCH-CHILEAN CHAMBER OF COMMERCE

#### **REGIONAL ORGANIZATIONS**

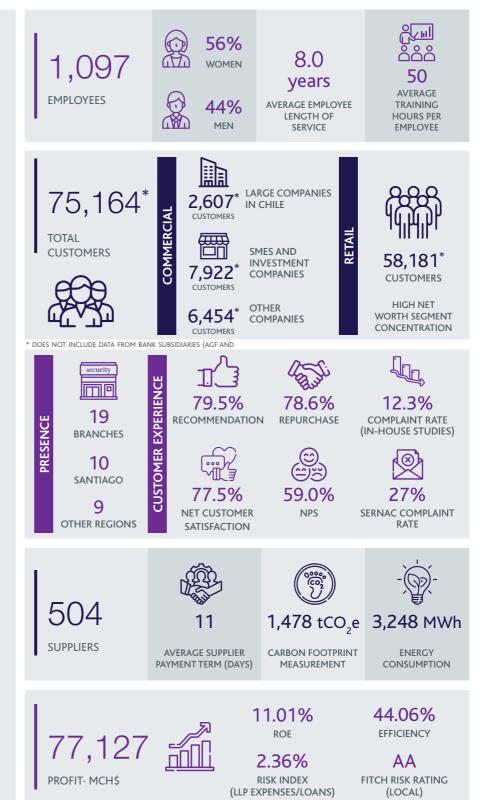
· SANTIAGO EXCHANGE

#### CONTRIBUTIONS TO FOUNDATIONS

- · CENTRO DE ESTUDIOS PÚBLICOS
- · CLUB DEPORTIVO BEST BALL
- · FUNDACIÓN PARA AYUDA Y REHABILITACIÓN
- DE DISCAPACITADOS
- · UNIVERSIDAD DE LOS ANDES

#### TRADE, INSTITUTIONAL AND OTHER ORGANIZATIONS

- ASSOCIATION OF BANKS AND FINANCIAL
   INSTITUTIONS (ABIF)
- INSTITUTO DE ESTUDIOS BANCARIOS GUILLERMO SUBERCASEAUX
- · FEDEFRUTA F.G.
- · CHILEAN CHAMBER OF CONSTRUCTION
- · HOTEL TRADE ASSOCIATION
- $\cdot$  Santiago chamber of commerce
- PRODUCTION AND COMMERCE CONFEDERATION
   BANKING EXECUTIVES CIRCLE
- · CHILEAN LEASING COMPANIES ASSOCIATION
- · CLUB EL GOLF 50 CORPORATION
- · CAPITAL GOODS TECHNOLOGY DEVELOPMENT CORPORATION



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SOURCE: GRUPO SECURITY



## SERVICE PROPOSAL

Grupo Security's main asset is Banco Security. The company has a wide range of lending, asset management and protection products that match the needs and demands of its clients, providing them with customized assistance, bespoke benefits and more time to make their dreams come true. Through Commercial and Retail Banking divisions, the Money Desk and asset management subsidiaries, it offers various products and services, such as commercial, mortgage and consumer loans, leasing transactions, foreign trade, checking accounts and lines of credit, among others.

The Bank's product and service distribution methods are based on knowing what customers need, to offer the best bespoke service alternatives through its various customer service channels. In these channels, the account executive is key and the role calls for highly qualified professionals. The work of this executive is complemented by:

- Digital Channels: bancosecurity.cl, Banco Security and Security On apps
- Remote channels (customer service and telemarketing)
- Branches
- ATMs.

In 2014 Banco Security opened a representative office in Hong Kong to support customers who wish to or already conduct business with China, Chile's main trade partner. Our presence in this city has opened up a wide network of private-sector, chambers of commerce and governmental contacts in Asia, assisting our customers in their international expansion process. This office also manages the relationship with correspondent banks in Asia, to facilitate customers' foreign trade transactions. The services offered can be summarized as follows: guidance in the search for contacts and the establishment of offices in Asia, information on fairs and events in different sectors, financial and market information in general.

The context of the COVID-19 pandemic led Banco Security to update the way it relates to its customers, strategically opting to enhance digital and self-service channels, in addition to remote work by its executives. These measures have been taken to ensure service continuity and safety in terms of the health of employees, customers and the community at large.

The banking business is immersed in a dynamic market, which is in continuous movement, exposed to external factors that affect short-term consumption and debt decisions. These factors include regulatory and monetary policy definitions, economic expectations and the political and social environment of each country.

The prevailing economic and socio-political environment in Chile and Peru in 2021 led to changes in clients' investment decisions, who favored international products with a wide array of investment products. This diversification of investment portfolios has, in turn, resulted in excessive weighting of foreign products or products with underlying assets in foreign economies.

The company has a wide range of lending, asset management and protection products that match the needs and demands of its clients, providing them with customized assistance, tailor-made benefits and more time to make their dreams come true.

# **INTEGRATED REPORT** 2021

# **PRODUCTS AND SERVICES**

# **COMMERCIAL BANKING**

Banking with a target segment ranging from medium-sized companies to corporations. It provides excellent long-term service and supports its clients by offering them bespoke financing options.

#### PRODUCTS

Checking accounts, credit cards, mobile banking, financial advisory services, cash management, commercial loans in local currency, foreign currency, lines of credit, leasing, foreign trade and investments.



## **RETAIL BANKING**

Banking with a client portfolio focused on high income and high net worth individuals in the local market. They are provided with a differentiated service model to achieve higher levels of specialization and better service experience. The value proposition encompasses financial products and services focused on satisfying consumption, lending, savings and protection needs.

#### PRODUCTS

Checking accounts, lines of credit, credit cards, consumer loans, fixed-term loans, insurance, mortgages and asset management.



# **MONEY DESK**

The Money Desk is a vital extension of the traditional banking business, offering advice and a full range of financial products to the entire customer portfolio.

#### PRODUCTS

Money Desk products, such as purchase and sale of foreign currencies, time deposits, inflation insurance and *swaps*, among others. Balance Sheet Committee products, such as interest rate, currency and liquidity risk mismatches caused by structural mismatches in the balance sheet, following the guidelines set by the Assets and Liabilities Committee.

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# ASSET MANAGEMENT

Development of innovative products that generate added value and adapt to the investment profile of the Bank's clients.

#### PRODUCTS

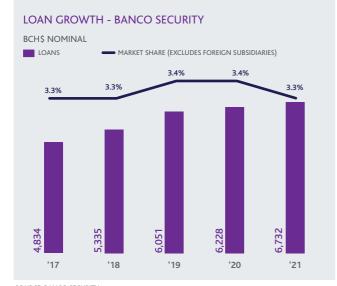
Wide range of investment products ranging from mutual and investment funds to portfolio management mandates, tailor made for each customer. It also offers brokerage services for products such as fixed income, equities, and selling/purchasing of foreign currency, among others.



# **MILESTONES IN 2021**

- Presentation of the first Regulatory Capital Self-Assessment Report (IAPE). An important step forward by the Board in the implementation of best practices in capital management.
- Restructuring of all departments, with the aim of readying the Bank to tackle the new environment and redistribute capabilities around the strategic focal points for the coming years. Two new divisions were created for this:
  - DIGITAL DIVISION, in charge of designing and implementing a digital development plan to improve the experience of customers in line with local standards.

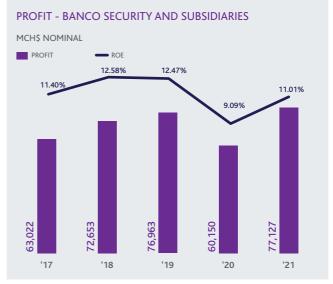
- STRATEGY AND CAPITAL DIVISION, challenged with furthering best capital management practices, applying them to business management.
- Internalization of the sales force, which operated through Global (Asset Management) and Mandates (Retail Banking), in order to match the operation to the new environment in the best way possible.
- In September, Commercial Banking granted more than BCH\$5 in loans.
- 2nd place in Customer Experience, PXI ranking, Banking Category.



# 2021 RESULTS

SOURCE: BANCO SECURITY

LOAN GROWTH IN 2021		
BANCO SECURITY	INDUSTRY	
8.05%	10.36%	
LOAN GROWTH - BANCO SECURITY BY SEGMENT		
MORTGAGE LOANS		15.85%
CONSUMER LOANS		-7.41%
COMMERCIAL LOANS		8.35%



SOURCE: BANCO SECURITY



SOURCE: BANCO SECURITY

SOURCE: BANCO SECURITY

OPERATING SUPPORT EXPENSES				
2021	2021			
MCH\$133,50	62			
MCH\$133,8	55			
CHANGE IN OPERATING SUP	PORT EXPENSES			
BANCO SECURITY	INDUSTRY AVERAGE			
-0.22%	3.67%			
REASONS FOR THE CHANGE				
· LOWER PAYROLL EXPENSES	5	-14.8%		
LOWER DEPRECIATION AND     AMORTIZATION EXPENSES     -4.4%				
· THE LATTER TWO OFFSET INCREASED				
ADMINISTRATIVE EXPENSE	S	16.1%		
SOURCE: BANCO SECURITY				

PROFIT FOR THE YEAR - BANCO SECURITY AND SUBSIDIARIES
2021
MCH\$77,127
2020
MCH\$60,150
CHANGE
28.22%
REASONS FOR THE CHANGE
· INCREASED GROSS OPERATING INCOME 6.90%
· LOWER TAX PAYMENTS -53.3%
• THE LATTER TWO OFFSET INCREASED LLP EXPENSES 14.8%
SOURCE: BANCO SECURITY
EFFICIENCY RATIO

2021	2020
44.06%	47.20%
REASONS FOR THE CHANGE	

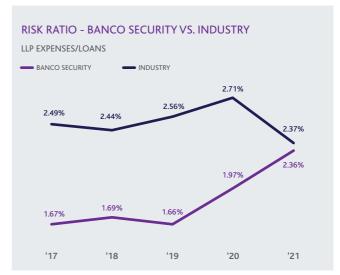
· INCREASED GROSS OPERATING INCOME	6.9%
· LOWER SUPPORT EXPENSES	-0.2%

SOURCE: BANCO SECURITY

# **RISK**

The Bank has a clear policy structure, defined in its risk appetite. Over the past few years, the Bank has developed new risk models to accurately calculate and manage credit, market and operational risks, designing and implementing various mechanisms to promptly manage them.

The above is carried out through a conservative risk management policy and joint coordination with the commercial departments, managing loan origination for both commercial and retail banking. This has allowed our credit risk indicators to remain above the rest of the industry.



SOURCE: CMF



IMPAIRED PORTFOLIO TO	TOTAL LOANS	NPL RATIO	
BANCO SECURITY	INDUSTRY AVERAGE	BANCO SECURITY	INDUSTRY AVERAGE
<sup>2021</sup> 7.02%	<sup>2021</sup> 4,50%	<sup>2021</sup> 1,37%	2021 1.24%
<sup>2020</sup> 7.30%	<sup>2020</sup> 5,47%	<sup>2020</sup> 1,76%	<sup>2020</sup> 1,58%

SOURCE: CMF

SOURCE: CMF

CAPITAL SUFFICIENCY INDEXES UNDER BASEL III	BASEL INDEX	DECEMBER 2021 <sup>(*)</sup>
	CET 1	7.01%
Banco Security	TIER 1	10.20%
	TIER 2	13.14%
	CET 1	10.70%
Industry Average	TIER 1	11.94%
	TIER 2	14.93%

SOURCE: CMF

(\*) FROM DECEMBER 2021 RATIOS ARE REPORTED UNDER BASEL III

# factoring

# THE INDUSTRY

Factoring is an important source of alternative financing to complement traditional bank lending for companies. Factoring allows customers to receive cash flows from receivables in advance, via a discount on their invoices, checks, promissory notes or other similar documents. It provides them immediate liquidity and reduces costs and inefficiencies by handing the collections process over to the factoring service provider.

As of December 2021, the Chilean factoring industry was made up of 216 institutions, which together moved around MUS\$7,800. Eleven of them belong to the Chilean Association of Factoring Companies (ACHEF), together with Factoring Security who is also a member. This Grupo Security subsidiary has a 26.7% market share in this industry.

154

**EMPLOYEES** 

ΩŢ,

45%

WOMEN

55%

MFN

9.2

years

AVERAGE EMPLOYEE

LENGTH OF

ிடா

်ဂိဂိ

18.6

AVERAGE

TRAINING

HOURS PER

# **FACTORING** security

#### FACTORING SECURITY

**TAXPAYER ID NUMBER: 96.655.860-1** CHIEF EXECUTIVE OFFICER: IGNACIO PRADO R. **JOINED GROUP IN: 1992** LEGAL ADDRESS: APOQUINDO 3150 PISO 9 & 12, LAS CONDES, SANTIAGO PHONE: +56 22 584 3600 WEBSITE: www.factoringsecurity.cl



TRADE ASSOCIATION OR OTHER ORGANIZATION MEMBERSHIPS

#### **REGIONAL ORGANIZATIONS** · SANTIAGO EXCHANGE

- · SANTIAGO CHAMBER OF COMMERCE
- SERVICE EMPLOYEE 3,210 COMMERCIAL 1,017 LARGE CUSTOMERS COMPANIES RETAIL TOTAL **CUSTOMERS** 25 RETAIL CUSTOMERS 228 CUSTOMERS SMEs security **EXPERIENCE** me 95.9% 96.77% 16 RECOMMENDATION REPURCHASE PRESENCE BRANCHES CUSTOMER 2 SANTIAGO 91.85% 93.7% 4.7% 14 NET CUSTOMER NPS COMPLAINT RATE OTHER REGIONS (IN-HOUSE STUDIES) SATISFACTION ENVIRONMENT 186 tCO<sub>2</sub>e 420 MWh CARBON FOOTPRINT ENERGY CONSUMPTION MEASUREMENT 21.78% 38.93% ROE EFFICIENCY 10,192 1.20% AA-**RISK INDEX** RISK PROFIT · MCH\$ (LLP EXPENSES/FACTORED RATING **RECEIVABLES**)



## SERVICE PROPOSAL

As a market player for 29 years, Factoring Security has positioned itself as an alternative and supplementary financial alternative to bank loans in Chile, for SMEs and large companies. It uses an approach of constant innovation to provide customers with quick and timely services through its electronic platform. It also provides Autofactoring (a self-service channel facilitating simple and quick factoring), Confirming, Preferential Capital and Direct Loan services through sales executives, its website, social media and personalized chatrooms.

# **MILESTONES IN 2021**

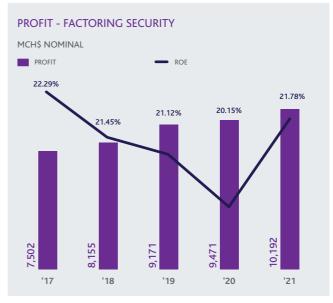
- Launching of a new website where customers can significantly • reduce management times through autofactoring.
- Wider geographic coverage, with executives working at home • or remotely in Iquique, Calama and Osorno. Furthermore, online work allowed the inclusion of geographically remote locations.
- New foreign trade lines of credit with Bladex for MUS\$25 • and Banco BTG Pactual for BUS\$20.
- 904 new clients in 2021, 245% more than in 2020.
- 38.9% efficiency, 7% above the 2020 rate.

# 7.61% PROFIT GROWTH (2020 · 2021)

# **2021 RESULTS**



SOURCE: FACTORING SECURITY



SOURCE: FACTORING SECURITY



#### LLP EXPENSES / TOTAL FACTORED RECEIVABLES 2021 2020

.20%

1.75%

SOURCE: FACTORING SECURITY

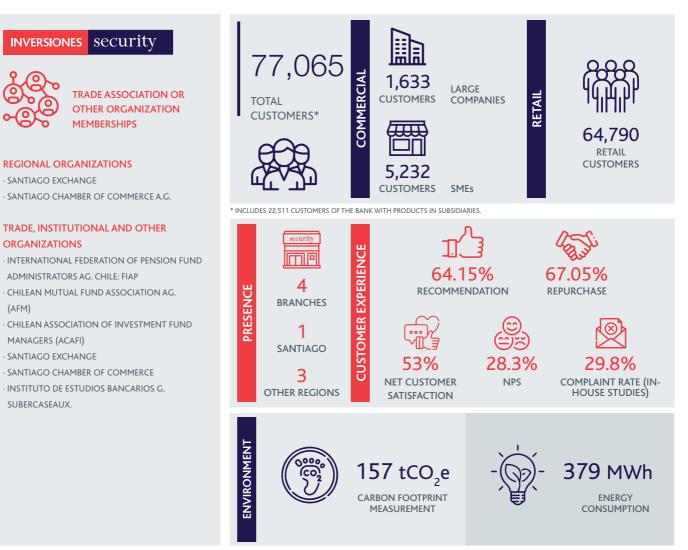
SOURCE: FACTORING SECURITY

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE

# ASSET MANAGEMENT

Inversiones Security provides comprehensive solutions for all types of customers, be they high net worth individuals, corporate customers, or individuals without much industry awareness. Through Administradora General de Fondos Security, Valores Security Corredores de Bolsa, Securitizadora Security and Inmobiliaria Casanuestra, the Group offers several products ranging from mutual and investment funds, to bespoke asset portfolio management mandates, fitting each of our customers' needs. It also offers brokerage services for several types of products, such as fixed-income, equity and foreign currency trading.

The companies that make up this area have several service models in place, led by customer-focused executives ready to attend to their needs. This has allowed them to build a solid reputation based on a consultancy and asset management model that supplements Grupo Security's value proposition.



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# **2021 AREA RESULTS**

## **PROFIT FOR 2021**

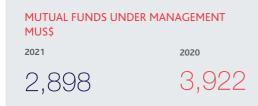


SOURCE: INVERSIONES SECURITY

PROFIT FOR THE ASSET MANAGEMENT AREA FOR 2021 INCLUDES THE RESULTS OF VALORES SECURITY (99.87%), AGF SECURITY (99.77%), INMOBILIARIA CASANUESTRA (99.99%) AND SECURITIZADORA SECURITY (99.96%).



SOURCE: INVERSIONES SECURITY





SOURCE: INVERSIONES SECURITY RESULTS FROM THE SUBSIDIARY GLOBAL UNTIL JUNE 2021.

MARKET SHARE IN STOCKS 2021 2020 1.6% 2.0%

ASSETS UNDER MANAGEMENT (AUM) MUS\$		
2021	2020	
5,672	7,038	

SOURCE: INVERSIONES SECURITY

CORPORATE GOVERNANCE

# valores security corredores de bolsa

## THE INDUSTRY

The securities intermediation sector plays an important part in the financial market, as it contributes to developing the capital market by enabling intermediaries and customers to trade securities and financial instruments. Brokers in Chile trade on the Valparaíso Stock Exchange (founded in 1892), Santiago Exchange (founded in 1893) and the Chilean Electronic Stock Exchange source: Electronic Stock Exchange AND SANTIAGO EXCHANGE (founded in 1989). There are currently 32 brokerage firms. By the end of November 2021, stock activity, measured as value traded in stocks and investment fund units (CFI), was up 16.5% compared to the previous year, for a total of BCH\$68,857. Grupo Security participates in this industry through Valores Security, with a 1.6% market share and BCH\$1,201 in stocks and CFI traded.



SOURCE: GRUPO SECURITY

# **SERVICE PROPOSAL**

The specialist team at Valores Security Corredora de Bolsa S.A. advises investors through a local and international market analysis, providing investment tips. It employs professionals and specialists in complex investments, partnering with Pershing LLCBNY Mellon and Banco Inversis S.A. It also has an electronic platform that facilitates different types of investments worldwide, simply, transparently and in a consolidated manner.

Valores Security Corredores de Bolsa has two business lines: proprietary trading and third-party assets. The former are comprised by simultaneous transactions: currency trading, currency and interest rate forwards and fixed-income and equity trading. The latter include stock trading, repo agreements; portfolio management; trading commissions on foreign securities markets and placement agent commissions.

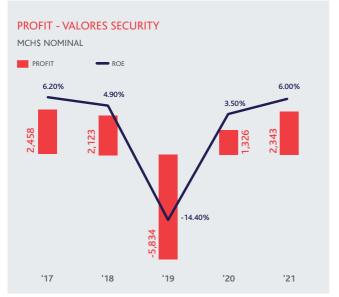
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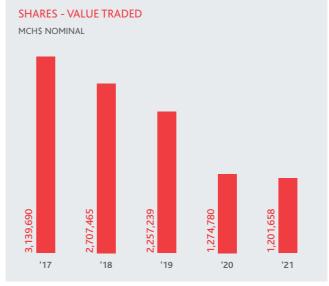
In 2021, the value of shares traded by Valores Security Corredores de Bolsa was BCH\$1,201, ranking 15th with a market share of 1.6% (calculated considering transactions on Santiago Exchange and the Electronic Stock Exchange).

# **MILESTONES IN 2021**

• International AUM grew by 25%, reaching MCH\$598,923.



# 2021 RESULTS



SOURCE: VALORES SECURITY S.A. CORREDORES DE BOLSA

SOURCE: VALORES SECURITY S.A. CORREDORES DE BOLSA

TOTAL ASSETS IN CUSTODY AND UNDER MANAGEMENT IN MCH\$			
CUSTODY SERVICES FOR UNRELATED THIRD PARTIES	dec-2021 982,268	dec-2020 980,545	
CUSTODY SERVICES FOR RELATED THIRD PARTIES	50,972	58,685	
INTERNATIONAL	598,923	477,544	
ASSETS IN CUSTODY AND UNDER MANAGEMENT	1,632,163	1,516,774	

SOURCE: VALORES SECURITY S.A. CORREDORES DE BOLSA

CORPORATE GOVERNANCE

# administradora general de fondos security s.a.

# THE INDUSTRY

The mutual fund industry in Chile is highly concentrated in the banking segment and has grown continually over the last decade, with a huge increase in assets under management and number of investors. As of December 2021, the 20 institutions participating in this industry had total assets under management of MCH\$50,987,024. Investors, meanwhile, totaled 2,926,349. Grupo Security is active in this market through the general fund administrator (Administradora General de Fondos, AGF), whose market share in terms of assets under management in mutual funds was 4.8% at the end of December 2021.



SOURCE: GRUPO SECURITY

# SERVICE PROPOSAL

With 29 mutual funds and 22 investment funds, AGF Security is one of the leading fund managers in the Chilean market. The company's objective is to manage the assets of investors with different profiles, such as middle market, high net worth, corporate and institutional investors. For 15 years it has been actively involved in managing funds targeting institutional investors whose fiduciary role in the administration of thirdparty funds requires a very high level of professionalism and rigor to provide the best investment alternatives. In 2021, from an investment standpoint, the company focused on protecting its clients' investments from the fluctuations caused by uncertainty, which it did by seeking diversification and profitability outside national borders. During this period, AGF managed assets in excess of MUS\$3,754 for its more than 48,500 clients.

4.8%

MARKET SHARE 2021



# **MILESTONES IN 2021**

- **RECEIVED THREE SALMON AWARDS:** • Fondo Mutuo Security Index Fund U.S. (B series), Fondo Mutuo Security Crecimiento Estratégico (B series) and Fondo Mutuo Security Retorno Estratégico (I-APV series).
- **RECOGNITION ON RANKINGS** 
  - EL MERCURIO INVERSIONES:
  - Best Balanced Fund Managers
  - Best Mutual Fund Managers for High-Net-Worth Individuals.
  - Best Mutual Fund Managers for APV Voluntary Retirement Savings)
  - Best Mutual Fund Managers for Investors Institutional



SOURCE: AGF SECURITY



2,496 2,798 2,661 '18 '19 '20

'21

SOURCE: AGF SECURITY

'17

558

# securitizadora Security

# THE INDUSTRY

Securitization transforms future flows generated by typically liquid assets into publicly traded instruments. These securitization debt securities are issued by the securitization company, usually in different series with different structures, are investment grade and are mainly purchased by institutional investors.

The industry is made up of eight companies, but Securitizadora Security, BCI Securitizadora and Volcom Securitizadora are the only ones to register movements over the past two years. The rest of the players have focused on managing the bonds that have already been issued. The industry has placed close to MUF 5.3, of which approximately MUF 3 were issued by Securitizadora Security. These figures correspond to the original nominal issuance amounts.

Grupo Security's participation is materialized through Securitizadora, a company that has a 55% market share in mortgage bonds and preferred series. It is also a leader in the issuance of securitized mortgage asset-backed securities.





# **SERVICE PROPOSAL**

A pioneer in its field, Securitizadora Security manages 10 separate estates that together owe MUS\$109 in preferred bonds. It also manages MUS\$181 in mortgage bonds and residential leasing. In the last five years, Securitizadora has used Valores Security as placement agent.

No new bond issuances were made by the company in 2021; therefore, the December 2021 results come from master management and general coordination of each separate estate, as established in each issuance contract.

# **MILESTONES IN 2021**

- To date, the second issuance by Securitizadora has been paid in full.
- As of year-end 2021, the preferred series of the following series have been canceled:
  - BSECS-3A
  - BSECS -5A
  - BSECS-7A
  - BSECS-10A

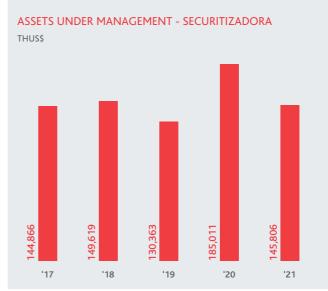
# **PRODUCTS AND SERVICES**

SEGMENT:	INSTITUTIONAL INVESTORS
DESCRIPTION:	SECURITIZED BONDS
PRODUCTS AND SERVICES:	Long-term mortgage-backed bonds, which may also be issued in accordance with Article 132 of the Securities Market Act.

# **2021 RESULTS**







SOURCE: SECURITIZADORA SECURITY

# INMOBILIARIA Casanuestra

# THE INDUSTRY

The mortgage leasing industry is a residential financing alternative. It mainly targets the C2 and C3 segments, which represent 37% of the Chilean population (Casen 2015), and which are not usually served by traditional banking.

This is a product aimed at people who can pay a monthly rent and who have access to a housing subsidy. This system gives them access to financing for housing through a lease contract with a purchase and sale pledge, applicable only to first homes.

Once the last installment of the agreed lease has been paid, the property is transferred to the buyer's name.

The main competitors in the residential leasing market are as follows:

- Unidad Leasing
- Hipotecaria La Construcción
- Concreces Leasing
- Inmobiliaria Casanuestra



SOURCE: INMOBILIARIA CASANUESTRA



## **SERVICE PROPOSAL**

Inmobiliaria Casanuestra is a residential leasing company focused on facilitating first-time homebuyers who are not served by traditional banks. The company also participates indirectly in the endorsable mortgage financing market targeting projects with housing subsidies granted by the Ministry of Housing and Urban Development, between the regions of Coquimbo and La Araucanía.

Its customers have an average household income of UF 30. The company's risk policy covers up to 80% of properties ranging in value from UF 800 to UF 2,500 for clients with housing subsidies.

Since its founding in 2015, Inmobiliaria Casanuestra has directly and indirectly financed 3,575 families, with total loans of UF 3,124,875. The assets originated have been used to create separate estates to issue and place securitized bonds in the securities market, as well as investment funds, which are in demand by institutional and qualified investors.

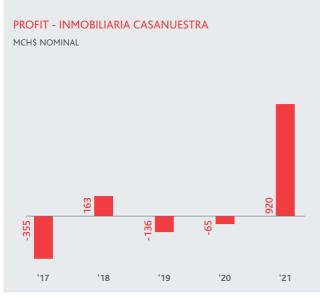
# **PRODUCTS AND SERVICES**

SEGMENT:	C2-C3		
DESCRIPTION:	SOCIOECONOMIC GROUP LOW TO MEDIUM-LOW		
PRODUCTS AND SERVICES:			

RESIDENTIAL LEASES

20.5% ROE 2021

# **2021 RESULTS**



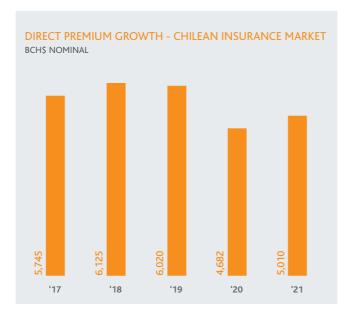
SOURCE: INMOBILIARIA CASANUESTRA



SOURCE: INMOBILIARIA CASANUESTRA

# INSURANCE area

Grupo Security's Insurance Area is comprised of Vida Security, Corredora de Seguros, Europ Assistance and Hipotecaria Security. These companies mainly offer services related to individual and group life insurance, annuities, general assistance and mortgage loan granting and refinancing. The 2021 results for the Insurance Area includes Vida Security (99.14%), which includes 51% of its subsidiary Hipotecaria Security, Beneficios (99.90%), Corredora de Seguros (99,99%) and Europ Assistance (49%).



SOURCE: GRUPO SECURITY



SOURCE: GRUPO SECURITY

# THE INDUSTRY

The 165-year-old Chilean insurance industry is made up of two major businesses: life insurance and general insurance, which are differentiated by the regulations governing their players and by the type of products sold. The various life insurance policies cover the risks of death, survival and disability, i.e. risks that may affect the life, integrity or health of individuals. Depending on the agreement, they indemnify the policyholder or their beneficiaries with a capital sum or an annuity. The industry also manages annuity pensions. Life insurance not only provides peace of mind to the policyholder, but also economic protection to their family in the event of death, catastrophic illness or disability of the policyholder. The different types of life insurance can be purchased individually by individuals or as group policies by companies or other collective entities, such as unions or wellbeing services, which are greatly appreciated by workers.



As of December 2021, Vida Security ranks third in the life insurance industry, behind Metlife and Consorcio, and a market share of 6.5% based on total direct premium (4.9% in 2020) with 33 total companies in the market. (SOURCE: AACH QUARTERLY REPORT AND VIDA SECURITY)

The insurance industry also includes policy brokerage. This is

done by bank brokers, retail store brokers, insurance agents and others.

Grupo Security participates in this industry through two companies: Vida Security and Corredora de Seguros, with a market share of 6.5% and 3.8%, respectively.

BROKER MARKET DATA

BROKER MARKET SEGMENT DATA

UF 56,964,667 In Brokered premiums

SOURCE: GRUPO SECURITY

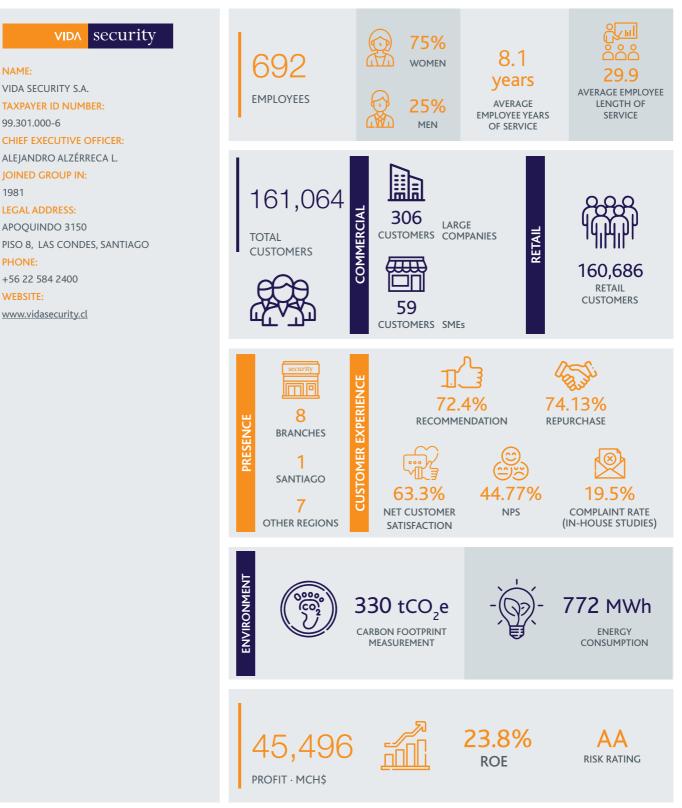
CORREDORA SECURITY

8<sup>TH</sup> place in Brokered Premiums

3.87% market share

SOURCE: GRUPO SECURITY

# vida security



140



## **SERVICE PROPOSAL**

For over 90 years, Vida Security's mission has been to protect the financial assets and estates of individuals and their families, allowing them to preserve their quality of life, access better levels of health care, save for future projects or face unforeseen negative events. Its product portfolio includes life insurance, insurance with a savings component, insurance with voluntary retirement savings (APV), life and health insurance for individuals and companies, as well as pension and private annuities.

The customer is at the center of the company's business model and value proposition. Vida Security is committed to supporting its clients in the long term, meeting their needs through a broad range of simple and transparent solutions and by being there when and where they need it, both in the retail and commercial areas.

To this end, the company's strategy developed in recent years rests on the following pillars:

## SIMPLICITY AND TRANSPARENCY

Development of clear solutions that meet the needs of our clients, with tangible benefits. Vida Security offers a wide and varied range of products, geared towards satisfying the needs of the different segments of individual and group customers.

The individual offering includes insurance that compensates for the loss of family assets due to death or disability, guaranteeing the quality of life of the client and their family in the event of unexpected events affecting their income-generating capacity; insurance that helps the client save to finance life projects or ensure future cash flows, to maintain their quality of life after retirement; insurance that provides access to higher quality healthcare and compensates for losses in family assets caused by high-cost medical treatment; and insurance that fulfills a social role by complementing mandatory pension systems, helping to reduce the gap between the income generated while active and the income received during retirement, arising from the inadequacy of mandatory pension systems or due to unforeseeable events.

Vida Security also offers group policies for all of the above insurances, helping companies and industries to protect their workers, generate new benefits for them and safeguard their productivity. The main focus is service and efficiency.

In addition to the annuity portfolio, the company offers consumer loans for policyholders who have been insured for six months or more, thereby improving their quality of life.

#### **DIGITAL FIRST OMNICHANNELS**

The company seeks to be wherever its customers need it, with a service model focused on segmented and digital service. It aims to provide comprehensive advice, according to present and future needs, quickly, innovatively and flexibly. Such spirit can be felt in every channel, from the sales force of individual products (fully integrated with the OnClick Asesoría tool, which eliminates paperwork and excessive red tape in the sales process of individual insurance) to the constant evolution of its digital channels, such as websites and OnClik Ahorro and OnClick Salud.

#### **INNOVATION**

Vida Security is constantly evolving the solutions it offers to satisfy the needs of its customers. In 2021, the company continued to strengthen its partnership with Betterfly to develop new products and new ways of creating innovative solutions. GRUPO SECURITY AT A GLANCE

## CONTINUOUS EVOLUTION OF CAPABILITIES

Continued progress has been made in advanced data and analytics capabilities, digital marketing and technology, and organizational agility.

In 2021, a scenario of greater economic uncertainty—with subsequent increases in exchange and interest rates—and the advance payment of annuities approved in April by the Chilean Congress had a notable impact on the company's results. To soften the blow of these two issues, Vida focused on strengthening its digital capabilities and delivering transparent and timely information to its customers, as well as on detecting new needs and emerging opportunities. By 2022, the company is expecting to continue pursuing a more in-depth Digital First omnichannel strategy and developing in-house digital capabilities.

## **MILESTONES IN 2021**

- Evolution of the strategic alliance with Betterfly, to develop new microinsurance and expand benefits for customers.
- Implementation of innovation work cells as part of the evolution of the strategic plan that has been in place since 2020.
- Development of digital capabilities, such as, for example, enabling digital sales tools for 100% of the company's agents.
- Third leading company in the market in terms of gross written premiums.
- Due to the pandemic, the company shifted to a mixed system (in person and remote work), helping maintain trends towards an agile culture.

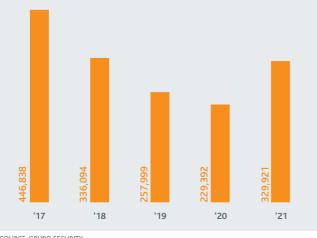
	RETAIL	COMPANIES	
HEALTH	VIVE OK!		
	SALUD MAX		
	ONCOLOGICAL	GROUP HEALTH INSURANCE	
	SALUD PROTEGIDA		
ACCIDENT	PERSONAL ACCIDENT		
	AP GOLD	GROUP ACCIDENT INSURANCE	
VIDA	TEMPORAL PLUS		
	TEMPORARY INSURANCE	GROUP LIFE INSURANCE GROUP CREDIT LIFE INSURANCE	
	FAMILY PROTECTION		
SAVINGS / INVESTMENT	DOMINIUM MAX		
	PROYEXXIÓN		
	RENTA GOLD		
	MAX UNIVERSITARIO		
	LIFE MAX		
	MI PROYECTO SEGURO		
VOLUNTARY RETIREMENT SAVINGS (APV)	APV MAX		
	MI APV SEGURO		
RETIREMENT	PENSION ANNUITIES		
	DISABILITY AND SURVIVORS INSURANCE		
LOANS	CONSUMER LOANS FOR PENSIONERS		

# **PRODUCTS AND SERVICES**

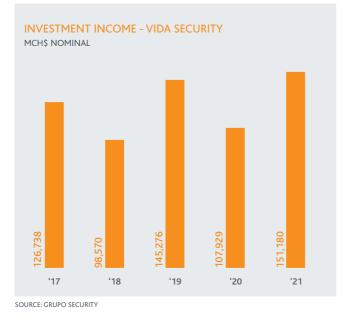


#### **2021 RESULTS**





SOURCE: GRUPO SECURITY

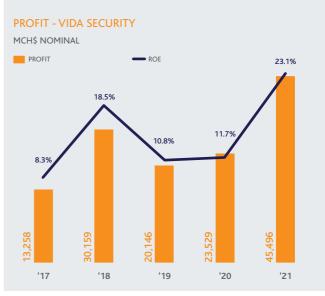


**ADMINISTRATIVE EXPENSES** 

2021 MCH\$33,683

MCH\$32,880

2020



SOURCE: GRUPO SECURITY

Vida Security's improved results in 2021 are due to:

#### 1) GROSS WRITTEN PREMIUMS:

- Market share in annuities close to 8%, an increase over the 4.9% recorded the previous year.
- Net premiums written for individual insurance business increased by 11%.

#### 2) CONTRIBUTION MARGIN:

- Exceptional impacts from COVID-19, including less than • BCH\$1.7 in life and health claims, and over BCH\$3.1 in annuity reserves released.
- Increase in reserves due to higher annuity sales.

#### 3) INVESTMENTS:

- Annuity Advances: MCH\$46,306 in assets withdrawn in • advances.
- Strategy change on the 2019 portfolio structure (ROI 5.6% • vs. 4.5%).

# **CORREDORA DE SEGUROS** security

CORREDORA SECURITY SEGUROS NAME: CORREDORA DE SEGUROS SECURITY LTDA. TAXPAYER ID NUMBER: 77.371.990-K CHIEF EXECUTIVE OFFICER;	112 EMPLOYEES	53%           WOMEN           47%           MEN	8.7 years Average employee length of service	<b>35.8</b> AVERAGE TRAINING HOURS PER EMPLOYEE
ALEJANDRO MANDIOLA PAROT JOINED GROUP IN: 1999 LEGAL ADDRESS: AUGUSTO LEGUÍA SUR 70 PISO 4, LAS CONDES, SANTIAGO PHONE: +56 22 584 3000 WEBSITE: www.corredorasecurity.cl	32,499	B98 CUSTOMERS CON CUSTOMERS CON 2,444 CUSTOMERS SME		<b>28,980</b> RETAIL CUSTOMERS
	2 BRANCHES		ENDATION REPL	7% JRCHASE 21% COMPLAINT RATE IN-HOUSE STUDIES)
	ENVIRONMENT	<b>93 tCO<sub>2</sub>e</b> CARBON FOOTPRINT MEASUREMENT		222 MWh Energy Consumption
	612 profit · mch\$		<b>54.4%</b> ROE	



#### **SERVICE PROPOSAL**

Corredora de Seguros Security advises companies and people on the process of identifying, evaluating and preventing risk, and planning, implementing and managing general, supplemental loan, life, health, group and mortgage insurance programs. Its insurance offer is available to customers through sales executives with a strong customer service orientation, through digital and telephone platforms. The Broker has a claims area for advising and assisting large clients in critical situations, when the designs and recommendations provided are put to the test.

Corredora Security has three insurance business areas: Corporate, Life & Health and Personal. Thanks to the experience gained in its 21 years in business, the company is ranked eighth in the large company segment, as measured by brokered premiums.

#### **PRODUCTS AND SERVICES**

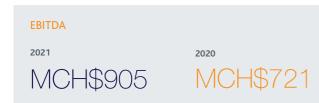
SEGMENT	DESCRIPTION
CORPORATE AND BUSINESS INSURANCE	Advisory and insurance programs to cover business risks, customized and based on the client's needs.
HEALTH AND LIFE INSURANCE	Group insurance aimed at protecting employees, covering unforeseen events related to the lives of employees and their families.
PERSONAL INSURANCE	Programs covering family assets (vehicles and home).

#### 2021 RESULTS



SOURCE: GRUPO SECURITY

SOURCE: GRUPO SECURITY





SOURCE: GRUPO SECURITY

#### **BROKERAGE FEES**

<sup>2021</sup> UF 194,620

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

# HIPOTECARIA SECURITY principal

The Chilean mortgage market has two groups of providers: banks with a 92% share, and other entities such as mutual insurance companies, compensation funds, cooperatives and private finance companies, with the remaining 8% share.

Grupo Security participates in this industry through Hipotecaria Security Principal. Among the 15 managing agents of endorsable mortgage mutual funds that currently report to the Financial Market Commission (CMF). In 2021 Hipotecaria Security Principal led the sector with a 26% market share in a MUF 38 origination market and a 30% market share in a MUF 181 administration market.

2021 MARKET DATA UF 37,995,814 gran	ITED	hipotecaria security princ 26% market sha	
UF 180,820,910 ma	NAGED	30% market sha	re
HIPOTECARIA SECUTITY Principal® NAME: HIPOTECARIA SECURITY S.A. TAXPAYER ID NUMBER: 96.538.310-2 CHIEF EXECUTIVE OFFICER: RICARDO HEDERRA GONZÁLEZ	61 Employees	54% WOMEN 000000000000000000000000000000000000	<b>6.6 years</b> Average employee Length of Service
JOINED GROUP IN: 1988 LEGAL ADDRESS: ALCÁNTARA 200, PISO 8, OFICINA 802, LAS CONDES TELEPHONE: +56 22 461 8680 WEBSITE: www.securityprincipal.cl	922 profit · Mch\$	11.3% ROE	18.5 AVERAGE TRAINING HOURS PER EMPLOYEE



#### **SERVICE PROPOSAL**

Hipotecaria Security Principal (HSP) is a leading, non-banking mortgage lender for new and used homes, land, offices and general purposes, as well as mortgage refinancing. Hipotecaria's objective is to provide excellent advisory, origination and management services, in order to supply these products to companies and individuals. Its products include flexible mortgage loans, classic mortgage loans, personalized mortgage loans and universal mortgage loans. In addition, it is constantly working to lay the foundations to be the leading provider of quality endorsable mortgage loans for institutional investors. Hipotecaria Security Principal reported total revenue of MCH\$8,337 at the end of 2021, which translated into a final bottom line of MCH\$922, almost doubling the results of the previous year. This was made possible by maintaining relatively stable sales in a year with high uncertainty at the country level and a 25% drop in prepayment costs in the face of sustained interest rate hikes on mortgage loans in the market, making external refinancing less attractive.

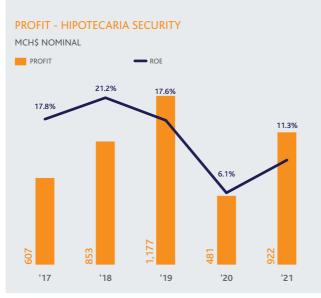
#### **PRODUCTS AND SERVICES**

SEGMENT	PRODUCTS AND SERVICES
RETAIL	Mortgage loans for the financing of new and used homes, general purposes and refinancing of mortgage loans.
CORPORATE	Mortgage loans for financing land, office and commercial properties, general purposes and refinancing mortgage loans.
INVESTORS	Endorsement and management of endorsable mortgage-backed securities

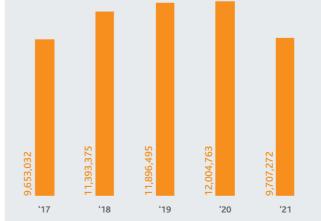
#### **MILESTONES IN 2021**

 In response to the measures taken by the government to mitigate the effects of the pandemic on Chilean families, Hipotecaria Security Principal, working together with the various investors who own the mutual portfolio, offered more flexibility to customers in 2020 by adding a new option of deferring up to six dividends, through the FOGAPE state guarantee.

#### 2021 RESULTS



ENDORSABLE MORTGAGE BONDS - HIPOTECARIA SECURITY UNIDADES DE FOMENTO (UF)



SOURCE: GRUPO SECURITY



SOURCE: GRUPO SECURITY



### EUROP assistance

#### **TRAVEL ASSISTANCE**

The travel assistance market has traditionally provided services designed to relieve passengers of travel-related problems during their trip/stay abroad, such as medical emergencies due to illness or accident. These services have been expanded through assistance for domestic and other situations.

Grupo Security operates in this industry through Europ Assistance, in which it has a 49% ownership interest. The company has a 17% market share and is one of the three main players in Chile.

#### **SERVICE PROPOSAL**

Founded in 1963 as the first company to provide travel assistance, Europ Assistance is a world leader in the travel assistance industry, present in more than 200 countries through a network of 750,000 providers. It has operated in Chile since 2004, offering competitive services, designed according to

the needs of its customers, aimed at achieving high levels of satisfaction. Its offering is comprised of travel, road, home and personal assistance products, which it sells through B2B, B2C and B2B2C platforms.

#### **PRODUCTS AND SERVICES**

DESCRIPTION	PRODUCTS AND SERVICES
Travel assistance	Service with COVID-19 coverage (US\$30,000, including PCR and medical treatment), sickness and accident coverage, medical consultations via telemedicine, travel assistance certificate, flexibility for date changes.
Roadside assistance	Support service including tow trucks, replacement vehicles and light mechanical servicing.
Home assistance	Assistance services, such as plumbing, electrical, locksmith, painting and others.
Personal assistance	Legal assistance, assistance for the elderly, telephone medical guidance and others.

2021 SALES

MCH\$9,005

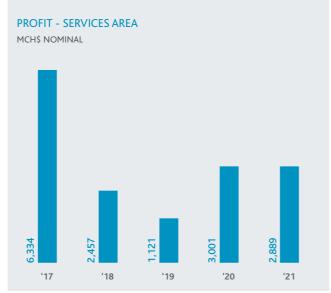
#### 2021 SALES

4% growth in the last 5 years

# services area

Grupo Security's Services Area is comprised of Inmobiliaria Security and Travel Security. Both companies complement Grupo Security's non-financial services portfolio. As of December 2021, the area's results take into account the year-end figures of Travel Security (individual) and Inmobiliaria Security, in which the Group has an 83% and 99.99% stake, respectively.

#### **2021 RESULTS**



APPENDICES



# INMOBILIARIA Security

The real estate market in Chile is very fragmented, with over 200 companies participating, many of whom operate in various Chilean communities and regions. Competition is fierce to supply the various requirements for projects and real estate requirements. Housing market segments relate to the commercial price of housing: less than UF 900 (groups D and E), between UF 900 and 3,700 (C2 and C3) and over UF 3,700 (ABC1).

through Inmobiliaria Security. Its target market includes both houses and apartments located in the Metropolitan Region, specifically in the eastern sector of the capital, in the districts of Las Condes, Lo Barnechea, Vitacura, Ñuñoa, Providencia and Colina.

In the last quarter of 2021, Inmobiliaria Security achieved a 3% market share (measured by sales in the communities where Inmobiliaria Security has properties, namely, Lo Barnechea and Las Condes).

Grupo Security participates in the residential housing industry

MARKET DATA		INMOBILIARIA SECURITY
297 units	TOTAL REAL ESTATE SALES	3% market share
2,712 units	TOTAL REAL ESTATE PROJECTS OFFERED IN UPMARKET AREAS	2.1% units offered

SOURCE: FIGURES 4Q 2021 QUARTERLY REAL ESTATE MARKET SURVEY FOR GREATER SANTIAGO, GFK IN DISTRICTS WHERE INMOBILIARIA SECURITY HOLDS PROPERTIES (LAS CONDES AND LO BARNECHEA) AND SALES DATA FOR INMOBILIARIA SECURITY.

#### SERVICE PROPOSAL

Inmobiliaria Security has an outstanding track record in the Santiago real estate market. It invests in, develops and executes housing projects aimed at the middle and high-income segments, mainly located in the northeastern sector of the city, with an overall interest in each project of at least 60%. It also provides real estate services to its investees and related companies, mainly consisting of management and administration of real estate projects, property brokerage and technical advisory services (commercial, construction, technical, market and sector studies).

Inmobiliaria stands out for providing services with a suitable capital structure, for always focusing on satisfying the most

demanding clients and for seeking to be at the forefront of technology. Its projects are marketed using a combination of inhouse and outsourced sales forces, via realtors. Customers are mainly captured through digital media.

The real estate industry faced numerous changes in 2021 resulting from Chile's health, social, political and economic contexts. Inmobiliaria Security was positively impacted by a number of factors. The first one concerns the shift from traditional to digital processes, in order to streamline customerfacing procedures. The second factor, on the other hand, relates to the negative impact of rising mortgage rates and political uncertainty, which drove Inmobiliaria to innovate in the way it markets its projects.

NAME:

1995

PHONE: +56 22 584 4151

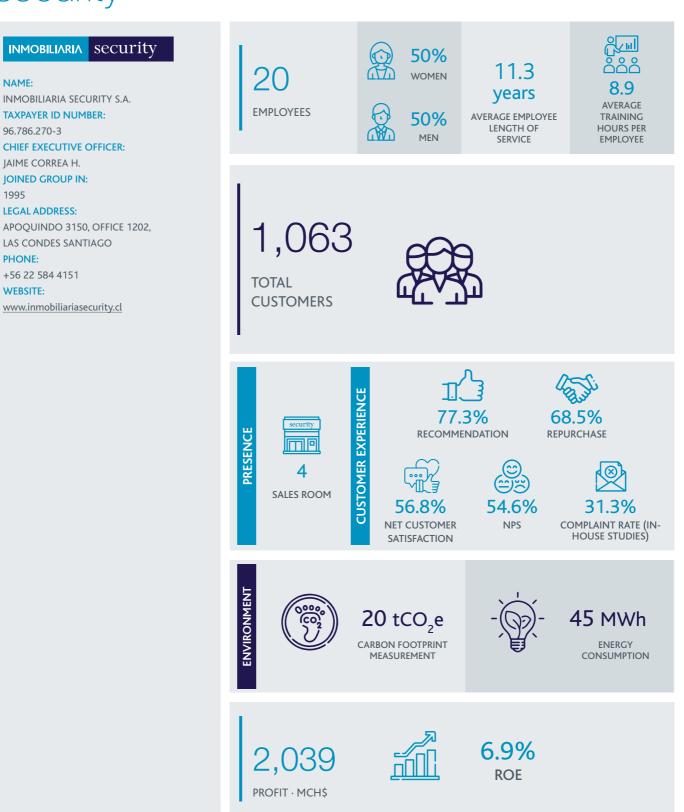
WEBSITE:

96.786.270-3

JAIME CORREA H. JOINED GROUP IN:

LEGAL ADDRESS:

# **INMOBILIARIA** security





#### **MILESTONES IN 2021**

- For the fourth consecutive year, Inmobiliaria Security was included in the Best Place to Live ranking. This ranks the best property developers based on home buyer satisfaction.
- Espacio lo Matta project, in the Vitacura district of Santiago, Chile, nominated among the three finalists in the category of "Best balanced densification real estate project" at the Aporte Urbano 2021 Awards.
- During the last quarter of 2021, Inmobiliaria Security secured the acceptance of 77 units by various Municipal Works Departments, distributed as follows: Espacio Escondido Etapa II (36) and Laderas del Valle Etapa II (8), both in the Lo Barnechea district; One Piedra Roja (12) in Las Condes and Brisas del Canto Etapa III (21) in Colina. This allowed deeds to be signed for the provisionally sold homes.

- Ownership was transferred on a total of 76 homes for UF 1,345,428, maintaining the company's market share.
- Purchase commitment agreements were signed for 55 apartments, valued at UF 905,806.
  - 2021 ended with real estate assets of UF 2,587,970, compared to UF 3,365,862 at the end of the previous year. This is a drop of 23% in view of the large number of projects where ownership was transferred and the postponement of the start of new projects.
- In 2021, the company paid financial liabilities of UF 1,021,060, closing the year with bank debt of UF 1,549,514 (UF 2,570,574 in 2020).





SOURCE: GRUPO SECURITY

**2021 RESULTS** 

**REAL ESTATE ASSETS** 

<sup>2021</sup> 2020 MCH\$80,206 MCH\$97,847

# TRAVEL Security

With more than 20 years of experience in the Chilean tourism market, Travel Security has positioned itself as a leading corporate travel agency and a specialist in serving corporate clients and demanding travelers who require premium travel standards.

Over the past 10 years, the company has established an international presence through its subsidiary Travel Security Peru.

Travel Security is the exclusive representative in Chile of American Express Global Business Travel (Amex GBT), a world leader in corporate travel. It is also a member of Virtuoso, the world's most prestigious network of travel agencies and premium travel service providers.

#### SERVICE PROPOSAL

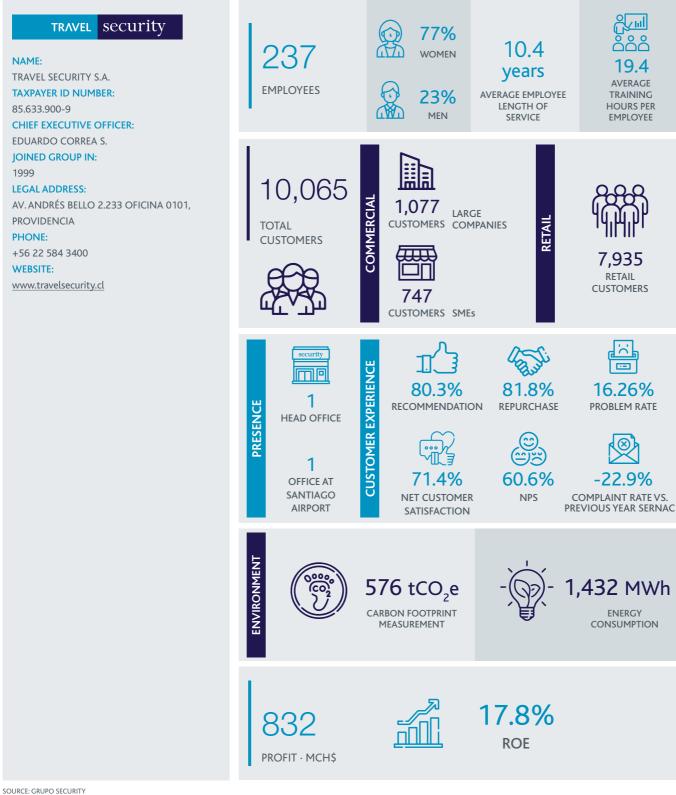
As one of the three largest travel agencies in the Chilean market, Travel Security is a leader in the corporate client segment.

Over the past few years, the company has been a leader in transforming the business travel industry, with vast experience in managing travel for clients in a variety of industries. As experts in corporate travel, Travel Security has pioneered the development of innovative travel management solutions, including B2B platforms, tailored travel policy management, comprehensive advice and negotiation with global and local suppliers, and bespoke services.

#### PRODUCTS AND SERVICES

PRODUCTS AND SERVICES	SEGMENT
Airline ticket sales, hotel reservations, travel assistance, cruises, vacation packages and programs.	Targeting all segments.
Travel management tools and platforms to manage online reservations and travel policies.	Focused on local and global travel-intensive corporate clients.
Support in negotiations with suppliers.	Aimed at local and global travel-intensive corporate clients.
Incentive travel, groups and corporate events in face-to-face, hybrid and online formats.	Focused on companies of different sizes.
24/7 emergency service, 365 days a year.	For all customers and passengers.





#### **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE

#### **MILESTONES IN 2021**

- The COVID-19 pandemic affected Travel Security sales, which fell to 34% of pre-pandemic figures. In the last quarter of the year, as a result of the reactivation of travel and the elimination of restrictions, sales reached 50% of prepandemic figures. Furthermore, after a strong adjustment in 2020, the company's current structure is in line with its new business levels and has managed to reverse the negative results of the previous year, closing 2021 in the black.
- Substantial cost reduction and refocusing of its commercial policy to address the impact of the COVID-19 pandemic on the sector. There was high demand for cancellations, refunds, reissues and increased regular travel advice, due to the uncertainty generated by the pandemic and the associated travel restrictions.
- · Continued implementation of new processes and platforms,

along with an organizational restructuring to adapt to the lower business volumes, to achieve greater efficiency of the company's resources.

- Changes in payment conditions for airline settlements by IATA-Chile (International Air Transport Association). The most relevant aspect of these amendments is the limitation of credit to travel agencies, based on their 2019 issuance history, financial capacity and country risk. This is intended to limit the risk of non-payment by an agency and to increase airline liquidity.
- Development and implementation of an efficient operational plan in view of the new situation brought about by IATA's modifications. Some of the plan's most relevant aspects include reduced credit terms for customers and easier collection processes.

#### **2021 RESULTS**







# **INTERNATIONAL** area

The International Area consolidates Grupo Security's businesses abroad, in accordance with the guidelines of its regional expansion strategy. The companies within this business area are in Peru.

Protecta and Travel Security Peru provide life insurance, reinsurance and comprehensive travel services.

The 2021 result consolidates the results of Protecta (IFRS) and Travel Security Peru, where the Group has a 61% and 75% stake, respectively.



# TRAVEL security peru

As of 2019, the Peruvian tourism industry generated more than MUS\$4,787 and more than four million direct jobs, a figure that does not include indirect jobs derived from the sector's multiplier effect. Under normal circumstances, the tourism sector is the leading foreign exchange generating industry, with a significant contribution to GDP of 4%. This sector is still recovering and is at an estimated 40% compared to 2019.

Grupo Security participates in this industry through Travel Security Perú, the exclusive representative of American Express Global Business Travel, a world leader in business travel.

2019 MARKET DATA + US\$4,787 million in sales		r perú of American Express siness Travel
SOURCE: MINCETUR (TRADE MINISTRY) AND TRAVEL SECURITY PERÚ. PERÚ NAME: TRAVEL SECURITY PERÚ S.A. CHIEF EXECUTIVE OFFICER: RAFAEL GASTAÑETA DIEZ JOINED GROUP IN: 2001	63 Employees	security 1 BRANCH ABROAD
LEGAL ADDRESS: AV. STA. CRUZ 875, MIRAFLORES 15074, PERÚ PHONE: +51 1 630 9800 WEBSITE: www.travelsecurity.pe	<b>1,156</b> Total customers	731 RETAIL CUSTOMERS



#### **SERVICE PROPOSAL**

Travel Security Peru is a travel agency that specializes in serving corporate clients, with local and international operations. It offers a comprehensive, personalized and specialized service proposal, aimed at establishing commercial relationships of mutual trust.

Its services are supported by technological solutions and the best conditions negotiated with local and global suppliers, which enables it to efficiently manage the travel budget for companies, manage inbound tourism, manage group incentives and organize events. The agency is part of American Express Global Business Travel, a world leader in business travel, which assures the company a substantial presence in the international corporate market. Its products are mainly focused on the corporate and business segment, providing comprehensive mobility and operational solutions for companies in major sectors such as mining, retail, manufacturing and related industries. It also has a vacation unit focused on the high-net-worth segment, high-end (retail) customers who demand top-quality service and products.

The year 2021 saw a significant recovery compared to 2020, which was strongly affected by the restrictive measures imposed by the government, mainly in terms of free movement and transport. The recovery accounted for a 400% improvement over the previous period, 80% of which was achieved in the fourth quarter of 2021.

#### **PRODUCTS AND SERVICES**

SEGMENT	DESCRIPTION	PRODUCTS AND SERVICES
CORPORATE	Customers with invoicing of more than US\$50,000.	Air, ground, hotel, transfers, events and insurance.
COMPANY	Customers with invoicing under US\$50,000.	Air, ground, hotel, transfers, events and insurance.
PERSONAS FIRST	Customers with high demands for service and quality.	Personal trips, packages including transfers, rental cars and everything needed for a truly unique experience.

#### **MILESTONES IN 2021**

#### SECTOR REACTIVATION AND OPERATIONAL ADJUSTMENTS

The reduction in demand for flights and services fell below 10% compared to invoicing in 2019. This forced us to take measures to secure a more efficient structure, which had to adapt to monthly fluctuations in demand of more than 50%. Adapting the operation to this demand variability has been both a challenge and an opportunity for the teams across the board.

#### IMPLEMENTATION OF NEW CREDIT POLICIES

Sector conditions and the drastic reduction in demand associated with the government's restrictive measures

have limited financing possibilities for companies in the sector. This has provided the opportunity and obligation to implement more efficient and restrictive collection measures and policies, such as credit cards, or to ostensibly restrict financing terms, thus achieving more efficient collection processes.

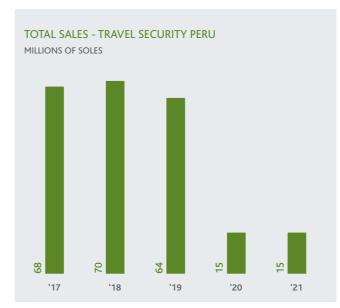
#### MIMPLEMENTATION OF NEW CUSTOMER CARE SYSTEMS

State-of-the-art customer service tools, with integration systems and CRM platforms, allow us to provide traceable and omnichannel service to our clients' requests, offering comprehensive assistance to web-based, mail and telephone requests.



#### **2021 RESULTS**





SOURCE: GRUPO SECURITY



# protecta compañía de seguros

The Peruvian insurance market is made up of 18 companies that market general risk or life insurance contracts, ending 2021 with premiums totaling MS/. 17,695 (26% higher than the previous year). Grupo Security operates in this market through Protecta, a life insurance and reinsurance company, which is also licensed to sell general insurance. Within the industry, Protecta Security ranks eighth with a cumulative market share of 3.8% as of December 2021. In life annuities, it ranks second, with a market share of 22%, while in private annuities it ranks fourth, with a market share of approximately 16%.

(SOURCE: S.B.S AND PROTECTA SECURITY)



SOURCE: GRUPO SECURITY

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#### **SERVICE PROPOSAL**

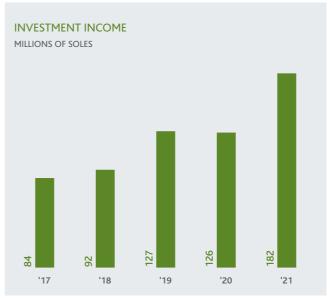
Protecta is a life insurance and reinsurance company licensed to sell general insurance. The company's proposal is to provide insurance options that allow its clients to access outstanding service protection mechanisms simply and quickly, through digital solutions and commercial executives. It also aspires to become a proactive business partner for medium-sized brokers, providing them with support, agility and competitiveness to provide quality services to their clients.

#### **PRODUCTS AND SERVICES**

PRODUCT	DESCRIPTION
ACCIDENT AND HEALTH INSURANCE	Personal accidents, medical assistance and mandatory traffic accident insurance (SOAT).
LIFE INSURANCE	Life insurance, personal life, group life, legal life, credit life, burial, private annuity, supplemental insurance for high-risk jobs and private pension system insurance.

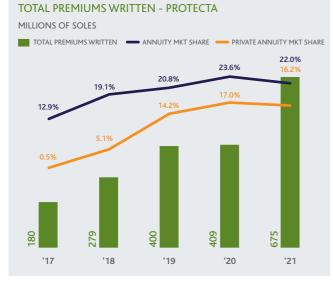
#### **2021 RESULTS**





SOURCE: GRUPO SECURITY





TOTAL ASSETS 2021 2,771 million Peruvian soles 2020 2,056 million Peruvian soles

SOURCE: GRUPO SECURITY

PORTFOLIO PERFORMANCE · ANNUAL %
<sup>2021</sup> 7.9%
<sup>2020</sup> 7.1%
SOURCE: GRUPO SECURITY

EXPENSES/ANNUALIZED PREMIUMS 2021 6.0% 2020 8.6%

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE

### REGULATORS

As companies operating in the financial sector and related areas, Grupo Security and its subsidiaries are subject to a wide range of regulations. This context is composed of common laws applicable to all companies (such as labor, social security, environmental and consumer protection laws, among others) and specific regulations for the industry in which they operate, such as those governing the securities market, insurance, securities brokerage, the banking industry, third-party fund management and others. These legal bodies are especially important in matters such as: quality of information from securities issuers (financial, economic and legal), insider trading, conflicts of interest, valuation of assets and disclosure of information to investors, among others. All of the above implies compliance with a number of requirements and, at the same time, sets requirements and limitations on the development of financial activity. The breakdown of the legal framework by industry and company can be reviewed in the Appendices starting on page 192.

#### REGULATORS

Grupo Security works in strict compliance with the law, which means that the company and its subsidiaries are supervised by a number of regulatory entities, as listed below:

#### CHILE

REGULATORY ENTITY	COMPANIES
	Banco Security
	Vida Security
	Inmobiliaria Casanuestra
CMF (Financial	Factoring Security
Market Commission)	Corredora de Seguros
	Securitizadora
	Valores Security S.A. Corredores de Bolsa
	Administradora General de Fondos
UAF (Financial	Factoring Security
Analysis Unit)	Valores Administradora General de Fondos
Tourism Undersecretariat	Travel Security

#### CHILE

REGULATORY ENTITY	COMPANIES	
Chilean Central Bank	Banco Security	
	Factoring Security	
	Valores Security S.A. Corredores de Bolsa	
	Administradora General de Fondos	
	Securitizadora	
	Vida Security	
	Corredora de Seguros	
	Hipotecaria Security Principal	
	Inmobiliaria Casanuestra	
	Inmobiliaria Security	
SOURCE: GRUPO SECURITY		



#### CHILE

CHILE			CHILE	
REGULATORY ENTITY	COMPANIES		REGULATORY ENTITY	COMPANIES
SII (Chilean Internal Revenue Service)	Banco Security	SERNAC (Chilean Consumer Protection Agency)	Banco Security	
	Factoring Security		Factoring Security	
	Valores Security S.A. Corredores de Bolsa		Valores Security S.A. Corredores de Bolsa	
	Administradora General de Fondos		Administradora General de Fondos	
	Securitizadora		Securitizadora	
	Vida Security		Vida Security	
	Corredora de Seguros			
	Hipotecaria Security Principal			Corredora de Seguros
	Inmobiliaria Casanuestra		Hipotecaria Security Principal	
	Inmobiliaria Security		Inmobiliaria Casanuestra	
	Travel Security			Inmobiliaria Security
SOURCE: GRUPO SECURITY			SOURCE: GRUPO SECURITY	

#### PERU

REGULATORY ENTITY	COMPANIES	
SBS (Superintendency of Banking, Insurance and AFP private pension fund managers)	Protecta	
SMV (Superintendency of the Securities Market)	Protecta	
SUNAT (National Superintendence of Customs and Tax Administration)	Travel Security Perú	
SONAT (National superintendence of Customs and fax Administration)	Protecta	
UIF (Financial Intelligence Unit)	Protecta	
MINCETUR (Ministry of Foreign Trade and Tourism)	Travel Security Perú	
SUNAFIL (National Superintendence of Labor Inspection)	Travel Security Perú	
SUNARIE (National superintendence of Labor Inspection)	Protecta	
SUSALUD (National Superintendence of Health)	Protecta	
INDECOPI (National Institute for the Defense of Competition and Protection of Intellectual Property).	Protecta	
BVL (Bolsa de Valores de Lima)	Protecta	
CAVALI (Central Securities and Settlements Register)	Protecta	

#### **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 05 customers

At Grupo Security, customers are key to defining and implementing the organization's comprehensive development and growth strategy.



# INTEGRATED REPORT

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



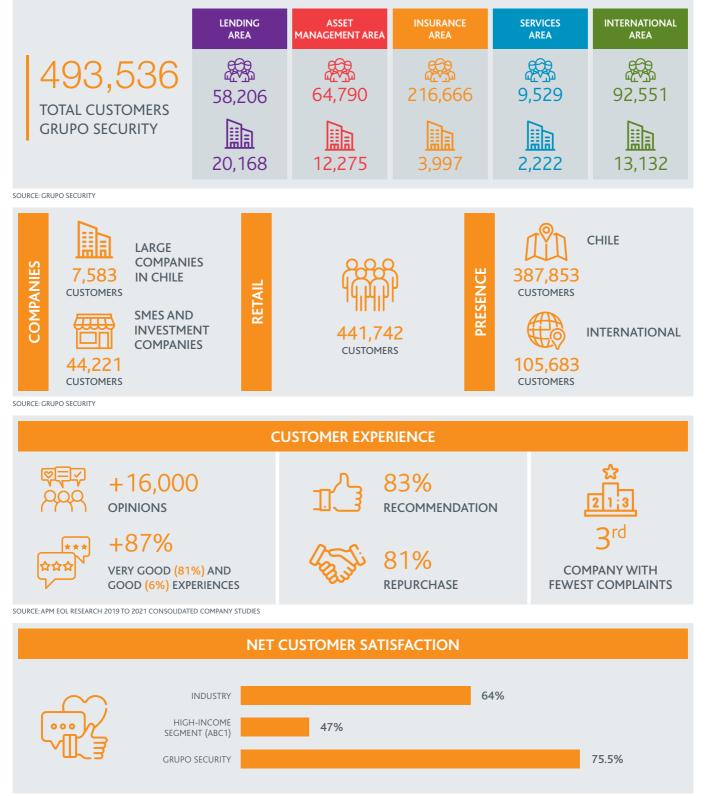
# customers

Throughout its 30 years of existence, Grupo Security has sought to establish close and outstanding relationships with its customers by offering products and services that fully satisfy their needs.

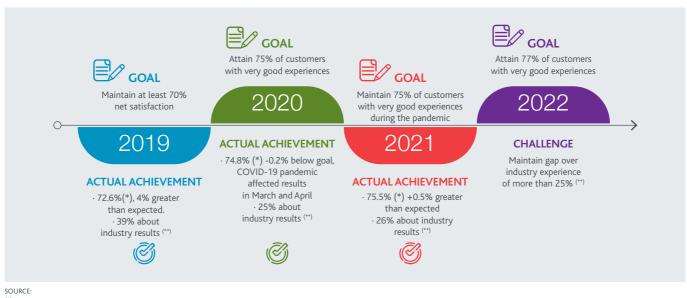
Accordingly, each subsidiary of the holding company defines its own segments, service models and different service provision standards according to its particular needs, also taking into account the nature of the industry where it operates. All companies have a quality policy that establishes common guidelines, standards and universal service levels. It also encourages appropriate customer management.



# our customers in numbers



# security quality challenges



(\*) OWN STUDIES CONDUCTED BY EOL RESEARCH 2019-2021, APM METHODOLOGY. (\*\*) RESULTS OBTAINED FROM A STUDY CONDUCTED BY PROCALIDAD, INSC 2019 - 2021

#### UPHOLDING OUR SERVICE STANDARDS DURING THE PANDEMIC

Over the course of 2021, Grupo Security continued with the business continuity plan launched in the first quarter of 2020 and effective throughout the entire year during the COVID-19 pandemic. The main focus of this plan was to look after the health and safety of both customers and employees.

With regard to customers, we continued to work to ensure operational continuity and uphold the service standards that have always been a hallmark of the Group and its subsidiaries. We invested in and implemented mechanisms such as cloud or hybrid systems so that employees could continue to provide services to clients remotely, thus complying with the highest security standards.

In order to preserve the closeness that has always characterized Grupo Security's relationship with its customers, the organization took several measures in 2021 to continue operating during the pandemic without affecting the health of its employees and customers, while at the same time delivering solutions and assistance to deal with difficult situations arising from it.

- REMOTE CUSTOMER SUPPORT through different communication channels, in order to mitigate and reduce the negative consequences of the social distancing caused by the pandemic.
- REINFORCEMENT OF THE ONGOING COMMUNICATIONS PLAN WITH CUSTOMERS, to maintain a constant and upto-date relationship based on their needs and expectations.
- UPDATING OF THE BANK'S CONTACT PROTOCOLS and scripts, in order to continue providing close and customized advice to customers.
- FOCUS ON DETECTING AND IDENTIFYING THE NEEDS of customers financially impacted by COVID-19, with the objective of offering them products and services to address their personal challenges.
- REOPENING OF BRANCHES with a greater impact on customer service, observing the sanitary measures decreed by the Ministry of Health to ensure safe face-to-face interactions for customers and employees.



### communication channels



Branches and offices, with account executives and personnel qualified to meet different customer needs.



Public website, private sites for each company and mobile applications.



Call centers and sales executives at branches and offices.



ATMs and other devices that can be used for self-service.

#### USE OF DIFFERENT CHANNELS BY OUR CUSTOMERS

14% VISITS AT LEAST ONE BRANCH/OFFICE PER YEAR

VISITS THE WEBSITE OR APP AT LEAST ONCE A MONTH 15% USES THE CALL CENTER AT LEAST ONCE A MONTH

70% CALLS THEIR ACCOUNT EXECUTIVE AT LEAST ONCE A YEAR 2% USES SELF-SERVICE MODULES

SOURCE: GRUPO SECURITY

The context resulting from the COVID-19 pandemic led customers to change the way they relate to the Group's companies. There was a noticeable decrease in branch attendance and direct contact with executives. However, there was a notable increase in the use of the apps, making it the second most used channel during 2021.

# **CUSTOMER** experience



Grupo Security has more than 491 thousand active customers across its companies. They are characterized mainly by high-income individuals and large and mediumsized companies that receive complementary financial (banking, factoring, asset management and insurance) and non-financial services.

All the studies conducted by the Group's different companies show a net customer satisfaction rate of 75.5%, 12 points above the industry average and 15 points above the industry average among ABC1C2 consumers, the company's target segment. This high satisfaction rate explains why 83% of clients recommend Security Group companies and 79% would use their services again, more than 20 points above the respective national averages. Along the same lines, more than 87% of the 16 thousand customers surveyed rated their customer experience with the holding's companies as good or very good.

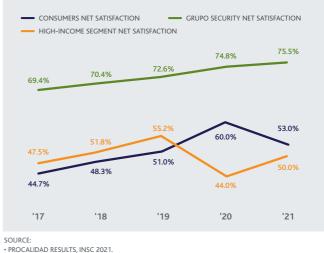
CONSOLIDATED DATA FOR GRUPO SECURITY COMPANIES, EOL RESEARCH 2021

As for external rankings on customer satisfaction, the Group and its companies obtained the following outstanding results:

#### **PROCALIDAD 2021 RANKING**

Banco Security continues to rank among the organizations with a net satisfaction level above 90%, and is the organization with the highest score nationwide, 20 percentage points above the best of the large banks. In addition, the rate of customers who report having had a problem with the Bank remains below 4%, 10 percentage points below the best-rated large bank and more than 30 points lower than the worst-rated bank.

#### NET SATISFACTION OF CHILEAN CONSUMERS VS. HIGH-INCOME SEGMENT AND GRUPO SECURITY CUSTOMERS



GRUPO SECURITY SATISFACTION SURVEYS, EOL RESEARCH 2021 WEIGHTED INTER-COMPANY AVERAGE.



#### PRAXIS XPERIENCE INDEX RANKING

This index ranks customer experience in interactions with brands. Banco Security came in 3rd in the banking category, with a score of 77%, three percentage points below the best in the category and eight percentage points above the industry average. Banco Security remains among the banks that provide the best customer experiences, which has been the case since this ranking was first published (2014).



LOYALTY INDICATORS **GRUPO SECURITY CUSTOMERS** INSC RECOMMENDATION GRUPO SECURITY CUSTOMERS RECOMMENDATION INSC REPURCHASE GRUPO SECURITY CUSTOMERS REPURCHASE 84% 83% 80% 79% 79% 83% 81% 66% 64% 64% 57% 57% 51% 49% '18 '20 '21 '17 '19

SOURCE:

 PROCALIDAD RESULTS, INSC 2021.
 GRUPO SECURITY SATISFACTION SURVEYS, EOL RESEARCH 2021 WEIGHTED AVERAGE FOR SECURITY 

**PROGRESS IN 2021** 

With regard to complaints and bad experiences, Grupo Security's customers who report having experienced some type of problem represent 12%, five percentage points below the industry average. This meets the target of keeping the gap 20% below that of the industry (i.e., 13.5%). The company continues to work to reduce this rate even further.

Grupo Security has very low rates of complaints filed with formal agencies (SERNAC, ABIF, CMF and others). Specifically, in SERNAC's ranking of complaints for 2021, it has the third fewest complaints: 3.7 customers per 10 thousand, 31% less than in 2020. Banco Security reported a drop of over 20% in problems and/or complaints received with respect to the previous year.

The main factors that influence the good results obtained by Grupo Security and its subsidiaries in this area are the result of their constant focus on the customer and the continuous improvement of its products, services and processes.

- FACTORING achieved a reduction in the time required for document prepayment transactions in its Electronic Factoring and Auto Factoring applications.
- VIDA SECURITY, focused on modernizing the private customer site to increase security levels and improve the self-service experience.
- BANCO SECURITY, meanwhile, implemented the Closed Loop methodology in all branches. This allows us to address

bad experiences in a timely manner and correct situations thanks to the information gathered from daily customer surveys. The company also focused on improving its service models to reduce response times and upgraded its systems and service channels to provide them with greater levels of stability. Meanwhile, the constant effort to listen to customers' opinions through the VEC (Voice of Customer Experience) program has enabled the different work teams to improve the efficiency of their processes as well as the different products and services offered.

# MANAGEMENT Style

Customized, close, professional and transparent service is the hallmark of the services provided by the companies that make up the holding.

Grupo Security and its companies make it a priority to deliver quality, close, transparent and professional service. This hallmark has been developed over the company's 30 years in business, in a permanent effort to strengthen the relationship with customers through orientation, the ability to anticipate, collaborative work and efficiency to achieve its objectives.

These elements allow us to work on a daily basis to improve and evaluate the level of maturity of customer experience management practices within the companies in order to identify the gaps in this area and work to overcome them. It also measures the level of commitment and the importance that employees place on customer experience, helping identify low-performance areas, tasks and groups.

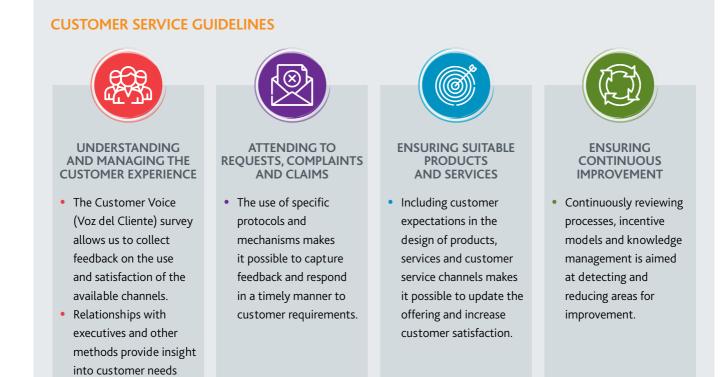
The result of this ongoing effort is value propositions in line with customer profiles, understanding their expectations and needs, in order to generate simple and reliable experiences, a trait that has characterized the Group for decades.



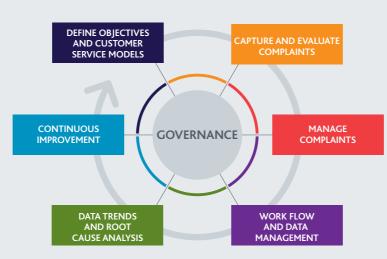
#### HALLMARKS OF THE QUALITY SERVICE PROVIDED BY GRUPO SECURITY AND ITS COMPANIES

and expectations.





#### FRAMEWORK FOR COMPLAINTS AND GRIEVANCE MANAGEMENT



4

GRUPO SECURITY AT A GLANCE

# EXCELLENCE MODEL

The different Grupo Security companies use an excellence management model based on the Iberoamerican Quality Award (FUNDIBEQ) standards. It seeks to generate, cultivate and maintain long-term relationships with customers that are both profitable and sustainable for investors.

The Group's Corporate Affairs Division and the different customer experience areas at its subsidiaries, in collaboration with other divisions in the companies, are mainly responsible for supervising and controlling achievement of the Group's objectives in this area, reporting directly to the CEO.

#### **GRUPO SECURITY EXCELLENCE MANAGEMENT MODEL · MGE**

#### SENIOR MANAGEMENT COMMITMENT

- Analyze and validate the structure, incentives and resources that reflect an authentic commitment to customers.
- Analyze and validate the development and implementation of conduct that leverages corporate values and demonstrates a customer service culture.

#### CUSTOMERS

- Analyze how the organization designs, develops, produces and proposes products and services aligned with each segment's value proposition.
- Analyze how to manage relationships in order to fully satisfy the needs and expectations of current and future customers.

#### **EMPLOYEES**

- Analyze how skilled, motivated and empowered people are to deliver excellent customer experience.
- Analyze the system for recognizing quality among all company employees, aligned with the business strategies.



#### POLICY AND STRATEGY

 Analyze how the organization links the customer experience to its strategy and generates an impact on the business.

#### EXTERNAL PROCESSES, RESOURCES AND SUPPLIERS

- Analyze how the company intelligently prioritizes customer journeys with the greatest impact on the organization's results.
- Analyze coordination between areas to deliver excellent customer experience.



# TRANSPARENCY towards customers

Within the framework of Grupo Security's policies and lines of action, the value of transparency constantly governs relationships with customers. We encourage and monitor that there is an adequate flow of information to customers, which means that it must be provided not only at the time of contracting a product and/or service, but also throughout the entire relationship with them in any of the holding's companies.

Employees must provide customers with clear, complete, relevant, reliable and timely information on products and services, expenses and any commissions charged for them, using the available means of communication.

Each company is also responsible for ensuring the availability of this information and updating it on the website, the intranet or by other means of communication, such as visiting account executives in branch offices, by telephone or by email.

# CUSTOMER DATA SECURITY



As described in the chapter on corporate governance regarding customer data security, Grupo Security and its companies work in strict compliance with local regulations applicable to this matter. A culture of information care and responsibility is fostered in each of our employees. Security strives to provide its customers with clear, complete, reliable and timely information on products, services, expenses and fees.

#### **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 06 **CREATING** Value

Grupo Security is particularly mindful of the relationship with each of the stakeholders that are essential to the development and growth of the business: shareholders and investors, employees, customers, suppliers and the community. CUSTOMERS

CREATING VALUE

APPENDICES

FINANCIAL STATEMENTS





GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES



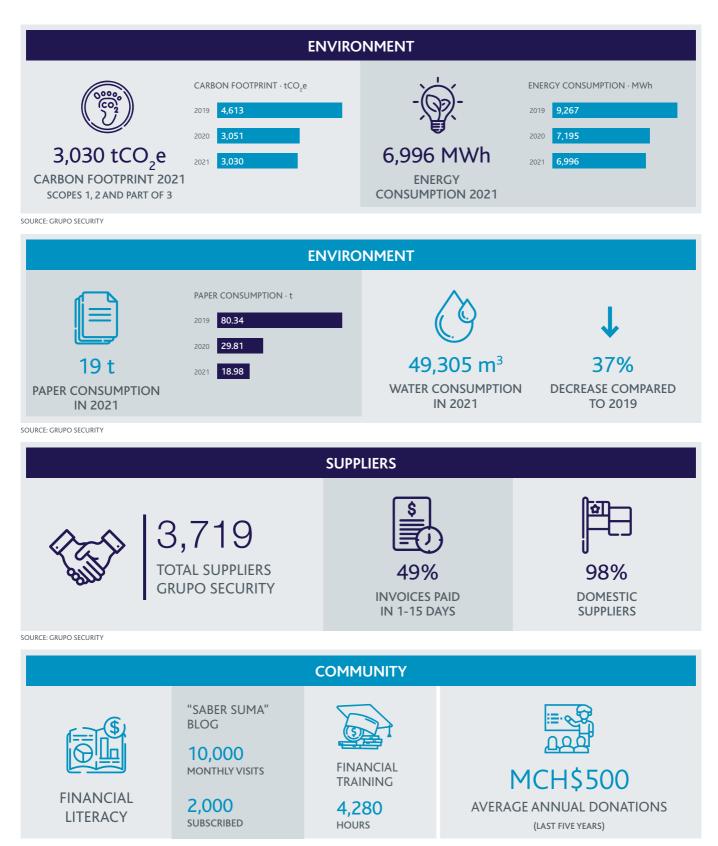
## **DECISIVE STEPS** towards sustainability

In 2021, Grupo Security decided to go a step further in its commitment to a sustainable future, creating the Corporate Affairs Division, whose sustainability objective is to generate a corporate strategy and a medium-term work plan, in addition to maintaining the leadership achieved in both customer service quality and work-family-life balance for its work teams. This has been achieved through practices that have positioned Security among the best companies to work for in Chile.

All this poses a major challenge for Grupo Security in the short, medium and long term. The following immediate actions are considered for 2022: developing and implementing a Social and Environmental Risk Policy; coordinating the integration of ESG factors at the Group's companies; and actively disseminating this knowledge at subsidiaries, through working groups, talks and workshops for senior management and employees. It also contemplates the implementation of a corporate governance screening, a continuous improvement program for directors and the introduction of internationally standardized metrics to monitor policy compliance.

Within the public sector, we expect to strengthen financial literacy programs, continue to disseminate good market practices and prevention measures for issues such as money laundering, corruption, bribery and everything related to Laws No. 23,393 and No. 19,913 plus amendments and addenda, among others. The sustainability vision will be further developed in the products and services offered to customers, either by making green funds available or by applying ESG factors in the granting of loans to companies and in the Group's own investment decisions.





SOURCE: GRUPO SECURITY

## **CREATING VALUE** in the environment

At Grupo Security, a job well done also implies caring for the environment. This approach translates into a commitment to minimize operational and business impacts on the environment.

This has also entailed various measures implemented in recent years, such as initiatives aimed at reducing paper use, promoting renewable energies and incorporating environmental and social criteria in project evaluation and financing. In particular, in 2021, the Group set itself a new challenge: to measure its carbon footprint and obtain the Huella Chile seal, an initiative of the Environment Ministry that seeks to promote GHG emission management in public and private organizations.

(AT THE TIME OF FINALIZING THIS REPORT, THE SEAL IS IN THE PROCESS OF BEING VERIFIED BY THE ENVIRONMENT MINISTRY).

## **CARBON FOOTPRINT MEASUREMENT**

The project surveyed the company's data to quantify its corporate carbon footprint in scopes 1, 2 and part of 3 (\* Definitions). The facilities of the following companies were included in the measurement: Banco, Travel, Vida, Factoring, Asset Management (AGF and Valores), Inmobiliaria, Corredora and other subsidiaries. A total of 72 facilities (branches and offices) totaling nearly 42,000 m<sup>2</sup> were inspected.

₽ 184	tCO <sub>2</sub> e	2,670	tCO <sub>2</sub> e	<b>29</b> tCO <sub>2</sub> e		(🚔) 146 tCO <sub>2</sub> e		
FUEL AND REFRIGERAI	NT GASES		CHASED		LIES AND SERV CONTRACTED	ICES	S OTHER	
SCOPE 1		SCOPE 2			SCOPE 3		SCOPE 3	
SOURCE	%CO <sub>2</sub> e	SOURCE Gwh	%CO <sub>2</sub> e	SOURCE		%CO <sub>2</sub> e	SOURCE	%CO <sub>2</sub> e
Diesel and generators	32%	Average grid 6.7	100%	Paper	19 t	60%	Waste and recycling	75%
Natural gas	0%	100% renewable	0%	Water	49.305 m3	40%	Business travel	25%
Company vehicles	0%	Solar panels C	0%	Other serv	vices and supplies	exc	A1 fuel production	0%
Refrigerant gases	67%							
6%		88%	5	1%		5%		

SCOPE 2 EMISSIONS REPORTED USING THE LOCATION-BASED METHOD.

EXCLUDES IMPACT OF GHG EMISSIONS FROM THE BANK'S LENDING

OTHER SOURCES SUCH AS: CUSTOMER TRAVEL AND EMPLOYEE COMMUTES, COURIER/VALUABLES/DATACENTER SERVICES, THIRD-PARTY CASHIERS, ETC. HAVE BEEN EXCLUDED.

#### (\*) DEFINITIONS

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SCOPE 1: REFERS TO DIRECT GREENHOUSE GAS EMISSIONS FROM SOURCES OWNED OR CONTROLLED BY THE COMPANY. SCOPE 2: INDIRECT EMISSIONS FROM ENERGY CONSUMPTION AND DISTRIBUTION, I.E., GREENHOUSE GAS EMISSIONS ASSOCIATED WITH CONSUMPTION OF ELECTRICITY AND/OR STEAM GENERATED BY THIRD PARTIES. SCOPE 3: REFERS TO OTHER INDIRECT EMISSIONS RESULTING FROM THE COMPANY'S ACTIVITIES. BUT WHICH DO NOT OCCUR WITHIN ITS PROPERTY AND ARE NOT CONTROLLED BY THE COMPANY TABLE PROVIDED BY PROJECTAE



According to the survey, Grupo Security's greenhouse gas emissions (GHG) amounted to 3,030 tCO2e, slightly lower than in 2020. It should be mentioned that both this reduction and the reduction compared to 2019 may be due to the implementation of remote work in the Group's companies caused by the pandemic, which led to lower energy consumption. The significance of this emission source accounts for 88% of the company's GHG emissions. In 2021 it stood at 2,670 tCO<sub>2</sub> equivalents (Scope 2).

SCOPE	CATEGORY	2019	2020	202	21
SCOPE	CATEGORY	tCO <sub>2</sub>	tCO <sub>z</sub>	tCO <sub>2</sub>	PERCENTAGE
1.1	Fixed-source combustion	104	62	60	2.0%
1.2	Mobile source combustion	6.3	0.4	0.2	0.0%
1.4	Refrigerant gas replenishment	135	159	124	4.1%
	SUBTOTAL SCOPE 1	246	221	184	6.1%
2	Electricity consumed (market method)	3,651	2,669	2,670	88%
	SUBTOTAL SCOPE 2	3,651	2,669	2,670	88%
	SUBTOTAL SCOPES 1+2	3,897	2,890	2,854	94%
3	Paper	77	27	17	0.6%
3	Water	25	17	12	0.4%
3	Fuel manufacture Scope 1	7	0	0	0.0%
3	Waste and recycling	300	77	110	3.6%
3	Business trips	307	39	36	1.2%
	SUBTOTAL SCOPE 3	715	161	176	5.8%
	TOTAL GHG EMISSIONS	4,613	3,051	3,030	100%

SOURCE: PROYECTAE

#### **GHG GAS EMISSIONS INTENSITY**

	UNIT	2019	2020	2021
GHG Emissions (A1+2) / Office + branch surface area	kgCO <sub>2</sub> e/m2	92	69	68
Data coverage (Percentage of reported m²/total m²)	Percentage	100%	100%	100%

SOURCE: PROYECTAE

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

Banco Security has a highly specialized Project Finance Area for project financing that, in addition to considering compliance with Chilean environmental regulations in the credit evaluation, evaluates the initiatives according to the Equator Principles, an international standard for the financial industry to identify, evaluate and manage environmental and social risks in projects.

The area was born in 2013 as part of the Bank's commitment to innovation for the development of specialized value propositions, when Commercial Banking customers expressed their interest in investing in the renewable energy industry. To date, the area has contributed to the financing of 51 renewable energy projects. Five of these were evaluated and financed according to social and environmental criteria, while another four were financed with green loans, a Corfo instrument for financing renewable energy projects, circular economy projects or projects that seek to make a positive impact on the environment.

The work of Project Finance involves concern for environmental and social aspects throughout the entire project development. Consequently, in the most recent financing transactions, compliance with ESG-related standards is a basic condition for the release or disbursement of funds.

51 projects TOTAL RENEWABLE ENERGY PORTFOLIO

## り projects

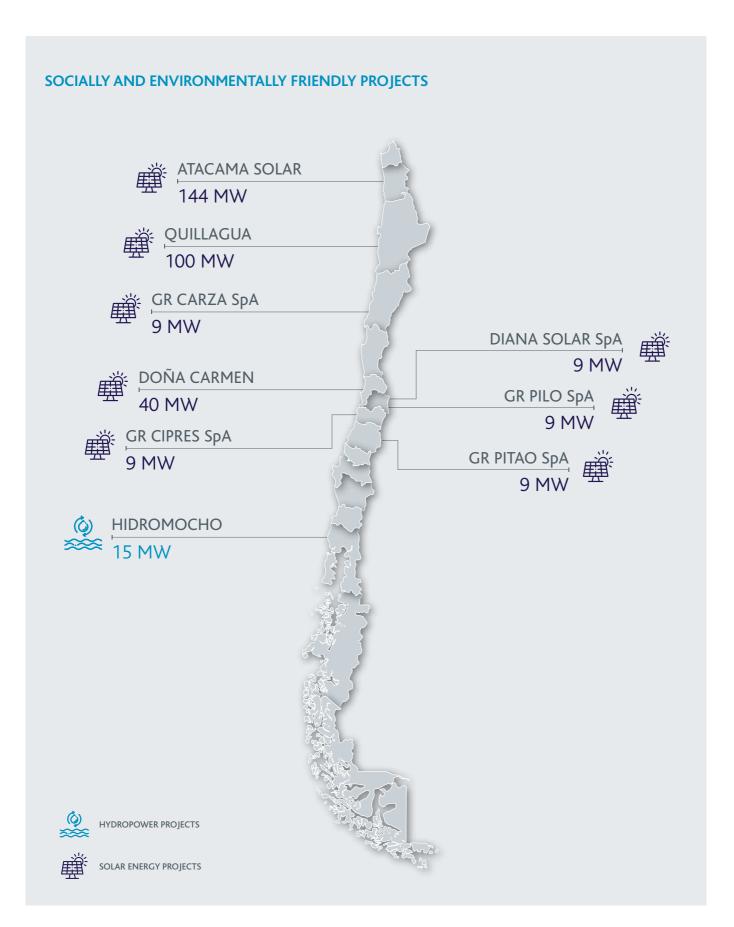
PORTFOLIO EVALUATED AND FINANCED ACCORDING TO ENVIRONMENTAL AND SOCIAL CRITERIA 4 solar projects PORTFOLIO FINANCED WITH GREEN LOANS



"At Next Energy Capital we are used to working with many institutions globally. In Chile, the bank we trust is Security. It stands out for its commitment to financing renewable energy projects and its customer service. They assisted us at all times and completed the financing process in only two months, when it normally takes three to four months.

> CÉSAR TORRES SENIOR ASSOCIATE NEXT ENERGY CAPITAL





GRUPO SECURITY AT A GLANCE

CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

## **CREATING VALUE THROUGH** Supplier management

Grupo Security understands that suppliers are key to sustainably achieving its strategic objectives. Over the years, its focus has been to build a relationship of mutual trust, based on respect and honoring its commitments.

Consequently, it has an Outsourcing Policy in place that specifies how suppliers' governance and risk systems are to be analyzed. This document sets out the guidelines for outsourced services and suppliers in terms of regulatory compliance, and establishes monitoring criteria based on the criticality of the outsourced service. These criteria have not included sustainability issues so far.

To ensure compliance, the Supplier Committee meets quarterly to monitor suppliers and decide on special cases. This has allowed the company to pay, on average, 153,984 of its invoices (94.5%) before the 30 days required by law. As of December 31, none of its suppliers individually represents 10% or more of the purchases made during the period. Similarly, in 2021 Grupo Security did not allocate resources to pay interest for late invoices, nor did it have to make use of Exceptional Payment Deadline Agreements with the Economy Ministry.

#### INVOICES PAID TO DOMESTIC SUPPLIERS

PAYMENT DAYS	SUPPLIERS	INVOICES	AMOUNT (MCH\$)
0-30	3,892	153,984	398,100
31-60	775	4,100	9,151
> 60	561	4,894	4,853

SOURCE: GRUPO SECURITY

#### INVOICES PAID TO FOREIGN SUPPLIERS

PAYMENT DAYS	SUPPLIERS	INVOICES	AMOUNT (MCH\$)
0-30	45	896	1,317
31-60	19	61	106
> 60	15	35	75

SOURCE: GRUPO SECURITY

#### SUPPLIERS BY ORIGIN

ORIGIN	SUPPLIERS	INVOICES	AMOUNT (THCH\$)
Foreign	53	992	1,498
Domestic	3,666	162,978	412,104
TOTAL	3,719	163,970	413,602

SOURCE: GRUPO SECURITY

"We have a wonderful relationship with Security. You can feel how we work as partners, and that we always reach the best decisions, thinking about the users and in the long term. We have attained a level of trust that allows us to operate services optimally, looking for comprehensive solutions that won't get us bogged down in red tape. Simply put, it's a great client, with great people. We are proud to be one of the Group's strategic suppliers."

> SONIA SCHWERTER, OPERATIONS MANAGER TRANSPORTATION AND LARGE ACCOUNTS, ISS



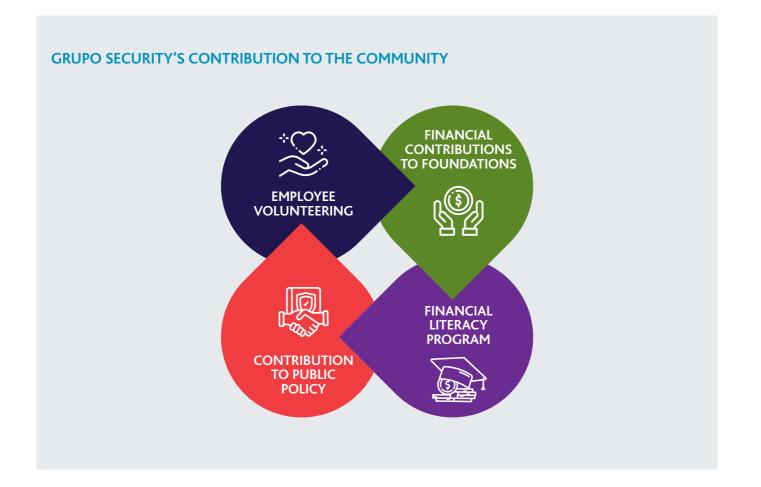




## creating value for the community

Concern for people has been part of Grupo Security's DNA since it was founded in 1991.

The company has sought to contribute to the community from its scope of action through programs aimed at promoting policies to reconcile work with personal and family lives, as well as supporting foundations that seek to improve the quality of life of the public they serve. It has also taken on the permanent challenge of financial literacy as a responsibility towards its employees, customers, suppliers and the community in general.



## FOSTERING WORK-FAMILY BALANCE POLICIES

Grupo Security is convinced that in order to develop public and business policies that address the challenges of the new times, high-quality data is required. This is why it actively provides content and information from different studies and research, mainly focused on balancing work and family life.

The Group has partnered with The Center for Work and Family at the ESE Business School at Universidad de los Andes, which works to foster a business culture that favors integration and harmonization of work and family life. As part of this, the center organizes international seminars in which Security shares its policies and practices on this issue and their outcomes among the company's employees. It also edits publications and research, such as the Barometer of Women's Leadership and the Index of the Labor Trajectory and Inclusion of Women in Chile.

In turn, Banco Security sponsors ESE Business School's Corporate Reputation Center at said university. This unit seeks to promote best practices in terms of corporate reputation, addressing three questions: how to build a reputation, how to safeguard it, and how to recover it when it has been lost.

Finally, the Group also makes contributions to different educational institutions and study centers, such as Universidad Católica, Centro de Estudios Públicos (CEP), Fundación Educacional Nocedal and Becas Padre Hurtado.





#### **CONTRIBUTION TO FOUNDATIONS**

Grupo Security donates to foundations in three areas: support for the elderly, support for the community through parks and gardens and training for young people and teenage mothers.

The first is the Group's longest-standing partnership: support for Fundación Las Rosas. For more than 20 years, groups of between 15 and 20 employees have visited the foundation's María Auxiliadora Home in the Lampa district. The activity takes place on a weekday during working hours, and is 100% financed by the company. To care for the health of the home's residents and employees, in 2021 the company participated through the winter and Christmas campaigns, with employees donating CH\$18,805,776, which was matched by the company.

The Group has been cooperating on landscaping since

2013 with Fundación Mi Parque. This contribution is twofold: it includes both funding and volunteer work to build squares and parks in employee neighborhoods that need such areas. As of April 2021, five squares have been built as part of this community contribution initiative.

The latter is related to having a positive impact on disadvantaged women, through foundations such as Prodemu and Soy Más. Here, Grupo Security funds workshops on oral and written expression in the workplace, teamwork techniques and good food handling practices, among others.

## ¿Alcanzaste a hacer tu donación para la *Fundación Las Rosas?*





### **SPORADIC CAMPAIGNS**

With regard to healthcare, in October Grupo Security joined the national breast cancer prevention campaign with in-house and external activities. Employees attended a presentation on the importance of early diagnosis and were taught how to use the Palpa device for self-examination. At the external level, we donated 100 Palpa devices to a community of women in Chaitén, in the province of Palena, Los Lagos Region, so that they could easily perform their self-examination.

As is the tradition, every December Grupo Security helps to distribute 240 Christmas boxes to needy families in Chile's Metropolitan Region. This initiative seeks to provide much needed items so that every family can get together and celebrate the holidays in a spirit of peace, joy and unity.

"For Breast Cancer Month we were looking for great partners who wanted to join us in the cause of raising awareness among women about the early detection of this disease. Our in-house and external initiative proposals were incredibly well received at Grupo Security. Sometimes you think that because they are very large companies, they will be difficult to contact and achieve joint alliances. However, good ideas and the pursuit of social change override any obstacle to creating something great.

JOSEFA CORTÉS CEO AND FOUNDER OF PALPA







#### **FINANCIAL LITERACY**

Grupo Security understands financial literacy as a crucial responsibility towards its employees, customers and the community at large. It therefore creates different products for each of these stakeholders.

#### **EMPLOYEES**

The company has introduced technology to facilitate their training in these matters. First of all, it has a self-learning platform called "Mi Aprendizaje" (My Learning), which seeks to enhance the skills of all the Group's employees in different areas. It offers eight courses in financial literacy, including Finance for Non-Financiers and Accounting and Financial Management for Non-Specialists. In 2021, a total of 389 people were trained in topics related to products, the securities market, corporate finance and others, totaling 4,280 hours of training.



#### CUSTOMERS AND THE COMMUNITY AT LARGE

For over 10 years, Grupo Security has traditionally organized the Security Economic Seminar in August to analyze the macroeconomic situation and national context. Speakers at the event include prominent economist and MIT scholar, Ricardo Caballero, as well as other political and economic figures. The company has also worked to make financial literacy and understanding of economic issues accessible to the public at large, creating content for different platforms. One of them is the "Saber Suma" blog (https://sabersuma.security.cl/blog), a platform for sharing relevant content for economic and financial decision-making, as well as columns by world-renowned personalities. Saber Sumar has a weekly newsletter, which is sent to about 2,000 subscribers with the latest economic and financial news. In 2021, the blog registered close to 10,000 monthly visits.

The Group has also turned to YouTube, where it has uploaded 20 capsules analyzing the local and international economic situation over the past year. This audiovisual content is also sent to a subscriber base of 11,000 people. Furthermore, ten webinars led by Security's Chief Economist, Felipe Jaque, were held in 2021, which analyzed the national and global situation. For those who prefer audio over videos, Inversiones Security has a channel on the Spotify platform, in which company executives talk in depth about relevant investment issues, such as the rise in interest rates, prospects for investment instruments and international markets.

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Informe Mercados Globales y Locales estima ajustes más agresivos de la TPM



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GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 07 Appendices

In its 2021 Integrated Report, Grupo Security has incorporated SASB international standards in order to provide a comprehensive view of its management, with consistent and standardized information in the financial, social, environmental and corporate governance areas.



APPENDICES

FINANCIAL STATEMENTS





## **RISK** rating

	GRUPO SECURITY	BANCO SECURITY	VIDA SECURITY	FACTORING SECURITY	INVERSIONES PREVISIÓN SECURITY
Fitch Ratings (local)	AA-	AA	AA	AA-	A+
ICR (local)	AA-	AA	AA	AA-	A+
Fitch Rating (international)		BBB			

#### FITCH RATINGS - GRUPO SECURITY

AA- for solvency and bonds with a stable outlook

#### **RATING BASIS AND COMMENTS**

- Rating confirmed in June 2021.
- Values the clear positioning in its lending, asset management and life insurance businesses.
- Emphasized its sound asset quality, income diversification and stable funding.
- Mentioned that the directors of Grupo Security have extensive experience in the financial sector, and the owners are strongly committed to management.

#### **ICR - GRUPO SECURITY**

AA- for solvency and bonds with a stable outlook

#### **RATING BASIS AND COMMENTS**

- Rating confirmed in May 2021.
- Valued the solvency of Grupo Security's subsidiaries.
- Highlights the holding company's sound liquidity, through income received from its subsidiaries, access to market financing and the support of shareholders via capital increases.

#### **FITCH RATINGS - BANCO SECURITY**

- AA for long-term deposits, letters of credit and bonds.
- A+ for subordinated bonds.
- N1+ for short-term deposits.

#### **RATING BASIS AND COMMENTS**

- All its ratings were confirmed in June 2021, with a stable outlook.
- Intrinsic credit quality, consistent strategy and sustained growth of profitability indicators.
- Recognized the increased diversification of recurring revenue, which decreased its exposure to volatility within its financial variables.

#### ICR - BANCO SECURITY

- AA for solvency, long-term deposits, letters of credit and performance bonds.
- N1+ for short-term deposits.
- AA- for subordinated bonds.

#### **RATING BASIS AND COMMENTS**

- All its ratings were confirmed in June 2021, with a stable outlook.
- Recognized a consistent strategy, which achieved increases in commercial loans and strengthened the consumer segment, compared to the industry and its peers.
- Emphasized a loan portfolio with appropriate risk safeguards.
- Appropriate capital adequacy, similar to the industry average.

## FITCH – BANCO SECURITY INTERNATIONAL RATING

- BBB long-term, with a stable outlook.
- F3 short-term.

#### **RATING BASIS AND COMMENTS**

- Rating ratified in May 2021, improving the trend from negative to stable.
- Rating based on intrinsic solvency.
- Emphasized consistent strategy and moderate risk appetite.
- Quality ratios of stable assets.

#### **FITCH RATINGS - VIDA SECURITY**

• AA(cl), with a stable outlook.

#### **RATING BASIS AND COMMENTS**

- Rating upgrade in June 2021, from AA- to AA.
- Rating upgrade based on a stronger business profile, through an increase in scale and a favorable trend in reinvestment risk.
- Emphasized appropriate product diversification, which indicates that it is a significant company in the insurance with savings components and health markets.
- Mentioned capitalization and leverage indicators within favorable ranges according to Fitch.

#### **ICR - VIDA SECURITY**

• AA with a stable outlook

#### **RATING BASIS AND COMMENTS**

- Rating confirmed in April 2021.
- Rating based on its competitive position and competitive product diversification.
- Emphasized the company's stronger solvency, associated with higher earnings and capital increase.
- Emphasized the financial and management support provided by Grupo Security, which provide greater sustainability to the business.

#### **ICR - FACTORING SECURITY**

- AA- for solvency and bonds with a stable outlook
- N1+ in bills of exchange, with a stable outlook

#### **RATING BASIS AND COMMENTS**

- Ratings confirmed in May 2021.
- Emphasized the support of Grupo Security, which provides solid financial and credit guarantees and access to the parent company's broad portfolio of customers, and support from corporate departments.
- Noted that its credit risk is in line with its peers.
- Well-diversified funding sources.

#### FITCH RATINGS -FACTORING SECURITY

- AA- long term domestic rating, with a stable outlook
- N1+ in the domestic short-term, with a stable outlook

#### **RATING BASIS AND COMMENTS**

- Ratings confirmed in April 2021.
- Emphasized the parent company's ability and willingness to provide support, and the strategic importance of Factoring Security, making support from Grupo Security highly likely.
- Relevant and favorable leverage ratio with respect to its peers.

### FITCH RATINGS -INVERSIONES PREVISIÓN SECURITY

 A+ with a stable trend for long-term solvency and bond lines.

#### **RATING BASIS AND COMMENTS**

- Rating confirmed in June 2021.
- Rating based on debt indicators suited to the business and support from its parent company.
- Emphasized the strength of its main asset, Vida Security, with a moderate business profile and a strict regulatory framework, given its focus on the pension business.

#### ICR -INVERSIONES PREVISIÓN SECURITY

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

#### **RATING BASIS AND COMMENTS**

- Rating confirmed in July 2021 with a stable outlook.
- Rating based on its main subsidiary, Vida Security, within a regulatory framework that supports its solvency.
- Holds a controlling interest in all its subsidiaries and influences dividend policies.
- Emphasized access to liquidity from the cash flows of more than one subsidiary, access to funding in the market and the support of Grupo Security if necessary.

## material events

### SANTIAGO, MARCH 12, 2021

The Board of Directors of Grupo Security S.A. agreed in a meeting held on March 11, 2021, to summon the shareholders to an annual general meeting on April 6, 2021, at 9:30 a.m., at the corporate offices located at Augusto Leguía Sur 70, ground floor, in the district of Las Condes, Santiago, and shareholders may also attend remotely and simultaneously in accordance with the provisions of General Standard No. 435 and Circular No. 1141 of the Financial Market Commission. If for any reason the meeting cannot be held in person, it shall be held exclusively by remote means in accordance with the above. To this end, the company shall disclose, both on its website and in the meeting summons notices, the mechanism for participating and remote voting to be used at the meeting and the way in which each shareholder or their representative may prove their identity and proxy, as the case may be.

The following matters were to be addressed at the annual general meeting:

- Approve the annual report and financial statements for the year ended December 31, 2020, including the report of independent auditors for that year;
- 2. Profit distribution and dividend payments;
- 3. Dividend policies;
- 4. Setting of board compensation in 2021;
- 5. Board expenses in 2020;
- Information regarding Directors' Committee activities, performance and expenses during 2020;
- Directors' Committee compensation and approval of the 2021 budget;
- 8. Appointment of the company's independent auditors;
- 9. Appointment of risk rating agency;
- 10. Information on related party transactions in conformity with art. 146 *et seq*. of the Corporations Law;
- 11. Designation of the newspaper for legal publications; and



12. In general, all other matters that should be addressed at an annual shareholders' meeting according to law.

You are hereby informed that at the aforementioned Board of Directors' meeting it was also agreed to propose at the annual general meeting to distribute a dividend of CH\$5.25 per share, which, added to the interim dividend of CH\$0.75 already paid on October 29, 2020, results in a dividend of CH\$6.00 per share to be charged to profit for 2020. Furthermore, an additional dividend of CH\$2.75 per share was already paid on October 29, 2020, out of retained earnings, bringing the total dividend to CH\$8.75 per share. The board also agreed to propose at the annual general meeting a dividend payment date of April 16, 2020.

Pursuant to the provisions of Article 76 of Law No. 18,046, we hereby inform you that the company's financial statements and the independent auditors' report are available on the company's website https://ir.security.cl/es/financial-information/guarterly-results as of February 26, 2021.

#### SANTIAGO, AUGUST 25, 2021

At the extraordinary shareholders' meeting held today, it was agreed, among other matters (1) to approve the creation of a share buyback program pursuant to Articles 27A to 27C of Law No. 18,046; (2) to approve the following particular characteristics of the program: maximum percentage to be acquired: the equivalent of 5% of the company's subscribed and paid-in shares; objective: investment by purchasing and selling company shares, based on variations in the share price; duration of the program: Five years from the date of the meeting; to delegate to the Board of Directors the power to set the minimum and maximum price to be paid for the shares; to delegate to the Board of Directors the power to acquire shares directly in the stock exchange under the conditions of Article 27B of Law No. 18,046, as well as to

dispose of the shares acquired without having to go through a preferential offering process, complying with the conditions of Article 27C of the same law; and (3) to empower the Board of Directors to adopt any other resolutions deemed necessary to implement the program as approved by the Board and the applicable legal provisions.

#### SANTIAGO, OCTOBER 07, 2021

In compliance with the provisions of Article 9 and the second paragraph of Article 10, contained in Law No. 18,045, and in General Standard No. 30 and Circular No. 660, both issued by the Financial Market Commission, and being duly authorized to that effect, I hereby inform as a material event, that the Board of Directors of the company, at its meeting held on this same date, agreed to pay a total dividend of CH\$5.5 per share, which is distributed as follows: (i) an interim dividend of CH\$3 per share, to be paid in cash out of the current year's profit; and (ii) an additional dividend in the amount of CH\$2.5 per share, to be paid in cash out of retained earnings from the previous year, as authorized at the annual general meeting held on April 6 of this year. The aforementioned total dividend will be made available to shareholders as of October 28, 2021, at the offices of DCV located at Avenida Los Conquistadores 1730, 24th floor, Providencia (telephone +56 22393 9003), or in any other manner chosen by the shareholders prior to the payment date.

All shareholders registered in the Shareholder Registry five business days prior to the date of payment were entitled to receive this dividend (excluding treasury shares registered in the company's name).

## NCG461 content index

As part of the work plan to incorporate environmental, social and governance aspects into its operations, Grupo Security developed the contents of this Integrated Report in accordance with the guidelines established in NCG461. The regulations, published by the CMF in November 2021, require entities to report under this modality for financial year 2023.

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5.5.	WORKPLACE AND SEXUAL HARASSMENT	-	Grupo Security and its subsidiaries have an investigation policy regarding workplace harassment, which is defined in the company's Internal Order, Hygiene and Safety Regulations. There were no claims of labor or sexual harassment during 2019, 2020 and 2021 in any Grupo Security companies.
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6.1.ii.	Sector competition and market share	15, 117, 125, 128, 130, 132, 134, 136, 138, 146, 149, 151, 154, 158, 161	
6.1.iii.	Legal framework		As companies operating in the financial sector and related areas, Grupo Security and its subsidiaries are subject to a wide range of regulations. This framework is made up of common laws applicable to all companies (such as labor, social security, environmental and consumer protection laws, among others), as well as regulations specific to the industry in which they operate, such as those governing the stock market, securities brokerage, the banking industry, third-party fund management and others. These legal bodies are especially important in matters such as: quality of information from securities issuers (financial, economic and legal), insider trading, conflicts of interest, valuation of assets and disclosure of information to investors, among others. All of the above implies compliance with a number of requirements and, at the same time, sets requirements and limitations on the development of financial activity. Details of standards are contained in the Legal Framework Table on page 201.
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6.2.ii.	Sales channels and distribution methods	121, 127, 128, 130, 141, 151, 154, 162, 171	
6.2.iii.	No. of suppliers representing at least 10% of total purchases	-	No single supplier represented 10% of total purchases made during the period.
6.2.iv.	No. of customers representing at least 10% of the segment's revenue.	-	Based on company data, no individual customer concentrates revenue equal to or greater than 10% of the revenue of its segment.
6.2.v.	Main brands	-	Grupo Security owns the trademark "Security" in the class corresponding to the activities of the parent company, subsidiaries and associates.
6.2.vi.	Patents	-	No patents are owned by Grupo Security.
6.2.vii.	Main licenses, franchises, royalties and others		No licenses, franchises, royalties and/or concessions are owned by Grupo Security. Only the application for the transfer of the trademarks MAX_UNIVERSITARIO and MAX_PATRIMONIAL from the holder Grupo Security S.A. to Seguros de Vida Previsión S.A. can be reported during 2021.
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SOURCE: GRUPO SECURITY

## 8. INDICATORS

NO.	ISSUE	PG.	RESPONSE
8.2	SUSTAINABILITY INDICATORS BY INDUSTRY	See SASB Table	

## USEFUL LIFE TABLE

	USEFUL LIFE					
CATEGORY	BOOK-BASIS	TAX (SII)				
	BOOK-DASIS	NORMAL	ACCELERATED			
Land	Indefinite	Indefinite	Indefinite			
Real estate	80	80	26			
Facilities	Max. 10	10	3			
Facilities on leased assets	Based on the lease agreement	10	3			
Vehicles	Max. 5	7	2			
Machinery and office equipment	5	15	5			
Furnishings	Max. 10	7	2			
Art pieces	Indefinite	Indefinite	Indefinite			
Computer equipment	3	3	1			
Software	Activation policy	6	2			

SOURCE: GRUPO SECURITY



### LEGAL FRAMEWORK TABLE

#### **CHILEAN STANDARD**

APPLICABLE COMPANIES	REGULATION
Banco Security Administradora General de Fondos Security S.A. Valores Security S.A. Corredores de Bolsa Inversiones Previsión Security Limitada Seguros Vida Security Previsión S.A. Corredora de Seguros Security Limitada Hipotecaria Security-Principal S.A. Securitizadora Security S.A. Factoring Security S.A. Inmobiliaria Casanuestra S.A	Law No. 18,045 on the Securities Market. Law No. 18,046, the Corporations Act. Law No. 20,712 on the Administration of Third Party Funds and Individual Portfolios; Decree Law No. 3,500, which regulates the Pension System and the deposit and custody of securities; Other regulations issued by the Financial Market Commission (CMF).
Inmobiliaria Casanuestra Banco Security and its subsidiaries (Administradora General de Fondos S.A. and Valores Security S.A. Corredores de Bolsa)	<ul> <li>Law No. 19,281 on housing leases with purchase promise agreements.</li> <li>Chilean General Banking Act (DFL No. 3 of 1997 and its subsequent amendments).</li> <li>Law No. 18.010, of 1981, on Money Credit Operations and Other Money Obligations Stated;</li> <li>Decree with Force of Law No. 707, of 1982, on Bank Current Accounts and Checks;</li> <li>Law No. 18.092, of 1982, on Bills of Exchange and Promissory Notes;</li> <li>Decree Law No. 3,475 of 1980 on Stamp Taxes;</li> <li>Law No. 20,712 of 2014 on the Administration of Third Party Funds and Individual Portfolios;</li> <li>Law No. 19,281 of 1993, on Leasing of Homes with Purchase Promise Agreements, and Supreme Decrees No. 1,334 of the Finance Ministry (1995) and No. 120 of the Housing and Urban Development Ministry (1995), which regulate the various sections of Law No. 19,281;</li> <li>Law No. 20,345, of 2009, on Financial Instruments Clearing and Settlement Systems;</li> <li>Law No. 21,236 on Financial Portability, and Decree No. 1,154 of the Finance Ministry (2020), approving the regulations of said law;</li> <li>Law No. 19,439, of 1996, on Endorsable Mortgage Loan Contracts and Other Matters Related to Housing Lending;</li> <li>Law No. 21,314, of 2021, which sets forth New Transparency Requirements and Reinforces the Responsibilities of Market Agents, Regulates Pension Advisory Services and other matters.</li> <li>Law No. 21,081 of 2018 on the Protection of Consumer Rights.</li> </ul>
Administradora General de Fondos	Law Decree No. 1,328 of 1976, Mutual Funds Act, closed-end public investment funds of the securities type, governed by Law No. 18,815 of 1989, Investment Funds and Private Investment Funds Act, and those contemplated in Section VII of said Act. Article 220 of Law No. 18,045 on the Securities Market.

REGULATION
Commerce Code:
Decree with Force of Law No. 251 of 1931 or the "Insurance Act"
Legislation on Mutual Insurance Companies;
Decree Law No. 3,500 governing the Securities Market.
Law No. 18.490, of 1986, on Compulsory Insurance for Personal Accidents caused by motor vehicles;
Decree No. 1,055, of the Ministry of Finance (2012), which contains the New Regulation of the Auxiliaries of the Insurance
Trade and Claims Settlement Procedure, and the regulations issued for this purpose by the CMF.
Regulations on Anti-Money Laundering, Prevention of Terrorism Financing and Corrupt Practices:
- Law No. 19.913 Creating the Financial Analysis Unit and Modifying Various Provisions on Money and Asset Laundering
- With respect to banks, the CMF has also issued rules and guidelines for banks to set up a system against money laundering
and terrorism financing, which should consider the volume and complexity of their operations, including their subsidiaries
and support entities, and their international presence. In case of non-compliance with these rules and guidelines, the CMF
may impose administrative sanctions on the offending bank, such as fines and warnings. Among other requirements, such a system must include at least (1) "know your customer" policies, (2) a policy and procedures manual, (3) the appointment
of a compliance officer, and (4) all necessary technological tools to develop alert systems for the purpose of identifying and
detecting unusual transactions.
- Law No. 20,393, which regulates and provides for the criminal liability of legal entities for certain crimes, such as money
laundering, terrorism financing, bribery, misappropriation, unfair administration, incompatible negotiation and corruption among individuals, among others.

SOURCE: GRUPO SECURITY

#### **PERUVIAN REGULATION**

Grupo Security is present in Peru through Inversiones Security Perú S.A.C., the holding company for the Group's investments in Peru and its operating companies Protecta S.A. and Compañía de Seguros y Travex S.A. Given their business activities, the Group's Peruvian subsidiaries are subject to certain governmental regulations, both general (applicable to all entities operating in Peru), such as labor, social security, consumer protection, tax, antitrust, and personal data protection laws, among others, as well as special regulations applicable to the industries in which these subsidiaries operate. Of particular relevance are the rules that govern the securities market, the insurance market, the tourism sector, among others, as well as the regulations and directives issued by the sector authorities that, according to law, are competent to regulate this type of activities.



COMPANY	REGULATION
Protecta S.A. Compañía de Seguros	Legislative Decree No. 861 regulating the Securities Market (Securities Market Act), which sets forth the basis for the operation of the Peruvian securities market. Law No. 26,887 - General Corporations Act (Ley General de Sociedades). Regulations issued by the Superintendency of the Securities Market (SMV).
Protecta S.A. Compañía de Seguros	<ul> <li>Law No. 26,702, General Law of the Financial System and the Insurance System and Organic Law of the Superintendency of Banking and Insurance, governing the Financial System and the Insurance System and Organic Law of the Superintendency of Banking and Insurance ("Banking and Insurance Act").</li> <li>Regulations issued by the Superintendency of Banking, Insurance and Pension Fund Administrators (SBS) through its directives and resolutions, which apply to Protecta S.A. Compañía de Seguros.</li> <li>Law No. 29.946, Insurance Contract Act, as amended and supplemented.</li> <li>Law No. 29,878, which sets forth measures for protecting and supervising the general conditions of Medical Insurance, Health or Medical Assistance Policies; and its regulations approved by Supreme Decree 174-2012-EF), as amended and supplemented.</li> <li>SBS Resolution No. 3198-2013, Regulation on Transparency of Information and Insurance Contracting, as amended and supplemented.</li> <li>SBS Resolution No. 3202-2013, Regulation for the Management and Payment of Claims, as amended.</li> <li>SBS Resolution No. 1121-2017, Insurance Product Marketing Regulations, as amended and supplemented.</li> <li>SBS Resolution No. 4143-2019, Insurance System Market Conduct Management Regulations, as amended and supplemented.</li> </ul>
Travex S.A.	General Tourism Act (Law No. 29408) and its regulations. Supreme Decree No. 003-2007-MINCETUR, the Commission for the Promotion of Peru for Exports and Tourism PROMPERÚ is currently the entity that integrates the former Commission for the Promotion of Exports (PROMPEX) and the former Commission for the Promotion of Peru (PROMPERÚ), previously in charge of the promotion of tourism (http://www.promperu. gob.pe/). Law No. 29408, which qualifies companies as tourism service providers, including travel and tourism agencies, lodging establishments, tourist guides, tourist transportation services, gambling casinos, restaurants and related services, among others. Travel and Tourism Agencies Regulations (Supreme Decree No. 005-2020-MINCETUR).
Protecta S.A. Compañía de Seguros Travex S.A.	Prevention of Money Laundering and Terrorism Financing (LAFT): Law No. 27693, Law that creates the Financial Intelligence Unit of Peru (UIF-Peru). The activities governed by this regime are included in a list provided for in Article 3 of Law No. 29038, which incorporates UIF-Peru into the Superintendence of Banking, Insurance and Private Pension Fund Administrators (SBS). Prevention of corrupt practices and other offenses: Law No. 30424, governing the Administrative Responsibility of Legal Entities.

SOURCE: GRUPO SECURITY

### TABLE OF PROPERTIES AND FACILITIES

Banes SecurityBanchEnclopianen/nAmbria Mequala 2780 CCanchaiMenopalane Regio35.9LeandBancs SecurityBanchCaided Fergenanal BanchAn Dendenc's 2189, local GMenopalane Regio45.0LeandBancs SecurityBanchBanchCainchicen's MarchSecurityMethodiane Regio30.0LeandBancs SecurityBanchCainchicen's MarchVatcure S77VatcureMethodiane Regio30.0LeandBancs SecurityBanchAntenes BanchCainchicen's MarchMethodiane Regio30.0LeandBancs SecurityBanchLa Reines BanchCainchosonal 1231La CandenMethodiane Regio30.0LeandBancs SecurityBanchCainchosonal 1231La ReinaMethodiane30.0LeandBancs SecurityBanchMarch March S05 LoPTakeValeaden30.0LeandBancs SecurityBanchAn Caincardanch Antol 55. LoPCaingas20.0LeandBancs SecurityBanchAn Caincardanch Antol 55. LoPCaingasMethodiane Regio30.0LeandBancs SecurityGiflesSafeshActivation Cainford 125. LoPSattagMethodiane Regio30.0LeandBancs SecurityGiflesSafeshActivation CainfordSattagMethodiane Regio30.0LeandBancs SecurityGiflesSafeshActivation CainfordSattagMethodiane Regio30.0LeandBancs SecurityGiflesSafes	COMPANY	USE	FACILITY	ADDRESS	DISTRICT	REGION	M²	STATUS
Banck SeauryBandsPendedeal lanchA Previdencia 2118, Jocal 6PendienciaMetropilan Region910LeasedBanco SeauryBandsColcore BanchCanch Charse bm.7CalnaMetropilan Region200LeasedBanco SeauryBandsNetseice BanchPendente Risco Sass, unit 10La ReanMetropilan Region200LeasedBanco SeauryBandsLa Serea BanchCalco SeauryGandyCapingoCalcoCalcoSeauryRandsLeasedBanco SeauryBandsLa Serea BanchCalco SeauryCapingoManchCalco SeauryCapingoManchCalco SeauryRandsAlexana400LeasedBanco SeauryBandsManchCalco SeauryRandsAlexanaAlexana100LeasedBanco SeauryBandsManchCalco Andero AlexanaAlexanaAlexana100LeasedBanco SeauryBandsCalco Andero AlexanaAlexanaAlexanaLeasedLeasedBanco SeauryOfficeScaraal Baca, PhateAlexanaAlexanaLeasedLeasedBanco SeauryOfficeScaraal Baca, PhateAlexanaAlexanaLeasedLeasedBanco SeauryOfficeScaraal Baca, PhateAlexanaLacadaMetropilan RegionRadLeasedBanco SeauryOfficeScaraal Baca, PhateAlexanaLacadaMetropilan RegionRadLeasedBanco SeauryOfficeEdificia Augusto Legina	Banco Security	Branch	El Cortijo Branch	Américo Vespucio 2760 C	Conchalí	Metropolitan Region	335	Leased
Banck ScurityBanchCan. Churso km 1,7CoinaMetropolan Region15.LeadedBanco ScurityBanchLoc Cabris PanchViscur GS77ViscuraMetropolan Region20.LeadedBanco ScurityBanchPach Reuce BanchPacheles Reuces 333, unt 11La CandoMetropolan Region20.LeadedBanco ScurityBanchLasenin BanchCalcis Costantina 134, unit 6.La SereanCojunho.47.LeadedBanco ScurityBanchCargingo BanchCalcis Costantina 240, LongoAlacama47.LeadedBanco ScurityBanchNich del M BanchCardon 641, d' 1001CalqianMarca0.18.0LeadedBanco ScurityBanchCardon 641, d' 1001Cardon 74.1Karanga18.0LeadedBanco ScurityBanchCardon 76.1Cardon 74.1KarangaNalea38.0LeadedBanco ScurityGanchSacaaga BanchCardon 72.1SactagaNalea38.0LeadedBanco ScurityOfficeKalcia Aguato Legain 70Alegain 70SactagaMetropolan Region38.0LeadedBanco ScurityOfficeSaciad Banca, BanciaAlegain 70Las CardesMetropolan Region38.0LeadedBanco ScurityOfficeSaciad Loc Aguato Legain 70Alegain 70Las CardesMetropolan Region38.0LeadedBanco ScurityOfficeSaciad Loc Aguato Legain 70Alegain 70Las CardesMetropolan Region38.	Banco Security	Branch	Ciudad Empresarial Branch	Av. Del Parque 4023	Huechuraba	Metropolitan Region	145	Leased
Branc SecurityBranchLos Cohres BranchVitacura S577VitacuraMetropolitan RegionRedLeasedBanco SecurityBranchCalse Costandon 1231La SeronaMetropolitan Region2.00LeasedBranco SecurityBranchLa Reina BranchCalse Costandon 1231La BenaMetropolitan Region2.00LeasedBranco SecurityBranchCopiapó BranchChaclaroo Scol of 1010CopiapóAcaama4.00LeasedBranco SecurityBranchChaclaroo Scol of 1010CopiapóAcaama6.00LeasedBranco SecurityBranchCar. Enfor Frei Montalva 340, Loci GRarcaguaO'Hagiros Region3.00LeasedBranco SecurityBranchCar. Enfor Frei Montalva 340, Loci GRarcaguaO'Hagiros Region3.00LeasedBranco SecurityBranchCar. Enfor SecuritaSantagoMetropolitan Region3.00LeasedBranco SecurityBranchCarlien CarlaroSantagoMetropolitan Region3.00LeasedBranco SecurityBranchSaccalas CarlaroLacuradLeasedLeasedBranco SecurityBranchSaccalas CarlaroLacuradLeasedLeasedBranco SecurityOfficeEdificia Augesto Leguity 70Leguity 70LacuradMetropolitan Region3.00LeasedBranco SecurityOfficeEdificia Augesto Leguity 70Leguity 70LacuradMetropolitan Region3.00LeasedBranco SecurityOffice	Banco Security	Branch	Providencia Branch	Av. Providencia 2189, local 6	Providencia	Metropolitan Region	467	Leased
Barno SecurityBarnhPeter, Reco Statu, Ital 10Las CordenMetropollan RegionS20LeasedBanco SecurityBarnhLa Rena BranchCalso Oscandon 1231La ReinaMetropollan RegionA20LeasedBanco SecurityBarnhLa Serena BranchCalle Huanhall 65, unit 6La SerenaCaquinbo472LeasedBanco SecurityBarnhCopieph RanchCarceboc 661, of 1001OpiephAccurrenc437LeasedBanco SecurityBarnhRancagae BranchCarceboc 661, of 1001SaleanOpiephAduet430LeasedBanco SecurityBarnhRancagae BranchCarceboc Feb Nortalwa 240, locatRancagaeMaule284LeasedBanco SecurityBarnhParter Montt BarnchCarceboc Feb Nortalwa 240, locatRancagaeMaule284LeasedBanco SecurityOfficeSaleCo Laguita 70A Leguia 70La CarceboMetropoltan Region528LeasedBanco SecurityOfficeSalifox Augusto Leguia 70A Leguia 70La CarceboMetropoltan Region528LeasedBanco SecurityOfficeSalifox Augusto Leguia 70A Leguia 70La CarceboMetropoltan Region528LeasedBanco SecurityOfficeSalifox Augusto Leguia 70A Leguia 70La CarceboMetropoltan Region520LeasedBanco SecurityOfficeSalifox Augusto Leguia 70A Leguia 70La CarceboMetropoltan Region520LeasedBanco Se	Banco Security	Branch	Chicureo Branch	Cam. Chicureo km1,7	Colina	Metropolitan Region	145	Leased
Barnch ScurityBarnhLa Reina BarnchCarlos Ossandon T231La ReinaMetropoltan RegioResLeasedBarnco SecurityBarnchCale Huanhull RS, unit 6La SeenaCoquinbo47.1LeasedBarnco SecurityBarnchCopiaph EanchChachakos GB1, of 1001CopiaphAtxama47.1LeasedBarnco SecurityBarnchWind eld Mar BranchChatcharol GB1, of 1001CopiaphMatch48.0LeasedBarnco SecurityBarnchBarnchCarl EanderMarhal S4B, LocialRancagaOrlegats Readow18.0LeasedBarnco SecurityOfficeSarcaTeatrono Z51 of 301SantagaMetropoltan Region28.8LeasedBarnco SecurityOfficeSACSTeatrono Z51 of 301Las CordesMetropoltan Region88.2LeasedBarnco SecurityOfficeSafcico Augusto Leguito 70A Leguito 70La CordesMetropoltan Region82.8LeasedBarnco SecurityOfficeSafcico Augusto Leguito 70A Leguito 70La CordesMetropoltan Region82.8LeasedBarnco SecurityOfficeSafcico Augusto Leguito 70A Leguito 70Las CordesMetropoltan Region82.8LeasedBarnco SecurityOfficeSafcico Augusto Leguito 70A Leguito 70Las CordesMetropoltan Region82.9LeasedBarnco SecurityOfficeSafcico Augusto Leguito 70A Leguito 70Las CordesMetropoltan Region82.9LeasedBarnco Secu	Banco Security	Branch	Los Cobres Branch	Vitacura 6577	Vitacura	Metropolitan Region	280	Leased
Branck Banco SecurityBranchLa Serena BanchCalle Hunthual B5, unit 6La SerenaCopinpion477LeasedBanco SecurityBranchCapiapo BanchCariado SB1, of 1001CopinpionAcazana437LeasedBanco SecurityBranchVira del Mar KnanchLiberiad 500Vira del MarVira del MarVira del MarVira del Mar800LeasedBanco SecurityBranchBanco SecurityBranchCaricdo, Frei Montska 340, local 6RancagueO'fliggin Region800LeasedBanco SecurityBranchBerto Montt BranchCalleron Callado 122Parto MonttLos Lagos530LeasedBanco SecurityOffliceSACSTeatinos 251 of 301SantagoMetropolitan Region582LeasedBanco SecurityOffliceSacural Boca, PrivateA Leguía 70Las CondesMetropolitan Region582LeasedBanco SecurityOffliceEdificio Augusto Leguía 70A Legu	Banco Security	Branch	Pdte. Riesco Branch	Presidente Riesco 5335, unit 101	Las Condes	Metropolitan Region	320	Leased
Branck ScurityBranchCoplap BranchChacabuco Sch of 1001Coplap GNataramaA17LeasedBanco SacurityBrandVina del Mar BranchLibertad 500Vina del MarVina del Mar800LeasedBanco SacurityBrandBanca BranchCar. Ido, Irel Montalva 340, OcciliRancaguaO'Hegins Region300LeasedBanco SacurityBrandNator BranchA. Citrumviacich Arte 1055, L.B.2TakaMaule304LeasedBanco SacurityOfficesACSTationo 250 of 101SacuradMetropoltan Region288LeasedBanco SacurityOfficesEdificio Augusto Leguia 70A. Leguia 70Lac CondesMetropoltan Region582LeasedBanco SacurityOfficesEdificio Augusto Leguia 70A. Leguia 70Lac CondesMetropoltan Region582<	Banco Security	Branch	La Reina Branch	Carlos Ossandon 1231	La Reina	Metropolitan Region	280	Leased
Banco SecurityBranchVina del Mar BranchLiberad 500Vina del MarVina del MarJoba LessedBanco SecurityBranchRancagua BranchCar. Edo. Frei Montalva 340, localRancaguaO'Hegins Region360LessedBanco SecurityBranchTalca BranchAv. Circumvlación Arte 1055, L. 8-2TalcaMaule384LessedBanco SecurityBranchPuerto MontLos LagosS30LessedLessedBanco SecurityOfficeEdificio Augusto Leguía 70A Leguía 70Lac CondesMetropoltan Region382LessedBanco SecurityOfficeEdificio Augusto Leguía 70A Leguía 70Las CondesMetropoltan Region582LessedBanco SecurityOfficeEdificio ApoquindoApoquindo 3100Las CondesMetropoltan Region583OvnedBan	Banco Security	Branch	La Serena Branch	Calle Huanhualí 85, unit 6	La Serena	Coquimbo	427	Leased
Banco SecurityBanchRancagua BranchCar. Edo. Frei Montalva 340, InccilRancaguaO'Higgins Region380LeasedBanco SecurityBranchNucto Montt BranchGuillermo Callardo 132Puetto MonttLos Lagos530LeasedBanco SecurityOfficsSACSTeatinos 251 of 301SantiagoMetropolitan Region382LeasedBanco SecurityOfficsEdificio Augusto Legula 70A. Legula 70Las CondesMetropolitan Region582LeasedBanco SecurityOfficsEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region535OrmedBanco SecurityOfficsEdificio ApoquindoApoquindo 3130Las Condes	Banco Security	Branch	Copiapó Branch	Chacabuco 681, of 1001	Copiapó	Atacama	437	Leased
Banco SecurityBranchTalca BranchAv. Circurvalación Arte 1055, L.B2TalcaMauleBardLessedBanco SecurityOfficesSACSTeatinos 251 of 301SantiagoMetropoltan Region288LessedBanco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 70Las CondesMetropoltan Region582LessedBanco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 100 1/4 piso 13Las CondesMetropoltan Region582LessedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropoltan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropoltan Region555OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropoltan Region555OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropol	Banco Security	Branch	Viña del Mar Branch	Libertad 500	Viña del Mar	Valparaíso	800	Leased
Banch ScurityBranchPuetto Montt BranchGuillermo Gallardo 132Puetto MonttLos Lagos530LeasedBanco ScurityOfficsSACSTeatinos 251 of 301SantiagoMetropoltan Region308LeasedBanco ScurityOfficsEdificio Augusto Leguía 70A Leguía 70Las CondesMetropoltan Region582LeasedBanco ScurityOfficsEdificio Augusto Leguía 70A Leguía 70Las CondesMetropoltan Region720LeasedBanco ScurityOfficsEdificio Augusto Leguía 70A Leguía 70Las CondesMetropoltan Region730LeasedBanco ScurityOfficsEdificio Augusto Leguía 70Apoquindo 3100Las CondesMetropoltan Region730OwnedBanco ScurityOfficsEdificio ApoquindoApoquindo 3180Las CondesMetropoltan Region730OwnedBanco ScurityOfficsEdificio AugustonsAgustans 621SantagoMetropoltan Region731 <td< td=""><td>Banco Security</td><td>Branch</td><td>Rancagua Branch</td><td>Car. Edo. Frei Montalva 340, local 6</td><td>Rancagua</td><td>O'Higgins Region</td><td>380</td><td>Leased</td></td<>	Banco Security	Branch	Rancagua Branch	Car. Edo. Frei Montalva 340, local 6	Rancagua	O'Higgins Region	380	Leased
Banco SecurityOfficesSACSTeatinos 251 of 301SantiagoMetropoltan Region288LeasedBanco SecurityOfficesEdificio Augusto Leguia 70A. Leguia 70Las CondesMetropoltan Region522LeasedBanco SecurityOfficesEdificio Augusto Leguia 70A. Leguia 70Las CondesMetropoltan Region632LeasedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropoltan Region633OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropoltan Region633OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropoltan Region535OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zoclaloLas CondesMetropoltan Region517OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zoclaloLas CondesMetr	Banco Security	Branch	Talca Branch	Av. Circunvalación Arte 1055, L. B-2	Talca	Maule	384	Leased
Banco SecurityOfficesEdificio Augusto Legula 70A Legula 70Las CondesMetropolitan Region582LeasedBanco SecurityOfficesEdificio Augusto Legula 70A Legula 100 1/4 piso 13Las CondesMetropolitan Region837LeasedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropolitan Region622OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region632OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region635OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region637OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region637OwnedBanco SecurityOfficesEdificio ApustinasAgustinas 621Santiago <td>Banco Security</td> <td>Branch</td> <td>Puerto Montt Branch</td> <td>Guillermo Gallardo 132</td> <td>Puerto Montt</td> <td>Los Lagos</td> <td>530</td> <td>Leased</td>	Banco Security	Branch	Puerto Montt Branch	Guillermo Gallardo 132	Puerto Montt	Los Lagos	530	Leased
Banco SecurityBranchSucursal Boco, PrivateA. Leguía 70Las CondesMetropolitan Region582LessedBanco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 1001/4 piso 13Las CondesMetropolitan Region837LessedBanco SecurityOfficesEdificio ApoquindoA poquindo 3150Las CondesMetropolitan Region633OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region633OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region532OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region535OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region537OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region537OwnedBanco SecurityOfficesEdificio ApogustansAgustinas 621Santiago	Banco Security	Offices	SACS	Teatinos 251 of 301	Santiago	Metropolitan Region	288	Leased
Banco SecurityOfficesEdificio Augusto Leguía 70La Guía 70Las CondesMetropolitan Region582LessedBanco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 70Las CondesMetropolitan Region582LessedBanco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 70Las CondesMetropolitan Region582LessedBanco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 100 1/4 piso 13Las CondesMetropolitan Region837LessedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropolitan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region633OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region532OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region512OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region512OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621Santiago<	Banco Security	Offices	Edificio Augusto Leguía 70	A. Leguía 70	Las Condes	Metropolitan Region	308	Leased
Banco SecurityOfficesEdificio Augusto Leguia 70A. Leguia 70Las CondesMetropolitan Region582LessedBanco SecurityOfficesEdificio Augusto Leguia 70A. Leguia 70Las CondesMetropolitan Region582LessedBanco SecurityOfficesEdificio Augusto Leguia 70A. Leguia 1001/4 piso 13Las CondesMetropolitan Region180LessedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropolitan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region633OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region733OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region535OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region517OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621Santiago <td>Banco Security</td> <td>Branch</td> <td>Sucursal Boca. Private</td> <td>A. Leguía 70</td> <td>Las Condes</td> <td>Metropolitan Region</td> <td>582</td> <td>Leased</td>	Banco Security	Branch	Sucursal Boca. Private	A. Leguía 70	Las Condes	Metropolitan Region	582	Leased
Banco SecurityOfficesEdificio Augusto Leguia 70A Leguia 70Las CondesMetropolitan RegionS82LeasedBanco SecurityOfficesEdificio Augusto Leguia 70A Leguia 100 1/4 piso 13Las CondesMetropolitan Region180LeasedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropolitan Region872LeasedBanco SecurityBranchSucursal El ColfApoquindo 3100Las CondesMetropolitan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region603OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region732OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region733OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region <td< td=""><td>Banco Security</td><td>Offices</td><td>Edificio Augusto Leguía 70</td><td>A. Leguía 70</td><td>Las Condes</td><td>Metropolitan Region</td><td>582</td><td>Leased</td></td<>	Banco Security	Offices	Edificio Augusto Leguía 70	A. Leguía 70	Las Condes	Metropolitan Region	582	Leased
Banco SecurityOfficesEdificio Augusto Leguía 70A. Leguía 100 1/4 piso 13Las CondesMetropolitan Region180LeasedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropolitan Region837LeasedBanco SecurityBranchSucursal El ColfApoquindo 3100Las CondesMetropolitan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region603OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region817OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region855OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region855OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region116OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region	Banco Security	Offices	Edificio Augusto Leguía 70	A. Leguía 70	Las Condes	Metropolitan Region	582	Leased
Banco SecurityOfficesEdificio ApoquindoApoquindo 3150Las CondesMetropolitan Region837LeasedBanco SecurityBranchSucursal El ColfApoquindo 3100Las CondesMetropolitan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region603OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region613OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region373OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337Owned <td>Banco Security</td> <td>Offices</td> <td>Edificio Augusto Leguía 70</td> <td>A. Leguía 70</td> <td>Las Condes</td> <td>Metropolitan Region</td> <td>582</td> <td>Leased</td>	Banco Security	Offices	Edificio Augusto Leguía 70	A. Leguía 70	Las Condes	Metropolitan Region	582	Leased
Banco SecurityBranchSucural El GolfApoquindo 3100Las CondesMetropolitan Region722OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region603OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region603OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region373OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region517OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zácaloLas CondesMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337Owned <td>Banco Security</td> <td>Offices</td> <td>Edificio Augusto Leguía 70</td> <td>A. Leguía 100 1/4 piso 13</td> <td>Las Condes</td> <td>Metropolitan Region</td> <td>180</td> <td>Leased</td>	Banco Security	Offices	Edificio Augusto Leguía 70	A. Leguía 100 1/4 piso 13	Las Condes	Metropolitan Region	180	Leased
Banco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region603OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region1148OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region373OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337Owne	Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	837	Leased
Banco SecurityOfficesEdificio ApoquindoApoquindo 3100Las CondesMetropolitan Region1148OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region373OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region516OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337Owned </td <td>Banco Security</td> <td>Branch</td> <td>Sucursal El Golf</td> <td>Apoquindo 3100</td> <td>Las Condes</td> <td>Metropolitan Region</td> <td>722</td> <td>Owned</td>	Banco Security	Branch	Sucursal El Golf	Apoquindo 3100	Las Condes	Metropolitan Region	722	Owned
Banco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region373OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region116OwnedBanco SecurityOfficesEdificio ApoquindoAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337Owned <t< td=""><td>Banco Security</td><td>Offices</td><td>Edificio Apoquindo</td><td>Apoquindo 3100</td><td>Las Condes</td><td>Metropolitan Region</td><td>603</td><td>Owned</td></t<>	Banco Security	Offices	Edificio Apoquindo	Apoquindo 3100	Las Condes	Metropolitan Region	603	Owned
Banco SecurityOfficesEdificio ApoquindoApoquindo 3180Las CondesMetropolitan Region585OwnedBanco SecurityOfficesEdificio ApoquindoApoquindo 3150 zócaloLas CondesMetropolitan Region116OwnedBanco SecurityBranchAgustinas BranchAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanc	Banco Security	Offices	Edificio Apoquindo	Apoquindo 3100	Las Condes	Metropolitan Region	1148	Owned
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Banco SecurityBranchAgustinas BranchAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco Security <td>Banco Security</td> <td>Offices</td> <td>Edificio Apoquindo</td> <td>Apoquindo 3180</td> <td>Las Condes</td> <td>Metropolitan Region</td> <td>585</td> <td>Owned</td>	Banco Security	Offices	Edificio Apoquindo	Apoquindo 3180	Las Condes	Metropolitan Region	585	Owned
Banco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco Security	Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150 zócalo	Las Condes	Metropolitan Region	116	Owned
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Banco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityBranchLa Dehesa BranchAr. La Dehesa 1744Lo BarnecheaMetropolitan Region329OwnedBanco SecurityBranchAntofagasta BranchSan Martín 2511AntofagastaAntofagasta390Owned	Banco Security	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	337	Owned
Banco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region337OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAv. La Dehesa 1744Lo BarnecheaMetropolitan Region329OwnedBanco SecurityBranchAntofagasta BranchSan Martín 2511AntofagastaAntofagasta390Owned	Banco Security	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	337	Owned
Banco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityBranchLa Dehesa BranchAv. La Dehesa 1744Lo BarnecheaMetropolitan Region329OwnedBanco SecurityBranchAntofagasta BranchSan Martín 2511AntofagastaAntofagasta390Owned	Banco Security	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	337	Owned
Banco SecurityOfficesEdificio AgustinasAgustinas 621SantiagoMetropolitan Region517OwnedBanco SecurityBranchLa Dehesa BranchAv. La Dehesa 1744Lo BarnecheaMetropolitan Region329OwnedBanco SecurityBranchAntofagasta BranchSan Martín 2511AntofagastaAntofagasta390Owned	Banco Security	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	337	Owned
Banco SecurityBranchLa Dehesa BranchAv. La Dehesa 1744Lo BarnecheaMetropolitan Region329OwnedBanco SecurityBranchAntofagasta BranchSan Martín 2511AntofagastaAntofagasta390Owned	Banco Security	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	517	Owned
Banco Security     Branch     Antofagasta Branch     San Martín 2511     Antofagasta     Antofagasta     390     Owned	Banco Security	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	517	Owned
	Banco Security	Branch	La Dehesa Branch	Av. La Dehesa 1744	Lo Barnechea	Metropolitan Region	329	Owned
	Banco Security	Branch	Antofagasta Branch	San Martín 2511	Antofagasta	Antofagasta	390	Owned
		Branch	-		-	-	589	Owned



COMPANY	USE	FACILITY	ADDRESS	DISTRICT	REGION	M²	STATUS
Banco Security	Branch	Temuco Branch	Bulnes 701	Temuco	La Araucanía	550	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	791	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	424	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	413	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	207	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	207	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	424	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	232	Owned
Banco Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	232	Owned
Banco Security	Offices	Edificio Augusto Leguía 70	A. Leguía 70 Piso 8 Oficina 802	Las Condes	Metropolitan Region	308	Owned
Capital	Offices	Torre Huérfanos	Huérfanos 670	Santiago	Metropolitan Region	1018	Leased
Capital	Offices	Edificio Augusto Leguía 100	A. Leguía 100	Las Condes	Metropolitan Region	313	Leased
Capital	Offices	Edificio Augusto Leguía 100	A. Leguía 100	Las Condes	Metropolitan Region	120	Leased
Capital	Offices	Edificio Augusto Leguía 100	A. Leguía 90	Las Condes	Metropolitan Region	308	Leased
Capital	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70	Las Condes	Metropolitan Region	275	Leased
Capital	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70	Las Condes	Metropolitan Region	308	Leased
Capital	Offices	Edificio Agustinas	Agustinas 621	Santiago	Metropolitan Region	337	Lease
Casanuestra	Offices	Edificio Augusto Leguía 100	Augusto Leguía 100, of 1206, 1207, 1208, 1209	Las Condes	Metropolitan Region	227	Leased
Corredora de Seguros	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70	Las Condes	Metropolitan Region	562	Leased
Corredora de Seguros	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70	Las Condes	Metropolitan Region	579	Leased
Corredora de Seguros	Offices	Concepción Branch	O'Higgins 420	Concepción	Biobío	70	Leased
Factoring Security	Offices	Branch	Arturo Prat 461, Oficina 1408	Antofagasta	Antofagasta	48	Leased
Factoring Security	Offices	Branch	Apoquindo 3150	Las Condes	Metropolitan Region	424	Leased
Factoring Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	653	Leased
Factoring Security	Offices	Branch	O'Higgins 420, Oficina 21	Concepción	Biobío	0	Leased
Factoring Security	Offices	Branch	O'Higgins 760, Oficina 706	Copiapó	Atacama	0	Leased
Factoring Security	Offices	Branch	Av. El Santo 1360	La Serena	Coquimbo	129	Leased
Factoring Security	Offices	Branch	Lautaro 325, Oficina 503	Los Ángeles	Biobío	79	Leased
Factoring Security	Offices	Branch	Benavente 405, Oficina 601	Puerto Montt	Los Lagos	70	Leased
Factoring Security	Offices	Branch	Campos 423, Oficina 406	Rancagua	O'Higgins Region	82	Leased
Factoring Security	Offices	Branch	01 Norte 801, oficina 508	Talca	Maule	43	Leased
Factoring Security	Offices	Branch	Antonio Varas 838	Temuco	La Araucanía	35	Leased
Factoring Security	Offices	Branch	Independencia 521, Oficina 305	Valdivia	Los Ríos	27	Leased
Factoring Security	Offices	Branch	1 Oriente 1063, Of 403	Viña del Mar	Valparaíso	40	Leased
Factoring Security	Offices	Branch	Augusto Leguía 100, of.207 y 208	Las Condes	Metropolitan Region	209	Leased
Grupo Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	508	Owned
Grupo Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	508	Owned
Inmobiliaria	Offices	Edificio Apoquindo	Apoquindo 3150 of 1202	Las Condes	Metropolitan Region	232	Leased
Inversiones	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	837	Leased

#### GRUPO SECURITY AT A GLANCE

CORPORATE GOVERNANCE

COMPANY	USE	FACILITY	ADDRESS	DISTRICT	REGION	M²	STATUS
Securitizadora	Offices	Edificio Augusto Leguía 100	Augusto Leguía 100, of 601, 602, 603, 604	Las Condes	Metropolitan Region	215	Leased
Travel Security	Offices	Head Office	Andrés Bello	Providencia	Metropolitan Region	2328	Owned
Travel Security	Offices	Airport	Aeropuerto	Pudahuel	Metropolitan Region	9	Leased
Vida Security	Offices	Edificio Badajoz	Badajoz 45 604-B	Las Condes	Metropolitan Region	172	Leased
Vida Security	Offices	Edificio Badajoz	Badajoz 45 603-B	Las Condes	Metropolitan Region	157	Leased
Vida Security	Offices	Edificio Badajoz	Badajoz 45 301-B	Las Condes	Metropolitan Region	648	Leased
Vida Security	Offices	Edificio Badajoz	Badajoz 45 401-B	Las Condes	Metropolitan Region	648	Leased
Vida Security	Offices	La Serena Branch	El Santo Nº 1616	La Serena	Coquimbo	222	Leased
Vida Security	Offices	Viña del Mar Branch	Libertad 877	Viña del Mar	Valparaíso	365	Leased
Vida Security	Offices	Temuco Branch	Antonio Varas 838 local 5	Temuco	Araucanía	234	Leased
Vida Security	Offices	Puerto Montt Branch	Antonio Varas 510 of 21,22,23,24,31	Puerto Montt	Los Lagos	260	Leased
Vida Security	Offices	Antofagasta Branch	Almirante Juan José Latorre 2280	Antofagasta	Antofagasta	697	Owned
Vida Security	Offices	Talca Branch	4 Oriente 1309	Talca	Maule	260	Owned
Vida Security	Offices	Concepción Branch	O'Higgins 420	Concepción	Biobío	298	Owned
Vida Security	Offices	Edificio Apoquindo	Apoquindo 3150	Las Condes	Metropolitan Region	837	Owned
Vida Security	Offices	Edificio Augusto Leguía 70	Apoquindo 3131	Las Condes	Metropolitan Region	1502	Owned
Vida Security	Offices	Edificio Augusto Leguía 70	Apoquindo 3131	Las Condes	Metropolitan Region	385	Owned
Vida Security	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70 Of 201 202 203 204	Las Condes	Metropolitan Region	1196	Owned
Vida Security	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70 Of 1401 1402	Las Condes	Metropolitan Region	582	Owned
Vida Security	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70 Of 1501 1502	Las Condes	Metropolitan Region	582	Owned
Vida Security	Offices	Edificio Augusto Leguía 70	Augusto Leguía 70 Of 1601 1602	Las Condes	Metropolitan Region	582	Owned
Vida Security	Offices	Casona Apoquindo	Apoquindo 3231	Las Condes	Metropolitan Region	780	Owned

SOURCE: GRUPO SECURITY

## **REAL ESTATE PROJECTS**

ADDRESS	DISTRICT	REGION	M²
Avenida Chamisero nº 17.860	Colina	Metropolitan Region	12,020
Avda. La Dehesa nº 226	Lo Barnechea	Metropolitan Region	6,067
Camino Turístico nº 10.990	Lo Barnechea	Metropolitan Region	37,846
Camino Piedra Roja nº	Las Condes	Metropolitan Region	7,625
Vasco de Gama nº 5468	Ñuñoa	Metropolitan Region	4,500
Macrolote 27, Colina Chamisero	Colina	Metropolitan Region	51,461
Carlos Alvarado nº 5181	Las Condes	Metropolitan Region	210
El Romeral nº 9.560	Vitacura	Metropolitan Region	239.8

SOURCE: GRUPO SECURITY



## WORKPLACE ADAPTABILITY BY COMPANY

COMPANY NAME		NORMAL WORK SHIFT	SIGNED EMERGENCY REMOTE WORK ADDENDUM	UNSIGNED EMERGENCY REMOTE WORK ADDENDUM	100% REMOTE WORK + PART TIME	100% REMOTE WORK UNTIL 12/31/2021	100% REMOTE WORK UNDER LAW 21,247 UNTIL THE END OF THE PANDEMIC	REMOTE WORK UNDER THE SAFE RETURN ACT (LRS)	TOTAL WORKFORCE
AGF Security S.A.	F	-	10	1	-	-	-	-	11
	М	-	32	-	-	-	-	-	32
	TOTAL	-	42	1	-	-	-	-	43
	F	-	-	-	-	-	4	-	4
Adm. Servicios Beneficios Ltda	М	-	-	-	-	-	-	-	0
	TOTAL	-	-	-	-	-	4	-	4
	F	-	602	6	-	1	1	7	617
Banco Security S.A.	М	-	476	2	-	-	-	2	480
	TOTAL	-	1,078	8	-	1	1	9	1,097
	F	-	93	1	-	-	-	-	94
Capital S.A	М	-	162	1	-	-	-	-	163
	TOTAL	-	255	2	-	-	-	-	257
Como do no do	F	-	55	2	-	-	-	2	59
Corredora de Seguros	М	2	47	3	-	-	-	1	53
Security	TOTAL	2	102	5	-	-	-	3	112
	F	-	67	1	-	-	-	2	70
Factoring Security S.A.	М	-	80	2	-	-	-	2	84
·	TOTAL	-	147	3	-	-	-	4	154
	F	-	17	-	1	-	-	-	18
Grupo Security S.A.	М	-	16	1	-	-	-	-	17
	TOTAL	-	33	1	1	-	-	-	35
Llisstearia	F	-	-	-	-	-	33	-	33
Hipotecaria Security	М	-	-	-	-	-	28	-	28
Principal	TOTAL	-	-	-	-	-	61	-	61
	F	-	6	-	-	-	-	-	6
Inmobiliaria Casanuestra	М	-	6	-	-	-	-	-	6
	TOTAL	-	12	-	-	-	-	-	12
	F	-	10	-	-	-	-	-	10
Inmobiliaria Security S.A.	М	-	9	1	-	-	-	-	10
	TOTAL	-	19	1	-	-	-	-	20
	F	-	8	1	-	-	-	-	9
Inmobiliaria Security Siete	М	-	3	-	-	-	-	-	3
,	TOTAL	-	11	1	-	-	-	-	12

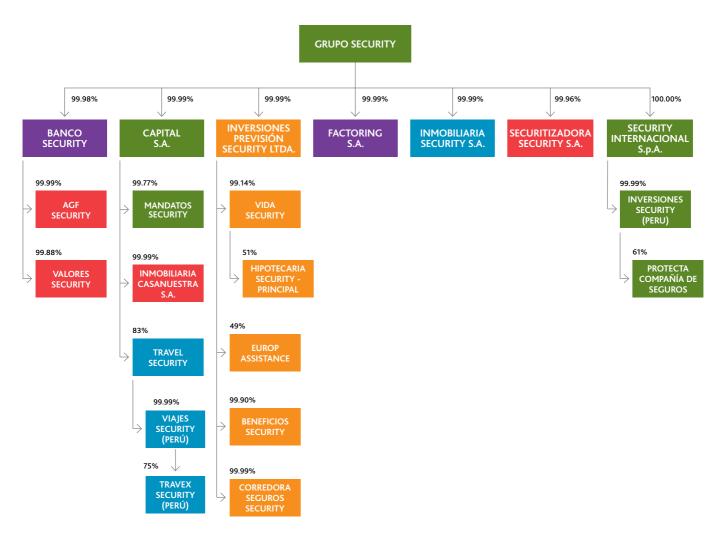
COMPANY NAME		NORMAL WORK SHIFT	SIGNED EMERGENCY REMOTE WORK ADDENDUM	UNSIGNED EMERGENCY REMOTE WORK ADDENDUM	100% REMOTE WORK + PART TIME	100% REMOTE WORK UNTIL 12/31/2021	100% REMOTE WORK UNDER LAW 21,247 UNTIL THE END OF THE PANDEMIC	REMOTE WORK UNDER THE SAFE RETURN ACT (LRS)	TOTAL WORKFORCE
Mandatos Security	F	27	7	1	-	-	-	-	35
	М	3	1	-	-	-	-	-	4
Limitada	TOTAL	30	8	1		-	-		39
	F	-	3	-	-	-	-	-	3
Securitizadora Security S. A.	М	-	3	-	-	-	-	-	3
-	TOTAL	-	6	-	-	-	-	-	6
Travel Security S.A.	F	40	132	3	-	-	-	7	182
	М	3	46	3	-	-	-	3	55
	TOTAL	43	178	6	-	-	-	10	237
Valores	F	-	8	-	-	-	-	-	8
Security S.A.	М	-	34	-	-	-	-	-	34
Cor. Bolsa	TOTAL	-	42	-	-	-	-	-	42
	F	283	216	-	15	-	8	-	522
Vida Security S.A.	М	58	109	-	3	-	-	-	170
	TOTAL	341	325	-	18	-	8	-	692
	F	350	1,018	16	16	1	262	18	1681
OVERALL TOTAL	М	66	915	13	3	-	137	8	1142
	TOTAL	416	1,933	29	19	1	399	26	2,823

SOURCE: GRUPO SECURITY



## **CORPORATE STRUCTURE**

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



SOURCE: GRUPO SECURITY

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

# **SUSTAINABILITY INDEXES** for the industry

#### SASB COMMERCIAL BANKS · BANCO SECURITY

ASPECT	INDUSTRY	QUANTIFIABLE METRIC	CODE	RESPONSE
Data security	Commercial Banks	<ol> <li>Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected.</li> </ol>	FN-CB-230 a.1.	No privacy breaches, loss and/or leakage of customer data associated with banking secrecy or confidentiality were identified during 2021.
Data security	Commercial Banks	Discussion of management approach to identifying and addressing threats to data security.	FNCB230a.2	The operational risk and cybersecurity strategy is managed as one of the pillars of information security and cybersecurity, which is in line with the digital transformation processes and with the operational continuity and incident management pillars. This is managed through governance that monitors compliance with information security and cybersecurity policies and regulatory framework. More details on page 72.
Financial inclusion and capacity building	Commercial Banks	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	FNCB240 a.1	Banco Security joined the Fogape credit granting policy promoted by the Chilean government. A total of 1,233 loans were processed for principal of MCH\$163,530.
Financial inclusion and capacity building	Commercial Banks	(1) Number and (2) amount of past due and nonperforming loans qualified for programs designed to promote small business and community development.	FNCB240 a.2	A total of 35 loans were processed for principal of MCH\$3,843. No write-offs were considered, only non-performing loans.
Financial inclusion and capacity building	Commercial Banks	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FNCB240 a.3	Banco Security does not have accounts that meet these characteristics.
Financial inclusion and capacity building	Commercial Banks	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers.	FNCB240 a.4	Banco Security has a website https://personas.bancosecurity. cl/educacion-financiera/index.asp, which publishes information on financial planning. It is aimed at customers and the general public. In 2021 that URL had 1,602 one-page views. More information on Financial Literacy initiatives can be found on page 191, in the Creating Value Chapter.
Incorporation of environmental, social and governance factors in credit analysis	Commercial Banks	Commercial and industrial credit exposure, by industry	FNCB410 a.1	Pages 212 and 213.
Integration of environmental, social and governance risk factors in credit risk analysis	Commercial Banks	Discussion of how environmental, social and governance (ESG) factors are integrated into credit analysis.	FNCB410 a.2	Banco Security is committed to sustainable economic development. To achieve this objective, the Bank and its subsidiaries have defined a Social and Environmental Risk Policy and are in the process of establishing guidelines for each type of risk. This framework for action aims to support our customers and their projects so they can operate in both an economically viable and sustainable way. This context considers aspects of valuation and management of the impact of environmental and social risks; working conditions; energy efficiency and management of polluting activities; activities that impact the health and safety of the population; conservation of biodiversity and sustainable management of natural resources; conservation of cultural heritage; and activities of financial intermediaries. With regards to investment projects, the guidelines must guarantee that the debtor has a system in place for identifying and managing social and environmental risks, that those systems comply with all regulations in force, that the potentially affected community has been adequately informed and that the debtor will maintain a risk management system for the duration of the loan. In particular, the investment project assessment must consider mitigations of any adverse impact on the environment or people, conservation or rehabilitation of the potentially impacted environment and a valuation of the climate change impact of the location, design and implementation for each project.



ASPECT	INDUSTRY	QUANTIFIABLE METRIC	CODE	RESPONSE
Corporate ethics	Commercial Banks	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	FNCB510 a.1	There are no legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice or other related laws or regulations of the financial industry, so there is no resulting amount of financial loss.
Corporate ethics	Commercial Banks	Description of whistleblower/complaint policies and procedures	FNCB510 a.2	Banco Security's ethics management system includes a complaint channel consisting of a secure, confidential, externally hosted platform. The service can be used to anonymously file and monitor complaints related to Law No. 20,393 on money laundering, terrorism financing, bribery, handling of stolen property, fraud and other matters. Independent bodies analyze and respond to all complaints. Each year all employees take part in a specific e-learning course on the Code of Conduct and Code of Ethics. In 2020, as a result of the incorporation of new crimes into Law No. 20,393 on Criminal Liability of Legal Entities, directors, senior executives and managers were trained on the scopes of the law, its crimes and penalties. More information on the ethical action framework governing Grupo Security and its subsidiaries can be found in the Corporate Governance chapter on pages 75 to 77.
Systemic risk management	Commercial Banks	Global Systemically Important Bank (G-SIB) assessment score, by category.	FNCB550 a.1	Banco Security has no international presence, and locally it does not represent a risk to the stability of the financial system, according to the measurements and conclusions made by the Financial Markets Commission (CMF) reported on 31-MAR-2021. The Financial Market Commission (CMF) reported that its Council approved the decision on the rating of systemically important banks, as established by the General Banking Act (LGB) and its regulations for identifying systemic banks contained in Chapter 21-11 of the Updated Compilation of Rules. These factors are: the size of the bank; its interconnectedness with other financial institutions; the degree of substitution in the provision of financial services; and the complexity of its business model and operating structure. Depending on the value of this index, a range is established for the additional requirements, according to Article 66 quater of the LGB. The identification of systemic banks and the determination of additional applicable requirements will be made annually, based on information to be reported by the banks themselves.
Systemic risk management	Commercial Banks	Description of the approach for incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities.	FNCB550 a.2	Chapter 21-11 of the RAN establishes the factors and methodology to be used in determining whether a bank or group of banks qualifies as systemically important. The regulations consider the construction of a systemic importance index for each entity, based on four factors (size, local interconnectedness, local substitutability and complexity) that reflect the impact of its financial deterioration or eventual insolvency. The CMF qualifies a bank as systemic and may impose capital charges as long as it maintains this status, depending on the percentage of the systemic index obtained. According to the CMF's most recent assessment, notified in March 2021, Banco Security is not considered a systemic bank, based on information for 2020.

### FNCB410 A.1

# INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN CREDIT ANALYSIS DAR STRUCTURE

FIGURES IN MCH\$

SECTOR	DEC-19	DEC-20	DEC-21
Agriculture, fruit growing and forestry	180,931	201,162	240,801
Real estate and service providers	852,367	923,502	1,096,024
Wholesale and retail trade	581,571	544,688	597,909
Construction	1,046,668	1,013,660	981,909
Financial and insurance companies	712,862	855,194	1,015,070
Industry	367,762	333,384	309,364
Mining - Oil	63,634	86,929	103,470
Fishing	72,910	72,892	90,694
Services	664,427	662,187	837,395
Transportation and storage	301,564	349,896	372,441
Utilities and telecommunications	241,871	250,532	273,524
OVERALL TOTAL	5,086,568	5,294,027	5,918,602

SOURCE: BANCO SECURITY



#### **FNCB410 A.1**

# INCORPORATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN CREDIT ANALYSIS BREAKDOWN

FIGURES IN MCH\$

SECTOR	DEC-19	DEC-20	DEC-21
Agriculture and livestock except fruit	38,670	40,332	47,989
Fruit	131,306	151,566	185,514
Forestry and wood extraction	10,956	9,264	7,298
Fishing	72,910	72,892	90,694
Wholesale trade	299,541	278,671	331,852
Retail trade, restaurants and hotels	282,031	266,017	266,058
Communications	25,790	28,707	24,008
Home construction	761,750	780,558	737,088
Other construction	284,917	233,102	244,822
Mining	63,634	86,929	103,470
Production of metal and non-metal production, machinery and equipment	138,370	124,443	106,874
Timber and furniture industry	16,543	11,580	14,285
Food, beverage and tobacco industry	112,997	107,094	102,858
Chemical products derived from oil, coal, rubber and plastic	69,568	66,169	61,242
Print and editorial industry	13,309	9,203	9,672
Textile and leather industry	15,000	13,351	13,406
Other manufacturing industries	1,977	1,545	1,026
Transportation and storage	301,564	349,896	372,441
Utilities	216,081	221,825	249,516
Real estate and service providers	852,367	923,502	1,096,024
Services	664,427	662,187	837,395
Financial and insurance companies	712,862	855,194	1,015,070
OVERALL TOTAL	5,130,368	5,338,193	5,918,602

SOURCE: BANCO SECURITY

#### SASB COMMERCIAL BANKS · FACTORING SECURITY

ASPECT	INDUSTRY	QUANTIFIABLE METRIC	CODE	RESPONSE
Data security	Commercial Banks	<ol> <li>Number of data breaches, (2) percentage involving personally identifiable information (PII),</li> <li>(3) number of account holders affected.</li> </ol>	FN-CB-230 a.1.	There have been no data leaks, so no holders have been affected.
Data security	Commercial Banks	Description of the approach to identifying and addressing data security risks	FNCB230a.2	Grupo Security works in strict compliance with the local regulatory framework applicable to each of its companies. To achieve this, a culture of information care and responsibility is fostered in each employee. These definitions are part of the risk appetite adhered to by Factoring Security's Board of Directors and remain in effect to date. A presentation is made to its Board of Directors at least once a year, and a monthly report is sent to the company's Risk Manager. Within the specific regulations governing cybersecurity, the action scopeis determined by the laws that regulate the processing of data (e.g. No. 20,575, Law No. 19,799, No. 19,913, No. 20. 009), the specific regulation for the Financial industry (Updated Compilation of Standards - RAN in all its circulars) and the cybersecurity standards in force worldwide (NCh-ISO 27002:2013 and subsequent regulation family 27xxx, NCh-ISO 31000:2012 ), NIST Cibersecurity Framework v1.1 and GDPR - General Data Protection Regulation - EU 2016 ). Factoring Security has a three-year cybersecurity strategy roadmap that defines the investments and projects to be implemented for different control levels. The monitoring of projects on the strategic cybersecurity roadmap, as well as the main risk indicators of each company, the progress in mitigating vulnerabilities and any other control process is carried out in monthly monitoring involving the operational risk, cybersecurity, operations and technology departments. We invested heavily in cybersecurity during 2021, reinforcing all preventive services, but also in detection and reaction. This brought cybersecurity spending to 20% of the Corporate IT budget, reaching 5% of total IT spending in companies. In terms of training and awareness-raising, we implemented a platform that allows us to customize training for different stakeholders. In addition to the platform, the companies reinforced the importance of taking the course, achieving an average successful completion rate of 88%. The implemented in priventive blocks for
Financial inclusion and capacity building	Commercial Banks	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development.	FNCB240 a.1	In 2021, 751 transactions have been approved for 250 small SMEs (sales of less than MCH\$300) for an amount of MCH\$8,032, through the Autofactoring channel, which lets clients conduct simple transactions and obtain funds on the same day. 846 transactions amounting to BCH\$12.4 have been approved for this same customer segment through traditional channels.
Financial inclusion and capacity building	Commercial Banks	(1) Number and (2) amount of past due and nonperforming loans qualified for programs designed to promote small business and community development.	FNCB240 a.2	There are no documents from small SME customers that are past due or non-performing.
Financial inclusion and capacity building	Commercial Banks	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	FNCB240 a.3	Factoring Security does not have checking accounts because it is not a bank.



ASPECT	INDUSTRY	QUANTIFIABLE METRIC	CODE	RESPONSE
Financial inclusion and capacity building	Commercial Banks	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers.	FNCB240 a.4	Factoring Security does not conduct financial literacy initiatives for unbanked, underbanked or underserved clients.
Incorporation of environmental, social and governance factors in credit analysis	Commercial Banks	Commercial and industrial credit exposure, by industry	FNCB410 a.1	See table, page 216.
Incorporation of environmental, social and governance factors in credit analysis	Commercial Banks	Description of the approach for incorporating environmental, social and corporate governance (ESG) factors into credit analysis.	FNCB410 a.2	Factoring Security does not evaluate customers on ESG considerations.
Corporate ethics	Commercial Banks	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice or other related financial industry laws or regulations	FNCB510 a.1	According to our records there are no incidents related to information security regarding the leakage of sensitive data belonging to the organization.
Corporate ethics	Commercial Banks	Description of whistleblower/complaint policies and procedures	FNCB510 a.2	Grupo Security has an ethical compliance framework, which sets the guidelines for the behavior of all stakeholders in the holding or any of its companies. It is composed of the Crime Prevention Model, Code of Ethics, Internal Order, Hygiene and Safety Regulations and the Conflict of Interest Policy. It also has a confidential complaint channel. More details can be found in the Corporate Governance chapter on page 77.
Systemic risk management	Commercial Banks	Global Systemically Important Bank (G-SIB) assessment score, by category.	FNCB550 a.1	Since this metric applies to banking activities, it does not apply to Factoring Security.
Systemic risk management	Commercial Banks	Description of the approach for incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities.	FNCB550 a.2	Since this metric applies to banking activities, it does not apply to Factoring Security.

### FNCB 410 A.4 COMMERCIAL AND INDUSTRIAL CREDIT EXPOSURE, BY INDUSTRY

ECONOMIC SECTOR	LOAN (%)	APPROVED LINE (%)	LOAN MCH\$	APPROVED LINE MCH\$
REAL ESTATE	20%	15%	88,277	101,075
CONSTRUCTION	17%	17%	75,057	111,983
MINING	11%	13%	47,354	87,521
AGRICULTURE AND AGRICULTURAL MACHINERY	7%	6%	28,691	39,745
WHOLESALE AND RETAIL TRADE	6%	6%	24,565	40,481
FOOD INDUSTRY	4%	4%	18,517	28,109
TELECOM	4%	5%	16,170	32,735
SERVICES	3%	3%	14,320	21,999
CARGO TRANSPORT	3%	3%	12,947	19,597
П	2%	3%	10,114	22,072
MACHINERY AND MACHINERY LEASING	2%	3%	9,717	17,145
OTHER 32 SECTORS	21%	22%	94,671	145,431
TOTAL	100%	100%	440,400	667,893

DATA AS OF DEC -21 SOURCE: FACTORING SECURITY



### SASB INSURANCE INDUSTRY · VIDA SECURITY

ASPECT	INDUSTRY	QUANTIFIABLE METRIC	CODE	RESPONSE
Environmental risk exposure	Insurance	Probable maximum loss (PML) of insured products due to weather-related natural catastrophes	FN IN 450 a.1	Life insurance is one of the least sensitive to the effects of climate change. However, according to [F1], in extreme situations, more significant effects may be experienced by the population, thus affecting this specific industry. In terms of the events that climate change could cause to increase in frequency and that could affect the insurance industry in a relevant manner, according to [F2] they can be summarized in the following aspects: high temperatures and heat waves, droughts and changes in ecosystems that could lead to the development of infectious diseases, epidemics or pandemics. The risks affected by the aforeentioned events in the Life line of business would be death and health. <b>Regarding the risk of death</b> : It is expected that increases in temperatures and heat waves may lead to an increase in hospital admissions and fatalities, especially in population groups such as the elderly, urban dwellers, the chronically ill, people with obesity and other pathologies, drug and alcohol users, and labor groups that work under extreme thermal conditions. This effect is considered as part of an estimate ([F3] and [F4]) associated with other sources of catastrophes, quantified as 0.1 per 1,000 with a 0.5% exceedance probability. Hospital admissions and deaths due to epidemics and pandemics, zoonoses and vector-borne diseases are expected to increase as temperatures rise. Thus, according to [F4], it is estimated that the death loss rate associated with infectious diseases is 0.6 per 1,000 with a 0.5% exceedance probability. In terms of health risk: We expect higher losses caused by rising healthcare expenses. This is linked to the increase in morbidity in health insurance, due to the development of infectious diseases, including epidemics and pandemics, whose frequency is estimated to increase by 26%, according to [F5]. PML: Accordingly, we estimated the direct (i.e. without reinsurance) and net Probable Maximum Loss (PML) (i.e.
Environmental risk exposure	Insurance	Total amount of monetary losses attributable to insurance payments (indemnities) from (1) modeled natural catastrophes and (2) non- modeled natural catastrophes, by type of event and geographic segment (before and after	FN IN 450 a.2	considering the mitigating effects related to the reinsurance contracts we hold) using the PML VIDA table on page 223. There are no modeled or unmodeled natural catastrophes.
		reinsurance)		
Environmental risk exposure	Insurance	Description of the approach for incorporating environmental risks into (1) the individual contract underwriting process and (2) enterprise-wide risk management and capital adequacy.	FN IN 450 a.3	Not applicable, insofar as the risks described above largely affect property risk insurers (general insurance) and the impact on life insurance risks has been mitigated through reinsurance coverage.
Systemic risk management	Insurance	Exposure to derivative instruments by category: (1) total potential exposure to non-centrally cleared derivatives, (2) total fair value of acceptable collateral accounted for by the central clearing house and (3) total potential exposure to centrally cleared derivatives.	FN IN 550 a.1	For the investments in stocks and bonds and derivatives requested in lists D, DB, A, B, the company has assimilated them to what it reports monthly to the Financial Market Commission according to Circular 1835, whose information can be found at the following link: https://www.cmfchile.cl/institucional/estadisticas/merc_seguros/cartera_inversiones/dcisgv/descarga_cartera_inv.php?tipoentidad=CSVID.
Systemic risk management	Insurance	Total fair value of securities lending guarantees	FN IN 550 a.2	For the investments in stocks and bonds and derivatives requested in lists D, DB, A, B, the company has assimilated them to what it reports monthly to the Financial Market Commission according to Circular 1835, whose information can be found at the following link: https://www.cmfchile.cl/institucional/ estadisticas/merc_seguros/cartera_inversiones/dcisgv/ descarga_cartera_inv.php?tipoentidad=CSVID.

GRUPO SECURITY AT A GLANCE

ASPECT	INDUSTRY	QUANTIFIABLE METRIC	CODE	RESPONSE
Systemic risk management	Insurance	Discussion of the management approach to managing capital and liquidity-related risks from uninsured systemic activities.	FN IN 550 a.3	<ul> <li>Vida Security has a specialized, independent area for controlling financial risks related to the company's investments. Its main objectives are to identify credit, liquidity and market risks, as well as to recommend measures to cope with different risk scenarios.</li> <li>These tasks may be accomplished through a financial risk policy, which is reviewed annually in order to incorporate the changes observed in the financial markets and in the company's investment portfolio. In this context, reports are sent to the CEO and directors through monthly submissions to the Financial Risk Directors' Committee.</li> <li>The main risks affecting the company are as follows:</li> <li><b>1. Credit Risk</b>: Since a significant percentage of the company's investments are to meet medium and long-term obligations, this is a crucial risk to manage in order to minimize potential losses associated with the impairment of fixed-income instruments. Vida Security's risk management policy therefore includes principles, risk maps, indicators to be monitored and limits imposed on investments (considering a diversified structure by instrument and issuer), as well as the main roles and responsibilities of the relevant agents involved.</li> <li><b>2. Liquidity Risk</b>: The company's policy is to ensure that the necessary liquid resources are available at all times in order to honor its commitments. The main risk sources (both internal and external) are monitored, and limits are set for each monitored indicator. Some of these risk management measures include having readily realizable instruments for an amount equal to or greater than the financial debt, have lines of credit that allow it to cover the payment of at least one month of pensions, have readily realizable tier 1 assets equal to or greater than the financial debt, have lines of the CMF is used to fine cover the payment of at least one month of pensions, have readily realizable tier 1 assets equal to or greater than the financial debt, have lines of credit that allow it to cover the</li></ul>



#### **PML VIDA**

PML (IN THCHS)	DIRECT	NET
Death	13,624,872	1,693,052
Health	3,340,664	2,528,926
Total (PML)	16,965,536	4,221,978
PML / Equity	0.62%	0.15%

(CALCULATIONS BASED ON PORTFOLIO AND EQUITY AS OF DEC-21)

#### **SOURCES**

	TITLE	ORIGIN / AUTHOR
F1	El sector asegurador ante el cambio climático: riesgo y oportunidades	Fundación MAPFRE. Juan Manuel López Zafra - Sonia de Paz Cobo.
F2	Impacto y vulnerabilidad al cambio climático de la actividad aseguradora	MINISTERIO PARA LA TRANSICIÓN ECOLÓGICA Y EL RETO DEMOGRÁFICO DE ESPAÑA (2020)
F3	Impactos del Cambio Climático en la Salud	Ministerio de Sanidad de España (2013)
F4	MORTALITY-DRIVEN RISKS: Calculating Capital Requirements for Solvency II	RMS LifeRisks
F5	Actuarial reflections on pandemic risk and its consequences	EUROPEAN ACTUARIAL CONSULTATIVE GROUP

## ENVIRONMENTAL GRI tables

ASPECT	UNIT	2019	2020	2021
Paper consumption	t	80	30	19

#### 302-1 STANDARD: ENERGY CONSUMPTION WITHIN THE ORGANIZATION

ASPECT	UNIT	2019	2020	2021
TOTAL ENERGY REQUIRED BY THE ORGANIZATION	GWh	9.3	7.2	7.0
Fossil fuels	GWh	0.3	0.2	0.2
Average grid electricity	GWh	9.0	7.0	6.7
Electricity from 100% renewable sources	GWh	0.0	0.0	0.0
Office + branch surface area	Thousands of m <sup>2</sup>	42.4	41.8	41.8
TOTAL ENERGY / SURFACE AREA OF OFFICES + BRANCHES	kWh/m²	219	172	166
Energy costs	Millions of US\$	1.2	0.8	0.8
Data coverage (% m² reported/m² total)	%	100%	100%	100%

#### NOTES:

• There are direct electricity records in about 66% of facilities. In the other cases, it was estimated based on the behavior of other facilities.

#### 303-3 STANDARD: WATER WITHDRAWAL BY SOURCE

ASPECT	UNIT	2019	2020	2021
WATER CONSUMPTION	Thousands of m <sup>3</sup>	78	55	49
From third party or mains supply	Thousands of m <sup>3</sup>	78	55	49
From surface water	Thousands of $m^3$	0	0	0
From groundwater	Thousands of $m^3$	0	0	0
From sea water	Thousands of $m^3$	0	0	0
From raw materials (produced)	Thousands of $m^3$	0	0	0
WATER WITHDRAWAL / SURFACE AREA OF OFFICES + BRANCHES	m³/m²	1.8	1.3	1.2
Data coverage (% m² reported/m² total)	%	100%	100%	100%

#### NOTES:

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• All water used at the operations is discharged into the public sewer system.



#### 305-1/2/3/4 STANDARD: GHG EMISSIONS BY SCOPE AND EMISSIONS INTENSITY

SCOPE	CATEGORY	UNIT	2019	2020	2021	2021
1.1	Fixed-source combustion	tCO <sub>2</sub> e	104	62	60	2.0%
1.2	Mobile source combustion	tCO <sub>2</sub> e	6.3	0.4	0.2	0.0%
1.4	Leakage emissions	tCO <sub>2</sub> e	135	159	124	4.1%
	SUBTOTAL SCOPE 1	tCO <sub>2</sub> e	246	221	184	6.1%
2.1	Electricity consumed (market method)	tCO <sub>2</sub> e	3,651	2,669	2,670	88%
	SUBTOTAL SCOPE 2	tCO <sub>2</sub> e	3,651	2,669	2,670	88%
	SUBTOTAL SCOPES 1+2	tCO <sub>2</sub> e	3,897	2,890	2,854	94%
3.1	Paper consumption	tCO <sub>2</sub> e	77	27	17	0.6%
3.1	Water Consumption	tCO <sub>2</sub> e	25	17	12	0.4%
3.3	Fuel manufacture Scope 1	tCO <sub>2</sub> e	7	0	0	0.0%
3.5	Waste and recycling	tCO <sub>2</sub> e	300	77	110	3.6%
3.6	Business trips	tCO <sub>2</sub> e	307	39	36	1.2%
	SUBTOTAL SCOPE 3	tCO <sub>2</sub> e	715	161	176	5.8%
	TOTAL GHG EMISSIONS	tCO <sub>2</sub> e	4,613	3,051	3,030	100%
			(2	(2)	12	
Office + bra	nch surface area	Thousands of m <sup>2</sup>	42	42	42	
GHG Emissi	ons (A1+2) / Office + branch surface area	kgCO <sub>2</sub> e/m2	92	69	68	
Data covera	ge (% m² reported/m² total)	%	100%	100%	100%	

#### NOTES:

- Other sources of the value chain (scope 3) are excluded from this first measurement, such as: impact of financing provided, customer travel and employee commutes, contracted services (transport of valuables, data center, etc.).
- Values verified by Geoinvest.

#### 306-2 STANDARD: WASTE BY TYPE AND DISPOSAL METHOD

ASPECT	UNIT	2019	2020	2021
TOTAL WASTE	t	655	171	237
Non-hazardous waste to landfill	t	654	168	236
Non-hazardous waste recycled	t	0.9	2.4	0.1
Hazardous waste directed to disposal	t	exc	exc	exc
RATE OF RECOVERED WASTE	%	0.1%	1.4%	0.0%
Data coverage (% m² reported/m² total)	%	100%	100%	100%

#### NOTES:

- Value estimated based on a measurement campaign at branches, extrapolated to the total for the operation.
- Hazardous waste is managed directly by the maintenance service providers. This value is expected to rise and be published in the future.

## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

# 08 FINANCIAL statements

In 2021, Grupo Security's profit was 36% higher than in 2020, amounting to MCH\$88,603.



CREATING VALUE

APPENDICES

FINANCIAL STATEMENTS



## **INDEPENDENT** auditors' report

## TO THE SHAREHOLDERS AND DIRECTORS OF GRUPO SECURITY S.A.

We have audited the accompanying consolidated financial statements of Grupo Security S.A. and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and the related notes to the consolidated financial statements.

# MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in conformity with accounting standards and instructions issued by the Financial Market Commission. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

## AUDITOR'S RESPONSIBILITY

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

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





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

## **OPINION**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Grupo Security S.A. and subsidiaries as of December 31, 2021 and 2020, and the results of their operations and cash flows for the years then ended, in accordance with accounting standards and instructions issued by the Financial Market Commission.

### **OTHER MATTERS - UNAUDITED INFORMATION**

Note 36.C III to the consolidated financial statements, within the section regarding risks associated with the insurance business, has not been audited by us and, therefore, this report does not include it.

## **OTHER MATTERS - BASIS OF ACCOUNTING**

The consolidated financial statements of Grupo Security and subsidiaries include the consolidated financial statements of, among others, its subsidiaries Banco Security and Seguros de Vida Security Previsión S.A., which have been prepared on a different accounting basis from those used by the parent company. Banco Security and Seguros de Vida Security Previsión S.A. prepare their consolidated financial statements in accordance with specific accounting policies issued by the Financial Market Commission for the banking and insurance businesses, respectively. These financial statements have been consolidated without being adjusted on translation to the accounting standards used by the parent company.

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JUAN FRANCISCO MARTÍNEZ A. EY Audit SpA

Santiago, February 25, 2022

# **CONSOLIDATED STATEMENT OF** financial position

AS OF DECEMBER 31, 2021 AND 2020

ASSETS	NOTE	DECEMBER 31, 2021 THCH\$	DECEMBER 31, 2020 THCH\$
CURRENT ASSETS			
Cash and cash equivalents	3	934,936,293	597,497,193
Other financial assets	13	4,594,041,204	3,878,086,786
Other non-financial assets	14	10,480,285	13,344,325
Trade and other receivables	12	7,160,820,476	6,616,654,034
Accounts receivable from related parties	6	72,312,644	53,343,286
Inventory	5	109,167,159	100,558,693
Tax assets	15	45,341,418	41,281,447
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS AVAILABLE FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS		12,927,099,479	11,300,765,764
Non-current assets or disposal groups classified as available for sale or as held for distribution to owners		12,680,834	2,874,447
TOTAL CURRENT ASSETS		12,939,780,313	11,303,640,211
NON-CURRENT ASSETS			
Other non-financial assets	16	83,334,920	52,966,403
Equity-accounted investments	7	2,510,861	1,950,093
Intangible assets other than goodwill	10	38,111,967	36,247,970
Goodwill	11	119,066,570	119,066,570
Property, plant and equipment	8	47,071,845	50,610,006
Investment property	9	356,232,317	291,070,203
Right-of-use assets	17	8,637,495	9,142,842
Deferred tax assets	4	97,138,275	56,887,820
TOTAL NON-CURRENT ASSETS		752,104,250	617,941,907
TOTAL ASSETS		13,691,884,563	11,921,582,118

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# **CONSOLIDATED STATEMENT OF** financial position

AS OF DECEMBER 31, 2021 AND 2020

LIABILITIES AND EQUITY	NOTE	DECEMBER 31, 2021 THCH\$	DECEMBER 31, 2020 THCH\$
LIABILITIES			
CURRENT LIABILITIES			
Other financial liabilities	19	8,391,042,928	7,087,156,906
Lease liabilities	17	2,073,402	2,119,866
Trade and other payables	18	3,253,131,493	2,863,722,025
Accounts payable to related parties	26	1,409,979	4,812,959
Other provisions, current	22	42,153,309	35,830,745
Current tax liabilities	21	35,812,925	31,892,910
Employee benefit provisions, current	23	16,855,382	12,368,781
Other non-financial liabilities	20	208,984,028	133,674,223
Liabilities included in disposal groups classified as held for sale		690,375	-
TOTAL CURRENT LIABILITIES		11,952,153,821	10,171,578,415
NON-CURRENT LIABILITIES			
Other financial liabilities	24	853,005,221	869,368,259
Lease liabilities	17	6,967,761	7,354,575
Accounts payable	25	7,932,263	10,733,280
Accounts payable to related parties	27	3,735,724	-
Deferred tax liabilities	4	1,011,028	803,274
TOTAL NON-CURRENT LIABILITIES		872,651,997	888,259,388
TOTAL LIABILITIES		12,824,805,818	11,059,837,803
EQUITY			
Issued capital	37	487,697,796	487,690,566
Retained earnings		446,730,806	399,604,981
Treasury shares		(4,636,865)	-
Other reserves		(91,992,709)	(51,775,937)
Equity attributable to owners of the parent		837,799,028	835,519,610
Non-controlling interests		29,279,717	26,224,705
Total equity		867,078,745	861,744,315
TOTAL LIABILITIES AND EQUITY		13,691,884,563	11,921,582,118

# consolidated statements of comprehensive income

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

PROFIT FOR THE YEAR	NOTES	12.30.2021 THCH\$	12.30.2020 THCH\$
Revenue	28	1,389,082,968	1,090,772,598
Cost of sales	28	(1,016,239,846)	(738,040,964)
GROSS PROFIT		372,843,122	352,731,634
Other income	28	1,987,320	1,165,551
Administrative expenses	29	(234,496,317)	(243,361,816)
Other expenses, by function	28	(8,416,997)	(11,848,650)
Other gains		1,726,797	1,040,143
NET OPERATING INCOME		133,643,925	99,726,862
Finance income		583,607	531,105
Finance costs		(14,547,995)	(14,465,194)
Share of profit (loss) of associates and joint ventures, equity-accounted	7	781,303	(88,773)
Exchange differences		1,039,135	2,978,702
Loss on indexed assets and liabilities		(30,660,552)	(11,610,519)
PROFIT BEFORE TAX		90,839,423	77,072,183
Income tax expense	4	(155,385)	(12,774,358)
PROFIT FROM CONTINUING OPERATIONS		90,684,038	64,297,825
Profit from discontinued operations		-	-
PROFIT FOR THE YEAR		90,684,038	64,297,825
PROFIT (LOSS) ATTRIBUTABLE TO			
Owners of the parent		88,603,185	65,146,394
Non-controlling interests		2,080,853	(848,569)
PROFIT FOR THE YEAR		90,684,038	64,297,825
EARNINGS PER SHARE			
BASIC EARNINGS PER SHARE		CH\$	CH\$
Basic earnings per share from continuing operations	33	21.9525	16.9514
Basic earnings per share from discontinued operations		0.0000	0.0000
BASIC EARNINGS PER SHARE		21.9525	16.9514

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# consolidated statements of comprehensive income

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

STATEMENTS OF OTHER COMPREHENSIVE INCOME	12.30.2021 THCH\$	12.30.2020 THCH\$
PROFIT FOR THE YEAR	90,684,038	64,297,825
OTHER INCOME AND EXPENSES CHARGED OR CREDITED TO NET EQUITY		
Insurance company reserves	(15,014,700)	(9,456,788)
Reserve for financial assets available for sale and other bank assets	(26,271,767)	2,506,126
Translation adjustment reserve	1,938,707	(6,006,281)
TOTAL OTHER INCOME AND EXPENSES CHARGED OR CREDITED TO NET EQUITY	(39,347,760)	(12,956,943)
TOTAL NET COMPREHENSIVE INCOME	51,336,278	51,340,882
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:	тнсн\$	тнсн\$
Owners of the parent	48,281,266	53,076,524
Non-controlling interests	3,055,012	(1,735,642)
TOTAL COMPREHENSIVE INCOME	51,336,278	51,340,882

# consolidated statements of changes in equity

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	ISSUED CAPITAL THCH\$	TREASURY SHARES THCH\$	OTHER RESERVES THCH\$	RETAINED EARNINGS THCH\$	INTERIM DIVIDENDS THCH\$	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT THCH\$	NON- CONTROLLING INTERESTS THCH\$	TOTAL EQUITY THCH\$
OPENING BALANCE AS OF 01/01/2021	487,690,566	-	(51,775,937)	419,148,899	(19,543,918)	835,519,610	26,224,705	861,744,315
Profit for the year	-	-	-	88,603,185	-	88,603,185	2,080,853	90,684,038
Comprehensive reserves from subsidiaries and other investments	-	-	(40,216,772)	(105,147)	-	(40,321,919)	974,159	(39,347,760)
TOTAL COMPREHENSIVE INCOME	-	-	(40,216,772)	88,498,038	-	48,281,266	3,055,012	51,336,278
Reversal of minimum dividend provision 2020	-	-	-	(19,543,918)	19,543,918	-	-	-
Final dividend April 2021	-	-	-	(4,710,060)	-	(4,710,060)	-	(4,710,060)
Minimum dividend provision (30%)	-	-	-	(10,081,197)	(26,580,956)	(36,662,153)	-	(36,662,153)
Capital increase	7,230	-	-	-	-	7,230	-	7,230
Treasury shares	-	(4,636,865)	-	-	-	(4,636,865)		(4,636,865)
TOTAL CHANGES IN EQUITY	7,230	(4,636,865)	-	(34,335,175)	(7,037,038)	(46,001,848)	-	(46,001,848)
CLOSING BALANCE AS OF 12/31/2021	487,697,796	(4,636,865)	(91,992,709)	473,311,762	(26,580,956)	837,799,028	29,279,717	867,078,745

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# consolidated statements of changes in equity

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	ISSUED CAPITAL THCH\$	TREASURY SHARES THCH\$	OTHER RESERVES THCH\$	RETAINED EARNINGS THCH\$	INTERIM DIVIDENDS THCH\$	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT THCH\$	NON- CONTROLLING INTERESTS THCH\$	TOTAL EQUITY THCH\$
OPENING BALANCE AS OF 01/01/2020	432,124,050	-	(40,943,154)	402,919,559	(24,346,742)	769,753,713	14,398,165	784,151,878
Increase (decrease) due to opening balance adjustments and reclassifications (*)				(906,918)		(906,918)	13,562,182	12,655,264
RESTATED OPENING BALANCE	432,124,050	-	(40,943,154)	402,012,641	(24,346,742)	768,846,795	27,960,347	796,807,142
Profit for the year	-	-	-	65,146,394	-	65,146,394	(848,569)	64,297,825
Comprehensive reserves from subsidiaries and other investments	-	-	(10,832,783)	(1,237,087)	-	(12,069,870)	(887,073)	(12,956,943)
TOTAL COMPREHENSIVE INCOME	-	-	(10,832,783)	63,909,307	-	53,076,524	(1,735,642)	51,340,882
Interim dividends	-	-	-	(22,426,307)	(19,543,918)	(41,970,225)	-	(41,970,225)
Reversal of minimum dividend provision 30% 2019	-	-	-	(24,346,742)	24,346,742	-	-	-
Capital increase	55,566,516	-	-	-	-	55,566,516	-	55,566,516
TOTAL CHANGES IN EQUITY	55,566,516	-	-	(46,773,049)	4,802,824	13,596,291	-	13,596,291
CLOSING BALANCE AS OF 12/31/2020	487,690,566	-	(51,775,937)	419,148,899	(19,543,918)	835,519,610	26,224,705	861,744,315

# **CONSOLIDATED STATEMENTS** of cash flows

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

STATEMENT OF CASH FLOWS	12.30.2021 THCH\$	12.30.2020 THCH\$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
PROCEEDS FROM OPERATING ACTIVITIES		
Proceeds from sales of goods and provision of services	40,051,043,760	36,058,240,809
Proceeds from royalties, installments, commissions and other operating income	25,503,169	21,075,369
Proceeds from contracts held for brokering or trading	8,117,917,757	20,096,025,327
Proceeds from premiums and claims, annuities and other policy benefits	431,166,082	303,090,766
Proceeds from leases and subsequent sale of assets	14,150,388	793,136
Other proceeds from operating activities	188,644,938	185,222,058
CLASSES OF PAYMENTS		
Payments to suppliers for supply of goods and services	(32,517,837,956)	(35,581,501,112)
Payments from contracts held for brokering or trading	(8,442,669,761)	(20,236,376,248)
Payments to and on behalf of employees	(99,279,914)	(119,686,626)
Payments for premiums and claims, annuities and other policy obligations	(559,559,582)	(363,699,159)
Payments for building or acquiring assets held to lease to others and subsequently sell	(30,918,527)	(55,745,778)
Other payments for operating activities	(8,265,160,927)	(1,587,046,432)
NET CASH FLOWS USED IN OPERATIONS	(1,087,000,573)	(1,279,607,890)
Interest paid	(184,415,701)	(174,220,250)
Interest received	371,201,309	343,021,261
Income taxes paid	(33,985,226)	(24,007,800)
Other proceeds	(2,352,749)	(1,714,860)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(936,552,940)	(1,136,529,539)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Other payments to acquire equity or debt instruments of other entities	(3,524,508)	-
Proceeds from sales of property, plant and equipment	788,581	578,063
Purchases of property, plant and equipment	(1,383,974)	(3,409,485)
Purchases of intangible assets	(7,887,458)	(5,132,730)
Dividends received	1,957	9,750
Interest received	141,453	6,593
Other proceeds (payments)	3,172	(264,546)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(11,860,777)	(8,212,355)

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# consolidated statements of cash flows

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

STATEMENT OF CASH FLOWS	12.30.2021 THCH\$	12.30.2020 THCH\$
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Proceeds from share issuances	7,230	55,566,516
Payment to purchase or redeem treasury shares	(3,725,906)	-
PROCEEDS FROM LOANS	1,487,307,434	1,367,011,446
Proceeds from long-term loans	557,319,185	397,134,381
Proceeds from short-term loans	929,988,249	969,877,065
Loan repayments	(244,230,238)	(433,309,272)
Repayment of finance lease liabilities	(728,237)	(653,046)
Dividends paid	(43,715,560)	(40,902,954)
Interest paid	(5,523,052)	(17,574,383)
Other proceeds	41,356	42,765
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	1,189,433,027	930,181,072
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	241,019,310	(214,560,822)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
Effect of exchange rate changes on cash and cash equivalents	96,419,790	(18,916,198)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	337,439,100	(233,477,020)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	597,497,193	830,974,213
CASH AND CASH EQUIVALENTS AT END OF YEAR	934,936,293	597,497,193

# NOTES TO THE consolidated financial statements

AS OF DECEMBER 31, 2021 AND 2020 AND FOR THE YEARS THEN ENDED

## **NOTE 1 - CORPORATE INFORMATION**

### A) COMPANY INFORMATION

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

The nature of the operations and main activities of Grupo Security S.A., are described in letter b) of this note.

The consolidated financial statements of Grupo Security S.A. and subsidiaries have been prepared in accordance with the standards set by the Financial Market Commission (CMF), which call for adopting International Financial Reporting Standards (IFRS), except for the financial statements of the subsidiaries Seguros Vida Security Previsión S.A. (Vida Security) and subsidiaries, which have been prepared in accordance with the standards and instructions issued by the CMF for insurance entities, and the financial statements of Banco Security and subsidiaries, which have been prepared in accordance with the Compendium of Accounting Standards issued by the CMF. Therefore, certain accounting policies of the financial statements of Banco Security, Vida Security and their subsidiaries are presented separately for better understanding, in accordance with CMF Official Ruling 506.

In order to better understand these consolidated financial statements of Grupo Security S.A. and obtain additional information about subsidiaries, these financial statements should be read in conjunction with the consolidated financial statements of Banco Security and Seguros de Vida Security Previsión S.A.



The following companies are included in Grupo Security's scope of consolidation as of December 31, 2021 and 2020.

		2021			2020			
COMPANY NAME	TAXPAYER ID NUMBER	DIRECT INTEREST	INDIRECT INTEREST	TOTAL INTEREST	DIRECT INTEREST	INDIRECT INTEREST	TOTAL INTEREST	
Factoring Security S.A.	96.655.860-1	99.99797%	0.00203%	100.00000%	99.99800%	0.00200%	100.00000%	
Banco Security S.A.	97.053.000-2	99.97577%	-	99.97577%	99.97481%	-	99.97481%	
Administradora General de Fondos Security S.A.	96.639.280-0	99.99043%	0.00957%	100.00000%	99.99042%	0.00958%	100.00000%	
Valores Security S.A. Corredores de Bolsa	96.515.580-5	99.87583%	0.12417%	100.00000%	99.87580%	0.12420%	100.00000%	
Inversiones Previsión Security Ltda.	78.769.870-0	99.99998%	0.00002%	100.00000%	99.99998%	0.00002%	100.00000%	
Seguros Vida Security Previsión S.A.	99.301.000-6	99.14103%	-	99.14103%	99.14100%	-	99.14100%	
Hipotecaria Security Principal S.A.	96.538.310-7	51.00000%	-	51.00000%	51.00000%	-	51.00000%	
Servicios y Beneficios Security Ltda.	77.431.040-1	99.90000%	0.10000%	100.00000%	99.90000%	0.10000%	100.00000%	
Corredores de Seguros Security Ltda.	77.371.990-К	99.99810%	0.00190%	100.00000%	99.99800%	0.00200%	100.00000%	
Capital S.A.	96.905.260-1	99.98530%	0.01470%	100.00000%	99.98530%	0.01470%	100.00000%	
Mandatos Security Ltda.	77.512.350-8	99.77050%	0.22950%	100.00000%	99.77000%	0.23000%	100.00000%	
Global Security Gestión y Servicios Ltda. (*)	76.181.170-3	0.00000%	0.00000%	0.00000%	99.77000%	0.23000%	100.00000%	
Inmobiliaria Casanuestra S.A.	76.459.878-4	99.99875%	0.00125%	100.00000%	99.99867%	0.00133%	100.00000%	
Travel Security S.A.	85.633.900-9	83.00000%	-	83.00000%	83.00000%	-	83.00000%	
Viajes Security S.A.C.	20548601372	99.99998%	0.00002%	100.00000%	99.99998%	0.00002%	100.00000%	
Travex S.A.	20505238703	74.99996%	-	74.99996%	75.00000%	-	75.00000%	
Securitizadora Security S.A.	96.847.360-3	99.96130%	0.03870%	100.00000%	99.96000%	0.04000%	100.00000%	
Security Internacional SPA Inversiones Security Perú S.A.C.	76.452.179-K	100.00000%	-	100.00000% 99.99900%	100.00000% 99.99900%	-	100.00000%	
Cía. de Seguros Protecta S.A.	20600419430 20517207331	99.99900% 61.00000%	_	61.00000%	61.00000%	-	99.99900% 61.00000%	
Inmobiliaria Security S.A.	96.786.270-3	99.99900%	- 0.00100%	100.00000%	99.99900%	- 0.00100%	100.00000%	
Inmobiliaria SH Uno Ltda.	77.173.860-5		99.99000%	99.99000%		99.99000%	99.99000%	
Inmobiliaria Security Siete Ltda.	78.972.520-9	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Security Nueve Ltda.	77.441.660-9	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Security Diez Ltda.	77.464.540-3	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Security Once Ltda.	77.611.170-8	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Alto Vitacura S.A.	76.505.706-K	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria El Taihuen S.A.	76.477.415-9	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Vista La Dehesa S.A.	76.524.227-4	-	70.00000%	70.00000%	-	70.00000%	70.00000%	
Inmobiliaria Security Doce S.A.	76.207.657-8	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria El Peumo S.A.	99.584.690-K	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
General Flores Fondo de Inversión Privado	76.036.147-K	-	66.45000%	66.45000%	-	66.45000%	66.45000%	
Quirihue Fondo de Inversión Privado	76.036.113-5	-	60.00000%	60.00000%	-	60.00000%	60.00000%	
Silvina Hurtado Fondo de Inversión Privado	76.036.115-1	-	66.92307%	66.92307%	-	66.92307%	66.92307%	
Inmobiliaria Los Espinos S.A.	76.167.559-1	-	70.00000%	70.00000%	-	70.00000%	70.00000%	
Inmobiliaria Ñuñoa IV SA	76.200.933-1	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Cordillera S.A.	76.229.736-1	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Alonso Sotomayor Fondo de Inversión Privado	76.036.118-6	-	88.44827%	88.44827%	-	88.44827%	88.44827%	
Inmobiliaria Security Norte SA	76.249.637-2	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Vitacura IV Fondo De Inversión Privado	76.036.137-2	-	80.00000%	80.00000%	-	80.00000%	80.00000%	
Inmobiliaria Security San Damián S.A.	76.307.757-8	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Alto San Rafael S.A.	76.307.766-7	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Alto Chamisero S.A.	76.360.997-9	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inmobiliaria Ñuñoa V SPA	76.594.758-8	-	100.00000%	100.00000%	-	100.00000%	100.00000%	
Inm.Security Los Dominicos SPA	76.594.759-6	-	100.00000%	100.00000%	-	100.00000%	100.00000%	

(\*) ON JULY 1 2021, CAPITAL S.A. ACQUIRED A 0.2295% INTEREST IN GLOBAL SECURITY GESTIÓN Y SERVICIOS LIMITADA FROM THE RELATED COMPANY INVERSIONES PREVISIÓN SECURITY LIMITADA, PRODUCING A FULL MERGER OF THIS COMPANY.

#### MAIN SHAREHOLDERS OF GRUPO SECURITY S.A.

	TAXPAYER ID NUMBER	SHARES AS OF 12.31.2021	%	ACCUMULATED %
CENTINELA SPA	76.447.620-4	384,000,000	9.50%	9.50%
SOCIEDAD DE AHORRO MATYCO LIMITADA	96.512.100-5	373,744,200	9.25%	18.75%
INVERSIONES HEMACO LTDA.	96.647.170-0	344,857,609	8.53%	27.28%
ARCOINVEST CHILE SA	76.057.087-7	252,305,012	6.24%	33.52%
BTG PACTUAL CHILE S A C DE B	84.177.300-4	207,381,770	5.13%	38.65%
VALORES SECURITY S A C DE B	96.515.580-5	164,275,460	4.06%	42.71%
INVERSIONES LLASCAHUE LTDA	79.884.060-6	158,800,000	3.93%	46.64%
ALISIOS SPA	76.093.398-8	152,920,716	3.78%	50.42%
ATACALCO SPA	76.093.394-5	152,879,473	3.78%	54.20%
TENAYA SPA	76.093.362-7	152,879,472	3.78%	57.98%
SOC COMERCIAL DE SERVICIOS E INV LTDA	79.553.600-0	138,000,000	3.41%	61.39%
INVERSIONES HIDROLECTRICAS DOS SPA	77.125.455-1	95,213,135	2.36%	63.75%
INVERSIONES HIDROLECTRICAS TRES SPA	77.125.462-4	87,269,785	2.16%	65.91%
BANCHILE CORREDORES DE BOLSA S A	96.571.220-8	86,317,289	2.14%	68.05%
INMOBILIARIA CAB LIMITADA	96.941.680-8	86,040,495	2.13%	70.18%
PIONERO FONDO DE INVERSION	76.309.115-5	85,862,000	2.12%	72.30%
BCI C DE B S A	96.519.800-8	78,655,456	1.95%	74.25%
INVERSIONES LOS CACTUS LTDA	79.884.050-9	78,000,000	1.93%	76.18%
INVERSIONES LOS CHILCOS S A	79.884.030-4	59,692,885	1.48%	77.66%
KINTO INVERSIONES SPA	76.503.271-7	58,472,980	1.45%	79.11%
BOLSA DE COMERCIO DE SANTIAGO BOLSA DE VALORES	90.249.000-0	53,769,127	1.33%	80.44%
SMAC SPA	76.536.902-9	52,145,825	1.29%	81.73%
POLO SUR SOCIEDAD DE RENTAS LTDA	79.685.260-7	46,605,131	1.15%	82.88%
BANCHILE ADM GENERAL DE FONDOS S A	96.767.630-6	45,696,566	1.13%	84.01%
INVERSIONES HIDROELECTRICAS SPA	79.884.660-4	42,937,100	1.06%	85.07%
SAN LEON INVERSIONES Y SERVICIOS LTDA	78.538.290-0	38,367,280	0.95%	86.02%
RENTAS E INV SAN ANTONIO LTDA	79.944.140-3	38,206,459	0.95%	86.97%
LARRAIN VIAL S A CORREDORA DE BOLSA	80.537.000-9	36,465,856	0.90%	87.87%
SIGLO XXI FONDO DE INVERSION	76.100.825-0	34,737,476	0.86%	88.73%
FONDO DE INVERSION SANTANDER SMALL CAP	96.667.040-1	26,518,245	0.66%	89.39%
GOMEZ Y COBO LTDA	78.071.220-1	23,800,000	0.59%	89.98%
GRUPO SECURITY S A	96.604.380-6	21,380,994	0.53%	90.51%
BICE INVERSIONES CORREDORES DE BOLSA S A	79.532.990-0	21,294,339	0.53%	91.04%
BANCO DE CHILE ON BEHALF OF MS	97.004.000-5	19,787,405	0.49%	91.53%



#### B) DESCRIPTION OF OPERATIONS AND MAIN ACTIVITIES

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

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

#### LENDING:

Grupo Security provides lending for high-income individuals, medium and large companies through Banco Security and Factoring Security, with a complete range of products to meet their financial needs.

#### · ASSET MANAGEMENT:

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

· INSURANCE:

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

#### · INTERNATIONAL BUSINESS:

Grupo Security has investments in insurance and travel businesses in Peru, through its subsidiaries Compañía de Seguros Protecta and Travex.

#### OTHER SERVICES:

The services business area groups together Grupo Security companies dedicated to the real estate, travel agency and tourism businesses, through its subsidiaries Inmobiliaria Security and Travel Security.

#### CORPORATE SUPPORT AREA:

This area comprises the subsidiaries Capital, Mandatos Security, Global Gestión and the standalone entity Grupo Security, all geared towards providing the group with complementary support services.

#### C) EMPLOYEES

Grupo Security employees as of December 31, 2021 and 2020, are detailed as follows:

#### AS OF DECEMBER 31, 2021

COMPANY	EXECUTIVES	PROFESSIONALS	WORKERS	OVERALL TOTAL
Grupo Security S.A.	19	18	1	38
Banco Security and subsidiaries	57	786	339	1,182
Factoring Security S.A.	8	89	57	154
Inmobiliaria Security S.A.	2	26	4	32
Securitizadora Security S.A.	1	3	2	6
Capital S.A. and subsidiaries	18	470	120	608
Inversión Previsión Security and subsidiaries	28	318	523	869
Security Internacional and subsidiaries	9	28	258	295
OVERALL TOTAL	142	1,738	1,304	3,184

#### AS OF DECEMBER 31, 2020

COMPANY	EXECUTIVES	PROFESSIONALS	WORKERS	OVERALL TOTAL
Grupo Security S.A.	14	22	1	37
Banco Security and subsidiaries	60	765	348	1,173
Factoring Security S.A.	7	87	56	150
Inmobiliaria Security S.A.	2	27	4	33
Securitizadora Security S.A.	1	7	4	12
Capital S.A. and subsidiaries	17	553	126	696
Inversión Previsión Security and subsidiaries	27	327	514	868
Security Internacional and subsidiaries	9	25	253	287
OVERALL TOTAL	137	1,813	1,306	3,256

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

### 2.1 ACCOUNTING PERIOD

These consolidated financial statements cover the following annual periods:

- Consolidated statements of financial position as of December 31, 2021 and 2020.
- Consolidated statement of changes in equity for the years ended December 31, 2021 and 2020.
- Consolidated statements of comprehensive income for the years ended December 31, 2021 and 2020.
- Consolidated statements of cash flows for the years ended December 31, 2021 and 2020.

#### 2.2 BASIS OF PREPARATION

A) The consolidated financial statements of Grupo Security S.A. and subsidiaries have been prepared in accordance with the standards set by the Financial Market Commission (CMF), which call for adopting International Financial Reporting Standards (IFRS), except for the financial statements of the subsidiaries Seguros Vida Security Previsión S.A., and subsidiaries (Vida Security), which have been prepared in accordance with the standards and instructions issued by the CMF for insurance entities, and the financial statements of Banco Security and subsidiaries, which have been prepared in accordance with the Compendium of Accounting Standards for Banks issued by the CMF for the banking business.

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

The consolidated financial statements of Banco Security and Vida Security have been consolidated and have not been subject to any translation adjustments. Consequently, and as required by CMF Official Ruling 506 from 2009, some accounting policies and notes to the financial statements of Banco Security and subsidiaries and Seguros Vida Security Previsión S.A. and subsidiary are presented separately from the consolidated financial statements, which describe the important differences with IFRS to improve reader comprehension. Should any discrepancies arise between IFRS and CMF instructions, the latter will prevail.

#### B) NEW ACCOUNTING PRONOUNCEMENTS

Grupo Security S.A. has applied certain standards, interpretations and amendments for the first time, which are effective for periods beginning on or after January 1, 2021.

The following table details the nature and impact of the standards, interpretations and amendments to IFRS that took effect as of the reporting date:

AMENDMENTS		MANDATORY EFFECTIVE DATE
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform – Phase 2	January 1, 2021
IFRS 16	COVID-19-Related Rent Concessions after June 30, 2021	April 1, 2021

#### IFRS 9, IAS 39, IFRS 7, IFRS 4 AND IFRS 16 INTEREST RATE BENCHMARK REFORM – PHASE 2

In August 2020, the IASB published the second phase of the Interest Rate Benchmark Reform, which includes amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With this publication, the IASB completes its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. The amendments provide temporary exceptions that address the effects on financial reporting when an interbank offered rate (IBOR) is replaced by an alternative nearly risk-free interest rate. The amendments are required and early application is permitted. Hedging relationships must be reinstated if the hedging relationship was discontinued solely due to changes required by IBOR reform and it would not have been discontinued if the phase two amendments had been applied at that time. Although application is retrospective, an entity is not required to restate prior periods.

Adopting this standard did not have a significant impact on the consolidated financial statements.

#### IFRS COVID-19-RELATED RENT CONCESSIONS AFTER JUNE 30, 2021

In March 2021, the IASB amended the practical example of IFRS 16 in relation to the application of IFRS 16 guidance on rent concessions as a result of COVID-19.

As a practical solution, a lessee may choose not to assess whether the COVID-19-related rent concession granted by a lessor is a lease modification. A lessee making this choice will recognize the changes in lease payments from COVID-19-related rent concessions in the same way as it would recognize the change under IFRS 16 as if that change were not a lease modification.

Also, the practical example now applies to leases where any reduction in lease payments affects only payments originally due on or before September 30, 2022, provided that the other conditions for applying the practical example are met.

A lessee will apply this practical solution retroactively, recognizing the cumulative effect of first-time adoption of the amendment as an adjustment to the initial balance of the cumulative results (or another component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee applies the amendment for the first time. A lessee is not required to disclose the information required by paragraph 28 (f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the remedy consistently to eligible contracts with similar characteristics and in similar circumstances, regardless of whether the contract became eligible for the practical example before or after the amendment.



# NEW ACCOUNTING PRONOUNCEMENTS, STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER JANUARY 1, 2022.

The new standards, interpretations and amendments to IFRS that have been issued but have not yet taken effect as of the date of these financial statements are detailed below. The Group has not adopted these standards early:

STANDARDS AND INTERPRETATIONS		MANDATORY EFFECTIVE DATE
IFRS 17	Insurance Contracts	January 1, 2023

#### **IFRS 17 INSURANCE CONTRACTS**

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new specific accounting standard for insurance contracts covering recognition, measurement, presentation and disclosure. Once effective, it will replace IFRS 4 Insurance Contracts that was issued in 2005. The new standard applies to all types of insurance contracts regardless of the type of entity that issue them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

IFRS 17 will be effective for periods beginning on or after January 1, 2023, and will require comparative figures. Early application is permitted, provided the entity also applies IFRS 9 on or before the date it first applies IFRS 17.

The impacts of this standard on the subsidiary Seguros Vida Security Previsión S.A., were evaluated in accordance with the instructions in CMF Ruling 4577 dated February 8, 2019. These economic effects, the criteria used in liability valuation models, the risk rates and the tables used were detailed in a report from the company in a material event filed on July 31, 2019. The company is studying the proposed regulation on IFRS 17 implementation for the Chilean insurance market and the request for a second report on the impacts of applying the standard, in accordance with Ruling 2147 dated January 12, 2021. The Financial Market Commission issued Official Ruling 1212 on May 13, 2021, to push back the deadline for the second impact exercise to August 31, 2021. Similarly, OFORD 52154 dated July 13, 2021, postpones IFRS 17 application for the Chilean market until January 1, 2024.

	AMENDMENTS	MANDATORY EFFECTIVE DATE
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use	January 1, 2022
IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	January 1, 2022
IAS 1	Classification of Current and Non-Current Liabilities	January 1, 2023
IAS 8	Definition of Accounting Estimates	January 1, 2023
IAS 1	Disclosure of Accounting Policies	January 1, 2023
IFRS 10 and IAS 28	Consolidated financial statements – sale or contribution of assets between an investor and its associate or joint venture	To be determined

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#### IFRS 3 REFERENCE TO THE CONCEPTUAL FRAMEWORK

In May 2020, the IASB issued amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. These amendments are intended to replace a reference to the IASB's prior Conceptual Framework (1989 Framework), with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments will be effective for periods beginning on or after January 1, 2022, and must be applied retrospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in IFRS Standards issued in March 2018.

The amendments will provide consistency in financial reporting and will avoid potential confusion from having more than one version of the Conceptual Framework in use.

The Group is evaluating the impact of this standard.

#### IAS 16 PROPERTY, PLANT AND EQUIPMENT: PROCEEDS BEFORE INTENDED USE

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any sales proceeds earned from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Once in location, an entity will recognize proceeds from the sale of those items, and their cost, in profit for the period, in accordance with applicable standards.

The amendments will be effective for annual periods beginning on or after January 1, 2022. The amendment must be applied retrospectively only to items of property, plant and equipment held for use on or after the beginning of the first period that the entity applies the amendment for the first time.

The Group is evaluating the impact of this standard.

#### IAS 37 ONEROUS CONTRACTS – COST OF FULFILLING A CONTRACT

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs an entity must include when assessing whether a contract is onerous or generates losses.

The amendments will be effective for annual periods beginning on or after January 1, 2022. The amendment must be applied retrospectively to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendment (first-time adoption date). Early application is permitted and must be disclosed.

The amendments are intended to provide clarity and help guarantee consistent application of the standard. Entities that previously applied the incremental cost approach will see an increase in provisions to reflect the inclusion of costs directly related to contract activities, while entities that previously recorded provisions for contractual losses using the guidance in the prior standard, IAS 11 Construction Contracts, must exclude indirect costs from their provisions.



#### IAS 1 FINANCIAL STATEMENT PRESENTATION – CLASSIFICATION OF CURRENT AND NON-CURRENT LIABILITIES

In June 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments are effective for annual periods beginning on or after January 1, 2023. Entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

The Group is evaluating the impact of this standard.

## IAS 8 - ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS - DEFINITION OF ACCOUNTING ESTIMATES

In February 2021, the IASB issued amendments to IAS 8, introducing a new definition for "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and error correction. They clarify how entities use measurement techniques and inputs to develop estimate accounting.

The amended standard clarifies that the effects on an accounting estimate resulting from a change in an input or a change in a measurement technique are changes in accounting estimates, provided that they do not arise from correcting prior period errors. The previous definition of a change in accounting estimate accepted that changes in accounting estimates may arise from new information or new developments. Therefore, such changes are not error corrections.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

The Group is evaluating the impact of this standard.

#### IAS 1 PRESENTATION OF FINANCIAL STATEMENTS - DISCLOSURE OF ACCOUNTING POLICIES

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2: Making Materiality Judgments, where it provides guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures.

The amendments are intended to assist entities by providing disclosures about accounting policies that are more useful by:

- Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies.
- Including guidance on how entities apply the concept of materiality in making decisions about accounting policy.

Entities should assess the materiality of accounting policy disclosures on the basis of both the size of transactions, and other events or conditions and the nature of those events or conditions.

The amendment will be effective for annual periods beginning on or after January 1, 2023. Early application of the amendments to IAS 1 is permitted provided this is disclosed.

The Group is evaluating the impact of this standard.

#### IAS 12 DEFERRED TAXES RELATED TO ASSETS AND LIABILITIES ARISING FROM A SINGLE TRANSACTION

In May 2021, the IASB issued amendments to IAS 12, which reduce the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

The amendments clarify that when payments that settle a liability are deductible for tax purposes, it is a matter of judgment having considered applicable tax law whether such deductions are attributable for tax purposes to the liability recognized in the financial statements and interest expense, or to the related asset and interest expense. This judgment is important to determine whether there are temporary differences in the initial recognition of assets and liabilities. Also the amendments state that the initial recognition exception does not apply to transactions that on initial recognition produce equal taxable and deductible temporary differences. They only apply if the recognition of a lease asset and a lease liability or a decommissioning liability and a decommissioning asset produce taxable and deductible temporary differences that are not the same. However, the resulting deferred tax assets and liabilities may not be equal for example, if the entity cannot benefit from tax deductions or if different tax rates apply to taxable and deductible temporary differences. In such cases, an entity would need to account for the difference between the deferred tax asset and the deferred tax liability in the income statement.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

The Group is evaluating the impact of this standard.

# IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS AND IAS 28 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES – SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address an inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in the treatment of the sale or provision of assets between an investor and its associate or joint venture. The amendments were issued in September 2014, and state that when the transaction involves a business (whether or not in a subsidiary), all the gain or loss is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary.

The date of mandatory application of these amendments is to be determined since the IASB is waiting for the results of its research project on accounting using the equity the method. These amendments must be applied retrospectively, and early application is permitted, which must be disclosed.

The Group is evaluating the impact of this standard.

## PRINCIPAL CHANGES AT BANCO SECURITY ON ADOPTING THE COMPENDIUM OF ACCOUNTING STANDARDS FOR BANKS (CNCB):

As the new Compendium of Accounting Standards for Banks issued by the CMF is effective, whose amendments are described in Bank Ruling 2,243, 2,249 and 2,295, as described in the previous point, the first application will take effect on January 1, 2022, with a transition date of January 1, 2021, for the purposes of comparative financial statements to be published with effect from March 2022. However, for the year 2021 management chose to implement in advance the suspension rule of recognizing interest and indexation on an accrual basis after 90 days of delinquency, as allowed in transitory provision 3. This change did not have a significant impact on the Consolidated Financial Statements as of December 31, 2021.



Before this change, recognition of interest and indexation income for loans assessed on a group basis was suspended after 6 months of delinquency. While for loans subject to individual assessment, the suspension was based on the customer classification and how long it had been classified in the impaired portfolio.

The other requirements and accounting changes in the new CNCB affected equity, due to first-time adoption adjustments as of January 1, 2022.

Due to the effects of adopting IFRS 9 to replace IAS 39, which uses a new approach to analyzing and calculating the impairment of investment portfolios. The impairment of the available-for-sale portfolios generated a net deferred income tax charge in equity of MCH\$3,818. Additionally, unconsolidated investments in companies will be valued at fair value, which generated a credit to equity of MCH\$290.

Provisions for contingent loans due to changing the Credit Conversion Factor (CCF) in Chapter B-3 of the CNCB, generated a credit to equity of MCH\$1,204. Finally, the threshold for assessing debtors reclassified them from the individual to the group model at 20,000 UF, chapter B-1 of the CNCB. This generated a charge to equity of MCH\$2,532.

Therefore, all these changes have generated a total decrease in equity of MCH\$4,855.

Other changes requested by the new CNCB that are consistent with the presentation of financial reporting include:

- Changes in the chart of accounts of Chapter C-3 of the CNCB, both the codification of accounts and their description. These create detailed information in the formats for the Statement of Financial Position, Statement of Income and Statement of Other Comprehensive Income.
- Changes in the presentation formats of the Statement of Financial Position and Statement of Income when adopting IFRS 9 to replace IAS 39.
- Incorporation of new presentation formats for the Statement of Other Comprehensive Income and Statement of Changes in Equity, and guidelines on financing and investing activities for the Statement of Cash Flows.
- Incorporation of a "Management Commentary" according to IASB Practice Statement 1, which will complement the information provided in the financial statements.
- Amendments to certain notes to the financial statements, including those for financial assets at amortized cost, management notes and risk reports. These are aligned with the disclosure criteria in IFRS 7.

#### 2.3 BASIS OF CONSOLIDATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

The companies included in the consolidation scope as of December 31, 2021 and 2020, are as follows:

COMPANY NAME	TAXPAYER ID NUMBER	DIRECT
Factoring Security S.A.	96.655.860-1	99.99797%
Banco Security S.A. and subsidiaries	97.053.000-2	99.97577%
Inmobiliaria Security S.A.	96.786.270-3	99.99900%
Inversión Previsión Security Limitada and subsidiaries	78.769.870-0	99.99998%
Capital S.A. and subsidiaries	96.905.260-1	99.98530%
Securitizadora Security S.A.	96.847.360-3	99.96130%
Security Internacional S.A. and subsidiaries	96.847.360-3	100.00000%

#### 2.4 VALUATION AT AMORTIZED COST

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

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

#### 2.5 FAIR VALUE

A fair value measurement estimates the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at a given date under current market conditions.

#### FAIR VALUE HIERARCHY

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



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

# 2.6 VALUATION AT ACQUISITION COST

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

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

- Derivative financial instruments measured at fair value.
- Financial instruments held for trading measured at fair value through profit and loss or equity.
- Investments available for sale measured at fair value, for the Bank.
- Assets available for sale are measured at fair value less costs to sell when it is less than their carrying amount.

# 2.7 GOODWILL

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

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

#### 2.7.1 GOODWILL - BANCO SECURITY AND VIDA SECURITY S.A.

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

Any goodwill generated is valued at acquisition cost and is tested as of each reporting date for any impairment that reduces its recoverable amount to below its carrying amount. If appropriate, this difference is recognized in the consolidated statement of income under "administrative expenses", in accordance with IFRS 3.

# 2.8 INTANGIBLE ASSETS OTHER THAN GOODWILL

Software: Expenses for in-house developed software are recognized as an asset when the Group is able to demonstrate its intent and ability to complete development and use it within the organization to generate future economic benefits and it can reliably measure the costs of completing this development. Capitalized costs of in-house developed software include all costs directly attributable to developing the software and they are amortized over their estimated useful lives.

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

Useful life has been determined based on the period of time over which economic benefits are expected. The amortization period and method are reviewed annually and any change is treated as a change in an estimate. Maintenance costs for an intangible asset are recognized with a charge to profit or loss in the year in which they are incurred. Amortization of intangible assets is recognized on a straight-line basis as of the date when the asset is available for use. Any subsequent expenses in software assets are capitalized only when they increase the future economic benefit for the specific asset. All other expenses are recognized in profit or loss as incurred.

The Group performs impairment tests if there are signs that the carrying value exceeds the recoverable value of the intangible asset. An intangible asset with an indefinite useful life is reviewed annually to determine whether any indicators of impairment exist, or more often if events or changes in circumstances indicate that the book value may be impaired.

The estimated useful life of each item of intangible assets as of December 31, 2021 and 2020, is as follows:

NATURE OF INTANGIBLE ASSET	USEFUL LIFE	DESCRIPTION
Normal projects costing less than UF 125	Up to 36 months	The standard for all IT projects applies
Strategic projects for the business	Up to 72 months	Exceptional projects whose amortization period must be approved by the Committee
Other projects	Over 72 months	Projects that must be approved by the Group's Board of Directors, given their size

# 2.9 PROPERTY, PLANT AND EQUIPMENT

Grupo Security accounts for property, plant and equipment using the cost model. The cost model is an accounting method in which property, plant and equipment is recognized at cost less accumulated depreciation and impairment losses. Depreciation is determined using the straight-line method over the cost of the assets less their residual value. The land on which buildings and other facilities are built is considered to have an infinite useful life and, therefore, is not depreciated. Depreciation for the year is recognized in profit or loss for the year and calculated based on the estimated useful lives of the respective assets. Any gain or loss from the disposal or retirement of an asset is calculated as the difference between the sales price and the asset's carrying amount and is recognized in profit or loss. Amortization methods and useful lives are reviewed yearly and any change is recognized prospectively.

The estimated useful life of each item of property, plant and equipment as of December 31, 2021 and 2020, is as follows:

	USEFUL LIFE IN YEARS
Buildings	60-80 years
Plant and equipment	3-5 years
Motor vehicles	3 years
Other property, plant and equipment	2-5 years

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Asset residual values, useful lives and depreciation methods are reviewed and adjusted if required, as of each reporting date, and any change is recognized prospectively.



### 2.9.1 PROPERTY, PLANT AND EQUIPMENT - BANCO SECURITY

Items of property, plant and equipment are measured at cost minus accumulated depreciation and impairment losses. Depreciation is recognized in the statement of income on a straight-line basis over the useful life of the respective asset.

For certain real estate properties, the Bank recognized their fair values, based on independent appraisals, as their costs upon first-time adoption of IFRS.

# 2.10 LEASE AGREEMENTS

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

### 2.11 REPOSSESSED OR AWARDED ASSETS

Repossessed or awarded assets are classified within "non-current assets classified as available for sale" at the lesser of their foreclosure cost and their fair value less impairment provisions.

#### 2.11.1 REPOSSESSED OR AWARDED ASSETS - BANCO SECURITY

Repossessed assets are classified within "other assets" at the lesser of their foreclosure cost and their fair value less required regulatory write-offs and are presented net of provisions. In compliance with article 84-5 of the General Banking Act, to make use of the additional period for selling repossessed or awarded assets, banks must write off the assets in that situation as indicated in Chapter 10-1 of the Updated Compilation of Standards.

#### 2.11.2 REPOSSESSED OR AWARDED ASSETS, FACTORING

The company classifies repossessed or awarded assets assets as available for sale, which are recorded at the lower of their book value and fair value less costs to sell.

Subsequent measurements of impairment losses may be recognized, and when the opposite occurs, gains are only recognized up to the value of the impairment losses previously recognized.

# 2.12 IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS

Grupo Security reviews the book value of its assets subject to impairment as of each reporting date, to determine whether there are indicators that such assets may be impaired. If any indicators are detected, the recoverable amount of the asset is estimated in order to calculate the amount of the impairment loss (if any).

The recoverable amount is the higher of the asset's fair value less cost to sell and the asset's future cash flows. When assessing the estimated future cash flows, the Group 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 Group estimates that the recoverable value of an asset (or a cash generating unit) is below its carrying amount, then the carrying amount of the asset (or cash generating unit) is reduced to its recoverable value. The Group, therefore, immediately recognizes an impairment loss in profit or loss, except when the relevant asset is recognized at a restated amount, in which case the impairment loss is recognized as a decrease to the revaluation reserve.

When an impairment loss is reversed, the carrying amount of the asset is increased to the estimated recoverable value, which is recognized as income.

Intangible assets with an indefinite useful life are tested annually for indications of impairment.

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

### 2.12.1 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group regularly assesses whether there is indication that an asset may be impaired. If it finds such indications, or when there is an annual impairment testing requirement, the Group and its subsidiaries estimate the asset's recoverable amount. An asset's recoverable amount is the greater between the fair value of an asset or a cash generating unit, less costs to sell, and its value in use, and is determined for an individual asset unless the asset does not generate cash inflows that are clearly independent from those of other assets or asset groups. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. When appropriate, it is recorded in other income (losses) in the consolidated statement of income. When an impairment loss is subsequently reversed, the carrying amount of the asset or cash generating unit is increased up to the lower of the revised estimate of its recoverable amount and the carrying amount that would have been recorded if the impairment loss had not been previously recorded.

# 2.12.2 IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS - INVERSIONES PREVISIÓN SECURITY (PARENT OF SEGUROS VIDA SECURITY PREVISIÓN S.A.)

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

Vida Security estimates impairment on its endorsable mortgage loans using the model in CMF General Standard 311 dated June 28, 2011. In addition, for retiree loans, Vida Security has decided to maintain the standard defined in General Standard 208 dated October 12, 2007 and amendments.



#### **INSURANCE PREMIUMS**

Impairment related to insurance premiums is estimated in accordance with CMF Ruling No. 1,499. Under this ruling, the provision for estimated loss is recognized in profit depending on whether the premium is secured by notes, whether it has payment specification and based on the aging of the debt.

#### **REINSURANCE CLAIMS RECEIVABLE**

Considering that the Vida Security's current reinsurers have historically incurred no significant delays, caused by contractual noncompliance, in payments for ceded claims, the Group has decided to recognize impairment of the reinsurance liability in accordance with General Standard No. 848 on provisions for reinsurance claims receivable.

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

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

#### LOANS

Impairment of retiree loans is estimated in accordance with CMF General Standard 208 and amendments.

### 2.12.3 IMPAIRMENT OF FINANCIAL AND NON-FINANCIAL ASSETS - BANCO SECURITY

#### **FINANCIAL ASSETS**

As of each reporting date, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets may be impaired. A financial asset is impaired and a loss will arise if objective evidence of impairment exists. Financial assets carried at amortized cost show evidence of impairment when the present value of the estimated future cash flows, discounted at the asset's original effective interest rate, is less than the asset's carrying amount. An impairment loss for available-for-sale financial assets is calculated using its fair value.

Financial assets that are individually significant are assessed individually to determine whether objective evidence of impairment exists. Financial assets that are not individually significant and have characteristics similar to other assets are assessed as a group. All impairment losses are recognized in profit or loss. An impairment loss can only be reversed if it can be related objectively to an event occurring after the impairment loss was recognized.

See impairment criteria for loans granted by Banco Security in Note 2.19.1 "Provisions - Banco Security".

#### NON-FINANCIAL ASSETS:

As of each reporting date, the Bank reviews the carrying amount of its non-financial assets to determine if objective evidence of impairment exists. If such indication exists, the recoverable amount of the asset is estimated. An impairment loss is reversed if there has been a change in the estimations used to determine the recoverable amount.

# 2.13 VALUATION OF FINANCIAL INSTRUMENTS

Financial assets are recognized in the consolidated financial statements when acquired and are initially measured at fair value including costs related to their acquisition for instruments subsequently valued at amortized cost.

Financial assets maintained by Grupo Security S.A., and subsidiaries are classified in accordance with IFRS 9 based on the business model under which a financial asset is managed and the features of its contractual cash flows.

Specifically:

#### • FINANCIAL ASSETS AT AMORTIZED COST:

Financial assets that are held within a business model, the objective of which is to collect contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI"), are subsequently measured at amortized cost.

LOANS AND RECEIVABLES: These correspond to financial assets used to provide cash financing or services directly to a debtor.

Loans and receivables are accounted for at amortized cost recognizing accrued interest in profit or loss in accordance with the effective interest method. Amortized cost is the amount at which an asset or liability is measured at initial recognition, plus or minus the cumulative amortization using the effective interest method.

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

### • FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and/ or selling financial assets, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI"), are subsequently measured at fair value through other comprehensive income.

### • FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS:

All other financial assets (debt and equity instruments) are measured at fair value through profit and loss.

At each reporting date, Grupo Security S.A. assesses whether there is objective evidence that a financial asset or group of financial assets may be impaired.



FAIR VALUE: The fair value of a financial instrument is defined as the amount at a given date for which it could be bought or sold on that date between two knowledgeable, willing parties in an arm's length transaction. The most objective and typical reference of fair value of a financial instrument is the price that is paid in an organized, transparent and deep market. If this market price cannot be estimated objectively and reliably for a certain financial instrument, the Group will estimate its fair value in reference to the most recent transactions of similar instruments or at the present value of all future cash flows (receipts or disbursements), discounted using a market interest rate for similar financial instruments (same term, currency, interest rate and equivalent risk rating).

#### 2.13.1 VALUATION OF FINANCIAL INSTRUMENTS - BANCO SECURITY

Banco Security presents its investments in financial instruments in accordance with IAS 39, as required by the CMF and detailed as follows:

#### TRADING INSTRUMENTS

Trading instruments are securities acquired to obtain a profit from short-term fluctuations in price, or for the dealer's margin, or to include in a portfolio where there is a pattern of short-term profit-making.

Trading instruments are recognized at fair value based on market prices at year-end. Gains or losses that have resulted from adjustments in fair value as well as gains or losses from trading activities and accrued interest and indexation are included in "Trading Instruments" within "Net financial operating income" in the statement of income.

Investment investments are classified into two categories.

- Investments held to maturity
- Investments available for sale

Investments held to maturity are those instruments that the Bank has the ability and intent to hold to maturity. All other investment instruments are considered as available for sale.

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

Instruments available for sale are subsequently recorded at fair value based on market prices or valuations obtained using models. Unrealized gains or losses arising from changes in their fair value are recognized with a charge or credit to equity accounts. When these investments are disposed of or impaired, the amount of the fair value adjustments accumulated in equity is transferred to profit and reported in "Sale of investments available for sale" in "Net financial operating income" in the statement of income.

Investments held to maturity are recognized at cost plus accrued interest and indexation, less impairment provisions recognized when the amount recognized is greater than the estimated recoverable amount. As of December 31, 2021 and 2020, Banco Security did not have any investments held to maturity. The interest and indexation for inflation of held to maturity and available for sale investments are included in "Interest and indexation income" in the Bank's financial statements.

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

# 2.13.2 VALUATION OF FINANCIAL INSTRUMENTS - INVERSIONES PREVISIÓN SECURITY LTDA. (PARENT COMPANY OF SEGUROS VIDA SECURITY PREVISIÓN S.A.)

Vida Security's financial investments are valued in conformity with CMF General Standard No. 311 and based on the principles and criteria included in IFRS 9 for the valuation of investments and their recognition in profit or loss or equity.

The IASB has established a mandatory effective date for IFRS 9; however, CMF General Standard No. 311 established early mandatory application for life and general insurance companies from January 1, 2012, and provided instructions regarding the valuation of financial investments that insurance and reinsurance companies may make. The CMF instructed companies to record the effects of application in their separate financial statements as of September 30, 2018.

# 2.14 FINANCIAL DERIVATIVE CONTRACTS

Due to the types of transactions performed by Grupo Security, the Group is exposed to financial risks related to foreign exchange and interest rate fluctuations. To mitigate these currency and interest rate risks, Grupo Security uses currency derivatives, primarily US dollar, and interest rate forwards.

These contracts are classified as derivative instruments. Such instruments are initially recognized at fair value on the date on which the derivative contract is signed and subsequently remeasured at fair value.

Derivative instruments, which include foreign currency and UF forwards, interest rate futures, currency and interest rate swaps and options, and other financial derivative instruments, are recognized initially in the statement of financial position at cost (including transactions costs) and subsequently measured at fair value. The fair value is obtained from corresponding market pricing, discounted cash flow models and pricing valuation models. The derivative instruments are recognized as an asset when their fair value is positive and as a liability when they are negative.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss.

If a derivative instrument is classified as a hedging instrument, it can be: (1) a hedge of the fair value of existing assets or liabilities or firm commitments, or (2) a hedge of cash flows related to existing assets or liabilities or forecasted transactions. A hedge relationship for hedge accounting purposes must meet all of the following requirements: (a) at its inception, the hedge relationship has been formally documented; (b) it is expected that the hedge will be highly effective; (c) the effectiveness of the hedge can be measured reasonably; and (d) the hedge is highly effective with respect to the hedged risk, continuously throughout the entire hedge relationship.

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

When a derivative instrument hedges the risk of changes in the fair value of an existing asset or liability, the asset or liability is recorded at its fair value with respect to the specific hedged risk. The mark to market adjustments for both the hedged item and the hedging instrument are recognized in the consolidated statements of income.

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

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

Any ineffective portion is recognized directly in the consolidated statements of income for the year. The accumulated amounts recognized in equity are transferred to profit or loss when the hedged item affects profit or loss.

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

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

#### 2.14.1 FINANCIAL DERIVATIVE CONTRACTS - BANCO SECURITY

Banco Security has applied IAS 39, as expressly mandated by the CMF in its Compendium of Accounting Standards. Banco Security's derivative instruments, which include foreign currency and UF forwards, interest rate futures, currency and interest rate swaps and options, and other financial derivative instruments, are recognized initially in the statement of financial position at cost (including transactions costs) and subsequently measured at fair value. The fair value is obtained from corresponding market pricing, discounted cash flow models and pricing valuation models. Derivative instruments are reported as an asset when their fair value is positive and as a liability when negative, under "financial derivative instruments."

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss. At inception, a derivative contract must be designated by the Bank as a derivative instrument for trading or hedging purposes. Changes in fair value of derivative instruments held for trading purposes are included under "trading derivatives" in "net financial operating income (loss)", in the consolidated statement of income.

If a derivative instrument is classified as a hedging instrument, it can be: (1) a hedge of the fair value of existing assets or liabilities or firm commitments, or (2) a hedge of cash flows related to existing assets or liabilities or forecasted transactions. A hedge relationship for hedge accounting purposes must meet all of the following requirements: (a) at its inception, the hedge relationship has been formally documented; (b) it is expected that the hedge will be highly effective; (c) the effectiveness of the hedge can be measured reasonably; and (d) the hedge is highly effective with respect to the hedged risk, continuously throughout the entire hedge relationship.

Certain derivative transactions that do not qualify for hedge accounting are treated and reported as derivatives for trading purposes, even though they provide an effective hedge for managing risk positions. When a derivative instrument hedges the risk of changes in the fair value of an existing asset or liability, the asset or liability is recorded at its fair value with respect to the specific hedged risk. The mark to market adjustments for both the hedged item and the hedging instrument are recognized in the consolidated statements of income.

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

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

Any ineffective portion is recognized directly in the consolidated statements of income for the year. The accumulated amounts recognized in equity are transferred to profit or loss when the hedged item affects profit or loss.

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

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



# 2.14.2 FINANCIAL DERIVATIVE CONTRACTS - INVERSIONES PREVISIÓN SECURITY LTDA. (PARENT COMPANY OF SEGUROS VIDA SECURITY PREVISIÓN S.A.)

The company enters into forwards during the period in order to cover changes in the exchange rate that may adversely affect its assets in foreign currency (US dollars), which are at fair value at year end in accordance with CMF General Standard 311. Changes in value during the year are recognized in profit or loss.

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

Inversiones Previsión Security Ltda. has swap and forward hedging contracts that comply with Chapter 7 of Ruling 1,512, and General Standards 200 and 311 of the Financial Market Commission. They are valued using the purchase rate and the new exchange rates in effect as of the closing date of the consolidated financial statements.

### A) FINANCIAL ASSETS AT FAIR VALUE

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

The Group does not have any internally developed valuation models for determining the fair value of its financial investments and, therefore, in accordance with CMF General Standard 311, it uses the following fair value valuation standards:

#### i) LISTED SHARES WITH ADJUSTED PRESENCE:

Shares recorded with annual adjusted presence of over 25% or with a market maker according to Chapter II and III of General Standard 327 are valued as follows. Within the last 180 trading days before the day of the calculation, the number of days in which total daily exchange transactions have reached a minimum amount equivalent to UF 1,000, in conformity with the value of that unit each of those days, will be calculated. That number will be divided by 180 and the resulting quotient will be multiplied by 100 to get a percentage.

#### ii) OTHER SHARES:

Shares not listed on stock markets are measured at their book value in the consolidated financial statements.

#### iii) INVESTMENT FUND UNITS:

Investment fund units with annual adjusted presence of 20% or more are valued at the weighted average of the transactions of the last trading day, corresponding to the year end, considering the transactions in which an amount equal to or greater than UF 150 has been traded. Investment fund units without presence or with low presence are valued at the unit value, which is reported monthly by the fund as equity divided into the number of units, regardless of whether this is the carrying amount or a financial value. It is assumed that if the fund reports its financial statements under IFRS, then its assets and liabilities will be valued at fair value as appropriate. Therefore, the reported unit value will be an appropriate estimate of the fair value of the unit.

### iv) MUTUAL FUND UNITS:

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

### v) FOREIGN INVESTMENT FUND AND MUTUAL FUND UNITS:

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

#### vi) DERIVATIVES:

The Group enters into forwards during the period in order to cover changes in the exchange rate that may adversely affect its assets in foreign currency (US dollars), which are at fair value at year end in accordance with CMF General Standard 311. Changes in value during the year are carried to profit.

### B) FINANCIAL ASSETS AT AMORTIZED COST

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

For purposes of classifying financial assets at amortized cost, the subsidiary verifies that the securities have the features of a loan and confirms that the business model considers the recovery of the portfolio by means of contractual cash flows, according to the following criteria:

#### I) FIXED INCOME SECURITIES:

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

#### II) LOANS:

These are loans granted to individuals in accordance with the provisions of CMF General Standard 208 and amendments. Loans are recorded at the amount of outstanding payments plus accrued but unpaid interest.

#### III) FIXED INCOME STRUCTURED NOTES:

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

### C) HEDGING TRANSACTIONS

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

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



### D) INVESTMENTS FOR INSURANCE WITH SAVINGS COMPONENTS (CUI)

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

Fixed income investments backing reserves for CUI insurance, in which the funds are guaranteed by the company, are valued at amortized cost, as the investments were purchased and are held in order for their accrued cash flows to cover the guaranteed rate for these funds.

In compliance with the IFRS conditions to recognize an asset at amortized cost.

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

Debt securities at fair value are valued as follows:

#### i) LOCAL FIXED INCOME INSTRUMENTS:

These are valued at their present value resulting from deducting future cash flows of the instruments from the market IRR of the instruments at that date. That rate is the rate reported in the price vector provided by the Risk América Consultores, on the webpage www.portal.aach.cl/Home.aspx, corresponding to the first working day after the year end. If an instrument is not shown in the price vector, the underlying rate of the exchange transaction of the instrument within the six months before the year end is used; or if there are no transactions in that period, the real annual average internal rate of return (AIRR) of the month of the year end reported by Santiago Exchange is used.

#### ii) FOREIGN FIXED INCOME INSTRUMENTS:

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

# 2.15 REPURCHASE AGREEMENTS AND SECURITIES LENDING - BANCO SECURITY

Banco Security engages in repurchase and resale agreements for funding purposes. The Bank's investments sold subject to a repurchase agreement that serve as collateral for the loan are part of "Other current financial assets "Other current financial liabilities." Repurchase and resale agreements are valued at amortized cost based on the transaction's IRR.

# 2.16 SAVINGS ACCOUNTS AND TIME DEPOSITS - BANCO SECURITY

Savings accounts and time deposits consist of funds obtained from third parties and/or the market. Regardless of the type of instrument or maturity, they are valued at amortized cost. Other debt instruments issued are valued as of the placement date, including transaction costs, and subsequently valued at amortized cost using the effective interest method.

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# **2.17 FINANCIAL LIABILITIES**

Financial instruments issued by Grupo Security S.A., and subsidiaries are recognized at the amount received, net of direct issuance costs.

The main financial liabilities are classified as follows:

- i) Financial liabilities held to maturity are recorded at amortized cost using the effective interest method.
- ii) Financial liabilities held for trading are valued at fair value, following the same criteria as financial assets held for trading. Gains and losses from fluctuations in fair value are included in profit or loss for the year. As of December 31, 2021 and 2020, Grupo Security and subsidiaries account for obligations for financial derivative contracts in this account, recognized at fair value.

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

# 2.18 DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

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

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

# **2.19 PROVISIONS**

Provisions are recognized when:

- i) Grupo Security has a present obligation as a result of a past event,
- ii) It is probable that an outflow of resources including economic benefits will be required to settle the obligation,
- iii) The obligation can be reliably estimated.

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

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



#### 2.19.1 PROVISIONS - BANCO SECURITY

At Banco Security, provisions required to cover risk of loan losses have been recognized in accordance with guidance and specific instructions from the CMF. Effective loans are presented net of such provisions, while contingent loan provisions are presented in liabilities. The Bank uses models or methods based on individual and group analyses of debtors to establish loan loss provisions. These models and methods are in accordance with CMF standards and instructions.

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

#### A) IMPAIRED PORTFOLIO

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

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

#### B) PROVISIONS ON LOANS ASSESSED INDIVIDUALLY

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

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

#### NORMAL AND SUBSTANDARD PORTFOLIO:

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

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

### DEFAULT PORTFOLIO

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

### C) PROVISIONS FOR LOANS ASSESSED IN A GROUP

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

#### D) ADDITIONAL PROVISIONS

According to CMF instructions, Banco Security may establish additional provisions on its individually assessed loan portfolio based on the expected impairment of that portfolio. This provision is calculated based on the Bank's past experience and potential adverse macroeconomic scenarios or circumstances that may affect a particular sector, industry, debtor group or project. The Bank has additional provisions as of December 31, 2021, of MCH\$8,500.

#### E) LOAN WRITE-OFFS

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

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



COLLECTION FROM WRITTEN-OFF LOANS: Subsequent payments on written-off loans are recorded directly in profit or loss under "collection from written-off loans" in loan loss provisions in the Bank's financial statements.

#### ACCRUAL SUSPENSION CRITERIA:

The Bank follows the prudent criterion of suspending the accrual of interest and readjustments in the following cases:

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

# 2.20 INVENTORY - INMOBILIARIA SECURITY S.A.

Inventory is recognized at the lower of cost and net realizable value. Costs, which include an appropriate portion of fixed and variable costs, are allocated to inventory by the most appropriate method according to the type of inventory, based mainly on the distribution per built square meter and the area of the land, accordingly. Net realizable value corresponds to the estimated sales price for inventory less all necessary costs to sell. The Group's inventory comes from the subsidiary Inmobiliaria Security S.A. and correspond mainly to the following items:

#### A) LAND FOR CONSTRUCTION

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

#### B) WORK IN PROGRESS

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

### C) HOUSES AND APARTMENTS IN STOCK

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

Inmobiliaria Security S.A. measures its inventory at the lower of cost and net realizable value. At year end, the company performs an evaluation of the net realizable value of inventory. When inventory is considered to be overstated, it recognizes any adjustments to inventory with a charge to profit or loss. As of year end, the Group has not recognized an obsolescence provision on its inventory. The main components of the cost of a house or apartment correspond to the land, lump sum construction contract, architect and engineers' fees, permits and municipal taxes, operating expenses, financing costs and other disbursements related directly to the construction of the home that are necessary for its completion.

### 2.20.1 MUTUAL AND LEASING CONTRACTS - SECURITIZADORA SECURITY S.A.

These agreements are valued at amortized cost, acquired to issue bonds as separate estates.

# 2.21 REVENUE AND EXPENSE RECOGNITION

### A) REVENUE

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

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

The amount recognized is the price of the consideration received.

### B) EXPENSES

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

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

### 2.21.1 REVENUE AND EXPENSE RECOGNITION - BANCO SECURITY

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

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

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



### FEE AND COMMISSION INCOME

Fee and commission income and expenses that are part of the effective interest rate of a financial asset or liability are recognized in profit or loss over the life of the transactions from which they arise. Fee and commission income and expenses generated by providing a given service are recognized in profit or loss as the services are provided. Those involving financial assets and liabilities are recognized when collected.

#### 2.21.2 REVENUE AND EXPENSE RECOGNITION - VIDA SECURITY S.A.

#### **RECOGNITION OF INSURANCE PREMIUM REVENUE**

The Insurance Company recognizes premium revenue upon acceptance of the risk, even if the insurance term has not commenced and begins at a future date. Premiums on annual renewable life insurance contracts are recognized as revenue over the term of the contracts on an elapsed time basis. Single premium and regular long-term life insurance premiums are recognized when the contract issuer has the right to collect it (i.e., when the insurance company decides to accept and cover the risk proposed by the policyholder). Accordingly, this includes the amount receivable by the insurer during the reporting period and the premium during the grace period, when applicable.

### CEDED REINSURANCE

Premiums ceded to the reinsurer for its participation in insurance risks. They are recognized from the moment the risk is ceded to the reinsurer. Premiums for ceded reinsurance are recognized according to proportional reinsurance contracts and under the same criteria used for direct insurance.

#### **CEDING DISCOUNT**

When the Insurance Company receives a commission from the reinsurer for ceded reinsurance, which relates to its reinsurance coverage, the recognition of this commission in profit is deferred, constituting a liability as an unearned ceding discount.

# 2.22 OFFSETTING OF BALANCES

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

# 2.23 CURRENT AND DEFERRED INCOME TAXES

As of December 31, 2021 and 2020, current income taxes are calculated based on the tax laws in force as of the reporting date.

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

# **INTEGRATED REPORT** 2021

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On February 24, 2020, Law 21,210 on Modernizing Tax Legislation took effect. This law defines a single General Tax Regime, as set forth in letter A) of the new article 14 of the Income Tax Law, in effect as of January 1, 2020, with a corporate income tax rate of 27% for income earned as of that date.

The Group recognizes a deferred tax asset to the extent that it is probable that future taxable earnings will be available against which the deductible temporary differences can be utilized.

# 2.24 EARNINGS PER SHARE

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

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

# 2.25 FUNCTIONAL CURRENCY

The items included in the consolidated financial statements of each Grupo Security company are valued using the currency of the primary economic environment in which that company operates, called its functional currency.

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

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

As a result, the Group has concluded that the Chilean peso reflects the transactions, events and conditions that underlie and are relevant to Grupo Security.

The financial statements of its subsidiaries in Peru are prepared in Peruvian nuevo soles and converted to Chilean pesos under IAS 21 for translation and presentation purposes. The effects of translation are recognized in "other comprehensive income" within equity.

The financial statements of its subsidiary Security Internacional Spa., are prepared in US dollars and converted to Chilean pesos under IAS 21 for translation and presentation purposes. The effects of translation are recognized in "other comprehensive income" within equity.

CUSTOMERS	CREATING VALUE	APPENDICES	FINANCIAL STATEMENTS	



CURRENCY	DECEMBER 2021 CH\$	DECEMBER 2020 CH\$
Unidad de Fomento (UF)	30,991.74	29,070.33
US dollar	844.69	710.95
Euros	955.64	873.30

# 2.26 VARIATIONS IN FOREIGN CURRENCY AND INDEXED UNITS

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

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

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

At Banco Security, transactions in foreign currency are translated to Chilean pesos at the exchange rate in force on the transaction date. Note that monetary items in foreign currency are translated using the closing exchange rate at each year end, and non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

The net foreign exchange gains shown in the consolidated statement of income, include both the result of foreign exchange transactions and the effects of exchange rate variations on foreign-currency-denominated assets and liabilities.

# 2.27 STATEMENT OF CASH FLOWS

Grupo Security prepares its consolidated statement of cash flows using the direct method, based on the following definitions:

- CASH FLOWS: Inflows and outflows of cash or cash equivalents, which are short-term, highly-liquid investments with a low risk of changes in value.
- CASH FLOWS FROM OPERATING ACTIVITIES: Cash flows from Grupo Security's normal activities as well as other activities that cannot be classified as from investing or financing.
- CASH FLOWS FROM INVESTING ACTIVITIES: Cash flows resulting from acquiring, selling or otherwise disposing of long-term assets and other investments not included in cash and cash equivalents.
- CASH FLOWS FROM FINANCING ACTIVITIES: Cash flows resulting from activities that bring about changes in the size and composition of net equity and financial liabilities that are not part of cash flows from operating activities.

# **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

# 2.28 RELATED PARTY DISCLOSURES

The most important related party balances and transactions are disclosed in the consolidated financial statements in accordance with IAS 24 and the regulations issued by the CMF, by indicating the nature of the relationship, as well as information on the related transactions and balances.

# 2.29 EQUITY-ACCOUNTED INVESTMENTS

Associates are entities over which Grupo Security has the ability to exercise significant influence, although not control. Usually this capacity manifests itself through an ownership interest equal to or greater than 20% of the entity's voting rights and is valued using the equity method, recognizing results on an accrual basis. Dividends received from associates are recorded by reducing the value of the investment and Grupo Security S.A.'s share of any profit from associates in proportion to its shareholding are recorded under "Share of profit (loss) of associates and joint ventures, equity-accounted" in the statement of comprehensive income.

# 2.30 OPERATING SEGMENTS

The Group's operating segments are defined as components of Grupo Security, about which separate financial reporting is available that is evaluated regularly by the chief decision maker in making decisions about allocating resources and assessing performance. Grupo Security operates in five business segments: Lending, Asset Management, Insurance, International Business and Other Services.

Grupo Security provides financial information by segment in order to identify and disclose in the notes to the consolidated financial statements the results obtained by its distinct business areas in conformity with IFRS 8.

# 2.31 USE OF ESTIMATES

When preparing the consolidated financial statements, certain estimates made by the respective companies' management teams have been used in order to quantify some assets, liabilities, income, expenses and commitments recorded in them. These estimates basically refer to:

- a) The valuation of assets and goodwill to determine any impairment losses.
- b) The assumptions used to calculate the fair value of financial instruments.
- c) The assumptions used to calculate estimates of allowances for doubtful accounts.
- d) Contingencies and commitments.
- e) The assumptions used to calculate estimated inventory obsolescence.
- f) The estimate of taxable profits to evaluate the recoverability of deferred tax assets.



- g) Determination of the useful life of property and equipment and intangible assets.
- h) Determination of provisions.
- i) Determination of technical reserves.

Despite these estimates having been made on the basis of the best information available as of the date of issuance of these consolidated financial statements, it is possible that events may occur in the future that force their modification (upward or downward) in upcoming periods, which would be made prospectively, recognizing the effects of the change in estimate in the corresponding future consolidated financial statements.

### 2.32 PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### A) CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

### B) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Grupo Security has decided to present its consolidated statement of comprehensive income by function.

### 2.33 REAL ESTATE INVESTMENTS

Grupo Security's real estate investments include land, building and other construction held to earn rentals or for capital appreciation upon sale as a result of possible future increases in their respective market prices.

Real estate investments are presented in the consolidated financial statements using the cost or fair value models. Using the cost model, these properties are recognized at cost less accumulated depreciation and any accumulated impairment losses. Under the fair value model, properties are remeasured at least on an annual basis to determine their fair value. Increases or decreases in fair value at the time of the remeasurement are immediately recognized in profit or loss for the year.

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

Depreciation for each year is recognized in profit or loss and calculated based on the estimated useful lives of the respective real estate investment.

Any gain or loss from the disposal of a real estate investment is calculated as the difference between the sales price and its carrying amount and will be recognized in profit or loss. The fair value of investment property must be disclosed in the notes to the consolidated financial statements.

# 2.33.1 REAL ESTATE INVESTMENTS - INVERSIONES PREVISIÓN SECURITY LTDA. (PARENT COMPANY OF SEGUROS VIDA SECURITY PREVISIÓN S.A.)

As of each year end, the company presents the following types of real estate investments:

# A) INVESTMENT PROPERTY

Real estate and investment properties are recognized at the lesser of their original cost plus legal revaluations, net of accumulated depreciation as of year end, and the appraisal value of these assets in accordance with CMF General Standard 316 dated August 12, 2011. The cost includes the acquisition price and all costs directly related to bringing the asset to the location and condition necessary for its operation.

Depreciation is calculated on a straight-line basis over the useful life of the respective asset and recognized in the statement of income. When the appraisal value is less than the corrected cost, an adjustment is made for the difference by recording a provision in profit and loss.

# B) REAL ESTATE LEASE AGREEMENTS

Real estate lease agreements are recognized in conformity with CMF General Standard No. 316 at the lower of the agreement's residual value determined in accordance with the standards of the Chilean Institute of Accountants, the price-level adjusted cost less accumulated depreciation or market value, which is represented by the last two available commercial appraisals.

# C) **PROPERTIES FOR OWN USE**

Real estate and investment properties are recognized at the lesser of their original cost plus legal revaluations, net of accumulated depreciation as of year end, and the appraisal value of these assets in accordance with CMF General Standard 316 dated August 12, 2011. The cost includes the acquisition price and all costs directly related to bringing the asset to the location and condition necessary for its operation.

Depreciation is calculated on a straight-line basis over the useful life of the respective asset and recognized in the statement of income. When the appraisal value is less than the corrected cost, an adjustment is made for the difference by recording a provision in profit and loss.

### D) FURNISHINGS AND EQUIPMENT FOR OWN USE

Furnishings and equipment are stated at cost net of accumulated depreciation at year end.

Depreciation is calculated on a straight-line basis over the useful life of the respective asset and recognized in the statement of income.



# 2.34 CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON-CURRENT

Assets and liabilities are classified as current when they mature within 12 months or intend to be sold, realized, settled or paid during the normal course of business of Grupo Security and its subsidiaries.

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

In their statements of financial position, the subsidiaries Banco Security and Seguros Vida Security Previsión S.A., classify their assets and liabilities in accordance with instructions from the CMF, which do not use the classifications of current and non-current. Therefore, for presentation purposes, Grupo Security S.A., has classified the assets and liabilities of the banking and insurance businesses as current in its consolidated financial statements.

# 2.35 TREASURY SHARES

Equity is presented net of all Grupo Security S.A. shares that are owned by the Group or its consolidated subsidiaries.

No loss or gain derived from the purchase, sale, issuance or amortization of treasury shares is recognized in profit or loss for the year. These treasury shares may be acquired and held by the entity or other members of the consolidated group, which must recognize the cost of the acquisition. The consideration paid or received must be recognized directly in equity.

# 2.36 PRICE-LEVEL RESTATEMENT IN HYPERINFLATIONARY ECONOMIES

As Chile is not classified as a hyperinflationary economy in accordance with IAS 29, the consolidated financial statements of Grupo Security are not adjusted for variations in the Consumer Price Index (CPI).

# 2.37 CONTINGENT ASSETS AND LIABILITIES

A contingent asset or liability is any right or obligation arisen from past events whose existence will be confirmed only if one or more uncertain future events not under the control of Grupo Security occurs.

Contingent assets are not recognized in the consolidated financial statements. Nevertheless, when the realization of the income or expense associated with this contingent asset is more likely than not, it is recognized in the financial statements.

Contingent liabilities are recognized to the extent that their realization is likely and the amount can be reliably measured.

Contingent assets and liabilities are disclosed in a note to the consolidated financial statements as required by IAS 37.

# 2.38 MINIMUM DIVIDENDS

The dividend policy agreed by the shareholders is to distribute at least 30% of the profits of Grupo Security S.A. received from its direct subsidiaries during the year and divide the payment in two dividends, an interim dividend and a final dividend. Additionally, the Board of Directors has been authorized to approve special dividend distributions with a charge to retained earnings if, in the opinion of the Board, Grupo Security S.A.'s financial condition allows it.

Accordingly, it has recognized a minimum dividend provision charged to equity.

# **2.39 EMPLOYEE BENEFITS**

### A) EMPLOYEE VACATION

The annual cost of employee vacation is recognized on an accrual basis.

#### **B)** SHORT-TERM BENEFITS

Grupo Security has a yearly bonus plan for its employees that may be given based on their performance and ability to meet targets. Provisions are made for them based on the estimated amount to be distributed.

### C) SEVERANCE INDEMNITIES

Grupo Security has not agreed to any severance indemnities that will be payable no matter the reason for terminating employment and, as a result, has not made any such provisions. Any such expenses are recognized in profit or loss as incurred.

# 2.40 LEASES

Starting January 1, 2019, Grupo Security has adopted IFRS 16 - Leases and has therefore recognized assets and liabilities in accordance with this standard. Under this standard, the "right-of-use" asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated amortization, adjusted for any re-measurement of the lease liability. The "lease liability" is initially measured at the present value of the lease payments that are not paid as of that date. Subsequently, the lease liability is adjusted to account for interest and lease payments as well as modifications to the lease, among others.

# 2.41 TECHNICAL RESERVES - INVERSIONES PREVISIÓN SECURITY LTDA. (PARENT COMPANY OF SEGUROS VIDA SECURITY PREVISIÓN S.A.)

Technical reserves represent a monetary measure of the net obligations maintained by insurance companies with policy holders. The estimate of this reserve is based on actuarial estimates of the mentioned obligations, which are made using mortality and morbidity tables created based on statistical information and, when dealing with long-term insurance, based on present value.



In Chile, actuarial formulas, mortality and morbidity tables and discount rates used to estimate present value included in long-term reserves are determined by the CMF and their application is mandatory. Reserves estimated in this way represent minimum reserves. However, Chilean standards establish that when there is evidence obtained through studies or analyses that the reserves are insufficient, additional amounts shall be included to eliminate such insufficiency. These analyses are performed through Premium Sufficiency Tests and Liability Adequacy Tests established by the CMF.

Minimum reserves, as well as those determined by the Premium Sufficiency Tests and Liability Adequacy Tests, must be estimated in conformity with the actuarial basis generally accepted in international practice adjusted to Chilean standards.

CMF General Standard 318 issued on September 1, 2011, provides "Instructions regarding the application of IFRS to the determination of technical reserves for annuities and disability and survivor insurance under DL No. 3,500 of 1980".

CMF General Standard 306 issued on April 4, 2011, and amended by CMF General Standard 320 issued on September 1, 2011, provides "Instructions on the determination of technical reserves for insurance other than retirement insurance under DL No. 3,500 of 1980".

CMF General Standard 243 issued on February 3, 2009, provides "Instructions regarding the determination of technical reserves for disability and survivor insurance under DL No. 3,500 of 1980".

#### A) UNEXPIRED RISK RESERVE

This reserve is recorded for insurance contracted for a period under or equal to four years and it corresponds to unearned net premium in accordance with the instructions provided in CMF General Standard 306.

In general, the Insurance Company's short-term policies and additional clauses relate to annual insurance with coverage and premium recognition on a monthly basis. The grace period of the related coverage is one (1) month. Accordingly, the unexpired risk reserve considered by the Insurance Company is equivalent to one (1) month of premium not discounted for acquisition costs.

For short-term policies and additional clauses with coverage and premium recognition in periods over one month, the unexpired risk reserve is estimated starting from the recognized unearned premium based on daily figures and without recognizing acquisition costs, in conformity with the provisions of section 1.1 of clause II of General Standard No. 306.

There is no long-term insurance for which the unexpired risk reserve has been considered.

#### B) PRIVATE INCOME RESERVE

For technical reserve purposes, these policies are treated like annuities.

### C) MATHEMATICAL RESERVE

The mathematical reserve has been estimated in accordance with the methods determined in CMF General Standard No. 306 dated April 14, 2011, which corresponds to the present value of future payments for claims generated by policies less the current value of future premiums as per mortality tables M-95 H and M-95 M and the annual technical interest rate of 3%.

The Insurance Company's long-term policies relate to the main coverage for individual traditional insurance and level premiums as well as individual and group single premium insurance that are completely paid.

# D) RESERVE FOR DISABILITY AND SURVIVOR INSURANCE (DSI)

For disability and survivor insurance in force from August 1, 1990, reserves have been calculated in conformity with CMF General Standard No. 243.

The reserves for claims related to disability and survivor insurance which are in force from July 1, 2010, have been estimated in conformity with the instructions included in CMF General Standard No. 243 from February 2009 and its amendments, as well as CMF General Standard No. 318 from September 1, 2011.

# E) ANNUITIES RESERVE

This reserve has been set up in accordance with the calculation methods determined by the CMF and is the current value of future payments to the insured parties or beneficiaries, calculated based on the life tables and the maximum interest rate stated in General Standard 422 and its amendments. From January 2001, the Insurance Company has applied Ruling No. 1,512 of 2001 for insurance governed by Ruling No. 528 of 1985. Since January 2012, the Insurance Company has applied CMF General Standard 318.

For life annuity policies in effect until December 31, 2011, the Insurance Company has set up a financial technical reserve in accordance with Ruling No. 1,512 dated January 2, 2001, and CMF General Standard No. 318 dated September 1, 2011, on the valuation of assets and liabilities, at the present value of future discounted payments at a weighted rate that is calculated based on a 3% rate and the underlying internal rate of return in transactions on formal markets of long-term state-owned instruments at the starting date of the life of policies, weighted by liability hedge rates at year end.

For policies initially in effect since January 1, 2012, the discount rate used in the calculation of present value is the lesser of the underlying internal rate of return (IRR) in the transactions of formal markets of long-term, state-issued instruments, at the starting date of the life of the policies and the sale rate (SR), as defined in Section III of CMF Ruling No. 1512.

Beginning March 2015, the discount rate used to calculate present value is the lesser of the sale rate (SR) as defined in Section III of CMF Ruling No. 1512 and the Equivalent Cost Rate (CR) calculated in accordance with General Standard No. 374 from January 2015, using the Discount Rate Vector (DRV) published monthly by the CMF.

By means of General Standard No. 172, the CMF provided life table RV-2004. General Standard No. 178 governed the gradual application of this table to the calculation of the financial technical reserve of policies in effect before March 9, 2005. Subsequently, by means of General Standard No. 207, the CMF provided life tables MI-2006 and B-2006. Circulars Nos. 1,857, 1,872 and 1,874, governed the gradual application of these tables to the calculation of the financial technical reserve of policies in effect before February 1, 2008. For the application of life tables MI-2006 and B-2006, the Board of Directors of Seguros Vida Security Previsión S.A. has decided to gradually recognize the higher financial reserve of the new life tables.



CMF General Standard No. 274 defined table RV-2009. CMF Ruling No. 1,986 describes how it should be applied to calculate reserves. The effects on reserves of the latter regulation were fully recognized in the consolidated financial statements as of December 31, 2011, and the monthly effects are recognized each time reserves are estimated.

CMF General Standard No. 398, issued November 20, 2015, defined tables RV-2014, CB-2014, B-2014 and MI-2014. CMF Ruling No. 2197 describes how they should be applied to calculate reserves. The effects on reserves of the latter regulation will be fully recognized over a period of six years from December 31, 2016.

For the purposes of applying CMF General Standards 448 and 449, both dated September 14, 2020, the company chose to voluntarily apply the instructions in those standards early. These instructions are for analyzing asset sufficiency and calculating the technical reserves for annuity policies in effect as of September 1, 2020.

In compliance with Law 21,330, which enables annuity retirees and their beneficiaries to request from insurance companies a one-time voluntary advance on their annuity equivalent to up to 10% of the technical reserves still held for their contract, Seguros Vida Security Previsión S.A. has paid a total of THCH\$ 31,660,208 for the period between January 1 and December 31, 2021.

The amounts paid can be broken down as: policyholder THCH\$ 27,004,265 and beneficiary THCH\$ 4,655,943. As a result, the company has presented the effect in technical reserves in Note 25.2.2. Retirement Insurance Reserves, under the concept "Others" in the separate financial statements of the subsidiary Vida Security. Finally, in relation to applying the mortality tables in Note 25.3.4. Application of Annuity Mortality Tables and in conformity with Official Ruling 1208, the company recognizes the 2006 mortality tables based on a fixed installment. However, the estimate must be recalculated on September 30, 2022, in conformity with Ruling 1857 point 2.c), in the separate financial statements of the subsidiary Vida Security.

### F) CLAIMS RESERVE

This reserve has been set up in accordance with CMF regulations and includes claims that have not been settled and/or paid, claims incurred but not reported and claims detected but not reported as of year end.

In regard to all kinds of reported claims: settled and unpaid claims; claims settled and questioned by the insured; and claims being settled, the reserve is calculated as follows:

- When the benefit is the payment of a single fixed amount, the reserve is the insured amount of the claim coverage.
- When the benefit determined in the policy stipulates the payment of the insured amount in a predefined number of installments or annuities, the reserve is the present value of annuities or installments that have not been paid yet, considering a real annual discount rate of 3%.
- When the coverage is a reimbursement or the amount of the benefit depends on the occurrence of certain conditions as in most insurance policies or additional health coverages, the reserve is an estimate of the whole amount of the benefit to be paid.

All the above includes, as appropriate, the settlement costs of the related claims.

The reserve of incurred but not reported claims is an estimate of claims that have been incurred and for which the Insurance Company is obliged, as they involve covered benefits, but that have not been reported to the Insurance Company yet. The calculation of this reserve is made based on CMF General Standard 306, considering the standard general application method (Bornhuetter-Ferguson method) stated in Appendix 2 and based on the Insurance Company's own historical experience by grouping information on claims based on portfolios or portions of homogeneous claims. The calculation excludes exceptional claims with a lag between the payment date and the claim date, since they are not very frequent and do not reflect the behavior observed in most cases.

A separate analysis was made for the following groups of policies of the Insurance Company's insurance portfolio: i) individual insurance, except insurance from annuity product line 105, ii) group insurance, except insurance from health product line 209, and iii) group health insurance (line 209). The above groups are based on the fact that policies included in each group have similar and homogeneous expected risks and conduct in regard to claims and are materially different from other groups. Another factor considered was the need to have an appropriate number of claims to have significant results from the methodology applied.

For both individual insurance in i) and group insurance in ii) and iii), information on paid claims and claims undergoing settlement for the last five (5) years of the Insurance Company's experience was considered. For the case of the liability adequacy test for claims detected but not reported.

Regarding claims detected but not reported, starting December 31, 2020, in accordance with CMF General Standard No. 413, which modified CMF General Standard No. 306, we have established a claims reserve for all policies for which the company has learned by any means of the death of the insured party without having received a formal claim.

This reserve is equivalent to the insured amount of the death benefit. This technical reserve will be maintained until the claim is formally filed, with a statute of limitations of four years from the date on which the beneficiary or beneficiaries are notified. If notification cannot be accredited, the statute of limitations will be 10 years from the date the claim occurred.

# G) PREMIUM DEFICIENCY RESERVE

In conformity with current regulations, this reserve includes the amount that must be recognized after applying the Premium Insufficiency Test (PIT).

# PREMIUM DEFICIENCY RESERVE IN INSURANCE WITH UNEXPIRED RISK RESERVE AND DISABILITY AND SURVIVOR INSURANCE

This is the reserve that recognizes the effect of premiums which are insufficient to cover claims and expenses. This type of reserve is associated with insurance with unexpired risk reserve regulated by CMF General Standard CMF No. 306 applies and for disability and survivor insurance, CMF D.L. No. 3,500 of 1980 regulated by CMF General Standard No. 243 applies.

### H) ADDITIONAL RESERVE FOR LIABILITY ADEQUACY TEST

This reserve includes the amount obtained by the Insurance Company after applying the liability adequacy test (LAT). The objective is to assess the sufficiency of reserves based on analyses or studies that prove that minimum reserves established by the CMF are clearly insufficient for the portfolio subject to analysis.



The liability adequacy test is applied to insurance, hedges and long-term risks and includes retirement insurance listed in General Standard No. 318.

In regard to short-term insurance policies with unexpired risk reserves, the Insurance Company has determined that the premium insufficiency test (PIT) defined in appendix 1 of General Standard No. 306 is or replaces the liability adequacy test. This is considering that the Insurance Company's short-term insurance policies with current risk reserve are annual additional policies or clauses, for which the PST appropriately considers all the variables that allow the sufficiency of reserves to be determined when they are calculated from the premium.

In fact, claims, acquisition costs, operating expenses and investment profit or loss are all the components that are considered in pricing these products and comprehensively include income, expenses and obligations arising from these insurance policies.

# ADJUSTMENTS TO CHILEAN RESERVE STANDARDS IN THE FINANCIAL STATEMENTS OF PROTECTA, THE PERUVIAN SUBSIDIARY OF SEGUROS VIDA SECURITY PREVISIÓN.

#### ADJUSTMENTS TO TECHNICAL RESERVES:

Like Chilean standards, Peruvian reserve standards are designed to ensure that insurers are able to meet their obligations with policyholders. Therefore, they take into account Peruvian conditions regarding products, trade laws and practices and mortality and morbidity assumptions. As a result, technical reserves are not adjusted to the extent that differences between Peruvian and Chilean methodologies are not based on accounting criteria but rather assumptions.

#### ADJUSTMENTS FOR LIABILITY ADEQUACY TEST:

Criteria in Peruvian laws and standards regarding the sufficiency of reserves must be used for the purpose of consolidating that subsidiary's financial statements. Peruvian laws and standards, like Chilean regulations, are intended to ensure that companies established in Peru have sufficient reserves. As a result, any potential insufficiency in reserves with respect to liabilities are recognized directly in the Peruvian financial statements and have not been adjusted upon consolidation with the Chilean entity.

#### I) OTHER TECHNICAL RESERVES

This item includes the reserve for debts with the insured and other reserves set up by the insurance company in accordance with current regulations.

#### J) REINSURANCE SHARE IN TECHNICAL RESERVES

For insurance included in reinsurance contracts, an asset is recognized under Reinsurance share for the portion of the risks ceded to the reinsurers.

An exception relates to the mathematical reserves of level premium individual insurance and settled individual insurance and group single premium insurance for which no reinsurance asset is considered as the related coverage includes premium and risk transfers on a monthly basis.

Technical provisions for transfers to reinsurers are shown in assets in the statement of financial position and are calculated based on signed reinsurance contracts and under the same criteria used to calculate total gross reserve, but based on reinsured capital.

The subsidiary Vida Security does not receive unearned commissions or discounts of transfer from reinsurers on account of reinsurance transfers made.

### K) RESERVES FOR LIFE INSURANCE WITH SAVINGS COMPONENT

In conformity with the instructions provided in CMF General Standard 306 and related amendments, the Insurance Company records a fund value reserve, a risk hedging cost reserve and a mismatch reserve.

The fund value reserve reflects the Insurance Company's obligation related to the policyholder's investment account. It is the policy value or balance in the related savings account and is determined based on the conditions stipulated in the policy.

In regard to the analysis of compliance with the condition of transfer of significant insurable risk (SIR) between the insured and the insurer, the Insurance Company's insurance policies with CUI show that the minimum compensation percentage is 10% of the insured capital.

### L) PARTICIPATION OF REINSURANCE IN TECHNICAL RESERVES

Insurance policies with CUI have hedges for insurance risk and recognize the cost of those hedges on a monthly basis. Thus, for all insurance policies with CUI and all hedges involved, the current risk reserve is one (1) month of premium without acquisition cost recognition.

It also records a mismatch reserve for the risk the company assumes arising from the mismatch in the term, interest rate, currency and types of securities between the fund value reserve and the investments backing this reserve. The mismatch reserve is based on the risk profile and the returns on the investments backing the corresponding present value.

# 2.42 MATCHING - INVERSIONES PREVISIÓN SECURITY LTDA. (PARENT COMPANY OF SEGUROS VIDA SECURITY PREVISIÓN S.A.)

For policies in effect before January 1, 2012, Vida Security analyzes asset and liability matching over time calculated using the methodology described in Ruling No. 1,512. This gives the financial technical reserve, which it then adds to the base technical reserve to form the mismatching reserve.

#### METHODOLOGY OF GRADUAL RECOGNITION OF THE UNIFIED PORTFOLIO

Following the merger of Cruz del Sur Vida and Vida Security, each entity's portfolio of insurance policies existing before January 1, 2011, must be unified for asset and liability matching calculations.

Thus, the company cannot continue to apply the gradual recognition methodology chosen by Cruz del Sur Vida (i.e. the fixed installment method) independently to its portion of the unified portfolio and the gradual recognition methodology chosen by Vida Security (i.e. the variable installment method) to its portion of the unified portfolio.

Thus, one of the two methodologies had to be adopted to continue to gradually recognize the company's unified portfolio resulting from the merger of both companies.



The sum of what each company has recognized independently until now seems like a reasonable basis from which to adopt one gradual recognition method for the unified portfolio. Thus, the unrecognized portion and the methodology adopted should give an explanation of current differences or remainders to be recognized, and the remaining period of time to cover the period stated in the regulation.

Finally, it is important to consider that both companies, Cruz del Sur Vida and Vida Security, have already completely recognized the application of life table RV04. Therefore, there is no gradual recognition to be considered in regard to the related effect of these tables.

The methodology adopted after the merger of Cruz del Sur Vida and Vida Security is based on the recognition of a fixed installment to be accumulated in time, as follows:

- i. A new fixed installment for the current insurance portfolio of the merged companies Cruz del Sur Vida and Vida Security in accordance with a) c) third paragraph of number 2 in CMF Ruling 1,857 dated 2007 was determined based on the following considerations:
  - a) The projected annual cash flows of additional reserve were calculated as of March 31, 2014, after applying tables B06 and MI06, considering the gradual recognition procedure that is currently performed in this portfolio.
  - b) The present value of cash flows as stated in a) above by using the equivalent average cost rate underlying in the calculation of the base technical reserve as of March 31, 2014, out of the total portfolio of life annuity policies of both companies subject to the gradual recognition of life tables B06 and MI06, was calculated.
  - c) The installment discounted at the rate stated in b) above for the remaining gradual adjustment period (i.e. the remaining time to complete the gradual recognition) that is equal to the present value stated in b) above, was calculated. The installment will be recalculated as stated in the regulation for remaining periods at year end of financial statements as of December 31, 2020, and December 31, 2022.
- ii. The technical reserve will be calculated by adding the technical reserve calculated considering tables B85 and MI85 to the total recognized as of December 31, 2014, by each of the companies, in addition to the accumulation from the adoption of this fixed installment methodology.
- The calculation in ii) above will be maintained during the entire remaining adjustment period. The last installment will be adjusted to the difference at that date between the reserve that Vida Security has and the reserve that is calculated by fully applying tables B06 and MI06.

# 2.43 ACCOUNTING CHANGES

During the year ended December 31, 2021, no significant accounting changes have occurred that affect the presentation of these consolidated financial statements.

# 2.44 RECLASSIFICATIONS

For comparative purposes, as of December 31, 2021, certain balances as of that date have been reclassified and corrected, which are mainly improvements to the presentation of these balances, with no effect on profit and loss.

RECLASSIFICATIONS IN THE STATEMENTS OF FINANCIAL POSITION	REPORTED BALANCE AS OF 12.31.2020 THCH\$	RECLASSIFICATION THCH\$	RECLASSIFIED BALANCE AS OF 12.31.2020 THCH\$
ASSET RECLASSIFICATIONS			
Trade and other receivables, current	6,603,317,195	13,336,839	6,616,654,034
Other non-financial assets, current	26,679,326	(13,335,001)	13,344,325
Investment property	291,000,879	69,324	291,070,203
Other non-financial assets, non-current	53,035,727	(69,324)	52,966,403
Right-of-use assets	9,073,519	69,323	9,142,842
SUBTOTAL FOR ASSET RECLASSIFICATIONS	6,983,106,646	71,161	6,983,177,807
LIABILITY RECLASSIFICATIONS			
Lease liabilities, current	708,866	1,411,000	2,119,866
Other financial liabilities, non-current	869,297,098	71,161	869,368,259
Lease liabilities, non-current	8,765,575	(1,411,000)	7,354,575
SUBTOTAL FOR LIABILITY RECLASSIFICATIONS	878,771,539	71,161	878,842,700
TOTAL ASSET/LIABILITY RECLASSIFICATIONS	6,104,335,107	-	6,104,335,107
	REPORTED BALANCE AS OF 12.31.2020 THCH\$	RECLASSIFICATION THCH\$	RECLASSIFIED BALANCE AS OF 12.31.2020 THCH\$
INCOME STATEMENT RECLASSIFICATIONS			
Other income	1,367,510	(201,959)	1,165,551
Finance income	329,146	201,959	531,105
Gain arising from the difference between the book value and the fair value of financial assets reclassified at fair value	720,094	(720,094)	-
Revenue	1,090,052,504	720,094	1,090,772,598
Subtotal for income statement reclassifications	1,092,469,254	-	1,092,469,254



Certain balances as of December 31, 2020, have been reclassified and corrected during the consolidation of Banco Security S.A., which have affected the cash flow statement as follows:

CASH FLOW RECLASSIFICATIONS	REPORTED BALANCE AS OF 12.31.2020 THCH\$	RECLASSIFICATION XX THCH\$	RECLASSIFIED BALANCE AS OF 12.31.2020 THCH\$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Proceeds from sales of goods and provision of services	148,315,892,484	(112,257,651,675)	36,058,240,809
Proceeds from royalties, installments, commissions and other operating income	12,316,579,433	(12,295,504,064)	21,075,369
Proceeds from contracts held for brokering or trading	20,293,313,952	(197,288,625)	20,096,025,327
Proceeds from leases and subsequent sale of assets	1,720,928	(927,792)	793,136
Other proceeds from operating activities	258,477,077	(73,255,019)	185,222,058
Payments to suppliers for supply of goods and services	(76,471,067,194)	40,889,566,082	(35,581,501,112)
Payments from contracts held for brokering or trading	(103,058,028,043)	82,821,651,795	(20,236,376,248)
Other payments for operating activities	(2,102,906,338)	515,859,906	(1,587,046,432)
Interest paid	(131,177,376)	(43,042,874)	(174,220,250)
Interest received	295,210,203	47,811,058	343,021,261
Other proceeds (payments)	423,177,501	(424,892,361)	(1,714,860)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	141,192,627	(1,017,673,569)	(876,480,942)
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES			
Other proceeds (payments)	(331,637)	67,091	(264,546)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(331,637)	67,091	(264,546)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Proceeds from long-term loans	134,429,403	262,704,978	397,134,381
Proceeds from short-term loans	80,920,713	888,956,352	969,877,065
Loan repayments	(271,980,941)	(161,328,331)	(433,309,272)
Other proceeds	(27,230,714)	27,273,479	42,765
NET CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(83,861,539)	1,017,606,478	933,744,939
CASH AND CASH EQUIVALENTS AT END OF YEAR	56,999,451	0	56,999,451



# **NOTE 3 - CASH AND CASH EQUIVALENTS**

The composition of cash and cash equivalents is detailed as follows:

### A) This account is detailed as follows:

	BALANCE 12.30.2021 THCH\$	BALANCE 12.30.2020 THCH\$
Cash and cash equivalents	845,918,526	490,199,616
Fund units	77,183,656	97,140,368
Transactions in the course of collection, net (*)	11,834,111	10,157,209
TOTAL	934,936,293	597,497,193

(\*) TRANSACTIONS PENDING SETTLEMENT CONSIST OF TRANSACTIONS AWAITING SETTLEMENT, WHICH WILL INCREASE OR DECREASE FUNDS IN THE CHILEAN CENTRAL BANK OR FOREIGN OR DOMESTIC BANKS, NORMALLY WITHIN 24 TO 48 BUSINESS HOURS.

#### B) Cash and cash equivalents by type of currency are detailed as follows:

	BALANCE 12.30.2021 THCH\$	BALANCE 12.30.2020 THCH\$
USD	567,907,379	257,428,637
Euro	2,475,375	10,164,053
Chilean peso	361,175,536	328,833,376
Other	3,378,003	1,071,127
TOTAL	934,936,293	597,497,193

# **NOTE 4 - INCOME TAXES**

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

Deferred tax assets identified for temporary differences are only recognized when it is considered probable that Grupo Security will have sufficient taxable income in the future to realize the benefits from deferred tax assets.

A) Balances of deferred tax assets and liabilities through profit and loss and equity are related to the following items:



### DEFERRED TAX ASSETS THROUGH PROFIT AND LOSS

	12.30.2021 THCH\$	12.30.2020 THCH\$
Deferred tax assets related to depreciation	2,843,027	498,198
Deferred tax assets related to amortization	-	947,376
Deferred tax assets related to provisions	54,808,803	36,869,454
Deferred tax assets related to lease agreements	21,140,588	7,592,269
Deferred tax assets related to tax losses	5,349,627	5,247,691
Deferred tax assets related to other items	4,512,647	2,962,238
DEFERRED TAX ASSETS	88,654,692	54,117,226

### DEFERRED TAX LIABILITIES THROUGH PROFIT AND LOSS

	12.30.2021 THCH\$	12.30.2020 THCH\$
Deferred tax liabilities related to depreciation	1,132,317	21,241
Deferred tax liabilities related to amortization	4,657,188	3,945,359
Deferred tax liabilities related to provisions	3,104,273	-
Deferred tax liabilities related to lease agreements	5,966,031	953,970
Deferred tax liabilities related to other items	(2,352,461)	3,737,152
DEFERRED TAX LIABILITIES	12,507,348	8,657,722

### DEFERRED TAX ASSETS THROUGH EQUITY

	12.30.2021 THCH\$	12.30.2020 THCH\$
Tax goodwill	13,422,038	13,832,731
Investments available for sale	3,865,467	(5,347,165)
First-time adoption adjustment TCM points	1,174,081	1,174,081
Deferred tax assets related to applying IFRS 9	448,677	448,677
Cash flow hedge	746,730	822,064
FV adjustment to bonds available for sale	374,270	-
EFFECT ON EQUITY (DEBTOR BALANCE)	20,031,263	10,930,388

### DEFERRED TAX LIABILITIES THROUGH EQUITY

	12.30.2021 THCH\$	12.30.2020 THCH\$
Increase in value, variable-income securities	51,360	305,346
EFFECT ON EQUITY (CREDITOR BALANCE)	51,360	305,346
NET DEFERRED TAX ASSET	96,127,247	56,084,546
PRESENTATION OF STATEMENT OF FINANCIAL POSITION		
DEFERRED TAX ASSETS	97,138,275	56,887,820
DEFERRED TAX LIABILITIES	1,011,028	803,274

### B) INCOME TAX EXPENSE

INCOME TAX EXPENSE	12.30.2021 THCH\$	12.30.2020 THCH\$
Current tax expense	(33,514,393)	(29,088,386)
Adjustments to prior period current tax	(258,000)	847,073
Recognition of profit sharing credit (PPUA)	-	7,184,617
Other current tax benefit (expense)	2,929,168	(455,218)
CURRENT TAX EXPENSE, NET, TOTAL	(30,843,225)	(21,511,914)
Deferred benefit for temporary differences	30,687,840	8,737,556
INCOME TAX EXPENSE	(155,385)	(12,774,358)

### C) RECONCILIATION OF STATUTORY TAX RATE TO EFFECTIVE TAX RATE

	12.30.2021 %	12.30.2020 %
Profit before tax	27.00%	27.00%
Effect of permanent differences	(33.78%)	(11.34%)
Other adjustments to current tax	6.95%	0.91%
EFFECTIVE TAX RATE	0.17%	16.57%



## **NOTE 5 - INVENTORY**

This account is detailed as follows:

	BALANCE 12.30.2021 THCH\$	BALANCE 12.30.2020 THCH\$
Land	50,108,555	82,028,386
Houses	7,302,621	2,402,999
Apartments	20,825,627	11,476,463
Storage facilities	198,938	186,554
Parking spaces	1,758,492	1,686,014
Residential leases	28,370,538	1,155,268
Mortgage loans funded with own resources	602,388	1,623,009
TOTAL	109,167,159	100,558,693

	12.30.2021 THCH\$				
	OPENING BALANCE THCH\$	PURCHASES THCH\$	TRANSFERS THCH\$	SALES THCH\$	CLOSING BALANCE THCH\$
Land	82,028,386	11,498,626	(42,142,263)	(1,276,194)	50,108,555
Houses	2,402,999	-	7,592,398	(2,692,776)	7,302,621
Apartments	11,476,463	460,047	32,463,279	(23,574,162)	20,825,627
Storage facilities	186,554	1,466	218,992	(208,074)	198,938
Parking spaces	1,686,014	23,079	1,857,557	(1,808,158)	1,758,492
Residential leases	1,155,268	28,164,270	-	(949,000)	28,370,538
Mortgage loans funded with own resources	1,623,009	979,431	-	(2,000,052)	602,388
TOTAL	100,558,693	41,126,919	(10,037)	(32,508,416)	109,167,159

	12.30.2020 THCHS				
	OPENING BALANCE THCH\$	PURCHASES THCH\$	TRANSFERS THCH\$	SALES THCH\$	CLOSING BALANCE THCH\$
Land	113,090,549	18,768,977	(45,729,060)	(4,102,080)	82,028,386
Houses	7,003,123	-	-	(4,600,124)	2,402,999
Apartments	2,514,189	-	41,102,805	(32,140,531)	11,476,463
Storage facilities	89,704	-	425,667	(328,817)	186,554
Parking spaces	453,857	-	4,200,588	(2,968,431)	1,686,014
Residential leases	300,779	10,204,436	-	(9,349,947)	1,155,268
Mortgage loans funded with own resources	557,048	7,616,942	-	(6,550,981)	1,623,009
TOTAL	124,009,249	36,590,355	-	(60,040,911)	100,558,693

## **NOTE 6 - CURRENT ACCOUNTS RECEIVABLE FROM RELATED PARTIES**

Transactions between the Group and its subsidiaries consist of customary transactions in terms of their objective and conditions. These intercompany transactions have been eliminated upon consolidation and are not disclosed in this note.

The balances of accounts receivable between unconsolidated related parties are detailed as follows:

### DECEMBER 2021

			EFFECT ON PROFIT (LOSS) CURRENT	RELATED PARTY BALANCES	
COUNTRY	RELATIONSHIP	CURRENCY	TRANSACTION	12.30.2021 THCH\$	RECEIVABLE (CURRENT) THCH\$
Chile	Through ownership	CH\$	Mortgage loan	11,258	128,215
Chile	Through ownership	CH\$	Commercial loan	2,215,745	45,913,614
Chile	Through ownership	CH\$	Consumer loan	9,345	124,924
Chile	Through ownership	CH\$	Lease	1,223,295	12,089,323
Chile	Through management	CH\$	Mortgage loan	515,818	6,550,854
Chile	Through management	CH\$	Commercial loan	425,008	6,417,992
Chile	Through management	CH\$	Consumer loan	56,283	1,006,656
Chile	Through management	CH\$	Lease	60,200	81,066
Chile	Banking support company	CH\$	Commercial loan	165	-
			TOTAL	4,517,117	72,312,644

### DECEMBER 2020

				EFFECT ON PROFIT (LOSS) CURRENT	RELATED PARTY BALANCES
COUNTRY	RELATIONSHIP	CURRENCY	TRANSACTION	12.30.2020 THCH\$	RECEIVABLE (CURRENT) THCH\$
Chile	Through ownership	CH\$	Mortgage loan	38,528	765,134
Chile	Through ownership	CH\$	Commercial loan	2,267,835	27,623,780
Chile	Through ownership	CH\$	Consumer loan	12,110	128,379
Chile	Through ownership	CH\$	Lease	369,093	7,306,915
Chile	Through management	CH\$	Mortgage loan	348,147	7,718,585
Chile	Through management	CH\$	Commercial loan	395,545	8,412,334
Chile	Through management	CH\$	Consumer loan	78,677	1,209,939
Chile	Through management	CH\$	Lease	13,245	178,153
Chile	Banking support company	CH\$	Commercial loan	356	67
			TOTAL	3,523,536	53,343,286



## NOTE 7 - INVESTMENTS IN EQUITY-ACCOUNTED ASSOCIATES

Investments in associates are detailed as follows:

DETAIL	BALANCE 12.30.2021 THCH\$	BALANCE 12.30.2020 THCH\$
Investments in associates	2,510,861	1,950,093
TOTAL	2,510,861	1,950,093

#### MOVEMENTS IN INVESTMENTS IN ASSOCIATES, CURRENT PERIOD

TAXPAYER ID NUMBER	ASSOCIATE	COUNTRY	OWNERSHIP INTEREST	BALANCE 12.30.2020 THCH\$	ADDITIONS (SALES) THCH\$	SHARE OF PROFIT (LOSS) THCH\$	DIVIDENDS RECEIVED THCH\$	OTHER INCREASE/ DECREASE THCH\$	BALANCE 12.30.2021 THCH\$
99.573.400-1	Europ Assistance Chile S.A.	Chile	49%	1,352,185	-	(150,648)	-	(75,603)	1,125,934
76.507.823-7	Inmobiliaria Parque el Rodeo SPA	Chile	50%	597,908	-	761,032	-	25,987	1,384,927
			TOTAL	1,950,093	-	610,384	-	(49,616)	2,510,861

### MOVEMENTS IN INVESTMENTS IN ASSOCIATES, PRIOR PERIOD

TAXPAYER ID NUMBER	ASSOCIATE	COUNTRY	OWNERSHIP INTEREST	BALANCE 12.31.2019 THCH\$	ADDITIONS (SALES) THCH\$	SHARE OF PROFIT (LOSS) THCH\$	DIVIDENDS RECEIVED THCH\$	OTHER INCREASE/ DECREASE THCH\$	BALANCE 12.31.2020 THCH\$
99.573.400-1	Europ Assistance Chile S.A.	Chile	49%	1,180,099	-	170,077	-	2,009	1,352,185
76.507.823-7	Inmobiliaria Parque el Rodeo SPA	Chile	50%	1,913,338	(1,286,179)	(258,850)	-	229,599	597,908
			TOTAL	3,093,437	(1,286,179)	(88,773)	-	231,608	1,950,093

Summarized financial information about the main investments accounted for using the equity method:

#### EUROP ASSISTANCE CHILE S.A.

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

### INMOBILIARIA PARQUE EL RODEO SPA

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

## EUROP ASSISTANCE CHILE S.A.

CLASSIFIED STATEMENT OF FINANCIAL POSITION

ASSETS	12.31.2021 THCH\$	12.31.2020 THCH\$
Current assets	4,085,288	5,302,339
Non-current assets	879,426	795,062
TOTAL ASSETS	4,964,714	6,097,401
LIABILITIES	12.31.2021 THCH\$	12.31.2020 THCH\$
Current liabilities	2,666,889	3,834,325
Non-current liabilities	-	113,063
Equity	2,297,825	2,150,013
CURRENT LIABILITIES	4,964,714	6,097,401
STATEMENT OF INCOME	12.31.2021 THCH\$	12.31.2020 THCH\$
Gross profit (loss)	(188,779)	608,289
Non-operating loss	(132,989)	(118,810)
PROFIT (LOSS) BEFORE TAX	(321,768)	489,479
Income tax benefit (expense)	14,324	(155,995)
PROFIT (LOSS) FOR THE YEAR	(307,444)	333,484
Profit (loss) attributable to owners of the parent	(156,796)	170,077
Profit (loss) attributable to non-controlling interests	(150,648)	163,407

### INMOBILIARIA PARQUE EL RODEO SPA

CLASSIFIED STATEMENT OF FINANCIAL POSITION

ASSETS	12.31.2021 THCH\$	12.31.2020 THCH\$
Current assets	10,107,721	7,527,826
Non-current assets	397,123	526,007
TOTAL ASSETS	10,504,844	8,053,833

LIABILITIES	12.31.2021 THCH\$	12.31.2020 THCH\$
Current liabilities	7,734,990	6,860,352
Non-current liabilities	-	-
Equity	2,769,854	1,193,481
TOTAL LIABILITIES AND EQUITY	10,504,844	8,053,833

STATEMENT OF INCOME	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2021 THCH\$
Gross profit	2,842,963	-
Non-operating loss	(859,795)	(679,495)
PROFIT (LOSS) BEFORE TAX	1,983,168	(679,495)
Income tax benefit (expense)	(461,104)	161,795
PROFIT (LOSS) FOR THE YEAR	1,522,064	(517,700)
Profit (loss) attributable to owners of the parent	761,032	(258,850)
Profit (loss) attributable to non-controlling interests	761,032	(258,850)



## NOTE 8 - PROPERTY, PLANT AND EQUIPMENT

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

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, NET	12.31.2021 THCH\$	12.31.2020 THCH\$
PROPERTY, PLANT AND EQUIPMENT, NET	47,071,845	50,610,006
Construction in progress, net	208,041	208,041
Land, net	6,712,719	6,396,777
Buildings, net	24,801,709	27,610,481
Plant and equipment, net	1,553,392	2,045,728
IT equipment, net	1,289,069	1,477,597
Fixtures and accessories, net	3,023,437	3,071,534
Motor vehicles, net	72,060	114,640
Leasehold improvements, net	405,792	155,259
Other property, plant and equipment, net	9,005,626	9,529,949

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, GROSS	12.31.2021 THCH\$	12.31.2020 THCH\$
PROPERTY, PLANT AND EQUIPMENT, GROSS	93,196,466	93,025,571
Construction in progress, gross	208,041	208,041
Land, gross	6,712,719	6,396,777
Buildings, gross	31,359,867	34,758,985
Plant and equipment, gross	13,829,044	13,705,203
IT equipment, gross	5,030,100	5,013,049
Fixtures and accessories, gross	6,717,405	6,523,069
Motor vehicles, gross	401,362	411,757
Leasehold improvements, gross	568,562	226,358
Other property, plant and equipment, gross	28,369,366	25,782,332

CLASSES OF PROPERTY, PLANT AND EQUIPMENT, ACCUMULATED DEPRECIATION AND IMPAIRMENT	12.31.2021 THCH\$	12.31.2020 THCH\$	
ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT, NET	46,124,621	42,415,565	
Accumulated depreciation and impairment, buildings	6,558,158	7,148,504	
Accumulated depreciation and impairment, plant and equipment	12,275,652	11,659,475	
Accumulated depreciation and impairment, IT equipment	3,741,031	3,535,452	
Accumulated depreciation and impairment, fixtures and accessories	3,693,968	3,451,535	
Accumulated depreciation and impairment, motor vehicles	329,302	297,117	
Leasehold improvements, net	162,770	71,099	
Accumulated depreciation and impairment, other	19,363,740	16,252,383	

### B) DETAILS OF MOVEMENTS AS OF DECEMBER 31, 2021

CURRENT PERIOD	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	IT EQUIPMENT	FIXTURES AND ACCESSORIES	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	OTHER PROPERTY	TOTAL
PROPERTY, PLANT AND EQUIPMENT, OPENING BALANCE	208,041	6,396,777	27,610,481	2,045,728	1,477,597	3,071,534	114,640	155,259	9,529,949	50,610,006
Additions to property, plant and equipment	-	-	-	499,428	370,100	94,833	-	-	419,613	1,383,974
Depreciation expense	-	-	(713,196)	(875,722)	(590,883)	(406,672)	(44,186)	(53,561)	(1,068,865)	(3,753,085)
Other increase (decrease)	-	315,942	(2,095,576)	(116,042)	32,255	263,742	1,606	304,094	124,929	(1,169,050)
Changes in property, plant and equipment, total	-	315,942	(2,808,772)	(492,336)	(188,528)	(48,097)	(42,580)	250,533	(524,323)	(3,538,161)
PROPERTY, PLANT AND EQUIPMENT	208,041	6,712,719	24,801,709	1,553,392	1,289,069	3,023,437	72,060	405,792	9,005,626	47,071,845

The company does not have any fixed assets that serve as guarantees for fulfilling existing obligations and there are no commitments to purchase fixed assets.

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

### B) DETAILS OF MOVEMENTS AS OF DECEMBER 31, 2020

PRIOR PERIOD	CONSTRUCTION IN PROGRESS	LAND	BUILDINGS	PLANT AND EQUIPMENT	IT EQUIPMENT	FIXTURES AND ACCESSORIES	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	OTHER PROPERTY	TOTAL
PROPERTY, PLANT AND EQUIPMENT, OPENING BALANCE	169,889	6,531,468	28,458,437	1,782,238	1,422,092	3,685,793	173,898	194,694	10,873,233	53,291,742
Additions to property, plant and equipment	43,470	-	51,821	1,269,154	442,781	782,285	-	-	819,974	3,409,485
Depreciation expense	-	-	(743,362)	(730,573)	(378,210)	(743,470)	(77,505)	(39,435)	(1,549,689)	(4,262,244)
Other increase (decrease)	(5,318)	(134,691)	(156,415)	(275,091)	(9,066)	(653,074)	18,247	-	(613,569)	(1,828,977)
Changes in property, plant and equipment, total	38,152	(134,691)	(847,956)	263,490	55,505	(614,259)	(59,258)	(39,435)	(1,343,284)	(2,681,736)
PROPERTY, PLANT AND EQUIPMENT	208,041	6,396,777	27,610,481	2,045,728	1,477,597	3,071,534	114,640	155,259	9,529,949	50,610,006



## **NOTE 9 - INVESTMENT PROPERTY**

Investment property is property (land or buildings) held to earn rentals or for capital appreciation or both, rather than for use in production or for administrative purposes, or sale in the ordinary course of business.

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Land	82,122,451	68,605,380
Buildings	274,109,866	222,464,823
TOTAL	356,232,317	291,070,203

	MOVEMENTS IN INVESTMENT PROPERTY CURRENT PERIOD								
	OPENING BALANCE THCH\$	INCREASES THCH\$	DISPOSALS THCH\$	DEPRECIATION THCH\$	REVALUATION THCH\$	CLOSING BALANCE THCH\$			
Land	68,605,380	8,307,674	(30,725)	-	5,240,122	82,122,451			
Buildings	222,464,823	22,499,899	(757,856)	(2,893,460)	32,796,460	274,109,866			
TOTAL	291,070,203	30,807,573	(788,581)	(2,893,460)	38,036,582	356,232,317			

	MOVEMENTS IN INVESTMENT PROPERTY PRIOR PERIOD								
	OPENING BALANCE THCH\$	INCREASES THCH\$	DISPOSALS THCH\$	DEPRECIATION THCH\$	REVALUATION THCH\$	CLOSING BALANCE THCH\$			
Land	61,016,922	6,448,592	(313,673)	-	1,453,539	68,605,380			
Buildings	192,530,796	36,042,428	(589,493)	(2,016,416)	(3,502,492)	222,464,823			
TOTAL	253,547,718	42,491,020	(903,166)	(2,016,416)	(2,048,953)	291,070,203			

## **NOTE 10 - INTANGIBLE ASSETS OTHER THAN GOODWILL**

### A) Intangible assets are detailed as follows:

		12.31.2021 THCH\$							
	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RECLASSIFICATIONS	AMORTIZATION/ IMPAIRMENT	NET VALUE			
Computer software	29,899,843	2,532,848	-	-	(3,904,727)	28,527,964			
Projects under development	2,259,593	3,896,261	-	-	(3,344)	6,152,510			
Computer licenses	1,262,097	1,189,882	-	-	(1,140,112)	1,311,867			
Other	2,826,437	268,467	(178,548)	-	(796,730)	2,119,626			
TOTAL	36,247,970	7,887,458	(178,548)	-	(5,844,913)	38,111,967			

	12.31.2020 THCH\$							
	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RECLASSIFICATIONS	AMORTIZATION/ IMPAIRMENT	NET VALUE		
Computer software	32,509,802	2,832,161	-	(3,573)	(5,438,547)	29,899,843		
Projects under development	1,339,275	920,318	-	-	-	2,259,593		
Computer licenses	1,066,397	868,214	-	-	(672,514)	1,262,097		
Other	2,980,681	512,037	(2,359)	-	(663,922)	2,826,437		
TOTAL	37,896,155	5,132,730	(2,359)	(3,573)	(6,774,983)	36,247,970		

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

## **NOTE 11 - GOODWILL**

A) This account is detailed as follows:

	12.31.2021 THCH\$						
	OPENING BALANCE, NET	ACQUISITIONS	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT (LOSS)	CLOSING BALANCE, NET		
Goodwill Interrentas	20,834,249	-	-	-	20,834,249		
Goodwill Banco Dresdner	2,224,741	-	-	-	2,224,741		
Goodwill Cooper	13,112,972	-	-	-	13,112,972		
Goodwill Travel	2,470,896	-	-	-	2,470,896		
Goodwill Travex S.A. <sup>(1)</sup>	1,181,440	-	-	-	1,181,440		
Goodwill AGF CDS	8,677,240	-	-	-	8,677,240		
Goodwill Penta AGF	531,769	-	-	-	531,769		
Goodwill Penta C.B.	3,830,101	-	-	-	3,830,101		
Goodwill Vida Cruz del Sur	65,475,856	-	-	-	65,475,856		
Goodwill Capital CDS	727,306	-	-	-	727,306		
TOTAL	119,066,570	-	-	-	119,066,570		

	12.31.2020 THCH\$						
	OPENING BALANCE, NET	ACQUISITIONS	IMPAIRMENT LOSSES RECOGNIZED IN EQUITY	IMPAIRMENT LOSSES RECOGNIZED IN PROFIT (LOSS)	CLOSING BALANCE, NET		
Goodwill Interrentas	20,834,249	-	-	-	20,834,249		
Goodwill Banco Dresdner	2,224,741	-	-	-	2,224,741		
Goodwill Cooper	13,112,972	-	-	-	13,112,972		
Goodwill Travel	2,470,896	-	-	-	2,470,896		
Goodwill Travex S.A. <sup>(1)</sup>	1,181,440	-	-	-	1,181,440		
Goodwill AGF CDS	8,677,240	-	-	-	8,677,240		
Goodwill Penta AGF	531,769	-	-	-	531,769		
Goodwill Penta C.B.	3,830,101	-	-	-	3,830,101		
Goodwill Vida Cruz del Sur	65,475,856	-	-	-	65,475,856		
Goodwill Capital CDS	727,306	-	-	-	727,306		
TOTAL	119,066,570	-	-	-	119,066,570		

Grupo Security's management has tested goodwill for impairment and did not identify or determine any impairment on these assets.



## **NOTE 12 - CURRENT TRADE AND OTHER RECEIVABLES**

As of December 31, 2021, Grupo Security had trade and other receivables (net of allowances) of THCH\$7,160,820,476 (THCH\$6,616,654,034 as of December 31, 2020).

Grupo Security has a policy regarding the allowance for doubtful accounts, which is determined based on a classification system for its risk portfolio using components related to customer and debtor behavior, allowing such provisions to be associated with industry trends. Banco Security has calculated its provisions in accordance with CMF standards.

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
BANK		
Loans and advances to banks	2,823,536	725,129
Commercial loans	4,851,143,481	4,493,088,710
Lease agreements	392,968,073	360,044,813
Mortgage loans	816,813,430	702,455,069
Consumer loans	403,251,529	431,638,925
Brokerage receivables	27,417,910	21,951,046
Other customer receivables	1,205,993	2,226,645
INSURANCE SUBSIDIARY		
Retiree loans	9,163,499	11,694,961
Leases receivable	95,214,336	92,983,783
Trade receivables	99,971,542	110,428,213
PARENT COMPANY AND OTHER SUBSIDIARIES		
Invoices receivable	13,634,528	4,359,213
Notes and accounts receivable	9,103,345	35,423,491
Leases receivable	6,845,905	2,372,391
Other receivables and factored receivables	431,263,369	347,261,645
TOTAL	7,160,820,476	6,616,654,034

		12.31.2021		12.31.2020			
	ASSETS BEFORE ALLOWANCES THCH\$	ALLOWANCES ON TRADE RECEIVABLES THCH\$	NET TRADE RECEIVABLES THCH\$	ASSETS BEFORE ALLOWANCES THCH\$	ALLOWANCES ON TRADE RECEIVABLES THCH\$	NET TRADE RECEIVABLES THCH\$	
CURRENT TRADE RECEIVABLES	7,323,038,350	167,335,772	7,155,702,578	6,745,813,552	131,889,337	6,613,924,215	
Current loan receivables	6,340,578,882	159,126,032	6,181,452,850	5,750,207,179	122,742,738	5,627,464,441	
Current factored receivables	318,547,966	4,103,546	314,444,420	353,301,383	6,039,738	347,261,645	
Current lease agreements (net)	495,109,066	807,889	494,301,177	455,576,507	175,520	455,400,987	
Current miscellaneous receivables	168,802,436	3,298,305	165,504,131	186,728,483	2,931,341	183,797,142	
OTHER CURRENT RECEIVABLES	5,117,898	-	5,117,898	2,729,819	-	2,729,819	
Other current receivables	5,117,898	-	5,117,898	2,729,819	-	2,729,819	
TRADE AND OTHER RECEIVABLES, CURRENT	7,328,156,248	167,335,772	7,160,820,476	6,748,543,371	131,889,337	6,616,654,034	

			12.31.2021		
	NUMBER OF CUSTOMERS NON- RENEGOTIATED PORTFOLIO	NON-RENEGOTIATED PORTFOLIO THCH\$	NUMBER OF CUSTOMERS RENEGOTIATED PORTFOLIO	RENEGOTIATED PORTFOLIO THCH\$	TOTAL GROSS PORTFOLIO THCH\$
Current	274,990	7,088,029,765	1,667	54,960,998	7,142,990,763
Between 1 and 30 days	5,064	95,056,851	413	6,026,007	101,082,858
Between 31 and 60 days	1,716	15,505,722	219	932,749	16,438,471
Between 61 and 90 days	762	4,939,129	127	137,711	5,076,840
Between 91 and 120 days	1,490	24,235,035	101	2,121,090	26,356,125
Between 121 and 150 days	310	9,994,072	122	6,042,175	16,036,247
Between 151 and 180 days	265	11,093,606	26	927,495	12,021,101
Between 181 and 210 days	87	6,147,179	16	267,310	6,414,489
Between 211 and 250 days	35	1,340,718	-	-	1,340,718
More than 250 days	3	466	8	398,170	398,636
TOTAL PORTFOLIO	284,722	7,256,342,543	2,699	71,813,705	7,328,156,248

	12.31.2020							
	NUMBER OF CUSTOMERS NON- RENEGOTIATED PORTFOLIO	NON-RENEGOTIATED PORTFOLIO THCH\$	NUMBER OF CUSTOMERS RENEGOTIATED PORTFOLIO	RENEGOTIATED PORTFOLIO THCH\$	TOTAL GROSS PORTFOLIO THCH\$			
Current	278,502	6,532,416,081	2,160	48,169,765	6,580,585,846			
Between 1 and 30 days	4,323	86,520,709	387	311,219	86,831,928			
Between 31 and 60 days	1,469	11,556,219	205	376,074	11,932,293			
Between 61 and 90 days	889	4,715,518	127	755,822	5,471,340			
Between 91 and 120 days	957	25,634,812	102	1,368,942	27,003,754			
Between 121 and 150 days	555	12,643,469	59	3,965,650	16,609,119			
Between 151 and 180 days	376	11,018,328	53	806,911	11,825,239			
Between 181 and 210 days	85	6,308,851	15	172,583	6,481,434			
Between 211 and 250 days	30	146,113	17	1,183,465	1,329,578			
More than 250 days	39	472,840	-	-	472,840			
TOTAL PORTFOLIO	287,225	6,691,432,940	3,125	57,110,431	6,748,543,371			

### **PROVISION MOVEMENTS**

	12.31.2021 THCH\$	12.31.2020 THCH\$
Opening balance	131,889,337	110,453,596
Provisions recognized	195,166,552	183,500,068
Reversal of provisions	(109,921,918)	(110,208,444)
Recovered amounts	(2,005,072)	(152,379)
Write-offs	(47,793,127)	(51,703,504)
CLOSING BALANCE	167,335,772	131,889,337



FACTORED RECEIVABLES		TOTAL 2021			TOTAL 2020			
FACTORED RECEIVABLES	GROSS BALANCE THCH\$	PROVISIONS THCH\$	NET BALANCE THCH\$	GROSS BALANCE THCH\$	PROVISIONS THCH\$	NET BALANCE THCH\$		
Opening balance	353,301,383	6,039,738	347,261,645	389,363,990	7,859,036	381,504,954		
Transfers	1	535,583	(535,582)	-	-	-		
Purchases	1,498,869,741	(2,474,623)	1,501,344,364	1,293,139,411	(1,893,433)	1,295,032,844		
Cancellations	(1,536,120,436)	-	(1,536,120,436)	(1,330,267,793)	-	(1,330,267,793)		
Exchange differences and other movements	2,497,277	2,848	2,494,429	1,065,775	74,135	991,640		
TOTAL	318,547,966	4,103,546	314,444,420	353,301,383	6,039,738	347,261,645		

LOAN RECEIVABLES	TOTAL 2021					
LOAN RECEIVABLES	GROSS BALANCE THCH\$	PROVISIONS THCH\$	NET BALANCE THCH\$	GROSS BALANCE THCH\$	PROVISIONS THCH\$	NET BALANCE THCH\$
Opening balance	5,750,207,179	122,742,738	5,627,464,441	5,611,895,133	101,341,300	5,510,553,833
Transfers	-	262,442	(262,442)	262,165	47,138	215,027
Purchases	678,754,828	36,086,799	642,668,029	273,092,953	21,104,679	251,988,274
Cancellations	(94,234,256)	-	(94,234,256)	(140,177,845)	0	(140,177,845)
Exchange differences and other movements	5,851,131	34,053	5,817,078	5,134,773	249,621	4,885,152
TOTAL	6,340,578,882	159,126,032	6,181,452,850	5,750,207,179	122,742,738	5,627,464,441

		TOTAL 2021		TOTAL 2020		
LEASE AGREEMENTS	GROSS BALANCE THCH\$	PROVISIONS THCH\$	NET BALANCE THCH\$	GROSS BALANCE THCH\$	PROVISIONS THCH\$	NET BALANCE THCH\$
Opening balance	455,576,507	175,520	455,400,987	438,098,950	148,222	437,950,728
Transfers	(6,694,359)	-	(6,694,359)	-	-	-
Purchases	39,783,916	632,369	39,151,547	(1,628)	(209,747)	208,119
Cancellations	5,934,765	-	5,934,765	17,243,158	-	17,243,158
Exchange differences and other movements	508,237	-	508,237	236,027	237,045	(1,018)
TOTAL	495,109,066	807,889	494,301,177	455,576,507	175,520	455,400,987

	TOTAL 2021					TOTAL 2020	
MISCELLANEOUS RECEIVABLES	GROSS BALANCE THCH\$	PROVISIONS THCH\$			PROVISIONS THCH\$	NET BALANCE THCH\$	
Opening balance	189,458,302	2,931,341	186,526,961	208,655,870	1,105,038	207,550,832	
Transfers	(8,218,080)	-	(8,218,080)	-	-	-	
Purchases	25,664,786	366,964	25,297,822	15,029,948	3,188,182	11,841,766	
Cancellations	(34,531,021)	-	(34,531,021)	(30,463,766)	-	(30,463,766)	
Exchange differences and other movements	1,546,347	-	1,546,347	(3,763,750)	(1,361,879)	(2,401,871)	
TOTAL	173,920,334	3,298,305	170,622,029	189,458,302	2,931,341	186,526,961	
TOTAL PORTFOLIO	7,328,156,248	167,335,772	7,160,820,476	6,748,543,371	131,889,337	6,616,654,034	

## **NOTE 13 - OTHER CURRENT FINANCIAL ASSETS**

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021					
	USD THCH\$	EURO THCH\$	UF THCH\$	СН\$ ТНСН\$	NUEVO SOL AND OTHERS THCH\$	TOTAL THCH\$
OTHER FINANCIAL ASSETS, BANK						
Investments available for sale	151,423,246	-	148,657,053	1,034,774,821	-	1,334,855,120
Financial instruments held for trading	-	-	-	57,371,745	-	57,371,745
Financial derivative instruments	-	-	-	240,364,474	26,144	240,390,618
Leased assets INVESTMENTS FOR TECHNICAL RESERVES, INSURANCE SUBSIDIARY	-	-	-	12,996,245	-	12,996,245
Fund units	334,862,978	46,216,457	33,238,731	340,088,085	-	754,406,251
Derivatives	-	-	-	-	-	-
Shares	253,405	-	-	142,967	2,403,908	2,800,280
Bonds	191,954,331	-	1,285,019,092	10,050,355	336,472,719	1,823,496,497
Mortgage bonds	-	-	24,960,448	-	-	24,960,448
Mortgage loans	-	-	292,472,430	-	-	292,472,430
Third-party guarantees	-	-	46,488	-	-	46,488
PRC, CORA and other Central Bank instruments	-	-	18,705,856	1,029,889	-	19,735,745
Other investment securities OTHER FINANCIAL ASSETS, PARENT COMPANY AND OTHER SUBSIDIARIES Bonds	20,193,647	-	-	-	2,366,341	22,559,988
	-	-	4,015,182	-	-	4,015,182
Shares	-	-	-	2,342	3,605,834	3,608,176
Other investment securities	-	-	-	325,991	-	325,991
TOTAL	698,687,607	46,216,457	1,807,115,280	1,697,146,914	344,874,946	4,594,041,204

	BALANCE 12.31.2020					
	USD THCH\$	EURO THCH\$	UF THCH\$	CH\$ THCH\$	NUEVO SOL AND OTHERS THCH\$	TOTAL THCH\$
OTHER FINANCIAL ASSETS, BANK						
Investments available for sale	149,608,247	-	156,874,208	625,834,967	-	932,317,422
Financial instruments held for trading	-	-	-	110,671,980	-	110,671,980
Financial derivative instruments	-	-	-	243,395,691	26,144	243,421,835
Leased assets	-	-	-	11,877,794	-	11,877,794
INVESTMENTS FOR TECHNICAL RESERVES, INSURANCE SUBSIDIARY	-	-	-	-	-	
Fund units	221,484,719	28,337,500	22,055,927	326,826,821	-	598,704,967
Derivatives	-	-	12,802,685	-	-1,739,964	11,062,721
Shares	-	-	-	142,967	-	142,967
Bonds	174,722,593	-	1,211,222,720	40,098,317	225,896,574	1,651,940,204
Mortgage bonds	-	-	26,946,388	-	-	26,946,388
Mortgage loans	-	-	233,295,504	-	1,739,964	235,035,468
Third-party guarantees	-	-	43,604	-	-	43,604
PRC, CORA and other Central Bank instruments	-	-	42,575,106	1,049,620	649,616	44,274,342
Other investment securities	7,066,996	-	-	3,265,633	-2,875,858	7,456,771
OTHER FINANCIAL ASSETS, PARENT COMPANY AND OTHER SUBSIDIARIES Bonds	-	-	- 4,188,980	- 1,343	-	4,190,323
Shares	_	-	-,188,980	1,545	-	<del>т</del> , 190,323
Other investment securities	_	-	-	_	-	-
TOTAL	- 552,882,555	28.337.500	1,710,005,122	- 1,363,165,133	223.696.476	3,878,086,786



## **NOTE 14 - OTHER CURRENT NON-FINANCIAL ASSETS**

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
OTHER NON-FINANCIAL ASSETS, BANK		
Prepaid expenses	2,717,460	5,636,478
OTHER NON-FINANCIAL ASSETS, INSURANCE SUBSIDIARY		
Advances to suppliers	2,865,914	2,062,683
	-	2,676
Miscellaneous receivables	1,137,467	316,963
OTHER NON-FINANCIAL ASSETS, PARENT COMPANY AND OTHER SUBSIDIARIES		
Miscellaneous receivables	2,005,968	3,391,885
Advances to suppliers	711,760	941,744
Prepaid expenses	571,538	826,029
Guarantees	378,757	45,788
Employee accounts and loans	91,305	120,079
Dividends receivable	116	-
TOTAL	10,480,285	13,344,325

## **NOTE 15 - CURRENT TAX ASSETS**

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Employee training credit (Sence)	314,036	334,591
Monthly provisional tax payments	26,031,872	27,728,752
VAT tax credit	6,648,470	7,532,544
Other recoverable taxes	12,347,040	5,685,560
TOTAL	45,341,418	41,281,447

## **NOTE 16 - OTHER NON-CURRENT NON-FINANCIAL ASSETS**

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12,31.2020 THCH\$
Guarantees	5,776,195	650,717
Bilateral guarantees, ComDer margin and others	68,310,926	45,298,469
Shares and rights	2,111,249	2,095,046
Other assets	7,136,550	4,922,171
TOTAL OTHER NON-CURRENT NON-FINANCIAL ASSETS	83,334,920	52,966,403

# NOTE 17 - CURRENT AND NON-CURRENT RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Current and non-current right-of-use assets and lease liabilities as of December 31, 2021 and 2020, are detailed as follows:

RIGHT-OF-USE ASSETS	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Right-of-use assets, gross	13,699,754	13,267,911
Depreciation on right-of-use assets	(5,062,259)	(4,125,069)
RIGHT-OF-USE ASSETS, NET	8,637,495	9,142,842
CURRENT LEASE LIABILITIES	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Lease liabilities	2,600,574	2,535,511
Deferred interest on leases	(527,172)	(415,645)
CURRENT LEASE LIABILITIES	2,073,402	2,119,866
	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Under 90 days	614,102	581,132
Over 90 days under 1 year	1,459,300	1,538,734
CURRENT LEASE LIABILITIES	2,073,402	2,119,866
NON-CURRENT LEASE LIABILITIES	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Lease liabilities	7,472,057	7,899,975
Deferred interest on leases	(504,296)	(545,400)
NON-CURRENT LEASE LIABILITIES	6,967,761	7,354,575
	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
1 to 3 years	5,454,108	5,985,106
3 to 5 years	474,758	122,093
More than 5 Years	1,038,895	1,247,376
NON-CURRENT LEASE LIABILITIES	6,967,761	7,354,575



## **NOTE 18 - TRADE AND OTHER PAYABLES**

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Suppliers	14,765,104	10,194,015
Fees payable	4,880	319,414
Payables to customers	40,560,159	34,308,331
Other payables	1,963,587	6,104,352
Leases payable	9,108,423	4,496,082
Miscellaneous payables	32,809,460	23,414,810
Expired checks	2,866,136	114,560
Mortgage bonds	5,495	68,394
INSURANCE SUBSIDIARY		
Ceded premium	20,707,318	32,944,011
Mortgage bonds	45,365,310	43,206,888
Technical reserves	3,040,874,810	2,680,180,540
Claims payable	36,641,836	24,664,476
Suppliers	124,797	323,037
Other accounts payable	7,334,178	3,383,115
TOTAL	3,253,131,493	2,863,722,025

TRADE PAYABLES BY TERM	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Up to 30 days	19,873,841	13,422,031
Between 31 and 60 days	24,090,062	24,381,140
Between 61 and 90 days	155,327,601	141,633,950
Between 91 and 120 days	888,814	269,493
Between 121 and 365 days	3,048,914,498	2,680,180,540
More than 365 days	4,036,677	3,834,871
TOTAL	3,253,131,493	2,863,722,025

## **NOTE 19 - OTHER CURRENT FINANCIAL LIABILITIES**

On November 20, 2009, the CMF certified the Group's filing under number 620 in the Securities Registry of the issuance of dematerialized F series bonds for UF 1,250,000, with annual interest of 4.5%.

On August 27, 2013, the CMF certified the Group's filing under number 763 in the Securities Registry of the issuance of dematerialized K series bonds for UF 3,000,000, with annual interest of 4.2%.

On December 4, 2014, the CMF certified the Group's filing under number 795 in the Securities Registry of the issuance of dematerialized L3 series bonds for UF 3,000,000, with annual interest of 3.8%.

## **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

On January 6, 2017, the Group finalized the process by which bondholders could voluntarily exchange series F bonds for new series M bonds under identical conditions for all bondholders in accordance with article 130 of Law No. 18,045 on Securities Markets and the terms and conditions in the Exchange Notice published. Bonds were exchanged for 95% of the original issuance, equivalent to a nominal amount of UF1,189,000.

On February 16, 2018, the CMF certified the Group's filing under number 885 in the Securities Registry of the issuance of N1 and N2 series bonds for UF 1,500,000, with annual interest of 2.85% and 2.7%, respectively.

On August 25, 2020, the CMF certified the Group's filing under number 1036 in the Securities Registry of the issuance of dematerialized S series bonds for UF 1,000,000, with annual interest of 2.00%.

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
BANK		
Borrowings from financial institutions	1,397,578,520	970,098,032
Current accounts	1,331,151,961	960,676,297
Cashier's checks	79,015,254	42,888,786
Demand deposits	36,885,438	24,589,767
Performance bonds payable on demand	12,965,415	11,961,385
Export returns to settle	11,848	87,479
Pending payment orders	24,953,860	16,054,645
Senior bonds	2,795,355,643	2,571,801,091
Derivatives	248,184,600	220,105,597
Payables from repurchase agreements and securities lending	2,470,574	9,763,574
Savings accounts and time deposits	1,865,279,575	1,890,733,586
Mortgage bonds	1,623,026	10,985,815
Public-sector obligations	19,822,091	14,185,729
Payables to credit card operators	10,124,011	4,329,246
Macrohedge valuation adjustments	13,015,908	-
INSURANCE SUBSIDIARY		
Borrowings from financial institutions	84,188,156	57,688,464
Derivatives	25,898,309	-
Other liabilities	8,897,302	-
Payables from repurchase agreements and securities lending	30,089,764	-
PARENT COMPANY AND OTHER SUBSIDIARIES		
Borrowings from financial institutions	355,128,556	277,279,521
Derivatives	-	162,355
Other liabilities	-	1,937,215
Senior bonds	48,403,117	1,828,322
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	8,391,042,928	7,087,156,906



### BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2021, ARE DETAILED AS FOLLOWS:

		57970A	D51700		COFDITOD				EFFECTIVE			MATURITY	
DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	REPAYMENT	RATE %	NOMINAL RATE %	0-90 DAYS	91 DAYS TO 1 Year	TOTAL
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.004.000-5	Banco De Chile	Chile	CH\$	Monthly	0.40%	0.40%	42,178,237	-	42,178,237
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.030.000-7	Banco Estado	Chile	CH\$	Monthly	0.36%	0.36%	36,050,500	-	36,050,500
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.006.000-6	Banco De Credito E Inversiones	Chile	CH\$	Monthly	0.52%	0.52%	8,579,230		8,579,230
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	76.362.099-9	Banco BTG Pactual Chile	Chile	CH\$	Monthly	0.54%	0.54%	14,537,899	-	14,537,899
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.018.000-1	Banco Scotiabank	Chile	CH\$	Monthly	0.33%	0.33%	39,208,708		39,208,708
Borrowings from financial institutions		Factoring Security S.A.	Chile	97.036.000-K	Banco Santander	Chile	CH\$	Monthly	0.39%	0.39%	35,131,488	-	35,131,488
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.023.000-9	Banco Itaú Corpbanca	Chile	CH\$	Monthly	0.41%	0.41%	25,008,781	-	25,008,781
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.080.000-K	Banco Bice	Chile	CH\$	Monthly	0.43%	0.43%	41,378,655	-	41,378,655
Borrowings from financial institutions		Factoring Security S.A.	Chile	97.011.000-3	Banco Internacional	Chile	CH\$	Monthly	0.46%	0.46%	2,712,927		2,712,927
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.030.000-7	Banco Del Estado	Chile	USD	Monthly	1.10%	1.10%	2,810,605	-	2,810,605
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.023.000-9	Banco Itaú Corpbanca	Chile	USD	Monthly	1.10%	1.10%	6,131,000		6,131,000
Borrowings from financial institutions Borrowings from financial institutions	96.655.860-1 96.655.860-1	Factoring Security S.A.	Chile Chile	97.011.000-3 97.004.000-5	Banco Internacional Banco De Chile	Chile Chile	USD USD	Monthly Monthly	2.60% 0.94%	2.60% 0.94%	3,323,617 1,021,253		3,323,617 1,021,253
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A. Factoring Security S.A.	Chile	97.004.000-5 97.951.000-4	Banco HSBC	Chile	USD	Monthly	2.10%	2.10%	9,373,826		9,373,826
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	E-0	Bac Florida Bank	USA	USD	Monthly	1.10%	1.10%	2,555,323		2,555,323
Borrowings from financial institutions		Factoring Security S.A.	Chile	97.080.000-K	Banco Bice	Chile	USD	Monthly	0.74%	0.74%	8,509,120		8,509,120
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	76.362.099-9	Banco BTG Pactual Chile	Chile	USD	Monthly	2.10%	2.10%	5,358,532	-	5,358,532
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.053.000-2	Banco Security	Chile	USD	Monthly	1.00%	1.00%	202,821		202,821
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.036.000-K	Banco Santander	Chile	USD	Monthly	1.00%	1.00%	3,682		3,682
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.032.000-8	Banco Scotiabank	Chile	CH\$	Monthly	0.25%	0.25%	5,002	1,786,740	1,786,740
Borrowings from financial institutions	20,548,601,372	Viajes Security S.A.	Peru	20100047218	Banco de Crédito del Perú	Peru	Soles	Monthly	0.25%	0.25%	-	230,163	230,163
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.006.000-6	Banco BCI	Chile	CH\$	Monthly	0.25%	0.25%	62,755	-	62,755
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.032.000-8	Banco Scotiabank	Chile	CH\$	Monthly	0.25%	0.25%	1,006		1,006
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	96.667.560-8	Tanner	Chile	CH\$	Monthly	0.25%	0.25%	309,387		309,387
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	96.655.860-1	Factoring Security S.A.	Chile	CH\$	Monthly	0.25%	0.25%	656,595		656,595
Borrowings from financial institutions	76.459.878-4	Inmobiliaria Casanuestra S.A.	Chile	76.459.878-4	Banco Consorcio	Chile	UF	Annual	3.77%	3.77%	-	1,246,675	1,246,675
Borrowings from financial institutions	76.459.878-4	Inmobiliaria Casanuestra S.A.	Chile	76.459.878-4	Banco Estado	Chile	UF	Annual	5.52%	5.52%	-	4,625,778	4,625,778
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,047,218	Banco de Crédito	Peru	USD	Installments	2.32%	2.32%	1,689,531	-	1,689,531
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,047,218	Banco de Crédito	Peru	USD	Monthly	2.32%	2.32%	1,689,531		1,689,531
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,047,218	Banco de Crédito	Peru	USD	Monthly	2.32%	2.32%	1,689,531		1,689,531
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,047,218	Banco de Crédito	Peru	USD	Monthly	2.32%	2.32%	2,534,297	-	2,534,297
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,047,218	Banco de Crédito	Peru	USD	Monthly	2.32%	2.32%	2,534,297	-	2,534,297
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,043,140	Banco Scotiabank	Peru	USD	Monthly	2.35%	2.35%	844,702	-	844,702
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,043,140	Banco Scotiabank	PERU	USD	Monthly	2.35%	2.35%	1,267,254	-	1,267,254
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,043,140	Banco Scotiabank	Peru	USD	Monthly	2.35%	2.35%	1,267,254	-	1,267,254
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,100,043,140	Banco Scotiabank	Peru	USD	Monthly	2.35%	2.35%	1,689,531		1,689,531
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,513,074,370	Banco GNB Perú	Peru	USD	Monthly	1.90%	1.90%	2,618,625	-	2,618,625
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20,513,074,370	Interbank	Peru	USD	Monthly	2.60%	2.60%	1,689,531		1,689,531
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-K	Banco Santander	Chile	CH\$	At maturity	4.75%	4.75%	923,973	716,855	1,640,828
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.004.000-5	Banco De Chile	Chile	CH\$	At maturity	3.31%	3.31%	114,485	1,332,694	1,447,179
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.006.000-6	Banco De Credito E Inversiones	Chile	CH\$	At maturity	5.76%	5.76%	-	648,716	648,716
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	CH\$	At maturity	5.14%	5.14%	1,069,307		1,069,307
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.080.000-K	Banco Bice	Chile	CH\$	At maturity	2.18%	2.18%	1,369,347	-	1,369,347
Borrowings from financial institutions	76.249.637-1	Inmobiliaria Security Norte S.A.	Chile	97.006.000-6	Banco De Credito E Inversiones	Chile	CH\$	At maturity	6.36%	6.36%	-	5,015,907	5,015,907
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security Diez Ltda	Chile	97.004.000-5	Banco De Chile	Chile	CH\$	At maturity	5.30%	5.30%	3,875,130	286,027	4,161,157
Borrowings from financial institutions	76.360.997-8	Inmobiliaria Alto Chamisero	Chile	97.004.000-5	Banco De Chile	Chile	CH\$	At maturity	6.72%	6.72%	3,177,092	-	3,177,092
Borrowings from financial institutions	76.594.759-6	Inmobiliaria Security Los Dominicos	Chile	97.004.000-5	Banco De Chile	Chile	CH\$	At maturity	4.18%	4.18%	4,723,032	2,097,758	6,820,790
Borrowings from financial institutions	76.477.415-9	Inmobiliaria El Taihuen S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	CH\$	At maturity	4.79%	4.79%	809,569	6,927,123	7,736,692
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	USA	E-9	Banco Interamericano del Desarrollo	USA	USD	Quarterly	0.38%	0.38%	-	28,800,447	28,800,447
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	UF	Annual	2.72%	2.72%	10,033	-	10,033
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.018.000-1	Banco Scotiabank	Chile	CH\$	Monthly	0.64%	0.64%	34,027	10,000,000	10,034,027
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.018.000-1	Banco Scotiabank	Chile	CH\$	Monthly	0.64%	0.64%	31,900	10,000,000	10,031,900
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.080.000-K	Banco Bice	Chile	CH\$	Monthly	0.25%	0.25%	138,833	10,000,000	10,138,833
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.080.000-K	Banco Bice	Chile	CH\$	Monthly	0.25%	0.25%	138,833	10,000,000	10,138,833
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.080.000-K	Banco Bice	Chile	CH\$	Monthly	0.24%	0.24%	138,833	10,000,000	10,138,833
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.036.000-K	Banco Santander	Chile	CH\$	Monthly	0.25%	0.25%	-	14,191,646	14,191,646
							SUBTOTAL				321,174,425	117,906,529	439,080,954

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## BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2021, ARE DETAILED AS FOLLOWS: (CONTINUED)

												CARRYING AMOU	NT
												MATURITY	
DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	REPAYMENT	EFFECTIVE RATE %	NOMINAL RATE %	0-90 DAYS	91 DAYS TO 1 Year	TOTAL
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	97.004.000-5	Banco BCI	Chile	CH\$	At maturity	7.01%	7.01%	129,623	-	129,623
Borrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	97.006.000-6	Banco de Chile	Chile	CH\$	At maturity	7.19%	7.19%	106,135	-	106,135
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.531.516-4	Ind and Commercial Bank of China	China	USD	Quarterly	0.00%	0.00%	121,210		121,210
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	41.171.016-7	China Citic Bank	China	USD	Monthly	0.00%	0.00%	42,880	-	42,880
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	Chile	Euros	Semi-annual	0.00%	0.00%	1,000,014		1,000,014
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.517.744-4	Industrial Bank of Korea	South Korea	USD	Quarterly	0.00%	0.00%	63,010	-	63,010
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Quarterly	0.00%	0.00%	79,591		79,591
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	40.785.513-K	Bank of Montreal	Canada	USD	Semi-annual	0.63%	0.63%	10,230,019	-	10,230,019
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Monthly	0.00%	0.00%	32,614	-	32,614
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Quarterly	0.00%	0.00%	24,448	-	24,448
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Monthly	0.00%	0.00%	128,633		128,633
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	47.292.834-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	49,277		49,277
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.517.744-4	Industrial Bank of Korea	South Korea	USD	Quarterly	0.00%	0.00%	57,307		57,307
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.641.082-4	The Bank of New York Mellon	USA	USD	Semi-annual	0.60%	0.60%	11,946,068	-	11,946,068
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	40.785.513-K	Bank of Montreal	Canada	USD	Semi-annual	0.61%	0.61%	8,525,840	-	8,525,840
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	40.659.516-7	Bank Of China	China	USD	Quarterly	0.00%	0.00%	1,040,482	-	1,040,482
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	48.089.680-3	Cathay United Bank	Taiwan	USD	Quarterly	0.00%	0.00%	75,551	-	75,551
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.517.744-4	Industrial Bank of Korea	South Korea	USD	Quarterly	0.00%	0.00%	30,951	-	30,951
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	-	736,610,231	736,610,231
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.531.516-4	Ind and Commercial Bank of China	China	USD	Monthly	0.00%	0.00%	150,670	-	150,670
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Monthly	0.00%	0.00%	88,633		88,633
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	Chile	Euros	Quarterly	0.00%	0.00%	41,038,472		41,038,472
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	49.611.839-6	Credit Agricole Italia Spa	Italy	Euros	Quarterly	0.00%	0.00%	233,792		233,792
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	-	27,800,386	27,800,386
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	-	188,302,615	188,302,615
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	47.396.082-2	Sumitomo Mitsui Banking Corporation	USA	USD	Semi-annual	0.51%	0.51%	25,595,961		25,595,961
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	40.659.516-7	Bank Of China	China	USD	Quarterly	0.00%	0.00%	37,147	-	37,147
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	-	11,200,156	11,200,156
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Quarterly	0.00%	0.00%	26,522	-	26,522
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	40.785.513-K	Bank of Montreal	Canada	USD	Semi-annual	0.51%	0.51%	25,631,296	-	25,631,296
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	45.891.582-3	Wells Fargo Bank N.A. NY	USA	USD	Semi-annual	0.59%	0.59%	8,544,092	-	8,544,092
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	45.893.382-1	Wells Fargo Bank N.A.	USA	USD	Monthly	0.00%	0.00%	94,143	-	94,143
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Quarterly	0.00%	0.00%	251,063	-	251,063
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	44.531.516-4	Ind and Commercial Bank of China	China	USD	Monthly	0.00%	0.00%	254,008	-	254,008
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	41.188.582-5	Citibank N.A.	USA	USD	Semi-annual	0.44%	0.44%	12,786,394	-	12,786,394
Borrowings from financial institutions	97.053.005-3	Banco Security	Chile	97.029.000-1	Chilean Central Bank	CHILE	Euros	Annual	0.00%	0.00%	-	193,702,690	193,702,690
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	47.292.834-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	66,830	-	66,830
Borrowings from financial institutions	97.053.005-3	Banco Security	CHILE	44.866.044-4	Korea Exchange Bank	South Korea	USD	Monthly	0.00%	0.00%	111,219		111,219
Borrowings from financial institutions	97.053.005-4	Banco Security	CHILE	47.396.082-2	Sumitomo Mitsui Banking Corporation	USA	USD	Annual	0.74%	0.74%	25,732,221	-	25,732,221
Borrowings from financial institutions	97.053.005-5	Banco Security	CHILE	40.785.513-K	Bank of Montreal	Canada	USD	Semi-annual	0.53%	0.53%	6,825,821	-	6,825,821
Borrowings from financial institutions	97.053.005-6	Banco Security	CHILE	45.483.870-1	Citibank N.A.	Singapore	USD	Semi-annual	0.00%	0.00%	124,429	-	124,429
Borrowings from financial institutions	97.053.005-7	Banco Security	CHILE	45.891.582-3	Wells Fargo Bank N.A. NY	USA	USD	Semi-annual	0.54%	0.54%	21,332,007	-	21,332,007
Borrowings from financial institutions	97.053.005-8	Banco Security	CHILE	97.029.000-1	Chilean Central Bank	Chile	Euros	Semi-annual	0.00%	0.00%	600,008	-	600,008
Borrowings from financial institutions	97.053.005-9	Banco Security	CHILE	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Quarterly	0.00%	0.00%	78,731	-	78,731
Borrowings from financial institutions	97.053.005-10	Banco Security	CHILE	40.659.516-7	Bank Of China	China	USD	Quarterly	0.00%	0.00%	5,132,866	-	5,132,866
Borrowings from financial institutions	97.053.005-11	Banco Security	CHILE	97.004.000-5	Banco De Chile	Chile	EUROS	Semi-annual	0.00%	0.00%	1,671,461	-	1,671,461
Borrowings from financial institutions	97.053.005-12	Banco Security	CHILE	40.659.516-7	Bank Of China	China	USD	Quarterly	0.00%	0.00%	13,926	-	13,926
Borrowings from financial institutions	97.053.005-13	Banco Security	CHILE	44.411.034-4	Hongkong and Shanghai Banking Corp Limi	Hong Kong	USD	Quarterly	0.00%	0.00%	27,961	-	27,961
Borrowings from financial institutions	97.053.005-14	Banco Security	CHILE	45.891.582-3	Wells Fargo Bank N.A. NY	USA	USD	Semi-annual	0.53%	0.53%	21,331,184	-	21,331,184
Borrowings from financial institutions	97.053.005-15	Banco Security	CHILE	44.399.416-0	HSBC Bank China Company Limited	China	USD	Quarterly	0.00%	0.00%	90,100	-	90,100
Borrowings from financial institutions	97.053.005-16	Banco Security	CHILE	47.396.082-2	Sumitomo Mitsui Banking Corporation	USA	USD	Semi-annual	0.54%	0.54%	8,543,325	-	8,543,325
Borrowings from financial institutions	97.053.005-17	Banco Security	CHILE	44.517.744-4	Industrial Bank of Korea	South Korea	USD	Quarterly	0.00%	0.00%	31,387	-	31,387
Borrowings from financial institutions	97.053.005-11	Banco Security	CHILE	47.292.834-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	68,878	-	68,878
							SUBTOTAL				240,198,200	1,157,616,078	1,397,814,278
							TOTAL				561,372,625	1,275,522,607	1,836,895,232
							10 ML				301,31 L,0LJ	1,21 3,322,001	1,000,000,000



### BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2020, ARE DETAILED AS FOLLOWS:

												CARRYING AMOUI	NT
DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	REPAYMENT	EFFECTIVE RATE %	NOMINAL RATE %	0-90 DAYS	91 DAYS TO 1 YEAR	TOTAL
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.004.000-5	Banco Chile	Chile	CH\$	Monthly	0.11%	0.11%	35,726,266	-	35,726,266
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.030.000-7	Banco Estado	Chile	CH\$	Monthly	0.13%	0.13%	35,175,554	-	35,175,554
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.006.000-6	Banco de Credito e Inversiones	Chile	CH\$	Monthly	0.12%	0.12%	881,152	-	881,152
orrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97018000-1	Banco Scotiabank	Chile	CHŚ	Monthly	0.10%	0.10%	37,126,104	-	37,126,104
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97036000-K	Banco Santander	Chile	CH\$	Monthly	0.13%	0.13%	35,032,173	-	35,032,173
forrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97023000-9	Banco Itaú-Corpbanca	Chile	CH\$	Monthly	0.12%	0.12%	22,251,719	-	22,251,719
orrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97080000-K	Banco Bice	Chile	CH\$	Monthly	1.65%	1.65%	27,928,360	-	27,928,360
orrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97023000-9	Banco Itaú-Corpbanca	Chile	USD	Monthly	0.12%	0.12%	6,549,094	-	6,549,094
orrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.030.000-7	Banco Estado	Chile	USD	Monthly	0.12%	0.12%	2,348,846	-	2,348,846
Borrowings from financial institutions	96.655.860-1	Factoring Security S.A.	Chile	97.004.000-5	Banco de Chile	Chile	USD	Monthly	1.28%	1.28%	4,843,685	-	4,843,685
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.023.000-9	CorpBanca	Chile	CH\$	Monthly	0.25%	0.25%	200	-	200
orrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.004.000-5	Banco Chile	Chile	CH\$	Monthly	0.25%	0.25%	16,771	-	16,771
orrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.032.000-8	Banco Scotiabank	Chile	CH\$	Monthly	0.25%	0.25%	1,119,162	-	1,119,162
forrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.004.000-5	Banco Chile	Chile	CH\$	Monthly	0.25%	0.25%	57,510	-	57,510
orrowings from financial institutions	20548601372	Viajes Security S.A.	Peru	20.100.047.218	Banco de Crédito del Perú	Peru	Soles	Monthly	0.25%	0.25%	-	713,646	713,646
orrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.100.047.218	BANCO DE CRÉDITO	Peru	Soles	Monthly	3.20%	3.20%	3,534,480	· -	3,534,48
orrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.100.043.140	Banco Scotiabank	Peru	USD	Monthly	1.40%	1.40%	3,555,098	-	3,555,090
orrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.100.047.218	BANCO DE CRÉDITO	Peru	USD	Monthly	5.10%	5.10%	5,273,660		5,273,660
orrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.100.047.218	Banco de Crédito	Peru	USD	Monthly	1.90%	1.90%	1,777,451		1,777,451
Borrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.513.074.370	Banco GNB Perú	Peru	USD	Monthly	2.30%	2.30%	1,972,829	_	1,972,829
Borrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.513.074.370	Interbank	Peru	USD	Monthly	2.01%	2.01%	1,272,806		1,272,806
Borrowings from financial institutions	20517207331	Protecta S.A. Compañía de Seguros	Peru	20.513.074.370	BANCO CONTINENTAL	Peru	USD	Monthly	5.65%	5.65%	283,740		283.740
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.036.000-K	Banco Santander	Chile	CHŚ	At maturity	3.38%	3.38%	702,255	918.045	1,620,300
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.004.000-5	Banco de Chile	Chile	CH\$	At maturity	1.99%	1.99%	482.695	2,133,222	2,615,917
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97.006.000-6	Banco BCI	Chile	CH\$	At maturity	1.70%	1.70%	-02,000	943,426	943,426
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	CH\$	At maturity	2.37%	3.36%	1,069,284	545,420	1,069,284
Borrowings from financial institutions	96.786.270-3	Inmobiliaria Security S.A.	Chile	97080000-K	Banco BICE	Chile	CH\$	At maturity	3.36%	3.36%	1,384,774		1,384,774
forrowings from financial institutions	76.249.637-1	Inmobiliaria Security Norte S.A.	Chile	97.006.000-6	Banco BCI	Chile	CH\$	At maturity	1.80%	1.80%	949,442	3,701,835	4,651,277
forrowings from financial institutions	96.786.270-3	Inmobiliaria Security Diez Ltda	Chile	97.004.000-5	Banco de Chile	Chile	CHŚ	At maturity	1.69%	1.69%	4,483,026	-	4,483,026
orrowings from financial institutions	76.360.997-8	Inmobiliaria Alto Chamisero	Chile	97.004.000-5	Banco de Chile	Chile	CH\$	At maturity	1.92%	1.92%		3,659,362	3,659,362
forrowings from financial institutions	76.594.759-6	Inmobiliaria Security Los Dominicos	Chile	97.004.000-5	Banco de Chile	Chile	CHŚ	At maturity	2.29%	2.29%	2,239,040	9,671,496	11,910,536
Borrowings from financial institutions	76.594.758-8	Inmobiliaria Ñuñoa V SPA	Chile	97.036.000-K	Banco Santander	Chile	CHŚ	At maturity	2.28%	2.28%	1,196,472	-	1,196,472
Borrowings from financial institutions	76.477.415-9	Inmobiliaria El Taihuen S.A.	Chile	99.500.410-0	Banco Consorcio	Chile	CH\$	At maturity	1.67%	1.67%	630,056	15,643,251	16,273,30
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	USA	E-9	Inter-American Development Bank.	USA	USD	Quarterly	0.38%	0.38%	8,331	-	8,331
Borrowings from financial institutions	96.847.360-3	Securitizadora Security S.A.	Chile	76.362.099-9	Banco BTG Pactual	Chile	UF	Annual	1.55%	1.55%	17,401,814	-	17,401,814
forrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	97.004.000-5	Banco BCI	Chile	CH\$	At maturity	7.01%	7.01%	160,243	-	160,243
forrowings from financial institutions	78.769.870-0	Inversiones Seguros Security	Chile	97.006.000-6	Banco de Chile	Chile	CH\$	At maturity	7.19%	7.19%	131,208	-	131,208
forrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.018.000-1	Banco Scotiabank	Chile	CH\$	Monthly	3.37%	3.37%	4,600	10,000,000	10,004,600
forrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97.018.000-1	Banco Scotiabank	Chile	CH\$	Monthly	3.58%	3.58%	4,600	10,000,000	10,004,600
Borrowings from financial institutions	99.301.000-6	Seguros de Vida Security	Chile	97080000-K	Banco BCI	Chile	CH\$	Monthly	3.31%	3.31%	9,200	20,000,000	20,009,200
		J					SUBTOTAL	,			257,583,700	77,384,283	334,967,983

## BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2020, ARE DETAILED AS FOLLOWS: (CONTINUED)

DESCRIPTION OF DEBT	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	REPAYMENT	EFFECTIVE Rate %	NOMINAL RATE %	0-90 DAYS	MATURITY 91 DAYS TO 1 YEAR	TOTAL
prowings from financial institutions		Banco Security	Chile	472815168-K	Standard Chartered Bank	China	USD	Monthly	0.00%	0.00%	47,813	-	47,
rrowings from financial institutions		Banco Security	Chile	97029000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%		91,039,166	91,039,
rrowings from financial institutions		Banco Security	Chile	445315168-4	Ind and Commercial Bank of China	China	USD	Quarterly	0.00%	0.00%	2,305	-	2
rrowings from financial institutions		Banco Security	Chile	411885828-5	Citibank N.A.	USA	USD	Annual	1.19%	1.19%	14,233,432	-	14,233
rrowings from financial institutions		Banco Security	Chile	97029000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	- 1255/152	27,800,386	27,800
prowings from financial institutions		Banco Security	Chile	473960828-2	Sumitomo Mitsui Banking Corporation	USA	USD	Semi-annual	0.65%	0.65%	7,123,471	-	7,123
rrowings from financial institutions		Banco Security	Chile	97029000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	-	600,008	600
rrowings from financial institutions		Banco Security	Chile	407855136-K	Bank of Montreal	Canada	USD	Semi-annual	0.69%	0.69%	21,374,757	-	21,374
rrowings from financial institutions		Banco Security	Chile	445315168-4	Ind and Commercial Bank of China	China	USD	Quarterly	0.00%	0.00%	29,246	-	29
rrowings from financial institutions		Banco Security	Chile	411885828-5	CITIBANK N.A.	USA	USD	Annual	2.08%	2.08%	10,680,855		10,680
rrowings from financial institutions		Banco Security	Chile	445315168-4	Ind and Commercial Bank of China	China	USD	Quarterly	0.00%	0.00%	67,188	-	67
rrowings from financial institutions		Banco Security	Chile	472815168-K	Standard Chartered Bank	China	USD	Quarterly	0.00%	0.00%	23,639		23
rrowings from financial institutions			Chile	406595168-7	Bank of China	China	USD	Monthly	0.00%	0.00%	45,508	-	45
0		Banco Security			Standard Chartered Bank Hong Kong	Clina		Hominy				-	
prrowings from financial institutions	97.053.005-3	Banco Security	Chile	472928340-7	Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	33,584	-	33,
prrowings from financial institutions	97.053.005-3	Banco Security	Chile	472928340-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	63,461	-	63,
prrowings from financial institutions	97.053.005-3	Banco Security	Chile	450917168-3	BANK OF NINGBO CHINA	China	USD	Quarterly	0.00%	0.00%	32,591	-	32,
prrowings from financial institutions	97.053.005-3	Banco Security	Chile	472815168-K	The Agricultural Bank of China	China	USD	Quarterly	0.00%	0.00%	25,225	-	25
rrowings from financial institutions	97.053.005-3	Banco Security	Chile	412527204-0	Dommerzbank Ag	Germany	Euros	Quarterly	0.00%	0.00%	31,237	-	31
rrowings from financial institutions	97.053.005-3	Banco Security	Chile	413740440-6	Kookmin Bank Korea	South Korea	USD	Monthly	0.00%	0.00%	47,911		47
rrowings from financial institutions		Banco Security	Chile	445315168-4	Ind and Commercial Bank of China	China	USD	Quarterly	0.00%	0.00%	66,128		66
prrowings from financial institutions		Banco Security	Chile	472928340-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	29,219	-	29
prrowings from financial institutions	97.053.005-3	Banco Security	Chile	472928340-7	Standard Chartered Bank Hong Kong Limited	Hong Kong	USD	Quarterly	0.00%	0.00%	20,881	-	20
orrowings from financial institutions		Banco Security	Chile	472928340-7	Standard Chartered Bank Hong Kong	Hong Kong	USD	Quarterly	0.00%	0.00%	3,566,764		3,566,
prowings from financial institutions		,	Chile	473960828-2	Limited Sumitomo Mitsui Banking Corporation	USA	USD	Semi-annual	0.70%	0.70%	21,398,850		21,398
õ		Banco Security	Chile	473960828-2	ů i	USA	USD		0.65%	0.65%	14,247,874	-	14,247
rrowings from financial institutions		Banco Security	Chile	4/5900828-2	Sumitomo Mitsui Banking Corporation	China	USD	Semi-annual	0.00%	0.00%			
rrowings from financial institutions		Banco Security Banco Security	Chile	472928340-7	Bank of Ningbo China Standard Chartered Bank Hong Kong	Hong Kong	USD	Quarterly Quarterly	0.00%	0.00%	37,970 84,502		37 84
C C		,			Limited				0.00%	0.00%			19
prrowings from financial institutions prrowings from financial institutions		Banco Security	Chile Chile	407615396-0 459752340-3	Banca Nazionales del Lavoro SpA The Bank of New York Mellon	Italy	Euros USD	Quarterly	0.00%	0.00%	19,596 63,212	-	63
õ		Banco Security	Chile			Hong Kong	USD	Quarterly Somi annual	0.00%	0.00%			
rrowings from financial institutions		Banco Security		473960828-2	Sumitomo Mitsui Banking Corporation	USA		Semi-annual			7,133,213		7,133
prowings from financial institutions		Banco Security	Chile	412335204-7	Commerzbank ag Standard Chartered Bank Hong Kong	Germany	Euros	Quarterly	0.00%	0.00%	11,438		11
rrowings from financial institutions		Banco Security	Chile	472928340-7 97029000-1	Limited Chilean Central Bank	Hong Kong Chile	USD	Quarterly	0.00%	0.00%	16,780	-	16
prrowings from financial institutions		Banco Security Banco Security	Chile	472928340-7	Standard Chartered Bank Hong Kong	Hong Kong	Euros USD	Annual Monthly	0.00%	0.00%	- 10,522	89,201,239	89,201 10
•					Limited			,					
rrowings from financial institutions		Banco Security	Chile	412527204-0	Dommerzbank Ag	Germany	Euros	Quarterly	0.00%	0.00%	11,163	-	11
rrowings from financial institutions		Banco Security	Chile	412393168-3	China Merchants Bank	China	USD	Monthly	0.00%	0.00%	5,847	-	ŝ
rrowings from financial institutions		Banco Security	Chile	452827340-3	Intesa Sanpaolo Spa Hong Kong	Hong Kong	USD	Quarterly	0.00%	0.00%	74,989	-	74
rrowings from financial institutions		Banco Security	Chile	446410828-4	The Bank of New York Mellon	USA	USD	Annual	0.84%	0.84%	9,964,824	-	9,964
rrowings from financial institutions		Banco Security	Chile	458915828-3	Wells Fargo Bank N.A. NY	USA	USD	Semi-annual	0.76%	0.76%	21,357,531	-	21,35
rrowings from financial institutions		Banco Security	Chile	97029000-1	Chilean Central Bank	Chile	Euros	Annual	0.00%	0.00%	-	629,408,744	629,40
rrowings from financial institutions		Banco Security	Chile	445315168-4	Ind and Commercial Bank of China	China	USD	Quarterly	0.00%	0.00%	42,055	-	47
prrowings from financial institutions	97.053.005-9	Banco Security	Chile	480806828-7	US Bank	USA	USD	Quarterly	0.00%	0.00%	22,910	-	22
							SUBTOTAL				132,048,491	838,049,543	970,098



### DETAIL OF BONDS AS OF DECEMBER 31, 2021

															CARRYING AMOUNT	
		NOMINAL		PEI	RIODICITY	PLACEMENT				ISSUER			MATURITY			
SERIES	INDEXATION UNIT	AMOUNT	MATURITY DATE	INTEREST PAYMENTS	AMORTIZATION PAYMENTS	IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	COUNTRY OF INCORPORATION	GUARANTEED YES/NO	0-90 DAYS	91 DAYS - 1 YEAR	TOTAL		
BSECU-K	UF	3,000,000	09/15/2032	Semi-annual	Semi-annual	Chile	4.20%	4.20%	Grupo Security S.A.	Chile	No	-	10,117	10,117		
BSECU-F	UF	1,250,000	06/30/2038	Semi-annual	Semi-annual	Chile	4.50%	4.50%	Grupo Security S.A.	Chile	No	-	135,253	135,253		
BSECU-L3	UF	3,000,000	11/15/2035	Semi-annual	Semi-annual	Chile	3.40%	3.40%	Grupo Security S.A.	Chile	No	-	398,340	398,340		
BSECU-M	UF	1,189,000	10/15/2041	Semi-annual	Semi-annual	Chile	4.20%	4.20%	Grupo Security S.A.	Chile	No	-	324,023	324,023		
BSECU-N1	UF	1,500,000	12/10/2042	Semi-annual	Semi-annual	Chile	2.85%	2.85%	Grupo Security S.A.	Chile	No	-	75,900	75,900		
BSECU-S	UF	1,000,000	06/30/2040	Semi-annual	Semi-annual	Chile	2.00%	2.00%	Grupo Security S.A.	Chile	No		1,694	1,694		
BFSEC-A	UF	1,500,000	10/15/2022	Semi-annual	Semi-annual	Chile	2.40%	2.41%	Factoring Security S.A.	Chile	No	-	46,714,240	46,714,240		
BFSEC-H	CH\$	1,500,000	04/15/2024	Semi-annual	Semi-annual	Chile	3.95%	4.40%	Factoring Security S.A.	Chile	No	368,297	-	368,297		
B6	UF	3,000,000	10/01/2022	Semi-annual	At maturity	Chile	2.00%	2.00%	Banco Security	Chile	No	156,139,153	-	156,139,153		
B7	UF	3,000,000	10/01/2022	Semi-annual	At maturity	Chile	2.00%	2.00%	Banco Security	Chile	No	127,401,507	-	127,401,507		
B8	UF	5,000,000	02/01/ 2024	Semi-annual	At maturity	Chile	1.80%	1.80%	Banco Security	Chile	No	158,900,176	-	158,900,176		
B9	UF	5,000,000	10/01/ 2024	Semi-annual	At maturity	Chile	3.85%	3.85%	Banco Security	Chile	No	155,680,680	-	155,680,680		
C1	UF	5,000,000	03/01/ 2026	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	-	142,417,048	142,417,048		
D1	UF	5,000,000	02/01/2029	Semi-annual	At maturity	Chile	2.20%	2.20%	Banco Security	Chile	No	-	166,011,226	166,011,226		
D2	UF	5,000,000	09/01/ 2027	Semi-annual	At maturity	Chile	6.00%	6.00%	Banco Security	Chile	No	-	112,960,508	112,960,508		
D3	UF	5,000,000	09/01/2029	Semi-annual	At maturity	Chile	6.00%	6.00%	Banco Security	Chile	No	-	152,271,613	152,271,613		
D4	UF	5,000,000	07/01/ 2030	Semi-annual	Semi-annual	Chile	6.00%	6.00%	Banco Security	Chile	No	-	78,082,075	78,082,075		
H1	UF	3,000,000	12/01/2029	Semi-annual	Semi-annual	Chile	4.42%	4.42%	Banco Security	Chile	No	14,049,075	26,369,385	40,418,460		
К3	UF	4,000,000	11/01/ 2022	Semi-annual	At maturity	Chile	3.53%	3.53%	Banco Security	Chile	No	124,604,805	-	124,604,805		
K4	UF	5,000,000	10/01/2023	Semi-annual	At maturity	Chile	3.60%	3.60%	Banco Security	Chile	No	156,765,050	-	156,765,050		
K5	UF	5,000,000	06/01/2024	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	154,626,449	-	154,626,449		
K6	UF	5,000,000	03/01/2025	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	-	155,736,254	155,736,254		
K7	UF	5,000,000	09/01/2025	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	-	158,253,729	158,253,729		
K8	UF	5,000,000	10/01/2026	Semi-annual	At maturity	Chile	2.80%	2.80%	Banco Security	Chile	No	-	158,653,664	158,653,664		
К9	UF	5,000,000	07/01/2028	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No		161,205,190	161,205,190		
Q1	UF	3,000,000	08/01/2033	Semi-annual	Semi-annual	Chile	2.50%	2.50%	Banco Security	Chile	No		105,813,659	105,813,659		
Z2	UF	7,200,000	02/01/2022	Semi-annual	At maturity	Chile	5.30%	5.30%	Banco Security	Chile	No	76,693,585	-	76,693,585		
Z3	CH\$	75,000,000,000	06/01/2023	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	75,881,717	-	75,881,717		
Z4	CH\$	75,000,000,000	04/01/2024	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	78,861,581	-	78,861,581		
Z5	CH\$	75,000,000,000	06/01/ 2025	Semi-annual	At maturity	Chile	3.50%	3.50%	Banco Security	Chile	No	-	77,351,215	77,351,215		
Z7	CH\$	75,000,000,000	04/01/2024	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	-	20,626,299	20,626,299		
SERIES A	UF	1,000,000	08/31/2038	Semi-annual	Beginning the 10th year	Chile	3.60%	3.38%	Inversiones Previsión Security Ltda.	Chile	No	350,107	-	350,107		
SERIES D	UF	1,200,000	12/20/2040	Semi-annual	Beginning the 10th year	Chile	2.65%	2.25%	Inversiones Previsión Security Ltda.	Chile	No	25,146	-	25,146		
									TOTAL			1,280,347,328	1,563,411,432	2,843,758,760		

### DETAIL OF BONDS AS OF DECEMBER 31, 2020

				DEI	RIODICITY						-		CARRYING AMOUNT MATURITY	
CEDIFC	INDEXATION	NOMINAL AMOUNT		INTEREST	AMORTIZATION	PLACEMENT	EFFECTIVE	NOMINAL		ISSUER COUNTRY OF	GUARANTEED	0.00 DUVC		TOTU
SERIES BSECU-K	UNIT	PLACED 3,000,000	MATURITY DATE 06/30/2038	PAYMENTS Semi-annual	PAYMENTS Semi-annual	ABROAD Chile	RATE 4.00%	RATE 4.00%	ISSUER NAME Grupo Security S.A.	INCORPORATION Chile	YES/NO No	0-90 DAYS	91 DAYS - 1 YEAR 9,490	TOTAL 9,490
BSECU-F	UF	1,250,000	09/15/2032	Semi-annual	Semi-annual	Chile	4.50%	4.50%	Grupo Security S.A.	Chile	No		128,326	128,326
BSECU-L3	UF	3,000,000	11/15/2035	Semi-annual	Semi-annual	Chile	3.40%	3.40%	Grupo Security S.A.	Chile	No	-	373,643	373,643
BSECU-M	UF	1,189,000	10/15/2041	Semi-annual	Semi-annual	Chile	4.20%	4.20%	Grupo Security S.A.	Chile	No	-	303,935	303,935
BSECU-N1	UF	1,500,000	12/10/2042	Semi-annual	Semi-annual	Chile	2.85%	2.85%	Grupo Security S.A.	Chile	No	-	71,194	71,194
BSECU-S	UF	1,000,000	06/30/2040	Semi-annual	Semi-annual	Chile	2.00%	2.00%	Grupo Security S.A.	Chile	No	-	1,588	1,588
BFSEC-E	UF	1,500,000	04/15/2021	Semi-annual	Semi-annual	Chile	2.40%	2.40%	Factoring Security S.A.	Chile	No	588,158	-	588,158
B5	UF	5,000,000	08/01/2021	Semi-annual	At maturity	Chile	2.40%	2.40%	Banco Security	Chile	No	147,066,658	-	147,066,658
B6	UF	3,000,000	10/01/2022	Semi-annual	At maturity	Chile	2.00%	2.00%	Banco Security	Chile	No	147,137,981	-	147,137,981
B7	UF	3,000,000	10/01/2022	Semi-annual	At maturity	Chile	2.00%	2.00%	Banco Security	Chile	No	121,355,586	-	121,355,586
B8	UF	5,000,000	02/01/2024	Semi-annual	At maturity	Chile	1.80%	1.80%	Banco Security	Chile	No	-	150,751,280	150,751,280
B9	UF	1,000,000	10/01/2024	Semi-annual	At maturity	Chile	1.80%	1.80%	Banco Security	Chile	No	-	146,385,685	146,385,685
D1	UF	5,000,000	02/01/2029	Semi-annual	At maturity	Chile	2.20%	2.20%	Banco Security	Chile	No	-	157,812,893	157,812,893
D2	UF	600,000	09/30/2022	Semi-annual	At maturity	Chile	6.00%	6.00%	Banco Security	Chile	No	-	47,189,332	47,189,332
D3	UF	600,000	09/01/2029	Semi-annual	At maturity	Chile	6.00%	6.00%	Banco Security	Chile	No	-	73,889,026	73,889,026
H1	UF	3,000,000	12/01/2029	Semi-annual	Semi-annual	Chile	4.42%	4.42%	Banco Security	Chile	No	12,666,214	28,964,898	41,631,112
K2	UF	4,000,000	11/01/2021	Semi-annual	At maturity	Chile	3.74%	3.74%	Banco Security	Chile	No	116,629,295	-	116,629,295
K3	UF	4,000,000	11/01/2022	Semi-annual	At maturity	Chile	3.53%	3.53%	Banco Security	Chile	No	116,679,436	-	116,679,436
K4	UF	5,000,000	10/01/2023	Semi-annual	At maturity	Chile	3.60%	3.60%	Banco Security	Chile	No	147,411,425	-	147,411,425
K5	UF	5,000,000	06/01/2024	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	-	144,613,038	144,613,038
K6	UF	5,000,000	03/01/2025	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	-	145,776,337	145,776,337
K7	UF	5,000,000	09/01/2025	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	-	149,194,269	149,194,269
K8	UF	5,000,000	10/01/2026	Semi-annual	At maturity	Chile	2.80%	2.80%	Banco Security	Chile	No	-	149,624,514	149,624,514
K9	UF	5,000,000	07/01/2028	Semi-annual	At maturity	Chile	2.75%	2.75%	Banco Security	Chile	No	-	152,134,942	152,134,942
Q1	UF	3,000,000	08/01/2033	Semi-annual	Semi-annual	Chile	2.50%	2.50%	Banco Security	Chile	No	-	101,106,889	101,106,889
R1	UF	3,000,000	06/01/2021	Semi-annual	At maturity	Chile	3.00%	3.00%	Banco Security	Chile	No	3,677,324	-	3,677,324
Z2	UF	7,200,000	02/01/2022	Semi-annual	At maturity	Chile	5.30%	5.30%	Banco Security	Chile	No	77,288,558	-	77,288,558
Z3	CH\$	75,000,000,000	06/01/2023	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	76,294,401	-	76,294,401
Z4	CH\$	75,000,000,000	04/01/2024	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	-	80,175,222	80,175,222
Z5	CH\$	75,000,000,000	04/01/2024	Semi-annual	At maturity	Chile	4.80%	4.80%	Banco Security	Chile	No	-	77,975,888	77,975,888
SERIES A	UF	1,000,000	08/31/2038	Semi-annual	Beginning the 10 <sup>th</sup> year	Chile	3.60%	3.38%	Inversiones Previsión Security Ltda.	Chile	No	328,402	-	328,402
SERIES D	UF	1,200,000	12/20/2040	Semi-annual	Beginning the 10 <sup>th</sup> year	Chile	2.65%	2.25%	Inversiones Previsión Security Ltda.	Chile	No	23,586	-	23,586
									TOTAL			967,147,024	1,606,482,389	2,573,629,413



## **NOTE 20 - OTHER CURRENT NON-FINANCIAL LIABILITIES**

As of December 31, 2021 and 2020, this account is as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
BANK		
Letters of credit paid in cash	868,430	36,422
Available funds mortgage loans	472,087	32,926,847
Current transactions pending payment	106,312,153	43,765,755
Collection on behalf of clients	57,300,399	7,986,754
Credit card balances payable	2,107,870	1,092,806
PARENT COMPANY AND OTHER SUBSIDIARIES		
Dividends payable (*)	14,538,174	16,570,834
Taxes payable	2,375,816	2,970,857
Third-party obligations	3,570,779	6,233,218
Taxes payable	2,660	1,201
Second category tax	36,159	136,252
Single employee tax	422,015	289,737
Compensation payable	111,029	521,400
Other payables	617,921	3,212,165
Deferred income	20,248,536	17,929,975
TOTAL	208,984,028	133,674,223

(*) DIVIDENDS PAYABLE	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Profit for the year	88,603,185	65,146,394
Minimum dividend provision 30% current year	26,580,956	19,543,918
Dividends paid during the year	(12,097,437)	(2,981,118)
Dividends pending DCV	54,655	8,034
TOTAL	14,538,174	16,570,834

## NOTE 21 - CURRENT TAX LIABILITIES

This account is detailed as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Additional tax	1,173,952	114,732
Income tax provision	33,514,393	30,800,470
VAT payable	849,303	724,044
Other tax liabilities	275,277	253,664
TOTAL	35,812,925	31,892,910

## **NOTE 22 - OTHER SHORT-TERM PROVISIONS**

Short-term provisions include the following items:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
BANK		
Contingent loan risk	7,563,435	6,707,508
Minimum dividends	5,606	4,622
Country risk	735,882	463,287
Other provisions	1,012,014	8,391,116
PARENT COMPANY AND OTHER SUBSIDIARIES		
Portfolio fluctuations	635,102	800,497
Provisions for other expenses	32,201,270	19,463,715
TOTAL	42,153,309	35,830,745

## **NOTE 23 - EMPLOYEE BENEFIT PROVISIONS**

Current employee benefit provisions are detailed as follows:

### **MOVEMENT IN 2021**

ITEM	OPENING BALANCE	PROVISIONS RECOGNIZED	REVERSAL OF PROVISIONS	CLOSING BALANCE
Vacation accrual	9,050,650	17,262,593	(14,817,320)	11,495,923
Provision for other employee benefits	3,013,611	2,621,685	(941,454)	4,693,842
Bonus provision	304,520	-	(44,520)	260,000
Other benefits	-	405,617	-	405,617
TOTAL	12,368,781	20,289,895	(15,803,294)	16,855,382

### **MOVEMENT IN 2020**

ІТЕМ	OPENING BALANCE	PROVISIONS RECOGNIZED	REVERSAL OF PROVISIONS	CLOSING BALANCE
Vacation accrual	8,190,284	3,074,685	(2,214,319)	9,050,650
Provision for other employee benefits	1,663,521	4,791,927	(3,441,837)	3,013,611
Bonus provision	219,166	85,354	-	304,520
Other benefits	-	-	-	-
TOTAL	10,072,971	7,951,966	(5,656,156)	12,368,781

## **NOTE 24 - OTHER NON-CURRENT FINANCIAL LIABILITIES**

Other non-current financial liabilities as of December 31, 2021 and 2020, are detailed as follows:

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Borrowings from financial institutions	15,953,292	17,359,837
SUBTOTAL, BORROWINGS FROM FINANCIAL INSTITUTIONS	15,953,292	17,359,837
Long-term outstanding bond obligations	409,642,357	430,441,785
Subordinated bonds	258,365,150	263,521,303
Indexation payable on subordinated bonds	72,173,690	54,867,792
Interest payable on subordinated bonds	2,965,182	2,852,443
Deferred price difference on subordinated bonds	25,834,101	26,582,264
Expenses for subordinated bonds	(18,005)	(21,522)
SUBTOTAL, BONDS PAYABLE	768,962,475	778,244,065
Discount on bond placement	(7,288,502)	(7,533,658)
Loans maturing in over one year (Bank) and other obligations	75,377,956	81,298,015
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	853,005,221	869,368,259

### BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2021, ARE DETAILED AS FOLLOWS:

	THCH\$														
												CARRYING AMOUNT			
									EFFECTIVE	NOMINAL		MAT	URITY		
DESCRIPTION	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	AMORTIZATION	RATE %	RATE %	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL	
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	97.006.000-6	Banco BCI	Chile	CH\$	Semi-annual	7.01%	7.01%	3,835,313	2,556,875	1,278,437	7,670,625	
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	99.500.410-0	Banco de Chile	Chile	CH\$	Semi-annual	7.19%	7.19%	5,357,045	-	-	5,357,045	
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.032.000-8	Banco Scotiabank	Chile	CH\$	Monthly	0.25%	0.25%	1,674,315	-	-	1,674,315	
Borrowings from financial institutions	20,548,601,372	Viajes Security S.A.	Peru	20100047218	Banco de Crédito	Peru	Soles	Monthly	0.25%	0.25%	1,251,307	-	-	1,251,307	
TOTAL											12,117,980	2,556,875	1,278,437	15,953,292	

### BORROWINGS FROM FINANCIAL INSTITUTIONS AS OF DECEMBER 31, 2020, ARE DETAILED AS FOLLOWS:

	THCH\$													
												CARRYIN	G AMOUNT	
									EFFECTIVE	NOMINAL	MATURITY			
DESCRIPTION	DEBTOR TAXPAYER ID	DEBTOR NAME	DEBTOR COUNTRY	CREDITOR TAXPAYER ID	CREDITOR NAME	CREDITOR COUNTRY	CURRENCY	AMORTIZATION	RATE %	RATE %	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	97.006.000-6	Banco BCI	Chile	CH\$	Semi-annual	7.01%	7.01%	3,764,152	2,556,875	2,628,036	8,949,063
Borrowings from financial institutions	78.769.870-0	Inversiones Previsión Security Ltda	Chile	99.500.410-0	Banco de Chile	Chile	CH\$	Semi-annual	7.19%	7.19%	5,357,045	1,785,682	-	7,142,727
Borrowings from financial institutions	85.633.900-9	Travel Security S.A.	Chile	97.032.000-8	Banco Scotiabank	Chile	CH\$	Monthly	0.25%	0.25%	1,021,537	-	-	1,021,537
Borrowings from financial institutions	20,517,207,331	Protecta S.A. Compañía de Seguros	Peru	20100047218	Banco de Crédito	Peru	USD	Monthly	4.94%	4.94%	246,510	-	-	246,510
TOTAL											10,389,244	4,342,557	2,628,036	17,359,837

### DETAIL OF BONDS AS OF DECEMBER 31, 2021

													CARRYING AMOUNT		
		NOMINAL			PERIODICITY	PLACEMENT							MA	TURITY	
SERIES	INDEXATION UNIT	AMOUNT PLACED	MATURITY DATE	INTEREST PAYMENTS	AMORTIZATION PAYMENTS	IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY	GUARANTEED YES/NO	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
BSECU-L3	UF	3,000,000	11/15/2035	Semi- annual	Semi-annual	CHILE	3.40%	3.40%	Grupo Security S.A.	Chile	No		-	92,975,220	92,975,220
BSECU-F	UF	1,250,000	09/15/2032	Semi- annual	Semi-annual	CHILE	4.50%	4.50%	Grupo Security S.A.	Chile	No		-	1,181,560	1,181,560
BSECU-K	UF	3,000,000	06/30/2038	Semi- annual	Semi-annual	CHILE	4.00%	4.00%	Grupo Security S.A.	Chile	No		-	92,975,220	92,975,220
BSECU-M	UF	1,189,000	10/15/2041	Semi- annual	Semi-annual	CHILE	4.20%	4.20%	Grupo Security S.A.	Chile	No		-	36,849,179	36,849,179
BSECU-N1	UF	1,500,000	12/10/2042	Semi- annual	Semi-annual	CHILE	2.85%	2.85%	Grupo Security S.A.	Chile	No		-	46,487,610	46,487,610
BSECU-S	UF	1,000,000	06/30/2040	Semi- annual	Semi-annual	CHILE	2.00%	2.00%	Grupo Security S.A.	Chile	No		-	30,991,740	30,991,740
BFSEC-H	CH\$	40,000,000	04/15/2024	Semi- annual	Semi-annual	CHILE	4.40%	4.40%	Factoring Security S.A.	Chile	No	40,000,000	-		40,000,000
Series A	UF	1,000,000	08/31/2038	Semi- annual	Beginning the 10 <sup>th</sup> year	CHILE	3.60%	3.38%	Inversiones Previsión Security Ltda.	Chile	No		-	30,991,740	30,991,740
Series D	UF	1,200,000	12/20/2040	Semi- annual	Beginning the 10 <sup>th</sup> year	CHILE	2.65%	2.25%	Inversiones Previsión Security Ltda.	Chile	No		-	37,190,088	37,190,088
USECD2	UF	607,349	09/01/2022	Semi- annual	Semi-annual	CHILE	7.16%	6.50%	Banco Security	Chile	No	1,330,018	1,181,750	-	2,511,768
USECE1	UF	1,200,000	05/01/2028	Semi- annual	Semi-annual	CHILE	7.38%	6.00%	Banco Security	Chile	No		7,948,137	9,272,916	17,221,053
USECJ1	UF	2,000,000	12/01/2031	Semi- annual	Semi-annual	CHILE	3.00%	3.00%	Banco Security	Chile	No	-	11,630,678	31,506,605	43,137,283
USECJ2	UF	3,000,000	03/01/2037	Semi- annual	Semi-annual	CHILE	4.05%	4.00%	Banco Security	Chile	No		-	93,899,768	93,899,768
USECJ3	UF	2,500,000	10/01/2038	Semi- annual	Semi-annual	CHILE	4.00%	4.00%	Banco Security	Chile	No			81,339,056	81,339,056
USECJ4	UF	2,500,000	10/01/2038	Semi- annual	Semi-annual	CHILE	4.00%	4.00%	Banco Security	Chile	No	-		121,211,190	121,211,190
										TOTAL		41,330,018	20,760,565	706,871,892	768,962,475

### DETAIL OF BONDS AS OF DECEMBER 31, 2020

														IG AMOUNT	
		NOMINAL			PERIODICITY	PLACEMENT							MA	TURITY	
SERIES	INDEXATION UNIT	AMOUNT PLACED	MATURITY DATE	INTEREST PAYMENTS	AMORTIZATION PAYMENTS	IN CHILE OR ABROAD	EFFECTIVE RATE	NOMINAL RATE	ISSUER NAME	ISSUER COUNTRY	GUARANTEED YES/NO	1-3 YEARS	3-5 YEARS	MORE THAN 5 YEARS	TOTAL
BSECU-L3	UF	3,000,000	11/15/2035	Semi- annual	Semi-annual	CHILE	3.40%	3.40%	Grupo Security S.A.	Chile	No	-	-	87,210,990	87,210,990
BSECU-F	UF	1,250,000	09/15/2032	Semi- annual	Semi-annual	CHILE	4.50%	4.50%	Grupo Security S.A.	Chile	No		-	1,219,137	1,219,137
BSECU-K	UF	3,000,000	06/30/2038	Semi- annual	Semi-annual	CHILE	4.00%	4.00%	Grupo Security S.A.	Chile	No	-	-	87,210,990	87,210,990
BSECU-M	UF	1,189,000	12/15/2041	Semi- annual	Semi-annual	CHILE	4.20%	4.20%	Grupo Security S.A.	Chile	No	-	-	34,564,622	34,564,622
BSECU-N1	UF	1,500,000	12/10/2042	Semi- annual	Semi-annual	CHILE	2.85%	2.85%	Grupo Security S.A.	Chile	No	-	-	43,605,495	43,605,495
BSECU-S	UF	1,000,000	06/30/2040	Semi- annual	Semi-annual	CHILE	2.00%	2.00%	Grupo Security S.A.	Chile	No	-	-	29,070,330	29,070,330
BFSEC-A	UF	1,500,000	12/15/2022	Semi- annual	Semi-annual	CHILE	2.41%	2.41%	Factoring Security S.A.	Chile	No	42,994,613	-	-	42,994,613
BFSEC-H	CH\$	40,000,000	04/15/2024	Semi- annual	Semi-annual	CHILE	4.40%	4.40%	Factoring Security S.A.	Chile	No		40,610,882	-	40,610,882
SERIES A	UF	1,000,000	08/31/2038	Semi- annual	Beginning the 10 <sup>th</sup> year	CHILE	3.60%	3.38%	Inversiones Previsión Security Ltda	Chile	No	-	-	28,686,018	28,686,018
Series D	UF	1,200,000	12/20/2040	Semi- annual	Beginning the 10 <sup>th</sup> year	CHILE	2.65%	2.25%	Inversiones Previsión Security Ltda	Chile	No		-	35,268,708	35,268,708
USECD2	UF	607,349	09/01/2022	Semi- annual	Semi-annual	CHILE	7.16%	6.50%	Banco Security	Chile	No	1,165,609	3,533,421	-	4,699,030
USECE1	UF	1,200,000	01/01/2028	Semi- annual	Semi-annual	CHILE	7.38%	6.00%	Banco Security	Chile	No	-	7,433,008	11,149,595	18,582,603
USECJ1	UF	2,000,000	12/01/2031	Semi- annual	Semi-annual	CHILE	3.00%	3.00%	Banco Security	Chile	No		10,522,946	33,081,168	43,604,114
USECJ2	UF	3,000,000	03/01/2037	Semi- annual	Semi-annual	CHILE	4.05%	4.00%	Banco Security	Chile	No			88,025,541	88,025,541
USECJ3	UF	2,500,000	10/01/2038	Semi- annual	Semi-annual	CHILE	4.00%	4.00%	Banco Security	Chile	No			76,705,014	76,705,014
USECJ4	UF	2,500,000	10/01/2038	Semi- annual	Semi-annual	CHILE	4.00%	4.00%	Banco Security	Chile	No			116,185,978	116,185,978
										TOTAL		44,160,222	62,100,257	671,983,586	778,244,065



## **NOTE 25 - NON-CURRENT PAYABLES**

This account is detailed as follows:

	BALANCE 12,31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
BANK		
Non-current accounts and notes payable	325,818	185,992
Other non-current liabilities	5,390,297	8,541,776
PARENT COMPANY AND OTHER SUBSIDIARIES		
Non-current notes payable	2,216,148	2,005,512
TOTAL	7,932,263	10,733,280

## NOTE 26 - CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES

This account is detailed as follows:

TAXPAYER ID NUMBER	COMPANY	COUNTRY	RELATIONSHIP	CURRENCY	OWNERSHIP INTEREST	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
96.588.080-1	Principal Cía. de Seguros de Vida Chile S.A.	Chile	Through ownership	CH\$	49%	1,409,979	1,308,842
76.437.805-9	Inmobiliaria Unica SpA	Chile	Through ownership	UF	30%	-	3,504,117
					TOTAL	1,409,979	4,812,959

Principal Compañía de Seguros de Vida Chile S.A. is owned by Principal Servicios de Administración S.A., which has a 48.997% interest in the subsidiary Hipotecaria Security Principal S.A. with 349,956 shares. These shares were acquired in July 2012. The balance is for accrued dividends, which are paid the month after being declared.

Inversiones Única SPA., does not belong to Grupo Security, but has a 30% interest in Sociedad Inmobiliaria Vista La Dehesa S.A., a subsidiary of Inmobiliaria Security S.A.

## NOTE 27 - NON-CURRENT ACCOUNTS PAYABLE TO RELATED PARTIES

This account is detailed as follows:

TAXPAYER ID NUMBER	COMPANY	COUNTRY	RELATIONSHIP	CURRENCY	OWNERSHIP INTEREST	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
76.437.805-9	Inmobiliaria Unica SpA	Chile	Through ownership	CH\$	30%	3,735,724	-
					TOTAL	3,735,724	-

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Inversiones Única SPA., does not belong to Grupo Security, but has a 30% interest in Sociedad Inmobiliaria Vista La Dehesa S.A., a subsidiary of Inmobiliaria Security S.A.

The balance is for project financing via an endorsable term promissory note detailed as follows:

DATE	UF	UF VALUE	PRINCIPAL CH\$	RATE	PERIOD	INTEREST CH\$	TOTAL CH\$	MATURITY
12/22/15	35,160	30,991.74	1,089,669,578	5.75%	1045	181,876,447	1,271,546,025	12/31/2026
12/12/16	12,000	30,991.74	371,900,880	5.38%	689	38,293,601	410,194,481	12/31/2026
26/04/17	4,830	30,991.74	149,690,104	5.32%	554	12,254,963	161,945,067	12/31/2026
04/07/17	12,000	30,991.74	371,900,880	5.24%	485	26,254,136	398,155,016	12/31/2026
20/12/2017	3,359.6	30,991.74	104,120,872	5.17%	316	4,725,121	108,845,993	12/31/2026
12/01/2018	28,060	30,991.74	869,628,224	5.17%	293	36,592,265	906,220,489	12/31/2026
28/02/2018	14,900	30,991.74	461,776,926	5.40%	246	17,039,569	478,816,495	12/31/2026
12/31/21	110,310		3,418,687,464		3,628	317,036,102	3,735,723,566	

### INMOBILIARIA UNICA SPA. PROMISSORY NOTE



## **NOTE 28 - REVENUE AND EXPENSES**

### A) REVENUE

This is detailed as follows:

	12.31.2021 THCH\$	12.31.2020 THCH\$
Factoring revenue	38,590,244	32,364,006
Gross written premiums	463,686,713	311,866,956
Other interest income	77,345,163	80,805,523
Insurance brokerage commissions	5,494,363	5,599,896
Real estate advisory and other services	2,065,981	1,781,559
Advisory and other services	21,077,930	25,947,962
Sales revenue	43,562,473	69,402,803
Investment income	74,969,421	12,547,407
Lease income	18,719,936	27,513,626
Fee and commission income	10,754,946	11,967,536
INTEREST		
Repurchase agreements	5,106	13,591
Loans and advances to banks	353,299	242,069
Commercial loans	192,085,258	203,643,818
Mortgage loans	20,215,434	19,540,212
Consumer loans	40,583,618	50,536,896
Investment securities	20,893,962	20,132,242
Financial instruments held for trading	3,437,352	1,538,132
Other interest income	4,662,356	5,242,596
INDEXATION	.,	
Commercial loans	171,164,213	66,237,866
Mortgage loans	47,179,015	18,919,872
Consumer loans	737,529	159,005
Investment securities	11,611,620	4,071,270
Other indexation earned	557,141	144,060
FEES AND COMMISSIONS	557,141	111,000
Loans funded with mortgage bonds	13,738	16,949
Lines of credit and overdrafts	600,232	636,581
Guarantees and letters of credit	4,826,856	4,903,884
Card services	8,277,415	7,608,120
Account maintenance	4,279,709	4,435,960
Collections and payments	6,278,754	10,811,792
Securities brokerage and management	10,275,232	11,785,291
Mutual funds and other investments	24,109,124	21,824,490
Other fees and commissions earned	15,699,344	13,882,982
FINANCIAL OPERATING INCOME	15,055,544	13,002,302
Net gain (loss) on instruments held for trading	(6,513,266)	896,377
Trading derivatives	17,748,924	9,447,954
Net gain on investments available for sale	3,602,437	11,773,417
5		
Sale of loan portfolio	833,521	1,733,928
Other income	443,962	229,261
OTHER OPERATING INCOME	CRC 710	202.020
Income from repossessed or awarded assets	686,719	303,939
Reversal of contingency provisions	116,488	184,166
Gain on sale of property, plant and equipment	2,145,878	1,027,669
Rental payments received	-	141,494
Recovery of expenses	-	1,464,761
Penalty interest	-	30,623
Other operating income from leases	25,931,610	16,995,075
Other income	(26,782)	418,982
TOTAL	1,389,082,968	1,090,772,598

### B) COST OF SALES

Cost of sales is detailed as follows

	12.31.2021 THCH\$	12.31.2020 THCH\$
Cost of sales, Factoring	13,073,028	6,098,976
Cost of sales, Inmobiliaria Security	29,210,943	41,642,510
Cost of sales, Vida Security	548,795,672	377,913,030
Cost of sales, other subsidiaries	7,997,392	10,497,151
Other fees and commissions	6,369,212	4,669,679
Other costs	684,724	-
INTEREST		
Demand deposits	22,459	16,894
Repurchase agreements	144,340	347,454
Savings accounts and time deposits	16,604,750	46,014,922
Borrowings from financial institutions	8,281,412	7,891,242
Debt issued	73,685,732	72,401,716
Other financial liabilities	277,326	82,701
Lease liabilities	152,178	172,076
Other interest or indexation expenses	11,316	21,207
INDEXATION		
Demand deposits	224,420	168,428
Savings accounts and time deposits	374,055	984,359
Debt issued	171,109,772	66,250,671
Other financial liabilities	103,790	70,710
Other interest or indexation expenses	80,149	46
FEES AND COMMISSIONS		
Securities transactions fees and commissions	5,954,398	530,492
Other fees and commissions	4,172,862	15,061,587
PROVISIONS FOR CREDIT LOSSES		
Commercial loans	71,083,534	46,138,398
Mortgage loans	2,586,948	841,461
Consumer loans	10,838,674	27,205,134
Loans and advances to banks	9,771	(729)
Contingent loans	855,937	1,615,189
Collection of written-off loans	(6,415,749)	(4,100,738)
OTHER COST OF SALES		
Other cost of sales	49,950,801	15,506,398
TOTAL	1,016,239,846	738,040,964



### C) OTHER INCOME

The detail of other income by function is as follows:

	12.31.2021 THCH\$	12.31.2020 THCH\$
Interest earned	308,041	5,676
Other financial operating income	231,725	228,030
Proceeds from shares and rights in other companies	470,867	13,357
Other income	976,687	918,488
TOTAL	1,987,320	1,165,551

### D) OTHER EXPENSES BY FUNCTION

Other expenses by function are detailed as follows:

	12.31.2021 THCH\$	12.31.2020 THCH\$
Administrative expenses, insurance area	259,452	243,925
Provisions for repossessed or awarded assets	1,492,204	2,818,313
Country risk provisions	870,343	373,270
Miscellaneous expenses	4,349,387	7,296,252
Other expenses	1,445,611	1,116,890
TOTAL	8,416,997	11,848,650

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## **NOTE 29 - ADMINISTRATIVE EXPENSES**

The detail of administrative expenses is as follows:

	12.31.2021 THCH\$	12.31.2020 THCH\$
Compensation	115,695,048	131,341,630
Advisory services	27,954,825	23,356,363
Maintenance expenses	5,370,450	5,789,585
Office supplies	402,075	407,278
Depreciation and amortization	12,688,789	13,147,177
Insurance	1,392,465	1,890,848
IT and communications expenses	14,614,036	9,985,683
Subcontracted services	12,405,774	16,496,624
Board expenses	1,864,383	1,947,319
Publicity and advertising	5,871,998	4,720,323
Taxes, property taxes and contributions to CMF	4,521,632	4,520,381
Loan loss provisions	2,813,260	2,698,384
Miscellaneous provisions	8,173,761	6,144,605
Fees and commissions	592,839	655,601
Expenses for short-term leases	5,346,363	4,904,382
Overhead costs	14,788,619	15,355,633
TOTAL	234,496,317	243,361,816

## **NOTE 30 - PAYROLL AND PERSONNEL EXPENSES**

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

The expense for the years ended December 31, 2021 and 2020, is detailed as follows:

	12.31.2021 THCH\$	12.31.2020 THCH\$
Wages and salaries	104,010,444	113,205,833
Employee benefits	11,684,604	18,135,797
TOTAL	115,695,048	131,341,630

	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
Compensation paid to key management personnel	19,721,110	24,582,527

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## **NOTE 31 - VALUATION OF FINANCIAL ASSETS AND LIABILITIES**

In accordance with the definition of Fair Value Measurement and Valuation of Financial Instruments in Note 2 Bases of Preparation and Presentation of the Consolidated Financial Statements and Significant Accounting Policies, financial assets are recognized in the consolidated financial statements when acquired and are initially measured at fair value including costs related to their acquisition for instruments valued at amortized cost.

Their carrying amounts versus their market values as of December 31, 2021 and 2020, by financial instrument category are detailed as follows:

	12.31.2021		12.31.2020	
FINANCIAL ASSETS	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE
CASH AND CASH EQUIVALENTS				
Cash	934,936,293	934,936,293	597,497,193	597,497,193
TOTAL	934,936,293	934,936,293	597,497,193	597,497,193
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	1,334,855,120	1,334,855,120	932,317,422	932,317,422
Financial instruments held for trading	57,371,745	57,371,745	110,671,980	110,671,980
Hedge assets	240,390,618	240,390,618	243,421,835	243,421,835
Other financial assets	2,961,423,721	2,961,423,721	2,591,675,549	2,591,675,549
TOTAL	4,594,041,204	4,594,041,204	3,878,086,786	3,878,086,786
RECEIVABLES				
Trade and other receivables, current	7,160,820,476	7,688,784,524	6,616,654,034	7,053,561,439
Accounts receivable from related parties, current	72,312,644	72,312,644	53,343,286	53,343,286
TOTAL	7,233,133,120	7,761,097,168	6,669,997,320	7,106,904,725
INVESTMENT PROPERTY				
Investment property (*)	356,232,317	423,855,047	291,070,203	334,171,266
TOTAL	356,232,317	423,855,047	291,070,203	334,171,266

	12.31.2021		12.31.2020	
FINANCIAL LIABILITIES	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE	THCH\$ CARRYING AMOUNT	THCH\$ FAIR VALUE
OTHER FINANCIAL LIABILITIES				
Other financial liabilities, current	8,391,042,928	8,916,342,439	7,087,156,906	7,087,156,906
Other financial liabilities, non-current	853,005,221	853,005,221	869,368,259	869,368,259
TOTAL	9,244,048,149	9,769,347,660	7,956,525,165	7,956,525,165
ACCOUNTS PAYABLE				
Trade and other payables, current	3,253,131,493	3,253,131,493	2,863,722,025	2,863,722,025
Accounts payable to related parties, current	1,409,979	1,409,979	4,812,959	4,812,959
Other payables, non-current	7,932,263	7,932,263	10,733,280	10,733,280
Accounts payable to related parties, non-current	3,735,724	3,735,724	-	-
TOTAL	3,266,209,459	3,266,209,459	2,879,268,264	2,879,268,264

GRUPO SECURITY AT A GLANCE

(\*) Investment property must be valued at the lesser of price-restated cost less accumulated depreciation, calculated in accordance with standards from the Chilean Institute of Accountants, and the commercial appraisal value, which is the lesser of two appraisals. If the commercial appraisal value is greater than the price-restated cost less accumulated depreciation, the real estate property will not be subject to any accounting adjustment and this difference as a result of the appraisal will be reflected in Disclosures. If the appraisal value is less than the price-restated cost less accumulated depreciation, the difference by recognizing a provision in profit or loss that will remain until a new appraisal is made, on which date the provision will be reversed and a new provision established, if appropriate.

Under this model, these properties are recognized at restated cost less accumulated depreciation and any accumulated impairment losses.

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

The reference market value is calculated based on appraisals made by expert appraisers (level 2).

The fair value levels are described in 2.5 in Note 2 Bases of Preparation and Presentation of the Consolidated Financial Statements and Significant Accounting Policies and are as follows by type of financial asset and liability:

	12.31.2021			
FINANCIAL ASSETS	THCH\$ LEVEL 1	THCH\$ LEVEL 2	THCH\$ LEVEL 3	THCH\$ TOTAL
CASH AND CASH EQUIVALENTS				
Cash	934,936,293	-	-	934,936,293
TOTAL	934,936,293	-	-	934,936,293
OTHER FINANCIAL ASSETS, CURRENT				
Investments available for sale	-	1,334,855,120	-	1,334,855,120
Financial instruments held for trading	-	57,371,745	-	57,371,745
Hedge assets	-	240,390,618	-	240,390,618
Other financial assets	-	2,961,423,721	-	2,961,423,721
TOTAL	-	4,594,041,204	-	4,594,041,204
FINANCIAL LIABILITIES Other financial liabilities				
Other financial liabilities, current	-	8,391,042,928	-	8,391,042,928
Other financial liabilities, non-current	-	853,005,221	-	853,005,221
TOTAL	-	9,244,048,149	-	9,244,048,149



	12.31.2020								
FINANCIAL ASSETS	THCH\$ LEVEL 1	THCH\$ LEVEL 2	THCH\$ LEVEL 3	THCH\$ TOTAL					
CASH AND CASH EQUIVALENTS									
Cash	597,497,193	-	-	597,497,193					
TOTAL	597,497,193	-	-	597,497,193					
OTHER FINANCIAL ASSETS, CURRENT									
Investments available for sale	-	932,317,422	-	932,317,422					
Financial instruments held for trading	-	110,671,980	-	110,671,980					
Hedge assets	-	243,421,835	-	243,421,835					
Other financial assets	-	2,591,675,549	-	2,591,675,549					
TOTAL	-	3,878,086,786	-	3,878,086,786					
FINANCIAL LIABILITIES Other financial liabilities									
Other financial liabilities, current	-	7,087,156,906	-	7,087,156,906					
Other financial liabilities, non-current	-	869,368,259	-	869,368,259					
TOTAL	-	7,956,525,165	-	7,956,525,165					

# **NOTE 32 - FOREIGN CURRENCY**

CURRENT ASSETS	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
CASH AND CASH EQUIVALENTS	934,936,293	597,497,193
USD	567,907,379	257,428,637
Euro	2,475,375	10,164,053
CH\$	361,175,536	328,833,376
Other	3,378,003	1,071,127
OTHER FINANCIAL ASSETS, CURRENT	4,594,041,204	3,878,086,786
USD	1,027,088,594	766,877,737
Euro	46,216,456	28,337,500
UF	1,807,115,280	1,710,005,122
CH\$	1,699,505,025	1,362,907,582
Other	14,115,849	9,958,845
OTHER NON-FINANCIAL ASSETS, CURRENT	10,480,285	13,344,325
UF	2,783,481	1,775,287
CH\$	6,246,046	11,187,189
Other	1,450,758	381,849
TRADE AND OTHER RECEIVABLES, CURRENT	7,160,820,476	6,616,654,034
USD	833,849,595	630,465,488
Euro	10,822,589	4,396,307
UF	4,045,179,443	3,568,381,211
CH\$	2,256,898,243	2,411,320,948
Other	14,070,606	2,090,080
ACCOUNTS RECEIVABLE FROM RELATED PARTIES, CURRENT	72,312,644	53,343,286
UF	12,101	4,876,132
CH\$	72,300,543	48,467,154
INVENTORY, CURRENT	109,167,159	100,558,693
UF	28,972,926	2,778,277
CH\$	80,194,233	97,780,416
CURRENT TAX ASSETS	45,341,418	41,281,447
CH\$	45,209,277	41,195,609
Other	132,141	85,838
NON-CURRENT ASSETS CLASSIFIED AS AVAILABLE FOR SALE	12,680,834	2,874,447
CH\$	12,680,834	2,874,447
TOTAL CURRENT ASSETS	12,939,780,313	11,303,640,211
USD	2,428,845,568	1,654,771,862
Euro	59,514,420	42,897,860
UF	5,884,063,231	5,287,816,029
CH\$	4,534,209,737	4,304,566,721
Other	33,147,357	13,587,739



NON-CURRENT ASSETS	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
OTHER NON-FINANCIAL ASSETS, NON-CURRENT	83,334,920	52,966,403
CH\$	77,558,725	52,856,201
Other	5,776,195	110,202
EQUITY-ACCOUNTED INVESTMENTS	2,510,861	1,950,093
CH\$	2,510,861	1,950,093
INTANGIBLE ASSETS OTHER THAN GOODWILL	38,111,967	36,247,970
CH\$	35,461,072	34,600,399
Other	2,650,895	1,647,571
GOODWILL	119,066,570	119,066,570
CH\$	117,885,130	117,885,131
Other	1,181,440	1,181,439
PROPERTY, PLANT AND EQUIPMENT	47,071,845	50,610,006
CH\$	34,682,117	35,854,455
Other	12,389,728	14,755,551
INVESTMENT PROPERTY	356,232,317	291,070,203
USD	166,148,644	124,655,449
CH\$	190,083,673	166,414,754
RIGHT-OF-USE ASSETS	8,637,495	9,142,842
UF	8,637,495	9,142,842
DEFERRED TAX ASSETS	97,138,275	56,887,820
CH\$	96,886,832	56,757,865
Other	251,443	129,955
TOTAL NON-CURRENT ASSETS	752,104,250	617,941,907
USD	166,148,644	124,655,449
UF	8,637,495	9,142,842
CH\$	555,068,410	466,318,898
Other	22,249,701	17,824,718

	UP TO 90	DAYS	91 DAYS TO	D 1 YEAR	τοτ/	AL.
CURRENT LIABILITIES	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
OTHER FINANCIAL LIABILITIES, CURRENT	3,465,743,068	2,831,381,508	4,925,299,860	4,255,775,398	8,391,042,928	7,087,156,906
USD	1,140,791,194	866,224,732	439,896,731	175,817,528	1,580,687,925	1,042,042,260
Euro	23,025,642	39,315,974	1,757,392	85,049	24,783,034	39,401,023
UF	86,613,407	81,173,040	2,585,725,329	2,273,598,134	2,672,338,736	2,354,771,174
CH\$	2,213,188,914	1,843,378,068	1,867,066,231	1,794,207,463	4,080,255,145	3,637,585,531
Other	2,123,911	1,289,694	30,854,177	12,067,224	32,978,088	13,356,918
LEASE LIABILITIES, CURRENT	1,787,628	736,828	285,774	261,565	2,073,402	2,119,866
UF	1,787,628	1,858,301	285,774	261,565	2,073,402	2,119,866
TRADE AND OTHER PAYABLES	129,957,229	70,232,099	3,123,174,264	2,793,489,926	3,253,131,493	2,863,722,025
USD	596,187	-	530,871,997	356,843,047	531,468,184	356,843,047
Euro	160,496	-	1,156,743	1,076,877	1,317,239	1,076,877
UF	684	-	2,214,086,027	2,061,217,703	2,214,086,711	2,061,217,703
CH\$	129,189,981	69,109,784	235,461,741	245,149,252	364,651,722	314,259,036
Other	9,881	1,122,315	141,597,756	129,203,047	141,607,637	130,325,362
ACCOUNTS PAYABLE TO RELATED PARTIES, CURRENT	1,409,979	1,778,992	-	3,033,967	1,409,979	4,812,959
UF	349,279	1,308,842	-	3,033,967	349,279	4,342,809
CH\$	1,060,700	470,150	-	-	1,060,700	470,150
OTHER SHORT-TERM PROVISIONS	34,176,124	30,589,442	7,977,185	5,241,303	42,153,309	35,830,745
USD	2,785,150	3,834,226	-	-	2,785,150	3,834,226
UF	427,062	1,178,055	392,262	2,501,035	819,324	3,679,090
CH\$	30,847,747	25,513,083	6,949,821	1,939,771	37,797,568	27,452,854
Other	116,165	64,078	635,102	800,497	751,267	864,575
CURRENT TAX LIABILITIES	34,044,678	29,047,762	1,768,247	2,845,148	35,812,925	31,892,910
CH\$	34,023,111	29,047,762	1,768,247	2,845,148	35,791,358	31,892,910
EMPLOYEE BENEFIT PROVISIONS, CURRENT	13,083,215	10,096,697	3,772,167	2,272,084	16,855,382	12,368,781
CH\$	13,083,215	10,045,915	2,887,656	2,136,288	15,970,871	12,182,203
Other	-	50,782	884,511	135,796	884,511	186,578
OTHER NON-FINANCIAL LIABILITIES, CURRENT	200,172,186	129,184,559	8,811,842	4,489,664	208,984,028	133,674,223
USD	2,208,334	15,114,802	-	759,937	2,208,334	15,874,739
Euro	127,429	3,848,075	-	-	127,429	3,848,075
UF	44,591,156	22,040,433	5,758,757	1,424,612	50,349,913	23,465,045
CH\$	153,223,541	88,135,647	3,053,085	2,305,115	156,276,626	90,440,762
Other	21,726	45,602	-	-	21,726	45,602
LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	-	-	690,375	-	690,375	-
Other	-	-	690,375	-	690,375	-
TOTAL CURRENT LIABILITIES	3,880,374,107	3,104,169,360	8,071,779,714	7,067,409,055	11,952,153,821	10,171,578,415
USD	1,146,380,865	885,173,760	970,768,728	533,420,512	2,117,149,593	1,418,594,272
Euro	23,313,567	43,164,049	2,914,135	1,161,926	26,227,702	44,325,975
UF	133,769,216	107,558,671	4,806,248,149	4,342,037,016	4,940,017,365	4,449,595,687
CH\$	2,574,617,209	2,065,700,409	2,117,186,781	2,048,583,037	4,691,803,990	4,114,283,446
Other	2,293,250	2,572,471	174,661,921	142,206,564	176,955,171	144,779,035



	1 TO 3	YEARS	3 TO 5 \	/EARS	MORE THAI	N 5 YEARS	τοτ	AL
NON-CURRENT LIABILITIES	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$	BALANCE 12.31.2021 THCH\$	BALANCE 12.31.2020 THCH\$
OTHER FINANCIAL LIABILITIES, NON- CURRENT	346,827,378	330,969,491	39,620,861	75,011,189	466,556,982	463,387,579	853,005,221	869,368,259
USD	-	175,349	24,516,571	18,369,020	51,021,735	63,081,501	75,538,306	81,625,870
UF	2,707,384	43,452,089	7,433,665	7,082,224	415,535,247	400,306,078	425,676,296	450,840,391
CH\$	344,119,994	287,342,053	7,670,625	49,559,945	-	-	351,790,619	336,901,998
LEASE LIABILITIES, NON-CURRENT	2,119,679	1,848,071	2,412,389	2,448,518	2,435,693	3,057,986	6,967,761	7,354,575
UF	2,119,679	1,848,071	2,412,389	2,448,518	2,435,693	3,057,986	6,967,761	7,354,575
ACCOUNTS PAYABLE, NON-CURRENT	7,932,263	10,733,280	-	-	-	-	7,932,263	10,733,280
USD	3,268,270	3,416,628	-	-	-	-	3,268,270	3,416,628
Euro	293,520	271,914	-	-	-	-	293,520	271,914
CH\$	4,370,473	7,044,738	-	-	-	-	4,370,473	7,044,738
ACCOUNTS PAYABLE TO RELATED PARTIES, NON-CURRENT	3,735,724	-	-	-	-	-	3,735,724	-
UF	3,735,724	-	-	-	-	-	3,735,724	-
DEFERRED TAX LIABILITIES	1,011,028	803,274	-	-	-	-	1,011,028	803,274
CH\$	1,011,028	803,274	-	-	-	-	1,011,028	803,274
TOTAL NON-CURRENT LIABILITIES	361,626,072	344,354,116	42,033,250	77,459,707	468,992,675	466,445,565	872,651,997	888,259,388
USD	3,268,270	3,591,977	24,516,571	18,369,020	51,021,735	63,081,501	78,806,576	85,042,498
Euro	293,520	271,914	-	-	-	-	293,520	271,914
UF	8,562,787	45,300,160	9,846,054	9,530,742	417,970,940	403,364,064	436,379,781	458,194,966
CH\$	349,501,495	295,190,065	7,670,625	49,559,945	-	-	357,172,120	344,750,010
Other	-	-	-	-	-	-	-	-

# **NOTE 33 - EARNINGS PER SHARE**

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

EARNINGS PER SHARE	2021 THCH\$	2020 THCH\$
BASIC EARNINGS PER SHARE		
Basic earnings per share from continuing operations	21.9525	16.9514
Basic earnings per share from discontinued operations	0.0000	0.00000
BASIC EARNINGS PER SHARE	21.9525	16.9514
Profit attributable to owners of the parent	88,603,185	65,146,394
Annual average number of shares	4,036,138	3,843,121

Basic earnings per share is calculated by dividing net income attributable to the Group's shareholders by the weighted average number of common shares in circulation during the year excluding, if any, common shares purchased and maintained as treasury shares.

# **INTEGRATED REPORT** 2021

# **NOTE 34 - OPERATING SEGMENTS**

Grupo Security is the parent company of a diversified conglomerate of companies engaged in the major sectors of the domestic financial services industry.

The conglomerate is structured into four main business areas. Each area has subsidiaries and divisions that share common business objectives. These four areas are: lending, insurance, asset management and other services.

The lending area includes Banco Security and Factoring Security, which provide lending services to companies and individuals.

The subsidiaries Vida Security, Corredora de Seguros Security and Europ Assistance operate in the life insurance, insurance brokerage and assistance industries, respectively.

In the asset management area, Valores Security Corredores de Bolsa, Administradora General de Fondos Security and Securitizadora Security complement the Group's offering of financial services by developing and distributing specialized financial products and personalized investment and asset management services.

The other services area comprises the real estate business with the subsidiary Inmobiliaria Security and the travel and tourism industry with Travel Security.

The corporate support area comprises the subsidiaries Mandatos Security, Global Gestión and Servicios Security, which provide the sales force for the lending area, and Capital S.A., which provides a variety of services such as accounting, business risk and control, corporate culture, corporate research and technology services that meet the technological development and support needs of all Group companies. The standalone entity Grupo Security is also included in this area.

Grupo Security discloses segment information in accordance with IFRS 8 "Operating Segments", which sets forth the rules for operating segment reporting and related disclosures for financial and other services.

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



# A) CLASSIFIED STATEMENT OF FINANCIAL POSITION BY SEGMENT AS OF DECEMBER 31, 2021

STATEMENT OF FINANCIAL POSITION	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
ASSETS								
Current Assets								
Cash and cash equivalents	802,870,374	85,117,872	12,467,749	6,771,117	19,029,339	72,235,152	(63,555,310)	934,936,293
Other financial assets, current	1,548,120,396	118,672,653	2,561,777,912	0	384,254,521	3,617,281	(22,401,559)	4,594,041,204
Other non-financial assets, current	134,980	593,906	1,327,104	1,150,081	2,385,212	42,610,290	(37,721,288)	10,480,285
Trade and other receivables, current	7,011,809,300	39,899,508	203,910,429	14,621,603	5,596,613	570,311	(115,587,288)	7,160,820,476
Accounts receivable from related parties, current	4,650	1,283,055	215,607	1,631,012	-1,540,576	11,653,066	59,065,830	72,312,644
Inventory	0	28,972,926	0	80,194,233	0	0	-	109,167,159
Biological assets, current	0	0	0	0	0	0	-	-
Current tax assets	26,709,478	3,173,747	5,737,675	7,170,611	85,580	2,464,327	-	45,341,418
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS AVAILABLE FOR SALE OR AS HELD FOR DISTRIBUTION TO OWNERS	9,389,649,178	277,713,667	2,785,436,476	11,538,657	409,810,689	133,150,427	(180,199,615)	12,927,099,479
Non-current assets or disposal groups classified as available for sale or as held for distribution to owners	9,628,002	-	-	-	3,052,832	-	-	12,680,834
TOTAL CURRENT ASSETS	9,399,277,180	277,713,667	2,785,436,476	111,538,657	412,863,521	133,150,427	(180,199,615)	12,939,780,313
Non-current assets								
Other financial assets, non-current								
Other non-financial assets, non- current	82,718,506	1,933,129	6,468,714	187,720	117,649	707,415	(8,798,213)	83,334,920
Receivables, non-current	-	-	-	-	-	-	-	-
Inventory, non-current	-	-	-	-	-	-	-	
Accounts receivable from related parties, non-current	-	-	-	-	-	-	-	-
Equity-accounted investments	116,422,724	-	1,385,730	10,161	-	1,336,915,163	(1,452,222,917)	2,510,861
Intangible assets other than goodwill	26,088,283	1,772,349	6,819,690	395,788	2,534,741	501,116	-	38,111,967
Goodwill	4,361,870	8,677,240	-	1,181,439	-	104,846,020	1	119,066,570
Property, plant and equipment	19,820,634	589,844	15,993,706	4,409,126	47,216,040	3,017,415	(43,974,920)	47,071,845
Biological assets, non-current	-	-	-	-	-	-	-	-
Investment property	-	-	190,083,673	-	118,848,693	-	47,299,951	356,232,317
Current tax assets, non-current	-	-	-	-	-	-	-	-
Right-of-use assets	5,755,821	1,703,971	1,489,940	-	-	1,082,286	(1,394,523)	8,637,495
Deferred tax assets	50,029,755	5,542,090	28,099,713	2,756,788	251,443	3,899,596	6,558,890	97,138,275
TOTAL NON-CURRENT ASSETS	305,197,593	20,218,623	250,341,166	8,941,022	168,968,566	1,450,969,011	(1,452,531,731)	752,104,250
TOTAL ASSETS	9,704,474,773	297,932,290	3,035,777,642	120,479,679	581,832,087	1,584,119,438	(1,632,731,346)	13,691,884,563

STATEMENT OF FINANCIAL POSITION	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
LIABILITIES								
Current liabilities								
Other financial liabilities, current	8,246,491,806	47,946,731	129,559,447	50,838,614	19,744,247	7,216,395	(110,754,312)	8,391,042,928
Lease liabilities, current	1,068,448	653,176	561,627	-	-	339,933	(549,782)	2,073,402
Trade and other payables	64,438,253	16,050,455	2,660,728,637	12,705,572	505,708,111	1,946,288	(8,445,823)	3,253,131,493
Accounts payable to related parties, current	-	7,115,504	2,793,870	751	82	6,838,175	(15,338,403)	1,409,979
Other short-term provisions	46,709,149	1,525,360	32,110,901	1,791,164	9,134,952	9,078,320	(58,196,537)	42,153,309
Current tax liabilities, current	29,552,722	1,302,644	3,505,363	1,079,163	249,246	123,787	-	35,812,925
Employee benefit provisions, current	5,299,998	910,721	2,462,813	1,025,531	884,511	6,238,559	33,249	16,855,382
Other non-financial liabilities, current	63,994,250	94,685,194	3,251,886	9,474,742	304,087	29,173,136	8,100,733	208,984,028
CURRENT LIABILITIES OTHER THAN LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	8,457,554,626	170,189,785	2,834,974,544	76,915,537	536,025,236	60,954,593	(185,150,875)	11,951,463,446
Liabilities included in disposal groups classified as held for sale	-	-	-	690,375	-	-	-	690,375
TOTAL CURRENT LIABILITIES	8,457,554,626	170,189,785	2,834,974,544	77,605,912	536,025,236	60,954,593	(185,150,875)	11,952,153,821
Non-current liabilities								
Other financial liabilities, non-current	475,034,550	-	-	1,548,255	1,377,367	375,045,049	-	853,005,221
Lease liabilities, non-current	4,943,511	1,159,795	942,586	-	-	778,103	(856,234)	6,967,761
Accounts payable, non-current	17,243,236	120,539	1,674,679	1,946,192	800,451	-	(13,852,834)	7,932,263
Accounts payable to related parties, non-current	-	-	-	3,735,724	-	-	-	3,735,724
Other long-term provisions	-	-	-	-	-	-	-	-
Deferred tax liabilities	(7,840,713)	1,802,455	490,396	-	-	-	6,558,890	1,011,028
Current tax liabilities, non-current	-	-	-	-	-	-	-	-
Employee benefit provisions, non- current	-	-	-	-	-	-	-	-
Other non-financial liabilities, non-current	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	489,380,584	3,082,789	3,107,661	7,230,171	2,177,818	375,823,152	(8,150,178)	872,651,997
TOTAL LIABILITIES	8,946,935,210	173,272,574	2,838,082,205	84,836,083	538,203,054	436,777,745	(193,301,053)	12,824,805,818

NOTE: THE INFORMATION IN THE STATEMENT OF FINANCIAL POSITION PER SEGMENT PRESENTED HERE DIFFERS FROM THE FINANCIAL STATEMENTS OF EACH SUBSIDIARY, AS IT INCLUDES CONSOLIDATION AND PRESENTATION ADJUSTMENTS.



# B) STATEMENT OF INCOME BY SEGMENT FOR THE YEAR ENDED DECEMBER 31, 2021.

STATEMENT OF INCOME	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
PROFIT FOR THE YEAR								
Revenue	607,059,030	65,399,398	496,235,337	46,209,443	173,799,114	21,861,585	(21,480,939)	1,389,082,968
Cost of sales	(392,163,082)	(31,390,490)	(405,999,424)	(30,518,045)	(154,651,482)	(289,373)	(1,227,950)	(1,016,239,846)
GROSS PROFIT	214,895,948	34,008,908	90,235,913	15,691,398	19,147,632	21,572,212	(22,708,889)	372,843,122
Other income	23,239	502,351	135,978	839,535	-	561,039	(74,822)	1,987,320
Administrative expenses	(118,952,856)	(28,599,703)	(42,759,956)	(12,708,082)	(13,387,357)	(39,065,684)	20,977,321	(234,496,317)
Other expenses, by function	(5,948,435)	(1,726,436)	(297,373)	(16,062)	(456,816)	(53,366)	81,491	(8,416,997)
Other gains (losses)	(3,778)	-	170,654	361,464	735,030	463,427	-	1,726,797
NET OPERATING INCOME (LOSS)	90,014,118	4,185,120	47,485,216	4,168,253	6,038,489	(16,522,372)	(1,724,899)	133,643,925
Finance income	-	243,585	19,107	7,821	-	313,094	-	583,607
Finance costs	-	(6,002)	(131,139)	(1,180,961)	(75,726)	(13,490,013)	335,846	(14,547,995)
Share of profit (loss) of associates, equity-accounted	3	-	622,559	(3,035)	-	-	161,776	781,303
Exchange differences	(1,509,367)	4,348,578	381,693	99,473	(2,210,849)	(70,845)	452	1,039,135
Gain (loss) on indexed assets and liabilities	124,158	653,250	(9,052,165)	377,202	-	(22,762,997)	-	(30,660,552)
PROFIT (LOSS) BEFORE TAX	88,628,912	9,424,531	39,325,271	3,468,753	3,751,914	(52,533,133)	(1,226,825)	90,839,423
Income tax benefit (expense) from continuing operations	(10,714,985)	1,255,879	7,258,571	(311,734)	103,278	2,253,606	-	(155,385)
PROFIT (LOSS) FOR THE YEAR	77,913,927	10,680,410	46,583,842	3,157,019	3,855,192	(50,279,527)	(1,226,825)	90,684,038
PROFIT (LOSS) ATTRIBUTABLE TO								
Owners of the parent	77,896,868	10,680,410	45,743,751	2,889,170	2,347,562	(50,279,519)	(675,057)	88,603,185
Non-controlling interests	17,059	-	840,091	267,848	1,507,630	(5)	(551,770)	2,080,853
PROFIT (LOSS) FOR THE YEAR	77,913,927	10,680,410	46,583,842	3,157,018	3,855,192	(50,279,524)	(1,226,827)	90,684,038

NOTE: THE INFORMATION IN THE CONSOLIDATED STATEMENT OF INCOME PER SEGMENT PRESENTED HERE DIFFERS FROM THE FINANCIAL STATEMENTS OF EACH SUBSIDIARY, AS IT INCLUDES CONSOLIDATION AND PRESENTATION ADJUSTMENTS. ADDITIONALLY, THE RESULTS OF BANCO SECURITY INCLUDED IN THE LENDING AREA DO NOT CONSIDER THE ACCRUED INCOME OF ITS SUBSIDIARIES VALORES SECURITY AND ADMINISTRADORA GENERAL DE FONDOS SECURITY, WHICH ARE PRESENTED IN THE ASSET MANAGEMENT AREA. THE COLUMN "CORPORATE SUPPORT" DOES NOT CORRESPOND TO A BUSINESS SEGMENT, BUT INSTEAD TO THE SUPPORT AND OTHER EXPENSES OF THE GROUP'S PARENT COMPANY.

# C) STATEMENT OF CASH FLOWS BY SEGMENT (DIRECT METHOD) FOR THE YEAR ENDED DECEMBER 31, 2021

STATEMENT OF CASH FLOWS	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
Net cash flows provided by (used in) operating activities	(950,017,583)	32,698,720	(18,878,412)	33,534,738	(468,803)	(3,038,806)	(30,382,794)	(936,552,940)
Net cash flow provided by (used in) investing activities	4,334,051	2,519,994	(4,914,028)	(1,043,482)	(3,524,508)	62,462,407	(71,695,211)	(11,860,777)
Net cash flows provided by (used in) financing activities	1,210,298,357	10,693,363	6,866,869	(31,061,726)	4,188,305	(75,915,463)	64,363,322	1,189,433,027
Net increase (decrease) in cash and cash equivalents	264,614,825	45,912,077	(16,925,571)	1,429,530	194,994	(16,491,862)	(37,714,683)	241,019,310
Effect of exchange rate changes on cash and cash equivalents	87,660,668	20,121	1,318,867	-	12,473	-	7,407,661	96,419,790
Net increase (decrease) in cash and cash equivalents	352,275,493	45,932,198	(15,606,704)	1,429,530	207,467	(16,491,862)	(30,307,022)	337,439,100
Cash and cash equivalents at beginning of year	450,594,880	39,185,675	47,095,621	5,681,170	61,047	88,094,180	(33,215,380)	597,497,193
CASH AND CASH EQUIVALENTS AT END OF YEAR	802,870,373	85,117,873	31,488,917	7,110,700	268,514	71,602,318	(63,522,402)	934,936,293

## D) CLASSIFIED STATEMENT OF FINANCIAL POSITION BY SEGMENT AS OF DECEMBER 31, 2020.

STATEMENT OF FINANCIAL POSITION	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
ASSETS								
Total current assets	8,109,800,733	233,514,164	2,579,736,428	137,511,958	274,149,637	125,477,872	(156,550,581)	11,303,640,211
Total non-current assets	250,941,324	21,152,216	207,702,646	9,110,928	129,282,659	1,396,221,991	(1,396,469,857)	617,941,907
TOTAL ASSETS	8,360,742,057	254,666,380	2,787,439,074	146,622,886	403,432,296	1,521,699,863	(1,553,020,438)	11,921,582,118
LIABILITIES								
Total current liabilities	7,115,554,944	132,904,153	2,577,592,674	107,339,584	363,679,624	43,246,829	(168,739,393)	10,171,578,415
Total non-current liabilities	526,825,721	5,032,945	3,620,818	3,634,994	2,248,349	355,565,116	(8,668,555)	888,259,388
TOTAL LIABILITIES	7,642,380,665	137,937,098	2,581,213,492	110,974,578	365,927,973	398,811,945	(177,407,948)	11,059,837,803



# E) STATEMENT OF INCOME BY SEGMENT FOR THE YEAR ENDED DECEMBER 31, 2020.

STATEMENT OF INCOME	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
PROFIT (LOSS) FOR THE YEAR								
Revenue	489,336,125	62,991,381	353,949,664	60,169,172	124,638,505	20,349,138	(20,661,387)	1,090,772,598
Cost of sales	(277,317,817)	(28,807,095)	(282,118,888)	(43,043,622)	(107,693,312)	(111,624)	1,051,394	(738,040,964)
GROSS PROFIT	212,018,308	34,184,286	71,830,776	17,125,550	16,945,193	20,237,514	(19,609,993)	352,731,634
Other income	20,528	36,701	188,020	706,103	26,651	317,320	(129,772)	1,165,551
Administrative expenses	(122,077,618)	(30,455,035)	(42,722,710)	(14,645,471)	(16,316,498)	(37,028,254)	19,883,770	(243,361,816)
Other expenses, by function	(9,520,758)	(1,727,850)	(281,759)	(31,122)	(416,714)	-	129,553	(11,848,650)
Other gains (losses)	-	338,532	202,213	537,053	733,413	130,567	(901,635)	1,040,143
NET OPERATING INCOME (LOSS)	80,440,460	2,376,634	29,216,540	3,692,113	972,045	(16,342,853)	(628,077)	99,726,862
Finance income	-	338,691	69,218	-	-	123,196	-	531,105
Finance costs	-	(6,073)	(35,251)	(975,551)	(117,004)	(13,331,315)	-	(14,465,194)
Share of profit (loss) of associates and joint ventures, equity-accounted	(236)	-	(250,492)	(358,060)	-	(93,866)	613,881	(88,773)
Exchange differences	1,154,055	4,647,992	219,567	10,448	(2,729,442)	(323,918)	-	2,978,702
Gain (loss) on indexed assets and liabilities	(25,409)	(203,101)	(4,273,060)	780,997	-	(7,889,946)	-	(11,610,519)
PROFIT (LOSS) BEFORE TAX	81,568,870	7,154,143	24,946,522	3,149,947	(1,874,401)	(37,858,702)	(14,196)	77,072,183
Income tax benefit (expense) from continuing operations	(17,108,751)	(979,451)	(552,204)	(842,199)	380,599	6,327,648	-	(12,774,358)
PROFIT (LOSS) FOR THE YEAR	64,460,119	6,174,692	24,394,318	2,307,748	(1,493,802)	(31,531,054)	(14,196)	64,297,825
PROFIT (LOSS) ATTRIBUTABLE TO								
Owners of the parent	64,446,078	6,174,000	23,949,000	3,001,000	(929,270)	(31,529,531)	35,117	65,146,394
Non-controlling interests	14,041	692	445,318	(693,252)	(564,532)	(1,522)	(49,314)	(848,569)
PROFIT (LOSS) FOR THE YEAR	64,460,119	6,174,692	24,394,318	2,307,748	(1,493,802)	(31,531,053)	(14,197)	64,297,825

# F) STATEMENT OF CASH FLOWS BY SEGMENT (DIRECT METHOD) FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF CASH FLOWS	LENDING THCH\$	ASSET MANAGEMENT THCH\$	INSURANCE THCH\$	SERVICES THCH\$	INTERNATIONAL BUSINESS THCH\$	CORPORATE SUPPORT THCH\$	ADJUSTMENTS THCH\$	TOTAL THCH\$
Net cash flows provided by (used in) operating activities	(1,125,295,412)	(39,777,531)	10,635,314	27,251,906	(56,226)	2,074,070	(11,361,660)	(1,136,529,539)
Net cash flow provided by (used in) investing activities	(867,891,626)	(23,938,465)	(18,557,304)	(3,254,426)	-	41,847,865	863,581,601	(8,212,355)
Net cash flows provided by (used in) financing activities	890,940,327	(28,264,384)	14,832,275	(25,053,917)	-	17,848,567	59,878,204	930,181,072
Net increase (decrease) in cash and cash equivalents	(1,102,246,711)	(91,980,380)	6,910,285	(1,056,437)	(56,226)	61,770,502	912,098,145	(214,560,822)
Effect of exchange rate changes on cash and cash equivalents	(15,777,951)	37,251	(3,175,498)	-	-	-	-	(18,916,198)
Net increase (decrease) in cash and cash equivalents	(1,118,024,662)	(91,943,129)	3,734,787	(1,056,437)	(56,226)	61,770,502	912,098,145	(233,477,020)
Cash and cash equivalents at beginning of period	692,837,276	103,931,298	43,360,834	6,960,027	117,273	26,323,678	(42,556,173)	830,974,213
CASH AND CASH EQUIVALENTS AT END OF YEAR	(425,187,386)	11,988,169	47,095,621	5,903,590	61,047	88,094,180	869,541,972	597,497,193

# **NOTE 35 - ENVIRONMENT**

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

# **NOTE 36 - RISK MANAGEMENT**

# A) **GRUPO SECURITY**

Grupo Security considers risk management to be critical to achieving the target returns defined by its shareholders and guaranteeing business continuity. Risk management at Grupo Security is supervised centrally by the Business Risk Management Area and Controller's Office, which consolidates and reports to Grupo Security's Board of Directors on a regular basis.

As Grupo Security S.A. is the parent of a conglomerate of companies that are diversified across different sectors of the local financial services industry, its subsidiaries face a number of risk factors that are unique to the particular sector in which they do business. These specific risks are controlled by specialized units in each of the companies.

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



# **RISK FACTORS**

#### 1) OPERATIONAL RISK

In an effort to continuously improve its corporate governance and particularly its internal controls, Grupo Security has used an audit approach to develop control tools for the most significant processes in each of its companies. This involved mapping those processes, developing flowcharts and separate and consolidated risk maps, and documenting all information collected, which is used in operations. This has allowed the Group to identify risks and develop mitigating action plans. On a monthly basis, the Group monitors its mitigating action plans and risk determination, with its respective risk matrix, using a computer program that helps it obtain the status of those plans from the respective process owner for all companies within Grupo Security.

#### 2) HIGHLY COMPETITIVE BUSINESSES LINES

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries. Continual mergers and competitor alliances are proof of the competition Group companies face. Despite the potential challenges to income generation, the possible negative effects of competition are deemed to be offset by Grupo Security's solid brand image in its target market, strong customer loyalty, the niche strategy that drives the Group's development and its excellent service quality.

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

### 3) REGULATORY CHANGES IN GROUP INDUSTRIES

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

### 4) FINANCIAL RISK

For Grupo Security, financial risk management and oversight are critical to guaranteeing liquidity and solvency in each of its subsidiaries. This allows its businesses to operate and grow in the long term.

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

#### 4.1) RISKS ASSOCIATED WITH INTERNATIONAL MARKET VOLATILITY

The Chilean economy and its markets generally operate within international markets and may be affected by external shocks. The volatility of world financial markets and changes in global economic conditions can negatively affect the performance of local assets and risk premiums demanded by investors.

### 4.2) CREDIT RISK

The companies in the lending area (Banco Security S.A. and Factoring Security S.A.) have skilled employees and an appropriate structure for analyzing and measuring credit risk. Through this structure, these employees participate in all credit-related processes and support sales areas as an independent counterpart in the loan origination process.

The risk management policies of our subsidiaries Banco Security and Vida Security are published in their annual financial statements in accordance with the Compendium of Standards from the former SBIF (presently CMF) and the CMF Standards, respectively, and, therefore, the consolidated financial statements contain the most recent annual published disclosures.

# B) **RISKS ASSOCIATED WITH THE BANKING BUSINESS**

### **RISK MANAGEMENT**

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

# I. RISK MANAGEMENT OBJECTIVES

Banco Security considers risk management to be a critical component in guaranteeing business continuity, achieving necessary solvency and ensuring sustainable results. Risk management is intended to minimize losses from risk and optimize the risk-return ratio and growth (risk appetite) defined by senior management.

In order to achieve this, the Bank has made a considerable effort to optimize risk management. Therefore, risk management is separated into three specific risk divisions: Credit Risk, Financial Risk and Operational Risk.

Through this structure, the Bank can properly and timely identify, measure, value and monitor all kinds of risk that Banco Security may face.

# II. RISK MANAGEMENT STRUCTURE

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

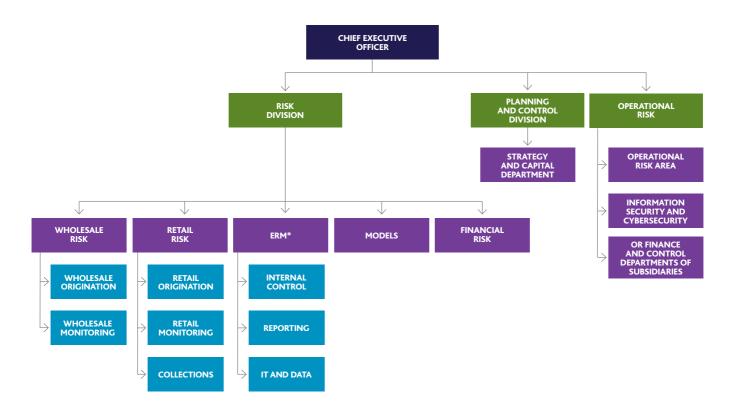
The Risk Division, which oversees credit and financial risk, is divided into five departments: wholesale risk, retail risk, ERM, models and financial risk.

The two remaining divisions are the Operational Risk and Cybersecurity divisions. This structure helps create complete independence from possible sources of operational risk.



In 2018, the Operational Risk Division was created. This structure helps create complete independence from possible sources of operational risk.

The Bank's risk division is structured as follows:



There is also a Loan Restructuring Department for individually assessed wholesale companies, within the Structured Business Division, which reports to the Chief Executive Officer.

Another important component of this structure is the Office of the Controller, which is responsible for regularly and independently evaluating whether the defined risk policies enable effective management and meet regulatory requirements. It is also responsible for conducting audits to verify compliance. The conclusions of these audits are analyzed by the Audit Committee and included in a written report submitted to the Bank's CEO and the department managers involved in the review. The reports provide conclusions from the evaluation and a work plan for resolving the observations made.

# **DEPARTMENT DESCRIPTIONS:**

# 1) CREDIT RISK:

## WHOLESALE RISK:

This department is responsible for the entire credit risk process associated with the risk of individual customer transactions (wholesale), which are mainly associated with Commercial Banking and Finance. In this role, the department is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring operations, ensuring risk is correctly classified and maximizing collection. To accomplish this, the department is structured as follows:

#### A. WHOLESALE ORIGINATION DEPARTMENT

Department responsible for performing risk analysis during origination for all wholesale customers, which includes large companies, medium-sized companies, finances and subsidiaries, as well as evaluating and controlling the Bank's exposure in foreign markets.

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

It has specialists in critical sectors, such as real estate analysis, agriculture and structured financing. It supports reports and warnings used by the monitoring department to control these customers.

It serves as the counterparty and controls the loan process for subsidiaries.

#### D. WHOLESALE RISK MONITORING DEPARTMENT:

The Credit Risk Monitoring Department is responsible for three functions:

Early detection, which helps the Bank more efficiently recover amounts owed by customers.

Consolidating customer and loan information, which provides data for the ongoing reclassification process to ensure that customer classifications faithfully reflect potential losses.

It is also responsible for controlling compliance with credit risk policies, and managing the pre-court collections process for Commercial Banking. It also controls and monitors progress on real estate projects using reports prepared by the Real Estate Analysis Department.

#### **RETAIL RISK:**

This department is responsible for the entire credit process associated with retail customer transactions (Retail Banking). In this role, the department is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring operations, ensuring risk is correctly classified and maximizing collection through the collections department. To accomplish this, the department is structured as follows:

This department is responsible for the entire credit process associated with retail customer transactions (Retail Banking). In this role, the department is responsible for defining the policies and procedures for this process and ensuring compliance, all in line with defined risk appetite. It is also responsible for monitoring operations, ensuring risk is correctly classified and maximizing collection through the collections department. To accomplish this, the department is structured as follows:

#### A. RETAIL LOAN ORIGINATION AND APPROVAL DEPARTMENT:

This department is responsible for the origination process, covering target market, assessment and decision, for customer transactions in the Retail Banking Division. In this role, it is responsible for defining the

policies and procedures for this process and ensuring compliance, all in line with the defined risk appetite.

It is responsible for creating sales campaigns and monitoring outcomes.

#### D. RETAIL RISK MONITORING DEPARTMENT:

The Credit Risk Monitoring Department is responsible for three functions:



Consolidating customer and loan information, which provides data for the ongoing monitoring process of each transaction/ customer, in order to minimize potential losses.

This department is responsible for monitoring all of the Bank's models and making recommendations regarding any deviations detected.

#### C. COLLECTIONS DEPARTMENT

This department is responsible for the collections process and for efficiently recovering amounts owed by customers with payment problems. It also manages pre-court, court and out-of-court collections (defined as sale of the written-off portfolio once all collections alternatives have been exhausted).

#### ERM (ENTERPRISE RISK MANAGEMENT) DEPARTMENT

This department is responsible for universal processes and provides support to the rest of the division. It is responsible for internal control, reporting, and IT management, data and systems maintenance.

#### INTERNAL CONTROL

This department is responsible for centralizing central processes, such as the provisioning process at the month-end close, appraisal management and validation of regulatory files.

It is also charged with controlling internal objectives and it coordinates and monitors budgets.

It is responsible for monitoring compliance with management processes, and ensuring that policies and guidelines are updated,

and prepares Board and risk committee information.

#### REPORTING

This department is responsible for preparing risk management and analysis reports, in order to efficiently manage risk, in accordance with the Bank's defined risk appetite.

It is also responsible for monitoring new market trends in credit risk management in search of new tools and processes to attain its objectives.

It participates in the management of CRWAs by supporting the Bank's capital department.

#### DATA AND IT

This department is responsible for maintaining the management's data and databases, coordinating system maintenance, and supporting the division in all IT-related matters.

#### MODELS DEPARTMENT

This department is responsible for creating and maintaining models, in accordance with the Bank's requirements and guidelines from the Model Monitoring Department.

# 2) FINANCIAL RISK:

#### FINANCIAL RISK DEPARTMENT

This department is responsible for ensuring financial risk is effectively managed. It is staffed by six employees. Further information on its functions is available in section IV.

# 3) **OPERATIONAL RISK:**

#### **OPERATIONAL RISK AND CYBERSECURITY DIVISION**

This division is responsible for ensuring correct operational risk management, business continuity and information security and cybersecurity. It helps to address operational risk issues associated with capital management. It is comprised of three departments that comprehensively manage these risks. Further information on its functions is available in section V.

# III. CREDIT RISK

### A. CREDIT RISK MANAGEMENT OBJECTIVES:

The objective of the Credit Risk Department is to complete the six-stage loan approval process: Target market; analysis and assessment; decision; management; monitoring and control; and collections.

The above must be carried out in accordance with the risk tolerance (appetite) defined by senior management.

#### B. CREDIT RISK STRUCTURE:

The Credit Risk Department has numerous departments that participate throughout the entire loan approval process, supporting the Bank's sales departments at all times and acting as an independent counterweight during the loan decision-making process.

This department is made up of:

- Wholesale Risk
- Retail Risk
- ERM Risk Management:
- Models

### C. CREDIT RISK PROCESS:

The following chart details the six stages of the loan approval process and the departments that participate in each stage.

LOAN APPROVAL PROCESS	COMPANIES	RETAIL
Target Market		
Credit Analysis and Assessment		
Loan Decision	Wholesale	Retail
Credit Management	Risk Management	Risk Management
Credit Monitoring and Control		
Collections		



### C.1 CREDIT RISK STAGES:

#### **1. TARGET MARKET:**

Although the Bank's senior management is responsible for defining the target market, this decision is based on a proposal prepared jointly by the sales and risk departments after having analyzed the opportunities available in the market and the risks associated with the segments, these are reflected in the wholesale risk policy, the retail risk policy, and the wholesale and retail origination guidelines, respectively.

#### 2. CREDIT ANALYSIS AND ASSESSMENT:

The tools used to analyze and assess a customer depend on the customer's market. For example, a scoring system is used in retail banking (individuals and companies), while a case-by-case analysis prepared by a credit risk expert is utilized in commercial banking.

#### **3. LOAN DECISION:**

The Credit Risk Department acts as a counterweight in the loan decision process in all committees on which it sits. It also defines the approval limits for commercial departments and may intervene if risk standards are surpassed at any time.

There is a Board Credit Committee and an Executive Credit Committee. The most important is the Board Credit Committee, which includes four directors, the Bank's CEO, the Risk Division Manager and the Commercial Loan Approval Manager. This committee analyzes the most important loans, assessing close to 70% of loans in terms of amount and 5% in terms of number of customers.

#### 4. CREDIT MANAGEMENT:

This department ensures customers are correctly rated, which begins with executives, followed by reclassifications made mainly by the Monitoring and Control Department, committees and the Loan Restructuring Department, and ends with the Reclassification Committee. The latter body executes and carries out the classification and provisioning process in order to ensure the Bank is operating correctly and to reflect the reality of its portfolio.

It also works with sales departments to keep the number of expired and/or overdrawn lines of credit within expected parameters, and it maintains strict control of appraisals of assets provided to guarantee loans.

#### 5. COLLECTIONS:

In this stage, the specialized Collections (Retail Risk) and Loan Restructuring (Commercial Risk) departments perform a variety of activities to collect on loans, including out-of-court and court collections.

#### 6. MONITORING AND CONTROL:

This stage aims to maintain an overall vision of how the above-mentioned loan processes are functioning. Its involvement includes reviewing and auditing current credit policies, monitoring the performance of the analysis departments and committees, and properly managing credit.

It relies on various sources of information to fulfill its duties, including reports provided by the Credit Risk Intelligence Department and information on portfolio behavior. It uses this information to strictly monitor and control the Bank's portfolio and, as a result, it is the department that proposes most of the potential customer reclassifications.

This function is separated into two departments that serve the Commercial and Retail Banking divisions.

## D. RISK RATING AND PROVISIONS:

Risk rating and assessments for the purpose of calculating loan loss provisions depend on customer and product type. Customers can be rated individually or as a group, as detailed below:

INDIVIDUAL RA	TING	GROUP	RATING
CUSTOMER TYPE	METHODOLOGY	CUSTOMER TYPE	METHODOLOGY
Companies (includes individuals with business accounts)	Business rules	Communications	Chan dand your Jaham and the
Real estate	Business rules	Commercial loans	Standard regulatory matrix
OTHER - Banks		Residential mortgage loans	Standard regulatory matrix
<ul> <li>Restructuring of retail and commercial loans</li> <li>Non-profit</li> <li>Special group leasing</li> </ul>	Business rules	Consumer loans	Internal model

#### D.1 RATING INDIVIDUAL CUSTOMERS:

This group includes all customers (individuals or legal entities) that the Bank needs to understand and analyze in detail because of their size, complexity or exposure level. Customers in this segment are individually assessed, which includes customers with debt and sales above a specific level, and all projects, real estate companies, institutional companies, non-profit companies and bankruptcies.

#### D.2 RATING GROUP LOANS:

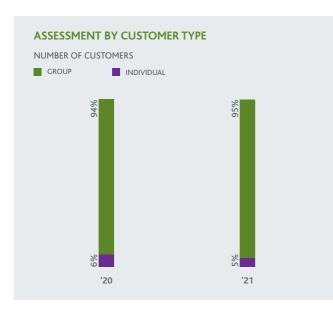
Group assessments are used for customers that tend to behave similarly. Thus, they are assessed using methodologies and models to analyze transactions related to the same product.

- Commercial Products.
- Consumer Products.
- Mortgage Products.

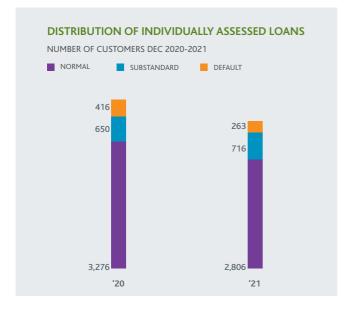


### D.3 DISTRIBUTION OF LOAN PORTFOLIO:

The Bank's portfolio is distributed as follows, based on the type of risk assessment used (i.e. group or individual):



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



### D.4 PORTFOLIO DISTRIBUTION BY DELINQUENCY:

Banco Security's portfolio has the following delinquency levels, detailed by product:

### DECEMBER 2020 MCH\$

PORTFOLIO	LOANS	PAST DUE	NPL (> 90)	% PAST DUE / LOANS	% NPL (> 90) / LOANS
COMMERCIAL	5,291,965	7,970	36,134	0.12%	0.54%
CONSUMER	711,609	1,459	1,730	0.02%	0.03%
RESIDENTIAL MORTGAGE	710,791	140	819	0.00%	0.01%
TOTAL	6,714,365	9,569	38,683	0.14%	0.58%

#### DECEMBER 2021 MCH\$

PORTFOLIO	LOANS	PAST DUE	NPL (> 90)	% PAST DUE / LOANS	% NPL (> 90) / LOANS
COMMERCIAL	5,794,852	14,571	31,485	0.20%	0.43%
CONSUMER	692,159	1,103	982	0.02%	0.01%
RESIDENTIAL MORTGAGE	823,657	1290	729	0.00%	0.01%
TOTAL	7,310,668	15,803	33,196	0.22%	0.45%

### The impaired portfolio by type of assessment is detailed as follows:

#### DECEMBER 2020 MCH\$

ASSESSMENT	LOANS	IMPAIRED	% IMP / LOANS
Group	1,733,025	63,367	0.94%
Individual	4,981,339	391,395	5.83%
TOTAL	6,714,364	454,762	6.77%

#### DECEMBER 2021 MCH\$

ASSESSMENT	LOANS	IMPAIRED	% IMP / LOANS
Group	1,891,844	60,360	0.83%
Individual	5,418,824	412,289	5.64%
TOTAL	7,310,668	472,649	6.47%



# III. FINANCIAL RISK

### A. FINANCIAL RISK MANAGEMENT OBJECTIVES

For the organization, financial activities are defined as all transactions that are closed by the Bank and its subsidiaries Valores Security and Administradora General de Fondos, either on their own account or on behalf of third parties.

In general, financial transactions include operations involving foreign currency, loans, financing instruments, fixed-income instruments, derivatives and stocks.

The strategic objectives of financial activities include:

- Strengthening and expanding the Bank's position, consolidating and developing long-term relationships with customers and different market players, and providing a full range of investment banking products.
- Improving and ensuring the stability of long-term returns and effectively managing the different potential risks.

Financial activities are limited to previously-approved strategic product areas and will only be carried out within the overall risk guidelines defined by the Bank's Board of Directors.

In managing the portfolio of financial investments, the organization will actively manage positions based on an ongoing analysis of economic and financial conditions. Therefore, positions in financial instruments will be in line with the consensus for the macroeconomic outlook. However, short-term trading positions can also be taken to capitalize on a one-time misalignment of a market variable.

In order to achieve the objectives established in the Bank's investment strategies, a broad range of currencies and products can be traded, always in accordance with current applicable regulations.

The Bank is primarily engaged in trading non-derivative fixed-income financial instruments, interbank funding, transactions with repo agreements, foreign currency spot sales and purchases, currency and interest rate derivatives (forwards and swaps), stocks and simultaneous operations.

Treasury products can be geared towards different objectives, such as profiting from short or medium-term variations in market factors, making returns by generating spreads with respect to the financing rate of positions, leveraging maturity mismatches and slopes of interest rate structures or exchange rate differentials, engaging in economic and/or accounting hedges and distributing treasury products through the Bank's sales network.

Derivatives are particularly used to hedge risks, for market arbitrage some market or to take certain proprietary positions.

Hedge management using derivatives can use economic or accounting hedges, depending on the defined strategy.

Strategies with derivatives with accounting hedges can be used to hedge cash flows or the fair value of any item in the statement of financial position or expected transaction that generates risk or volatility in net income, in compliance with international accounting standards. These strategies must meet all requirements included in current regulations and their effectiveness is reviewed at least monthly for each hedge.

Risk management and control take place through policies, procedures, methodologies and limits, which create value for shareholders and the market in general, guaranteeing adequate solvency levels.

These internal limits, defined by portfolio type, maturity mismatches, currency and instrument type based on the Bank's risk appetite, allow the Bank to control risk levels and diversify investment portfolios.

The Bank's policies also allow it to require guarantees under certain circumstances, mainly for derivative transactions, in order to mitigate credit risk.

## B. FINANCIAL RISK STRUCTURE

The Board of Directors is responsible for approving risk management policies, limits and structures for the Bank and its subsidiaries. To accomplish this, it has set up several committees to monitor compliance with defined policies and limits. These committees are made up of directors and executives and provide the Board with regular reports on risk exposure, strategies and management results analyzed in those committees

The following committees currently analyze matters related to financial risk:

- Finance Committee: Controls and manages financial investments from a short and medium-term trading perspective and the risks associated with these portfolios.
- Asset and Liability Committee: Controls and manages the risk of mismatches in assets and liabilities in order to stabilize and
  protect and control the Bank's financial margin and economic value. It also monitors liquidity gaps, diversification of funding
  sources, highly-liquid assets and risk-adjusted capital limits (solvency).

The objective of the Bank's financial risk management policies is to identify and analyze the risks faced by the Group, set concentration limits and put ongoing controls in place to monitor compliance.

The committees regularly revise these policies in order to incorporate changes in market conditions and the Bank's activities. Once revised, the changes are submitted to the Board for its approval.



The Financial Risk Department is responsible for monitoring and controlling risks, but it is independent from the business areas that take and manage the risks.

This department is specifically responsible for:

- Centralizing efforts to control and measure the different risks affecting the Bank and its subsidiaries by applying uniform policies and controls.
- Ensuring that risk managers, senior management and the Board of Directors are kept informed of key matters regarding market and liquidity risk.
- Assuring that recommendations from regulators and internal auditors are followed and appropriately implemented.
- Reporting and monitoring market risk and liquidity and limit compliance on a daily basis for the Bank and its subsidiaries.
- Developing and reviewing the effectiveness of methods and procedures for measuring risk.

Risk is measured and controlled on a daily basis using risk reports used by senior management to make decisions. These reports include Value at Risk measurements and rate sensitivity for both the investment portfolio and the banking book as a whole, risk exposure by portfolio, instrument, risk factors and concentration and compliance with internal limits.

### C. FINANCIAL RISK PROCESS

Risk measurements are based on automated systems used to monitor and control the risk to which the Bank and its subsidiaries are exposed on a daily basis, thus allowing for proper decision-making.

The Treasury is in charge of taking positions and risks within the limits defined by senior management. It is responsible for managing financial risks arising from positions in investment books, from structural asset/liability mismatches and from managing liquidity gaps and also for adequately funding operations.

The Internal Audit Department regularly assesses risk processes. The general risk structure is continuously being evaluated by the CMF, the Bank's independent auditors and other individuals who are independent from management.

## D. DEFINITION OF FINANCIAL RISKS

#### A) MARKET RISK

Market risk represents the potential loss that can result from changes in market prices over a certain period of time as a result of movements in interest rates, foreign currencies, indexation indices and stock prices. These losses affect the value of financial instruments held for trading and available for sale, both for the Bank and its subsidiaries.

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#### MARKET RISK METHODOLOGY

Market risk is measured using the Value at Risk (VaR) methodology, which allows the different risks and types of operations to be standardized, modeling the collective relationship of these factors in a single risk measurement.

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

The methodology used to calculate VaR is a parametric technique that assumes that the price returns on investments follow a normal distribution using a threshold of 95% confidence, a maintenance horizon of 1 day and a historical data sample of 250 days adjusted using statistical techniques to assign greater weight to more recent developments, in order to quickly capture increases in market volatilities.

The assumptions on which the model is based have some limitations, including:

- A maintenance period of one day assumes that the positions can be covered or disposed of within that period. However, investment portfolios held for trading are comprised of highly-liquid instruments.
- A confidence level of 95% does not reflect the losses that could occur in the remaining 5% of the distribution.
- Value at risk is calculated with positions at the end of the day and does not reflect the exposure that could arise during the trading day.
- The use of historical information to determine possible ranges of future outcomes may not cover all possible scenarios, especially exceptional circumstances.
- Market price returns of financial instruments can present abnormal probability distributions.

The limitations of the assumptions used by the VaR model are minimized using nominal limits for investment concentration and sensitivity to specific risk factors.

The reliability of the VaR methodology used is verified using backtesting, which is contrasted with the actual results obtained to determine whether they are consistent with the methodological assumptions within the given confidence levels. Ongoing monitoring of these tests allows the Bank to confirm the validity of the assumptions and hypothesis used in the model.

Control of financial risk is complemented with specific simulation exercises and stress testing to analyze different financial crises that have occurred in the past and the effect they may have on current investment portfolios.

These risks are monitored on a daily basis. Risk levels incurred and compliance with limits established for each unit are reported to risk managers and senior management.

Banco Security and its subsidiaries measure and limit Value at Risk in their investment portfolios (trading and available for sale) by risk factor, interest rates, currencies, instrument type and portfolio type.



The market risks of the different investment portfolios by type of risk are detailed as follows:

	VAR BY TY	(PE OF RISK
	AS OF DECEMBER 31, 2021 MCH\$	AS OF DECEMBER 31, 2020 MCH\$
TRADING:		
Fixed income (rate)	265	122
Derivatives (rate)	173	22
Embedded options (price)	2	3
FX (currency)	154	49
Shares (price)	2	1
Diversification effect	(121)	(1)
TOTAL PORTFOLIO	475	196
AVAILABLE FOR SALE:		
Rate	1,384	459
TOTAL PORTFOLIO	1,384	459
Total diversification	(271)	(99)
TOTAL VAR	1,588	556

## B) STRUCTURAL INTEREST RATE RISK

This risk stems mainly from commercial activity (commercial loans v/s deposits), caused by the effects of variations in interest rates and/ or the slopes of interest rate curves to which assets and liabilities are indexed. When these show temporary repricing or maturity gaps, they can impact the stability of results (financial margin) and solvency levels (economic value of equity).

To do this, the Bank establishes internal limits using sensitivity techniques for interest rate structures. The Bank also uses stress testing to evaluate the sensitivity of interest rates, currency repricing, changes in stock prices, changes in underlying assets for options and changes in commissions that may be sensitive to interest rates. This stress testing enables the Bank to measure and control the impact of sudden movements in the different risk factors that affect its solvency ratio, the financial margin and the economic value of equity.

Compliance with limits established by the Bank, in accordance with the definitions established by the Chilean Central Bank in Chapter III.B.2.21 of the Compendium of Financial Standards and by the CMF in Chapter 12- 21 of the Updated Standards, is also monitored on a daily basis. The Bank also files a weekly report with the CMF on the risk positions of the investment portfolio within the trading book and limit compliance. It also files a monthly report with the CMF on the consolidated positions at risk (including subsidiaries) for the trading book and individually for the banking book, which includes sensitivity to market risk in the available-for-sale portfolio and the commercial book.

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GRUPO SECURITY AT A GLANCE

In accordance with the methodology defined in Chapter III.B.2.2 of the Compendium of Financial Standards of the Chilean Central Bank, market risk is detailed as follows:

	MARKET RISK T	RADING BOOK
	AS OF DECEMBER 31, 2021 MCH\$	AS OF DECEMBER 31, 2020 MCH\$
MARKET RISK		
Interest rate risk	7,709	6,846
Currency risk	2,942	2,714
Options risk	12	6
TOTAL RISK	10,663	9,566
Consolidated risk-weighted assets	7,043,682	6,596,514
Regulatory capital (RC)	982,029	926,896
Basel limit	8.00%	8.00%
Basel with market risk	13.68%	13.80%
Basel I	13.94%	14.05%

	MARKET RISK BANKING BOOK			
	AS OF DECEMBER 31, 2021 MCH\$	AS OF DECEMBER 31, 2020 MCH\$		
SHORT-TERM				
Interest rate risk (short-term)	32,336	26,515		
UF mismatch	8,121	168		
Sensitive commissions	180	220		
TOTAL RISK	40,637	26,903		
Limit 35% margin (Board)	77,138	71,880		
Surplus (Board)	36,501	44,977		
LONG-TERM				
Interest rate risk	37,895	41,755		
Limit 25% RC (Board)	245,507	231,724		
Surplus (Board)	207,612	189,969		

The regulatory methodology is focused on measuring and controlling exposure to losses that may be incurred as a result of adverse changes in market interest rates or in the value, measured in domestic currency, of foreign currencies and indexation units or indices in which instruments, contracts and other transactions are denominated, which are registered as assets or liabilities.



That methodology involves classifying cash flows from the asset and liability positions into fourteen time bands. These amounts are sensitized in present value through movements in interest rate curves (this is the greatest risk factor for the positions of the Bank and its subsidiaries), assigning vertical and horizontal adjustments that attempt to simulate the effects of correlations between maturities and currencies.

For the trading book, the following shocks are established in basis points (bps) over the interest rate curves:

- In CLP and FX, 125 bp in the bands up to 1 year, 100 bp between 1 and 4 years and 75 bp over 4 years.
- In CLF, they start at 350 bp up to 1 month, decreasing almost proportionally in each of the bands until reaching 75 bp over 4 years.

For the banking book, the impacts on the interest rate curves are detailed as follows:

- In CLP and FX, 200 bp across the board for all control bands.
- In CLF, 400 bp for up to 1 year, 300 bp between 1 and 2 years and 200 bp for bands over 2 years.

The details of other types of lower-impact risks (indexation, options, currency) are detailed in Appendix 1 of Chapter III.B.2.2

## C) LIQUIDITY RISK

Liquidity risk represents the possibility of not fulfilling obligations when they mature as a result of the inability to liquidate assets or obtain funds, or not being able to dispose of them easily or offset exposure without significantly reducing prices due to insufficient market depth (market liquidity).

The following concepts are involved with liquidity risk.

- MATURITY RISK: the risk arising from having cash inflows and outflows with different maturity dates.
- COLLECTION RISK: the risk of being unable to collect any cash inflow as a result of stoppage of payment, default or delay.
- FUNDING RISK: the risk of being unable to raise market funds, either in the form of debt or capital, or only being able to do so by substantially increasing the cost of funds, thus affecting the financial margin.
- CONCENTRATION RISK: the risk from concentrating funding or revenue sources in a few counterparties that may bring about an abrupt change in the matching structure.
- LIQUIDITY MARKET RISK: this risk is linked to certain products or markets and arises from not being able to close or sell a particular position at the last quoted market price (or a similar price) due to low liquidity.

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GRUPO SECURITY AT A GLANCE

#### LIQUIDITY RISK METHODOLOGY

The methodologies used to control liquidity are the liquidity gap, which considers probable behavior scenarios for assets and liabilities, stress testing, liability concentration limits and early warning indicators.

The liquidity gap provides information regarding contractual cash inflows and outflows (i.e. those that will occur at a given future time according to asset and liability contracts). For items without contractual maturities, simulations are created based on statistical studies to infer maturity behavior.

Based on these scenarios, assumptions for normal operating conditions are established. These omit items (mainly assets) that create a set of conservative liquidity management conditions from daily management. They are limited through minimum mismatching margins per control segment defined on a weekly and monthly basis over a horizon of one year.

This is supplemented by special procedures to face a liquidity crisis and early warning indicators that can identify any potential risk.

A series of ratios and funding concentration limits by creditor and maturity are also controlled. This enables the Bank to keep its funding sources organized and diversified.

The Bank uses the contractual maturity methodology to comply with the regulatory liquidity limits established in Chapter III.B.2.1 of the Chilean Central Bank's Compendium of Financial Standards and Chapter 12- 20 of the CMF's Updated Compilation of Standards.

Mismatches and compliance with consolidated regulatory limits by the Bank and its subsidiaries are reported to the CMF every three days.



Details of regulatory liquidity gaps as of December 31, 2021 and 2020, in all currencies presented in MCH\$, are as follows.

	< 1 M	ONTH	1 - 3 MC	ONTHS		NTHS /EAR	1 - 3 \	/EARS	3 - 6	YEARS	> 6 Y	EARS	то	TAL
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Available funds	847,972	491,213	-	-	-	-	-	-	-	-	-	-	847,972	491,213
Financial investments	829,691	943,557	143,689	1,681	200	9,921	151,905	24,782	135,629	35,012	160,344	31,393	1,421,458	1,046,346
Loans to other domestic banks	288	52	678	-	155	-	-	-	-	-	-	-	1,121	52
Commercial and consumer loans	507,414	500,920	500,900	503,257	1,267,397	1,322,935	1,392,523	987,212	1,243,321	1,394,733	1,469,878	1,250,582	6,381,433	5,959,639
Lines of credit and overdrafts	261,259	312,003	533,354	627,275	717,542	643,708	-	-	-	-	-	-	1,512,155	1,582,986
Residential mortgage loans	5,340	4,846	11,035	9,728	50,274	43,977	329,496	226,036	294,192	319,343	347,800	286,338	1,038,137	890,268
Other assets	109,360	96,490	1,219	513	495	74	-	-	-	-	-	-	111,074	97,077
Derivatives	74,240	218,434	194,003	163,990	275,822	134,314	127,554	92,032	113,887	130,022	134,639	116,584	920,145	855,376
	2,635,564	2,567,515	1,384,878	1,306,444	2,311,885	2,154,929	2,001,478	1,330,062	1,787,029	1,879,110	2,112,661	1,684,897	12,233,495	10,922,957
Current accounts and other demand deposits	1,617,178	1,128,570	-		-	-	-	-	-	-	-	-	1,617,178	1,128,570
Domestic interbank loans	10,828	4,762	42,103	-	5,991	-	586,573	262,464	282,423	262,806	296,219	325,658	1,224,137	855,690
Savings accounts and time deposits	602,110	600,990	604,470	726,053	652,362	546,052	11,181	7,096	5,384	7,106	5,646	8,805	1,881,153	1,896,102
External funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortgage bonds	114	303	157	418	439	1,215	520	3,459	250	3,464	262	4,292	1,742	13,151
Bonds	2,363	1,999	91,914	16,602	349,670	337,539	1,527,847	893,776	735,627	894,939	771,560	1,108,972	3,478,981	3,253,827
Lines of credit and overdrafts	267,453	314,111	543,518	636,225	728,761	655,195	-	-	-	-	-	-	1,539,732	1,605,531
Other liabilities	215,858	202,809	42,623	55,807	179,381	100,113	36,219	24,273	17,439	24,304	18,290	30,117	509,810	437,423
Derivative instruments	98,042	239,529	198,384	168,609	273,281	122,231	155,684	92,822	74,959	92,943	78,620	115,171	878,970	831,305
	2,813,946	2,493,073	1,523,169	1,603,714	2,189,885	1,762,345	2,318,024	1,283,890	1,116,082	1,285,562	1,170,597	1,593,015	11,131,703	10,021,599
Net cash flow	(178,382)	74,442	(138,291)	(297,270)	122,000	392,584	(316,546)	46,172	670,947	593,548	942,064	91,882	1,101,792	901,358
Accumulated net cash flow	(178,382)	74,442	(316,673)	(222,828)	(194,673)	169,756	(511,219)	215,928	159,728	809,476	1,101,792	901,358		
Regulatory limit	(700,559)	(659,308)	(1,401,118)	(1,318,616)										
Limit exceeded by	(522,177)	(733,750)	(1,084,445)	(1,095,788)										

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

#### Regulatory liquidity gap as of December 31, 2021 and 2020, in foreign currency presented in MCH\$

	< 1 M	ONTH	1 - 3 M	ONTHS	3 MO - 1 Y	NTHS ′EAR	1-3	/EARS	3 - 6 Y	'EARS	> 6 YEARS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Available funds	606,888	287,902	-	-	-	-	-	-	-	-	-	-	606,888	287,902
Financial investments	139,703	148,765	-	-	-	-	-	-	-	-	-	-	139,703	148,765
Loans to other domestic banks	288	52	678	-	155	-	-	-	-	-	-	-	1,121	52
Commercial and consumer loans	91,273	67,034	92,574	42,144	187,828	144,081	184,294	123,753	164,548	174,838	194,531	156,768	915,048	708,618
Lines of credit and overdrafts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	21,707	14,622	1,219	513	495	74	-	-	-	-	-	-	23,421	15,209
Derivatives	34,086	179,773	142,278	125,863	116,033	79,169	51,548	39,432	46,025	55,710	54,412	49,952	444,382	529,899
	893,945	698,148	236,749	168,520	304,511	223,324	235,842	163,185	210,573	230,548	248,943	206,720	2,130,563	1,690,445
Current accounts and other demand deposits	517,237	293,422	-	-	-	-	-	-	-	-	-	-	517,237	293,422
Domestic interbank loans	102	1,079	-	-	-	-	-	-	-	-	-	-	102	1,079
Savings accounts and time deposits	177,977	223,650	178,766	246,576	292,302	97,619	-	-	-	-	-	-	649,045	567,845
External funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	106,485	76,917	40,133	53,525	176,036	97,871	26,605	19,857	12,810	19,883	13,435	-	375,504	268,053
Derivative instruments	69,380	138,480	110,003	147,197	197,903	66,307	78,395	46,456	37,746	46,517	39,589	57,642	533,016	502,599
	871,181	733,548	328,902	447,298	666,241	261,797	105,000	66,313	50,556	66,400	53,024	57,642	2,074,904	1,632,998
Net cash flow	22,764	(35,400)	(92,153)	(278,778)	(361,730)	(38,473)	130,842	96,872	160,017	164,148	195,919	149,078	55,659	57,447
Accumulated net cash flow	22,764	(35,400)	(69,389)	(314,178)	(431,119)	(352,651)	(300,277)	(255,779)	(140,260)	(91,631)	55,659	57,447		
Regulatory limit	(700,559)	(659,308)												
Limit exceeded by	723,323	623,908												

This regulatory methodology is based on measuring and controlling the difference between cash outflows and inflows, on and off balance sheet, for a given maturity or time band, which is known as a maturity gap.

Maturity gaps are calculated separately for domestic and foreign currency. Cash flows related to indexed items or those expressed in foreign currency but payable in domestic currency are always recognized in the maturity gap in domestic currency.

Chapter III.B.2.1 V.1 No. 8, letter b, establishes the criteria for allocating flows among time bands. Asset accounts and their corresponding cash inflows are classified in a time band based on the latest maturity or contractual date of payment, as appropriate. Cash outflows related to liability accounts are classified in a time band based on the nearest contractual maturity date.

Likewise, to calculate gaps, debtors, depositors and creditors are classified as "wholesalers" (i.e. considering the effect on liquidity of each operation recognized in its books contractually with no adjustments based on the hypothesis of renewal (the most conservative position in liquidity management).

To supplement these gap analyses, the Bank monitors the amount of liquid assets backing net cash outflows over a 30-day horizon under stress scenarios (Liquidity Coverage Ratio or LCR).



LCR = High Quality Liquid Assets / Net Outflows Stressed up to 30 Days

The calculation methodology, assumptions and criteria are detailed in Chapter 12-20 of the CMF's Updated Compilation of Standards.

The LCR has a regulatory limit of 80% (year 2021), which increases by 10% every year until it reaches 100% in 2023.

Among its risk control policies, Banco Security has established internal limits that are more conservative than current regulations, maintaining a ratio above 100% at all times in 2021 and reaching 344.16% as of 12/31/2020.

#### **HEDGE ACCOUNTING**

The Bank hedges assets or liabilities in the statement of financial position using derivatives in order to minimize the effects on profit or loss of possible variations in their market value or estimated cash flows.

At the inception of the hedge relationship, the Bank formally documents the relationship between hedging instruments and the hedged item, as well as the hedge's strategies and objectives and the methodologies for testing its effectiveness.

The effectiveness of the hedge relationship is tested using prospective and retrospective evaluations. The hedge is deemed highly effective if the results of the tests are between 80% and 125%.

As of December 31, 2021, the Bank has six hedge accounting strategies to cover the following risks:

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

#### EMBEDDED DERIVATIVES

These derivatives can be embedded in another contractual agreement (or host contract) and, therefore, are accounted for at market price separately from the host contract when it is not recognized at fair value since the characteristics and economic risks of the embedded derivative are not related to the characteristics and economic risks of the host contract.

Currently, the Bank carries at fair value through profit and loss embedded derivatives arising from variable rate mortgage loans that incorporate a fixed rate after a certain amount of time or a rate ceiling used by customers to obtain an option in their favor. These will generate negative effects for the Bank when market rates are above the rate ceiling on these loans. This effect is determined on a daily basis using sophisticated methodologies to evaluate options, and the change in fair value is treated as profit or loss for the year (increases in the theoretical value of that derivative are a loss for the Bank).

Relevant data on these embedded derivatives are as follows:

	AS OF DECEMBER 31, 2021 MCH\$	AS OF DECEMBER 31, 2020 MCH\$
Balance MUF mortgage portfolio	26	36
Rate ceiling (average)	7.2%	7.2%
Option value MCH\$	39	16

# IV. OPERATIONAL RISK (Unaudited)

## A. DEFINITION

The Bank and its subsidiaries define operational risk as the risk of losses resulting from inadequate or faulty processes, staff and internal systems, or due to external incidents. This definition includes legal and reputational risks but excludes strategic risks.

Furthermore, loss (write-off) is defined as negative financial effects on the physical, financial or intangible assets of the Bank or its subsidiaries caused by the materialization of an operational risk. If this event does not cause negative financial effects, then it will be treated as an "incident" and all losses and incidents are recorded on a consolidated basis, in accordance with the current regulatory framework.

## B. OBJECTIVES

The objective is to define a framework for managing operational risk in Banco Security and its subsidiaries. This includes establishing principles for identifying, assessing, controlling and mitigating such risk in order to reduce losses from operational risk, thus complying with corporate objectives, appetite definitions and operational risk exposure, where the framework for action is defined in board-approved policies.

# C. OPERATIONAL RISK MANAGEMENT STRATEGY

The operational risk and cybersecurity management strategy, implemented by the Operational Risk and Cybersecurity Division, must be consistent with the volume and complexity of the activities of the Bank and its subsidiaries. Therefore, it prepares action plans to manage operational risk in the following areas: products, processes and projects, fraud prevention, outsourced services, business continuity, information security and cybersecurity, which are implemented throughout the Bank and its subsidiaries.

The strategy must set a risk appetite and tolerance level for operational risk taken on by the Bank and its subsidiaries that enables it to manage mitigation efforts and monitor risks with exposure greater than or equal to this set tolerance. The strategy must be implemented



throughout the entire Bank and its subsidiaries, which means that all personnel must understand and carry out their role in managing this risk.

At a minimum, the strategy should address alignment and compliance with the internal and external regulatory framework, annual planning, operational risk model and methodology, and tools to manage and monitor all operational risks at the Bank and its subsidiaries.

### D. OPERATIONAL RISK STRUCTURE

The Operational Risk and Cybersecurity Division reports to the Chief Executive Officer and controls the Processes Operational Risk Department, which manages external fraud and outsourced services, the Finance Operational Risk Department, which controls operational risk issues at subsidiaries and capital management, and the Information Security and Business Continuity Department. The latter manages everything related to cybersecurity. This is a very important issue, as the Bank has changed how it delivers its services and the patterns and profiles of those who perpetrate illegal acts and who intend to affect the Organization have also changed. It has a second-line-of-defense supporting role in all the digital transformation and operational continuity processes.

According to the operational risk policy approved by the Board of Directors, risk management is based on those responsible for and those who carry out processes, who are the primary risk managers (first line of defense, in their role as process owners); the Operational Risk and Cybersecurity Division, which is responsible for operational risk management and monitoring (second line of defense, by proposing policies and a risk management framework); 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 its objectives and best practices and that the Bank has the trained personnel, organizational structure and budget necessary to implement this framework. The third line of defense is the Internal Control Department, which plays an important role in ensuring that the model to manage this risk is correctly implemented. This model has three lines of defense with a process approach and continual audit monitoring.

#### E. OPERATIONAL RISK MANAGEMENT

In order to properly manage risk and comply with the objectives defined by the Bank in its Operational Risk Policy and other related policies, a series of activities have been developed as the basic pillars for implementing the Operational Risk Management Framework, as described below:

- CULTURE: Raising awareness of the importance of operational risk management across the entire organization, which should be universal and incorporate every organizational level.
- QUALITATIVE MANAGEMENT: Detecting present, potential and emerging risks, in order to effectively manage them. That means avoiding, transferring, mitigating or accepting such risks. Qualitative management is based on:
  - Executing a process to identify and assess Operational Risks in processes and projects carried out by the organization
  - Managing an incident log
  - Tracking key risk indicators (KRI) for the organization's main risks, based on its risk appetite
  - Monitoring critical and non-critical suppliers

QUANTITATIVE MANAGEMENT: Creating awareness in the organization of the level and nature of consolidated operational loss events. This enables the Bank to budget for the effects of expected losses and to efficiently allocate capital for unexpected losses. Quantitative management is based on actively managing the operational loss database, which contains all events that have generated such losses with sufficient detail to attack the root causes of the events using analysis.

## E. OPERATIONAL RISK MANAGEMENT FRAMEWORK

The Operational Risk Management Framework is applied in the following stages:

- ESTABLISHING THE CONTEXT: Setting the strategic, organizational and risk management context within which the process will take place. The Bank must stipulate the criteria for assessing risks and define the analysis structure.
- IDENTIFYING RISKS: Associating risks with the numerous processes and/or procedures executed as part of the various activities carried out by the Bank and its subsidiaries.
- ANALYZING RISKS: Specifically analyzing each of the risks detected based on the context set to determine whether that risk has an associated control or requires an action or mitigation plan. This situation will be established in accordance with the priorities of the Bank and its subsidiaries.
- ASSESSING RISKS: Assessing each of the risks based on the probability of occurrence and the level of impact.
- MITIGATING RISKS: Once risks have been detected and assessed, an analysis will be performed. To accomplish this, the Bank will define an action plan, assign an individual in charge of executing it and set a date for its resolution.
- MONITORING AND REVIEWING: Monitoring, reviewing and updating the risk survey and resolution commitments from the person in charge; Live risk.
- COMMUNICATING AND CONSULTING: Communicating and consulting with internal and external stakeholders, as appropriate, in each stage of the risk management process, considering the process as a whole.
- CULTURE: Developing various initiatives that help the organization to understand every aspect of operational risk, in order to make the model sustainable and manage operational and cybersecurity risk.

# V. RISK COMMITTEES

In order to correctly manage risks, Banco Security has set up several risk committees, as described briefly below:

#### A. CREDIT RISK COMMITTEES

The credit risk committees are the Board Credit Committee and the Executive Credit Committee. The Bank's retail banking and commercial banking credit risk policies clearly specify the criteria used to identify which committee should analyze each transaction. The sales areas



have almost no lending authority on their own and must almost always obtain approval from the credit risk areas or the respective committees in order to approve loans.

#### COMPOSITION OF CREDIT RISK COMMITTEE:

The Committee is made up of four directors, the Bank's CEO, the Risk Division Manager and the Commercial Loan Approval Manager.

The Bank also has an Executive Credit Committee.

#### MATTERS ADDRESSED:

These committees are responsible for approving or rejecting the loan applications submitted to the appropriate committee based on the loan amount and conditions.

#### **FREQUENCY**:

The Board Credit Risk Committee meets every Tuesday and Thursday (except the second Thursday of each month) while the Executive Credit Risk Committee meets every Wednesday.

#### **BOARD INVOLVEMENT:**

The Board is highly involved with the credit risk process through the Board Credit Risk Committee. Two directors and the chairman of the Board participate on this committee, which is the Bank's main credit risk body and is responsible for approving the most important transactions.

## B. CREDIT RISK RECLASSIFICATION COMMITTEE

This committee's objective is to review customer risk classifications in light of new developments that may downgrade or upgrade their risk rating provided by the rating system.

This committee meets monthly and is comprised of:

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

## C. WATCH COMMITTEE

This committee is responsible for monitoring and controlling operations and customers by reviewing information on potential future problems (asymptomatic), non-evident variables and evident variables. It also monitors any previously given instructions.

There are two types of committees:

- i. The Board Watch Committee.
- ii. The Monitoring or Executive Watch Committee.

## D. MODELING COMMITTEE

This committee meets to review and monitor all models used for credit risk management. It is also charged with approving new models and monitoring progress. It also reviews the different credit risk methodologies that the Bank uses or is considering using.

## E. RISK COMMITTEE

This committee's objective is to comprehensively review risks faced throughout the Bank and those that may impact it in the future. Based on this review, it generates guidelines and approves action plans in order to meet the objectives outlined in the budget based on the defined risk appetite.

This committee also reviews credit risk policies and processes and lending authority and any proposed amendments.

In addition, it analyzes the matters and resolutions discussed by the remaining credit risk committees. This committee is in charge of presenting topics, committee resolutions and policies to the Board for its approval.

This committee meets monthly and its members are:

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

## F. FINANCE COMMITTEE

This committee's objective is to jointly evaluate positions in financial investments and risks taken by the Bank and its subsidiaries, defining strategies to be adopted and validating compliance.



Its main duties include reporting on each unit's performance regarding profits and margins versus budget, aligning strategies and escalating investment and divestiture decisions.

The Financial Committee is also responsible for proposing risk management policies and methodologies for managing financial assets to the Board and ensuring compliance with market risk limits.

This committee is comprised of:

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

## G. OPERATIONAL RISK COMMITTEES

This committee's objective is to define the guidelines for properly managing operational risk and giving continuity to the operational risk management model, policies and strategy, approving action plans and control indicators that help mitigate it, in addition to being knowledgable of operational risks and how they are managed by the Bank and its subsidiaries, among other activities.

#### PERIODICITY

The Operational Risk Committee meets regularly, ideally monthly or as otherwise needed.

Members of Operational Risk Committee

- Director (committee chairman)
- Chief Executive Officer (committee vice chairman)
- Operational and Cybersecurity Risk Division Manager (committee Secretary)
- Operations and IT Division Manager (replaces vice chairman)
- Commercial Banking Division Manager
- Retail Banking Division Manager
- Finance and Corporate Division Manager
- Planning and Control Division Manager
- Credit Risk Division Manager
- General Counsel
- Information Security and CISO Officer
- Asset Management Division Manager
- Compliance Manager
- Controller\*

# **INTEGRATED REPORT** 2021

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

The Controller for Banco Security must attend committee meetings but does not have any responsibility for risk management carried out by the first and second lines of defense. His or her role is to ensure that any potential corrective measures in response to observations on areas audited by his or her unit are properly implemented.

The operational risk committee reports to the Comprehensive Risk Committee.

## **BOARD INVOLVEMENT**

The Board is informed about the implementation of the Operational Risk Policy and other related policies, as well as the detection of incidents, potential risks and measurements of operational and cybersecurity risks (i.e., occurrence, severity, approval of new products and services, among others).

## H. ASSET AND LIABILITY COMMITTEE

This committee is responsible for managing and controlling (1) structural maturity and currency mismatches in the statement of financial position, (2) liquidity and (3) the Bank's financial margin and stability, as well as for (4) defining and controlling capital management policies.

The standing members of this committee are:

- Two directors
- Chief Executive Officer
- Finance and Corporate Division Manager
- Risk Division Manager
- Financial Risk Manager
- Planning and Management Manager
- Trading Desk and Investment Manager
- Distribution Desk Manager
- Asset and Liability Management Desk Manager
- Commercial Banking Division Manager
- Retail Banking Division Manager
- Foreign Trade and International Services Manager

## VI. CAPITAL REGULATORY REQUIREMENTS

In accordance with the General Banking Law, the Bank must maintain a minimum ratio of Regulatory Capital to Consolidated Risk-Weighted Assets of 8%, net of required provisions, and a minimum ratio of Core Capital to Total Consolidated Assets of 3%, net of



required provisions. To accomplish this, Regulatory Capital is determined based on Capital and Reserves and Basic Capital with the following adjustments: a) Adding subordinate bonds limited to 50% of Basic Capital and b) subtracting the asset balance of goodwill or premiums paid and unconsolidated investments in companies.

Assets are weighted using risk categories, which are assigned a risk percentage based on the capital needed to support each asset. There are 5 risk categories (0%, 10%, 20%, 60% and 100%). For example, cash, due from banks and financial instruments issued by the Chilean Central Bank have 0% risk, which means that, in accordance with current standards, no capital is required to back up assets. Property, plant and equipment have 100% risk, which means that a minimum capital equivalent to 8% of the value of these assets is needed.

All derivative instruments traded off-market are taken into account to determine risk assets using conversion factors over notional values, thus calculating the value of the credit risk exposure (or "credit equivalent"). For weighting purposes, "credit equivalent" also considers off-balance sheet contingent loans.

Levels of Basic and Regulatory Capital as of December 31, 2021 and 2020, are detailed as follows:

	CONSOLIDA	TED ASSETS	RISK-WEIGH	ITED ASSETS
	20201 MCH\$	2020 MCH\$	20201 MCH\$	2020 MCH\$
ASSETS, NET OF PROVISIONS				
Cash and due from banks	840,208	447,692	-	-
Transactions in the course of collection	54,727	39,433	28,273	28,037
Financial instruments held for trading	48,564	110,673	24,610	57,745
Receivables from repurchase agreements and securities borrowing	-	-	-	-
Financial derivative instruments	170,621	146,623	130,988	115,207
Loans and advances to banks	2,824	724	1,928	683
Loans to customers	6,570,023	6,104,615	6,075,698	5,671,380
Investments available for sale	1,334,855	932,317	335,182	332,493
Investments held to maturity	-	-		
Investments in other companies	2,111	2,095	2,111	2,095
Intangible assets	40,060	41,645	27,021	28,606
Property, plant and equipment	19,967	20,980	19,967	20,978
Lease right-of-use asset	7,398	7,297	7,398	7,297
Current tax assets	3,146	1,992	315	199
Deferred tax assets	58,785	28,899	5,879	2,890
Other assets	142,719	113,046	76,235	68,174
OFF-BALANCE-SHEET ASSETS				
Contingent loans	513,462	434,551	308,077	260,730
TOTAL RISK-WEIGHTED ASSETS	9,809,470	8,432,582	7,043,682	6,596,514

	AMOUNT	AMOUNT	RATIO	RATIO
	2021 MCH\$	2020 MCH\$	2021 %	2020 %
Core capital	700,559	661,885	7.14%	7.85%
Regulatory capital	982,029	926,896	13.94%	14.05%

#### Regulatory capital is calculated as follows:

	AS OF DECEMBER 31, 2021 MCH\$	AS OF DECEMBER 31, 2020 MCH\$
CORE CAPITAL	700,559	661,885
Subordinated bonds	285,952	273,997
Additional provisions	8,500	4,000
Equity attributable to non-controlling interests	57	53
Goodwill subsidiaries	(13,039)	(13,039)
REGULATORY CAPITAL	982,029	926,896

## INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY INDICATORS

As of December 1, 2021, the CMF changed the indicators for regulatory capital requirements, following the recommendations and methods proposed by the Basel Committee on Banking Supervision (Basel III).

The new regulatory capital factors must be used to comply with the limits in the LGB, and each bank must appropriately manage its capital.

Therefore, the Basel III indicators and values are as follows:



## TABLE 1: TOTAL ASSETS, RISK-WEIGHTED ASSETS AND REGULATORY CAPITAL COMPONENTS

Investment in unconsolidated subsidiaries           S         Constitution in the unconsolidated subsidiaries         Constitution in the unconsolidated subsidiaries         State         State </th <th>ITEL</th> <th></th> <th>GLOBAL CONSOLIDATED</th> <th>LOCAL CONSOLIDATED</th>	ITEL		GLOBAL CONSOLIDATED	LOCAL CONSOLIDATED
22Investment in unconsolidated subsidiaries0033Assets discounted from regulatory capital, other than item 20044Laan equivalents170,621170,62155Contingent toans513,462513,462513,46256Contingent toans0007= (1-2-3+4+5-6) TOTAL ASSETS FOR REGULATORY PURPOSES980,4699809,4698.ACredit risk-weighted assets, estimated using internal methods (CRWA)675,5916,725,918.BCredit risk-weighted assets (MRWA)290,889290,88910Operational risk-weighted assets (MRWA)290,889290,88911.A= (8A/8.B+9+0) RISK-WEIGHTED ASSETS (RWA)7,472,3597,472,35912Equity attributable to owners7,472,3597,472,35913Non-controlling interests00014Coodwil13,03931,03931,03915Excess minority investments00016= (1+1-1-15) Common equity tier 1 equivalent (CET1)667,277667,77717Additional deductions to common equity tier 1 equivalent (AT1)66,22466,22416= (1+2-1) - CMMON EQUITY TIER 1 CAPITAL (AT1)66,22466,22417Preferred hares as Additional Tier 1 capital (AT1)0018= (1+2-2) COMMON EQUITY TIER 1 CAPITAL (AT1)747,239747,23619Voluntary additional provisions as Tier 2 capital (AT1)0020Subordinated bonds as Tier 2 capital			2021	2021
3       Assets discounted from regulatory capital, other than item 2       0       0         4       Laan equivalents       170.621       170.621         5       Contingent loans       513.462       513.462         5       Assets generated by torbering financial instruments       0       0         7       r1-2-3+445-6) TOTAL ASSETS FOR RECULATORY PURPOSES       9809.469       9.809.469         8.A       Credit risk-weighted assets, estimated using internal method (CRWA)       6.725,591       6.725,591         8.B       Credit risk-weighted assets, estimated using internal methods (CRWA)       200.809       200.809         9       Market risk-weighted assets (NRWA)       200.809       200.809         11.A       r(BA/BA+9+10) RISK-WEIGHTED ASSETS (RFER APPLYING THE OUTPUT FLOOR (RWA)       7.472.359       7.472.359         11.B       r(BA/BA+9+10) RISK-WEIGHTED ASSETS (RFER APPLYING THE OUTPUT FLOOR (RWA)       7.472.359       7.472.359         11.A       r(BA/BA+9+10) RISK-WEIGHTED ASSETS (RFER APPLYING THE OUTPUT FLOOR (RWA)       7.472.359       7.472.359         11.B       r(BA/BA+9+10) RISK-WEIGHTED ASSETS (RFER APPLYING THE OUTPUT FLOOR (RWA)       7.472.359       7.472.359         11.B       r(BA/BA+9+10) RISK-WEIGHTED ASSETS (RFER APPLYING THE OUTPUT FLOOR (RWA)       7.472.359       7.472.359         <	1	Total assets according to the statement of financial position	9,125,386	9,125,386
44       Loan equivalents       170.621       170.621         55       Contingent Loans       513.462       513.462         50       Assets generated by brokering financial instruments       0       0         7       = (1-2-3+45-6) TOTAL ASSETS FOR REGULATORY PURPOSES       9809.469       9,809.469         8.A       Credit risk-weighted assets, estimated using internal method (CRWA)       6,725.591       6,725.591         8.B       Credit risk-weighted assets, estimated using internal method (CRWA)       290,889       290,889         100       Operational risk-weighted assets (ORWA)       290,889       455.879         111.B       = (8.A/8.B+9+10) Risk-WEIGHTED ASSETS (RWA)       7.472.359       7.472.359         112.E       Equity attributable to owners       700.559       700.559         133. Non-controlling interests       57       57         144. Goodwill       130.39       13.039         155. Excess minority investments       0       0         16       -(12-13-14-15) Common equity tier 1 equivalent (CET1)       687.577       687.577         174. Additional deductions to common equity tier 1 equivalent (CET1)       66.224       66.224         18       -(16-17-2) COMMON EQUITY TIER 1 (CET1)       687.577       687.577         194. Vol	2	Investment in unconsolidated subsidiaries	0	0
S         Contingent loans         513,462         513,462           5         Assets generated by brokering financial instruments         0         0           7         = (1-2-3+44-5-6) TOTAL ASSETS FOR RECULTORY PURPOSES         9,809,469         9,809,469           8.A         Credit risk-weighted assets, estimated using internal method (CRWA)         6,725,591         6,725,591           8.B         Credit risk-weighted assets, estimated using internal methods (CRWA)         290,889         230,889           10         Operational risk-weighted assets (ORWA)         455,879         455,879           11.B         = (8,47,88+9+10) RISK-WEIGHTED ASSETS (RWA)         7,472,359         7,472,359           11.B         = (8,47,88+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7,472,359         7,07539           12         Equity attributable to owners         7,07         57         57           13         Non-controlling interests         50         0         0           15         Excess minority investments         667,577         687,577           16         = (16-17-2) COMMON EQUITY TEN 1 (cpt1)         687,577         687,577           17         Additional provisions as Additional Tier 1 capital (AT1)         662,224         662,224           10	3	Assets discounted from regulatory capital, other than item 2	0	0
Asset generated by brokering financial instruments         0         0           7         = (1-2-3+4+5-6) TOTAL ASSETS FOR RECULATORY PURPOSES         9,809,469         9,809,469           8.A         Credit risk-weighted assets, estimated using standard method (CRWA)         6,725,591         6,725,591           8.B         Credit risk-weighted assets, estimated using internal methods (CRWA)         0         0           0         Operational risk-weighted assets (ORWA)         455,879         455,879           11.A         = (BA/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7,472,359         7,472,359           12.         Equity attibutable to owners         700,559         700,559           13.         Non-controlling interests         70         0         0           14.         Goodwill         13,039         13,039         13,039           15.         Excess minority investments         0         0         0           16.         = (12+13-14-15) Common equity tier 1, other than item 2         0         0         0           18.         Voluntary additional reroisons as Additional Tier 1 capital (AT1)         687,577         687,577           19.         Voluntary additional rer 1 capital (AT1)         0         0         0           22. </td <td>4</td> <td>Loan equivalents</td> <td>170,621</td> <td>170,621</td>	4	Loan equivalents	170,621	170,621
7         = (1-2-3+4+5-6) TOTAL ASSETS FOR REGULATORY PURPOSES         9,809,469         9,809,469           8.A         Credit risk-weighted assets, estimated using standard method (CRWA)         6,725,591         6,725,591           8.B         Credit risk-weighted assets, CRWA)         0         0           9         Market risk-weighted assets (CRWA)         455,879         290,889           10         Operational risk-weighted assets (CRWA)         455,879         7,472,359           11.A         = (8.A/8.B+9+10) RISK-WEIGHTED ASSETS (RWA)         7,472,359         7,472,359           11.B         = (8.A/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7,472,359         7,472,359           12         Equity attributable to owners         700,559         700,559         700,559           13         Non-controlling interests         0         0         0           14         Goodwill         13,039         13,039         13,039           15         Excess minority investments         0         0         0           16         = (16-17-2) COMMON EQUITY TER 1 (CET1)         687,577         687,577           17         Additional devictions to common equity tier 1 opital (AT1)         0         0           21         Preferred shares as Add	5	Contingent loans	513,462	513,462
8.A       Credit risk-weighted assets, estimated using internal method (CRWA)       6,725,591       6,725,591         8.B       Credit risk-weighted assets, (MRWA)       290,889       290,889         10       Operational risk-weighted assets (MRWA)       455,879       455,879         11.A       = (8A/B8+9+10) RISK-WEIGHTED ASSETS (RWA)       7472,359       7472,359         11.A       = (8A/B8+9+10) RISK-WEIGHTED ASSETS (RWA)       7472,359       7472,359         12       Equity attributable to owners       700,559       700,559         13       Non-controlling interests       57       57         14       Godwill       13,039       13,039         15       Excess minority investments       0       0         16       = (12+13-14-15) Common equity tier 1 equivalent (CET1)       687,577       687,577         17       Additional deductions to common equity tier 1 capital (AT1)       66,224       66,224         20       Subordinated bonds as Additional Tier 1 capital (AT1)       68,500       600         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0       0         22       Bonds with no fixed maturity as Additional Tier 1 capital (AT1)       0       0       0        22       Bonds with no fixed maturity as Addi	5	Assets generated by brokering financial instruments	0	0
8.8         Credit risk-weighted assets, estimated using internal methods (CRWA)         0         0           9         Market risk-weighted assets (MRWA)         290,889         290,889           10         Operational risk-weighted assets (ORWA)         455,879         455,879           11.A         = (8.A/8.B+9+10) NISK-WEIGHTED ASSETS (RWA)         7.472,359         7.472,359           11.B         = (8.A/8.B+9+10) NISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7.472,359         7.0,759           12         Equity attributable to owners         700,559         700,559         700,559           13         Non-controlling interests         57         57         14           Goodwill         13,039         13,039         13,039           15         Excess minority investments         0         0         0           16         = (16-17-2) COMMON EQUITY TIER 1 (CET1)         687,577         687,577           19         Voluntary additional provisions as Additional Tier 1 capital (AT1)         66,224         66,224           21         Prefered shares as Additional Tier 1 capital (AT1)         0         0         0           22         Bonds with no fixed maturity as Additional Tier 1 capital (AT1)         0         0         0           22	7	= (1-2-3+4+5-6) TOTAL ASSETS FOR REGULATORY PURPOSES	9,809,469	9,809,469
9         Market risk-weighted assets (MRWA)         290,889         290,889           10         Operational risk-weighted assets (ORWA)         455,879         455,879           11.A         = (8.A/8.B+9+10) RISK-WEICHTED ASSETS (RWA)         7,472,359         7,472,359           11.B         = (8.A/8.B+9+10) RISK-WEICHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7,472,359         7,472,359           12         Equity attributable to owners         700,559         700,559           13         Non-controlling interests         57         57           14         Coodwill         13,039         13,039           15         Excess minority investments         0         0           16         = (12+13-14-15) Common equity tier 1 equivalent (CET1)         687,577         687,577           17         Additional diductions to common equity tier 1 capital (AT1)         687,577         687,577           19         Voluntary additional Tier 1 capital (AT1)         662,24         66,224           20         Subordinated bonds as Additional Tier 1 capital (AT1)         0         0           22         Bonds with no fixed maturity as Additional Tier 1 capital (AT1)         0         0           22         Bonds with no fixed maturity as Additional Tier 1 capital (AT1)         74,72,4	8. A	Credit risk-weighted assets, estimated using standard method (CRWA)	6,725,591	6,725,591
Operational risk-weighted assets (ORWA)         455,879         455,879           11.A         = (8A/8.B+9+10) RISK-WEIGHTED ASSETS (RWA)         7,472,359         7,472,359           11.B         = (8A/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7,472,359         7,472,359           12         Equity attributable to owners         700,559         700,559           13         Non-controlling interests         57         57           14         Goodwill         13,039         13,039           15         Excess minority investments         0         0           16         = (12+13-14-15) Common equity tier 1, other than item 2         0         0           17         Additional deductions to common equity tier 1, other than item 2         0         0           18         = (16-17-2) COMMON EQUITY TIER 1 (CET1)         687,577         687,577           19         Voluntary additional Tier 1 capital (AT1)         8,500         8,500           20         Subordinated bonds as Additional Tier 1 capital (AT1)         0         0           21         Preferred shares as Additional Tier 1 capital (AT1)         0         0           22         Bonds with no fixed maturity as Additional Tier 1 capital (AT1)         0         0           22	8.B	Credit risk-weighted assets, estimated using internal methods (CRWA)	0	0
11.1.A       = (8.A/8.B+9+10) RISK-WEIGHTED ASSETS (RWA)       7,472,359       7,472,359         11.B       = (8.A/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)       7,472,359       7,472,359         12       Equity attributable to owners       700,559       700,559       700,559         13       Non-controlling interests       57       57         14       Goodwill       13,039       13,039         15       Excess minority investments       0       0         16       = (12+13-14-15) Common equity tier 1 equivalent (CET1)       687,577       687,577         17       Additional deductions to common equity tier 1, other than item 2       0       0         18       = (16-17-2) COMMON EQUITY TER 1 (CET1)       687,577       687,577         19       Voluntary additional Ter 1 capital (AT1)       8,500       8,500       8         20       Subordinated bonds as Additional Tier 1 capital (AT1)       0       0       0         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0       0         23       Discounts applied to AT1       0       0       0       0         24       = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724       219,728	9	Market risk-weighted assets (MRWA)	290,889	290,889
III.B         = (8.A/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)         7.472,359         7.472,359           12         Equity attributable to owners         700,559         700,559         700,559           13         Non-controlling interests         57         57           14         Goodwill         13,039         13,039           15         Excess minority investments         0         0           16         = (12+13-14-15) Common equity tier 1 equivalent (CET1)         687,577         687,577           17         Additional deductions to common equity tier 1, other than item 2         0         0           18         = (16-17-2) COMMON EQUITY TIER 1 (CET1)         687,577         687,577           19         Voluntary additional Tier 1 capital (AT1)         8,500         66,224           20         Subordinated bonds as Additional Tier 1 capital (AT1)         0         0           22         Bonds with no fixed maturity as Additional Tier 1 capital (AT1)         0         0         0           23         Discounts applied to AT1         0         0         0         0           24         = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)         74,724         74,724           25         = (18+24) TIER 1 CAPITAL         76	10	Operational risk-weighted assets (ORWA)	455,879	455,879
12       Equity attributable to owners       700,559       700,559         13       Non-controlling interests       57       57         14       Goodwill       13,039       13,039         15       Excess minority investments       0       0         16       = (12+13-14-15) Common equity tier 1 equivalent (CET1)       687,577       687,577         17       Additional deductions to common equity tier 1, other than item 2       0       0         18       = (16-17-2) COMMON EQUITY TIER 1 (CET1)       687,577       687,577         19       Voluntary additional Tier 1 capital (AT1)       8,500       66,224         20       Subordinated bonds as Additional Tier 1 capital (AT1)       0       0         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0         22       Bonds with no fixed maturity as Additional Tier 1 capital (AT1)       0       0         23       Discounts applied to AT1       0       0       0         24       = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724         25       = (18+24) TIER 1 CAPITAL       762,301       762,301       762,301         26       Voluntary additional provisions as Tie 2 capital (T2)       219,728       219,728	11.A	= (8.A/8.B+9+10) RISK-WEIGHTED ASSETS (RWA)	7,472,359	7,472,359
Non-controlling interests       57         Non-controlling interests       13,039         14       Coodwill         13,039       13,039         15       Excess minority investments       0         16       = (12+13-14-15) Common equity tier 1 equivalent (CET1)       687,577         17       Additional deductions to common equity tier 1, other than item 2       0       0         18       = (16-17-2) COMMON EQUITY TIER 1 (CET1)       687,577       687,577         19       Voluntary additional provisions as Additional Tier 1 capital (AT1)       8,500       8,500         20       Subordinated bonds as Additional Tier 1 capital (AT1)       66,224       66,224         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0         22       Bonds with no fixed maturity as Additional Tier 1 capital (AT1)       0       0         23       Discounts applied to AT1       0       0       0         24       = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724         25       = (18+24) TIER 1 CAPITAL       762,301       762,301         26       Voluntary additional provisions as Tier 2 capital (T2)       219,728       219,728         27       Subordinated bonds as Tier 2 capital (T2) <td>11.B</td> <td>= (8.A/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)</td> <td>7,472,359</td> <td>7,472,359</td>	11.B	= (8.A/8.B+9+10) RISK-WEIGHTED ASSETS, AFTER APPLYING THE OUTPUT FLOOR (RWA)	7,472,359	7,472,359
Index       Index <td< td=""><td>12</td><td>Equity attributable to owners</td><td>700,559</td><td>700,559</td></td<>	12	Equity attributable to owners	700,559	700,559
Excess minority investments       0       0         16       = (12+13-14-15) Common equity tier 1 equivalent (CET1)       687,577       687,577         17       Additional deductions to common equity tier 1, other than item 2       0       0         18       = (16-17-2) COMMON EQUITY TIER 1 (CET1)       687,577       687,577         19       Voluntary additional provisions as Additional Tier 1 capital (AT1)       8,500       8,500         20       Subordinated bonds as Additional Tier 1 capital (AT1)       66,224       66,224         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0         22       Bonds with no fixed maturity as Additional Tier 1 capital (AT1)       0       0         23       Discounts applied to AT1       0       0       0         24       = (19+20+21+22+22-3) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724         25       = (18+24) TIER 1 CAPITAL       762,301       762,301         26       Voluntary additional provisions as Tier 2 capital (T2)       219,728       219,728         28       = (26+27) TIER 2 CAPITAL EQUIVALENT (T2)       219,728       219,728         29       Discounts applied to T2       0       0       0         30       = (28+29) TIER 2 CAPITAL (T2)	13	Non-controlling interests	57	57
16       = (12+13-14-15) Common equity tier 1 equivalent (CET1)       687,577       687,577         17       Additional deductions to common equity tier 1, other than item 2       0       0         18       = (16-17-2) COMMON EQUITY TIER 1 (CET1)       687,577       687,577         19       Voluntary additional provisions as Additional Tier 1 capital (AT1)       8,500       8,500         20       Subordinated bonds as Additional Tier 1 capital (AT1)       66,224       66,224         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0         22       Bonds with no fixed maturity as Additional Tier 1 capital (AT1)       0       0         23       Discounts applied to AT1       0       0       0         24       = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724         25       = (18+24) TIER 1 CAPITAL       762,301       762,301         26       Voluntary additional provisions as Tier 2 capital (T2)       0       0       0         27       Subordinated bonds as Tier 2 capital (T2)       219,728       219,728       219,728         28       = (26+27) TIER 2 CAPITAL EQUIVALENT (T2)       219,728       219,728       219,728       219,728         29       Discounts applied to T2       0	14	Goodwill	13,039	13,039
Additional deductions to commo equity tier 1, other than item 20018= (16-17-2) COMMON EQUITY TIER 1 (CET1)687,577687,57719Voluntary additional provisions as Additional Tier 1 capital (AT1)8,5008,50020Subordinated bonds as Additional Tier 1 capital (AT1)66,22466,22421Preferred shares as Additional Tier 1 capital (AT1)0022Bonds with no fixed maturity as Additional Tier 1 capital (AT1)0023Discounts applied to AT10024= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)74,72474,72425= (18+24) TIER 1 CAPITAL762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)0028= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T200030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITALPSE,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	15	Excess minority investments	0	0
18       = (16-17-2) COMMON EQUITY TIER 1 (CET1)       687,577       687,577         19       Voluntary additional provisions as Additional Tier 1 capital (AT1)       8,500       8,500         20       Subordinated bonds as Additional Tier 1 capital (AT1)       66,224       66,224         21       Preferred shares as Additional Tier 1 capital (AT1)       0       0         22       Bonds with no fixed maturity as Additional Tier 1 capital (AT1)       0       0         23       Discounts applied to AT1       0       0       0         24       = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724         25       = (18+24) TIER 1 CAPITAL       762,301       762,301       762,301         26       Voluntary additional provisions as Tier 2 capital (T2)       0       0       0         27       Subordinated bonds as Tier 2 capital (T2)       219,728       219,728       219,728         28       = (26+27) TIER 2 CAPITAL EQUIVALENT (T2)       219,728       219,728       219,728         29       Discounts applied to T2       0       0       0       0         31       = (26+27) TIER 2 CAPITAL (T2)       219,728       219,728       219,728       219,728       219,728       219,728       219,728       219	16	= (12+13-14-15) Common equity tier 1 equivalent (CET1)	687,577	687,577
19Voluntary additional provisions as Additional Tier 1 capital (AT 1)8,5008,50020Subordinated bonds as Additional Tier 1 capital (AT 1)66,22466,22421Preferred shares as Additional Tier 1 capital (AT 1)0022Bonds with no fixed maturity as Additional Tier 1 capital (AT 1)0023Discounts applied to AT 10024= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT 1)74,72474,72425= (18+24) TIER 1 CAPITAL762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70234ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER00	17	Additional deductions to common equity tier 1, other than item 2	0	0
20Subordinated bonds as Additional Tier 1 capital (AT1)66,22466,22421Preferred shares as Additional Tier 1 capital (AT1)0022Bonds with no fixed maturity as Additional Tier 1 capital (AT1)0023Discounts applied to AT10024= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)74,72474,72425= (18+24) TIER 1 CAPITAL762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)0028= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	18	= (16-17-2) COMMON EQUITY TIER 1 (CET1)	687,577	687,577
21Preferred shares as Additional Tier 1 capital (AT1)0022Bonds with no fixed maturity as Additional Tier 1 capital (AT1)0023Discounts applied to AT10024= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)74,72474,72425= (18+24) TIER 1 CAPITAL762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)00030= (28-29) TIER 2 CAPITAL LQUIVALENT (T2)00030= (28-29) TIER 2 CAPITAL LQUIVALENT (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	19	Voluntary additional provisions as Additional Tier 1 capital (AT1)	8,500	8,500
22Bonds with no fixed maturity as Additional Tier 1 capital (AT1)0023Discounts applied to AT100024= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)74,72474,72425= (18+24) TIER 1 CAPITAL762,301762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)00027Subordinated bonds as Tier 2 capital (T2)219,728219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,728219,72829Discounts applied to T200030= (28-29) TIER 2 CAPITAL (T2)219,728219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	20	Subordinated bonds as Additional Tier 1 capital (AT1)	66,224	66,224
23Discounts applied to AT10024= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)74,72474,72425= (18+24) TIER 1 CAPITAL762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	21	Preferred shares as Additional Tier 1 capital (AT1)	0	0
24       = (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)       74,724       74,724         25       = (18+24) TIER 1 CAPITAL       762,301       762,301         26       Voluntary additional provisions as Tier 2 capital (T2)       0       0         27       Subordinated bonds as Tier 2 capital (T2)       219,728       219,728         28       = (26+27) TIER 2 CAPITAL EQUIVALENT (T2)       20       0         29       Discounts applied to T2       0       0         30       = (28-29) TIER 2 CAPITAL (T2)       219,728       219,728         31       = (25+30) REGULATORY CAPITAL       982,029       982,029         32       ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER       46,702       46,702         33       ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER       0       0         34       ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS       0       0	22	Bonds with no fixed maturity as Additional Tier 1 capital (AT1)	0	0
25= (18+24) TIER 1 CAPITAL762,301762,30126Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	23	Discounts applied to AT1	0	0
26Voluntary additional provisions as Tier 2 capital (T2)0027Subordinated bonds as Tier 2 capital (T2)219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	24	= (19+20+21+22+22-23) ADDITIONAL TIER 1 CAPITAL (AT1)	74,724	74,724
27Subordinated bonds as Tier 2 capital (T2)219,728219,728219,72828= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	25	= (18+24) TIER 1 CAPITAL	762,301	762,301
28= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)219,728219,72829Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	26	Voluntary additional provisions as Tier 2 capital (T2)	0	0
29Discounts applied to T20030= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	27	Subordinated bonds as Tier 2 capital (T2)	219,728	219,728
30= (28-29) TIER 2 CAPITAL (T2)219,728219,72831= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	28	= (26+27) TIER 2 CAPITAL EQUIVALENT (T2)	219,728	219,728
31= (25+30) REGULATORY CAPITAL982,029982,02932ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	29	Discounts applied to T2	0	0
32ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER46,70246,70233ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER0034ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS00	30	= (28-29) TIER 2 CAPITAL (T2)	219,728	219,728
33       ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER       0       0         34       ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS       0       0	31	= (25+30) REGULATORY CAPITAL	982,029	982,029
34     ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS     0     0	32	ADDITIONAL CORE CAPITAL REQUIRED FOR THE CONSERVATION BUFFER	46,702	46,702
	33	ADDITIONAL CORE CAPITAL REQUIRED FOR THE COUNTERCYCLICAL BUFFER	0	0
35       ADDITIONAL CAPITAL REQUIRED FOR SUFFICIENT REGULATORY CAPITAL (PILLAR 2)       0       0	34	ADDITIONAL CORE CAPITAL REQUIRED FOR SYSTEMIC BANKS	0	0
	35	ADDITIONAL CAPITAL REQUIRED FOR SUFFICIENT REGULATORY CAPITAL (PILLAR 2)	0	0

# TABLE 2: BASEL III SOLVENCY INDICATORS AND REGULATORY COMPLIANCE INDICATORS (IN % WITH TWO DECIMAL PLACES)

ITEM	BASEL III SOLVENCY INDICATORS AND REGULATORY COMPLIANCE INDICATORS	GLOBAL CONSOLIDATED	LOCAL CONSOLIDATED
NUMBER	(IN % WITH TWO DECIMAL PLACES) (*)	AS OF DECEMBER 31, 2021 %	AS OF DECEMBER 31, 2021 %
1	LEVERAGE INDICATOR (T1_I18/T1_I7)	7.01%	7.01%
2.A	Leverage indicator that applies to the Bank (without the additional systemic bank charge, if applicable).	7.01%	7.01%
2.B	Leverage indicator that applies to the Bank (including the additional systemic bank charge, if applicable).	7.01%	7.01%
3	COMMON EQUITY TIER 1 INDICATOR (T1_I18 / T1_I11.B)	9.20%	9.20%
4.a	Common equity tier 1 ratio that applies to the Bank (excluding the conservation buffer, the counter- cyclical buffer, the systemic bank charge and Pillar 2 charge)	4.50%	4.50%
4.B	Common equity tier 1 ratio that applies to the Bank (including the conservation buffer, the counter- cyclical buffer, the systemic bank charge and Pillar 2 charge)	5.13%	5.13%
5	TIER 1 CAPITAL INDICATOR (T1_I25 / T1_I11.B)	10.20%	10.20%
5. A	Tier 1 capital indicator that applies to the Bank (excluding the conservation buffer, the counter-cyclical buffer, the systemic bank charge and Pillar 2 charge)	6.00%	6.00%
5.B	Tier 1 capital indicator that applies to the Bank (including the conservation buffer, the counter-cyclical buffer, the systemic bank charge and Pillar 2 charge)	6.63%	6.63%
6	CAPITAL ADEQUACY INDICATOR (T1_I31/T1_I11.B)	13.14%	13.14%
6.A	Capital adequacy indicator that applies to the Bank (excluding the conservation buffer, the counter- cyclical buffer, the systemic bank charge and Pillar 2 charge)	8.00%	8.00%
6.B	Capital adequacy indicator that applies to the Bank (including the conservation buffer, the counter- cyclical buffer, the systemic bank charge and Pillar 2 charge)	8.63%	8.63%
7	"SOLVENCY RATING (LEVEL A, B OR C) REGULATORY COMPLIANCE INDICATORS FOR SOLVENCY."	А	А
8	ADDITIONAL VOLUNTARY PROVISIONS AS TIER 2 CAPITAL (T2) IN RELATION TO CRWAS (T1_126/ (T1_18.A OR 8.B))	0.00%	0.00%
9	SUBORDINATED BONDS AS TIER 2 CAPITAL (T2) IN RELATION TO COMMON EQUITY TIER 1 (CET1)	31.96%	31.96%
10	ADDITIONAL TIER 1 CAPITAL (AT1) IN RELATION TO COMMON EQUITY TIER 1 (CET1) (T1_I24/T1_I18)	10.87%	10.87%
11	VOLUNTARY ADDITIONAL PROVISIONS AND SUBORDINATED BONDS AS ADDITIONAL TIER 1 CAPITAL (AT1) IN RELATION TO RWAS ((T1_I19+T1_I20)/T1_I11.B)	1.00%	1.00%

## C) RISKS ASSOCIATED WITH THE INSURANCE BUSINESS, VIDA SECURITY

As a direct subsidiary of Grupo Security, Inversiones Previsión Security aligns its practices with the risk management definitions and policies defined by its parent company. Grupo Security considers risk management to be critical to achieving the target returns defined by its shareholders and guaranteeing business continuity. Risk management at Grupo Security is supervised centrally by the Business Risk Management Area and Controller's Office, which consolidates and reports to Grupo Security's Board of Directors on a regular basis.

As Grupo Security S.A. is the parent of a conglomerate of companies that are diversified across different sectors of the local financial services industry, its subsidiaries face a number of risk factors that are unique to the particular sector in which they do business. These specific risks are controlled by specialized units in each of the companies.

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



## I. RISK FACTORS

## 1) OPERATIONAL RISK (UNAUDITED)

In an effort to continuously improve its corporate governance and particularly its internal controls, Grupo Security has used an audit approach to develop control tools for the most significant processes in each of its companies. This involved mapping those processes flowcharts and separate and consolidated risk maps, and documenting all information collected, which is used in operations. This has allowed the Group to identify risks and develop mitigating action plans. On a monthly basis, the Group monitors its mitigating action plans and risk determination, with its respective risk matrix, using a computer program that helps it obtain the status of those plans from the respective process owner. All Grupo Security companies are involved in this process.

## 2) HIGHLY COMPETITIVE BUSINESSES LINES (UNAUDITED)

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries. Continual mergers and competitor alliances are proof of the competition Group companies face. Despite the potential challenges to income generation, the possible negative effects of competition are deemed to be offset by Grupo Security's solid brand image in its target market, strong customer loyalty, the niche strategy that drives the Group's development and its excellent service quality.

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

## 3) REGULATORY CHANGES IN GROUP INDUSTRIES (UNAUDITED)

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

## 4) FINANCIAL RISK

For Grupo Security, financial risk management and oversight are critical to guaranteeing liquidity and solvency in each of its subsidiaries. This allows its businesses to operate and grow in the long term.

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

The following section describes the risks to which the Insurance Company is exposed:

## I. FINANCIAL RISKS

## **QUALITATIVE INFORMATION**

Vida Security has a specialized, independent area for controlling financial risks related to the Insurance Company's investments. Its main duties include identifying credit, liquidity and market risks; measuring their impact in terms of potential related losses; and recommending actions for the Insurance Company to take in light of different risk scenarios.

To comply with these duties, our policies are regularly updated in order to incorporate changes in financial markets and Vida Security's consolidated portfolio.

Thus, our policy becomes a key tool in controlling risks, defining the qualitative and quantitative indicators to monitor, allowed limits and reporting procedures. In this context, reports are prepared for management and directors, which are regularly submitted to the Board Financial Risk Committee.

Finally, one of the main challenges for the following years is to continue improving risk management models and incorporating new regulatory requirements.

## **CREDIT RISK**

## QUALITATIVE INFORMATION

Credit risk refers to the possible exposure to losses due to a counterparty's breach of conditions stipulated in a contract or agreement. Due to the fact that a significant percentage of our investments are intended to meet medium and long-term obligations, efficient management of this risk is crucial in order to minimize possible related losses.

As a result, our policy contains the principles, the risk map, the indicators to be monitored, the main roles and responsibilities of the agents involved and the limits the investments will be subject to, diversified by type of security and issuer.

One of the tools we use is our scoring model. This model, combined with qualitative and quantitative analysis and regular monitoring, allows us to set investment lines by issuer in order to properly diversify and, thus, mitigate credit risk.

The above is supplemented by limits based on the rating of debt securities, where at least 70% must have a rating equal to or greater than A- and 5% lower than B-.



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

## QUANTITATIVE INFORMATION

As of year-end 2021, our Impairment Policy for the proprietary and guaranteed CUI portfolios has resulted in a balance of MCH\$30,924, as shown in the table below:

MCH\$	IMPAIRMENT (MCH\$)
State-issued domestic fixed income	-
Corporate domestic fixed income	11,963
State-issued international fixed income	-
Corporate international fixed income	1,474
Syndicated loans	17,484
RFC	3
TOTAL	30,924

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

DELINQUENCY PER TRANCHE	MORTGAGE LOANS	COMPLEMENTARY LOANS	RETIREE LOANS	SYNDICATED LOANS	NON-RESIDENTIAL LEASES	LEASES
1 to 3 months	23	-	-	-	40	142
4 - 6 months	17	-	-	-	77	5
7 - 9 months	17	-	-	-	-	37
10 - 12 months	6	-	2	-	-	-
13 - 24 months	119	-	-	-	-	2
More than 24 months	217	-	-	-	-	-
TOTAL (MCH\$)	399	-	2	-	117	186
TOTAL (% OF NET EQUITY)	0.2%	0.0%	0.0%	0.0%	0.1%	0.1%
PROVISION (MCH\$)	1,075	3	48	17,484	117	119

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

As of December 2021, the Insurance Company had the following guarantees for the above amounts:

INSTRUMENT	GUARANTEE (MCH\$)	GUARANTEE TYPE
Complementary loans	9,852	Property
Retiree loans	-	Property
Syndicated loans	-	Without guarantee
Non-residential leases	-	Without guarantee
Leases	15,944	Property
Total	-	Without guarantee
TOTAL	25,796	

Of rated debt securities, over 80% have a rating equal to or greater than A-, while around 2% of them has a rating equal to or lower than B-. Investments by risk rating and type of instrument (debt securities portfolio includes CUI) are detailed as follows:

					RISK RATING					
INSTRUMENT TYPE	AAA	AA	A	BBB	BB	В	с	D	NOT RATED	TOTAL
Corporate domestic fixed income	138,081	662,551	352,272	81,110	4,466	1,263	19,722	9,361	63,773	1,332,600
Recognition bonds	2,452	-	-	-	-	-	-	-	-	2,452
Chilean Central Bank and treasury bonds	45,661	-	-	-	-	-	-	-	-	45,661
Foreign fixed income	-	3,382	-	40,793	75,594	5,714	-	-	6,461	131,944
Real estate fixed income	19,157	4,510	1,293	-	-	-	-	-	391,470	416,431
TOTAL (MCH\$)	205,351	670,443	353,565	121,903	80,060	6,977	19,722	9,361	461,704	1,929,088

NOTE: FIXED INCOME REAL ESTATE WITH NO RATING CORRESPONDS TO MORTGAGE LOANS AND LEASES, WHICH HAVE NO SPECIFIC RISK RATING. CORPORATE DOMESTIC FIXED INCOME IS MAINLY SYNDICATED LOANS AND PROMISSORY NOTES, WHILE INTERNATIONAL FIXED INCOME IS PRIMARILY CORPORATE DEBT.

As of December 31, 2021, the Insurance Company had been awarded and held the following real estate

	AMOUNT		
ADDRESS	NET VALUE	APPRAISAL	STATUS
Puerto Domingo 1172	25,995	33,099	For sale
Pasaje Calcuripe 1564	42,107	92,231	In eviction process
Arrau Mendez 396 Depto 34	32,582	52,965	For sale
TOTAL	100,684	178,295	



## LIQUIDITY RISK

## **QUALITATIVE INFORMATION**

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

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

Particularly, the Insurance Company should maintain highly liquid investments equal to or greater than 20% of liabilities within regulatory tier 1, have readily realizable instruments for an amount equal to or greater than its financial debt, have lines of credit that allow it to cover the payment of at least one month of pensions, have readily realizable tier 1 assets equal to or greater than tier 1 liabilities, among other requirements

Other purposes include analyzing potential reputational impairment, financial system crises and regulatory changes.

## **QUANTITATIVE INFORMATION**

Most of the Insurance Company's investments are highly liquid, except for the following asset categories held at year end 2021:

INSTRUMENT	AMOUNT (MCH\$)
Shares	4,044
Alternative assets	275,452
Debt funds	30,783
Real estate funds	77,845
Infrastructure funds	67,306
Foreign fixed income	6,461
TOTAL	461,891

The table below details investments in fixed income instruments (including CUI) by maturity:

	DURATION (YEARS)							
INSTRUMENT TYPE	1	2	3	4	5	OVER 6	TOTAL	
Corporate domestic fixed income	24,796	45,667	114,413	104,038	144,321	899,364	1,332,599	
Recognition bonds	1,022	570	357	162	23	318	2,452	
Chilean Central Bank and treasury bonds	1,050	32	38	174	58	44,309	45,661	
Foreign fixed income	-	7,691	10,704	12,537	5,021	95,991	131,944	
Real estate fixed income	3,206	4,011	7,004	7,641	22,119	372,449	416,430	
TOTAL (MCH\$)	30,074	57,971	132,516	124,552	171,542	1,412,431	1,929,086	

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

In regard to financial liabilities, the Insurance Company has short-term debt of MCH\$72,905 and no long-term commitments, as detailed below at year-end 2021:

		OUTSTANDING BALANCE SHORT-TERM				LONG-TERM			
BANK OR FINANCIAL INSTITUTION	GRANT DATE	AMOUNT (MCH\$)	CURRENCY	INTEREST RATE	LAST MATURITY	AMOUNT (MCH\$)	INTEREST RATE	LAST MATURITY	AMOUNT (MCH\$)
Banco de Chile (overdraft)	12/31/2021	33	CH\$	0.0%	01/01/2022	33		-	-
Banco BCI (overdraft)	12/31/2021	-	CH\$	0.0%	01/01/2022	0		-	-
Banco Estado (overdraft)	12/31/2021	38	CH\$	0.0%	01/01/2022	38		-	-
Banco Security (overdraft)	12/31/2021	-	CH\$	0.0%	01/01/2022	0		-	-
Banco Desarrollo (overdraft)	12/31/2021	1	CH\$	0.0%	01/01/2022	1		-	-
Banco BBH	12/31/2021	-	CH\$	0.0%	01/01/2022	0		-	-
Banco BCI (line of credit)	12/31/2021	0	CH\$	0.0%	01/01/2022	0		-	-
Banco Santander (line of credit)	12/31/2021	1,812	CH\$	0.0%	01/01/2022	1,812		-	-
Banco de Chile (line of credit)	12/31/2021	6,346	CH\$	0.2%	01/01/2022	6,346		-	-
Banco Santander (loan)	07/19/2021	14,192	CH\$	0.2%	07/15/2022	14,192		-	-
Banco BICE - loan	07/19/2021	10,139	CH\$	0.2%	05/9/2022	10,139		-	-
Banco BICE - loan	07/19/2021	10,139	CH\$	0.2%	06/8/2022	10,139		-	-
Banco BICE - loan	07/19/2021	10,139	CH\$	0.2%	07/8/2022	10,139		-	-
Banco Scotiabank (loan)	12/15/2021	10,034	CH\$	0.6%	11/15/2022	10,034		-	-
Banco Scotiabank (loan)	12/15/2021	10,032	CH\$	0.6%	11/15/2022	10,032		-	-
TOTAL		72,905				72,905			

## **MARKET RISK**

## QUALITATIVE INFORMATION

Market risk is the possible loss caused by changes in market prices of variables such as stock prices, inflationary factors, interest or exchange rates that have an impact on profit or loss and/or equity. The policy establishes the main types of risk; their sources and the map of indicators required for monitoring and controlling limits. This category also includes mismatch risks (maturity and currency) and reinvestment risk.

## **QUANTITATIVE INFORMATION**

In order to manage these risks, one of the processes that we regularly perform is the calculation of value at risk (VaR) on the relevant portfolio. For this purpose, we use the methodology described in CMF General Standard No. 148 (repealed) to estimate the maximum probable loss that investments could have in one month with a confidence level of 95%.

For real estate VaR, two sources of risk were identified: the value of leased real estate property and changes in the unit value of funds with real estate investments for rent and/or development purposes. As not enough historical price data is available, an arbitrary value was selected (5% is used in General Standard No. 148 (repealed)) to calculate the VaR of real estate and real estate investment funds.



Thus, the sensitivity exercise performed by the Insurance Company to measure the impact of significant market risks is as follows as of December 2021:

TYPE OF RISK	PRESENT VALUE (MCH\$)	SENSITIVITY FACTOR	VAR (MCH\$)	VAR (% EQUITY)
Stock risk	227,842	6.0%	13,784	7.5%
Fixed income risk	53,103	1.5%	7979	0.4%
Real estate risk	430,001	5.0%	21,500	11.6%
Currency risk	393,766	0.4%	1,692	0.9%
TOTAL	1,104,712		37,773	

In regard to assets in foreign currency, Vida Security's policy allows it to maintain an asset-liability mismatch, which may not exceed 25% of assets. This position is monitored in nominal terms using a historical VaR.

The Insurance Company monitors and controls reinvestment risk using the Asset Sufficiency Test (AST), which as of December 31, 2020 was 0.95%, with sufficiency of UF 5,283,594.

## **DERIVATIVE PRODUCTS**

In order to minimize risks that may affect Vida Security's equity, our policy allows the Insurance Company to use hedging derivatives for asset-liability mismatches. The policy authorizes the Insurance Company to enter into trading derivatives under certain limits and controls. The total number of this type of transaction in net terms should not exceed the lesser of 20% of equity (measured based on the value of the hedged asset) and 1% of technical reserves plus equity at risk (measured based on the carrying amount of the transactions).

In regard to limits for these transactions, the Insurance Company has defined that total hedging and investment derivatives may not exceed 2% of technical reserves plus equity at risk, detailed below as of year end 2021.

цміт	DERIVATIVES	2% TECH RESERVES	SURPLUS
	(MCH\$)	+ EQUITY AT RISK	(MCH\$)
2% (TR + EaR)	(25,898)	48,044	73,942

Our policy includes a list of authorized counterparties. Any changes to this list must be approved by the Board Investment and Financial Risk Committee. Additionally, the Insurance Company may not carry out hedging derivative transactions with the same counterparty (other than clearing houses) for more than 4% of technical reserves and equity at risk (measured based on the value of the hedged asset). As of December 2021, the largest counterparty was HSBC with close to 3% of technical reserves plus equity at risk.

The Insurance Company has pledged the following instruments as guarantees with counterparties of derivative transactions:

COUNTERPARTY	INSTRUMENT	NOMINAL	GUARANTEE USD
Banco BCI	BTU0300339	112,000	4,479,860
Banco de Chile	BTU0300339	30,000	1,199,962
Banco ItauCorp	BESTA30400	105,000	1,164,064
Deutsche London	CENC USP2205JAK62	7,900,000	8,680,217
JP Morgan	CASH	3,990,000	3,990,000
Banco Santander	BTU0300339	180,000	7,199,775
Banco Santander	BTP0600122	300,000,000	365,775
HSBC	BTU0300339	31,000	1,239,961
Banco Scotiabank	BTU0300339	85,000	3,399,894
Banco Scotiabank	BFFCC-P	170,000	8,406,283
Goldman Sachs	CASH	2,580,000	2,580,000
TOTAL		315,183,000	42,705,791

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

## II INSURANCE RISK

## 1. INSURANCE RISK MANAGEMENT

## A) REINSURANCE

This involves managing insurance risks related to deviations, due to mortality or morbidity, in the expected results typical of insurance activity and by means of the proper transfer of part of these risks to reinsurers. It also includes the risk of properly selecting and managing reinsurance, including credit risk and the risk of improperly measuring the Insurance Company's transfers to such reinsurers.

The above is performed based on the reinsurance policies that have been defined by the Insurance Company and approved by the Board of Directors. These policies are updated in accordance with the evolution of businesses, the volume of insured portfolios and the risks assumed.

Insurance risk management related to the mitigation of mortality and morbidity risks through reinsurance considers the following aspects:

- The portfolios or lines of business that will be considered in reinsurance, the coverage included in such reinsurance, and the retention limits defined by the Insurance Company to establish the risks it will take on its own (retained risks) are defined.
- The Insurance Company has defined the individuals responsible for implementing and controlling agreements with reinsurers regarding limits and risks that are being included in the policyholder portfolio in order to ensure that the reinsurance policy and the related benefits are implemented with no exceptions for all new policies. The responsible individuals are:
  - The subscribers of the different business lines and those subject to the Insurance Company's Rating and Subscription Policies.
  - The authorized assessors of medical and financial risk for policyholders must also follow the Insurance Company's Pricing and Subscription Policies.



In regard to the proper selection of reinsurance including credit risk, the Reinsurance Policy establishes:

- The set of conditions that must be met by all reinsurers.
- The set of contents and requirements that should be contained in every formal transfer of risks to a reinsurer by means of reinsurance contracts and notes of coverage.

In regard to reinsurance management, the Reinsurance Policy requires that the Insurance Company establish:

- The method and the individual responsible for the safeguarding of and access to the reinsurance contract.
- The area responsible for defining the set of standards, processes and procedures for managing and controlling transfers of reinsurance. The Technical Division has been assigned the latter role and, therefore:
  - It has been provided the required human and material resources to assume its role.
  - It has implemented procedure manuals and appropriate controls, which are subject to ongoing audits to verify compliance.
  - It is authorized to request that other areas in the Insurance Company that are directly and indirectly involved in calculating or generating information for reinsurance, modify, reinforce or establish controls to prevent errors or a lack of coordination.

Credit risk in reinsurance is controlled by following the Reinsurance Policy, including requirements that should be met by a reinsurer to operate with the Insurance Company.

The Insurance Company's exposure to reinsurance is due to the balance of reinsurance claims receivable. This balance is shown in the table below by business line: Note 17.3 provides additional information by month of maturity.

## **REINSURANCE CLAIMS RECEIVABLE DEC-21 (THCH\$)**

				REINSURANC	E BROKERS				REINSURER								
	AON	CHILE	GI	UY CARPENTER			MDB										
BUSINESS LINE	HANNOVER RÜCK SE	XL RE LATIN AMERICA LTD.	SAGICOR LIFE INC.	XL RE LATIN AMERICA LTD.	AXA FRANCE VIE S.A.	CAISSE CENTRALE DE REASSURANCE	SWISS RE CORPORATE SOLUTIONS LTD	AXA FRANCE VIE S.A.	GENERAL REINSURANCE AG	HANNOVER RÜCK SE	MAPFRE RE, COMPANIA DE REASEGUROS, S.A.	MUNICH REINSURANCE COMPANY	PARTNER RE S.A.	SCOR SE	SWISS RE CORPORATE SOLUTIONS LTD	RGA REINSURANCE COMPANY	TOTAL
RATING 1	AA-	AA-	A-	AA-	A2	AAA	A+	A2	AA2	AA-	A+	AA	A+	A+	A+	Α	
RATING 2	A+	AA-	BB	AA-	AA-	A+	AA3	AA-	AA+	A+	Α	AA3	A+	AA3	AA3	A+	
Individual life	-	-	-	-	-	-	-	-	-	-	-	-	-	106,611	-	-	106,611
Flexible (CUI)	-	-	-	-	-	-	-	-	-	-	-	-	-	38,397	14,042	-	52,440
Individual health	-	-	84,023	629	-	-	-	-	80,500	-	201,573	-	-	26,833	-	26,833	420,391
Group personal accident	-	-	-	-	-	-	-	-	46,687	-	35,015	35,015	-	-	-	-	116,718
Group life	14,796	5,262	-	-	164	74	506	-	84,608	-	157,787	64,476	-	13,948	-	-	341,619
Group health	-	-	-	-	-	-	-	-	55,230	-	92,049	-	-	18,410	-	18,410	184,098
Group personal accident	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Group credit life	-	-	-	-	-	-	-	-	-	-	58,141	-	-	-	-	-	58,141
Disability and survivor insurance	-	-	-	-	-	-	-	-	-	4,993	-	-	-	-	-	-	4,993
Insurance with voluntary pension savings (APV)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	14,796	5,262	84,023	629	164	74	506	-	267,024	4,993	544,565	99,491	-	204,200	14,042	45,243	1,285,011

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

## B) COLLECTIONS

The purpose of collection efforts is to manage the portfolio receivable, ensure premiums are properly collected and keep uncollectability levels equal to or lower than 5%.

Premiums are collected centrally by a specialized department that reports to the Finance and Planning Division. The Finance Unit is responsible for ensuring that collection and default control policies are followed, amounts due are collected and uncollectability is controlled.

The model is intensive in terms of use of resources depending on the product to be managed. Disability and survivor insurance and annuities have a pre-set model and there is ongoing communication between the different parties and the pension fund administrators. This method is 100% effective in collecting the amounts owed.

The Insurance Company promotes automatic payments for individual policies, whether through automatic checking account deductions or automatic credit card payments or using Payment Buttons. If debits are rejected by the participating institutions (bank or Transbank), sales agents are an effective channel for collections.

Finally, for group policies collection is managed in several ways, including direct communication with debtors by phone or e-mail. The issue with this product is not the effectiveness of collection, which is very high (99%), but the time lag between coverage months and collection of those months. The Insurance Company has implemented various policies with its clients to correct these time-lags. One of the most effective policies is to block benefits.

## C) DISTRIBUTION

The main distribution channel for each line of business is determined using factors such as customer purchasing methods and preferences, the specialization required, the efficiency of the channel, product features and the line's relative importance to the Insurance Company's business plan, among others.

Thus, for mass products related to banks or retailers, the distribution channels of the sponsoring bank or retailer are used.

Internal channels such as the Insurance Company's call center and branch executives are used for consumer loans, which are offered exclusively to the life annuity portfolio. These are non-exclusive channels since the product does not require a specialized channel.

Group life and health insurance policies are sold through insurance brokers specialized in this type of product. Assistance for this channel is provided by account executives, which guarantees high-quality service.

APPENDICES



For individual insurance policies, although they are sold through external and internal channels, the Insurance Company prefers to sell them using its own sales force, which provides expert advice to the insured party, properly identifying their needs to offer the most adequate product for their situation. The Insurance Company also began selling uncomplicated and pre-approved personal accident products by phone.

Finally, the sales strategy for annuities includes the pension advisor channel and direct sales at the Insurance Company's branches. The pension advisor channel is staffed by life annuity sales executives, which guarantees high-quality service for both the channel and the client.

#### D) TARGET MARKET

Vida Security's target market can be defined by line of business as follows:

#### INDIVIDUAL INSURANCE:

High-income men and women (socio-economic groups B, C1, C2, C3) interested in obtaining insurance to protect their family's quality of life in case of unexpected events or their net worth or income in case of health complications, or as a savings objective for personal projects. This target group is comprised of individuals over 25 and less than 60 years old with stable employment who are generally married with dependents.

### **GROUP INSURANCE:**

Companies and industries throughout Chile with 50 employees or more interested in protecting their employees, generating new benefits for them and securing their productivity.

## LIFE ANNUITIES:

Vida Security's target market for annuities is retirement-aged men and women from middle and middle-low socio-economic groups mainly located in the cities with the largest workforces: Santiago, Antofagasta, Valparaíso/Viña del Mar, Rancagua, Talca, Concepción, Temuco and Puerto Montt.

## 2. FINANCIAL RISK MANAGEMENT IN INSURANCE CONTRACTS

Management of financial risks related to insurance contracts, as well as typical insurance risks in insurance contracts, are disclosed below.

## A) CREDIT RISK IN INSURANCE CONTRACTS

The credit risk related to insurance contracts is based on reinsurance credit risk analyzed in 1a) in section II.

## B) LIQUIDITY RISK IN INSURANCE CONTRACTS

Liquidity needs related to insurance contracts are mainly based on the liability flows of annuities, private income and reinsurance debt.

REINSURANCE DEBT AS OF DEC- 2021 (THCH\$)							
REINSURER	RATING 1	RATING 2	TOTAL				
GEN RE	Aa2	AA+	1,147,342				
HANNOVER	AA-	A+	14,287				
MAPFRE RE	A+	А	1,645,922				
MUNCHENER RE	AA	Aa3	350,801				
SAGICOR	A-	BB	101,749				
SCOR SE	A+	Aa3	2,363,906				
SWISS RE	A+	Aa3	80,868				
RGA	А	A+	91,618				
			5,796,493				

Faced with the possibility of catastrophic or material claims in group contracts, the Insurance Company has entered into a number of reinsurance contracts that minimize this risk for the entire portfolio, which include clauses related to the prompt payment of significant claims or the significant accumulation of minor claims that affect the Insurance Company's retention. The Insurance Company regularly monitors concentration indicators over the highest capital insured in individual and group insurance policies.

The Insurance Company must consider the possibility of mass withdrawals from insurance with savings components (CUI), especially in regard to policies with guaranteed rates of return on savings, which could be unexpectedly withdrawn. With respect to events that require massive redemption payments, our policies require portfolios backing guaranteed fixed income instruments to maintain at least 10% in liquid assets.

## C) MARKET RISK IN INSURANCE CONTRACTS

Market risk in insurance contracts is mainly based on interest rate and reinvestment risk related to the flows of annuities. In this regard, the Insurance Company believes that the AST is an adequate measure to control reinvestment risk.

Market risk is also observed in CUI investments if Vida Security does not accurately match policyholder investments to the investments it actually makes, or if the guarantee has an adverse impact on the Insurance Company in specific market situations. Therefore, the Insurance Company monitors matches by fund on a daily basis since its Investment Policy allows a mismatch only in a limited number of assets.

Section I above provides an explanation for financial risks related to investments backing reserves in the different lines of business.

No currency risk is associated with insurance contracts as the Insurance Company grants insurance contracts only in the local market and they are denominated in UF (inflation index-linked units of account). The policy does not allow a mismatch for savings denominated in foreign currency, mainly in U.S. dollars.



Finally, as stated above, the currency risk related to non-CUI investments in foreign currency is mitigated through swap contracts and conventional exchange rate insurance policies, thus allowing a maximum mismatch of 25% of assets.

## 3. CONCENTRATION OF INSURANCE POLICIES

The Insurance Company's gross written premiums amounted to THCH\$329,921,924 in 2021. 90% of which was sold in central Chile, mainly in the Metropolitan Region (Santiago, Chile's capital and most important city).

Individual products that include CUI represent 38% of the Insurance Company's gross written premiums.

Group products (life + health + personal accident) account for 18% of gross written premiums.

Pension insurance policies (annuities and voluntary pension savings or APV) account for 43% of the company's total gross written premiums.

	GROSS WRITTEN PREMIUMS 2021 BY GEOGRAPHIC AREA (THCH\$)							
PRODUCT	CENTRAL	NORTH CENTRAL	NORTH	SOUTH	TOTAL			
Group	57,732,078	-	589,103	589,103	58,910,284			
DSI	289,139	-	-	-	289,139			
Individual	101,299,349	1,250,609	7,503,656	15,007,311	125,060,925			
Retirement	136,317,434	-	2,869,841	4,304,761	143,492,036			
Mass	1,800,270	-	-	368,730	2,169,000			
TOTAL	297,438,270	1,250,609	10,962,600	20,269,905	329,921,384			

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

Geographical area is not a relevant analysis factor for the Insurance Company given the high concentration in central Chile. Therefore, it does not analyze the number of claims based on this factor. Factors such as industry and currency are not relevant for the Insurance Company either.

The distribution of gross written premiums by distribution channel and insurance product are as follows. The table also illustrates the importance of sales agents for individual insurance and brokers for group insurance. The annuity brokers channel is the same as the pension advisor channel.

	GROSS WRITTEN PREMIUMS 2021 BY DISTRIBUTION CHANNEL (THCH\$)								
PRODUCT	AGENT	BROKERS	ALLIANCES	OTHER	OVERALL TOTAL				
Group	4,712,823	53,019,255	1,178,206	-	58,910,284				
DSI	289,139	-	-	-	289,139				
Individual	115,927,945	9,132,980	-	-	125,060,925				
Retirement	29,474,393	114,017,643	-	-	143,492,036				
Mass	-	2,169,000	-	-	2,169,000				
TOTAL	150,404,300	178,338,878	1,178,206	-	329,921,384				

## 4. SENSITIVITY ANALYSIS

The following sensitivity analysis shows how profit and equity in 2021 would have been affected by reasonable deviations in some risk variables.

## A) METHODS AND ASSUMPTIONS USED TO PERFORM THE SENSITIVITY ANALYSIS:

Given the lack of historical information available, the Insurance Company decided to use international benchmarks for this calculation. It relied particularly on recommendations from the Canadian Institute of Actuaries. Both qualitative and quantitative methods and assumptions were used based on the variable addressed.

The Insurance Company performed a short-term analysis that determined the impact that a percentage variation of the insurance risk variables would have on profit or loss.

Similarly, it performed a long-term analysis that reviewed the corresponding impact on reserves. In this case, as the Insurance Company's reserve is a combination of the regulatory reserve established by the CMF and the related liability adequacy test (LAT), some lines have a clear surplus of regulatory reserves based on the LAT, while others present deficiencies. These analyses were performed considering this fact, so that the effect will be null when the sensitivity variable still results in a reserve surplus in the corresponding LAT in regard to the regulatory reserves.

Finally, the impacts of each risk variable are not cumulative and are not linearly related. Therefore, the impacts should be analyzed separately and may not be added a priori.

# B) CHANGES IN METHODS AND ASSUMPTIONS FROM THE PRIOR PERIOD AND REASONS FOR SUCH CHANGES:

Due to an absence of sufficient historical data for the local insurance industry, the Insurance Company continued using the methodology based on the recommendations of the Canadian Institute of Actuaries. Accordingly, there are no changes in the methods or assumptions used in this analysis.

## C) SIGNIFICANT RISK FACTORS FOR THE INSURANCE COMPANY:

## i. MORTALITY

For this variable, the Insurance Company evaluated the possible impact of a deviation in the number of deceased individuals on the Insurance Company's 2021 profit. Based on the recommendations from the Canadian Institute of Actuaries, the Insurance Company considered a 2% increase in mortality observed in the year. The effects are summarized in the following table:



(тнсн\$)	REAL AS OF DEC. 2021	EFFECT (%)	REAL AS OF DEC. 2020	EFFECT (%)
Death claims	10,550,355.59	-0.12%	12,859,540.71	-0.57%
Reserve adjustment	130,964,265.70	0.04%	80,064,896.99	0.05%
Pension payments	190,086,175.40	0.20%	142,033,067.27	0.27%
TOTAL	331,600,796.69	0.11%	234,957,504.97	-0.29%

The effect is measured in this case as a percentage of the total 2021 profit. This is summarized by business line in the table below:

(тнсн\$)	EFFECT (%) 2021	EFFECT (%) 2020
Annuities	0.23%	0.27%
Individual life	0.05%	-0.29%
Group	-0.15%	-0.15%
Group credit life	-0.02%	-0.04%
DSI	0.00%	-0.09%
Mass	0.00%	0.00%
EFFECT ON PROFIT	0.11%	-0.29%

## ii. MORBIDITY

For this variable, the Insurance Company reviewed the possible impact of a reasonable variation in morbidity on the Insurance Company's 2021 profit. Based on the recommendations of the Canadian Institute of Actuaries, the Insurance Company considered a 5% deviation in morbidity noted during the year. The effects are summarized in the following table:

(тнсн\$)	REAL AS OF DEC. 2020	EFFECT (%)	REAL AS OF DEC. 2019	EFFECT (%)
Non-death claims	42,489,294,621	-4.13%	41,786,078,753	-7.49%

Similarly, the effect is measured as a percentage of the total 2021 profit. This is summarized by business line in the table below:

(тнсн\$)	EFFECT (%) 2021	EFFECT (%) 2020
Annuities	0.00%	0.00%
Individual life	-0.37%	-0.60%
Group	-4.38%	-6.01%
Group credit life	0.00%	0.00%
DSI	0.64%	-0.86%
Mass	-0.02%	-0.03%
EFFECT ON PROFIT	-4.13%	-7.49%

#### iii. LIFE SPAN

For this variable the Insurance Company calculated the possible impact of a reasonable deviation on the Insurance Company's 2021 profit or loss, considering the recommendations made by the Canadian Institute of Actuaries. The Insurance Company considered a 2% increase in life span observed at year end for each business line.

Since the Insurance Company used the same percentage deviation for mortality and the effect of this variable has the same magnitude but the opposite sign, a 2% increase in life span would result in a -0.11% effect on profit or loss.

#### iv. INTEREST RATES

For the Insurance Company's portfolio of products, this variable is not significant when analyzing risks with an impact on profit. This is due to the fact that products with guarantees in long-term interest rates are related to investments that are valued at purchase price. For short-term products, there is no guarantee or the reserve involved is very small compared to the Insurance Company's total reserve.

#### v. EXCHANGE RATES

As the Insurance Company's insurance portfolio has mainly policies in local currency indexed to inflation, this variable is not considered a significant risk for profit.

#### vi. INFLATION

As above, because the Insurance Company's insurance portfolio has been traded mainly in local currency indexed to inflation, this is not recognized as a significant risk to be analyzed with respect to profit.

#### vii. UNEMPLOYMENT RATE

This risk has a significant impact mainly on coverage for disability and survivor insurance. Given the lack of experience with which to generate a correlation coefficient linking the unemployment rate and the results of the DSI business, this risk is evaluated based on the following assumptions:

- Even when the unemployment rate shows little change, there are important variations in the composition of employment as a result of the creation/elimination of salaried jobs, which directly affects the business. Therefore, the impact will be measured based on the variation in the number of salaried positions, not the unemployment rate.
- If the number of salaried positions falls, in the short term the number of policyholders with insurance coverage remains steady. However, the number of contributing policyholders decreases and, therefore, premiums paid are negatively affected.
- The impact of the decrease in the number of salaried positions is not reflected in the same number of contributors, since, in the short term, a person that no longer holds a salaried position does not necessary stop contributing. For example, if the number of salaried positions drops by 5%, that does not imply that the number of contributors falls by the same 5%.
- We have not found evidence that the number of claims is affected by deviations in unemployment. Therefore, the Insurance Company will not measure the sensitivity of the unemployment rate with respect to people that file for disability after becoming unemployed.



Although the number of salaried positions tends to increase, shocks have occasionally produced decreases from one year to the next. The most relevant drops include: June 1999 with a drop of 5.36%; March 2001 with a drop of 1.76%; July 2009 with a drop of 1.85% and July 2020 with a drop of 14.85%, all over the same respective month in the prior year.

Thus, the maximum historical variation is approximately 14.85%, which, given the low volume of premiums (portfolio runoff), translates into an impact of 0% on premiums:

(FIGURES IN THCH\$)	REAL AS OF DEC. 2021	EFFECT (%)	REAL AS OF DEC. 2020	EFFECT (%)
Retained premium	119,881	0.00%	62,701	0.00%

Once again, the effect is measured as a percentage of the total profit for 2021.

#### viii. LOANS

Insignificant risk for the Insurance Company.

#### ix. COVERAGE FROM INSURANCE CONTRACTS

The Insurance Company has no insurance contracts with extraordinary coverage that have no reinsurance coverage to strongly limit this risk and, therefore this is not a significant risk.

## x. EXPENSES

The Insurance Company has considered a 5% increase in direct administrative costs compared to year end by business line, in order to evaluate the possible impact of a deviation in this variable on 2021 profit, based on the recommendations of the Canadian Institute of Actuaries. The effects are summarized in the following table:

(тнсн\$)	REAL AS OF DEC. 2021	EFFECT	REAL AS OF DEC. 2020	EFFECT
Direct costs	32,019,134	-3.42%	28,941,418	-5.12%

Similarly, the effect is measured as a percentage of the total 2021 profit. This is summarized by business line in the table below:

(тнсн\$)	EFFECT (%) 2021	EFFECT (%) 2020
Annuities	-1.27%	-1.84%
Individual life	-1.15%	-1.81%
Group	-0.82%	-1.22%
Group credit life	-0.10%	-0.14%
DSI	-0.06%	-0.08%
Mass	-0.01%	-0.02%
EFFECT ON PROFIT	-3.42%	-5.12%

#### xi. VARIATION IN AVERAGE CLAIM

This risk has only a significant impact on business where the claim amount is unknown a priori. These businesses are mainly concentrated on health care coverage. The claim amounts of the Insurance Company's health care insurance portfolio are limited by coverage caps and reinsurance contracts in force that make this variable insignificant for the sensitivity analysis.

### xii. OCCURRENCE OF DISASTERS

The Insurance Company has a disaster reinsurance contract in effect, which makes the related risk to which the Insurance Company is exposed insignificant for the sensitivity analysis.

## D) LONG-TERM IMPACT ON RESERVES AS OF 2021 YEAR END REGARDING SIGNIFICANT RISK FACTORS FOR THE INSURANCE COMPANY:

#### i. LIFE SPAN

To evaluate the possible impact of a deviation in a variable on long-term reserves as of December 2021, the Insurance Company analyzed the effect on the LAT of a 2% decrease of qx in mortality tables in the Insurance Company's portfolio for annuities and individual life policies, specifically for products with mathematical reserves. As life span adversely affects the annuity portfolio and positively affects individual life policies, the Insurance Company considered a joint impact, where the greater reserve surplus in LAT for individual life is offset by the decrease of the original surplus in life annuities. This has an immaterial effect given the clearance observed in both tests.

#### ii. MORTALITY

As for life span, the Insurance Company considered 2% growth of qx of life tables in its portfolio for annuities and individual life policies (mathematical reserve). The above would result in a greater surplus for annuities and smaller surplus for individual life. Thus, the effect would be null, since there would be an even larger surplus.

#### iii. EXPENSES

Finally, in terms of expenses considered in the LAT analyses, the Insurance Company considered a 5% increase in expenses. For annuities and individual life policies, the effect is a decrease in the surplus over regulatory reserves, so that the effect is null.

## III. INTERNAL CONTROL (Unaudited)

The Insurance Company performs a risk control and monitoring procedure consisting of updating process maps and risk matrices, identifying control weaknesses, establishing mitigating action plans and monitoring developments on a monthly basis, which is consistent with CMF General Standard 309.

Observations from external auditors from auditing operational cycles as stated in CMF Ruling 1441 (production, subscription of risks, valuation of reserves, reinsurance, claims, commissions and collections, systems and investments) and their amendments are added to this control process, as well as observations from internal audit and the CMF.

During 2021, the Insurance Company strictly complied with the monthly risk control procedure described above and, at the same time, its external auditors reported no significant observations. Action plans behind schedule are analyzed in order to request background



information to explain the delay and, thus, set new deadlines for action plans. None of the residual risks threaten the Insurance Company's equity or solvency at a residual level.

It also continued building a database of loss events and operational risk incidents and improving the existing procedure for detecting and preventing fraud, which occurs occasionally with health insurance policies.

## **CORPORATE GOVERNANCE**

Corporate governance refers to the set of practices and policies set forth by Grupo Security's Board of Directors. These corporate governance principles aim to ensure that the Group's objectives are met and its values are upheld. They add value to the Insurance Company by encouraging self-regulation and regulatory compliance, and establishing common guidelines for the Group companies. Thus, corporate governance facilitates decision making in Group companies, within a framework of transparency and responsibility, involving all those who participate in the organization: shareholders, employees or other stakeholders. At the same time, corporate governance principles ensure that the activities undertaken by the Group's companies are consistent with its business strategy, institutional values and risk tolerance and appetite. Grupo Security's Board of Directors is responsible for ensuring that corporate policies are applied at company level. Compliance is monitored by the Corporate CEO and the Directors' Committee, as well as various corporate- and subsidiary-level committees.

Vida Security has a board-approved corporate governance policy that encompasses the following matters.

- A description of the corporate governance structure at Vida Security and the corporate governance best practices adopted by the Insurance Company.
- The structure and operation of the Board of Directors and Directors' Committees, including the treatment of reports presented, minutes, creation record of each committee and the procedure to update the directors' Xtranet, which houses all past presentations given to the Board of Directors and Directors' Committees.

The Insurance Company's corporate governance structure includes the following levels:

## ANNUAL SHAREHOLDERS' MEETINGS AND THE BOARD OF DIRECTORS.

The role of the Board is to oversee control and strategic monitoring for the Insurance Company in both the short- and long-term. Its seven members have broad professional experience and the necessary moral standing to hold the office of director.

#### BOARD COMMITTEES.

The Board of Directors delegates to these committees powers and responsibilities related to the implementation, control and monitoring of the strategic guidelines provided by the Board, as well as compliance with policies. The following committees, on which at least 3 directors sit, meet regularly: Businesses, Financial Risk, Compliance and Operational Risk, Technical Actuarial, Audit, Operations and IT.

#### SENIOR MANAGEMENT.

The Insurance Company's organizational structure allows it to assign and control compliance with strategic objectives by establishing functions or business and support areas with clearly defined objectives and adequate resources for reaching their

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goals, with properly segregated duties and an appropriate internal control environment. There are corporate support areas that provide services to all Group companies, including Culture, Marketing, Technology Services Unit, Accounting, Controller's Office and Business Risk.

## RISK MANAGEMENT DIVISION.

This division is aligned with the Group's Comprehensive Risk Management Model and is in charge of maintaining the Insurance Company's process maps and risk matrices. This division is responsible for managing operational and compliance risk. The Insurance Technical Risk Division is responsible for managing insurance technical risks and the Financial Risk Unit is responsible for financial risk management.

## GRUPO SECURITY CORPORATE CONTROLLER

This division has a team dedicated exclusively to auditing Vida Security based on planning approved by the Audit Committee and Board of Directors using a risk approach consistent with the Group's comprehensive risk management model.

- To ensure quick and timely responses to inquiries from shareholders and investors, Grupo Security provides support to the Insurance Company in the form of presentations to analysts and investors given on a quarterly basis or as required, which also involve Vida Security's Chief Executive Office. The Insurance Company also has a Corporate Investor Relations Area that is responsible for managing investor relations and preparing periodical market information, which is available on Grupo Security's website. Finally, due to the Insurance Company's share structure, any inquiry from a shareholder is personally responded to by the Chief Executive Officer or the person appointed by him for this purpose.
- The Insurance Company applies these principles for Market Conduct in the Insurance Sector (General Standard 420) using different internal policies and procedures such as its quality and transparency policies, which aim to provide customers fair and transparent treatment in accordance with the values and principles that Vida Security promotes.
- As a publicly held corporation, Vida Security must complete the questionnaire on "Adoption of Corporate Governance Practices" as per CMF SVS General Standard No. 385, where the Insurance Company states whether or not it has adopted a number of practices.
- The Insurance Company has corporate policies and manuals to which it adheres, and internal policies in accordance with its reality. These corporate policies include the Comprehensive Risk Management Policy; the Information Security Policy; the Crime Prevention Policy; the Code of Ethics and Code of Conduct, and the Significant Market Information Management Policy, among others. The insurance area policies include the Investment and Financial (Credit, Market and Liquidity) Risk Management Policy, the Technical Risk Management Policy (Reinsurance, Pricing and Subscription, Reserve and Claim Management), the Good Corporate Governance Policy, the Legal and Regulatory Risk Management Policy, the Quality and Transparency Policy, the Related Party Customary Transactions Policy, the IT Corporate Governance Policy, the Supplier Management Policy and the Crime Prevention Manual, among others. All these policies provide general and specific guidelines on the Insurance Company's daily operations and are the cornerstone of a suitable internal control environment.
- This policy and the entire content of a Good Corporate Governance Handbook are the main tools used for the induction of new directors, managers and senior executives. Additionally, directors may hold meetings with other directors, the Chief Executive Officer or managers to learn about the Insurance Company, its businesses, risks, policies, procedures, significant accounting policies and the most significant current legal framework applicable to the Insurance Company and the Board of Directors. Also,



the Board of Directors has access to the online directors' Xtranet, which contains minutes and presentations made to the Board and Directors' Committees.

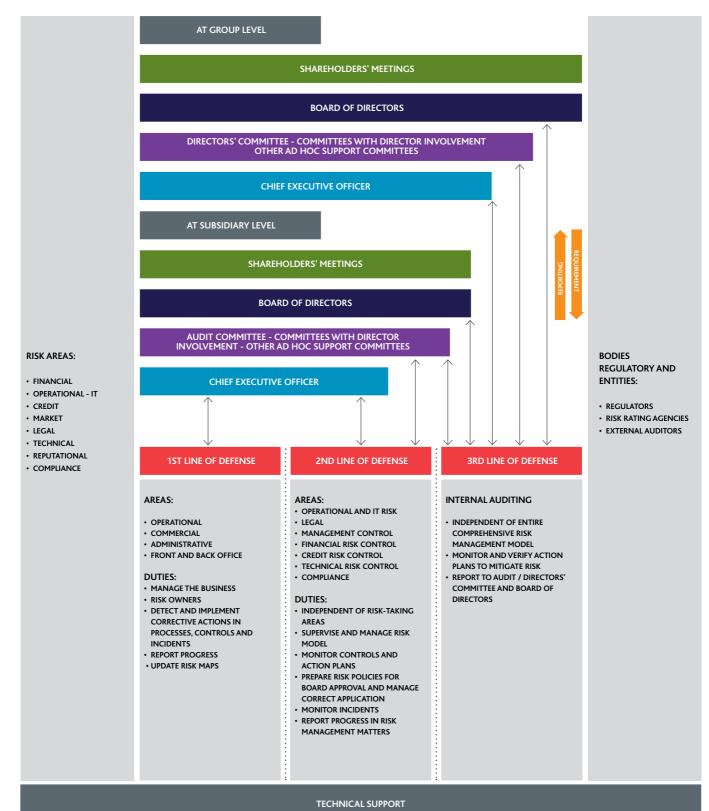
- The Board of Directors has an annual budget of UF 10,000 approved by shareholders to hire consultants specialized in accounting, financial, legal and other matters any time the Board sees fit.
- The Board of Directors holds meetings twice a year with the external auditing company that is responsible for auditing the standalone financial statements to review the management letter, the audited standalone financial statements, the annual audit plan, the limited review report on the June standalone financial statements and other matters of interest. When appropriate, these meetings will be conducted without the presence of the senior executives.
- External audit and risk rating services are provided by internationally reputable firms registered with the CMF.
- The Insurance Company has a Code of Ethics and a Code of Conduct, which are prepared by Grupo Security for all Group companies and then adapted to each individual company and approved by its Board of Directors. Both documents are also applicable to directors.
- The Insurance Company has a Senior Management Recruitment and Compensation Policy approved by the Board of Directors. There is also an Incentive Policy and a Compensation Committee in place for Grupo Security and subsidiaries, which regularly reviews and applies the Incentive Program.
- The Insurance Company has a senior management performance evaluation process to verify compliance with objectives set by the Board of Directors.
- The Insurance Company has an Internal Legal and Compliance Risk Committee that deals with matters related to legal and regulatory compliance, the Code of Ethics and the Code of Conduct, fraud, reported irregularities or criminal offenses, etc. There is also an online corporate reporting channel that ensures all claims remain confidential.
- The Insurance Company has an Intercompany Customary Transactions Policy that determines and approves customary transactions with related parties in accordance with the Insurance Company's corporate purpose (Article No. 147 of Law No. 18,046). This policy is reviewed on an annual basis and Note 49 of the financial statements, which discloses all of the related party transactions carried out in the year to date, is presented to the Board of Directors on a quarterly basis.

#### **RISK MANAGEMENT STRATEGY**

In order to comply with the provisions of CMF General Standard No. 325, the Insurance Company has formalized a Risk Management Strategy (RMS), which is intended to adopt best practices in risk management, thus allowing for adequate identification, analysis, evaluation, treatment and monitoring of risks in conformity with the guidelines established by the Group for such purposes, current industry regulations and the individual needs of the business.

The Insurance Company has adopted the Comprehensive Risk Management and Information Security Policies of Grupo Security, and assigned roles and responsibilities according to its organizational structure and its three lines of defense covering its operating departments, support departments and Internal Audit. The following figure shows the governance system established to correctly manage the risks of Grupo Security, which is followed by the Insurance Company:

## CORPORATE GOVERNANCE BASED ON COMPREHENSIVE RISK MANAGEMENT AT GRUPO SECURITY





Through its RMS, the Insurance Company establishes the objective of managing the main risks to which the entity is comprehensively exposed. These risks include Financial Risks, Insurance Technical Risks, Operational and Compliance Risks, and are defined as follows:

#### **FINANCIAL RISKS**

CREDIT:

Exposure to economic losses as a result of a counterparty's failure to comply with the terms and conditions stipulated in a contract or agreement.

• MARKET:

Possible loss caused by changes in market prices of stocks, inflation, interest rates or exchange rates. It includes mismatch and reinvestment risks.

• LIQUIDITY:

Insurer's failure to obtain the funds necessary to pay obligations without incurring significant losses.

#### **INSURANCE TECHNICAL RISKS**

PREMIUM RATING:

Significant departures from estimates of variables used in the determination of rates for products. This includes longevity risks in annuities and lapse of policy.

SUBSCRIPTION:

Possible losses related to significant weaknesses in the risk subscription process or an incorrect assessment of the premiums to be charged for acceptance.

PRODUCT DESIGN:

This relates to the Insurance Company's incursion in new unknown lines of business or the introduction of or significant modification to existing products.

CLAIMS MANAGEMENT:

Significant increase in losses associated with claims due to weaknesses in the controls over processes for evaluating and managing such claims.

INSUFFICIENCY IN TECHNICAL RESERVES:

Possible losses and weakening of creditworthiness due to an insufficient determination of future obligations assumed by the Insurance Company with policyholders and costs to be incurred by management to fulfill them.

REINSURANCE:

Risk related to the transfer of the insurance risks accepted by the Insurance Company and transferred to a reinsurer. This risk includes the credit risk related to reinsurers as well as the proper determination of reinsurance hedging, contract management and application of guidelines for the subscription of risks and claims agreed with them.

## **OPERATIONAL AND COMPLIANCE RISKS**

#### OPERATIONAL:

Risk of losses resulting from the lack of adaptation or a failure involving processes, personnel and internal systems or due to external events. It includes Technological Risk.

#### - REGULATORY/ LEGAL:

The risk of receiving legal or regulatory sanctions, material financial losses or reputational losses that may affect the Insurance Company as a result of non-compliance with laws, regulations, self-regulation standards and codes of conduct applicable to its activities.

#### REPUTATIONAL:

This is the possibility of losses incurred by an entity due to discredit, corporate image problems, negative advertising, whether true or not, regarding the institution and its business practices that causes losses to its clients, decreases in revenue or legal actions.

GROUP:

Group risk derives from belonging to a foreign or domestic economic or financial group and is related to the losses to which the Insurance Company is exposed due to investments, transactions or operations with related companies and risk of contagion or reputational risk in the event of any problems of the Insurance Company's controlling group.

The RMS states that the risk monitoring process is consistent with the roles and responsibilities of the different levels defined in the RMS and is inherent to the Insurance Company. It also establishes a number of mechanisms that allow the Insurance Company to effectively monitor all types of risks. These include:

- Monitoring responsibilities assigned at the executive (first and second lines of defense), board, board committee and other levels in order to ensure consistent and effective monitoring of risks and their exposure in accordance with defined corporate governance practices.
- Establishing a role in the Insurance Company (risk function) in charge of ensuring that monitoring mechanisms are being carried out.
- Considering the monitoring activities in the Insurance Company's and Group's risk management policies and procedures.
- Defining tolerance limits and levels to preventively identify the existence of potential business risks.
- Support tools to generate risk reports, monitoring of action plans, indicators and limits.

The Chief Executive Officer reports to the Board of Directors, which validates strategies and provides guidelines on the matter. There is also a Corporate Risk Division, which provides support and monitors on an aggregate basis the risk of each of the companies and reports to the Group's Board of Directors. The Internal Audit Department, which is part of this corporate division, is the third line of defense.

The RMS also defines that the Insurance Company's risk management be carried out by the aforementioned board committees and the different functions involved in managing and controlling risks.

APPENDICES



General Standard No. 408 supplements General Standard No. 309 regarding corporate governance principles, risk management and internal control systems, and contains the Own Risk and Solvency Assessment (ORSA).

In May 2021, the CMF issued NCG No. 454, which provides instructions regarding Operational Risk Management and Cybersecurity, establishing the minimum guidelines for companies to properly manage these risks, the frequency of a self-assessment of the degree of compliance with the operational risk management and cybersecurity principles, and a channel for reporting operational incidents to the regulator. At the end of the reporting period, the Insurance Company submitted its self-assessment as of September 2021. It achieved a high degree of compliance and outlined a work plan to reduce identified gaps.

#### **RISK MANAGEMENT AS A RESULT OF THE PANDEMIC**

Vida Security maintained its response to the risks derived from the COVID-19 pandemic that began in early 2020. The measures continued by the Insurance Company during 2021 were as follows:

#### **FINANCIAL RISK**

The Insurance Company executed various activities in line with its objectives to quantify the potential impact that the pandemic could have on its investment portfolio. It analyzed the situation and prepared action plans to address these risks.

It increased the frequency with which it monitored the factors affecting its cash flows, in order to quickly incorporate any changes in its assets and the annuities market. It also regularly monitored compliance with its liquidity policy.

It constantly reviewed the credit risk of the entire portfolio, with an emphasis on those industries most exposed to the pandemic. Then, it closely studied the issuers to which the portfolio was exposed, by reviewing their financial statements and risk ratings, meeting with the companies involved, analyzing potential agreements or assistance from various entities. Rescheduling programs were executed by the real estate business.

Finally, Value At Risk exercises were carried out to estimate the maximum probable loss that the investments could suffer within one month, with a confidence level of 95%.

#### **TECHNICAL RISK**

The Insurance Company established specific monitoring processes for claims associated with COVID-19.

It estimated the specific impact that the pandemic could have on its various insurance portfolios and on the risks that would be affected, such as death, both for policyholders and annuitants, as well as its health coverage.

It regularly and frequently monitored the occurrence and amount of claims due to the effect of the pandemic on our policyholders, and compared their trends with initial estimates.

Each of the claims reported to the Insurance Company or known by it were identified to determine whether or not they were directly or indirectly caused by COVID-19 and a record of these claims was kept to prepare the statistics and controls mentioned above.

## **OPERATIONAL RISK (UNAUDITED)**

The Insurance Company activated its business continuity plans for the most critical processes at the beginning of the pandemic, such as paying annuity pensions and paying disability and survivorship insurance claims. During the year, the Insurance Company increased inperson work and continuously monitored capacity limits at offices and branches, but did not completely do away with remote work. The Insurance Company continued to strengthen and adapt its processes to make customer services and sales exclusively virtual. It provided continual support to employees and their families, so that remote working could be carried out properly.

It identified the most important operational risks associated with remote working, which included the risk that our pensioners may not be able to access the payment of their pensions in person, so the Insurance Company made available all its remote channels to facilitate payment by electronic transfer; the risk of customer impersonation during any interaction with the Insurance Company, so the associated controls were increased to validate the identity of customers; the risk that policy premiums paid over the counter may lapse, so the Insurance Company improved the payment channels on its webpage; the risks associated with cybercrime, such as phishing, so the Insurance Company reinforced daily monitoring, improved cybersecurity controls and increased employee training. The Insurance Company's senior management continually monitored any developments associated with these changes to processes and controls, and reported them to the respective board committees.

#### RISKS RELATED TO HIPOTECARIA SECURITY PRINCIPAL S.A.

The risk management disclosure standards of Hipotecaria Security Principal S.A., do not require this note to be presented in the financial statements, but rather in its annual financial statements as of December 31 each year, in accordance with Ruling 2143 dated January 24, 2014.

Although Hipotecaria Security Principal S.A. has not significantly changed its risk management during 2020, management considered it pertinent to report some events.

## **OPERATIONAL RISK (UNAUDITED):**

Hipotecaria Security Principal S.A. continually adopted all the measures and protocols required to protect its employees and customers during the COVID-19 pandemic, and to maintain the continuity of its business under strict safety and operational measures at its headquarters.

It has communicated with the CMF through official letters and has focused on adapting its systems that control its endorsed mortgage loans, in order to provide a solution to our customers who request the postponement of loan payments, joint work and approved by investors and holders of financial instruments, all as instructed in Official Letter 13606 issued by the CMF, dated April 3, 2020. Hipotecaria Security Principal S.A. is fully complying with Official Letter 16905 dated April 22 related to detailed information regarding customers who have benefited from these transitory measures. Hipotecaria Security Principal S.A. declares that none of its analyses or projections to date warn of significant threats to its equity or solvency in compliance with customers and investors.

#### RISKS RELATED TO CORREDORES DE SEGUROS SECURITY LIMITADA



financial statements, but rather in its annual financial statements as of December 31 each year, in accordance with Ruling 2137 dated January 13, 2014.

Although it has not significantly changed its risk management during 2020, management considered it pertinent to report some events.

#### **OPERATIONAL RISK (UNAUDITED):**

Corredores de Seguros Security Limitada continually adopted all the measures and protocols required to protect its employees and customers during the COVID-19 pandemic, and to maintain the continuity of its business under strict safety and operational measures at its headquarters.

The Insurance Company strengthened and adapted its processes to make customer services and sales exclusively virtual. It accelerated the adoption of collaborative tools and remote access to its internal network via VPN. It provided continual support to employees and their families, so that remote working could be carried out properly.

Corredores de Seguros Security Limitada declares that none of its analyses or projections to date warn of significant threats to its equity or solvency in compliance with customers.

## **NOTE 37 - EQUITY**

#### A) ISSUED, SUBSCRIBED AND PAID CAPITAL

Subscribed and paid-in capital as of December 31, 2021 and 2020 is THCH\$487,697,796 and THCH\$487,690,566, respectively, represented as of December 31, 2021 by 4,042,335,913 shares without par value and by 4,042,290,725 shares without par value as of December 31, 2020.

SERIES	NUMBER OF SUBSCRIBED SHARES	NUMBER OF PAID-IN SHARES	NUMBER OF TREASURY SHARES IN PORTFOLIO	NUMBER OF VOTING SHARES
Single	4,042,335,913	4,042,335,913	38,395,994	4,003,939,919
SUBSCRIBED AND PAID-IN CAPITAL THCH\$	SUBSCRIBED CAPITAL DECEMBER 31, 2021 THCH\$	SUBSCRIBED CAPITAL DECEMBER 31, 2020 THCH\$	CAPITAL INCREASE THCH\$	
487,697,796	487,697,796	487,690,566	7,230	

## **CAPITAL INCREASE**

At the extraordinary shareholders' meeting held on June 22, 2020, the shareholders resolved to set the placement price of the 15,000,000 shares issued against the share capital increase resolved at the extraordinary shareholders' meeting of October 3, 2019 at CH\$160 per share.

On August 24, 2020, Grupo Security reported that the preferential option period for the capital increase that was agreed at the extraordinary shareholders' meeting held on October 3, 2019, took place between July 20 and August 19, 2020, and the remaining shares not subscribed or paid during that period totaled 92,779,432 shares.

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It reported that those shareholders who have exercised their preferential option rights during that period will have the right to subscribe on a pro-rata basis for 0.287937646488 shares for each share subscribed during the same period. This option will remain valid for 18 months from August 20, 2020.

On August 20, 2020, Grupo Security informed the CMF through Ruling 931 about the result of the capital increase that was agreed at the extraordinary shareholders' meeting held on October 3, 2019 and that took place between July 20 and August 19, 2020. During this preferential option period, 322,220,568 shares were placed, equivalent to THCH\$51,555,291.

## **TREASURY SHARES**

At an extraordinary shareholders' meeting on August 9, 2021, shareholders approved the creation of a share buyback program with the following characteristics: maximum percentage to be acquired: the equivalent of 5% of the company's subscribed and paid-in shares; program duration: 5 years as of the date of the meeting. The balance repurchased as of December 2021 is THCH\$ 4,636,865, consisting of 38,395,994 shares.

## B) OTHER RESERVES

Other reserves are detailed as follows:

OTHER RESERVES IN EQUITY	12.31.2021 THCH\$	12.31.2020 THCH\$
Reserve for insurance income and pensions	(71,916,196)	(54,475,098)
Reserve for financial assets available for sale and other bank assets	(13,206,636)	11,057,451
Translation adjustment reserve	3,236,099	1,747,686
IFRS 15 first-time adoption adjustments to equity (Bank)	(9,755,158)	(9,755,158)
Accounting hedges	(4,327)	(4,327)
Other reserves	(346,491)	(346,491)
TOTAL	(91,992,709)	(51,775,937)

## C) DIVIDENDS

The dividend policy agreed by the shareholders is to distribute at least 30% of the profits of Grupo Security S.A. received from its direct subsidiaries during the year and divide the payment in two dividends, an interim dividend and a final dividend. Additionally, the Board of Directors has been authorized to approve special dividend distributions with a charge to retained earnings if, in the opinion of the Board, Grupo Security S.A.'s financial condition allows it.

An annual general meeting held on April 7, 2020, shareholders agreed to a dividend of CH\$7.45 per share. When added to the interim dividend of CH\$2.20 already paid on October 25, 2019, this results in a dividend of CH\$9.65 per share to be charged against 2019 earnings. Furthermore, a special dividend of CH\$2.60 per share was already paid on October 25, 2019, out of retained earnings, bringing the total dividend to CH\$12.25 per share. The Board also agreed to propose at the AGM a dividend payment date of April 20, 2020.

At the annual general meeting held April 6, 2021, the shareholders approved an interim dividend of CH\$0.75 per share, a special dividend of CH\$2.75 per share, both declared by the Board in October 2020, and a final dividend of CH\$5.25 per share to be paid starting April



16, 2021. This meant distributing a total of MCH\$24,254 charged to profit for the year 2020, or 37% of earnings, in addition to the MCH\$11,116 paid as a special dividend charged to retained earnings from prior periods.

#### D) CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that its subsidiaries will be able to continue as a going concern, while maximizing shareholder value by optimizing debt and equity balances.

The Group's capital structure includes its net debt including bonds and loans as summarized in Notes 19 and 24 to the consolidated financial statements, and equity including share capital, reserves and retained earnings.

#### E) NON-CONTROLLING INTEREST

Details of movements in non-controlling interest for the years ended December 31, 2021 and 2020, are as follows:

#### I) THROUGH EQUITY:

	%	DECEMBER 31, 2021 THCH\$	%	DECEMBER 31, 2020 THCH\$
Banco Security and subsidiaries	0.02	169,716	0.02	166,729
IPS and subsidiaries	2.77	6,047,712	2.77	5,752,831
Capital S.A. and subsidiaries	18.35	1,155,812	18.35	1,024,010
Inmobiliaria and subsidiaries	0.11	(50,083)	0.11	(144,237)
Security Internacional and subsidiary	39.00	21,956,560	39.00	19,425,372
TOTAL		29,279,717		26,224,705

#### II) THROUGH PROFIT AND LOSS:

	%	DECEMBER 31, 2021 THCH\$	%	DECEMBER 31, 2020 THCH\$
Banco Security and subsidiaries	0.02	5,581	0.02	17,126
IPS and subsidiaries	2.77	842,908	2.77	437,924
Capital S.A. and subsidiaries	18.35	76,808	18.35	(1,120,020)
Inmobiliaria and subsidiaries	0.11	94,156	0.11	(63,737)
Security Internacional and subsidiary	39.00	1,061,400	39.00	(119,862)
TOTAL		2,080,853		(848,569)

#### III) THROUGH COMPREHENSIVE INCOME:

	%	DECEMBER 31, 2021 THCH\$	%	DECEMBER 31, 2020 THCH\$
Banco Security and subsidiaries	0.02	18,685	0.02	19,100
IPS and subsidiaries	2.77	842,718	2.77	437,927
Capital S.A. and subsidiaries	18.35	77,637	18.35	(1,120,020)
Inmobiliaria and subsidiaries	0.11	94,155	0.11	(63,737)
Security Internacional and subsidiary	39.00	2,021,817	39.00	(1,008,912)
TOTAL		3,055,012		(1,735,642)

# **NOTE 38 - COMMITMENTS AND CONTINGENCIES**

#### A) LAWSUITS AND LEGAL PROCEEDINGS

#### **BANCO SECURITY**

As of the date of issuance of these consolidated financial statements, some legal actions have been filed against the Bank and its subsidiaries involving its normal operations. Management and its legal counsel do not believe that the Bank and its subsidiaries are exposed to any potential significant losses not disclosed in these consolidated financial statements.

#### **B)** CONTINGENT LIABILITIES

As of December 31, 2021 and 2020, contingent liabilities are as follows:

	12.31.2021 THCH\$	12.31.2020 THCH\$
Commitments and responsibilities in memorandum accounts	9,038,395,158	8,242,194,042
Contingent loans and liabilities	1,563,054,072	1,187,931,751
Guarantees granted	82,488,131	99,864,553
TOTAL	10,683,937,361	9,529,990,346

# NOTE 39 - BONDHOLDER PROTECTION COVENANT: LEVERAGE RATIO

As of December 31, 2021, Grupo Security S.A. must comply with the following ratios and restrictions as a result of bond issuances:

INDEBTEDNESS: Grupo Security S.A. must maintain a leverage ratio below 0.4, measured on its quarterly separate statement
of financial position. Leverage is defined as the ratio of standalone financial liabilities, as presented in the FECU-IFRS financial
statement disclosures, and equity (hereinafter "IFRS Leverage"). Standalone financial liabilities are the sum of financial obligations
contracted by Grupo Security, excluding subsidiary financial obligations, regardless of whether those subsidiaries are consolidated
by Grupo Security S.A. Thus, standalone financial liabilities include the sum of the company's individually considered debts, which
are classified within the following FECU-IFRS accounting concepts: (i) obligations with banks and financial institutions, current
and non-current (as included in those concepts in the FECU-IFRS statements), (ii) financial obligations with the public (promissory
notes and bonds), current and non-current (as included in those concepts in the FECU-IFRS statements), (iii) other liabilities, trade
payables, notes payable, miscellaneous payables and provisions, all current and non-current (as included in those concepts in the
FECU-IFRS statements), (iv) accounts payable to related parties, current and non-current (as included in those concepts in the
FECU-IFRS statements). Point (iv) above shall include those individually considered accounts payable to Grupo Security S.A. that
have been contracted with related parties, which have been eliminated during the consolidation process and therefore are not
present in the issuer's financial statements.



Financial and accounting information in accordance with the previous paragraph are detailed as follows.

	GROUP (STANDALONE)	OTHER GROUP COMPANIES / CONSOLIDATION ADJUSTMENTS	CONSOLIDATED
CURRENT LIABILITIES			
Other financial liabilities, current	945,327	8,390,097,601	8,391,042,928
Lease liabilities, current	224,683	1,848,719	2,073,402
Trade and other payables	988,945	3,252,142,548	3,253,131,493
Accounts payable to related parties, current	-	1,409,979	1,409,979
Other short-term provisions	1,858,719	40,294,590	42,153,309
Current tax liabilities	-	35,812,925	35,812,925
Employee benefit provisions, current	4,270,140	12,585,242	16,855,382
Other non-financial liabilities, current	15,114,091	193,869,937	208,984,028
TOTAL CURRENT LIABILITIES OTHER THAN LIABILITIES INCLUDED IN DISPOSAL GROUPS CLASSIFIED AS AVAILABLE FOR SALE	23,401,905	11,928,061,541	11,951,463,446
Liabilities included in disposal groups classified as held for sale	-	690,375	690,375
TOTAL CURRENT LIABILITIES	23,401,905	11,928,751,916	11,952,153,821
NON-CURRENT LIABILITIES			
Other financial liabilities, non-current	296,878,218	556,127,003	853,005,221
Lease liabilities, non-current	449,366	6,518,395	6,967,761
Accounts payable, non-current	-	7,932,263	7,932,263
Accounts payable to related parties, non-current	-	3,735,724	3,735,724
Deferred tax liabilities	-	1,011,028	1,011,028
TOTAL NON-CURRENT LIABILITIES	297,327,584	575,324,413	872,651,997
TOTAL LIABILITIES	320,729,489	12,504,076,329	12,824,805,818
EQUITY			
Issued capital	487,697,796	-	487,697,796
Retained earnings	446,730,806	-	446,730,806
Treasury shares	(4,636,865)	-	(4,636,865)
Other reserves	(91,992,709)	-	(91,992,709)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	837,799,028	-	837,799,028
Non-controlling interests	-	29,279,717	29,279,717
TOTAL EQUITY	837,799,028	29,279,717	867,078,745
TOTAL LIABILITIES AND EQUITY	1,158,528,517	12,533,356,046	13,691,884,563
TOTAL CURRENT LIABILITIES GRUPO SECURITY (STANDALONE)			320,729,489
TOTAL EQUITY (TOTAL NET EQUITY) GRUPO SECURITY			867,078,745
LEVERAGE (TOTAL STANDALONE CURRENT LIABILITIES / TOTAL EQUITY)			36.99%

#### OWNERSHIP:

To maintain a 51% ownership interest in Banco Security.

# **NOTE 40 - MATERIAL EVENTS**

### **GRUPO SECURITY S.A.**

In compliance with the provisions of Article 9 and the second paragraph of Article 10, contained in Law No. 18,045, and in General Standard No. 30 and Circular No. 660, both issued by the Financial Market Commission, and being duly authorized to that effect, I hereby inform as a material event, that the Board of Directors of the company, at its meeting held on this same date, agreed to pay a total dividend of CH\$5.5 per share, which is distributed as follows: (i) an interim dividend of CH\$3 per share, to be paid in cash out of the current year's profit; and (ii) a special dividend in the amount of CH\$2.5 per share, to be paid in cash out of retained earnings from the previous year, as authorized at the annual general meeting held on April 6 of this year. The aforementioned total dividend will be made available to shareholders as of October 28, 2021, at the offices of DCV located at Avenida Los Conquistadores 1730, 24th floor, Providencia (telephone +56 22393 9003), or in any other manner chosen by the shareholders prior to the payment date.

All shareholders registered in the Shareholder Registry five business days prior to the date of payment were entitled to receive this dividend (excluding treasury shares registered in the company's name).

At the extraordinary shareholders' meeting held on August 25, it was agreed, among other matters (1) to approve the creation of a share buyback program pursuant to Articles 27A to 27C of Law No. 18,046; (2) to approve the following particular characteristics of the program: maximum percentage to be acquired: the equivalent of 5% of the company's subscribed and paid-in shares; objective: investment by purchasing and selling company shares, based on variations in the share price; duration of the program: Five years from the date of the meeting; to delegate to the Board of Directors the power to set the minimum and maximum price to be paid for the shares; to delegate to the Board of Directors the power to acquire shares directly in the stock exchange under the conditions of Article 27B of Law No. 18,046, as well as to dispose of the shares acquired without having to go through a preferential offering process, complying with the conditions of Article 27C of the same law; and (3) to empower the Board of Directors to adopt any other resolutions deemed necessary to implement the program as approved by the Board and the applicable legal provisions.

At an extraordinary board meeting of Grupo Security held on August 9, 2021, the Board agreed to call an extraordinary shareholders' meeting for August 25, 2021, at 9:30am at its offices located at Augusto Leguía Sur 70, underground floor, Las Condes, Santiago. The following matters were to be addressed at the meeting: •(1) To approve the creation of a share buyback program pursuant to Articles 27A to 27C of Law No. 18,046; (2) to approve the following particular characteristics of the program: maximum percentage to be acquired: the equivalent of 5% of the company's subscribed and paid-in shares; objective: investment by purchasing and selling company shares throughout the term of the program; duration of the program: Five years from the date of the meeting; to delegate to the Board of Directors the power to set the minimum and maximum price to be paid for the shares; to delegate to the Board of Directors the power to acquire shares directly in the stock exchange under the conditions of Article 27B of Law No. 18,046, as well as to dispose of the shares acquired without having to go through a preferential offering process, complying with the conditions of Article 27C of the same law; and (3) to adopt any other resolutions deemed necessary to implement the related decisions made.



interest in Global Security Gestión y Servicios Limitada from the related company Inversiones Previsión Security Limitada, producing a full merger of this company.

- The Board of Directors of Grupo Security S.A. agreed in a meeting held on March 11, 2021, to summon the shareholders to an annual general meeting on April 6, 2021, at 9:30 a.m., at the corporate offices located at Augusto Leguía Sur 70, ground floor, in the district of Las Condes, Santiago, and shareholders may also attend remotely and simultaneously in accordance with the provisions of General Standard No. 435 and Circular No. 1141 of the Financial Market Commission. If for any reason the meeting cannot be held in person, it shall be held exclusively by remote means in accordance with the above. The following matters were to be addressed at the annual general meeting:
  - 1. Approve the annual report and financial statements for the year ended December 31, 2020, including the report of independent auditors for that year;
  - 2. Dividend distribution;
  - 3. Dividend policies;
  - 4. Board compensation for 2021;
  - 5. Board expenses in 2020;
  - 6. Information regarding Directors' Committee activities, performance and expenses during 2020;
  - 7. Directors' Committee compensation and approval of the 2021 budget;
  - 8. Appointment of the company's independent auditors;
  - 9. Appointment of risk rating agency;
  - 10. Information on related party transactions in conformity with art. 146 et seq. of the Corporations Law;
  - 11. Select the newspaper for legal publications;
  - 12. In general, all other matters that should be addressed at an annual shareholders' meeting according to law.

Record is left that at the board meeting that it also agreed to propose at the annual general meeting a dividend of CH\$5.25 per share, which, added to the interim dividend of CH\$0.75 already paid on October 29, 2020, results in a dividend of CH\$6.00 per share to be charged to profit for 2020. Furthermore, a special dividend of CH\$2.75 per share was already paid on October 29, 2020, out of retained earnings, bringing the total dividend to CH\$8.75 per share. The Board also agreed to propose at the annual general meeting a dividend payment date of April 16, 2020.

Pursuant to the provisions of Article 76 of Law No. 18,046, we hereby inform you that the company's financial statements and the independent auditors' report are available on the company's website https://ir.security.cl/es/financial-information/quaterly-results as of February 26, 2021.

COVID 19

Grupo Security S.A. has been continually concerned about its employees throughout the COVID-19 pandemic. We have continued to operate all our businesses, in order to provide a timely response to our customers' requirements.

Banco Security has joined the government's COVID-19 lending program to support its customers, regardless of their industry. The process requires companies to meet conditions defined by the Government and the Bank's risk policies. The customer service model is personalized and cases are reviewed individually to meet the needs of each customer.

### SECURITIZADORA S.A.

- On February 22, 2021, in conformity with articles 9 and 10 of Law 18,045 on the Securities Market, we hereby communicate the following Material Event regarding Securitizadora Security S.A. (the "company"):
- On this date and in order to take on other responsibilities within Grupo Security, I presented my resignation from the position of Chief Executive Officer to the company's Board, effective February 28, 2021."

The Board agreed to designate in my replacement effective March 1, 2021, Fiorella María Battilana Ferla, who until that date worked as the Deputy Administration and Finance Manager of Securitizadora Security S.A.

By means of this letter, on April 20, 2021, in conformity with Law No. 18,046 on Corporations and CMF General Standard No. 30, and as especially authorized by the Board of Securitizadora Security S.A., I inform the following:

On April 20, 2021, the Board of Directors of Securitizadora Security agreed to call an annual general meeting for April 30, 2021, at 9:30 a.m. in the company's offices located at Augusto Leguía Norte No. 100, 6th floor, Las Condes, Santiago. The following matters were to be addressed at the annual general meeting:

- 1. Approval of the annual report for 2020 and the independent auditor report for the year ended December 31, 2020;
- 2. Profit distribution and dividend payments for the year;
- 3. Board compensation for 2021;
- 4. Appointment of the company's independent auditors;
- 5. Information on related party transactions in conformity with art. 146 et seq. of the Corporations Law;
- 6. Select the newspaper for legal publications;
- 7. In general, all other matters that should be addressed at an annual general meeting according to law.

At that meeting, the Board also agreed to propose a dividend of CH\$280,545 per share at the annual general meeting. As no interim or special dividends were distributed during the year 2021, this dividend will also be the final dividend per share for the year 2021.

Pursuant to the provisions of Article 76 of Law No. 18,046 and NCG 30, we hereby inform you that the company's financial statements and the independent auditors' report are available on the company's website http://www.securitizadorasecurity.cl as of April 20, 2021.

Record is left that Grupo Security S.A. and Capital S.A., as the only shareholders of Securitizadora Security S.A., committed to attending the annual general meeting. As a result, the legal formalities regarding meeting notices will be disregarded in accordance with article 60 of Law No. 18,046 on Corporations. Finally, record is left that the Board unanimously agreed to allow remote participation and voting, specifically via the Webex platform. The identity of each participant will be accredited using that platform and powers of attorney will be accredited using the same Webex platform or by emailing it to lorena.fuentes@security. cl. In any case, the original should be sent to the company's main address, addressed to the Chief Executive Officer, within 10 calendar days following the meeting.



On May 3, 2021, we reported the following material event related to the company:

At the annual general meeting held on this same date, April 30, 2021, the shareholders with voting rights unanimously agreed, among other matters, to distribute final dividends for a total of CH \$2,899,993,665, equivalent to MCH \$280,545 per share, payable starting May 24, 2021, detailed as follows: /a/ as a final dividend charged to profit for the year 2020, the total profit (i.e. CH \$969,228,470, equivalent to CH \$93,763.0327 per share; and /b/ as a special final dividend charged retained earnings from prior periods a total of CH \$1,930,765,195, equivalent to CH \$186,781.9673 per share. All shareholders registered in the Shareholder Registry as of May 14, 2021, shall be entitled to receive these dividends.

#### INMOBILIARIA CASANUESTRA S.A.

On February 22, 2021, in conformity with articles 9 and 10 of Law 18,045 on the Securities Market, we hereby communicate a Material Event regarding Inmobiliaria Casanuestra S.A. (the "company"), as follows:

"On this date and in order to take on other responsibilities within Grupo Security, I presented my resignation from the position of Chief Executive Officer to the company's Board, effective February 28, 2021."

The Board agreed to designate in my replacement effective March 1, 2021, Fiorella María Battilana Ferla, who until that date worked as the Deputy Administration and Finance Manager of Securitizadora Security S.A.

- On April 20, 2021, the Board of Directors of Inmobiliaria Casanuestra S.A. agreed to call an annual general meeting for April 30, 2021, at 9:00 a.m. in the company's offices located at Augusto Leguía Norte No. 100, 6th floor, Las Condes, Santiago. The following matters were to be addressed at the annual general meeting:
  - 1. Approval of the annual report for 2020 and the independent auditor report for the year ended December 31, 2020;
  - 2. Board compensation for 2021;
  - 3. Appointment of the company's independent auditors;
  - 4. Information on related party transactions in conformity with art. 146 et seq. of the Corporations Law;
  - 5. Select the newspaper for legal publications; and 6. In general, all other matters that should be addressed at an annual general meeting according to law.

Pursuant to NCG 364 and NCG 30, we hereby inform you that the company's financial statements and the independent auditors' report are available on the company's website http://www.casanuestra.cl as of April 20, 2021. Record is left that Grupo Security S.A. and Capital S.A., as the only shareholders of Inmobiliaria Casanuestra S.A., committed to attending the annual general meeting. As a result, the legal formalities regarding meeting notices will be disregarded in accordance with article 60 of Law No. 18,046 on Corporations.

Finally, record is left that the Board unanimously agreed to allow remote participation and voting, specifically via the Webex platform. The identify of each participate will be accredited using the referenced platform and powers of attorney may be accredited using the same Webex platform or by emailing it to lorena.fuentes@security.cl.

# ADMINISTRADORA GENERAL DE FONDOS SECURITY

On February 22, 2021, in conformity with articles 9 and 10 of Law 18,045 on the Securities Market, we hereby communicate a Material Event regarding Administradora General de Fondos S.A. (the "company"), as follows:

On this date, Mr. Gustavo Schmincke Aránguiz will step down as the company's Investment Manager as of February 28, 2021.

Mr. Jorge Meyer de Pablo was appointed as Investment Manager in his replacement with effect from March 1, 2021, who was the Chief Executive Officer of Securitizadora Security S.A.

- On April 15, 2021, at an ordinary meeting of the Board of Administradora General de Fondos Security S.A., held on April 14, 2021, it was agreed to call an annual general meeting for April 30, 2021 at 9:30 a.m. The following matters were to be addressed at the annual general meeting:
  - 1. Approval of the annual report, balance sheet and financial statements for the year-ended December 31, 2020, including the report of independent auditors for that year
  - 2. Approval of profit distribution and dividend payments
  - 3. Board compensation for 2021
  - 4. Board expenses in 2020
  - 5. Appointment of the company's independent auditors
  - 6. Information on related party transactions in conformity with the Corporations Law.
  - 7. Designation of newspaper for legal publications
  - 8. In general all other matters that should be addressed at an annual shareholders' meeting according to law

As the company's two shareholders committed to attend the meeting, the company did not publish a notice to call the meeting. The Board of Directors agreed that shareholders will be permitted to participate in this meeting using the technological means that the company will provide for such purpose, which will allow remote participation, voting and identification of shareholders, in accordance with the provisions of CMF General Standard 435 and Ruling 1,141. These means will be duly reported in the summons.

# SEGUROS VIDA SECURITY PREVISIÓN S.A.

On March 24, 2021, an annual general meeting was called for April 27, 2021. The matters to be addressed are: the proposal to distribute a dividend of CH \$14,128,176,108, equivalent to 60.0458% of profit for the year 2020, giving a dividend of CH \$ 29.5 per share; in relation to the independent auditors, it is reported that a fee quote was requested from Deloitte, KPMG, PWC and EY, and after having analyzed and studied the proposals, EY was recommended as the first option for the year 2021, based on



its experience and business acumen, presence and market share as external auditors in the insurance market, independence and partners, value, coverage and scope of service.

- On April 27, 2021, the shareholders at the annual general meeting agreed to distribute a dividend of CH \$14,128,176,108, equivalent to approximately 60.0458% of profit for the year 2020, giving a dividend of CH \$29.5 per share. It was agreed to maintain the dividend policy of distributing the minimum of 30% of profit for the year. In addition, the shareholders agreed to designate Ernst & Young as its independent auditors for the year 2021 and the risk rating agencies Fitch Chile Clasificadora de Riesgo Limitada and ICR Compañía Clasificadora de Riesgo Limitada, also for the 2021 period.
- On April 28, 2021, Law 21,330 was published. This law enables annuity retirees and their beneficiaries to request from insurance companies a one-time voluntary advance on their annuity, equivalent to up to 10% of the technical reserves still held for their contract, with a maximum advance of 150 UF. The advance requested will be charged to the monthly amount of future pensions, resulting in a policy endorsement and a reduction in the gross pension payable by the company. This legal reform will affect the company's financial statements but the impact is not yet quantified, awaiting regulations from the Financial Market Commission.
- On May 3, 2021, the material event is complemented to indicate the ex-dividend date of April 28, 2021.
- On May 4, 2021, it is reported that a notice for shareholders was published on May 2, 2021, in the electronic newspaper El Libero regarding the agreement to pay a final dividend of CH \$29.5 per share, charged to profit for the year ended December 31, 2020.
- On May 14, 2021, Mapfre Seguros de Vida de Chile S.A. and Caja Reaseguradora de Chile S.A. communicated their decision to abandon the transaction to sell and transfer the annuity portfolio in run-off.
- Seguros Vida Security Previsión S.A. maintained all the measures and protocols required to protect its employees, retirees and policyholders during the COVID-19 pandemic, and to maintain the continuity of its business under strict safety and operational measures, such as implementing new technological communication tools, at its headquarters, branches and places where employees are working remotely. These events were communicated as a Material Event published March 23, 2020.
- On December 7, 2021, the Board of Directors of Seguros Vida Security Previsión S.A., in accordance with the dividend policy agreed at the annual general meeting this year, agreed to distribute a special dividend charged to the company's retained earnings of CH \$20,176,951,167, equivalent to CH \$42.13 per share.

#### **BANCO SECURITY**

 On April 29, 2021, Banco Security reported to the CMF that Grupo Security S.A. had acquired 8,439,628 single series shares in the Bank during its capital increase. This took place on April 8, 2021 for CH\$2,724.553920 per share, and Grupo Security S.A. increased its interest in Banco Security from 99.9749% to 99.9758%.

# VALORES SECURITY S.A. CORREDORES DE BOLSA

On April 12, 2021, Santiago Exchange imposed a fine of 350 UF on Valores Security S.A. Corredores de Bolsa for breaching Section I Care and Diligence of General Rule 380 issued by the Financial Market Commission and Section I Equity and Indexes of General Rule 18 issued by the Financial Market Commission.

In conformity with article 9 and 10-2 of Law No. 18,045 on the Securities Market, and being duly authorized to do so, via this letter on April 19, 2021, I come to communicate to you a material event regarding Valores Security S.A. Corredores de Bolsa: At an ordinary meeting of the Board of Valores Security S.A. Corredores de Bolsa held on March 17, 2021, it was agreed to call the shareholders to an annual general meeting for April 30, 2021 at 9:00 a.m. The following matters were to be addressed at the annual general meeting:

- 1. Approval of the annual report, balance sheet and financial statements for the year-ended December 31, 2020, including the report of independent auditors for that year.
- 2. Approval of profit distribution and dividend payments.
- 3. Board compensation for 2021.
- 4. Board expenses in 2020.
- 5. Appointment of the company's independent auditors.
- 6. Information on related party transactions in conformity with the Corporations Law.
- 7. Designation of newspaper for legal publications.
- 8. In general all other matters that should be addressed at an annual shareholders' meeting according to law.

As the company's two shareholders committed to attend the meeting, the company did not publish a notice to call the meeting. The Board of Directors agreed that shareholders will be permitted to participate in this meeting using the technological means that the company will provide for such purpose, which will allow remote participation, voting and identification of shareholders, in accordance with the provisions of CMF General Standard 435 and Ruling 1,141. These means will be duly reported in the summons. We thereby request that the Chairman of the Commission take this information into consideration and deem fulfilled the laws and regulations that require Valores Security S.A. Corredores de Bolsa to provide such information.



# **NOTE 41 - SUBSEQUENT EVENTS**

#### **GRUPO SECURITY S.A.**

- During 2021, Grupo Security S.A. continued to reorganize its group structure: On January 3 2022, Capital S.A. acquired a 0.2295% interest in Mandatos Security Limitada from the related company Inversiones Previsión Security Limitada, producing a full merger of this company.
- Between January 1, 2022, and the date these consolidated financial statements of Group Security S.A. and its subsidiaries were issued, there have been no other subsequent events that significantly affect them.

# **NOTE 42 - APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements were approved by the Board of Directors in an extraordinary meeting on Friday, February 25, 2022.

# EARNINGS REPORT for 4Q2021 and 2021

# **GRUPO SECURITY EARNINGS REPORT**

#### GRUPO SECURITY REPORTS PROFIT OF MCH\$88,603 FOR 12M21 (+36% YOY).

#### SANTIAGO, CHILE – FEBRUARY 25, 2022. GRUPO SECURITY S.A., (BCS: SECURITY; BBG: SECUR).

Grupo Security has a structured, integrated corporate governance model that provides its subsidiaries with strategic guidelines and organization-wide capacities, and conducts periodic monitoring and verification of compliance with the given guidelines. The model features independent bodies to help with control and regulatory compliance and provides shared services to achieve efficiency and economies of scale.

In 2021, the company adjusted its structure in order to deal with new market conditions, strengthening corporate governance by creating new areas and reinforcing existing ones. To this end, the Corporate Digital and Data Department was created. Its objective is to implement digitalization and integrated data governance and complement Grupo Security's offering of financial services through investments, partnerships or alliances with financial technology companies (Fintechs). The Group also formed the Corporate Affairs Department, which is charged with generating a corporate sustainability strategy and medium-term work plan, as well as managing communications and brands. In terms of existing areas, the team from the Transformation Office was rolled into the Corporate Performance Department to support control and monitoring of transformational and revenue capturing projects within the Group. The Technological Solutions and Cybersecurity Department also strengthened the team in charge of cybersecurity, an element that is vital for business performance.

In this context, Grupo Security purchased a minority interest in Monument Bank, a banking entity with a license to operate from the Bank of England that offers a 100% digital experience to the mass affluent segment in the United Kingdom. In addition, the Group has decided to prepare its annual report in a format similar to Integrated Reporting under SASB standards, incorporating materiality for the financial and insurance industries.

Grupo Security reported profit of MCH \$88,603 for 2021, a record high for the company. This figure is 36% greater than 2020. This historical result also reflects the cost-cutting efforts initiated in 2020 and continued in 2021, with a YoY reduction of 3.6% in administrative and personnel expenses across all group companies.

Vida Security performed exceptionally well with profit of MCH \$45,496 (+91% YoY) due to improved investment income (+40.1% YoY). The company had premiums of MCH \$329,921 as of December 2021 (+43.8% YoY) with market share of 7.3% in annuities. In addition, Fitch Ratings upgraded its risk rating for Vida Security from AA- to AA, based on its continuously improving business profile and capital.

Meanwhile, Banco Security recovered its pre-pandemic earnings levels with consolidated profit of MCH \$77,127 (+28.2% YoY) for 12M21, with an efficiency ratio of 44.1%, the lowest in the last 10 years. At Banco Security, total loans were up 8.1%, driven by commercial loans (+8.4% YoY). As for risk, the NPL portfolio reached 1.37% vs 1.76% in 2020, with NPL coverage of 172% (112% in 2020) and a total of MCH \$8,500 in additional voluntary provisions.

Factoring Security reported profit of MCH \$10,192 (+7.6% YoY), a company record, with an efficiency ratio of 41.5% (43.8% as of December 2020) and a ratio of LLP expenses to factored receivables of 2.00%. Factored receivables totaled MCH \$440,264, up 22.3% from December 2020, explained by the company's strengthened digitalization efforts through AutoFactoring, a 100% digital self-service channel.



Protecta Security, in Peru, had profit of MS./ 37.6 (+62.5% YoY), thanks to solid investment income. After converting results to Chilean GAAP and adjusting for ownership (61%), profit was MCH \$2,507, versus a loss of MCH \$30 in 2020.

As planned, Travel Security reported profit of MCH \$832, reversing the loss of -MCH \$4,742 from 2020, after adjusting its business model to a primarily digital sales model. Meanwhile, Inmobiliaria Security had profit of MCH \$2,039 and transferred ownership on 76 units in 2021.

#### CONTACT INFORMATION

Marcela Villafaña – Daniela Fuentes – Natalia Arancibia Investor relations Grupo Security Apoquindo 3150, Piso 14 Santiago, Chile Phone: 56 2 2584 4540 Email: relacioninversionistas@security.cl Website: http://ir.security.cl

# SIGNIFICANT AND SUBSEQUENT EVENTS

- In February 2021, Jorge Meyer De Pablo stepped down as CEO of Securitizadora Security and Inmobiliaria CasaNuestra, effective
   February 28, 2021, to take on the role of Investment Manager of AGF Security. Fiorella Battilana Feral replaced him as CEO of
   Securitizadora Security and Inmobiliaria CasaNuestra.
- At the annual general meeting on April 06, 2021, Grupo Security shareholders approved a dividend payment of CH \$5.25 per share charged to profit for the year 2020. This dividend plus the interim dividend distributed in October 2020 are equivalent to CH \$10.95 per share, totaling MCH \$41,588, or 64% of profit for the year 2020.
- At this meeting, shareholders also approved the annual report, balance sheet and financial statements for the year 2020. They also agreed to appoint EY as the company's external auditors for the year 2021 and Fitch and ICR as its risk rating agencies.
- In June 2021 Fitch Ratings upgraded its risk rating for Vida Security from AA- to AA, based on its continuously improving business profile, indebtedness ratios and capital.
- To continue to simplify the corporate structure, Global Security was absorbed by Capital on July 1, 2021. Likewise, on January 2, 2022, Capital absorbed Mandatos Security.
- Grupo Security was honored with three awards reflecting the consistency of its unique culture built around respecting and caring for people with a focus on work-family-life balance.
  - In July 2021, Grupo Security placed first in the ranking of the Best Places to Work for Women in Chile 2021,
  - Grupo Security also placed 27th on the ranking of the Best Places to Work in Latin America.
  - The company was also recently awarded first place in the 2021 Merco Talent ranking, named the Best Company at Attracting and Retaining Talent in the corporate holding category.

\* CLOSING PRICE AND NUMBER OF SHARES ON 02/24/22. EQUITY AND PROFIT AS OF DEC-21 CLOSE.

#### % CHG **GRUPO SECURITY** DEC-21 SEP-21 DEC-20 FEB-22\* 000 YOY Profit for the year (MCH\$) 88.603 88.603 67,502 65.146 36.0% LTM Profit (MCH\$) 88,603 88,603 84,876 65,146 4.4% 36.0% Earnings per share (CH\$) 21.9 21.9 21.0 16.8 4.4% 30.2% ROAE 10.6% 10.6% 10.7% 8.1% -15 p 247 p Price-Earnings (times) 7.8 -11.7% -30.3% 5.6 5.5 6.2 Price-to-Book (times) 0.57 0.56 0.61 0.62 -7.8% -9.8% **Dividend Yield** 9.0% 8.3% 8.8% 6.7% 224 p 68 p Closing Stock Price (CH\$) 122.5 119.7 129.9 131.9 -9.3% -7.9% Equity (MCH\$) 867,079 867,898 861,744 867,079 -0.1% 0.6% Free float 27.6% 27.6% 27.6% 27.6% 0р 0 p Number of Shares (in millions) 4,042 4,042 4,042 4,042 0.0% 0.0%

As of February 24, 2022, the stock price is CH \$127.5, with a price-to-earnings ratio of 5.8 and a market-to-book ratio of 0.59.

SECURITY STOCK PERFORMANCE As of year-end 2021, Grupo Security's stock was valued at CH\$ 119.7 per share (-9.3% YoY), giving a market-to-book ratio of 0.56, among

the Group's all-time lows, and a dividend yield of 9.0%. As of December 31, 2021, the S&P IPSA Index was at 4,308 points, with returns of +3.14% for the period, while the stocks on the S&P/CLX Banks Index (CLP) reported returns of -6.47% for the twelve-month period.

In this context, Grupo Security purchased a minority interest in Monument Bank, a banking entity recently licensed by the English financial regulator that offers a 100% digital experience to the mass affluent segment in the United Kingdom. This investment will allow Grupo Security and Monument Bank to join forces to explore alternatives that complement its business model in Chile and the region. Similarly, for Grupo Security it represents an opportunity to access cutting-edge technology and high standards in digital financial services.

Board to define the acquisition mechanism. As of December 31, 2021, Grupo Security had acquired 38, 395, 994 shares, equivalent to 0.95% of all shares, while as of the date of this report (February 25, 2022), the company had acquired 46,993,359 shares (1.16% of the subscribed and paid shares). In October 2021, Alejandra Zegers, Corporate Marketing and Customer Experience Manager, resigned after 16 years with Grupo

Security. Two new corporate areas were created as part of corporate restructuring process: the Corporate Affairs Department and the Corporate Digital and Data Department. The Corporate Affairs Department will be responsible for providing guidelines for ESG aspects, reputation, editorial lines, brand, quality, advertising and public affairs for both the Group and its subsidiaries and will be led by Paulina Guerra Méndez. Francisco Letelier Ballocchi, the new Corporate Digital and Data Manager, will be in charge of

At an extraordinary shareholders' meeting on August 25, 2021, the shareholders of Grupo Security approved the creation of a share buyback program for up to 5% of the subscribed and paid-in shares for a period of 5 years and delegated authority to the

AT A GLANCE

implementing the digital strategy throughout all Group companies.



# **GRUPO SECURITY EARNINGS REPORT FOR 4Q20 AND 2021**

Grupo Security posted profit of MCH \$88,603 for the year 2021 (+36.0% YoY and -21.7% QoQ). EBIDTA for the same period totaled MCH \$118,076 ( +12.8% YoY and -38.3% QoQ). The Grupo posted an annualized ROAE as of December 2021 of 10.6% (+247 bps YoY).

Corporate and support area expenses totaled MCH \$14,755, while finance costs reached MCH \$13,434 (+1.4% YoY), both stable yearover-year. The Group recorded a loss on indexed assets and liabilities of -MCH \$22,763 (+188.3% YoY) due to higher cumulative inflation (7.2% in 2021 vs 3.0% in 2020, UF variation of 6.6% in 2021 vs 2.7% in 2020) and bond issuances of UF 1,000,000 by Grupo Security and UF 1,200,000 by Inversiones Previsión Security in September 2020.

				% CHG				%
IN MCH\$	4Q21	3Q20	4Q20	QOQ	YOY	DEC-21	DEC-20	CĤG
Corporate and support area expenses	-4,100	-3,280	-4,420	25.0%	-7.2%	-14,755	-14,750	0.0%
Finance costs	-3,442	-3,376	-3,324	2.0%	3.5%	-13,434	-13,253	1.4%
Indexation units	-10,770	-4,384	-4,293	145.7%	150.9%	-22,763	-7,896	188.3%

For the quarter, Grupo Security reported profit of MCH \$21,101 (-21.7% QoQ), due to greater indexation expenses (+145.7% QoQ) because of higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%). Corporate and support area expenses totaled MCH \$4,100 (+25.0% QoQ), with increased administrative expenses due to consulting and seasonal expenses, while finance costs remained stable (+2.0% QoQ).

From a consolidated perspective, Grupo Security's revenue reached MCH \$1,389,083 (+27.3% YoY) for 12M21, primarily because of increased revenue from gross written premiums at Vida Security and Protecta of MCH \$463,687 (+48.7% YoY), due to higher sales of annuities and individual insurance policies. Furthermore, Vida Security and Protecta reported greater investment income of MCH \$171,035 (+41.5% YoY), as explained on pages 205 to 215 of this report. On the flip side, Banco Security reported increased revenue of MCH \$607,220 (+22.9% YoY), explained mainly by a rise in indexation income because of higher inflation during the period (7.2% in 2021 vs 3.0% in 2020, a UF variation of 6.6% in 2021 vs 2.7% in 2020) as indicated on pages 189-202.

As for consolidated cost of sales, this figure reached MCH \$1,016,240 for 12M21 (+37.7% YoY). The main effect corresponds to higher cost of sales at Vida Security and Protecta, up 45.2% YoY in line with greater annuity premiums and a higher loss ratio in group and individual policies, as explained on pages 205-215. Cost of sales also rose at Banco Security (+45.0% YoY), as a result of greater indexation expense on debt issued due to higher inflation with respect to last year (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2021 vs 2.7% in 2020). The Bank's increased provisions for credit losses (+10.1% YoY) are explained on pages 191-193 of this report.

#### **GRUPO SECURITY CONSOLIDATED STATEMENT OF INCOME**

				% (	CHG			% CHC
IN MCH\$	4Q21	3Q21	4Q20	QOQ	YOY	DEC-21	DEC-20	% CHG YOY
REVENUE	417,436	347,807	316,062	20.0%	32.1%	1,389,083	1,090,773	27.3%
Banco Security, revenue <sup>1</sup>	206,289	141,413	135,678	45.9%	52.0%	607,220	494,267	22.9%
Vida Security & Protecta, gross written premiums	131,839	120,364	78,126	9.5%	68.8%	463,687	311,867	48.7%
Vida Security & Protecta, interest and investment income	40,864	50,887	27,389	-19.7%	49.2%	171,035	120,867	41.5%
Factoring Security S.A., revenue	12,568	9,797	6,486	28.3%	93.8%	38,590	32,364	19.2%
Other income	25,876	25,346	68,383	2.1%	-62.2%	108,551	131,408	-17.4%
COST OF SALES	-323,415	-248,135	-231,634	30.3%	39.6%	-1,016,240	-738,041	37.7%
Banco Security, cost of sales <sup>2</sup>	-123,468	-64,378	-67,944	91.8%	81.7%	-308,075	-212,448	45.0%
Banco Security, provisions net of collections <sup>3</sup>	-20,404	-17,994	-22,497	13.4%	-9.3%	-78,959	-71,699	10.1%
Vida Security & Protecta, cost of sales <sup>4</sup>	-158,355	-144,951	-117,881	9.2%	34.3%	-548,796	-377,913	45.2%
Factoring, cost of sales⁵	-5,731	-3,529	-196	62.4%	2820.7%	-13,073	-6,099	114.3%
Other costs	-15,458	-17,282	-23,116	-10.6%	-33.1%	-67,337	-69,882	-3.6%
GROSS PROFIT	94,020	99,673	84,429	-5.7%	11.4%	372,843	352,732	5.7%
Other operating income and expenses	-1,583	-944	-2,693	67.7%	-41.2%	-4,703	-9,643	-51.2%
TOTAL EXPENSES	-64,532	-54,779	-54,143	17.8%	19.2%	-234,496	-243,362	-3.6%
Payroll expenses	-32,410	-22,061	-30,717	46.9%	5.5%	-115,695	-131,342	-11.9%
Administrative expenses	-32,122	-32,718	-23,427	-1.8%	37.1%	-118,801	-112,020	6.1%
NET OPERATING INCOME	27,906	43,950	27,592	-36.5%	1.1%	133,644	99,727	34.0%
Finance costs, net	-3,295	-3,964	-3,524	-16.9%	-6.5%	-13,964	-13,934	0.2%
Exchange differences	4,233	-4,253	5,020	-	-15.7%	1,039	2,979	-65.1%
Indexation units	-14,139	-6,721	-6,504	110.4%	117.4%	-30,661	-11,611	164.1%
Others <sup>6</sup>	1,074	-124	-15	-	-	781	-89	-
PROFIT (LOSS) BEFORE TAX	15,779	28,888	22,569	-45.4%	-30.1%	90,839	77,072	17.9%
Income tax expense	7,110	-1,939	-5,288	_	_	-155	-12,774	-98.8%
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	21,101	26,959	17,374	-21.7%	21.5%	88,603	65,146	36.0%

\*ANY DIFFERENCES BETWEEN THE FIGURE PRESENTED HERE AND THOSE PUBLISHED BY EACH SUBSIDIARY ARE THE RESULT OF DIFFERENT ACCOUNTING CRITERIA BETWEEN SUBSIDIARIES AND THE PARENT COMPANY. 1. INCLUDES INTEREST, INDEXATION AND FEE INCOME, FINANCIAL OPERATING INCOME AND OTHER OPERATING INCOME. 2. INCLUDES INTEREST, INDEXATION AND FEE EXPENSES. 3. LOAN LOSS PROVISIONS DO NOT INCLUDE ADJUSTMENT FOR MINIMUM PROVISIONS ON NORMAL PORTFOLIO. 4. INCLUDES VARIATIONS IN TECHNICAL RESERVES, CLAIMS AND PENSIONS PAID AND UNDERWRITING 5. INCLUDES BANKING AND OTHER EXPENSES.

6. INCLUDES SHARE OF ROFIT (LOSS) OF EQUITY-ACCOUNTED ASSOCIATES AND JOINT VENTURES AND GAINS (LOSSES) ARISING FROM THE DIFFERENCE BETWEEN THE BOOK VALUE AND FAIR VALUE OF FINANCIAL ASSETS RECLASSIFIED AT FAIR VALUE.



Total expenses reached MCH \$234,496 for 12M21 (-3.6% YoY), as a result of the cost-cutting plan rolled out in 2020 and continued in 2021. During 2021, personnel expenses fell by 11.9% YoY, which includes adjustments at Banco Security and subsidiaries, with termination benefits in excess of MCH \$5,400. Meanwhile, administrative expenses were up 6.1% YoY mainly because of expenses in the new digital area.

GRUPO SECURITY INDICATORS				% СНС	
MCH\$	DEC-21	SEP-21	DEC-20	QOQ	YOY
Banco - Total Loans	6,731,538	6,542,131	6,228,083	2.9%	8.1%
Industry - Total Loans <sup>1</sup>	204,332,026	197,276,151	185,091,882	3.6%	10.4%
Inversiones - AUM Mutual Funds	2,464,190	2,610,737	2,789,219	-5.6%	-11.7%
Industry - AUM Mutual Funds	50,987,024	52,441,917	51,307,877	-2.8%	-0.6%
Vida - Investment Portfolio	2,859,226	2,797,727	2,643,190	2.2%	8.2%
Industry (life insurance) - Investment Portfolio <sup>2</sup>	-	48,454,065	46,473,602	-	-
Factoring - Total Factored Receivables	440,264	401,159	360,084	9.7%	22.3%

<sup>1</sup> EXCLUDING FOREIGN SUBSIDIARIES OF CHILEAN BANKS <sup>2</sup> NOT AVAILABLE AS OF THE DATE OF PUBLICATION OF THIS REPORT

GRUPO SECURITY INDICATORS				% (	СНС			
MCH\$ STATEMENT OF INCOME	4Q21	3Q21	4Q20	QOQ	YOY	2021	2020	% CHG
Banco - Net Interest Margin	66,026	50,364	50,226	31.1%	31.5%	213,195	196,519	8.5%
Banco - Net Fees	14,822	15,662	13,763	-5.4%	7.7%	59,430	57,854	2.7%
Banco - Support Expenses	-35,972	-30,793	-32,733	16.8%	9.9%	-133,562	-134,127	-0.4%
Banco - Net Provision Expenses	-20,403	-17,994	-22,498	13.4%	-9.3%	-78,959	-70,288	12.3%
Vida - Gross Written Premiums	94,384	83,803	62,383	12.6%	51.3%	329,921	229,392	43.8%
Vida - Claims Paid	-43,782	-29,664	-34,590	47.6%	26.6%	-116,581	-104,951	11.1%
Vida - Pensions Paid	-44,863	-50,106	-23,546	-10.5%	90.5%	-200,828	-104,490	92.2%
Vida - Investment Income	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%
Factoring - Revenue	8,076	7,069	7,446	14.2%	8.5%	28,659	32,604	-12.1%

					% (	HG
GRUPO SECURITY	JAN-22	DEC-21	SEP-21	DEC-20	QOQ	YOY
Employees	3,206	3,184	3,180	3,256	0.1%	-2.2%

				% (	CHG
RATIOS	DEC-21	SEP-21	DEC-20	QOQ	YOY
Grupo - ROAE	10.6%	10.7%	8.1%	-15 p	247 р
Banco (Consolidated) - ROAE	11.3%	10.2%	9.4%	114 р	192 р
Factoring - ROAE	18.0%	17.2%	17.4%	75 р	60 р
Vida - ROAE	23.1%	24.5%	11.7%	-139 p	1147 р
Travel - ROE	17.8%	1.1%	-	-	-
Grupo - Leverage	37.0%	36.8%	35.6%	21 p	135 р
Banco - Efficiency	44.1%	44.6%	47.2%	-59 p	-314 p
Factoring - Efficiency	41.5%	41.8%	43.8%	-32 p	-228 p
Banco - Nonperforming Loans	1.37%	1.52%	1.76%	-15 p	-39 p
Banco - Risk Index	2.36%	2.27%	1.97%	8 p	39 p
Factoring - Risk Index	2.00%	1.98%	1.68%	1 р	32 p
Banco - BIS Tier I Ratio	7.1%	7.4%	7.8%	-23 p	-71 p
Banco - BIS Tier II Ratio	13.9%	13.9%	14.1%	9 р	-11 p

ROAE: ANNUALIZED PROFIT OVER AVERAGE EQUITY ATTRIBUTABLE TO OWNERS

#### EARNINGS FROM RELATED COMPANIES

				%	снд			
MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	DEC-21	DEC-20	% CHG
LENDING AREA								
Banco Security (standalone)	22,071	18,502	14,462	19.3%	52.6%	67,722	54,989	23.2%
Factoring Security	3,005	2,403	2,071	25.1%	45.1%	10,192	9,471	7.6%
ASSET MANAGEMENT AREA								
Valores Security	911	106	346	763.2%	163.8%	2,343	1,326	76.8%
AGF Security	2,981	1,866	1,124	59.7%	165.3%	7,066	3,838	84.1%
Securitizadora Security & CasaNuestra	390	672	1,450	-41.9%	-73.1%	1,271	903	40.7%
INSURANCE AREA								
Vida Security	7,373	14,514	7,054	-49.2%	4.5%	45,496	23,529	93.4%
OTHER SERVICES								
Inmobiliaria Security	-238	-32	2,800	634.1%	-	2,039	6,038	-66.2%
Travel Security	793	318	-467	149.8%	-	832	-4,742	-
INTERNATIONAL BUSINESS AREA								
Protecta Security (Th. of soles)	25,963	2,129	13,206	1119.5%	96.6%	37,611	23,143	62.5%
Travex Security (Th. of soles)	39	-90	600	-	-93.4%	-1,316	-5,999	-78.1%
GRUPO SECURITY PROFIT	21,101	26,959	17,374	-21.7%	21.5%	88,603	65,146	36.0%

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



# **REVIEW OF OPERATIONS BY BUSINESS AREA**

# **LENDING AREA**

#### (70.6% OF ASSETS; 55.8% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2021)

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

#### **BANCO SECURITY**

Banco Security reported consolidated profit attributable to owners of the parent of MCH \$77,127 for 12M21 (+28.2% YoY) and MCH\$ 25,830 for 4Q21 (+25.4% QoQ). The Bank's standalone profit (excluding subsidiaries AGF Security and Valores Security Corredores de Bolsa) was MCH \$67,707 (+23.1% YoY and +19.2% QoQ).

For the same period, its ROAE (profit LTM over average equity) was 11.3% (+192 bps YoY).

#### BANCO SECURITY - CONSOLIDATED STATEMENT OF INCOME

Banco Security posted consolidated profit of MCH \$77,127 for 12M21 (+28.2% YoY) and MCH \$25,830 for 4Q21 (+25.4% QoQ).

				%	снд			% CHG
IN MCH\$	4Q21	3Q21	4Q20	QOQ	YOY	2021	2020	YOY
Net interest margin	66,026	50,364	50,226	31.1%	31.5%	213,195	196,519	8.5%
Net fees and commissions	14,822	15,662	13,763	-5.4%	7.7%	59,430	57,854	2.7%
Net financial operating income	1,002	9,547	6,505	-89.5%	-84.6%	22,091	26,118	-15.4%
Net foreign exchange transactions	2,049	-1,604	5,146	-	-60.2%	2,840	5,801	-51.0%
Collection of written-off loans	1,957	1,786	1,126	9.6%	73.8%	6,416	4,101	56.4%
Other net operating loss	-1,295	-579	-1,462	-	-	-835	-6,558	-
GROSS OPERATING INCOME	84,561	75,176	75,304	12.5%	12.3%	303,137	283,835	6.8%
Provisions for credit losses	-22,360	-19,780	-23,624	13.0%	-5.4%	-85,375	-74,389	14.8%
Support expenses	-35,972	-30,793	-32,732	16.8%	9.9%	-133,562	-134,127	-0.4%
NET OPERATING INCOME	26,229	24,603	18,948	6.6%	38.4%	84,200	75,319	11.8%
Income attributable to investments in other companies	0	0	10	-	-	17	12	-
PROFIT BEFORE TAX	26,229	24,603	18,958	6.6%	38.4%	84,217	75,331	11.8%
Income tax benefit (expense)	-397	-3,998	-3,028	-90.1%	-86.9%	-7,086	-15,179	-53.3%
PROFIT FOR THE YEAR	25,832	20,605	15,930	25.4%	62.2%	77,131	60,152	28.2%
Profit for the year attributable to prop.	25,830	20,605	15,929	25.4%	62.2%	77,127	60,150	28.2%

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

The net interest margin was MCH \$213,195 for 12M21 (+8.5% YoY). Interest and indexation income totaled MCH \$506,975 (+29.3% YoY), due to increased indexation because of higher inflation (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2021 vs. 2.7% in 2020), partly offset by lower interest income on commercial and consumer loans due to more competitive consumer interest rates because of greater market liquidity. Interest and indexation expense, meanwhile, totaled MCH \$293,780 (+50.2% YoY), principally due to increased indexation expense on debt instruments issued due to higher inflation as compared to last year, partially offset by lower volumes of time deposits (-1.3% YoY) and the use of financing mechanisms provided by the Central Bank.

In comparison to 3Q21, the net interest margin climbed 31.4% to MCH \$66,026. Interest and indexation income reached MCH \$187,059 (+66.8% QoQ) due to increased indexation because of higher inflation (2.6% in 4Q21 vs 2.4% in 3Q21), the UF variation (3.0% vs 1.3%) and larger total loan volumes (+2.9% QoQ). Interest and indexation expenses reached MCH \$121,033 (+96.0% QoQ) as a result of higher inflation during the quarter and higher volumes of time deposits (+8.8% QoQ).

				% CHG				% CHG
NET INTEREST MARGIN	4Q21	3Q21	4Q20	QOQ	YOY	2021	2020	YOY
Interest and indexation income	187,059	112,130	111,915	66.8%	67.1%	506,975	392,053	29.3%
Interest and indexation expenses	-121,033	-61,766	-61,689	96.0%	96.2%	-293,780	-195,534	50.2%
NET INTEREST MARGIN	66,026	50,364	50,226	31.1%	31.5%	213,195	196,519	8.5%
Interest margin net of provisions	43,666	30,584	26,602	42.8%	64.1%	127,820	122,130	4.7%
NET INTEREST MARGIN / TOTAL LOANS	3.92%	3.08%	3.23%	84 P	70 P	3.17%	3.16%	1 P
NET INTEREST MARGIN NET OF PROVISIONS / TOTAL LOANS	2.59%	1.87%	1.71%	72 P	89 P	1.90%	1.96%	-6 P

INTEREST AND INDEXATION INCOME				%	CHG			% CHG
IN MCH\$	4Q21	3Q21	4Q20	QOQ	YOY	DEC-21	DEC-20	YOY
Consumer	10,459	9,889	11,337	5.8%	-7.7%	41,322	50,695	-18.5%
Mortgage	27,681	14,355	13,713	92.8%	101.9%	67,428	38,477	75.2%
Mortgage + Consumer	38,140	24,244	25,050	57.3%	52.3%	108,750	89,172	22.0%
Commercial	134,032	81,533	80,287	64.4%	66.9%	363,585	270,181	34.6%
Investment securities	15,229	7,098	6,189	114.5%	146.1%	32,505	24,204	34.3%

				% CHG				% CHG
INTEREST AND INDEXATION INCOME/ TOTAL LOANS	4Q21	3Q21	4Q20	QOQ	YOY	DEC-21	DEC-21	YOY
Consumer	9.87%	9.52%	9.91%	35 p	-4 p	19.50%	22.15%	-265 p
Mortgage	13.42%	7.31%	7.70%	612 р	572 р	16.35%	10.81%	554 p
Mortgage + Consumer	12.22%	8.07%	8.57%	415 р	365 p	17.42%	15.25%	217 р
Commercial	9.78%	6.11%	6.35%	367 p	343 p	13.27%	10.68%	259 р
TOTAL	10.23%	6.47%	6.77%	376 P	347 P	14.03%	11.54%	249 P

APPENDICES



Net fee and commission income totaled MCH \$59,430 for 12M21 (+2.7% YoY), stable year-over-year. For the quarter, net fee and commission income reached MCH \$14,822 (-5.4% QoQ), because of decreased income from supplementary loan insurance products in the Retail Banking Division, which was partly offset by an improvement in credit and debit cards.

Finance income, which is the sum of net financial operating income (loss) and the net gain from FX transactions, climbed to MCH \$24,931 (-21.9% YoY), due to lower income from brokering fixed-income instruments, lower volumes of structured deals and a drop in sales of mortgage bonds. For the quarter, finance income reached MCH \$3,051, down 61.6%, explained by weaker returns on fixed-income instruments and a high basis of comparison for mortgage bond sales in 3Q21.

Other net operating income reached -MCH \$835 for 12M21 (versus -MCH \$6,558 for 12M20), with a low basis of comparison because of repossessed or awarded assets written off in 2020 and greater gains on the sale of leased assets in 12M21. For the quarter this figure was -MCH \$1,295 (versus -MCH \$579 in 3Q21).

Banco Security focuses on corporate customers and high-income individuals, which is reflected in its risk ratios. For example, in the past three years, the ratio of provisions to total loans has averaged 1.86% for Banco Security, versus 2.53% for the banking industry as a whole. The Bank's strategy for the commercial portfolio has centered around supporting customers in long-term businesses with adequate collateral coverage. Bear in mind that loan loss provisions for the commercial portfolio are calculated based on the unsecured portion of the loan, so greater collateral coverage results in lower ratios of provisions to total loans.

	CREDIT RISK (%)												
		PI	ROVISIONS / LOAI	NS	NON-PERFORMING LOANS								
	MORTGAGE	CONSUMER	TOTAL	COMMERCIAL	TOTAL	MORTGAGE	CONSUMER	COMMERCIAL	TOTAL				
Banco Security	0.18	4.34	1.59	2.53	2.36	0.76	1.25	1.47	1.37				
Peer banks*	0.15	3.65	0.85	2.45	2.10	0.83	0.85	1.44	1.29				
Banking Industry	0.57	5.95	2.03	2.66	2.37	1.08	1.13	1.37	1.24				

\*AVERAGE FOR BICE, CONSORCIO, INTERNACIONAL AND SECURITY

INSTITUTION	LOANS <sup>1</sup> MCH\$	GUARANTEES <sup>2</sup> MCH\$	PROVISIONS MCH\$	GUARANTEES / LOANS	PROVISIONS / LOANS	PROV. + GUARANTEE) / TOTAL LOANS
Banking industry	100,052,092	53,661,376	2,197,370	53.6%	2.2%	55.8%
Peer Banks <sup>3</sup>	15,429,650	10,699,849	378,593	69.3%	2.5%	71.8%
Large Banks <sup>₄</sup>	82,494,067	42,999,171	1,757,554	52.1%	2.1%	54.3%
Banco Security	5,121,873	3,712,734	125,828	72.5%	2.46%	74.9%

1. INDIVIDUALLY ASSESSED COMMERCIAL LOANS, INFORMATION AS OF DECEMBER 2021. 2. IN-HOUSE ESTIMATE OF INDIVIDUALLY ASSESSED COMMERCIAL LOAN PORTFOLIO BASED ON REPORT "BANK CREDIT RISK PROVISION INDICATORS" AS OF AUG 2021, AVAILABLE AT WWW.CMF.CL 3. PEER BANKS: BICE, CONSORCIO, INTERNACIONAL AND SECURITY. 4. LARGE BANKS: CHILE, BCI, ESTADO, ITAÚ, SCOTIABANK AND SANTANDER.

Risk expenses for 12M21 totaled MCH \$78,959 (+12.3% YoY), equivalent to 1.17% of total loans (+4 bps YoY). The increase is explained by a rise in LLP expenses for commercial loans of MCH \$68,050 for 12M21 (+69.6% YoY), due to impairment of some customers where we had significant credit exposure. This effect was partly offset by reduced retail LLP expenses of MCH \$10,043 for 12M21 (-60.5%), because of a decline in consumer LLP expenses (-69.6% YoY), explained by greater liquidity and a smaller consumer portfolio (-7.4% YoY). During the year, the Bank recorded MCH \$4,500 (+12.5% YoY) in additional voluntary provisions.

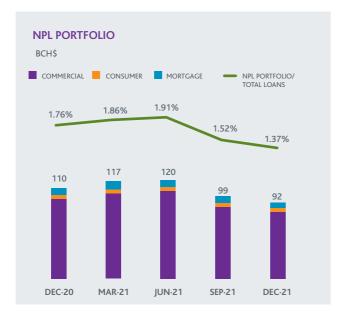
GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

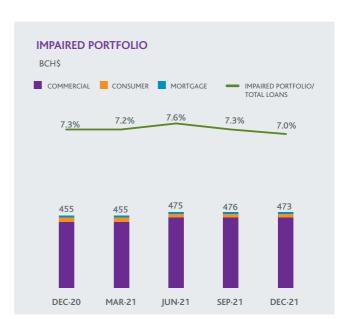
In the fourth quarter, risk expenses net of collection of written-off loans totaled MCH \$20,403 (+13.4% QoQ). Commercial LLP expenses reached MCH \$16,379 (+8.7% QoQ), related largely to the additional provisions recorded (MCH \$1,200 in 4Q21 versus MCH \$300 in 3Q21). This larger expense can also be explained by customer impairment and a drop in the value of some collateral. Similarly, it incurred greater LLP expenses for mortgage loans of MCH \$1,356 for the quarter (+123.4% QoQ), also related mostly to additional provisions recorded during the quarter (MCH \$500 in 4Q21, MCH \$0 in 3Q21). The consumer portfolio saw a decrease in LLP expenses to MCH \$2,263 (-3.9% YoY), due to a high basis of comparison because of additional provisions recorded in 3Q21 (MCH \$100 in 4Q21, MCH \$900 in 3Q21).

				% (	CHG			% CHG
IN MCH\$	4Q21	3Q21	4Q20	QOQ	YOY	2021	2020	YOY
LLP - consumer <sup>1</sup>	(2,263)	(2,354)	(4,271)	-3.9%	-47.0%	(7,460)	(24,572)	-69.6%
LLP - mortgage <sup>1</sup>	(1,356)	(607)	(267)	123.4%	407.9%	(2,583)	(831)	210.8%
LLP - commercial <sup>2</sup>	(16,379)	(15,064)	(17,295)	8.7%	-5.3%	(68,050)	(43,357)	57.0%
Others <sup>2</sup>	(405)	31	(665)	-1406.5%	-39.1%	(866)	(1,528)	-43.3%
TOTAL LLP EXPENSES <sup>1</sup>	(20,403)	(17,994)	(22,498)	13.4%	-9.3%	(78,959)	(70,288)	12.3%
Consumer LLP / Loans	2.14%	2.27%	3.73%	-13 р	-160 p	1.76%	5.37%	-361 p
Mortgage LLP / Loans	0.66%	0.31%	0.15%	35 р	51 p	0.31%	0.12%	20 p
Commercial LLP / Loans	1.20%	1.13%	1.37%	7 р	-17 р	1.24%	0.86%	38 p
LLP EXPENSES <sup>1</sup> / LOANS	1.21%	1.10%	1.44%	11 P	-23 P	1.17%	1.13%	4 P

LLP EXPENSES NET OF COLLECTIONS, INCLUDING ADDITIONAL PROVISIONS
 LOAN LOSS PROVISIONS FOR LOANS TO BANKS AND PROVISIONS FOR CONTINGENT LOANS

The NPL portfolio reached MCH \$92,198 as of December 2021, down 15.8% during the year. As of December 2021, the NPL portfolio represents 1.37% of loans (-39 bps YoY, -15 bps QoQ). Since 4Q20 the ratio has stayed under 2%, the target established for fiscal year 2021. As a result, the NPL coverage ratio has improved, reaching 1.72 as of December 2021 (1.50 as of September 2021, 1.12 as of December 2020). Including the additional provisions, the ratio is 1.81 as of December 2021 (1.57 as of September 2021, 1.16 as of December 2020). Meanwhile, the impaired portfolio represents 7.02% of the portfolio as of December 2021 (-28 bps YoY, -26 bps QoQ).









					% CHG	
IN MCH\$	4Q21	3Q21	4Q20	QOQ	YOY	
Consumer loans	423,790	415,531	457,704	2.0%	-7.4%	
Mortgage loans	824,967	786,018	712,074	5.0%	15.9%	
Commercial loans	5,479,946	5,338,376	5,057,580	2.7%	8.4%	
TOTAL LOANS	6,731,538	6,542,131	6,228,083	2.9%	8.1%	
Nonperforming loans - consumer	5,277	5,072	5,670	4.0%	-6.9%	
Nonperforming loans - mortgage	6,268	7,223	7,447	-13.2%	-15.8%	
Nonperforming loans - commercial	80,652	86,967	96,431	-7.3%	-16.4%	
TOTAL NONPERFORMING PORTFOLIO (%)	92,198	99,263	109,548	-7.1%	-15.8%	
Nonperforming portfolio - consumer	1.25%	1.22%	1.24%	2 р	1 p	
Nonperforming portfolio - mortgage	0.76%	0.92%	1.05%	-16 р	-29 p	
Nonperforming portfolio - commercial	1.47%	1.63%	1.91%	-16 р	-43 p	
TOTAL NONPERFORMING PORTFOLIO (%)	1.37%	1.52%	1.76%	-15 р	-39 p	
Gross provisions	199,951	179,794	170,438	11.2%	17.3%	
Write-offs	(41,271)	(30,972)	(47,695)	33.3%	-13.5%	
LOAN LOSS PROVISIONS	158,680	148,822	122,743	6.6%	29.3%	
Provisions - consumer	18,375	19,370	24,721	-5.1%	-25.7%	
Provisions - mortgage	1,496	1,478	1,136	1.2%	31.7%	
Provisions - commercial	138,809	127,974	96,886	8.5%	43.3%	
LOAN LOSS PROVISIONS	158,680	148,822	122,743	6.6%	29.3%	
NPL coverage - consumer	348.2%	381.9%	436.0%	-3368 p	-8779 p	
NPL coverage - mortgage	23.9%	20.5%	15.3%	340 p	861 p	
NPL coverage - commercial	172.1%	147.2%	100.5%	2496 p	7164 p	
TOTAL NPL COVERAGE <sup>1</sup>	172.1%	149.9%	112.0%	2218 р	6006 p	
Provisions / Loans	2.36%	2.27%	1.97%	8 p	39 p	
IMPAIRED PORTFOLIO	7.02%	7.28%	7.30%	-26 p	-28 p	
Impaired loans - consumer	3.57%	4.19%	5.28%	-61 p	-170 p	
Impaired loans - mortgage	1.47%	1.58%	1.60%	-11 p	-13 p	
Impaired loans - commercial	8.13%	8.36%	8.29%	-23 p	-16 p	

<sup>1</sup> LOAN LOSS PROVISIONS / TOTAL NONPERFORMING LOANS

GRUPO SECURITY AT A GLANCE

For 12M20, the Bank reported support expenses of MCH \$133,562 (-0.4% YoY), stable year over year. It had lower payroll expenses of MCH \$55,749 (-14.8% YoY) following structural adjustments in late 2020 as part of the savings plan rolled out across all Group companies. For 12M21, employee termination expenses totaled MCH \$5,451 (MCH \$5,080 for 12M20). Similarly, bonus expenses were also lower than in 2020. Employee performance bonuses paid in 1Q20 were for the year 2019, while bonuses paid in 1Q21 were for the year 2020. Finally, depreciation and amortization expense totaled MCH \$7,491 (-4.4% YoY). These effects were partially offset by increased administrative expenses of MCH \$70,322 (+15.5% YoY) due to a rise in consulting expenses.

During the quarter, support expenses reached MCH \$35,972 (+16.8% QoQ) explained by higher personnel expenses of MCH \$14,574 (+48.2% QoQ), because of bonus payments made in 4Q21. It posted administrative expenses of MCH \$19,541 (+2.2% QoQ), while depreciation and amortization expense held steady (+1.4% QoQ).

				% CHG				% CHG
IN MCH\$	4Q21	3Q21	4Q20	QOQ	YOY	2021	2020	YOY
Personnel expenses	-14,574	-9,836	-16,019	48.2%	-9.0%	-55,749	-65,424	-14.8%
Administrative expenses	-19,541	-19,126	-14,720	2.2%	32.8%	-70,322	-60,867	15.5%
Depreciation and amortization	-1,857	-1,831	-1,994	1.4%	-6.9%	-7,491	-7,836	-4.4%
TOTAL SUPPORT EXPENSES	-35,972	-30,793	-32,733	16.8%	9.9%	-133,562	-134,127	-0.4%
Gross operating income	84,561	75,176	75,304	12.5%	12.3%	303,137	283,835	6.8%
EFFICIENCY RATIO	42.5%	41.0%	43.3%	158 P	-74 P	44.1%	47.2%	-314 P

Banco Security's efficiency ratio, measured as support expenses + other operating expenses over total operating income, was 44.1% for 12M21 (-314 bps YoY), due to stable expenses (-0.4% YoY) and improved gross operating income (+6.8% YoY). Quarter-on-quarter, efficiency reached 42.5% (+158 bps QoQ), with greater support expenses (+16.8% QoQ) and higher gross operating income (+12.5% QoQ).

For 12M21, it recognized a lower income tax expense (MCH \$7,086; -53.3% YoY), due to price-level restatement of tax-basis equity stemming from higher inflation during the period (7.2% for 2021 vs 3.0% for 2020, UF variation 6.6% for 2021 vs 2.7% for 2020) and MCH \$1,141 in deferred tax income recorded by the brokerage subsidiary in 1Q21.



# **BANCO SECURITY - OPERATING SEGMENTS**

#### BANCO SECURITY SEGMENT NOTE (YOY)

		ERCIAL KING	RETAIL B	ANKING	TREA	SURY	от	HER	ΤΟΤΑΙ	. BANK	SUBSIE	DIARIES		LIDATED TAL
IN MCH\$	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20
Net interest margin	101,935	102,250	49,524	59,841	61,356	45,255	0	0	212,814	207,346	1,811	30	214,625	207,376
Δ% 12M21	-0.3%		-17.2%		35.6%		-		2.6%		5920.6%		3.5%	
Net fees and commissions	20,934	18,567	13,050	14,919	-158	-195	0	0	33,826	33,291	27,113	23,633	60,939	56,924
Δ% 12M21	12.7%		-12.5%		-19.2%		-		1.6%		14.7%		7.1%	
Net FX transactions and other income	8,426	8,957	1,237	2,161	10,757	19,048	-9,369	-15,700	11,052	14,466	7,196	8,399	18,248	22,865
Δ% 12M21	-5.9%		-42.8%		-43.5%		-40.3%		-23.6%		-14.3%		-20.2%	
Loan losses and repossessed assets	-60,754	-47,706	-15,031	-29,939	-1	-74	0	0	-75,787	-77,718	0	0	-75,787	-77,718
Δ% 12M21	27.4%		-49.8%		-99.0%		-		-2.5%		-		-2.5%	
TOTAL OPERATING INCOME NET OF PROVISIONS	70,540	82,068	48,779	46,982	71,955	64,033	-9,369	-15,700	181,905	177,384	36,120	32,062	218,025	209,446
∆% 12M21	-14.0%		3.8%		12.4%		-40.3%		2.5%		12.7%		4.1%	
Support expenses	-40,567	-42,999	-52,812	-55,043	-13,124	-14,296	735	4,374	-105,768	-107,964	-28,058	-26,163	-133,826	-134,127
Δ% 12M21	-5.7%		-4.1%		-8.2%		-83.2%		-2.0%		7.2%		-0.2%	
NET OPERATING INCOME (LOSS)	29,974	39,069	-4,033	-8,060	58,830	49,737	-8,634	-11,326	76,137	69,420	8,062	5,899	84,199	75,319
∆% 12M21	-23.3%		-50.0%		18.3%		-23.8%		9.7%		36.7%		11.8%	
Income tax benefit (expense)	-3,324	-8,127	447	1,677	-6,523	-10,346	954	2,353	-8,446	-14,443	1,360	-736	-7,086	-15,179
Δ% 12M21	-59.1%		-73.3%		-36.9%		-59.5%		-41.5%		-		-53.3%	
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE BANK	26,650	30,942	-3,586	-6,383	52,307	39,391	-7,664	-8,960	67,707	54,989	9,419	5,161	77,127	60,150
∆% 12M21	-13.9%		-43.8%		32.8%		-14.5%		23.1%		82.5%		28.2%	

#### BANCO SECURITY SEGMENT NOTE (QOQ)

	COMM BANI		RETAIL B	ANKING	TREAS	SURY	OTHER		TOTAL BANK		TOTAL BANK		SUBSIDIARIES		CONSOLIDATED TOTAL	
IN MCH\$	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21	4Q-21	3Q-21		
Net interest margin	27,965	25,316	12,774	12,084	23,069	10,768	0	0	63,807	48,168	1,426	257	65,233	48,425		
Δ% 4Q21	10.5%		5.7%		114.2%		0.0%		32.5%		454.9%		34.7%			
Net fees and commissions	4,698	5,696	3,822	3,523	-50	-36	0	0	8,470	9,183	7,949	6,584	16,419	15,767		
Δ% 4Q21	-17.5%		8.5%		38.1%		0.0%		-7.8%		20.7%		4.1%			
Net FX transactions and other income	1,979	2,144	250	712	-781	2,760	-3,491	178	-2,042	5,795	2,706	1,107	664	6,902		
Δ% 4Q21	-7.7%		-64.9%		-		-		-		144.4%		-90.4%			
Loan losses and repossessed assets	-16,554	-11,878	-3,487	-3,755	0	0	0	0	-20,041	-15,633	0	0	-20,041	-15,633		
Δ% 4Q21	39.4%		-7.1%		-0.3%		0.0%		28.2%		-		28.2%			
TOTAL OPERATING INCOME NET OF PROVISIONS	18,088	21,279	13,359	12,564	22,238	13,492	-3,491	178	50,194	47,513	12,081	7,948	62,275	55,461		
∆% 4Q21	-15.0%		6.3%		64.8%		-		5.6%		52.0%		12.3%			
Support expenses	-11,380	-10,077	-14,382	-12,429	-3,338	-3,170	1,330	732	-27,770	-24,944	-8,276	-5,916	-36,046	-30,860		
Δ% 4Q21	12.9%		15.7%		5.3%		81.7%		11.3%		39.9%		16.8%			
NET OPERATING INCOME (LOSS)	6,708	11,202	-1,023	135	18,900	10,323	-2,160	910	22,424	22,569	3,805	2,032	26,229	24,601		
∆% 4Q21	-40.1%		-		83.1%		-		-0.6%		87.3%		6.6%			
Income tax benefit (expense)	175	-1,945	-5	48	-519	-2,193	-18	23	-367	-4,067	-30	69	-397	-3,998		
Δ% 4Q21	-		-		-76.3%		-		-91.0%		-		-90.1%			
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF THE BANK	6,883	9,256	-1,029	183	18,381	8,130	-2,179	933	22,056	18,502	3,777	2,098	25,831	20,603		
∆% 4Q21	-25.6%		-		126.1%		-		19.2%		80.0%		25.4%			

# **COMMERCIAL BANKING**

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

COMMERCIAL LOANS BY ECONOMIC SECTOR	% TOTAL
Real estate and corporate services	18.5%
Construction and real estate	17.0%
Financial services and insurance	17.8%
Social services	11.8%
Wholesale and retail trade	10.5%
Transportation	6.4%
Manufacturing	5.7%
Utilities	4.3%
Agriculture and livestock	3.9%
Fishing	1.5%
Mining	1.8%
Telecom	0.5%
Forestry	0.1%
TOTAL COMMERCIAL LOANS	100%

CREATING VALUE

**APPENDICES** 

**FINANCIAL STATEMENTS** 



As of December 2021, commercial loans had grown 8.4% YoY to BCH \$5,480, while industry-wide commercial loans were up 9.3% YoY. Including foreign subsidiaries, the industry's commercial loans grew 10.1% YoY. Banco Security's market share in commercial loans was 4.8% as of December 31, 2021<sup>2</sup>, while its market share in its target segment of medium and large companies was 5.96%<sup>3</sup>. The Commercial Banking Division had 8,006 customers as of December 2021 (-0.2% YoY).

The Commercial Banking Division posted profit of MCH \$26,650 for 12M21 (-13.9% YoY). This weaker result is explained mainly by increased risk expenses, totaling MCH \$60,754 for 12M21, above MCH \$47,706 for 12M20 (see pages 191 to 193 for more information). The net interest margin was MCH \$101,935 (-0.3% YoY) due to lower income from liabilities because of falling interest rates during the first three quarters of the year, offset by growth in commercial loans (+8.4% YoY) and a higher average portfolio spread. Financial operating income, net FX transactions and other income totaled MCH \$8,426 (-5.9% YoY), due to a smaller volume of structured deals. These effects were partially offset by lower support expenses of MCH \$40,567 for 12M21 (-5.7% YoY) because of structural adjustments and the cost-cutting plan implemented in 2020. The division also recognized higher net commission and fee income of MCH \$20,934 (+12.7% YoY) due to increased business.

For the quarter, profit was MCH \$6,883 (-25.6% QoQ), explained by greater loan losses during the period of MCH \$16,554 (+39.4% QoQ), due to a drop in the value of some customers' collateral. Administrative expenses climbed to MCH \$11,380 for 4Q21 (+12.9% OoQ) mainly because of structural adjustments in support areas, among other factors. In contrast, net fee and commission income fell to MCH \$4,698 (-17.5% QoQ) and net financial operating income, net FX transactions and other income decreased to MCH \$1,979 (-7.7% QoQ), because of a drop in structured deals and fewer prepayments. These effects were partially offset by a net interest margin of MCH \$27,965 (+10.5% QoQ) explained by a rise in income from liabilities because of rate hikes (average MPR in 4Q21 of 2.83% vs 0.96% for 3Q21), growth in commercial loans (+2.7% YoY) and a larger spread.

#### **RETAIL BANKING**

Banco Security's Retail Banking Division targets high-income individuals. The Retail Banking Division focused on consumer products until 2019 but shifted to mortgage products two years ago.

As of December 2021, the Bank had total retail loans (consumer + mortgage) of BCH \$1,249 (+6.8% YoY), explained by lower consumer loan volumes (-7.4% YoY), partly counteracted by greater mortgage loan volumes (+15.9% YoY), representing 6.3% and 12.3% of the Bank's total loans, respectively. For the industry, retail loans increased +11.6% YoY, driven by growth in mortgage (+13.5% YoY) and consumer (+6.7% YoY) loans. Including foreign subsidiaries, the industry's retail loans were up +12.2% YoY. The Bank boasts market share of 4.8%<sup>4</sup> in its target segment of high-income individuals as of December 2021. The Retail Banking Division had 65,085 customers as of December 2021 (-3.6% YoY).

The Retail Banking Division posted a loss of -MCH \$3,586 for 12M21 (-MCH \$6,383 in 12M20). The net interest margin reached MCH \$49,524 (-17.2% YoY) because of lower income from liabilities and a drop in consumer loans (-7.4% YoY), partly offset by a larger spread. Moreover, net fee and commission income fell to MCH \$13,050 (-12.5% YoY), due to a decline in supplementary loan insurance products and debit and credit cards. Financial operating income, net FX transactions and other income totaled MCH \$1,237 for 12M21 (-42.8% YoY), due to decreased sales of mortgage bonds. These effects were partly offset by reduced risk expenses of MCH \$15,031 for 12M21

<sup>2.</sup> EXCLUDING FOREIGN SUBSIDIARIES OF CHILEAN BANKS 3. THIS INCLUDES COMPANIES WITH ANNUAL SALES OVER MCH \$800, ONLY IN THE REGIONS OF CHILE WHERE BANCO SECURITY HAS OFFICES. SOURCE: CHILEAN INTERNAL REVENUE SERVICE (SII). 4. THIS DIVISION INCLUDES INDIVIDUALS BETWEEN 24 AND 65 YEARS OF AGE IN THE MIDDLE AND HIGH-INCOME SEGMENTS (UF 60 IN SANTIAGO OR UF 50 ELSEWHERE IN CHILE) WITH A RISK/RETURN PROFILE SIMILAR TO BANCO SECURITY'S CUSTOMERS, ONLY FOR REGIONS WHERE BANCO SECURITY HAS OFFICES. SOURCE: CHILEAN INTERNAL REVENUE SERVICE (CMF).

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

(-49.8% YoY) due to a decline in consumer loans and shrinking consumer and mortgage NPL portfolios (-6.9% YoY and -15.8% YoY, respectively), in light of the government's relief plans and pension fund withdrawals. In addition, support expenses totaled MCH \$52,812 (-4.1% YoY) explained by cost-cutting efforts and structural adjustments carried out in 2020, as well as reduced business.

Compared to the previous quarter, the Retail Banking Division reported a loss of -MCH \$1,029 for 4Q21 (versus profit of MCH \$183 for 3Q21) due to greater support expenses of MCH \$14,382 (+15.7% QoQ) because of consulting expenses and structural adjustments in support areas, and a decrease in financial operating income, net FX transactions and other income, which totaled MCH \$250 (-64.9% QoQ) due to lower sales of mortgage bonds during the quarter. These effects were partially offset by a greater net interest margin of MCH \$12,774 for the quarter (+5.7% QoQ), mainly because of greater income from liabilities stemming from the rate hike during the quarter, and greater net fee and commission income of MCH \$3,822 (+8.5% QoQ) due to an increase in credit and debit cards. Risk expenses fell to MCH \$3,487 (-7.1% QoQ), due to a high basis of comparison because of additional provisions recorded in 3Q21 (MCH \$100 in 4Q21, MCH \$900 in 3Q21).

#### TREASURY

For 12M21, the Treasury reported profit of MCH \$52,307 (+32.8% YoY), explained by increased net operating income of MCH \$71,955 (+12.4% YoY), increased income from indexed assets and liabilities because of higher inflation (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2020 vs 2.7% in 2020) and a larger mismatch in the last quarter of the year. Additionally, it had lower cost of funds during the year. These effects were partly offset by lower income from brokering fixed-income instruments with a high basis of comparison, especially during the second quarter of 2020. Support expenses fell to MCH \$13,124 (-8.2% YoY) due to lower commercial bonuses expenses. Employee performance bonuses paid in 1Q20 were for the year 2019, while bonuses paid in 1Q21 were for the year 2020.

For the quarter, the division reported profit of MCH \$18,381 (+126.1% QoQ), with net operating income of MCH \$22,238 (+64.8% QoQ), because of a larger mismatch and indexation due to higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%) and a greater margin due to the lower cost of funds and effects related to rate hikes (average MPR for 4Q21 of 2.83% vs 0.96% for 3Q21). These effects were partially offset by lower income from brokering fixed-income instruments in 4Q21. Support expenses rose to MCH \$3,338 (+5.3% QoQ) due to increased expenses for structural adjustments to support areas.

The Treasury Division consists of trading, investment, distribution and asset and liability management (ALM) transactions. The ALM desk manages financial investments used to stabilize the net interest margin, manage interest rate risk in the balance sheet, manage liquidity and efficiently fund the Bank's loan portfolio. ALM represented 60.8% of treasury income in 2021. The investment and trading desks manage the Bank's own portfolio of primarily Chilean Central Bank notes and corporate bonds and represent 23.4% of treasury income. The remaining 15.7% of the division's income comes from the distribution desk, which brokers specialized products for corporate banking customers (currency, forwards and structured products).



# LOAN PORTFOLIO - BANCO SECURITY

Total loans reached MCH \$7,731,538 as of December 2021, +8.1% YoY, while industry loans were up 10.4% YoY. Including foreign investments, industry loans grew 11% YoY. Commercial loans grew 8.4% YoY to MCH \$5,479,946 (81.4% of Banco Security's total loan portfolio), while retail loans (consumer + mortgage) reached MCH \$1,248,757 as of December 2021, +6.8% YoY. The 20 largest borrowers represent 14.45% of the Bank's total loan portfolio.

TOTAL LOANS				% (	снд
IN MCH\$	DEC-21	SEP-21	DEC-20	QOQ	YOY
Consumer	423,790	415,531	457,704	2.0%	-7.4%
Mortgage	824,967	786,018	712,074	5.0%	15.9%
Mortgage + Consumer	1,248,757	1,201,549	1,169,778	3.9%	6.8%
NO. OF CUSTOMERS	65,085	65,362	67,496	-0.4%	-3.6%
Commercial	5,479,946	5,338,376	5,057,580	2.7%	8.4%
NO. OF CUSTOMERS	8,006	7,998	8,023	0.1%	-0.2%
TOTAL LOANS	6,731,538	6,542,131	6,228,083	2.9%	8.1%
MARKET SHARE	3.3%	3.3%	3.4%	-2 p	-7 p

INCOME INTEREST AND INDEXATION				% C	CHG			
IN MCH\$	4Q21	3Q21	4Q20	Q₀Q	YoY	DEC-21	DEC-20	% CHG YOY
Consumer	10,459	9,889	11,337	5.8%	-7.7%	41,322	50,695	-18.5%
Mortgage	27,681	14,355	13,713	92.8%	101.9%	67,428	38,477	75.2%
Mortgage + Consumer	38,140	24,244	25,050	57.3%	52.3%	108,750	89,172	22.0%
Commercial	134,032	81,533	80,287	64.4%	66.9%	363,585	270,181	34.6%
Investment securities	15,229	7,098	6,189	114.5%	146.1%	32,505	24,204	34.3%

INTEREST AND INDEXATION INCOME/ TOTAL				% (	CHG			
LOANS	4Q21	3Q21	4Q20	QoQ	YoY	DEC-21	DEC-20	% CHG YOY
Consumer	9.87%	9.52%	9.91%	35 p	-4 p	19.50%	22.15%	-265 p
Mortgage	13.42%	7.31%	7.70%	612 р	572 p	16.35%	10.81%	554 p
Mortgage + Consumer	12.22%	8.07%	8.57%	415 p	365 p	17.42%	15.25%	217 р
Commercial	9.78%	6.11%	6.35%	367 p	343 p	13.27%	10.68%	259 p
TOTAL	10.23%	6.47%	6.77%	376 p	347 p	14.03%	11.54%	249 p

# **BANCO SECURITY - FUNDING SOURCES**

FUNDING SOURCES							% C	HG
IN MCH\$	DEC	-21	SEP	P-21 DEC-20		QoQ	YoY	
Demand deposits	1,717,574	18.3%	1,436,590	16.3%	1,175,141	14.5%	19.6%	46.2%
Time deposits	1,865,280	19.9%	1,715,144	19.4%	1,890,734	23.4%	8.8%	-1.3%
Total deposits	3,582,854	38.3%	3,151,734	35.7%	3,065,875	37.9%	13.7%	16.9%
Bonds	3,147,284	33.6%	3,107,830	35.2%	2,930,589	36.3%	1.3%	7.4%
Borrowings from financial institutions	1,473,907	15.7%	1,377,814	15.6%	1,052,094	13.0%	7.0%	40.1%
Other liabilities*	461,117	4.9%	508,930	5.8%	369,219	4.6%	-9.4%	24.9%
TOTAL LIABILITIES	8,665,162	92.5%	8,146,308	92.3%	7,417,778	91.8%	6.4%	16.8%
Total equity	700,616	7.5%	682,160	7.7%	661,938	8.2%	2.7%	5.8%
LIABILITIES + EQUITY	9,365,778	100.0%	8,828,468	JAN-00	8,079,716	100.0%	6.1%	15.9%

\* INCLUDES THE FOLLOWING ACCOUNTS: TRANSACTIONS IN THE COURSE OF COLLECTION/PAYMENT, REPO AGREEMENTS, FINANCIAL DERIVATIVE INSTRUMENTS, OTHER FINANCIAL LIABILITIES, CURRENT TAXES, DEFERRED TAXES, PROVISIONS AND OTHER LIABILITIES.

# **DEMAND AND TIME DEPOSITS**

As of December 2021, deposits totaled MCH \$3,582,854 (+16.9% YoY), while the industry figure was up +8.4% YoY and +10.3% YoY (including foreign subsidiaries). As of December 2021, time deposits totaled MCH \$1,865,280 (-1.3% YoY), down 27.2% during the first half of the year due to lower rates and a larger appetite for liquidity, as well as the financing alternative of the third phase of the Chilean Central Bank's Conditional Credit Facility (FCIC) program. This trend was revered during the second half of the year, growing 35.5% between June 2021 and December 2021, because of rate hikes during the period (MPR 0.50% average December 2020-June 2021, 1.88% average June 2021-December 2021).

Banco Security's time deposits consisted of 37% retail deposits and 63% institutional deposits. The 15 largest depositors represent 10.6% of the Bank's total deposits. The loan to deposit ratio was 187.9% as of December 2021, compared to 203.1% as of December 2020. Banco Security has a strategy to diversify funding sources using sales incentives to increase its retail deposit base.

Banco Security strictly monitors liquidity risk<sup>5</sup>, striving to diversify funding sources while monitoring and controlling a series of limits on asset/liability mismatches, maintaining an important volume of liquid assets and lengthening liabilities to increase funding terms. The Bank's exposure from asset and liability mismatches is among the industry's lowest thanks to a conservative interest rate gap strategy that takes advantage of record-low rates to lengthen our liabilities. As of December 31, 2021, the ratio of long-term interest rate risk to regulatory capital was 3.96%<sup>6</sup>.

As of December 31, 2021, liquid assets<sup>7</sup> represented 135.0% of demand and other time deposits. The liquidity coverage ratio<sup>8</sup> as December 2021 was 344.16%, above the regulatory minimum of 70%.

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

<sup>5</sup> LIQUIDITY RISK REPRESENTS THE POSSIBILITY OF NOT FULFILLING OBLIGATIONS WHEN THEY MATURE AS A RESULT OF THE INABILITY TO LIQUIDATE ASSETS OR FUNDS, OR NOT BEING ABLE TO DISPOSE OF THEM EASILY OR OFFSET EXPOSURE WITHOUT SIGNIFICANTLY REDUCING PRICES DUE TO INSUFFICIENT MARKET GRUPO SECURITY ANNUAL REPORT, NOTE 35).

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

<sup>8</sup> LIQUIDITY COVERAGE RATIO (LCR, C48) PUBLISHED ON WEBSITE WWW.BANCOSECURITY.CL



# **BANCO SECURITY - DEBT ISSUED**

SERIES	CMF REGISTRATION NO.	CMF REGISTRATION DATE	CURRENCY	AMOUNT REGISTERED	ANNUAL INTEREST RATE	DURATION (YEARS)	MATURITY
H1	03/2007	01/25/07	UF	3,000,000	3.00	23	12/01/29
К3	01/2013	02/26/13	UF	4,000,000	3.50	10	11/01/22
K4	10/2013	11/06/13	UF	5,000,000	3.60	10	10/01/23
K5	14/2014	10/09/14	UF	5,000,000	2.75	10	06/01/24
K6	05/2015	04/01/15	UF	5,000,000	2.75	5	03/01/25
К7	05/2015	04/01/15	UF	5,000,000	2.75	10	09/01/25
K8	12/2016	10/03/16	UF	5,000,000	2.80	10	10/01/36
Z2	13/2016	10/03/16	CH\$	75,000,000,000	5.30	5.5	01/02/27
B6	06/2017	Jul 11, 2017	UF	5,000,000	2.25	5.5	04/01/22
B7	08/2018	05/09/18	UF	4,000,000	2.20	5	02/01/23
К9	08/2018	05/09/18	UF	5,000,000	2.75	10	01/01/28
Z3	08/2018	05/09/18	CH\$	75,000,000,000	4.80	5	12/01/22
B8	11/2018	Dec 20, 2018	UF	5,000,000	1.80	5.5	09/01/23
Q1	11/2018	Dec 20, 2018	UF	3,000,000	2.50	15	08/01/33
Z4	11/2018	Dec 20, 2018	CH\$	75,000,000,000	4.80	5.5	10/01/23
D1	11/2018	Dec 20, 2018	UF	5,000,000	2.20	10.5	08/01/28
B9	11/2019	Nov 11, 2019	UF	5,000,000	0.70	5.5	04/01/24
C1	11/2019	Nov 11, 2019	UF	5,000,000	0.80	6	03/01/26
D2	11/2019	Nov 11, 2019	UF	5,000,000	0.90	8.5	03/01/27
D3	11/2019	Nov 11, 2019	UF	5,000,000	1.00	10.5	03/01/29
Z5	11/2019	Nov 11, 2019	CH\$	75,000,000,000	3.50	6	06/01/25
Z7	04/2020	03/12/20	CH\$	100,000,000,000	2.75	6	11/01/25
D4	04/2020	03/12/20	UF	5,000,000	0.50	10.5	07/01/30

As of December 2021, Banco Security had issued MCH \$2,786,341 in senior bonds, as detailed in Note 21 of Banco Security's financial statements.

#### **BANCO SECURITY – CAPITALIZATION**

As of December 2021, Banco Security's equity attributable to the owners of the parent totaled MCH \$700,559 (+5.8% YoY).

				% (	снд
IN MCH\$	DEC-21	SEP-21	DEC-20	QOQ	YOY
Capital	325,041	325,041	302,047	0.0%	7.6%
Reserves and valuation accounts	9,733	9,362	36,010	4.0%	-73.0%
Retained earnings	365,785	347,704	323,828	5.2%	13.0%
EQUITY ATTRIBUTABLE TO OWNERS	700,559	682,107	661,885	2.7%	5.8%
Core capital	700,559	682,107	661,885	2.7%	5.8%
Regulatory capital	982,029	956,376	926,896	2.7%	5.9%
Minimum required capital	563,495	552,148	527,721	2.1%	6.8%
Risk-weighted assets	7,043,682	6,901,854	6,596,514	2.1%	6.8%
Regulatory Capital / APR	13.94%	13.86%	14.05%	9 p	-11 p
Core capital / Total assets	7.14%	7.37%	7.85%	-23 p	-71 p

In order to strengthen the Bank's capital base, Grupo Security (the Bank's largest shareholder) carried out a capital increase of MCH \$23,000 in the Bank in April 2021. This puts Banco Security in a good position to implement Basel III, which takes effect in Chile in 2022. It currently meets internal and regulatory requirements for capital ratios and received a positive score from regulators on the Capital Self-Assessment Report (IAPE) 2021.

The Bank's capital adequacy ratio as of December 2021, calculated as regulatory capital over risk-weighted assets, reached 13.94% (with a regulatory minimum of 8%), -11 bps YoY. The decrease is in response to a 6.8% rise in risk-weighted assets, in line with the 8.1% growth in total loans, while regulatory capital increased proportionally less (+5.9% YoY). The ratio of core capital to total assets reached 7.14%, -71 bps YoY. For the same period, its ROAE (profit LTM over average equity) was 11.32% (+192 bps YoY).

# **FACTORING SECURITY**

For 12M21, Factoring Security reported profit of MCH \$10,192 (+7.6% YoY). Net operating income was MCH \$25,641 (-2.3% YoY), because of the portfolio's smaller spread. This was partly offset by a larger loan volume of MCH \$440,264 (+22.3% YoY) and increased indexation income (+447.7% YoY), stemming from higher inflation during the period (7.2% for 2021 vs 2.7% for 2020, UF variation of 6.6% for 2021 vs 2.7% for 2020). Support expenses fell to MCH \$10,637 (-7.4% YoY) mainly due to lower payroll expenses following structural adjustments. Meanwhile, LLP expenses reached MCH \$2,744 (+10.6% YoY), with a ratio of LLP expenses to total loans of 0.62% as of December (-7 bps YoY).

During 4Q21, the subsidiary reported profit of MCH \$3,005 (+25.1% QoQ), with net operating income of MCH \$6,923

(+10.3% QoQ), related to the portfolio's improved spread, larger loan volumes (+9.7% QoQ) and a rise in indexation income (+116.1% QoQ) because of higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%). Support expenses totaled MCH \$2,812 (+8.2% QoQ) due to bonuses, structural adjustments and seasonal expenses.



These effects resulted in an efficiency ratio of 41.5% as of December 2021 (-228 bps YoY and -1,165 bps QoQ). As of December 2021, the risk ratio measured as provisions to total loans was 2.00%, +32 bps YoY and +1 bps QoQ.

				% C	HG			% CHG
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	YOY
Loans	440,264	401,159	360,084	9.7%	22.3%	440,264	360,084	22.3%
Provisions recognized	8,784	7,953	6,040	10.4%	45.4%	8,784	6,040	45.4%
Net operating income	6,923	6,276	6,290	10.3%	10.1%	25,641	26,240	-2.3%
LLP expenses	-831	-618	-634	34.4%	31.0%	-2,744	-2,481	10.6%
Support expenses	-2,812	-2,598	-3,062	8.2%	-8.2%	-10,637	-11,482	-7.4%
PROFIT	3,005	2,403	2,071	25.1%	45.1%	10,192	9,471	7.6%
Efficiency <sup>2</sup>	-40.6%	-41.4%	-48.7%	78 р	806 p	-41.5%	-43.8%	228 p
LLP expenses / Total factored receivables	0.75%	0.62%	0.70%	14 p	5 р	0.62%	0.69%	-7 p
Risk ratio <sup>3</sup>	2.00%	1.98%	1.68%	1 р	32 p	2.00%	1.68%	32 p

1. REVENUE, BANKING EXPENSES AND NET INDEXATION.

2. SUPPORT COSTS / MARGIN BEFORE EXPENSES. 3. PROVISIONS / LOANS

# ASSET MANAGEMENT AREA

#### (2.2% OF ASSETS; 7.7% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2021)

The asset management business area includes Administradora General de Fondos Security and Valores Security Corredores de Bolsa. It also includes Securitizadora Security, which manages securitized assets and their respective special purpose vehicles (SPVs). This business area complements the product range offered by the rest of the Group's companies, providing services tailored to the needs of each customer segment. The products offered by the different companies in the asset management business area are: AGF Security manages mutual funds, investment funds and voluntary retirement savings (APV). Valores Security offers foreign exchange and stock brokerage services and forwards.

The area had AUM of MCH \$4,001,004 as of December 2021 (-5.8% YoY) due to a drop in AUM in mutual funds (-12.9% YoY), mostly domestic short- and long-term fixed-income instruments, and a decline in AUM in investment funds, which totaled MCH \$200,187 as of December 2021 (-32.5% YoY). This was offset partly by an increase in international (+25.4% YoY) and domestic (+6.6% YoY) custody. Compared to the immediately preceding quarter, Inversiones Security's AUM dropped -3.4% QoQ, mainly because of a decrease in mutual funds (-7.7% QoQ), in particular in short-term domestic fixed-income funds. AGF Security has market share of 4.8% of the mutual fund industry. The total value of shares traded was MCH \$995,249 for 12M21 (-13.8% YoY and -74.3% QoQ) with market share of 1.6%.

				% C	HG
IN MCH\$	2021	9M21	2020	QoQ	YoY
Assets under management (AUM)	4,001,004	4,146,547	4,247,639	-3.5%	-5.8%
Mutual funds under management*	2,464,190	2,610,737	2,789,219	-5.6%	-11.7%
Market share - mutual funds	4.8%	5.0%	5.4%	-15 p	-60 p

(\*) MONTHLY AVERAGE AS REPORTED BY MUTUAL FUND ASSOCIATION

				% C	CHG			
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Value of shares traded	68,320	266,152	195,276	-74.3%	-65.0%	995,249	1,154,903	-13.8%
Market share - stocks	0.9%	1.9%	1.8%	-102 p	-95 p	1.6%	2.0%	-33 p
Operating income	9,958	9,164	8,729	8.7%	14.1%	37,365	35,634	4.9%
Non-operating income	3,302	409	2,254	707.6%	46.5%	4,943	5,002	-1.2%
Total expenses	-9,501	-7,670	-9,349	23.9%	1.6%	-34,424	-34,737	-0.9%
Efficiency ratio	71.7%	80.1%	85.1%	-847 p	-1347 p	81.4%	85.5%	-412 p
AGF Security	2,981	1,866	1,124	59.7%	165.3%	7,066	3,838	84.1%
Valores Security	911	106	346	763.2%	163.8%	2,343	1,326	76.8%
Securitizadora + Inmobiliaria Casanuestra	390	672	1,450	-41.9%	-73.1%	1,271	903	40.7%
PROFIT - ASSET MANAGEMENT	4,115	2,639	3,219	55.9%	27.8%	10,680	6,174	73.0%

(\*) RESULTS FOR 2020 AND 4Q20 INCLUDE SUPPORT AREA RESULTS OF MCH \$108 AND MCH \$301, RESPECTIVELY.

The asset management area reported profit of MCH \$10,680 for 12M21 (+73.0% YoY), with improved results from all subsidiaries. In particular, AGF Security had profit of MCH \$7,066 for 12M21 due to increased operating income related to a larger ROA (0.70% as of December 2021), while Valores Security reported profit of MCH \$2,343 (+76.8% YoY) because of MCH \$1,141 in deferred taxes recognized in 1Q21. In addition, Securitizadora and CasaNuestra reported profit of MCH \$1,271 for 12M21 (+40.7% YoY), explained by a better net interest margin and greater income from portfolio sales by CasaNuestra.

Operating income reached MCH \$37,365 for 12M21 (+4.9% YoY), as a result of a larger ROA due to greater income from fixed-income funds because of the rate hike in the second half of the year. In addition, it enjoyed greater transactional income (11.4% YoY), particularly from international deals. In contrast, non-operating income fell to MCH \$4,943 (-1.2% YoY), while total expenses reached MCH \$34,424 (-0.9% YoY), both stable year over year.

For 4Q21 it reported quarterly profit of MCH \$4,115 (+55.9% QoQ). Operating income reached MCH \$9,958 (+8.7% QoQ), with greater income from funds (+7.5% QoQ), due to increased income from fixed-income funds and a rise in transactional income (+14.3% QoQ), mostly from international deals. Non-operating income totaled MCH \$3,302 (+707.6% QoQ), due to improved returns on the AGF and Valores proprietary trading portfolios. Meanwhile, it reported total expenses of MCH \$9,501 for the quarter (+23.9% QoQ), with increased consulting and seasonal expenses and a low basis of comparison.



# **INSURANCE AREA**

#### (22.1% OF ASSETS; 32.8% OF PROFIT FROM BUSINESS AREAS FOR 2021)

The insurance business area reported profit of MCH \$45,744 for 12M21. This area includes the operations of the Vida Security insurance company and the insurance brokerage subsidiary, Corredores de Seguros Security. The following entities providing complementary activities are also included: Hipotecaria Security and Europ Assistance.

### **VIDA SECURITY**

Vida Security reported profit of MCH \$45,496 (+93.4% YoY), due to improved returns on the proprietary trading portfolio (+42.9% YoY). The company had premiums of MCH \$329,921 as of December 2021 (+43.8% YoY) with market share of 7.3% in annuities.

#### **RESULTS BY PRODUCT LINE**

	INDIVI	IDUAL	FAMILY PR	OTECTION	GRC	OUP	ANNU	ITIES	D	SI	то	TAL
IN MCH\$	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gross written premiums	170,446	141,284	6,751	6,907	61,079	66,557	91,356	14,318	289	326	329,921	229,392
RETAINED PREMIUMS	168,187	139,009	6,751	6,907	59,049	64,958	91,356	14,318	120	63	325,463	225,255
Variation in technical reserves	-66,205	-41,963	32	-43	2,344	-362	-	-	1,273	-3,432	-62,557	-45,801
Claims paid	-113,367	-98,166	-1,766	-1,537	-48,288	-34,015	-	-41	46,840	28,726	-116,581	-105,034
Pensions paid	-1,776	-2,297	-	-	-	-	-153,093	-72,630	-45,958	-29,563	-200,828	-104,490
Underwriting expenses	-8,780	-9,422	-2,166	-2,040	-3,445	-4,020	-770	-177	-	-	-15,162	-15,659
Medical expenses	-12	-14	-	-1	-5	-4	-	-	-	-	-17	-19
Insurance impairment	-	-	-	-	-167	32	-	-	-	-	-167	32
CONTRIBUTION MARGIN	-21,953	-12,853	2,851	3,286	9,488	26,589	-62,508	-58,448	2,275	-4,206	-69,849	-45,633
Investment income (CUI)	32,863	25,146									32,863	25,146
Return on own investment portfolio											118,316	82,783
INVESTMENT INCOME											151,180	107,929
Administrative expenses											-33,683	-32,880
Exchange differences											-590	-903
Gain (loss) on indexed assets and liabilities											-9,113	-4,165
Other income and expenses											-72	-522
Income tax benefit (expense)											7,622	-297
PROFIT FOR THE YEAR											45,496	23,529

<b>INTEGRATED REPORT</b>	GRUPO SECURITY	CORPORATE	THE SECURITY	GRUPO SECURITY
2021	AT A GLANCE	GOVERNANCE	CULTURE	COMPANIES

	INDIV	DUAL	FAMILY PR	OTECTION	GRC	OUP	ANNL	VITIES	D	SI	TOT	TAL .
IN MCH\$	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21
Gross written premiums	60,213	41,425	1,686	1,686	13,600	16,776	18,791	23,843	93	73	94,384	83,803
RETAINED PREMIUMS	59,210	41,354	1,686	1,686	13,360	15,644	18,791	23,843	57	34	93,105	82,562
Variation in technical reserves	-24,275	-19,061	21	-16	715	570	-	-	610	998	-22,929	-17,508
Claims paid	-41,216	-22,359	-367	-461	-11,675	-14,828	-	-	9,476	7,984	-43,782	-29,664
Pensions paid	-781	-422	-	-	-	-	-35,254	-38,924	-8,829	-10,761	-44,863	-50,106
Underwriting expenses	-2,492	-2,238	-656	-545	-808	-877	-120	-161	-0	-	-4,076	-3,821
Medical expenses	-4	-4	-0	-0	-1	-1	0	0	-	-	-5	-5
Insurance impairment	-	-	-	-	-115	-36	-	-	-	-	-115	-36
CONTRIBUTION MARGIN	-9,557	-2,728	684	663	1,477	472	-16,582	-15,242	1,314	-1,744	-22,665	-18,578
Investment income (CUI)	12,027	4,742									12,027	4,742
Return on own investment portfolio											23,398	37,854
INVESTMENT INCOME											35,425	42,597
Administrative expenses											-8,967	-9,080
Exchange differences											-102	-643
Gain (loss) on indexed assets and liabilities											-3,673	-2,497
Other income and expenses											25	-72
Income tax benefit (expense)											7,331	2,788
PROFIT FOR THE YEAR											7,373	14,514

#### INDIVIDUAL INSURANCE

430

#### (51.7% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2021)

Individual insurance policies are contracted by individuals to cover certain risks (life, health, credit life, etc.). They include product lines 101-112 and 425 and exclude line 107 in figure 601 in the financial statements of Vida Security.

The contribution margin was a loss of -MCH \$21,953 for 12M21, versus a loss of -MCH \$12,853 for 12M20, due to a negative variation in technical reserves because of improved investment income and higher premium volumes. Gross written premiums were MCH \$170,446 for 12M21 (+20.6% YoY), due to greater gross written premiums from insurance with savings components (CUI) and voluntary retirement savings (APV) as a result of greater market liquidity. The variation in technical reserves was -MCH \$66,205, versus -MCH \$41,963 for 12M20, due to improved investment income on the CUI and APV portfolios of MCH \$32,863 (+30.7% YoY), and increased premiums (+20.6% YoY). Underwriting expenses reached -MCH \$8,780 (-6.8% YoY) due to additional sporadic contributions to savings products (CUI and APV) generating a lower underwriting expense ratio (-156 bps YoY). Meanwhile, claims paid totaled MCH \$113,367 (+15.5% YoY) due to increased surrenders and transfers from CUI policies.

Improved returns on the CUI and APV investment portfolio are counterbalanced by greater variations in technical reserves.

#### As of December 2021, CUI and APV policies represent 92% of total individual insurance premiums.



INDIVIDUAL				% C	HG			
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Gross written premiums	60,213	41,425	41,133	45.4%	46.4%	170,446	141,284	20.6%
RETAINED PREMIUM	59,210	41,354	40,599	43.2%	45.8%	168,187	139,009	21.0%
Variation in technical reserves	-24,275	-19,061	-22,166	27.4%	9.5%	-66,205	-41,963	57.8%
Claims paid	-41,216	-22,359	-26,988	84.3%	52.7%	-113,367	-98,166	15.5%
Pensions paid	-781	-422	-442	85.2%	76.6%	-1,776	-2,297	-22.7%
Underwriting expenses	-2,492	-2,238	-2,002	11.4%	24.5%	-8,780	-9,422	-6.8%
Medical expenses	-4	-4	-4	-0.9%	0.1%	-12	-14	-15.6%
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	-9,557	-2,728	-11,003	250.3%	-13.1%	-21,953	-12,853	70.8%
Loss ratio (1)	70.9%	55.1%	67.6%	1584 р	337 p	68.5%	72.3%	-381 p
Underwriting expense rate <sup>(2)</sup>	4.2%	5.4%	4.9%	-120 p	-72 p	5.2%	6.8%	-156 p

CLAIMS PAID / GROSS WRITTEN PREMIUMS UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS 1 2

For 4Q21, the contribution margin was a loss of -MCH \$9,557, versus -MCH \$2,727 for 3Q21. Gross written premiums reached MCH \$60,213 (+45.4% QoQ) due to greater gross written premiums from CUI and APV insurance as a result of greater market liquidity. The total variation in technical reserves was -MCH \$24,275 (versus -MCH \$19,061 for 3Q21) due to higher premium volumes (+45.4% QoQ) and improved returns on the CUI and APV portfolios of MCH \$12,027 (+153.6% QoQ). In addition, claims paid were up to MCH \$41,216 (+84.3% QoQ) due to increased surrenders and transfers from CUI policies.

### **FAMILY PROTECTION**

### (2.0% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2021)

FAMILY PROTECTION				% C	HG			
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Gross written premiums	1,686	1,686	1,744	0.0%	-3.3%	6,751	6,907	-2.3%
RETAINED PREMIUM	1,686	1,686	1,744	0.0%	-3.3%	6,751	6,907	-2.3%
Variation in technical reserves	21	-16	5	-	298.3%	32	-43	-
Claims paid	-367	-461	-742	-20.4%	-50.5%	-1,766	-1,537	14.9%
Pensions paid	0	0	0	-	-	0	0	-
Underwriting expenses	-656	-545	-524	20.3%	25.2%	-2,166	-2,040	6.2%
Medical expenses	0	0	0	7.9%	-38.7%	0	-1	-75.7%
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	684	663	483	3.1%	41.6%	2,851	3,286	-13.2%
Loss ratio <sup>(1)</sup>	21.8%	27.4%	42.5%	-559 p	-2077 p	26.2%	22.3%	391 p
Underwriting expense rate <sup>(2)</sup>	38.9%	32.4%	30.1%	655 p	886 p	32.1%	29.5%	254 p

1 2

CLAIMS PAID / GROSS WRITTEN PREMIUMS UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS

# **INTEGRATED REPORT** 2021

**GRUPO SECURITY** AT A GLANCE

CORPORATE GOVERNANCE

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

For 9M21, the contribution margin totaled MCH \$2,851 (-13.2% YoY) due to higher underwriting expenses of MCH \$1,766 (+14.9% YoY) and a drop in gross written premiums (-2.3% YoY). In addition, underwriting expenses for 12M21 totaled -MCH \$2,166 (+6.2% YoY).

Compared to the preceding quarter, the contribution margin was MCH \$684 (+3.1% QoQ), due to a drop in claims paid to MCH \$367 (-20.4% QoQ), partially offset by higher underwriting expenses (+20.3% QoQ).

### **GROUP INSURANCE**

### (18.5% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2021)

Group insurance is contracted by a company for its employees and may include life or health coverage, depending on the terms of the policy. It also includes credit life insurance covering the unpaid balance of debt in the event of the insured party's death. Based on figure 601 in the financial statements of Vida Security, it includes product lines 202-213 and 302-312 and excludes lines 207 and 307.

GROUP				% C	HG			
IN MCH\$	4Q21	3Q21	4Q20	Q₀Q	YoY	2021	2020	% CHG
Gross written premiums	13,600	16,776	13,640	-18.9%	-0.3%	61,079	66,557	-8.2%
RETAINED PREMIUM	13,360	15,644	13,230	-14.6%	1.0%	59,049	64,958	-9.1%
Variation in technical reserves	715	570	-125	25.4%	-	2,344	-362	-
Claims paid	-11,675	-14,828	-12,693	-21.3%	-8.0%	-48,288	-34,015	42.0%
Pensions paid	0	0	0	-	-	0	0	-
Underwriting expenses	-808	-877	-897	-7.8%	-10.0%	-3,445	-4,020	-14.3%
Medical expenses	-1	-1	-3	-5.5%	-52.8%	-5	-4	14.8%
Insurance impairment	-115	-36	36	215.1%	-	-167	32	-
CONTRIBUTION MARGIN	1,477	472	-452	212.7%	-	9,488	26,589	-64.3%
Loss ratio <sup>(1)</sup>	87.4%	94.8%	95.9%	-740 p	-856 p	81.8%	52.4%	2941 p
Underwriting expense rate (2)	6.0%	5.6%	6.8%	44 p	-73 p	5.8%	6.2%	-35 p

CLAIMS PAID / GROSS WRITTEN PREMIUMS UNDERWRITING EXPENSES / GROSS WRITTEN PREMIUMS 1 2

As of December 2021, the contribution margin reached MCH \$9,488 (-64.3% YoY), explained by a rise in claims paid of MCH \$48,288 for 12M21 (+42.0% YoY), with a low basis of comparison from a lower loss ratio in group health insurance, related to stricter health restrictions in 2020. On the other hand, it reported lower gross written premiums of MCH \$61,079 (-8.2% YoY) because commercial efforts were limited by the pandemic-related restrictions during the first half of the year, which were lifted in the second half of 2021, and a lower volume of credit life policies due to a drop in consumer loans.



For the quarter, this product line reported profit of MCH \$1,472 (+212.7% QoQ) due to decreased claims paid of MCH \$11,675 (+19.6% QoQ) explained by a high basis of comparison in health insurance once the economy began to reopen in 3Q21 and people resumed treatments delayed during the first half of the year. In addition, gross written premiums fell to MCH \$13,600 (-18.9% QoQ).

### **ANNUITIES**

#### (27.7% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2021)

Workers that choose an annuity upon retirement turn over their retirement funds to an insurance company and receive in exchange a fixed, inflation-indexed monthly payment for the rest of their life and survivor pensions for their legal beneficiaries. Based on figure 601 in the financial statements of Vida Security, it includes product lines 421, 422 and 423<sup>9</sup>.

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

As of December 2021, annuity sales rates in the industry averaged 2.87% during the year (versus 1.88% as of December 2020). In contrast, the rate for calculating scheduled withdrawals has averaged 3.88% for the year (versus 3.66% as of December 2020), which has driven retirees to prefer scheduled withdrawals over annuities, thus sharply reducing sales industry-wide. As of December 2021, total annuity premiums reached MUF 42.13, up 5.1% from December 2020.



9. THIS ALSO INCLUDES LINE 424 FROM THE SVS, WHICH CORRESPONDS TO THE OLD DISABILITY AND SURVIVOR'S SYSTEM DEFINED IN CIRCULAR 528 (C-528). AS OF SEPTEMBER 2021, THIS LINE ACCOUNTS FOR ONLY MCH \$598 IN PENSIONS PAID BY VIDA SECURITY.

ANNUITIES				% C	HG			
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Gross written premiums	18,791	23,843	5,767	-21.2%	225.9%	91,356	14,318	538.0%
RETAINED PREMIUM	18,791	23,843	5,767	-21.2%	225.9%	91,356	14,318	538.0%
Variation in technical reserves	0	0	0	-	-	0	0	-
Claims paid	0	0	-41	-	-	0	-41	-
Pensions paid	-35,254	-38,924	-19,875	-9.4%	77.4%	-153,093	-72,630	110.8%
Underwriting expenses	-120	-161	-60	-25.5%	100.3%	-770	-177	335.2%
Medical expenses	0	0	0	-30.0%	-	0	0	-
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	-16,582	-15,242	-14,127	8.8%	17.4%	-62,508	-58,448	6.9%
Underwriting expense rate (1)	0.6%	0.7%	1.0%	-4 p	-40 p	0.8%	1.2%	-39 p

(1) UNDERWRITING EXPENSES / RETAINED PREMIUM

In late 2020, Vida Security adjusted the technical parameters for the annuity business in order to boost sales, thus maintaining expected returns. The contribution margin for annuities was a loss of -MCH \$62,508 for 12M21 (vs -MCH \$58,448 for 12M20), with a rise of 538.0% in gross written premiums, totaling MCH \$91,356 for 12M21, making it the insurance company with the most growth in this product line with 7.3% of the market as of December 2021. The larger premium volume was offset by an increase in pensions paid, reaching MCH \$153,093 for 12M21 (+110.8% YoY) and by higher underwriting expenses (+335.27% YoY), explained by larger sales volumes. When an annuity is sold liability is recorded, known as the reserve, which is calculated based on CMF regulations and is equivalent to the present value of future pension payments that must be made by the company, adjusted based on current mortality rates. This reserve is backed primarily by long-term financial investments.

In the context of the third pension fund withdrawal, in April 2021 legislators approved a voluntary advance on annuities that could be requested one time by retirees and beneficiaries, choosing an advance of between 1% and 10% of their technical reserve, with a cap of UF 150. As of December 31, 2021, Vida Security has paid 14,485 advances for a total of MCH \$45,701. The advance is recorded as pensions paid and counterbalanced by reversing technical reserves for a similar amount. In the financial statements, the two effects are both recognized on the line "Pensions paid", presented net. In order to finance the annuity advances, insurance companies were forced to sell assets and/or take on additional debt, thus reducing the size of their investment portfolios and making adjustments to their portfolios' maturity structures.

For the quarter, the contribution margin was -MCH \$16,582 (vs -MCH \$15,242 in 3Q21) due to a lower volume of gross written premiums of MCH \$18,791 (-21.2% QoQ) and a drop in pensions paid of MCH \$35,254 (-9.4% QoQ).



### **DISABILITY AND SURVIVOR INSURANCE (DSI)**

#### (0.1% OF GROSS WRITTEN PREMIUMS AS OF DECEMBER 2021)

Disability and survivor insurance is mandatory for all individuals with pension accounts at Pension Fund Management Companies (AFPs) and is directly contracted collectively by the AFPs for these individuals through semi-annual public bidding processes. It is financed by employers throughout a member's active work life with a fraction of the additional amount charged by the AFP<sup>10</sup>. It provides protection to the insured and his or her family group in the event of disability or death of the insured party. Based on figure 601 in the financial statements of Vida Security, it includes product line 420.

DSI				% CHG				
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Gross written premiums	93	73	100	27.5%	-7.5%	289	326	-11.2%
RETAINED PREMIUM	57	34	27	64.6%	113.0%	120	63	91.2%
Variation in technical reserves	610	998	-3,432	-38.9%	-	1,273	-3,432	-
Claims paid	9,476	7,984	5,792	18.7%	63.6%	46,840	28,726	63.1%
Pensions paid	-8,829	-10,761	-3,229	-18.0%	173.4%	-45,958	-29,563	55.5%
Underwriting expenses	0	0	0	-	-	0	0	-
Medical expenses	0	0	0	-	-	0	0	-
Insurance impairment	0	0	0	-	-	0	0	-
CONTRIBUTION MARGIN	1,314	-1,744	-842	-	-	2,275	-4,206	-

This table of pensions paid includes disability and survivor payments to insured retirees. Claims paid includes a reserve for the present value of the obligation with the insured parties.

The fifth DSI tender was organized by the AFPs for the period from July 2016 to June 2018, and Vida Security was awarded two fractions for men and two for women. The seventh tender for DSI insurance for the next period (July 1, 2020 to June 30, 2022) was concluded in June 2020, and Vida Security was not awarded any fractions.

Gross written premiums totaled MCH \$289 for 12M21 since the subsidiary was not awarded any fractions from the current tender. Claims and pensions paid totaled MCH \$882 (-MCH \$837 for 12M20), while the variation in technical reserves was +MCH 1,273 (-MCH \$3,432 for 12M20). These effects stemmed from the higher interest rates used to calculate technical reserves, which resulted in the reversal of reserves since the present value of the obligation with insured parties decreased.

This explains the contribution margin of MCH \$2,275 for 12M21, compared to -MCH \$4,206 last year.

### **VIDA SECURITY - CONSOLIDATED RESULTS**

For 12M21 Vida Security reported profit of MCH \$45,496 (93.4% YoY) explained by improved returns from the proprietary trading portfolio of MCH \$118,316 (+42.9% YoY), giving an ROI of 5.5% (4.0% for 12M20) and growth in premium levels (+43.8% YoY). These effects were partially offset by a rise in claims and pensions paid (+51.6% YoY) and a larger variation in technical reserves (+36.6% YoY).

For the quarter, the subsidiary reported profit of MCH \$7,373 (-49.2% QoQ), explained by weaker investment returns on the proprietary trading portfolio (-38.2% QoQ), giving an ROI of 4.33% vs 7.1% in 3Q21, and higher claims and pensions paid (+11.1% QoQ), partially offset by a larger volume of premiums (+12.6% QoQ).

				% (	CHG			
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Gross written premiums	94,384	83,803	62,383	12.6%	51.3%	329,921	229,392	43.8%
RETAINED PREMIUMS	93,105	82,562	61,367	12.8%	51.7%	325,463	225,255	44.5%
Changes in technical reserves	-22,929	-17,508	-25,718	31.0%	-10.8%	-62,557	-45,801	36.6%
Claims paid	-43,782	-29,664	-34,590	47.6%	26.6%	-116,581	-104,951	11.1%
Pensions paid	-44,863	-50,106	-23,546	-10.5%	90.5%	-200,828	-104,490	92.2%
Underwriting expenses	-4,076	-3,821	-3,483	6.7%	17.0%	-15,162	-15,659	-3.2%
Medical expenses	-5	-5	-6	-2.1%	-22.2%	-17	-19	-10.5%
Insurance impairment	-115	-36	36	215.1%	-	-167	32	-
CONTRIBUTION MARGIN	-22,665	-18,578	-25,942	22.0%	-12.6%	-69,849	-45,633	53.1%
Administrative expenses	-8,967	-9,080	-7,191	-1.2%	24.7%	-33,683	-32,880	2.4%
CUI results	12,027	4,742	11,342	153.6%	6.0%	32,863	25,146	30.7%
Return on own investment portfolio	23,398	37,854	33,296	-38.2%	-29.7%	118,316	82,783	42.9%
INVESTMENT INCOME	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%
Exchange differences	-102	-643	-191	-84.1%	-46.3%	-590	-903	-34.7%
Gain (loss) on indexed assets and liabilities	-3,673	-2,497	-2,645	47.1%	38.9%	-9,113	-4,165	118.8%
Other income and expenses	25	-72	-390	-	-	-72	-522	-86.2%
Income tax benefit (expense)	7,331	2,788	-1,225	163.0%	-	7,622	-297	-
PROFIT FOR THE YEAR	7,373	14,514	7,054	-49.2%	4.5%	45,496	23,529	93.4%
ADMINISTRATIVE RATIOS								
(1) (Claims and Pensions Paid) / Net Premiums Written	95.2%	96.6%	94.7%	-141 P	47 P	97.5%	93.0%	455 P
(2) Administrative expenses / Net Premiums Written	9.6%	11.0%	11.7%	-137 P	-209 P	10.3%	14.6%	-425 P
(3) Underwriting expenses / Net Premiums Written	4.4%	4.6%	5.7%	-25 P	-130 P	4.7%	7.0%	-229 P
Combined ratio (1) + (2) + (3)	109.2%	112.2%	112.1%	-302 P	-291 P	112.5%	114.5%	-199 P
(4) Profit / Net Premiums Written	7.9%	17.6%	11.5%	-966 P	-358 P	14.0%	10.4%	353 P

In aggregate, gross written premiums totaled MCH \$329,921 for 12M21 (+43.8% YoY) due to higher annuity sales

(+538.0% YoY) and increased premiums on individual insurance policies (+20.6% YoY), offset by reduced premiums on group policies (-8.2% YoY).

For 12M21, the subsidiary recognized a variation in technical reserves of -MCH \$62,557 (+36.6% YoY) for individual insurance, due to better returns on investments in the CUI and APV portfolios (+30.7% YoY). Claims and pensions paid totaled MCH \$317,409 (+51.6%



YoY), because of an increase in claims and pensions paid on annuities resulting from higher sales, a higher loss ratio for group policies and an increase in surrenders and transfers in CUI and APV policies. These effects were partially counteracted by lower claims and pensions paid on DSI due to higher rates for calculating technical reserves during the year.

This explains the contribution margin of -MCH \$69,849 for 12M21, compared to -MCH \$45,633 for 2020.

The area reported investment income of MCH \$151,180 (+40.1% YoY), attributable to stronger returns from equity investments and indexes in the CUI, APV and proprietary trading portfolios, with an ROI of 5.3% (4.1% for 12M20). More robust returns on the CUI and APV investment portfolio are counterbalanced by variations in technical reserves. Meanwhile, administrative expenses totaled MCH \$33,683 (+2.4% YoY), signifying that the company maintained the efficiencies it attained in 2020 despite increased activity levels.

Furthermore, for 12M21 the subsidiary reported an income tax benefit of +MCH \$7,622 (expense of -MCH \$297 for 12M20). This positive amount can be explained largely by permanent differences that involve smaller tax payments as well as price-level restatement of equity because of higher inflation (7.2% in 2021 vs 3.0% in 2020, UF variation 6.6% in 2021 vs 2.7% in 2020) and dividends on the investment portfolio received by the company.

For 4Q21, Vida Security reported profit of MCH \$7,373 (-49.2% QoQ). The larger gross premiums written (+12.6% QoQ) are explained by a rise in volumes of individual insurance policies (+45.4% QoQ) due to higher premiums from CUI and APV policies. For the quarter, investment income totaled MCH \$35,425 (-16.8% QoQ), due to weaker returns on indexes, equities and fixed-income instruments in the proprietary trading portfolio, offset by improved results from the CUI portfolio (+153.6% QoQ). The variation in technical reserves was a loss of -MCH \$22,929 (+31.0% QoQ), explained by increased premium volumes in individual policies. The subsidiary reported an income tax benefit of MCH \$7,331 (benefit of MCH \$2,788 in 3Q21), due to price-level restatement of tax-basis equity as a result of higher inflation during the quarter (2.6% in 4Q21 vs 2.4% in 3Q21, UF variation 3.0% vs 1.3%) and dividends received from the investment portfolio.

				% CHG				
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Compensation	-4,395	-3,759	-3,672	16.9%	19.7%	-15,104	-15,523	-2.7%
Distribution channel expenses	-690	-730	-862	-5.6%	-20.0%	-2,813	-2,633	6.8%
Other	-3,883	-4,591	-2,658	-15.4%	46.1%	-15,766	-14,724	7.1%
TOTAL ADMINISTRATIVE EXPENSES	-8,967	-9,080	-7,191	-1.2%	24.7%	-33,683	-32,880	2.4%

### **ADMINISTRATIVE EXPENSES - VIDA SECURITY**

For 12M21, Vida Security reported administrative expenses of MCH \$33,683 (+2.4% YoY). In 2020 all Group companies implemented a savings plan and carried out structural adjustments. Consequently, it had lower payroll expenses (-2.7% YoY), offset by a rise in the line "other expenses" (+7.1% YoY), due to greater expenses for technology services, infrastructure maintenance and consulting.

For the quarter, expenses remained stable at MCH \$8,967 (-1.2% QoQ). In particular, payroll expenses climbed 16.9% QoQ due to structural adjustments and bonuses, offset by a drop of 15.4% QoQ in the line "other expenses" because of decreased business in group policies and seasonal expenses recognized in 3Q21.

# **INTEGRATED REPORT** 2021

### **INVESTMENT INCOME - VIDA SECURITY**

The subsidiary's investment income for 12M21 totaled MCH \$151,180 (+40.1% YoY), giving an ROI of 5.3% (+120 bps YoY). The proprietary trading portfolio had returns of MCH \$118,316 (+42.9% YoY), giving an ROI of 5.5% (+144 bps YoY) due to greater returns from equities, indexes and real estate funds, which more than offset the decreased returns on local fixed-income instruments. Meanwhile, the CUI and APV portfolios had income of MCH \$32,863 for 12M21 (+30.7% YoY; ROI 4.7%, +44 bps YoY), also associated with weaker returns on equities and indexes. More robust returns on the CUI and APV investment portfolio are counterbalanced by recording technical reserves.

In quarterly terms, investment income reached MCH \$35,425 (16.8% QoQ), with an ROI of 5.0% (-113 bps QoQ). The proprietary trading portfolio reported income of MCH \$23,398 for 4Q21 (-38.2% QoQ; ROI 4.3%, -273 bps QoQ), with a high basis of comparison because of a strong performance from equities and indexes in 3Q21, along with a weaker performance from local fixed-income investments. The CUI and APV portfolios posted income of MCH \$12,027 for the quarter (+153.6% QoQ; ROI 6.9%, +401 bps QoQ) due to improved returns from equities and indexes, in line with the strong performance from international equities markets.

INVESTMENT PORTFOLIO				% C	HG	PORTFOLIO
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	% 4Q21
Fixed income	1,774,409	1,798,593	1,727,716	-1.3%	2.7%	62.1%
Equities and indexes	761,989	693,716	608,022	9.8%	25.3%	26.7%
Real estate	301,473	286,069	272,602	5.4%	10.6%	10.5%
Other investments	21,354	19,350	34,850	10.4%	-38.7%	0.7%
INVESTMENTS	2,859,226	2,797,727	2,643,190	2.2%	8.2%	-
CUI	695,371	652,999	586,888	6.5%	18.5%	24.3%
Own portfolio	2,163,855	2,144,728	2,056,302	0.9%	5.2%	75.7%
INVESTMENT PORTFOLIO	2,859,226	2,797,727	2,643,190	2.2%	8.2%	-



				% C	HG			
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Fixed income	8,685	12,559	15,872	-30.8%	-45.3%	45,786	73,233	-37.5%
Equities and indexes	24,860	28,522	25,697	-12.8%	-3.3%	95,907	25,591	274.8%
Real estate	2,899	3,057	3,426	-5.2%	-15.4%	12,793	13,062	-2.1%
Other investments	-1,020	-1,542	-357	-	-	-3,307	-3,957	-
INVESTMENT INCOME	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%
CUI	12,027	4,742	11,342	153.6%	6.0%	32,863	25,146	30.7%
Own portfolio	23,398	37,854	33,296	-38.2%	-29.7%	118,316	82,783	42.9%
INVESTMENT INCOME	35,425	42,597	44,637	-16.8%	-20.6%	151,180	107,929	40.1%

				% C	HG			
ROI	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Fixed income	1.96%	2.79%	3.67%	-84 p	-88 p	2.58%	4.24%	-166 p
Equities and indexes	13.05%	16.45%	16.91%	-340 p	-46 p	12.59%	4.21%	838 p
Real estate	3.85%	4.27%	5.03%	-43 p	-75 p	4.24%	4.79%	-55 p
Other investments	-19.10%	-31.87%	-4.10%	1277 p	-2777 p	-15.49%	-11.36%	-
CUI	6.92%	2.90%	7.73%	401 p	-483 p	4.73%	4.28%	44 p
Own portfolio	4.33%	7.06%	6.48%	-273 p	58 p	5.47%	4.03%	144 р
ROI	4.96%	6.09%	6.76%	-113 р	-66 p	5.29%	4.08%	120 р

### EXCHANGE DIFFERENCES AND GAIN (LOSS) FROM INDEXED ASSETS AND LIABILITIES

Exchange differences totaled -MCH \$590 in 12M21 (-MCH \$903 in 12M20) and -MCH \$102 for 4Q21 (-MCH \$643 for 3Q21). The subsidiary also posted a loss from indexed assets and liabilities for 12M21 of -MCH \$9,113 (-MCH \$4,165 for 12M20), due to higher inflation during the period (7.2% in 2021 versus 2.7% in 2020, UF variation 6.6% in 2021 vs 2.7% in 2020). For the quarter, this line item was -MCH \$3,673 (-MCH \$2,497 for 3Q21), due to higher inflation during the quarter of 2.6% in 4Q21 (2.4% in 3Q21, UF variation 3.0% vs 1.3%).

# **OTHER SERVICES AREA**

### (0.9% OF ASSETS; 2.1% OF PROFIT FROM BUSINESS AREAS AS OF DECEMBER 2021)

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

### **INMOBILIARIA SECURITY**

Inmobiliaria Security reported profit of MCH \$2,039 for 12M21 (-66.0% YoY) due to legal title transferred on fewer units. Ownership was transferred on 76 units as of December 2021 versus 186 units as of December 2020. For 4Q21, it reported a loss of -MCH \$238 (vs -MCH \$32 in 3Q21) because of extraordinary expenses during the quarter, and transferred ownership on 11 units (10 units in 3Q21).

Inmobiliaria Security signed purchase promise agreements totaling THUF 906 during 12M21 (-24.8% YoY) because of a lower volume sold, offset by a higher average price per unit sold. It signed purchase promise agreements totaling THUF 199 during 4Q21 (+27.5% QoQ) because of larger volumes and a higher average price per unit sold. Meanwhile, real estate assets under management totaled MCH \$80,206, (-17.7% YoY and -1.6% QoQ), explained by the rise in the number of units on which ownership was transferred. There is a lag between a sale and revenue recognition. Under IFRS, revenue is recognized once legal title to the property has been transferred.

				% CHG				
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Real estate assets under management	80,206	81,487	97,487	-1.6%	-17.7%	80,206	97,487	-17.7%
Provisional sales (UF)	199,989	156,814	692,930	27.5%	-71.1%	905,736	1,204,884	-24.8%
Provisional sales (Units)	9	8	45	12.5%	-80.0%	55	84	-34.5%
Ownership transfers (UF)	196,453	150,333	795,354	30.7%	-75.3%	1,345,428	2,041,580	-34.1%
Ownership transferred (Units)	11	10	72	10.0%	-84.7%	76	186	-59.1%
PROFIT	-238	-32	2,800	634.1%	-	2,039	6,038	-66%

### TRAVEL AGENCY: TRAVEL SECURITY

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Travel Security (including results of Travel Perú) reported profit of MCH \$832 for 12M21 (versus a loss of -MCH \$4,742 for 12M20) thanks to having shifted to a digital business model. Interestingly, in 4Q21 the companies (Chile and Peru) reported consolidated profit of MCH \$793, giving it positive results for the third quarter in a row.

				% CHG				
IN MCH\$	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Total sales - Travel (MUSD)	20	16	12	22.7%	64.6%	64	66	-2.5%
Net operating income - Travel (MCH\$)	1,277	698	-614	82.8%	-	1,979	-4,276	-
PROFIT - TRAVEL (MCH\$)	793	318	-467	149.8%	-	832	-4,742	-

Travel Perú, Travel Security's subsidiary, reported sales of MUS \$14 for 12M21 (-6.8% YoY) and a net loss of -MUS \$0.3 (-MUS \$1.7 for 12M20) as a result of having changed to a digital business model.



### **INTERNATIONAL BUSINESS AREA**

#### (4.2% OF ASSETS; 1.7% OF PROFIT FROM BUSINESS AREAS FOR 2021)

The international business area reported profit attributable to the owners of the parent of MCH \$2,348. This area has consolidated 61% of Protecta Security since November 2018. Protecta Security is a Peruvian life insurance company focused on annuities that was acquired in September 2015, and marks Grupo Security's entrance into the Peruvian financial market. This area also consolidates 75% of Travel Perú, the group's travel agency in Peru.

### **PROTECTA SECURITY**

Protecta posted profit of MS./ 37.6 (+62.5% YoY) for 12M21 with total premiums written of MS./ 675 (+65.1% YoY), a record high for the company, and greater investment income (+43.8% YoY). This was partially offset by an increase in claims paid (+37.6% YoY), because of a larger volume of premiums.

Protecta reported annuity sales of MS./ 384.1 (+104.2% YoY) and market share of 22.0%. In addition, the subsidiary boasted sales of private annuities of MS./ 206.3 (+28.9% YoY) and market share of 16.2%.

It reported profit of MS./ 26.0 for 4Q21 (MS./ 2.1 for 3Q21) due to higher investment income of MS./ 68.3 (+49.3% QoQ). Total premiums fell to MS./ 177.7 (-7.1% QoQ), explained largely by lower volumes of private annuities (-34.4% QoQ).

				% СНС				
(IN THOUSANDS OF SOLES)	4Q21	3Q21	4Q20	QoQ	YoY	2021	2020	% CHG
Total premiums written - annuities	115,214	111,642	56,250	3.2%	104.8%	384,087	188,121	104.2%
Market share - annuities	19.9%	24.3%	22.5%	-442 p	-263 p	22.0%	23.6%	-155 p
Total premiums written - private annuities	38,174	58,185	47,565	-34.4%	-19.7%	206,287	160,090	28.9%
Market share - private annuities	12.9%	16.0%	15.5%	-310 p	-265 p	16.2%	17.0%	-84 p
TOTAL PREMIUMS WRITTEN	177,686	191,280	124,498	-7.1%	42.7%	674,660	408,647	65.1%
Investment income	68,277	45,719	39,726	49.3%	71.9%	181,602	126,281	43.8%
Portfolio performance LTM	7.8%	7.1%	7.2%	75 p	64 p	7.8%	7.2%	64 p
PROFIT	25,963	2,129	13,206	1119.5%	96.6%	37,611	23,143	62.5%

# **RISK RATINGS**

	GRUPO SECURITY	BANCO SECURITY	VIDA SECURITY	FACTORING SECURITY	INV. PREVISIÓN SECURITY
Fitch Ratings (local)	AA-	AA	AA	AA-	A+
ICR (local)	AA-	AA	AA	AA-	A+
Fitch Ratings (international)		BBB			

# BONDS ISSUED BY GRUPO SECURITY

SERIES	REGISTRATION NO.	REGISTRATION DATE	CURRENCY	AMOUNT	ANNUAL INTEREST RATE	DURATION (YEARS)	MATURITY
F	620	09/15/2009	UF	41,938	4.50	23	09/15/2032
К	763	06/30/2013	UF	3,000,000	4.00	25	06/30/2038
L3	795	10/09/2014	UF	3,000,000	3.40	21	11/15/2035
М	842	10/25/2016	UF	1,189,000	4.20	25	10/15/2041
N1	885	01/31/2018	UF	1,500,000	2.85	25	12/10/2042
S	1,036	06/30/2020	UF	1,000,000	2.00	20	06/30/2040
TOTAL			UF	9,730,938			

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



### **RETURNS AND DIVIDENDS**

At the annual general meeting on April 06, 2021, Grupo Security shareholders approved a dividend payment of CH \$5.25 per share charged to profit for the year 2020. This dividend plus the interim dividend distributed in October 2020 are equivalent to CH \$10.95 per share, totaling MCH \$41,588, or 64% of profit for the year 2020.

On October 7, 2021, the Board of Grupo Security agreed to pay a total dividend of CH \$5.5 per share, charged to profit for the year.

The Group's dividend yield, calculated as dividends per share over the last 12 months divided by the stock price was 9.0% as of December 31st and 8.4% as of February 24th. Grupo Security's stock reported a return of -2.2% for 2021 the S&P/CLX IPSA (+3.1%)

# 4Q20 EARNINGS CONFERENCE CALL

Grupo Security's fourth quarter earnings report will be explained to the market in a conference call on Tuesday, March 1, 2022. A transcript of the call will be available on our website. For more information, please contact the Investor Relations Team at relacioninversionistas@ security.cl.

### **GRUPO SECURITY**

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

### SAFE HARBOR

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

# **APPENDICES**

### 1. FINANCIAL STATEMENTS AND INDICATORS - ASSETS

ASSETS IN MCH\$	DECEMBER 31, 2020	DECEMBER 31, 2021
CURRENT ASSETS		
Cash and cash equivalents	597,497	934,936
Other financial assets, current	3,878,087	4,594,041
Other non-financial assets, current	13,344	10,480
Trade and other receivables, current	6,616,654	7,160,820
Accounts receivable from related parties, current	53,343	72,313
Inventory	100,559	109,167
Current tax assets	41,281	45,341
TOTAL CURRENT ASSETS OTHER THAN ASSETS OR DISPOSAL GROUPS CLASSIFIED AS AVAILABLE FOR SALE OR HELD FOR DISTRIBUTION TO OWNERS	11,300,766	12,927,099
Non-current assets classified as available for sale or held for distribution to owners	2,874	12,681
TOTAL NON-CURRENT ASSETS CLASSIFIED AS AVAILABLE FOR SALE OR HELD FOR DISTRIBUTION TO OWNERS	2,874	12,681
TOTAL CURRENT ASSETS	11,303,640	12,939,780
NON-CURRENT ASSETS		
Other non-financial assets, non-current	52,966	83,335
Equity-accounted investments	1,950	2,511
Intangible assets other than goodwill	36,248	38,112
Goodwill	119,067	119,067
Property, plant and equipment	50,610	47,072
Investment property	291,070	356,232
Right-of-use assets	9,143	8,637
Deferred tax assets	56,888	97,138
TOTAL NON-CURRENT ASSETS	617,942	752,104
TOTAL ASSETS	11,921,582	13,691,885



## 2. FINANCIAL STATEMENTS AND INDICATORS - LIABILITIES AND EQUITY

LIABILITIES IN MCH\$	DECEMBER 31, 2020	DECEMBER 31, 2021
Other financial liabilities, current	7,087,157	8,391,043
Lease liabilities, current	2,120	2,073
Trade and other payables	2,863,722	3,253,131
Accounts payable to related parties, current	4,813	1,410
Other short-term provisions	35,831	42,153
Current tax liabilities	31,893	35,813
Employee benefit provisions, current	12,369	16,855
Other non-financial liabilities, current	133,674	208,984
Total current liabilities other than liabilities included in disposal groups classified as held for sale or held for distribution to owners	10,171,578	11,951,463
Liabilities held for sale	0	690
Total non-current liabilities classified as available for sale or held for distribution to owners	0	690
TOTAL CURRENT LIABILITIES	10,171,578	11,952,154
NON-CURRENT LIABILITIES		
Other financial liabilities, non-current	869,368	853,005
Lease liabilities, non-current	7,355	6,968
Accounts payable, non-current	10,733	7,932
Related party payables, non-current	0	3,736
Deferred tax liabilities	803	1,011
TOTAL NON-CURRENT LIABILITIES	888,259	872,652
TOTAL LIABILITIES	11,059,838	12,824,806
EQUITY		
Issued capital	487,691	487,698
Retained earnings	399,605	446,731
Treasury shares	0	(4,637)
Other reserves	(51,776)	(91,993)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	835,520	837,799
Non-controlling interests	26,225	29,280
TOTAL EQUITY	861,744	867,079
TOTAL LIABILITIES AND EQUITY	11,921,582	13,691,885

# 3. FINANCIAL STATEMENTS AND INDICATORS - CONSOLIDATED STATEMENT OF INCOME

CONSOLIDATED STATEMENT OF INCOME (MCH\$)	DECEMBER 31, 2020	DECEMBER 31, 2021
Revenue	1,090,773	1,389,083
Cost of sales	-738,041	-1,016,240
GROSS PROFIT	352,732	372,843
Other income	1,166	1,987
Administrative expenses	-243,362	-234,496
Other expenses, by function	-11,849	-8,417
Other gains	1,040	1,727
Finance income	531	584
Finance costs	-14,465	-14,548
Share of profit (loss) of associates and joint ventures, equity-accounted	-89	781
Exchange differences	2,979	1,039
Gain on indexed assets and liabilities	-11,611	-30,661
Gain (loss) arising from the difference between the book value and the fair value of financial assets reclassified at fair value	0	0
PROFIT (LOSS) BEFORE TAX	77,072	90,839
Income tax expense	-12,774	-155
PROFIT FROM CONTINUING OPERATIONS	64,298	90,684
Profit from discontinued operations	0	0
PROFIT FOR THE YEAR	64,298	90,684
PROFIT ATTRIBUTABLE TO		
Owners of the parent	65,146	88,603
Non-controlling interests	-849	2,081
PROFIT FOR THE YEAR	64,298	90,684
Depreciation and amortization	13,147	12,689
EBITDA	104,685	118,076



# 4. SEGMENT NOTE - GRUPO SECURITY YoY

SEGMENT NOTE GRUPO SECURITY	LEND	DING	ASSET MAN	IAGEMENT	INSUR	ANCE		ATIONAL NESS	OTHER S	ERVICES	ADJUST SUPPORT A	IDATION MENTS, AREAS AND XPENSES	TO GRUPO S	TAL ECURITY
IN MCH\$	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21	DEC-20	DEC-21
Revenue	489,360	607,059	62,247	65,399	353,950	496,235	124,639	173,799	60,169	46,209	-312	381	1,090,053	1,389,083
Cost of sales	-277,318	-392,163	-28,807	-31,390	-282,119	-405,999	-107,693	-154,651	-43,044	-30,518	940	-1,517	-738,041	-1,016,240
Gross profit	212,042	214,896	33,440	34,009	71,831	90,236	16,945	19,148	17,126	15,691	628	-1,137	352,012	372,843
Other income	21	23	57	502	247	136	27	0	706	840	311	486	1,368	1,987
Administrative expenses	-122,078	-118,953	-30,455	-28,600	-42,723	-42,760	-16,316	-13,387	-14,645	-12,708	-17,144	-18,088	-243,362	-234,496
Other expenses, by function	-9,521	-5,948	-1,728	-1,726	-282	-297	-417	-457	-31	-16	130	28	-11,849	-8,417
Other gains (losses)	0	-4	339	0	202	171	733	735	537	361	-771	463	1,040	1,727
Finance income	0	0	319	244	10	19	0	0	0	8	0	313	329	584
Finance costs	0	0	-6	-6	-35	-131	-117	-76	-976	-1,181	-13,331	-13,154	-14,465	-14,548
Share of profit (loss) of associates and joint ventures, equity- accounted	0	0	0	0	-250	623	0	0	-358	-3	520	162	-89	781
Exchange differences	1,154	-1,509	4,648	4,349	220	382	-2,729	-2,211	10	99	-324	-70	2,979	1,039
Gain (loss) on indexed assets and liabilities	-25	124	-203	653	-4,273	-9,052	0	0	781	377	-7,890	-22,763	-11,611	-30,661
PROFIT (LOSS) BEFORE TAX	81,569	88,629	7,154	9,425	24,947	39,325	-1,874	3,752	3,150	3,469	-37,873	-53,760	77,072	90,839
Income tax expense	-17,109	-10,715	-979	1,256	-552	7,259	381	103	-842	-312	6,328	2,254	-12,774	-155
Profit (loss) from continuing operations	64,460	77,914	6,175	10,680	24,394	46,584	-1,494	3,855	2,308	3,157	-31,545	-51,506	64,298	90,684
Profit (loss) attributable to														
Owners of the parent	64,446	77,897	6,174	10,680	23,949	45,744	-929	2,348	3,001	2,889	-31,494	-50,955	65,146	88,603
Non-controlling interests	14	17	1	0	445	840	-565	1,508	-693	268	-51	-552	-849	2,081
PROFIT (LOSS)	64,460	77,914	6,175	10,680	24,394	46,584	-1,494	3,855	2,308	3,157	-31,545	-51,506	64,298	90,684

# 5. SEGMENT NOTE - GRUPO SECURITY QoQ

SEGMENT NOTE GRUPO SECURITY	LENI	DING	ASSET MAN	IAGEMENT	INSUR	ANCE	INTERNA BUSII		OTHER S	ERVICES	CONSOL ADJUST SUPPORT A GROUP E	MENTS, REAS AND	TO GRUPO S	TAL ECURITY
IN MCH\$	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21	3Q21	4Q21
Revenue	142,764	207,054	17,518	18,658	130,888	132,512	49,144	49,618	6,976	9,476	517	118	347,807	417,436
Cost of sales	-84,922	-148,925	-11,635	-6,557	-104,098	-118,589	-43,456	-43,348	-3,640	-5,110	-384	-886	-248,135	-323,415
Gross profit	57,843	58,129	5,882	12,101	26,790	13,923	5,688	6,270	3,337	4,365	133	-769	99,673	94,020
Other income	0	7	-10	47	18	47	1	17	185	216	47	346	241	680
Administrative expenses	-28,169	-31,273	-4,464	-8,663	-11,542	-11,180	-3,401	-4,021	-2,844	-4,418	-4,360	-4,978	-54,779	-64,532
Other expenses, by function	-1,290	-1,934	-259	-612	-78	-73	-85	-215	-33	26	4	10	-1,739	-2,798
Other gains (losses)	-2	-2	22	-22	45	81	166	276	56	200	267	1	554	535
Finance income	0	0	5	-21	1	17	0	0	-1	6	21	292	26	295
Finance costs	0	0	-22	20	-22	-60	-20	-19	-239	-401	-3,686	-3,129	-3,989	-3,589
Share of profit (loss) of associates and joint ventures, equity- accounted	0	0	167	-167	-119	895	0	0	-1	-1	-171	348	-124	1,074
Exchange differences	-2,772	849	1,167	1,199	-345	232	-2,164	1,473	-13	175	-125	304	-4,253	4,233
Gain (loss) on indexed assets and liabilities	9	86	101	228	-2,483	-3,630	0	0	36	-54	-4,384	-10,769	-6,721	-14,139
PROFIT (LOSS) BEFORE TAX	25,619	25,863	2,589	4,110	12,264	253	185	3,783	484	114	-12,253	-18,344	28,888	15,779
Income tax expense	-4,714	-787	50	6	2,632	7,279	14	25	-282	445	360	142	-1,939	7,110
Profit (loss) from continuing operations	20,905	25,076	2,639	4,115	14,897	7,532	199	3,808	203	559	-11,893	-18,202	26,949	22,889
Profit (loss) attributable to														
Owners of the parent	20,900	25,070	2,639	4,115	14,649	7,256	121	2,322	242	416	-11,592	-18,078	26,959	21,101
Non-controlling interests	5	6	0	0	248	276	78	1,486	-39	143	-302	-124	-11	1,787
PROFIT (LOSS)	20,905	25,076	2,639	4,115	14,897	7,532	199	3,808	203	559	-11,893	-18,202	26,949	22,889



### 6. GRUPO SECURITY CONSOLIDATED STATEMENT OF CASH FLOWS

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2021	DEC-20 THCH\$	DEC-21 THCH\$
Net cash flows provided by (used in) operating activities	-1,136,530	-936,553
Net cash flow provided by (used in) investing activities	-8,212	-11,861
Net cash flows provided by (used in) financing activities	930,181	1,189,433
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATE CHANGES	-214,561	241,019
Effect of exchange rate changes on cash and cash equivalents	-18,916	96,420
Net increase (decrease) in cash and cash equivalents	-233,477	337,439
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	830,974	597,497
CASH AND CASH EQUIVALENTS AT END OF YEAR	597,497	934,936

### **OPERATING CASH FLOWS**

For the year ended December 2021, the company reported net operating cash flows of -MCH \$936,553 (-MCH \$1,136,529 for 12M20) due largely to the rise in demand deposits at Banco Security during the year (+46.2% YoY).

### **INVESTING CASH FLOWS**

For the year ended December 2021, the company reported net investing cash flows of -MCH \$11,860 (-MCH \$8,212 for 12M20). This variation can be explained mostly by the purchase of a minority stake in Monument Bank.

### FINANCING CASH FLOWS

For 12M21, it had net financing cash flows of MCH \$1,189,433 (+28% YoY), due mainly to greater proceeds from long-term loans at Banco Security and short-term loans at Factoring Security. This effect was partially offset by MCH \$55,567 from the Group's capital increase in 2020.

# 7. QUARTERLY STATEMENT OF INCOME

QUARTERLY EARNINGS	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021
Revenue	316,062	307,261	316,578	347,807	417,436
Cost of sales	(231,634)	(213,534)	(231,156)	(248,135)	(323,415)
Gross profit	84,429	93,728	85,422	99,673	94,020
Administrative expenses	(54,143)	(55,803)	(59,383)	(54,779)	(64,532)
Operating income	27,592	36,452	25,337	43,950	27,906
Finance costs	(3,652)	(3,196)	(3,773)	(3,989)	(3,589)
Profit before tax	22,569	29,423	16,749	28,888	15,779
Profit attributable to owners of the parent	17,374	24,352	16,191	26,959	21,101
EBITDA 1 (Ebitda)	29,509	36,002	23,805	36,035	22,235

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

## 8. CONSOLIDATED FINANCIAL AND BUSINESS INDICATORS

STATEMENT OF FINANCIAL POSITION IN MCH\$	DEC-31-2020	MAR-31-2021	JUN-30-2021	SEPT-30-2021	DEC-31-2021
Standalone cash	60,294	58,164	45,094	54,516	21,277
Total consolidated assets	11,921,582	11,845,166	12,259,432	12,927,444	13,691,885
Total consolidated liabilities	11,059,838	10,972,279	11,392,330	12,059,547	12,824,806
Total equity	861,744	872,887	867,101	867,898	867,079

LEVERAGE RATIO	DEC-31-2020	MAR-31-2021	JUN-30-2021	SEPT-30-2021	DEC-31-2021
Individual leverage ratio <sup>1</sup>	35.64%	36.74%	36.37%	36.78%	36.99%
Consolidated financial expense coverage <sup>2</sup>	6.33	10.21	7.63	7.85	7.24

PROFITABILITY IN MCH\$	DEC-31-2020	MAR-31-2021	JUN-30-2021	SEPT-30-2021	DEC-31-2021
Revenue	1,090,773	307,261	623,840	971,647	1,389,083
Profit attributable to owners of the parent	65,146	24,352	40,542	67,502	88,603
EBITDA	104,685	36,002	59,807	95,842	118,076
Return on equity <sup>3</sup>	8.1%	11.5%	9.6%	10.7%	10.5%
Return on assets <sup>4</sup>	0.5%	0.8%	0.6%	0.7%	0.6%
Earnings per share <sup>5</sup> (CH\$)	16.8	20.9	21.8	21.0	21.9
Number of shares (in millions)	4,042	4,042	4,042	4,042	4,042

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

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

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

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

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

CREATING VALUE

APPENDICES



Grupo Security's total consolidated assets were MCH \$13,691,885 as of December 2021 (+14.8% YoY). Of these assets, 52.3% are trade and other receivables, primarily the Bank's loan portfolio. As of December 2021, this item reached MCH \$7,160,820 (+8.2% YoY), driven by +8.1% YoY growth in loans as explained on page 199.

Furthermore, 33.6% of total assets are other current financial assets. This line item primarily includes the investment portfolio for the insurance subsidiary's technical reserves and the Bank's portfolio of financial instruments. As of December 2021, other current financial assets reached MCH \$4,594,041 (+18.5% YoY), due to a 14.2% YoY rise in the insurance subsidiary's investment portfolio for technical reserves, which reached MCH \$2,940,478 for 12M21 and, to a lesser extent, a rise in the Bank's current financial assets, explained by the available-for-sale portfolio of MCH \$1,334,855 as of December 2021 (+43.2% YoY). This effect was partially offset by a drop in the volume of investments held for trading, which totaled MCH \$57,371 as of December 2021 (-48.2% YoY).

As of December 2021, total consolidated liabilities were MCH \$12,824,806 (+15.96% YoY). Of those, 65.4% are other current financial liabilities, which include the Bank's time deposits and current accounts, as well as debt issued by the Bank or the Group. As of December 2021, other current financial liabilities reached MCH \$8,391,043 (+18.4% YoY) explained by a larger volume of borrowings from financial institutions (+44.07% YoY), mainly due to use of Central Bank lines and financing and an increase in senior bonds (+8.69% YoY), partially offset by a smaller volume of time deposits at the Bank, which totaled MCH \$1,867,279 as of December 2021 (-1.35% YoY).

Of total liabilities, 25.4% were trade and other payables, which are primarily the technical reserves of Vida Security and Protecta Security. As of December 2021, trade payables totaled MCH \$3,253,792 (+13.60% YTD), as a result of the 13.46% YoY increase in life insurance technical reserves, which totaled MCH \$3,040,874, in keeping with activity levels at Vida Security, as explained on pages 205-215. There were also greater reserves at Protecta Security, in line with greater sales of annuities and private annuities, as discussed on page 217 of this report.

Grupo Security's total equity amounted to MCH \$867,079 as of December 2021 (+0.62% YTD) because of retained earnings for the year, partially offset by greater reserves.

The individual leverage ratio is defined in note 38 of Grupo Security's consolidated financial statements as the ratio of standalone financial liabilities, as presented in the FECU disclosures, to total equity. Under the bondholder protection covenant, it may not exceed 0.4, measured on the separate statement of financial position. As of December 2021, this ratio was 0.3699 (+134 bps YoY).

Consolidated financial expense coverage is the sum of profit before tax and finance costs, divided by finance costs. The majority of finance costs for this indicator are interest and indexation expenses for Grupo Security bonds. As of December 2021, the consolidated financial expense coverage ratio was 7.24 (+14.48% YoY) due to a +17.9% YoY variation in profit before tax.

For 12M21, Grupo Security's revenue reached MCH \$1,389,083 (+27.3% YoY), primarily because of increased revenue from gross written premiums at Vida Security and Protecta of MCH \$463,687 (+48.7% YoY), due to higher sales of annuities and individual insurance policies. Furthermore, Vida Security and Protecta reported greater investment income of MCH \$171,035 (+41.5% YoY), as explained on pages 205 to 217 of this report. On the flip side, the Bank reported increased revenue of MCH \$607,220 (+22.9% YoY), explained mainly by a rise in indexation income because of higher inflation during the period (7.2% in 2021 vs 3.0% in 2020, UF variation of 6.6% in 2021 vs 2.7% in 2020) as indicated on pages 189-202.

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE

For 12M21, profit attributable to owners of the parent was MCH \$88,603 (+36.01% YoY), while EBITDA reached MCH \$118,076 (+12.79% YoY). As of December 2021, annualized return on equity was 10.6% (+250 bps YoY) and return on assets was 0.69% (+10 bps YoY) with earnings per share of CH \$21.9 (+30.16% YoY). These results are explained by the results of Grupo Security and its subsidiaries, which are presented in detail throughout this report.

## MARKET INFORMATION

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

Grupo Security is the parent company of a conglomerate of diversified companies engaged in the main sectors of the Chilean financial industry. Its subsidiaries Banco Security and Factoring Security provide lending services to companies and individuals. The subsidiary Seguros de Vida Security Previsión, Corredora de Seguros Security and Europ Assistance operate respectively in the life insurance and life annuity, insurance brokerage and travel assistance industries. Valores Security Corredora de Bolsa, Administradora General de Fondos Security and Securitizadora Security, complement the Group's offering of financial services by developing and distributing specialized financial products and personalized investment and asset management services. Starting in 4Q18, the international business area, which consists of the Peruvian subsidiaries Protecta Security and Travel Perú, is reported separately.

Grupo Security's other services business area includes two subsidiaries engaged in the real estate (Inmobiliaria Security) and travel and tourism (Travel Security) industries.

### THE BANKING INDUSTRY

As of December 2021, the Chilean banking industry was made up of 17 financial institutions, including 1 state-owned bank (Banco Estado), 14 domestic banks and 2 branches of foreign banks. As of that date, industry loans totaled MCH \$223,079,736 (MCH \$222,877,069 excluding foreign subsidiaries). Equity totaled MCH \$24,786,934 while profit for the year was MCH \$3,826,709, with return on average equity of 16.62%. The industry reported an efficiency ratio of 41.60% measured as support expenses over gross operating profit, and 1.54% measured as support expenses over total assets. The banking system posted a risk ratio of 2.37%, measured as loan loss provisions to total loans, and 1.24%, measured as 90-day nonperforming loans to total loans. As December 2021, Banco Security had total loans of MCH \$6,731,538, positioning it 8<sup>th</sup> in total loans with 3.0% of the Chilean market (3.3% excluding foreign subsidiaries)

### FACTORING INDUSTRY

Factoring has become an important source of alternative financing to complement traditional bank lending for small- and medium-sized companies. This service allows customers to receive advances on receivables via a discount on their invoices, checks, promissory notes or



other similar documents. It provides them immediate liquidity and reduces costs and inefficiencies by handing the collections process over to the factoring service provider. Although the industry is still maturing, several situations and regulatory changes have boosted growth recently, making it one of the financial sector industries with the best domestic and international outlook.

#### MUTUAL FUND INDUSTRY

As of December 2021, the mutual fund industry reported average assets under management of MCH \$50,987,024 and 2,926,549 investors. Administradora General de Fondos Security boasted average assets under management of MCH \$2,464,190 as of December 2021, giving it a market share of 4.83% and an eighth place industry ranking among the 20 fund managers operating in the market.

### STOCK BROKERAGE INDUSTRY

During the first nine months of 2021, market activity measured as value of shares traded increased 3.5% in comparison to 9M20, reaching BCH \$61,206. Value of shares traded for Valores Security Corredores de Bolsa for the same period totaled BCH \$995 with market share of 1.6%. Market share is calculated based on transactions on Santiago Exchange and the Chilean Electronic Stock Exchange.

### LIFE INSURANCE INDUSTRY

As of September 2021, there were 34 life insurance companies in Chile. Total gross written premiums for the industry were MCH \$3,699,697 for 9M19. The life insurance industry posted profit of MCH \$815,895 for the period ended September 2021. For the same period, Vida Security had market share of 6.4% based on gross written premiums.

# DIFFERENCES BETWEEN BOOK VALUES AND ECONOMIC VALUES AND/OR MARKET VALUES OF PRINCIPAL ASSETS

Grupo Security participates in the insurance and services businesses through its investments in related companies, mainly Europ Assistance and in private investment funds through Inmobiliaria Security. As of December 2021, investments accounted for using the equity method in the Consolidated Statements of Financial Position represent approximately 0.02% of total assets.

Goodwill, which represents the difference between the acquisition cost and the fair value of assets and liabilities, totaled MCH \$119,067 as of December 2021, equivalent to 0.87% of total assets.

Given the varying natures of the companies considered investments in related companies, their market value is normally higher than their carrying amount, which depends on the industry and the economic conditions they face.

# **RISK FACTORS**

### DEPENDENCE ON SUBSIDIARY RESULTS

Grupo Security is the ultimate parent company of a conglomerate of companies and receives its income from subsidiary profits. As of December 2021, Grupo Security had received the following dividends from subsidiaries: MCH \$30,067 (50% of 2020 profit) from Banco Security and MCH \$9,471 from Factoring Security (60% of 2020 profit). Meanwhile, Inmobiliaria Security distributed MCH\$1,000 in dividends (17% of profit for 2020). In addition, Inversiones Previsión Security, the parent company of Vida Security, distributed dividends of MCH \$8,144, while Securitizadora Security distributed dividends of MCH \$2,900.

Grupo Security controls its main subsidiaries with an ownership interest of more than 90% in each subsidiary, which gives it flexibility in setting each subsidiary's investment policies based on growth requirements. This situation enables Grupo Security to increase its economic value by reinvesting its subsidiaries' profits while maintaining a flow of dividends to Grupo Security, which enables it to meet its financial obligations and pay dividends to its shareholders. This is especially true because of the vast diversification of the company's revenue sources, with subsidiaries in various sectors of the financial industry.

### **OTHER RISK FACTORS**

### **RISKS ASSOCIATED WITH GENERAL ECONOMIC PERFORMANCE**

The performance of the Grupo Security subsidiaries is correlated to economic and financial conditions that, in turn, are dependent on monetary policy, which results in reduced growth of income and profits under restrictive conditions and the opposite under expansionary conditions.

### COMPETITION IN ALL GROUP BUSINESS AREAS

The industries in which the Group competes are known for being highly competitive, especially the banking and insurance industries, and trending toward decreased margins. The mergers and alliances that arise between competitors are proof of the competition that Group companies face. Despite the potential challenges to the companies, the possible negative effects of competition are deemed to be offset by Grupo Security's solid brand image in its target market, strong customer loyalty and the niche strategy that drives the Group's development. This has allowed Grupo Security to earn a favorable market position with which to face future competition.

### **REGULATORY CHANGES**

The banking and insurance industries in which the Group does business are government-regulated and are consequently subject to potential regulatory changes over time. However, this risk is estimated to be low thanks to market transparency, the considerable development of these industries and their excellent global reputation.



### **RISKS ASSOCIATED WITH THE FINANCIAL BUSINESS**

### **CREDIT RISK**

Credit risk is dependent on monetary policy, which ultimately determines a customers' payment capacity. In early 2008, a general deterioration was seen in the system's loan portfolio, which was reflected in higher risk and delinquency ratios. In the third quarter of 2011, trends in risk ratios began to shift, with an improvement in risk levels. Banco Security has consistently posted risk levels below industry averages, even despite the public health crisis in 2020 and 2021, because it has better collateral coverage than the rest of the industry.

### **MARKET RISK**

The main market risks facing the Chilean banking industry are inflation and interest rate risk. As a result, Grupo Security has established market risk policies, procedures and limits to manage its maturity and exchange rate exposure in accordance with its own objectives and regulatory limits. In particular, the bank, its subsidiaries and the insurance companies have implemented a special system for controlling interest rate risk that also allows ongoing monitoring of their medium- and long-term investment portfolios.

### RISKS ASSOCIATED WITH INTERNATIONAL FINANCIAL MARKET VOLATILITY

The Chilean economy and its markets generally operate within international markets and may be affected by external shocks. The volatility of world financial markets and changes in global economic conditions can negatively affect the performance of local and international assets and risk premiums demanded by investors.

#### **INTEREST RATE RISK**

As of December 31, 2021, the company has loans at reasonable rates based on current market conditions.

### FOREIGN EXCHANGE RISK

Grupo Security has implemented the policy of matching foreign currency transactions with financial institutions to sales transactions in the same currency.

#### **COMMODITY RISK**

As of December 31, 2021, Grupo Security does not have any significant assets or liabilities in commodities.

### **RISKS ASSOCIATED WITH THE INSURANCE BUSINESS**

### LOCAL FINANCIAL RISKS

Decreases in medium- and long-term interest rates could affect the performance of life annuity-backing assets and guaranteed-return investment accounts when investments with shorter maturities must be made, creating a medium-term operating deficit.

### MORTALITY AND MORBIDITY RATES

Increases in morbidity rates could cause the number of catastrophic claims to rise in the medium-term and the number of medical reimbursement claims to increase in the short term. If companies do not adjust to the new structure of the mortality curves, the decrease in adult mortality rates could negatively affect the income expected from the annuities area.

### **INDUSTRY STRUCTURE**

The large number industry players can lead to company closures and mergers. Consequently, the current industry structure may vary, triggering adjustments to the structure of sales and operating margins.

### **RE-INSURANCE INDUSTRY**

The current trend toward concentration of re-insurance companies could affect the variety of coverage options and could prevent the reinsurance of risks that are currently backed thanks to the strong competition that until recently had existed in this market.



# **GRUPO SECURITY CORPORATE STRUCTURE**



As of July 1, 2021, the following change was made to the corporate organizational structure:

- Global Security Gestión y Servicios Ltda. was absorbed by Capital S.A.

As of January 1, 2022, the following change was made to the corporate organizational structure:

- Mandatos Security was absorbed by Capital S.A.

# **INTEGRATED REPORT** 2021

# summarized subsidiary financial statements

# **BANCO SECURITY AND SUBSIDIARIES**

### **TYPE OF COMPANY**

Banking corporation.

### TAXPAYER ID NUMBER

97.053.000-2

### **SECURITIES REGISTRY**

Banco Security is not registered in the Securities Registry.

### **CORPORATE PURPOSE**

To undertake the business, contracts, transactions and operations appropriate for a commercial bank, in accordance with current legislation.

### **GENERAL BACKGROUND**

The company was formed by public instrument on August 26, 1981, signed before notary public Enrique Morgan Torres. The respective extract of the articles of incorporation was published in the Official Gazette on September 23, 1981.

#### **IMPORTANT INFORMATION**

On April 1, 2001, Leasing Security S.A. merged with Banco Security at its book value with no effect on profit or loss. On October 1, 2004, Banco Security merged with Dresdner Bank Lateinamerika, after which time Grupo Security took control of 99.67% of the company

Dresdner Bank Lateinamerika AG and 100% of the company Dresdner Bank Lateinamerika Corredora de Bolsa. This transaction was financed mainly through a capital increase from the Group's shareholders.

### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$325,041.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Banco Security and subsidiaries represent 59.87% of the total individual assets of Grupo Security.

### BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT <sup>(\*)</sup>

Banco Security provides banking services (mercantile current accounts, loans, lines of credit and overdraft, payment services, etc.) to the parent company, subsidiaries and associates of Grupo Security S.A. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

(\*) FIGURES FOR TRANSACTIONS BETWEEN THE PARENT COMPANY AND ITS SUBSIDIARIES AND ASSOCIATES CAN BE FOUND IN THE FINANCIAL STATEMENTS OF GRUPO SECURITY.

### **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S.	Chilean National ID: 4.103.061-5

#### **DIRECTORS:**

Hernán Felipe Errázuriz C.	Chilean National ID: 4.686.927-3
Jorge Marín C.	Chilean National ID: 7.639.707-4
Juan Cristóbal Pavez R.	Chilean National ID: 9.901.478-4
Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Bonifacio Bilbao H.	Chilean National ID: 9.218.210-K
Ramón Eluchans O.	Chilean National ID: 6.464.460-2

#### **ALTERNATE DIRECTORS:**

Mario Weiffenbach O.	Cl

Chilean National ID: 4.868.153-0 Chilean National ID: 6.068.262-3

#### CHIEF EXECUTIVE OFFICER:

Eduardo Olivares V.

Ignacio Ruiz Tagle V.

Chilean National ID: 9.017.530-0



### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEARS ENDED

	DECEMBER 31, 2021 MCH\$	DECEMBER 31, 2020 MCH\$
ASSETS		
Cash and due from banks	840,208	447,692
Transactions in the course of collection	54,727	39,433
Financial instruments held for trading	48,564	110,673
Receivables from repurchase agreements and securities borrowing	-	-
Financial derivative instruments	240,391	223,385
Loans and advances to banks	2,824	724
Loans to customers	6,570,023	6,104,615
Investments available for sale	1,334,855	932,317
Investments held to maturity	-	-
Investments in other companies	2,111	2,095
Intangible assets	40,060	41,645
Property, plant and equipment	19,967	20,980
Lease right-of-use asset	7,398	7,297
Current tax assets		
Deferred tax assets	3,146 58,785	1,992 28,899
Other assets TOTAL ASSETS	142,719	113,046
IOTAL ASSETS	9,365,778	8,074,793
LIABILITIES		
Current accounts and demand deposits	1,717,574	1,175,142
Transactions in the course of payment	42,893	29,276
Payables from repurchase agreements and securities lending	2,470	9,764
Savings accounts and time deposits	1,865,280	1,890,734
Financial derivative instruments	248,185	220,106
Borrowings from financial institutions	1,473,907	1,052,094
Debt issued	3,147,284	2,930,589
Other financial liabilities	29,946	18,515
Lease liabilities	7,759	7,565
Current tax liabilities	7,493	9
Deferred tax liabilities	-	-
Provisions	46,243	37,626
Other liabilities	76,128	41,435
TOTAL LIABILITIES	8,665,162	7,412,855
EQUITY		
Attributable to owners of the Bank:		
	225.041	202.040
Capital	325,041	302,048
Reserves	22,164	24,172
Valuation accounts	(12,431)	11,838
Retained earnings	244 705	204 724
Retained earnings from prior periods	311,796	281,721
Profit for the year	77,127	60,150
Less: Minimum dividend provision	(23,138)	(18,044)
	700,559	661,885
Non-controlling interests	57	53
TOTAL EQUITY	700,616	661,938
TOTAL LIABILITIES AND EQUITY	9,365,778	8,074,793



# CONSOLIDATED STATEMENTS OF INCOME

FOR THE YEARS ENDED

	DECEMBER 31, 2021 MCH\$	DECEMBER 31, 2020 MCH\$
Interest and indexation income	506,975	391,753
Interest and indexation expense	(293,780)	(195,431)
NET INTEREST AND INDEXATION INCOME	213,195	196,322
Fee and commission income	69,557	70,421
Fee and commission expenses	(10,127)	(12,609)
NET FEE AND COMMISSION INCOME	59,430	57,812
Net financial operating income	22,091	26,118
Net foreign exchange transactions	2,840	5,801
Other operating income	5,841	3,861
TOTAL OPERATING INCOME	303,397	289,914
Loan loss provisions	(78,959)	(70,288)
OPERATING INCOME, NET OF LOAN LOSS PROVISIONS	224,438	219,626
Payroll and personnel expenses	(55,749)	(65,424)
Administrative expenses	(70,322)	(60,595)
Depreciation and amortization	(7,491)	(7,836)
Impairment	-	-
Other operating expenses	(6,676)	(10,452)
TOTAL OPERATING EXPENSES	(140,238)	(144,307)
NET OPERATING INCOME	84,200	75,319
Income attributable to investments in other companies	17	12
PROFIT BEFORE TAX	84,217	75,331
Income tax benefit (expense)	(7,086)	(15,179)
PROFIT FROM CONTINUING OPERATIONS	77,131	60,152
PROFIT FROM DISCONTINUED OPERATIONS	-	-
CONSOLIDATED PROFIT FOR THE YEAR	77,131	60,152
Attributable to:		
Owners of the Bank	77,127	60,150
Non-controlling interests	4	2
Earnings per share attributable to owners of the Bank:		
	CH\$	CH\$
Basic earnings per share	328	263
Diluted earnings per share	328	263



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED

	DECEMBER 31, 2021 MCH\$	DECEMBER 31, 2020 MCH\$
CONSOLIDATED PROFIT FOR THE YEAR	77,131	60,152
OTHER COMPREHENSIVE INCOME		
Valuation of investments available for sale	(33,527)	9,914
Valuation of accounting hedges	279	(5,707)
Other comprehensive income	-	-
Other comprehensive income (loss) before tax	(33,248)	4,207
Income taxes related to other comprehensive income	8,978	(1,136)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(24,270)	3,071
CONSOLIDATED COMPREHENSIVE INCOME FOR THE YEAR	52,861	63,223
Attributable to:		
Owners of the Bank	52,857	63,221
Non-controlling interests	4	2
Comprehensive earnings per share attributable to owners of the Bank:	CH\$	CH\$
BASIC EARNINGS PER SHARE	225	277
DILUTED EARNINGS PER SHARE	225	277

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

	ATTRIBUTABLE TO OWNERS OF THE BANK								
				RE	TAINED EARNIN	IGS			
	PAID-IN CAPITAL MCH\$	RESERVES MCH\$	VALUATION ACCOUNTS MCH\$	PRIOR YEARS MCH\$	PROFIT FOR THE YEAR MCH\$	MINIMUM DIVIDEND PROVISION MCH\$	TOTAL MCH\$	NON- CONTROLLING INTERESTS MCH\$	TOTAL MCH\$
AS OF JANUARY 1, 2020	302,047	24,739	8,767	227,847	76,963	(23,089)	617,274	51	617,325
Reclassification of profit for the year	-	-	-	76,963	(76,963)	-	-	-	-
Dividends paid	-	-	-	(23,089)	-	-	(23,089)	-	(23,089)
Minimum dividend provision	-	-	-	-	-	23,089	23,089	-	23,089
Other equity movements	1	(567)	-	-	-	-	(566)	-	(566)
Investments available for sale	-	-	7,237	-	-	-	7,237	-	7,237
Accounting hedges	-	-	(4,166)	-	-	-	(4,166)	-	(4,166)
Profit for the year	-	-	-	-	60,150	-	60,150	2	60,152
Minimum dividend provision	-	-	-	-	-	(18,044)	(18,044)	-	(18,044)
AS OF DECEMBER 31 2020	302,047	24,172	11,838	281,721	60,150	(18,044)	661,885	53	661,938
AS OF JANUARY 1, 2021	302,048	24,172	11,838	281,721	60,150	(18,044)	661,885	53	661,938
Reclassification of profit for the year	-	-	-	60,150	(60,150)	18,044	18,044	-	18,044
Dividends paid	-	-	-	(30,075)	-	-	(30,075)	-	(30,075)
Other equity movements	(1)	(2,008)	-	-	-	-	(2,009)	-	(2,009)
Capital increase	22,994		-	-	-	-	22,994	-	22,994
Investments available for sale	-	-	(24,474)	-	-	-	(24,474)	-	(24,474)
Accounting hedges	-	-	205	-	-	-	205	-	205
Profit for the year	-	-	-	-	77,127	-	77,127	4	77,131
Minimum dividend provision	-	-	-	-	-	(23,138)	(23,138)	-	(23,138)
AS OF DECEMBER 31 2021	325,041	22,164	(12,431)	311,796	77,127	(23,138)	700,559	57	700,616



# CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

	DECEMBER 31, 2021 MCH\$	DECEMBER 31, 2020 MCH\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated profit before tax	84,217	75,331
Charges (credits) to profit that do not represent cash flows:		
Provisions for credit losses	78,959	70,288
Depreciation and amortization	7,491	7,836
Impairment	-	-
Other provisions	2,362	3,192
Operational write-offs	(108)	(121)
Changes in deferred tax assets and liabilities	(29,886)	(4,465)
Valuation of investments in trading book	1,587	(720)
Valuation of trading derivatives	3,440	27,214
Income attributable to investments in other companies	(16)	(12)
Gain (loss) on sales of repossessed or awarded assets	(292)	95
Net fee and commission income	(59,430)	(57,812)
Net interest and indexation income	(213,195)	(196,322)
Other charges that do not represent cash flows	(23,878)	(11,501)
Changes in operating assets and liabilities:		
(Increase) decrease in loans and advances to banks	(2,109)	(156)
(Increase) decrease in loans to customers	(391,240)	(203,645)
(Increase) decrease in investments	(332,676)	(162,426)
(Increase) decrease in leased assets	(1,118)	(653)
Sale of repossessed assets	859	258
Increase (decrease) in demand deposits and other obligations Increase (decrease) in sales with repurchase agreements and securities lending	541,988	275,195
Increase (decrease) in savings accounts and other time deposits	(7,293) (22,126)	(69,914) (1,128,364)
Net change in mortgage bonds	(5,837)	(1,128,304)
Net change in senior bonds	122,312	50,672
(Increase) decrease in other assets and liabilities	(26,227)	10,071
Recovered taxes	1,138	22
Interest and indexation received	371,053	342,870
Interest and indexation received	(180,858)	(169,092)
Fees and commissions received	69,557	70,421
Fees and commissions paid	(10,127)	(12,609)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(21,453)	(1,085,426)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(803)	(1,590)
Acquisition of intangible assets	(553)	(1,335)
Sale of property, plant and equipment		(1,555)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(1,356)	(2,925)
	(1,550)	(2,525)
CASH FLOWS FROM FINANCING ACTIVITIES	100	E 40
Increase (decrease) in borrowings from domestic financial institutions	196	540
Increase (decrease) in borrowings from foreign financial institutions	59,215	(58,467)
Increase (decrease) in Central Bank obligations Increase (decrease) in other financial liabilities	362,201	838,037 8,993
Increase (decrease) in other financial liabilities Increase (decrease) in subordinated bonds	8,376	
Capital increase	(5,901) 22,994	67,062
Dividends paid	(30,075)	(23,089)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	417,006	833,076
TOTAL POSITIVE NET CASH FLOWS	394,197	300,063
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	457,849	413,057
EFFECT OF NON-CONTROLLING INTERESTS	(4)	(2)
CASH AND CASH EQUIVALENTS AT END OF YEAR	852,042	457,849

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# **INTEGRATED REPORT** 2021

# VALORES SECURITY S.A. CORREDORES DE BOLSA

#### **TYPE OF COMPANY**

Corporation, subsidiary of Banco Security.

### **TAXPAYER ID NUMBER**

96.515.580-5

#### SECURITIES REGISTRY

Valores Security is registered under number 0111 in the Securities Registry.

### **CORPORATE PURPOSE**

To undertake various businesses, including trading equities (stockbroking), fixed income, foreign currency, portfolio management and financial advisory services.

#### **GENERAL BACKGROUND**

This subsidiary was incorporated by public instrument on April 10, 1987. In accordance with current laws and regulations on the securities market and corporations, the company is registered in the Santiago Commerce Registry under number 3,630 for the year 1987.

#### **IMPORTANT INFORMATION**

The subsidiary was also registered in the Registry of Securities Brokers and Agents under No. 0111 on June 2, 1987. On October 16, 1997, at an extraordinary shareholders' meeting, the shareholders agreed to change the company's name to "Valores Security S.A. Corredores de Bolsa". On August 27, 2004, at an extraordinary shareholders' meeting, the shareholders approved the merger between the company and Dresdner Lateinamerika S.A. Corredores de Bolsa. Then, in Ordinary Ruling No. 10098 dated October 27, 2004, the Chilean Superintendency of Securities and Insurance approved the merger by absorption of Dresdner Lateinamerika S.A. Corredores de Bolsa and Valores Security S.A. Corredores de Bolsa, whereby the latter would absorb all assets and liabilities of Dresdner Lateinamerika S.A. Corredores de Bolsa, and be the legal successor of its rights and obligations as of October 1, 2004.

### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$36,394.

### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Valores Security S.A. Corredores de Bolsa represent 3.42% of the total individual assets of Grupo Security.

### BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Valores Security provides a variety of services to the subsidiaries and associates of Grupo Security S.A., as well as to the parent company. For Banco Security, it provides advisory services, fixed-income and currency trading services and forwards. For Administradora General de Fondos S.A. and Asesorías Security, it also provides services to buy and sell financial instruments, stocks and dollars, as well as other advisory services and forward contracts. For the Group's insurance area, Valores Security performs transactions related to insurance policies for Penta-Security Seguros Generales S.A. and Seguros Vida Security Previsión S.A., and insurance brokerage for Corredora de Seguros Security. For Travel Security S.A., it assists with ticket purchases and for Global Security it provides credit check processing services. It also provides data processing and phone services as well as auditing and accounting services for Inversiones Invest Security Ltda. It provides financial services for Inversiones Seguros Security Ltda. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

### **BOARD OF DIRECTORS**

#### **CHAIRMAN:**

Enrique Menchaca O. Chilean National ID: 6.944.388-5

#### DIRECTORS:

Fernando Salinas P. Chilean National ID: 8.864.773-4 Maximum Hitoshi Kamada L. Chilean National ID: 21.259.467-9

#### CHIEF EXECUTIVE OFFICER:

Piero Nasi T. Chilean National ID: 13.190.931-4



# SUMMARIZED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020

CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	162,736.6	134,252.3
Non-current assets	2,602.8	3,362.2
TOTAL ASSETS	165,339.4	137,614.5
LIABILITIES		
Current liabilities	124,384.9	98,118.3
Non-current liabilities	918.2	1,151.2
Equity attributable to owners of the parent	40,036.2	38,345.0
Non-controlling interests		
TOTAL LIABILITIES AND EQUITY	165,339.4	137,614.5

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	16,283.0	18,633.4
Non-operating loss	(15,952.8)	(17,051.7)
PROFIT (LOSS) BEFORE TAX	330.1	1,581.7
Income tax benefit (expense)	2,012.7	(256.2)
PROFIT (LOSS) FOR THE YEAR	2,342.8	1,325.5
Profit (loss) attributable to owners of the parent	2,342.8	1,325.5
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	24,135.2	(5,187.2)
Net cash flows provided by (used in) investing activities	7,866.0	(18,116.5)
Net cash flows provided by (used in) financing activities	(108.8)	(469.8)
NET INCREASE (DECREASE) IN CASH	31,892.4	(23,773.6)
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	31,892.4	(23,773.6)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	36,393.6	36,393.6
Share premium		
Other reserves	(4,083.3)	(3,431.8)
Retained earnings (accumulated deficit)	7,725.9	5,383.2
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	40,036.2	38,345.0
Non-controlling interests	0.0	0.0
TOTAL EQUITY	40,036.2	38,345.0

# **INTEGRATED REPORT** 2021

# ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

### **TYPE OF COMPANY**

Corporation, subsidiary of Banco Security.

### **SECURITIES REGISTRY**

Administradora General de Fondos Security S.A. is registered under number 0112 in the Securities Registry.

### **TAXPAYER ID NUMBER**

96.639.280-0

### **CORPORATE PURPOSE**

General fund administrator (asset management).

### **GENERAL BACKGROUND**

The company was incorporated by public instrument on May 26, 1992, and licensed to operate on June 2, 1992, by the Superintendency of Securities and Insurance in Exempt Ruling No. 0112. The company is regulated by the Superintendency of Securities and Insurance and the provisions of DL 1,328 and its regulations. In ruling No. 288 dated September 17, 2003, the Superintendency of Securities and Insurance approved amendments to the bylaws of Sociedad Administradora de Fondos Mutuos Security S.A., agreed upon in an extraordinary shareholders' meeting held on July 4, 2003. These amendments to the bylaws included changing the type of company to a general fund administrator in accordance with Section XX VII of Law No. 18,045. The funds managed by the company are subject to the special legal regulations contained in Decree Law No. 1,328 and its corresponding regulations, which are monitored by the Superintendency of Securities and Insurance.

### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$3,354.

### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Administradora General de Fondos Security S.A. represent 6.45% of the total individual assets of Grupo Security.

### BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Administradora General de Fondos Security S.A. provides investment services for purchasing fund units to all subsidiaries and associates of Grupo Security S.A., as well as to the parent company. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

### **BOARD OF DIRECTORS**

#### CHAIRMAN:

Francisco Silva. S. Chilean National ID: 4.103.061-5

### **DIRECTORS:**

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Eduardo Olivares V.	Chilean National ID: 9.017.530-0
Jose Miguel Bulnes Z.	Chilean National ID: 10.202.654-3
Paulina Las Heras B.	Chilean National ID: 11.833.738-7

#### CHIEF EXECUTIVE OFFICER:

Chilean National ID: 7.367.430-1



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	27,561.6	62,330.0
Non-current assets	56,509.6	12,029.4
TOTAL ASSETS	84,071.2	74,359.4
LIABILITIES		
Current liabilities	7,981.4	3,674.7
Non-current liabilities	556.7	815.7
Equity attributable to owners of the parent	75,533.1	69,869.0
Non-controlling interests		
TOTAL LIABILITIES AND EQUITY	84,071.2	74,359.4

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	13,400.5	12,373.6
Non-operating loss	(5,846.6)	(8,056.2)
PROFIT (LOSS) BEFORE TAX	7,553.9	4,317.4
Income tax benefit (expense)	(652.9)	(479.9)
PROFIT (LOSS) FOR THE YEAR	6,901.1	3,837.5
Profit (loss) attributable to owners of the parent	6,901.1	3,837.5
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(10,022.7)	10,429.9
Net cash flows provided by (used in) investing activities	30,874.4	(41,934.3)
Net cash flows provided by (used in) financing activities	(5,527.8)	(6,767.8)
NET INCREASE (DECREASE) IN CASH	15,323.9	(38,272.2)
Effect of exchange rate changes on cash	20.1	38.2
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,344.0	(38,234.0)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	3,353.6	3,353.6
Share premium	0.0	0.0
Other reserves	(980.0)	257.0
Retained earnings (accumulated deficit)	73,159.5	66,258.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	75,533.1	69,869.0
Non-controlling interests		
TOTAL EQUITY	75,533.1	69,869.0

# FACTORING SECURITY S.A.

#### **TYPE OF COMPANY**

Privately held corporation.

#### TAXPAYER ID NUMBER

96.655.860-1

#### **SECURITIES REGISTRY**

Factoring Security S.A. is registered under number 1003 in the Securities Registry.

#### **CORPORATE PURPOSE**

The company's corporate purpose includes buying, selling and investing in all kinds of intangible property such as stock, promissory shares, bonds, promissory notes, savings plans, units or rights in all kinds of companies, whether civil, commercial or mining in nature, bodies corporate or associations, and in all kinds of securities; engaging in "factoring" operations, including acquiring, from any company or individual, accounts receivable backed by invoices, letters of exchange, promissory notes or other documents, with or without recourse and with or without advance on the documents; granting financing secured by the referenced documents and managing accounts receivable; providing management, market study, research, customer rating and general advisory services; managing investments and receiving profits or income; and all other supplementary activities.

### **GENERAL BACKGROUND**

The company was formed on November 26, 1992, before notary public Enrique Morgan Torres. A summary of this public instrument was published in the Official Gazette on December 12, 1992, and registered in the Santiago Commerce Registry. Through public instrument dated October 20, 1997, its name was changed to Factoring Security S.A.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$15,218.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Factoring Security S.A. represent 4.87% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

#### **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S. Chilean National ID: 4.103.061-5

#### DIRECTORS

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Ramón Eluchans O.	Chilean National ID: 6.464.460-2
Mario Weiffenbach O.	Chilean National ID: 4.868.153-0
Gonzalo Pavez A.	Chilean National ID: 9.417.024-9

#### CHIEF EXECUTIVE OFFICER

Ignacio Prado R.

Chilean National ID: 7.106.815-3



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	435,097.2	355,042.7
Non-current assets	4,978.0	4,904.2
TOTAL ASSETS	440,075.2	359,946.9
LIABILITIES		
Current liabilities	342,758.2	219,408.0
Non-current liabilities	40,336.5	84,063.0
Equity attributable to owners of the parent	56,980.5	56,476.0
Non-controlling interests		
TOTAL LIABILITIES AND EQUITY	440,075.2	359,946.9

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	25,517.2	26,265.0
Non-operating income (loss)	(13,056.0)	(14,127.7)
PROFIT (LOSS) BEFORE TAX	12,461.2	12,137.3
Income tax benefit (expense)	(2,269.0)	(2,665.9)
PROFIT (LOSS) FOR THE YEAR	10,192.2	9,471.4
Profit (loss) attributable to owners of the parent	10,192.2	9,471.4
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(71,095.2)	45,416.3
Net cash flows provided by (used in) investing activities	5,055.0	420.1
Net cash flows provided by (used in) financing activities	67,742.7	(47,416.6)
NET INCREASE (DECREASE) IN CASH	1,702.5	(1,580.1)
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,702.5	(1,580.1)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	15,217.7	15,217.7
Share premium	0.0	0.0
Other reserves	0.0	0.0
Retained earnings (accumulated deficit)	41,762.8	41,258.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	56,980.5	56,476.0
Non-controlling interests		0.0
TOTAL EQUITY	56,980.5	56,476.0

# SECURITIZADORA SECURITY S.A.

#### **TYPE OF COMPANY**

Privately held corporation.

#### **TAXPAYER ID NUMBER**

96.847.360-3

#### **SECURITIES REGISTRY**

Securitizadora Security S.A. is registered under number 640 in the Securities Registry.

#### **CORPORATE PURPOSE**

The company's exclusive corporate purpose is to acquire the loans referred to in article 135 of Law No. 18,045 of the year 1981 and other complementary regulations, and issue short-and long-term debt securities.

#### **GENERAL BACKGROUND**

The company was formed as a privately held corporation by public instrument dated October 21, 1997, signed before notary public Álvaro Bianchi Rosas. The company was licensed to operate by the Superintendency of Securities and Insurance in exempt ruling No. 369 dated December 12, 1997, which also approved its bylaws. The certificate issued by this agency containing a summary of the corporate bylaws was recorded in the Commerce Registry of the Santiago Real Estate Registrar in 1997 on page 31,310, number 25,367 and published in the Official Gazette on December 23, 1997. In November 2005, Securitizadora Security S.A. was acquired by and became a direct subsidiary of Grupo Security S.A. At an extraordinary shareholders' meeting held on November 29, 2005, the shareholders agreed to change the company's name to Securitizadora Security GMAC-RFC S.A. In August 2008, Grupo Security S.A. acquired 2,065 shares of Securitizadora Security GMAC¬RFC from GMAC-RFC Chile Inversiones Limitada. As a result, Grupo Security owns 99.98% of the company with the remaining 0.02% held by Asesorías Security S.A. At an extraordinary shareholders' meeting held on September 22, 2008, the shareholders agreed to change the company's name to "Securitizadora Security S.A." and processed the respective instrument on September 25, 2008, before the notary public Guillermo Le-Fort Campo. In an ordinary board meeting held on December 29, 2009, the Board accepted the resignation of the director Ramón Eluchans Olivares, which was reported to the Superintendency of Securities and Insurance in a essential event filing. In an extraordinary board meeting held on December 30, 2009, the Board unanimously approved a General Transitory Policy for Ordinary Customary Transactions with Related Parties, which are within its line of business and are intended to contribute to the corporate interest and comply with arm's length principles regarding price, terms and conditions, in accordance with letter b), paragraph 2 of article 147 of the Corporations Law (modified by No. 20,382 of October 2009), reported in a essential event filing to the Superintendency of Securities and Insurance on January 4, 2010. At an annual general meeting held on April 30, 2010, the shareholders agreed to appoint new external auditors, Deloitte Auditores y Consultores Limitada, for the year 2010, and also appointed a new director, Andrés Tagle Domínguez. The company's legal address and main office (headquarters) are located in the city of Santiago at Av. Apoquindo N°3.150 Floor 7, and its webpage is www. securitizadorasecurity.cl.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$3,468.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Securitizadora Security S.A. represent 0.36% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

The company's services may possibly be offered to customers of the group's subsidiaries and associates in the future.

#### **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S.	Chilean National ID: 4.103.061-5
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#### DIRECTORS

Christian Sinclair M.	Chilean National ID: 6.379.747-2
Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Alberto Apel O.	Chilean National ID: 9.580.963-4
Andrés Tagle D.	Chilean National ID: 5.895.255-9

#### CHIEF EXECUTIVE OFFICER



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	33,904.5	27,081.6
Non-current assets	31.8	115.3
TOTAL ASSETS	33,936.3	27,196.9
LIABILITIES		
Current liabilities	29,253.7	19,410.0
Non-current liabilities	520.6	803.3
Equity attributable to owners of the parent	4,162.0	6,983.7
Non-controlling interests		0.0
TOTAL LIABILITIES AND EQUITY	33,936.3	27,196.9

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	865.8	2,725.7
Non-operating income (loss)	(627.4)	(1,471.0)
PROFIT (LOSS) BEFORE TAX	238.4	1,254.7
Income tax benefit (expense)	113.0	(285.4)
PROFIT (LOSS) FOR THE YEAR	351.5	969.2
Profit (loss) attributable to owners of the parent	351.5	969.2
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(9,864.3)	21,893.2
Net cash flows provided by (used in) investing activities	3,165.2	(17,513.2)
Net cash flows provided by (used in) financing activities	5,831.8	(7,367.7)
NET INCREASE (DECREASE) IN CASH	(867.3)	(2,987.7)
Effect of exchange rate changes on cash		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(867.3)	(2,987.7)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	3,468.2	3,468.2
Share premium	25.6	25.6
Other reserves	(63.7)	394.9
Retained earnings (accumulated deficit)	731.8	3,095.0
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	4,161.9	6,983.7
Non-controlling interests	0.0	0.0
TOTAL EQUITY	4,161.9	6,983.7

# **INVERSIONES PREVISIÓN SECURITY LTDA. AND SUBSIDIARIES**

#### **TYPE OF COMPANY**

Limited liability company.

#### TAXPAYER ID NUMBER

78.769.870-0

#### **SECURITIES REGISTRY**

Inversiones Previsión Security Ltda. is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

The company's corporate purpose includes managing all kinds of businesses on its own or on behalf of third parties, providing corporate management services, acquiring and maintaining all kinds of tangible or intangible assets, real estate or personal property, securities, commercial paper or loan instruments; temporarily assigning the use or enjoyment of any of these assets under any title: disposing of these assets or their natural or civil profits under any title, whether accrued, pending or received at the time of disposal, and making use of the civil and natural profits of the assets acquired by the company.

#### **GENERAL BACKGROUND**

The company was formed by public instrument on November 28, 1995, signed before notary public Raúl Undurraga Laso. It was registered in the Santiago Commerce Registry on page

29,562, number 23,698 and a summary was published in the Official Gazette on December 5, 1995. Its name was changed to Inversiones Seguros Security and its capital was increased as recorded in public instrument dated December 29, 1998, a summary of which was published in the Official Gazette on January 4, 1999. On November 10, 2017, the company's name was changed to "Inversiones Previsión Security Ltda".

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$192,957.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Inversiones Previsión Security Limitada and subsidiaries represent 19.21% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

This is a holding company and, therefore, all business relationships are carried out through its subsidiaries.

#### **AGENTS:**

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Francisco Silva S.	Chilean National ID: 4.103.061-5



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	2,820,577.1	2,592,649.6
Non-current assets	315,950.9	274,905.4
TOTAL ASSETS	3,136,528.0	2,867,555.0
LIABILITIES		
Current liabilities	2,824,828.1	2,573,079.2
Non-current liabilities	80,867.6	79,123.5
Equity attributable to owners of the parent	224,784.6	209,599.4
Non-controlling interests	6,047.7	5,752.8
TOTAL LIABILITIES AND EQUITY	3,136,528.0	2,867,555.0

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	89,281.6	71,398.0
Non-operating income (loss)	(57,199.6)	(51,282.1)
PROFIT (LOSS) BEFORE TAX	32,082.0	20,116.0
Income tax benefit (expense)	7,308.9	(1,105.0)
PROFIT (LOSS) FOR THE YEAR	39,391.0	19,010.9
Profit (loss) attributable to owners of the parent	38,548.0	18,573.0
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	842.9	437.9

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	322.5	(18,286.3)
Net cash flows provided by (used in) investing activities	(4,011.5)	(2,763.7)
Net cash flows provided by (used in) financing activities	28,172.9	16,122.9
NET INCREASE (DECREASE) IN CASH	24,483.9	(4,927.2)
Effect of exchange rate changes on cash	(1,435.5)	(1,377.7)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,048.3	(6,304.9)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	192,956.8	192,956.8
Share premium		
Other reserves	(91,265.1)	(76,250.4)
Retained earnings (accumulated deficit)	123,092.8	92,892.9
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	224,784.6	209,599.4
Non-controlling interests	6,047.7	5,752.8
TOTAL EQUITY	230,832.3	215,352.2

# SEGUROS VIDA SECURITY PREVISIÓN S.A.

#### **TYPE OF COMPANY**

Publicly listed corporation.

#### **TAXPAYER ID NUMBER**

99.301.000-6

#### **SECURITIES REGISTRY**

Seguros Vida Security Previsión S.A. is registered under number 22 in the Securities Registry.

#### **CORPORATE PURPOSE**

Life insurance.

#### **GENERAL BACKGROUND**

The company was incorporated by public instrument on August 24, 1981, signed before notary public Eduardo Avello Arellano, and licensed to operate on September 29, 1981, in ruling No. 561-S. It was registered in the Santiago Commerce Registry on page 18,847, number 10,385 on October 31, 1981, and published in the Official Gazette on October 10, 1981. On January 16, 1998, amendments to the bylaws were registered to change the company's name to "Seguros Previsión Vida S.A.", and a summary of the instrument was published in the Official Gazette on January 20, 1998. It is registered in the Securities Registry under number 022 and is subject to the oversight of the Superintendency of Securities and Insurance. On March 11, 2002, at an extraordinary general shareholders' meeting, the shareholders agreed to change the company's name to Seguros Vida Security Previsión S.A. as of May 2002.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$172,411.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Seguros Vida Security Previsión S.A. represent 16.22% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Vida Security provides life insurance policies for the employees of Banco Security, Factoring Security, Asesorías Security, Inmobiliaria Security, Administradora de Fondos Mutuos, Grupo Security, Valores Security, Securitizadora Security GMAC¬RFC, Global Security and Inversiones Invest Security. Vida Security also sells travel assistance insurance to corporate and individual customers of Travel Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

## **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S. Chilean National ID: 4.103.061-5

#### VICE CHAIRMAN OF THE BOARD

Renato Peñafiel M. Chilean National ID: 6.350.390-8

#### DIRECTORS

Juan Cristóbal Pavez R. Chilean National ID: 9.901.478-4 Ramón Juanicotena Sanzberro Chilean National ID: 5.201.352-6 Andrés Tagle D. Chilean National ID: 5.895.255-9 Álvaro Vial G. Chilean National ID: 5.759.348-2 Gonzalo Andrés Pavez A. Chilean National ID: 9.417.024-9

#### CHIEF EXECUTIVE OFFICER

Alejandro Alzérreca L. Chilean National ID: 7.050.344-1



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	2,778,359.3	2,572,487.1
Non-current assets	248,901.5	207,567.5
TOTAL ASSETS	3,027,260.7	2,780,054.6
LIABILITIES		
Current liabilities	2,828,525.0	2,571,642.3
Non-current liabilities	2,967.6	2,280.1
Equity attributable to owners of the parent	191,365.1	202,116.1
Non-controlling interests	4,403.1	4,016.0
TOTAL LIABILITIES AND EQUITY	3,027,260.7	2,780,054.5

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	83,523.8	65,117.8
Non-operating income (loss)	(45,047.0)	(40,947.1)
PROFIT (LOSS) BEFORE TAX	38,476.9	24,170.7
Income tax benefit (expense)	7,470.8	(405.9)
PROFIT (LOSS) FOR THE YEAR	45,947.7	23,764.7
Profit (loss) attributable to owners of the parent	45,495.8	23,529.0
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	451.9	235.8

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(1,249.1)	(20,325.2)
Net cash flows provided by (used in) investing activities	(3,993.2)	(2,602.1)
Net cash flows provided by (used in) financing activities	9,219.9	9,156.6
NET INCREASE (DECREASE) IN CASH	3,977.5	(13,770.7)
Effect of exchange rate changes on cash	(1,436.2)	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,541.3	(13,770.7)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	172,410.7	172,410.7
Share premium		
Other reserves	(62,371.9)	(47,458.9)
Retained earnings (accumulated deficit)	81,326.3	77,164.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	191,365.1	202,116.2
Non-controlling interests	4,016.0	4,016.0
TOTAL EQUITY	195,381.0	206,132.2

# HIPOTECARIA SECURITY PRINCIPAL S.A.

TYPE OF COMPANY

Privately held corporation.

# TAXPAYER ID NUMBER

96.538.310-2

## CORPORATE PURPOSE

Mortgage loan managing agent

#### **GENERAL BACKGROUND**

The company was formed by public instrument dated August 9, 1988, granted before the Santiago notary public Jaime Morandé Orrego. A summary of the articles of incorporation were registered on page 18,818, number 10,020 of the Commerce Registry of the Santiago Real Estate Registrar for the year 1988 and was published in the Official Gazette on August 17, 1988.

## PAID-IN CAPITAL AND EQUITY

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$4,935.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Hipotecaria Cruz del Sur Principal S.A. represent 0.39% of the total consolidated assets of Grupo Security.

# BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Hipotecaria Cruz del Sur Principal S.A. provides services as a mortgage loan managing agent to Cruz del Sur Vida. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

## BOARD OF DIRECTORS

#### CHAIRMAN:

Alejandro Alzérreca Luna Chilean National ID: 7.050.377-1

#### **DIRECTORS:**

Rodrigo Guzmán Leyton Chilean National ID: 9.423.413-1 M. Loreto Herrera Martínez Chilean National ID: 9.979.883-1 Ignacio Rodríguez Edwards Chilean National ID: 10.116.083-1 M. Eugenia Norambuena Bucher Chilean National ID: 12.585.293-9

#### ALTERNATE DIRECTORS:

M. Macarena Lagos Jimenez Chilean National ID: 15.565.151-2 Pablo Cruzat Arteaga Chilean National ID: 13.067.212-4 Horacio Morandé Contardo Chilean National ID: 13.241.237-5 Andrés Valenzuela Ugarte Chilean National ID: 9.601.417-1

## LAWYER:

Renato De La Cerda Chilean National ID: 5.492.890-4

#### CHIEF EXECUTIVE OFFICER:

Ricardo Hederra González Chilean National ID: 10.695.464-K



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	61,106.8	10,036.9
Non-current assets	1,395.0	51,655.5
TOTAL ASSETS	62,501.8	61,692.4
LIABILITIES		
Current liabilities	53,025.5	53,019.3
Non-current liabilities	490.4	477.3
Equity attributable to owners of the parent	8,985.8	8,195.9
Non-controlling interests		
TOTAL LIABILITIES AND EQUITY	62,501.8	61,692.4

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	2,922.8	2,522.0
Non-operating income (loss)	(1,848.9)	(1,931.7)
PROFIT (LOSS) BEFORE TAX	1,073.9	590.3
Income tax benefit (expense)	(151.6)	(109.2)
PROFIT (LOSS) FOR THE YEAR	922.3	481.2
Profit (loss) attributable to owners of the parent	922.3	481.2
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	1,009.5	(3,279.1)
Net cash flows provided by (used in) investing activities	(78.8)	(34.5)
Net cash flows provided by (used in) financing activities	(942.2)	1,608.4
NET INCREASE (DECREASE) IN CASH	(11.5)	(1,705.2)
Effect of exchange rate changes on cash		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(11.5)	(1,705.2)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	4,935.4	4,935.4
Share premium		
Other reserves	6.9	6.9
Retained earnings (accumulated deficit)	4,043.6	3,253.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	8,985.8	8,195.9
Non-controlling interests		
TOTAL EQUITY	8,985.8	8,195.9

# CORREDORES DE SEGUROS SECURITY LTDA.

#### **TYPE OF COMPANY**

Limited liability company.

#### TAXPAYER ID NUMBER

77.371.990-K

#### **SECURITIES REGISTRY**

Corredores de Seguros Security Ltda. is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

Insurance Broker.

#### **GENERAL BACKGROUND**

Corredores de Seguros Security Limitada was formed as recorded in public instrument dated December 3, 1999, signed before notary public Enrique Morgan Torres, by which management, judicial and out-of-court representation and the use of its corporate name was granted to its partner Inversiones Previsión Security Ltda.

#### PAID-IN CAPITAL AND EQUITY

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$1,257.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Corredores de Seguros Security Limitada represent 0.096% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Corredora de Seguros Security provides insurance brokerage services to Grupo Security, Banco Security, Administradora General de Fondos, Valores Security, Factoring Security, Inmobiliaria Security, Asesorías Security, Securitizadora Security GMAC-RFC, Inversiones Seguros Security, Servicios Security, Invest Security, Travel and Global Security. It also brokers general insurance policies with Penta Security, and life and health policies with Vida Security. The company has also brokered insurance policies to customers of Banco Security. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

#### **AGENTS:**

Francisco Silva S.	Chilean National ID: 4.103.061-5
Renato Peñafiel M.	Chilean National ID: 6.350.390-8

#### LEGAL REPRESENTATIVE:

Alejandro Mandiola P.

Chilean National ID: 8.684.673-K



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	3,525.1	3,713.6
Non-current assets	1,412.4	1,657.4
TOTAL ASSETS	4,937.5	5,371.0
LIABILITIES		
Current liabilities	3,406.5	2,995.4
Non-current liabilities	406.9	863.4
Equity attributable to owners of the parent	1,124.2	1,512.2
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	4,937.5	5,371.0

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	5,443.7	5,305.4
Non-operating income (loss)	(4,660.0)	(4,738.4)
PROFIT (LOSS) BEFORE TAX	783.8	567.0
Income tax benefit (expense)	(171.8)	(140.8)
PROFIT (LOSS) FOR THE YEAR	612.0	426.2
Profit (loss) attributable to owners of the parent	612.0	426.2
Profit (loss) attributable to non-controlling interests	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	752.1	1,180.5
Net cash flows provided by (used in) investing activities	(25.2)	154.9
Net cash flows provided by (used in) financing activities	(1,291.0)	(1,391.7)
NET INCREASE (DECREASE) IN CASH	(564.1)	(56.4)
Effect of exchange rate changes on cash and cash equivalents	0.7	(0.2)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(563.5)	(56.6)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	1,256.9	1,256.9
Share premium		
Other reserves	(1,083.7)	(1,083.7)
Retained earnings (accumulated deficit)	951.0	1,339.0
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,124.2	1,512.2
Non-controlling interests		
TOTAL EQUITY	1,124.2	1,512.2

# EUROP ASSISTANCE CHILE S.A.

#### **TYPE OF COMPANY**

Privately held corporation.

#### TAXPAYER ID NUMBER

99.573.400-1

#### **SECURITIES REGISTRY**

Europ Assistance S.A. is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

Providing assistance services.

## **GENERAL BACKGROUND**

Europ Assistance S.A. was formed as a privately held corporation on August 13, 2004, as recorded in a public instrument signed before the second notary public of Santiago. The company's corporate purpose includes providing for itself or on behalf of third parties, directly or indirectly, all kinds of medical, dental, plumbing and repair assistance services, etc., to all kinds of individuals or legal entities, whether travel, vehicle or residential assistance, etc., or any other related service.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$728.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Europ Assistance S.A. represent 0.093% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Europ Assistance S.A. provides services to Seguros Vida Security Previsión S.A., Banco Security, Corredores de Seguros Security, Travel Security and Capital S.A. (formerly Inversiones Invest Security Ltda.). These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

## **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S.	Chilean National ID: 4.103.061-5

#### DIRECTORS

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Juan Carlos G.	Foreign
Alejandro Caballero	Foreign
Ricardo Bahamondes L.	Chilean National ID: 9.910.788-K

#### CHIEF EXECUTIVE OFFICER

Ricardo Bahamondes L.

Chilean National ID: 9.910.788-K



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	4,128.9	4,574.7
Non-current assets	1,248.0	899.5
TOTAL ASSETS	5,376.9	5,474.2
LIABILITIES		
Current liabilities	2,911.7	2,868.9
Non-current liabilities	242.0	0.0
Equity attributable to owners of the parent	2,223.2	2,605.3
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	5,376.9	5,474.2

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	(188.8)	608.3
Non-operating income (loss)	(144.3)	(70.4)
PROFIT (LOSS) BEFORE TAX	(333.1)	537.9
Income tax benefit (expense)	14.3	(156.0)
PROFIT (LOSS) FOR THE YEAR	(318.7)	381.9
Profit (loss) attributable to owners of the parent	(162.6)	194.8
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(156.2)	187.1

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	913.8	(78.6)
Net cash flows provided by (used in) investing activities	(1,324.7)	269.5
Net cash flows provided by (used in) financing activities	(218.8)	0.0
NET INCREASE (DECREASE) IN CASH	(629.6)	190.9
Effect of exchange rate changes on cash	7.9	(25.8)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(621.7)	165.1

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	728.2	728.2
Share premium	0.0	0.0
Other reserves	(60.5)	19.1
Retained earnings (accumulated deficit)	1,555.4	1,858.0
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	2,223.2	2,605.3
Non-controlling interests	0.0	0.0
TOTAL EQUITY	2,223.2	2,605.3

# ADMINISTRADORA DE SERVICIOS Y BENEFICIOS SECURITY LIMITADA

#### **TYPE OF COMPANY**

Limited liability company.

# **TAXPAYER ID NUMBER** 77.431.040-1

SECURITIES REGISTRY

Not registered.

## **CORPORATE PURPOSE**

Providing services.

#### **GENERAL BACKGROUND**

The company was formed on March 29, 2000, signed before notary public Antonieta Mendoza Escala. It was registered in the Santiago Commerce Registry on May 3, 2000, on page 10,755, No. 8,644. On May 15, 2008, amendments to the bylaws were registered to change the company's name to "Administradora de Servicios y Beneficios Security Limitada".

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$5.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Administradoras de Servicios y Beneficios Ltda. represent 0.07% of the total individual assets of Grupo Security.

# BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Administradora de Servicios y Beneficios Security Limitada provides administrative services to Vida Security.

**BOARD OF DIRECTORS** Not registered.



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	3,558.9	3,535.7
Non-current assets	20.5	59.6
TOTAL ASSETS	3,579.4	3,595.3
LIABILITIES		
Current liabilities	2,776.2	2,955.0
Non-current liabilities	0.0	0.0
Equity attributable to owners of the parent	803.1	640.4
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	3,579.4	3,595.3

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	1,268.3	1,239.8
Non-operating income (loss)	(1,065.1)	(1,198.7)
PROFIT (LOSS) BEFORE TAX	203.2	41.1
Income tax benefit (expense)	(40.5)	(5.4)
PROFIT (LOSS) FOR THE YEAR	162.8	35.6
Profit (loss) attributable to owners of the parent	162.8	35.6
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	27.4	620.3
Net cash flows provided by (used in) investing activities	0.0	0.0
Net cash flows provided by (used in) financing activities	0.0	0.0
NET INCREASE (DECREASE) IN CASH	27.4	620.3
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27.4	620.3

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	5.0	5.0
Share premium	0.0	0.0
Other reserves	0.0	0.0
Retained earnings (accumulated deficit)	798.1	635.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	803.1	640.4
Non-controlling interests	0.0	0.0
TOTAL EQUITY	803.1	640.4

GRUPO SECURITY COMPANIES

# **INMOBILIARIA SECURITY S.A. AND SUBSIDIARIES**

#### **TYPE OF COMPANY**

Privately held corporation.

#### TAXPAYER ID NUMBER

96.786.270-3

#### **SECURITIES REGISTRY**

Inmobiliaria Security is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

Real estate advisory and investment services, property brokerage and management of private investment funds.

#### **GENERAL BACKGROUND**

The company was formed as a privately held corporation originally named Inversiones y Rentas SH S.A., in order to make capital and other investments in all kinds of real estate or personal property, in accordance with the public instrument dated December 14, 1995, granted before notary public Enrique Morgan Torres. The company's corporate purpose was broadened at the first extraordinary shareholders' meeting held on April 19, 1996, and summarized in public instrument dated July 4, 1996, to make all kinds of investments and provide real estate advisory and property brokerage services. The company's name was changed from Inversiones y Rentas SH S.A. to Inmobiliaria Security S.A. on October 14, 1997, as detailed in the public instrument signed before notary public Enrique Morgan Torres. The company's corporate purpose was modified to include management of private investment funds at the fourth extraordinary shareholders' meeting held on January 22, 2004, and summarized in a public instrument dated January 27, 2004, in accordance with Law No. 18,815. At an extraordinary shareholders' meeting on November 4, 2011, the shareholders approved a capital increase of ten billion Chilean pesos to be paid within three years, of which eight billion, five hundred million Chilean pesos were subscribed and paid. This decision was summarized in a public instrument signed before notary public Andrés Rubio Flores on the same date.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$11,012.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Inmobiliaria Security S.A. and subsidiaries represent 2.64% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Inmobiliaria Security has provided real estate advisory services to Banco Security and Seguros Vida Security Previsión S.A. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

#### **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S.	Chilean National ID: 4.103.061-5
Francisco Silva S.	Chilean National ID: 4.103.061-5

#### DIRECTORS

Gustavo Pavez R.	Chilean National ID: 4.609.215-5
Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Alejandro Alzérreca L.	Chilean National ID: 7.050.344-1
Jaime Correa H.	Chilean National ID: 5.892.161-0

#### CHIEF EXECUTIVE OFFICER

1	C	1.1
Jaime	Correa	н.

Chilean National ID: 5.892.161-0



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	93,735.9	128,761.5
Non-current assets	1,978.0	1,663.2
TOTAL ASSETS	95,713.9	130,424.7
LIABILITIES		
Current liabilities	61,171.4	98,635.3
Non-current liabilities	3,735.7	3,504.1
Equity attributable to owners of the parent	30,856.8	28,429.5
Non-controlling interests	(50.1)	(144.2)
TOTAL LIABILITIES AND EQUITY	95,713.9	130,424.7

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	7,548.8	11,456.6
Non-operating income (loss)	(5,367.5)	(3,389.3)
PROFIT (LOSS) BEFORE TAX	2,181.3	8,067.3
Income tax benefit (expense)	(48.1)	(2,093.3)
PROFIT (LOSS) FOR THE YEAR	2,133.2	5,974.0
Profit (loss) attributable to owners of the parent	2,039.0	6,037.7
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	94.2	(63.7)

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	36,197.5	22,678.2
Net cash flows provided by (used in) investing activities	(3.3)	4.7
Net cash flows provided by (used in) financing activities	(34,850.2)	(24,115.4)
NET INCREASE (DECREASE) IN CASH	1,344.1	(1,432.6)
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,344.1	(1,432.6)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	11,012.1	11,012.1
Share premium	0.0	0.0
Other reserves	0.0	0.0
Retained earnings (accumulated deficit)	19,844.7	17,417.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	30,856.8	28,429.5
Non-controlling interests	(50.1)	(144.2)
TOTAL EQUITY	30,806.7	28,285.2

# **CAPITAL S.A. AND SUBSIDIARIES**

#### **TYPE OF COMPANY**

Privately held corporation.

#### TAXPAYER ID NUMBER

96.905.260-1

#### **SECURITIES REGISTRY**

Capital S.A. is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

The corporate purpose consists mainly of making all kinds of investments in tangible and intangible property, making use of, disposing of, receiving and investment profits from, acquiring and disposing of under any title, and making use of in any way real estate property; managing all kinds of real estate and tangible or intangible property on its own or on behalf of third parties; carrying out other business and ancillary financial intermediation activities; providing all kinds of advisory, consulting, financial, management, economic, marketing, accounting and administrative services. In this context, the company's economic purpose consists essentially of providing support services to companies within Grupo Security, as well as recording its share of profits from investments in other companies.

#### **GENERAL BACKGROUND**

The company was formed on December 26, 2014, as a privately held corporation named Capital S.A. signed before Maria Loreto Zaldivar Grass, the acting notary for Patricio Zaldivar Mackenna.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH\$33,866.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Capital S.A. and subsidiaries represent 2.09% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Capital S.A. provides advisory services in the areas of accounting, business risk and control, economics, marketing and corporate culture, data processing and telephone services for all group subsidiaries and the parent company.

#### **BOARD OF DIRECTORS:**

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Francisco Silva S.	Chilean National ID: 4.103.061-5
Ramón Eluchans O.	Chilean National ID: 6.464.460-2



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	53,806.0	36,413.2
Non-current assets	15,221.7	18,920.8
TOTAL ASSETS	69,027.7	55,334.0
LIABILITIES		
Current liabilities	38,168.2	24,127.9
Non-current liabilities	5,200.6	5,737.1
Equity attributable to owners of the parent	24,503.2	24,445.0
Non-controlling interests	1,155.8	1,024.0
TOTAL LIABILITIES AND EQUITY	69,027.7	55,334.0

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	31,147.3	31,352.6
Non-operating income (loss)	(31,827.2)	(41,020.1)
PROFIT (LOSS) BEFORE TAX	(679.8)	(9,667.5)
Income tax benefit (expense)	776.2	2,531.3
PROFIT (LOSS) FOR THE YEAR	96.4	(7,136.2)
Profit (loss) attributable to owners of the parent	19.6	(6,016.2)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	76.8	(1,120.0)

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(666.2)	2,977.6
Net cash flows provided by (used in) investing activities	(5,393.7)	(3,968.4)
Net cash flows provided by (used in) financing activities	7,169.2	2,485.8
NET INCREASE (DECREASE) IN CASH	1,109.3	1,495.0
Effect of exchange rate changes on cash	0.0	(1.0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,109.3	1,494.0

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	33,866.8	33,866.8
Share premium	0.0	0.0
Other reserves	(1,975.7)	(1,998.4)
Retained earnings (accumulated deficit)	(7,387.9)	(7,423.3)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	24,503.2	24,445.0
Non-controlling interests	1,155.8	1,024.0
TOTAL EQUITY	25,659.0	25,469.1

# **TRAVEL SECURITY S.A. AND SUBSIDIARIES**

## **TYPE OF COMPANY**

Privately held corporation.

#### TAXPAYER ID NUMBER

85.633.900-9

#### **SECURITIES REGISTRY**

Travel Security Ltda. is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

Travel agency. Providing all kinds of tourism services and other services agreed-upon by the company's shareholders, whether or not related to tourism, including investing of corporate funds.

#### **GENERAL BACKGROUND**

The company was formed as a limited liability company by public instrument dated July 3, 1987, signed before notary public Víctor Manuel Correa Valenzuela. In 1989, its corporate purpose was broadened to include the sale of passenger air transport services and it obtained accreditation as an IATA agent. On September 16, 1993, the company is transformed from a limited liability company to a corporation and its capital is increased. In early 1995 the air cargo division is sold. In April 1997, new shareholders acquire interests in the company and its management is professionalized. In September 1999, Grupo Security purchases an interest through Inversiones Seguros Security Ltda., to control 75% of the company's shares. Its name is changed to Travel Security S.A. In October 2000, Inversiones Seguros Security Ltda. sells its shares to Capital S.A. (formerly Inversiones Invest Security Ltda.). The merger of Travel Security and Turismo Tajamar S.A. is approved in December 2006 and completed on January 22, 2007. In January 2011, Capital S.A. acquires all of the shares held by SMYTSA, Servicios Marítimos y Transporte Limitada and controls 85% of the company's shares. The company's capital totals MCH\$5,262 and as of that date it is distributed as follows:

- Capital S.A. (Formerly Inversiones Invest Security Ltda.) 83%-
- Carmen Mackenna y Cía. Ltda.: 1
  0%
- Inversiones y Asesorías Ana María Limitada: 7%

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$5,262.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Travel Security S.A. and subsidiaries represent 0.39% of the total individual assets of Grupo Security.

# BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Travel Security provides travel arrangement services to all subsidiaries and associates of Grupo Security S.A., as well as to the parent company. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

## **BOARD OF DIRECTORS**

#### CHAIRMAN:

Guillermo Correa S.	Chilean National ID: 7.741.851-2

#### DIRECTORS:

Adolfo Tocornal R.	Chilean National ID: 6.879.186-3
Naoshi Matsumoto C.	Chilean National ID: 9.496.299-9
Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Francisco Silva S.	Chilean National ID: 4.103.061-5

#### CHIEF EXECUTIVE OFFICER:

Eduardo Correa S.

Chilean National ID: 8.628.777-3



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	22,458.0	9,857.5
Non-current assets	7,811.9	11,087.8
TOTAL ASSETS	30,269.9	20,945.3
LIABILITIES		
Current liabilities	19,673.7	10,761.7
Non-current liabilities	4,871.8	5,347.1
Equity attributable to owners of the parent	5,502.5	4,592.0
Non-controlling interests	221.9	244.4
TOTAL LIABILITIES AND EQUITY	30,269.9	20,945.3

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	8,993.6	6,397.4
Non-operating income (loss)	(8,064.8)	(13,132.4)
PROFIT (LOSS) BEFORE TAX	928.8	(6,734.9)
Income tax benefit (expense)	(160.4)	1,631.7
PROFIT (LOSS) FOR THE YEAR	768.4	(5,103.2)
Profit (loss) attributable to owners of the parent	832.3	(4,742.2)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(63.9)	(361.0)

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(1,939.8)	4,575.7
Net cash flows provided by (used in) investing activities	(1,040.2)	(4,189.7)
Net cash flows provided by (used in) financing activities	3,065.5	(230.4)
NET INCREASE (DECREASE) IN CASH	85.5	155.6
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85.5	155.6

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	5,262.0	5,262.0
Share premium		
Other reserves	975.6	897.5
Retained earnings (accumulated deficit)	(735.2)	(1,567.5)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	5,502.5	4,592.0
Non-controlling interests	221.9	244.4
TOTAL EQUITY	5,724.3	4,836.4

# **VIAJES SECURITY S.A. AND SUBSIDIARIES**

## **TYPE OF COMPANY**

Corporation.

# TAXPAYER ID NUMBER

20548601372

## **SECURITIES REGISTRY**

Viajes Security S.A. is not registered in the Securities Registry.

## **CORPORATE PURPOSE**

Its main activity is to make all types of investments in shares in Peru as well as providing services in general.

#### **GENERAL BACKGROUND**

The company is a subsidiary of Travel Security S.A., formed in Chile, which owns 99.99% of its issued capital. The company was formed on June 12, 2012, in Lima, Peru.

As of December 31, 2021, the company's capital totals MS./5,320 (around MUS\$ 1,637) and is distributed as follows:

- · Travel Security S.A.: 99.99%
- · Grupo Security: 0.01%

## SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$987.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Viajes Security S.A. and subsidiaries represent 0.089% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Viajes Security S.A., through its subsidiary Travex S.A., provides travel organization services to Representaciones Security (REPSE) and its parent company. These services may possibly be offered to customers of the group's subsidiaries and associates in the future.

## **BOARD OF DIRECTORS**

#### CHAIRMAN:

Francisco Silva S.	Chilean National ID: 4.103.061-5

## DIRECTORS:

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Guillermo Correa S.	Chilean National ID: 7.741.851-2
Eduardo Correa S.	Chilean National ID: 8.628.777-3

#### CHIEF EXECUTIVE OFFICER:

Alejandro Barra L.

Chilean National ID: 8.540.923-9



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	4,260.0	903.8
Non-current assets	1,908.7	4,608.3
TOTAL ASSETS	6,168.7	5,512.1
LIABILITIES		
Current liabilities	3,312.4	2,136.8
Non-current liabilities	1,377.4	1,712.1
Equity attributable to owners of the parent	1,257.1	1,418.8
Non-controlling interests	221.9	244.4
TOTAL LIABILITIES AND EQUITY	6,168.7	5,512.1

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	851.0	721.5
Non-operating income (loss)	(1,258.0)	(2,594.1)
PROFIT (LOSS) BEFORE TAX	(407.0)	(1,872.6)
Income tax benefit (expense)	103.3	380.6
PROFIT (LOSS) FOR THE YEAR	(303.7)	(1,492.0)
Profit (loss) attributable to owners of the parent	(239.9)	(1,131.0)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(63.9)	(361.0)

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	105,091.0	48.0
Net cash flows provided by (used in) investing activities	0.0	0.0
Net cash flows provided by (used in) financing activities	0.0	0.0
NET INCREASE (DECREASE) IN CASH	105,091.0	48.0
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	105,091.0	48.0

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	986.8	986.8
Share premium		
Other reserves	(18.7)	108.7
Retained earnings (accumulated deficit)	289.0	323.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	1,257.1	1,418.8
Non-controlling interests	221.9	244.4
TOTAL EQUITY	1,478.9	1,663.2

# TRAVEX

## TYPE OF COMPANY

Privately held corporation

#### **CORPORATE PURPOSE**

Travel agency providing individual and group ground and air tourism services, organizing tours and/or excursions, arranging lodging and in general any activity related to tourism.

#### **GENERAL BACKGROUND**

The company was formed as a corporation on September 23, 2002, in Lima, Peru. Its current legal address is Av. Santa Cruz 873 – 875 Floors 6 - 7, Miraflores, Lima 18. On July 10, 2012, Grupo Security (Chile) acquires a 75% interest in the company through its subsidiary Viajes Security S.A.C. de Perú, which is consolidated by Travel Security S.A., the second largest travel agency in Chile.

As of December 31, 2021, the company's capital totals MCH \$2,085 and is distributed as follows:

- · Viajes Security S.A.C.de Perú 75%
- Pedro Pazos Pastor 25%

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$463.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Travex Security and subsidiary represent 0.05% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Travex provides travel arrangement services mainly to corporate clients and companies. The company initially plans to offer its services to customers of Travel Security and later to customers of the group's subsidiaries and associates.

## **BOARD OF DIRECTORS**

#### CHAIRMAN:

Francisco Silva	Chilean National ID: 4.103.061-5

## DIRECTORS:

Renato Peñafiel	Chilean National ID: 6.350.390-8
Guillermo Correa	Chilean National ID: 7.741.851-2
Eduardo Correa	Chilean National ID: 8.628.777-3
Pedro Pazos	Foreign

#### CHIEF EXECUTIVE OFFICER:

gner



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	4,776.8	1,320.2
Non-current assets	727.3	3,426.9
TOTAL ASSETS	5,504.1	4,747.1
LIABILITIES		
Current liabilities	3,239.2	2,057.4
Non-current liabilities	1,377.4	1,712.1
Equity attributable to owners of the parent	887.5	977.5
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	5,504.1	4,747.1

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	851.0	721.5
Non-operating income (loss)	(1,209.7)	(2,546.1)
PROFIT (LOSS) BEFORE TAX	(358.7)	(1,824.7)
Income tax benefit (expense)	103.3	380.6
PROFIT (LOSS) FOR THE YEAR	(255.4)	(1,444.1)
Profit (loss) attributable to owners of the parent	(255.4)	(1,444.1)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	104,700.4	50,010.9
Net cash flows provided by (used in) investing activities	0.0	0.0
Net cash flows provided by (used in) financing activities	0.0	0.0
NET INCREASE (DECREASE) IN CASH	104,700.4	50,010.9
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104,700.4	50,010.9

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	463.1	463.1
Share premium		
Other reserves	1,294.5	1,395.3
Retained earnings (accumulated deficit)	(870.1)	(880.9)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	887.5	977.5
Non-controlling interests	0.0	0.0
TOTAL EQUITY	887.5	977.5

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE GRUPO SECURITY COMPANIES

# **INMOBILIARIA CASANUESTRA S.A.** (FORMERLY INMOBILIARIA SUCASA S.A.)

#### **TYPE OF COMPANY**

Privately held corporation.

#### TAXPAYER ID NUMBER

76.459.878-4

# REPORTING ENTITIES REGISTRY REPORTING ENTITY

Inmobiliaria Casanuestra S.A. (formerly Inmobiliaria Sucasa S.A.) is a privately held corporation formed by public instrument on April 2, 2015. This company was registered in the SVS Special Reporting Entities Registry under No. 939 on July 9, 2015.

#### **CORPORATE PURPOSE**

The company's corporate purpose is to acquire and build houses in order to lease them with purchase options and engage in all transactions permitted for real estate companies under Law No. 19,281 and its amendments.

#### **GENERAL BACKGROUND**

This recently formed company is designed to help thousands of families throughout Chile be able to purchase their own home. As mentioned, the company was formed on April 2, 2015, and to date has carried out start-up activities and its capital has been invested in the assets necessary to carry out its corporate purpose.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$4,651.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Securitizadora Security S.A. represent 0.42% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

The company's services may possibly be offered to customers of the group's subsidiaries and associates in the future.

#### **BOARD OF DIRECTORS**

#### CHAIRMAN OF THE BOARD

Francisco Silva S.

Chilean National ID: 4.103.061-5

## DIRECTORS

Christian Sinclair M.	Chilean National ID: 6.379.747-2
Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Alberto Apel O.	Chilean National ID: 9.580.963-4
Andrés Tagle D.	Chilean National ID: 5.895.255-9

#### CHIEF EXECUTIVE OFFICER

Fiorella Battilana F.

Chilean National ID: 22.969.140-6



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	12,233.1	9,609.9
Non-current assets	207.6	498.5
TOTAL ASSETS	12,440.7	10,108.4
LIABILITIES		
Current liabilities	7,512.3	6,053.0
Non-current liabilities	0.0	21.9
Total equity	4,928.4	4,033.5
TOTAL LIABILITIES AND EQUITY	12,440.7	10,108.4

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	1,991.3	934.8
Non-operating income (loss)	(854.3)	(1,088.7)
PROFIT (LOSS) BEFORE TAX	1,137.0	(153.9)
Income tax benefit (expense)	(217.0)	88.4
PROFIT (LOSS) FOR THE YEAR	920.0	(65.5)
Profit (loss) attributable to owners of the parent	920.0	(65.5)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(2,949.3)	(3,646.7)
Net cash flows provided by (used in) investing activities	(10.9)	(2.0)
Net cash flows provided by (used in) financing activities	2,523.4	4,123.4
NET INCREASE (DECREASE) IN CASH	(436.8)	474.7
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(436.8)	474.7

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	4,651.3	4,651.3
Share premium		
Other reserves	(25.0)	
Retained earnings (accumulated deficit)	302.2	(617.8)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	4,928.4	4,033.5
Non-controlling interests		
TOTAL EQUITY	4,928.4	4,033.5

# MANDATOS SECURITY LTDA.

#### **TYPE OF COMPANY**

Limited liability company.

#### **TAXPAYER ID NUMBER**

77.512.350-8

#### **SECURITIES REGISTRY**

Mandatos Security Ltda. is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

Carrying out civil mandates related to obtaining background information on third parties.

## **GENERAL BACKGROUND**

Mandatos Security Limitada was formed as recorded in public instrument dated October 5, 2000, signed before notary public Enrique Morgan Torres, by which management and the use of its corporate name was granted to its partner Inversiones Invest Security Ltda. On September 1, 2004, before notary public Linda Scarlett Boschi Jiménez, under notary archive number 4711/2004, the company Global Security Mandatos Limitada was modified and split into Mandatos Security Ltda. and Gestión y Servicios Security Ltda., respectively.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$617.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Mandatos Security Limitada represent 0.00% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Mandatos Security provides processing services to perform background checks for financial products for Banco Security and Factoring Security.

#### **BOARD AND MANAGEMENT**

#### AGENTS:

Renato Peñafiel M.	Chilean National ID: 6.350.390-8
Ramón Eluchans O.	Chilean National ID: 6.464.460-2
Francisco Silva S.	Chilean National ID: 4,103,061-5



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	411.3	693.5
Non-current assets	0.0	451.6
TOTAL ASSETS	411.3	1,145.2
LIABILITIES		
Current liabilities	1,081.4	1,448.9
Non-current liabilities	0.0	0.0
Total equity	(670.1)	(303.7)
TOTAL LIABILITIES AND EQUITY	411.3	1,145.2

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	1,962.1	2,311.3
Non-operating income (loss)	(1,915.3)	(3,243.0)
PROFIT (LOSS) BEFORE TAX	46.8	(931.7)
Income tax benefit (expense)	(413.2)	270.0
PROFIT (LOSS) FOR THE YEAR	(366.4)	(661.7)
Profit (loss) attributable to owners of the parent	(366.4)	(661.7)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	167.5	(210.7)
Net cash flows provided by (used in) investing activities	(33.6)	(30.5)
Net cash flows provided by (used in) financing activities	(542.5)	(37.2)
NET INCREASE (DECREASE) IN CASH	(408.5)	(278.4)
Effect of exchange rate changes on cash	0.0	0.0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(408.5)	(278.4)

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	617.2	617.2
Share premium	0.0	0.0
Other reserves	6.9	6.9
Retained earnings (accumulated deficit)	(1,294.3)	(927.9)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	(670.1)	(303.7)
Non-controlling interests	0.0	0.0
TOTAL EQUITY	(670.1)	(303.7)

# SECURITY INTERNACIONAL SpA

#### **TYPE OF COMPANY**

Simplified corporation

#### TAXPAYER ID NUMBER

76.452.179-K

#### **SECURITIES REGISTRY**

Security International SpA is not registered in the Securities Registry.

#### **CORPORATE PURPOSE**

The company's corporate purpose includes mainly managing for rental purposes all types of assets, whether tangible or intangible, real estate or personal property, on its own or on behalf of third parties, both in Chile and abroad; making permanent or rental investments in all types of companies, whether by forming them or purchasing an interest in already formed companies, and even managing them, in both Chile and abroad; providing corporate management services; disposing of at any title the indicated assets or their natural proceeds or revenue from those assets, whether accrued, pending or having been received at the time of disposal, and exploiting the natural proceeds or revenue from assets acquired by the company.

## **GENERAL BACKGROUND**

The company was incorporated on November 21, 2016, as a simplified corporation named Security Internacional SPA signed before notary public Patricio Zaldívar Mackenna.

#### SUBSCRIBED BUT UNPAID CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH\$27,603.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Security Internacional SPA represent 2.73% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Security Internacional SPA does not have any business relationships with subsidiaries, associates or the parent company Grupo Security S.A.

#### **AGENTS:**

Renato Peñafiel M. Chilean National ID: 6.350.390-8 Francisco Silva S. Chilean National ID: 4.103.061-5



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	407,575.1	267,797.2
Non-current assets	171,462.8	128,953.3
TOTAL ASSETS	579,037.9	396,750.5
LIABILITIES		
Current liabilities	524,510.9	346,820.4
Non-current liabilities	541.5	782.3
Equity attributable to owners of the parent	31,984.7	29,029.1
Non-controlling interests	22,000.7	20,118.7
TOTAL LIABILITIES AND EQUITY	579,037.9	396,750.5

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	16,982.4	16,127.6
Non-operating income (loss)	(15,203.0)	(17,022.4)
PROFIT (LOSS) BEFORE TAX	1,779.4	(894.7)
Income tax benefit (expense)	0.0	0.0
PROFIT (LOSS) FOR THE YEAR	1,779.4	(894.7)
Profit (loss) attributable to owners of the parent	718.0	(769.1)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,061.4	(125.6)

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(19,883.5)	13,126.7
Net cash flows provided by (used in) investing activities	(4,341.2)	(1,422.2)
Net cash flows provided by (used in) financing activities	4,068.5	8,393.3
NET INCREASE (DECREASE) IN CASH	(20,156.2)	20,097.9
Effect of exchange rate changes on cash	2,766.9	(1,797.8)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,389.4)	18,300.0

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	27,603.1	27,603.1
Share premium		
Other reserves	(6,086.8)	(8,324.5)
Retained earnings (accumulated deficit)	10,468.5	9,750.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	31,984.7	29,029.1
Non-controlling interests	22,000.7	20,118.7
TOTAL EQUITY	53,985.4	49,147.8

# **INVERSIONES SECURITY PERÚ S. A.C.**

#### **TYPE OF COMPANY**

Privately held corporation.

#### **CORPORATE PURPOSE**

The company's corporate purpose is to make capital investments in other companies that have been formed or will be formed in the future, either in Peru or abroad, receiving in exchange for those investments a share of the capital, in the form of shares or interests, as appropriate. It also acquires shares or interests issued by existing companies, incorporated in Peru or abroad, either directly or through a stock exchange.

#### **GENERAL BACKGROUND**

The company was formed as a corporation on May 11, 2015, in Lima, Peru. Its current legal address is Av. Santa Cruz 875, Miraflores, Lima.

As of December 31, 2021, the company's capital totals MCH \$23,078 and is distributed as follows:

- · Seguros Vida Security Previsión S.A. 99.999%
- Inversiones Previsión Security Ltda. 00.001%

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled MCH \$23,098.

#### PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Inversiones Security Perú represent 2.39% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Inversiones Security Perú does not have any business relationships with subsidiaries, associates or the parent company.

#### **AGENTS:**

Francisco Silva S. Chilean National ID: 4.103.061-5 Renato Peñafiel Chilean National ID: 6.350.390-8 Carlos Andrés Tagle Domínguez Chilean National ID: 5.895.255-9 Alejandro Alzérreca Luna Chilean National ID: 7.050.344-1 Alfredo Jochamowitz Stafford Foreign

#### CHIEF EXECUTIVE OFFICER:

Pedro Pazos Foreign



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	403,700.8	267,734.3
Non-current assets	171,462.8	128,884.0
TOTAL ASSETS	575,163.5	396,618.3
LIABILITIES		
Current liabilities	524,694.4	350,476.7
Non-current liabilities	541.5	711.1
Equity attributable to owners of the parent	27,926.9	25,311.8
Non-controlling interests	22,000.7	20,118.7
TOTAL LIABILITIES AND EQUITY	575,163.5	396,618.3

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	16,982.4	16,223.7
Non-operating income (loss)	(14,880.5)	(17,063.1)
PROFIT (LOSS) BEFORE TAX	2,101.9	(839.4)
Income tax benefit (expense)	0.0	0.0
PROFIT (LOSS) FOR THE YEAR	2,101.9	(839.4)
Profit (loss) attributable to owners of the parent	1,040.5	(713.7)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1,061.4	(125.7)

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	(19,414.7)	13,183.0
Net cash flows provided by (used in) investing activities	(816.7)	(1,422.2)
Net cash flows provided by (used in) financing activities	(119.8)	8,393.3
NET INCREASE (DECREASE) IN CASH	(20,351.2)	20,154.1
Effect of exchange rate changes on cash	2,754.4	(1,797.8)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,596.8)	18,356.3

STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	23,098.0	23,098.0
Share premium	0.0	0.0
Other reserves	3,579.0	2,004.4
Retained earnings (accumulated deficit)	1,249.9	209.4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	27,926.9	25,311.8
Non-controlling interests	22,000.7	20,118.7
TOTAL EQUITY	49,927.6	45,430.5

# PROTECTA

#### **TYPE OF COMPANY**

Corporation

#### **CORPORATE PURPOSE**

The company is engaged in contracting and managing life and personal accident insurance and annuities, as well as making financial and real estate investments and other related activities within the scope of Law No. 26,702 – The General Law on the Financial System, the Insurance System and the SBS in accordance with provisions issued by the SBS. The company operates in the city of Lima and other provinces in Peru.

In June 2012, according to Resolution No. 3915-2012 issued by the SBS, the company was licensed to function as an insurance company that operates with insurance contracts for life and general risks as well as to engage in reinsurance transactions. As of the date of the financial statements, the company has only engaged in life insurance transactions.

#### **GENERAL BACKGROUND**

Protecta S.A. Compañía de Seguros, is a Peruvian corporation that is a subsidiary of Inversiones Security Perú S.A.C., which holds a 61% interest in its share capital. The company was formed on September 14, 2007, and began operating on December 12, 2007.

The company's legal domicile is Avenida Domingo Orué N°165, Floor 8, Surquillo, Lima, Peru.

#### SUBSCRIBED AND PAID-IN CAPITAL

As of December 31, 2021, subscribed and paid-in capital totaled CH \$30,787.

## PERCENTAGE OF TOTAL GROUP ASSETS

The total assets of Protecta represent 2.23% of the total individual assets of Grupo Security.

## BUSINESS RELATIONSHIPS WITH SUBSIDIARIES, ASSOCIATES AND THE PARENT

Protecta sells life and accident insurance through distribution channels and insurance brokers and annuities through its own sales force.

#### **BOARD OF DIRECTORS**

#### CHAIRMAN:

Alfredo Jochamowitz S. Foreign

#### **DIRECTORS:**

Marino Costa B. Foreign **Miguel Pinasco Limas** Foreign José Luis Manuel Pantoja Estremadoyro Foreign José Miguel Saavedra Ovalle Chilean National ID: 15.642.366-1 Alejandro Alzérreca L. Chilean National ID: 7.050.344-1 Renato Peñafiel M. Chilean National ID: 6.350.390-8 Carlos Tagle D. Chilean National ID: 5.895.255-9 Francisco Silva S. Chilean National ID: 4.103.061-5

#### CHIEF EXECUTIVE OFFICER:

Mario Ventura Verme. Foreign



CLASSIFIED STATEMENT OF FINANCIAL POSITION	2021 MCH\$	2020 MCH\$
ASSETS		
Current assets	408,086.7	272,827.6
Non-current assets	168,241.3	125,786.5
TOTAL ASSETS	576,328.0	398,614.1
LIABILITIES		
Current liabilities	532,786.0	361,622.2
Non-current liabilities	800.5	465.1
Equity attributable to owners of the parent	42,741.5	36,526.8
Non-controlling interests	0.0	0.0
TOTAL LIABILITIES AND EQUITY	576,328.0	398,614.1

STATEMENT OF INCOME	2021 MCH\$	2020 MCH\$
Gross profit	18,296.6	16,223.7
Non-operating income (loss)	(14,186.0)	(16,273.5)
PROFIT (LOSS) BEFORE TAX	4,110.6	(49.7)
Income tax benefit (expense)		
PROFIT (LOSS) FOR THE YEAR	4,110.6	(49.7)
Profit (loss) attributable to owners of the parent	4,110.6	(49.7)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0.0	0.0

CASH FLOWS	2021 MCH\$	2020 MCH\$
Net cash flows provided by (used in) operating activities	17,645.3	29,210.1
Net cash flows provided by (used in) investing activities	(817.3)	(17,510.1)
Net cash flows provided by (used in) financing activities	(1,058.6)	8,393.3
NET INCREASE (DECREASE) IN CASH	15,769.4	20,093.3
Effect of exchange rate changes on cash	2,754.5	(1,797.8)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,523.9	18,295.5

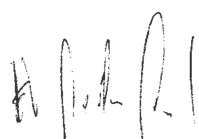
STATEMENT OF CHANGES IN EQUITY	2021 MCH\$	2020 MCH\$
Issued capital	30,787.3	30,787.3
Share premium		
Other reserves	13,030.9	10,246.3
Retained earnings (accumulated deficit)	(1,076.7)	(4,506.9)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	42,741.5	36,526.8
Non-controlling interests	0.0	0.0
TOTAL EQUITY	42,741.5	36,526.8

# **STATEMENT** of Responsibility

# **ANNUAL REPORT 2021**

The undersigned, in their roles as directors and Chief Executive Officer of Grupo Security, domiciled at Av. Apoquindo 3150, floor 15, Las Condes, Santiago, Chile, declare under oath that the information contained in this annual report is a faithful representation of the truth and, therefore, we assume the corresponding legal liability.

FRANCISCO SILVA SILVA CHILEAN NATIONAL ID: 4.103.061-5 CHAIRMAN



HERNÁN DE LAS HERAS MARÍN CHILEAN NATONAL ID: 6.381.765-1 DIRECTOR

JUAN CRISTÓBAL PAVEZ RECART CHILEAN NATIONAL ID: 9.901.478-4 DIRECTOR

BRUNO PHILIPPI IRARRÁZABAL CHILEAN NATIONAL ID: 4,818. 243-7 DIRECTOR



Harrie

JORGE MARÍN CORREA CHILEAN NATIONAL ID: 7.639.707-4 DIRECTOR

NAOSHI MATSUMOTO TAKAHASHI CHILEAN NATIONAL ID: 3/805.153-9 DIRECTOR

HORACIO PAVEZ GARCÍA CHILEAN NATIONAL ID: 3.899.021-7 DIRECTOR

AdeliL-

ANA SAÍNZ DE VICUÑA CHILEAN NATIONAL ID: 48.128.454-6 DIRECTOR

S

MARIO WEIFFENBACH OYARZUN CHILEAN NATIONAL ID: 4.868.153-0 DIRECTOR

**RENATO PEÑAFIEL MUÑOZ** CHILEAN NATIONAL ID: 6.350.390-8 CHIEF EXECUTIVE OFFICER

# **ADDRESSES**

# **BANCO SECURITY AND SUBSIDIARIES**

## MAIN TELEPHONE NUMBER: (56-2) 2584 4000

## SECURITY CUSTOMER SERVICE: (56-2) 2584 4060

SECURITY PHONE: (600) 2584 4040 Monday to Sunday, 24 hours a day

WEB: www.security.cl

EMAIL: banco@security.cl

#### **BANKING EMERGENCIES:**

800 200 717 TO CALL FROM CELLULAR PHONES: (56-2) 2462 2117 Monday to Sunday, 24 hours a day

## TO REPORT A LOST OR STOLEN MASTERCARD

IN CHILE: Call Banking Emergencies line: 800 200 717 To call from cellular phones: (56-2) 2462 2117 Transbank Phone: (56-2) 2782 1386

FROM OUTSIDE CHILE: US and Canada: 1 800 307 7309 Other countries: 1 636 722 7111

# REPRESENTATION OFFICE IN HONG KONG

Suite 2407 - 9 Queen's Road, Central Hong Kong Phone: (852) 9387 1027

# **BRANCHES IN CHILE**

#### HEADQUARTERS (EL GOLF)

Apoquindo 3100 – Las Condes Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (56-2) 2584 3275

#### AGUSTINAS BRANCH

Agustinas 621 – Santiago Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (56-2) 2584 4321

#### CHICUREO BRANCH

Camino Chicureo Km 1.7 – Colina Business hours: 8:00 a.m. – 14:00 p.m. Tel.: (56-2) 2581 5003

#### CIUDAD EMPRESARIAL BRANCH

Av. del Parque 4023 – Huechuraba Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (56-2) 2584 5354

#### EL CORTIJO BRANCH

Av. Américo Vespucio 2760 C – Conchalí Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (56-2) 2581 4831

#### LA DEHESA BRANCH

Av. La Dehesa 1744 — Lo Barnechea Business hours: 8:00 a.m. — 14:00 p.m. Tel.: (56-2) 2584 4673

#### LA REINA BRANCH

Av. Carlos Ossandón 1231 – La Reina Time: 8:00 a.m. – 14:00 p.m. Tel.: (56-2) 2584 3252



#### LOS COBRES BRANCH

Av. Vitacura 6577 – Vitacura Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (56-2) 2581 5516

#### **PROVIDENCIA BRANCH**

Av. Nueva Providencia 2289 – Providencia Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (56-2) 2584 4688

#### PRESIDENTE RIESCO BRANCH

Presidente Riesco 5335, Local 101 – Las Condes Business hours: 8:00 a.m. – 14:00 p.m. Tel.: (56-2) 2584 5072

#### ANTOFAGASTA BRANCH

Av. San Martín 2511 – Antofagasta Business hours: 9:00 a.m. – 14:00 p.m. Tel.: (55) 253 6500

#### **COPIAPÓ BRANCH**

Chacabuco 681, office 1001 – Copiapó Business hours: 8:00 a.m. – 14:00 p.m. Tel.: (52) 235 7210

## VIÑA DEL MAR BRANCH

Av. Libertad 500 Viña del Mar Business hours: 8:00 a.m. – 14:00 p.m. Tel.: Retail Banking: (32) 251 5100 Tel.: Commercial Banking: (32) 251 5128

#### LA SERENA BRANCH

Calle Huanhualí 85, unit 6 La Serena Business hours: 8:00 a.m. – 14:00 p.m. Tel.: (51) 247 7400

#### **RANCAGUA BRANCH**

Carretera Eduardo Frei Montalva 340 local 6 – Rancagua Business hours: 8:00 a.m. – 14:00 p.m. Tel.: (72) 274 6600

#### TALCA BRANCH

Av. Circunvalación Oriente 1055, Local B-2 - Talca Time: 8:00 a.m. – 14:00 p.m. Tel.: (71) 234 4600

## **CONCEPCIÓN BRANCH**

Av. Bernardo O'Higgins 428 – Concepción Business hours: 9:00 a.m. – 14:00 p.m. Tel.: Retail Banking: (41) 290 8003 Tel.: Commercial Banking: (41) 290 8096

### **TEMUCO BRANCH**

Manuel Bulnes 701 – Temuco Business hours: 9:00 a.m. – 14:00 p.m. Tel.: Retail Banking: (45) 294 8423 Tel.: Commercial Banking: (45) 294 8421

#### PUERTO MONTT BRANCH

Guillermo Gallardo 132 – Puerto Montt Business hours: 9:00 a.m. – 14:00 p.m. Tel.: Retail Banking: (65) 256 8300 Tel.: Commercial Banking: (65) 256 8313

GRUPO SECURITY AT A GLANCE CORPORATE GOVERNANCE THE SECURITY CULTURE GRUPO SECURITY COMPANIES

## **CONSOLIDATED SUBSIDIARIES**

## VALORES SECURITY S.A., CORREDORES DE BOLSA

Apoquindo 3150 floor 7 – Las Condes Tel.: (56-2) 2584 4601 Web: www.inversionessecurity.cl Email: sacinversiones@security.cl

#### ADMINISTRADORA GENERAL DE FONDOS SECURITY S.A.

Apoquindo 3150 floor 7 – Las Condes Tel.: (56-2) 2584 4000 Web: www.inversionessecurity.cl Email: sacinversiones@security.cl

# FACTORING SECURITY S.A.

#### SANTIAGO HEADQUARTERS

Apoquindo 3150, Floors 9 y 12, Las Condes Phone: (56-2) 2584 3600 - 2584 3663

### AUGUSTO LEGUÍA BRANCH

Augusto Leguía Norte 100, of. 207, Floor 2 - Las Condes Phone: (56-2) 2584 3856

#### ANTOFAGASTA

Arturo Prat 461, of. 1408 Floor 14 - Antofagasta Phone: (56-55)2 53 65 16

LA SERENA Av. El Santo 1360 Phone: (56-51)2 47 00 30

COPIAPÓ O'Higgins 760, office 706 - Copiapó Phone: (56-52) 2 35 00 13

VIÑA DEL MAR 1 Oriente 1063, Of. 403 Phone: (56-32) 2 76 60 80

## RANCAGUA

Campos 423, Of. 406 Phone: (56-72)2 74 09 90

TALCA 1 North 801, Of. 508 Phone: (56-71)2 34 00 21

## CONCEPCIÓN

O'Higgins 420, of. 21, Floor 2 Phone: (56-41) 2 90 80 50

## LOS ÁNGELES

Lautaro 325, Of. 503, Floor 5 Phone: (56-43) 2 45 00 97

## TEMUCO

Antonio Varas 838, Floor 2 - Temuco Phone: (56-45) 2 94 12 28

### VALDIVIA

Independencia 521, Of. 305, floor 3, Edificio Libertad Phone: (56-63) 2 36 02 90

# PUERTO MONTT

Benavente 405, Of. 601 Phone: (56-65) 2 56 00 20

# SEGUROS VIDA SECURITY PREVISIÓN S.A.

HEADQUARTERS Av. Apoquindo 3150, Floor 8 Phone: (56-2) 2 584 2400

#### LAS CONDES BRANCH

Av. Apoquindo 3131 Phone: (56-2)2 584 2400





## SANTIAGO BRANCH (COMMERCIAL OFFICE)

Badajoz N°45, Floors 3 y 4 Phone: (56-2)2 584 2400

#### ANTOFAGASTA BRANCH

Almirante Juan José Latorre 2280 Phone: (56-55)25 36 600

#### LA SERENA BRANCH

Av. El Santo 1616 Phone: (56-51)24 70 011

# VIÑA DEL MAR BRANCH Av. Libertad 877 Phone: (56-32)27 66 070

**TALCA BRANCH** 4 Oriente 1309 Phone: (56-71)23 40 010

## **CONCEPCIÓN BRANCH**

O'Higgins 420, Floor 3 -Concepción Phone: (56-41)29 08 151

#### **TEMUCO BRANCH**

Antonio Varas 838, Floor 2 - Temuco Phone: (56-45) 940 010

#### PUERTO MONTT BRANCH

Antonio Varas 510, Floor 2 Phone: (56-65)25 60 010

# **TRAVEL SECURITY S.A.**

#### SANTIAGO

HEADQUARTERS

Av. Andrés Bello 2233 oficina 0101, Providencia Phone: (56-2) 2 584 3400

## AIRPORT BRANCH

Aeropuerto Comodoro Arturo Merino Benítez, nivel 3, Pudahuel Phone: (56-2) 2 584 3339

A special thanks to everyone who helped prepare the 2021 Integrated Report, especially the team leading the initiative:

#### **GRUPO SECURITY**

- Javiera Duarte Deputy Sustainability Manager
- Bernardita Jaramillo Brand Manager
- Daniela Salazar ESG Manager
- Ingrid Brandt Brand Manager Media
- Mario Nervi Deputy Corporate Quality Manager
- Cristian Barrera Deputy Transformation Manager

DESIGN AND PRODUCTION INTERFAZ DISEÑO

editing Nexos

PRINTING OGRAMA





