



# W H C

ANNUAL REPORT  
2015

**LEGAL NAME**

Inversiones La Construcción S.A.

**DOING BUSINESS AS**

ILC or ILC Inversiones

**TAXPAYER ID NUMBER**

94.139.000-5

**TYPE OF COMPANY**

Publicly held corporation registered in the Securities Registry of the Superintendencia de Valores y Seguros de Chile (SVS)

**LEGAL ADDRESS**

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**WEBSITE**

[www.ilcinversiones.cl](http://www.ilcinversiones.cl)

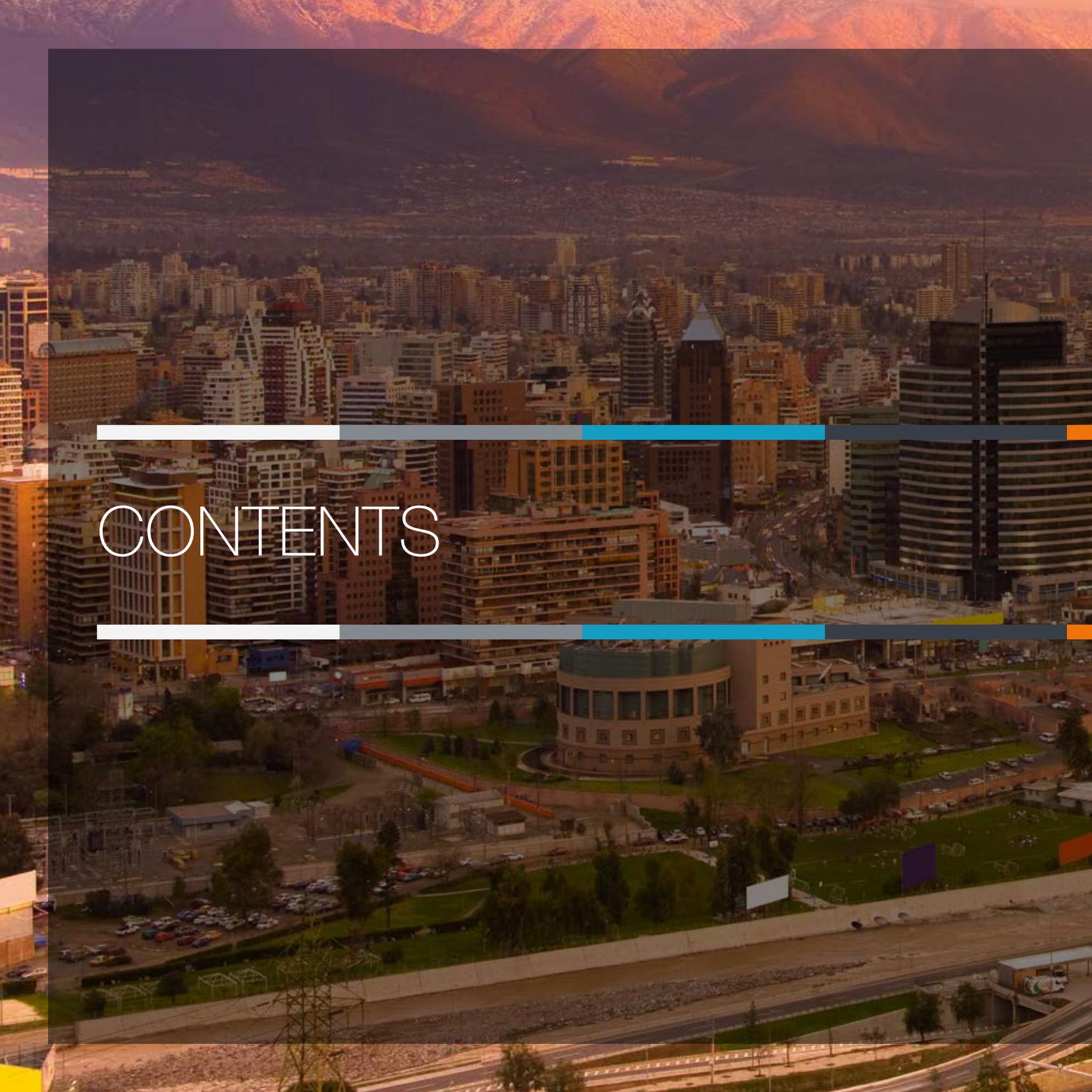
"Inversiones La Construcción S.A." was formed as a privately held corporation under the name "Sociedad de Inversiones y Rentas La Construcción S.A." from the spin-off of the company "Compañía de Seguros La Construcción S.A.", as agreed by its shareholders at the extraordinary shareholders' meeting held on April 29, 1980. The minutes from this meeting were recorded in a public document on October 22, 1980, signed at Santiago's Notary Enrique Morgan Torres. This transaction was approved by the Chilean Superintendency of Insurance Companies, Corporations and Stock Exchanges in ruling No. 642-S dated December 2, 1980. That ruling was recorded in the Commerce Registry of the Santiago Real Estate Registrar in 1980 on page 18,638, number 9,551 and published in the Official newspaper on December 17, 1980. ILC registered its shares with the Chilean Superintendency of Securities and Insurance (SVS) on June 19, 2012.

The financial statements of Inversiones La Construcción S.A. are available to the public at its offices as well as at the SVS.

This is a free translation of the original annual report 2015 in Spanish.



SUPPLIER  
OF KEY  
SERVICES FOR THE  
DEVELOPMENT  
OF THE COUNTRY

An aerial photograph of a city, likely Santiago, Chile, showing a dense urban landscape with numerous high-rise buildings. In the foreground, a large, circular, modern building with a curved facade is prominent, surrounded by green spaces and parking lots. The background features a range of mountains under a hazy sky. The word "CONTENTS" is overlaid in white, uppercase letters, centered horizontally and partially obscured by a horizontal bar with white, grey, blue, and orange segments.

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\* THE PRINTED VERSION OF THIS ANNUAL REPORT DOES NOT INCLUDE THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OR THE MANAGEMENT ANALYSIS, WHICH ARE AN INTEGRAL PART OF THE ANNUAL REPORT. THE FULL VERSION IS AVAILABLE ON OUR WEBSITE ([WWW.ILCINVERSIONES.CL](http://WWW.ILCINVERSIONES.CL)), AT THE "INVESTORS" SECTION.



# 01

## LETTER FROM THE CHAIRMAN

## DEAR SHAREHOLDERS:

It gives me great pleasure to introduce our 2015 Annual Report, on behalf of the Board of Directors of Inversiones La Construcción S.A.

Our economy has been affected by a challenging international environment in 2015, particularly for emerging economies. These conditions impacted variables such as commodity prices, exchange rates, inflation and the national accounts of Latin American countries, which have all affected growth in the region and Chile.

An important factor for Chile has been the uncertainty surrounding a number of structural reforms that had a major effect on the direction and welfare of the Country. We are well aware that Chile needs reforms in certain areas. However, we believe that legislators should introduce conditions that encourage domestic investment and growth, in order to keep the Country on the path to development.

Despite these conditions, ILC was able to increase profits by 4.7% compared to the previous year, by relying on a strategy based on **strengthening and capitalizing** its **subsidiaries**; **increasing the efficiency and scale** of businesses; **growing across the region** in those **industries** where we have an **extensive track record**; and developing our businesses under the principle of **sustainability**.

We **strengthened and capitalized our subsidiaries** in October 2015 when we entered the Chilean banking industry by acquiring 50.9% of Banco Internacional, and 50.1% of Factoring Baninter and Baninter Corredora de Seguros. These acquisitions complement the financial products and services currently provided by our subsidiaries, always aligned with the regulatory framework of each of the industries where we operate. Furthermore, during 2015 we made a capital contribution of UF 1 million in Confuturo,

*THE YEAR 2015 WAS AN INTENSE PERIOD. THE COMPANY COMPLETED SEVERAL MAJOR PROJECTS THAT WILL DEFINE ILC'S FUTURE. THIS ENABLES US TO FACE POSITIVELY YEAR 2016, FULL OF CHALLENGES IN TERMS MANAGEMENT AND CONCOLIDATION, ALWAYS GUIDED BY THE PRINCIPLES ESTABLISHED BY THE CHILEAN CONSTRUCTION CHAMBER THROUGHOUT ITS 65 YEAR HISTORY.*

*IN 2015, ILC POSTED A PROFIT OF CH\$72,482 MILLION, UP 4.7% FROM 2014. THIS FIGURE IS MAINLY THE RESULT OF OPERATIONAL AND FINANCIAL PERFORMANCE OF OUR LIFE INSURANCE COMPANIES.*

in addition to other minor investments in Vida Cámara and Red Salud, with the aim of sustaining growth as well as to improve the financial situation at these subsidiaries.

The **focus on efficiency and scale** required the Company to undertake important initiatives, in particular in the health sector, which sought to counteract the sustained cost increases faced by this industry. Therefore, Consalud and Red Salud have redoubled efforts, with a focus on management and efficiency. As a result, Red Salud reorganized its regional clinics and some of its outpatient centers, in order to improve efficiency over its resources.

Significant **international growth** was achieved in 2015, particularly in **industries** where the **Company has a consolidated presence**. For example, the corporate structure for the partnership with Prudential Financial Inc. in the property of AFP Habitat was approved, which strengthens our position as a pension fund manager in Latin America. During 2015 Habitat began the second tender offer period for the private system in Peru, where we have already achieved a 11.3% market share in terms of members, after two and a half years in operations. Furthermore, the second phase of the tender for Invalidity, Survivor and Funeral Expenses Insurance (SISCO) began, through Vida Cámara Perú.

ILC aims to **develop sustainable businesses**, as we are aware that we provide long-term services that are fundamental for people's wellbeing. We consider this to be not just a challenge, but our indispensable duty. Therefore, our contribution to the nation is reflected in specific initiatives that encourage retirement savings and preventative healthcare. For example, AFP Habitat has the "ABCs of Pensions" Program, which explains how the pension system works. Similarly system, Consalud continued with its "Vive Consalud" program, which consists of several initiatives and benefits that improve health and welfare of our members.

In terms of **results** in 2015, ILC posted a profit of \$72,482 million, up 4.7% from 2014. This figure reflects the better operational and financial performance of our life insurance companies. This can be attributed primarily to the industry growth, due to the changes applied in the discount rates used to calculate annuity reserves. The year 2015 was historic for this industry, as the total market exceeded UF 93,500,000 in premiums, an increase of 32.4% over 2014, with an increase of 28.4% in the preference for annuities over programed withdrawals. During 2015 the average premium reached UF 2,627, 4.7% higher over 2014.

**AFP Habitat** has sustained its second place in terms of market share with respect to affiliates, contributors, assets under management and

voluntary savings in Chile. This reflects the quality of its customer service, which was evidenced by a recent AFP brand image survey conducted by Adimark, where AFP Habitat was selected as the "Best AFP". Finally, the Company was the top performer measured by annual returns for Funds A, B and C in Chile and Fund 2 in Peru.

As a result, revenues at AFP Habitat grew by 9.4% in 2015, mostly due to an increase of 3.3% in its average taxable income in Chile because of commercial efforts during 2015, in addition to the growth achieved by AFP Habitat Peru. Habitat posted profits for the year of \$83,564 million, 11.6% lower than 2014, mainly due to a 45% decline in the profitability of its legal reserves, in response to lower investment returns.

**Inversiones Confuturo** reported profits of \$22,630 million, a 118.9% higher over 2014. Income from premiums grew by 41.6%, while financial income increased by 10.6% with respect to 2014.

We acquired Confuturo and Corpseguros at the end of 2013, and we are proud of the progress we have made since then. During these two years of transition we have grown our results and assets under management, largely due to our employees' dedication as well as to the confidence of thousands of members. To reflect this new spirit, Corpvida was renamed Confuturo in September 2015.



**Vida Cámara** had 250,492 beneficiaries of supplementary health insurances as of December 2015, which was 7.5% higher than 2014. Furthermore, Vida Cámara Perú provides coverage for one of seven SISCO (Invalidity, Survivor and Funeral Expenses Insurance) segments through its second public tender phase.

**Isapre Consalud** operates in the mandatory health insurance market, facing major challenges due to steady increases in costs, higher claims and a poorly defined regulatory framework. During 2015 appellate injunctions increased by 35% in relation to 2014, valued at approximately \$22,000 million, which was almost 60% of the profit reported by private insurers. This situation needs to be urgently addressed, as these resources could be used to improve coverage and reduce annual increases in premiums.

As a result, Isapre Consalud posted a profit of \$5,722 million in 2015, 21.2% lower than in 2014.

Even though revenue incremented by 7.5%, due to an increment of UF 0.9 in the compulsory contribution cap and inflationary indexation of the UF, these effects were overshadowed by an increase of 10.2% in operating expenses.

**Red Salud** is the holding company for our healthcare institutions. The year 2015 was remarkable due to a 32.1% increase in revenues, mostly driven by the Bicentenario and Avansalud Hospitals, in addition to the consolidation of five regional clinics in May 2015.

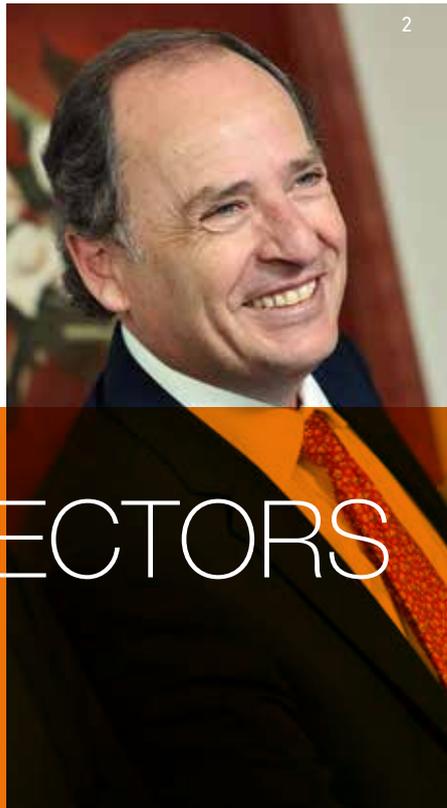
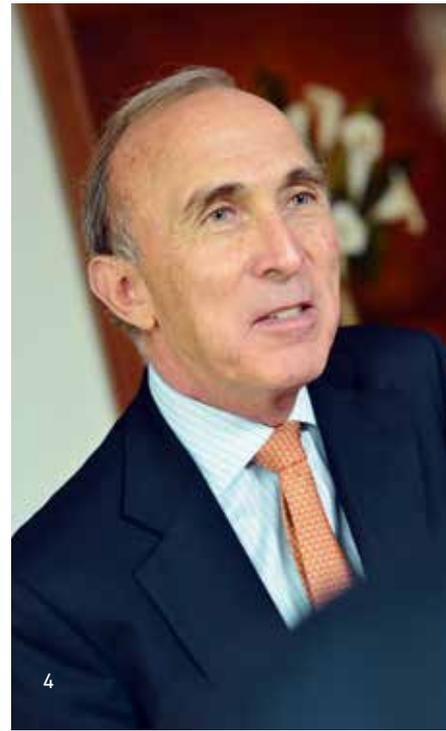
Investment during 2015 continued with the construction of a new building to provide 80 extra beds at the Tabancura Hospital in 2016, in addition to a project that will expand our network of outpatient centers, Megasalud.

Red Salud achieved a profit of \$2,367 million, reflecting an increase of 12.4% over 2014, due to the returns of the substantial investment plan

implemented by this subsidiary during the past five years.

It is important to thank each one of our shareholders for the confidence they have placed in our Board and Management, as well as to thank our 12,900 employees, whose dedication and performance enable both the Company and the Country to progress. We are excited about 2016, as it holds many challenges in the areas of consolidation, management and sustainability. I invite you to look optimistically on this new year, as responsibility and professionalism will enable us to offer a better quality of life for thousands of people in Chile. This is our commitment.

Sincerely,  
Jorge Mas Figueroa



# 02

## BOARD OF DIRECTORS

**CHAIRMAN**

**JORGE MAS FIGUEROA (1)**  
 Chilean Identification Number: 5.347.240-0  
 Date of Birth: December 18, 1948  
 Nationality: Chilean  
 Mining Engineer  
 Universidad de Chile  
 Appointment: September 2014

**VICE-CHAIRMAN**

**DANIEL HURTADO PAROT (2)**  
 Chilean Identification Number: 7.010.350-8  
 Date of Birth: September 20, 1962  
 Nationality: Chilean  
 Civil Constructor  
 Pontificia Universidad Católica de Chile  
 Appointment: August 2012

**INDEPENDENT DIRECTOR**

**RENÉ CORTÁZAR SANZ (3)**  
 Chilean Identification Number: 5.894.548-K  
 Date of Birth: February 29, 1952  
 Nationality: Chilean  
 Business Administration  
 Pontificia Universidad Católica de Chile  
 PhD in Economics from MIT, Boston  
 Appointment: April 2014  
 Chairman of the Directors' Committee

**DIRECTORS**

**PATRICIO BUSTAMANTE PÉREZ (4)**  
 Chilean Identification Number: 5.863.552-9  
 Date of Birth: October 18, 1952  
 Nationality: Chilean  
 Business Administration  
 Pontificia Universidad Católica de Chile  
 Appointment: January 2015

**LORENZO CONSTANS GORRI (5)**  
 Chilean Identification Number: 5.816.225-6  
 Date of Birth: July 10, 1950  
 Nationality: Chilean  
 Civil Constructor  
 Universidad de Santiago  
 Appointment: September 2008  
 Member of the Directors' Committee

**GASTÓN ESCALA AGUIRRE (6)**  
 Chilean Identification Number: 6.539.200-3  
 Date of Birth: December 22, 1955  
 Nationality: Chilean  
 Civil Engineer  
 Pontificia Universidad Católica de Chile  
 Appointment: August 2012

**ALBERTO ETCHEGARAY AUBRY (7)**  
 Chilean Identification Number: 5.163.821-2  
 Date of Birth: May 5, 1945  
 Nationality: Chilean  
 Civil Engineer  
 Pontificia Universidad Católica de Chile  
 Appointment: April 2010

**SERGIO TORRETTI COSTA (8)**  
 Chilean Identification Number: 6.551.451-6  
 Date of Birth: Tuesday, January 17, 1956  
 Nationality: Chilean  
 Businessman  
 Appointment: April 2010  
 Member of the Directors' Committee

**FRANCISCO VIAL BEZANILLA (9)**  
 Chilean Identification Number: 6.400.466-2  
 Date of Birth: July 22, 1954  
 Nationality: Chilean  
 Civil Engineer  
 Pontificia Universidad Católica de Chile  
 Appointment: April 2010



**ILC'S BOARD HAS NINE MEMBERS AS OF DECEMBER 2015, WHO ARE ELECTED EVERY YEAR AT THE SHAREHOLDER'S ANNUAL GENERAL MEETING. THE TECHNICAL PROFILE OF THE BOARD IS SHAPED BY THE EXPERIENCE OF ENTREPRENEURS AND PROFESSIONALS FROM VARIOUS SECTORS, EACH BRINGING COMPLEMENTARY KNOWLEDGE AND SKILLS. SINCE APRIL 2013 AN INDEPENDENT DIRECTOR HAS BEEN INCLUDED ON THE BOARD, IN ACCORDANCE WITH ARTÍCULO 50 BIS OF THE CORPORATIONS LAW, KEEPING NINE MEMBERS ON THE BOARD.**

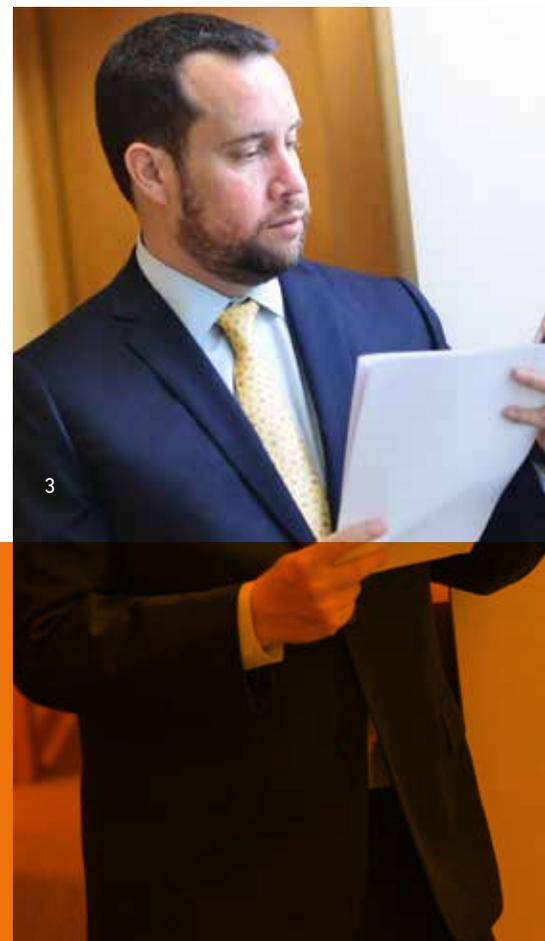
**ILC'S SUBSIDIARIES ARE MANAGED INDEPENDENTLY BY THEIR RESPECTIVE CHIEF EXECUTIVE OFFICER, WHO IS THE LEGAL REPRESENTATIVE, ENSURING THAT THEIR COMPANIES COMPLY WITH THE GUIDELINES AND CONTROLS ESTABLISHED BY THEIR RESPECTIVE BOARDS.**



1

2

# MANAGEMENT



3

**CHIEF EXECUTIVE OFFICER (1)**

PABLO GONZÁLEZ FIGARI  
Chilean Identification Number: 9.611.943-7  
Nationality: Chilean  
Business Administration  
Pontificia Universidad Católica de Chile  
MBA, University of Notre Dame, USA  
Joined ILC on December 1, 2008

**CHIEF FINANCIAL OFFICER (2)**

IGNACIO GONZÁLEZ RECARREN  
Chilean Identification Number: 13.235.095-7  
Nationality: Chilean  
Business Administration  
Universidad de Chile  
MBA, IE Business School, Madrid, Spain  
Joined ILC on May 1, 2012

**COMPTROLLER (3)**

ANDRÉS GALLO POBLETE  
Chilean Identification Number: 9.047.302-6  
Nationality: Chilean  
Business Administration  
Pontificia Universidad Católica de Chile  
Joined ILC on May 12, 2014

**CHIEF DEVELOPMENT OFFICER (4)**

DAVID GALLAGHER BLAMBERG  
Chilean Identification Number:  
15.548.765-8  
Nationality: Chilean  
Business Administration  
Pontificia Universidad Católica de Chile  
MBA, The Wharton School, USA  
Joined ILC on April 15, 2015

**CHIEF ACCOUNTING  
AND ADMINISTRATION OFFICER (5)**

ROBINSON PEÑA GAETE  
Chilean Identification Number: 9.184.681-0  
Nationality: Chilean  
Public Accountant  
Universidad Católica del Norte  
Joined ILC on September 1, 2010

**BOARD ADVISOR:**

LUIS LARRAÍN ARROYO

**LEGAL COUNSELORS:**

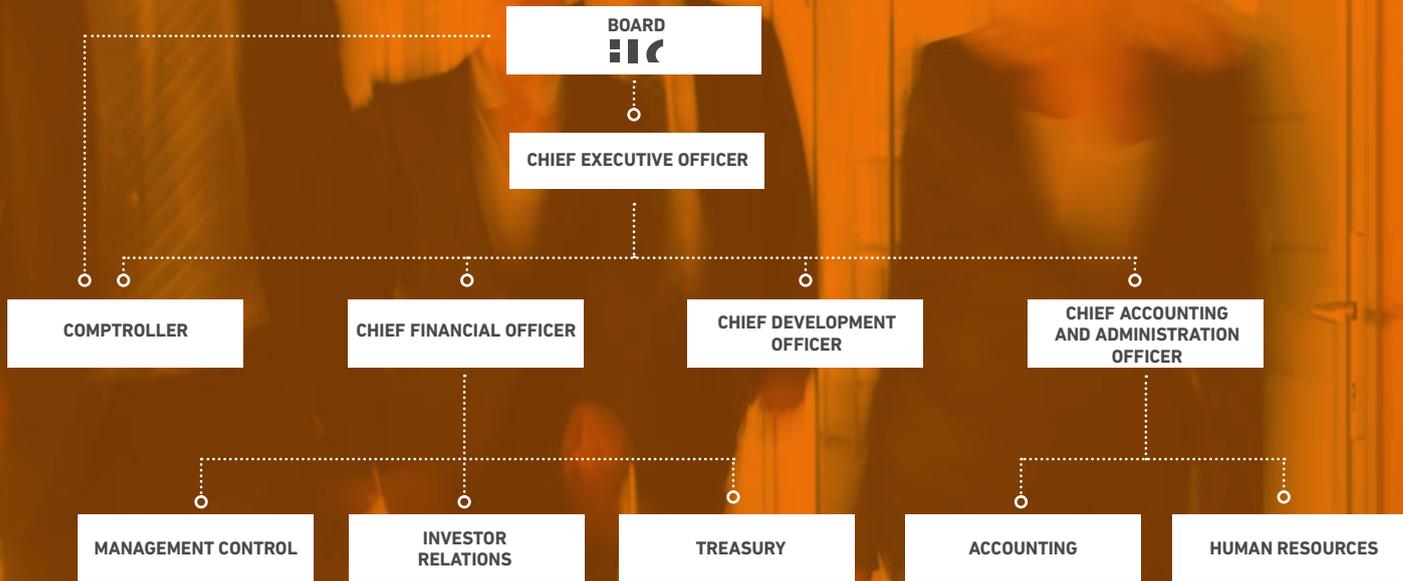
PRIETO Y CÍA. ABOGADOS

**INDEPENDENT AUDITORS:**

DELOITTE AUDITORES Y CONSULTORES  
LTDA.



# ORGANIZATIONAL STRUCTURE



## SALARY GAP

The following graphs show the percentage of gross salary expenses assigned to men and women by type of position:





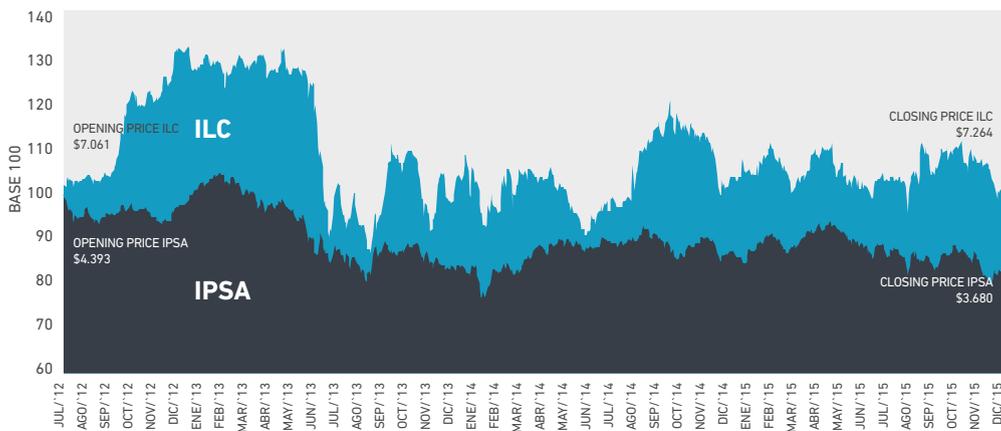
## 03

## ILC AT A GLANCE

*ILC PROVIDES HIGH QUALITY SERVICES IN THE COUNTRIES WHERE IT OPERATES, AIMING TO IMPROVE QUALITY OF LIFE.*

A LEADING  
**PENSION  
AND HEALTHCARE  
PROVIDER**  
IN CHILE

**ILC STOCK VS MAIN CHILEAN STOCK INDEX (IPSA)**



**12,900**

**CONSOLIDATED  
EMPLOYEES**



ILC IS A PUBLICLY HELD CORPORATION REGISTERED ON THE SECURITIES REGISTRY OF THE CHILEAN SUPERINTENDENCIA DE VALORES Y SEGUROS, CONTROLLED BY THE CHILEAN CONSTRUCTION CHAMBER, WHICH OWNS 67% OF THE PROPERTY

## SIGNIFICANT CONSOLIDATED FIGURES FOR 2015

CH\$ 1,591,195

REVENUE (MILLION)



CH\$ 128,028

OPERATING INCOME  
(MILLION)



CH\$ 72,482

PROFIT (MILLION)



14.3%

ROE



CH\$ 7,735,139

CONSOLIDATED ASSETS  
(MILLION)



CH\$ 785,819

TOTAL NET EQUITY  
(MILLION)



216

SHAREHOLDERS



### RISK RATING AGENCIES:

ICR  
CLASIFICADORA DE RIESGO  
AA+

FELLER RATE  
CLASIFICADORA DE RIESGO  
AA+

# MISSION

WE AIM TO IMPROVE THE QUALITY OF LIFE OF ALL CHILEANS, OFFERING EFFICIENT AND ACCESSIBLE SERVICES MAINLY IN THE AREAS OF PENSIONS AND HEALTHCARE, THEREBY CREATING VALUE FOR ALL OUR STAKEHOLDERS, EFFICIENCY AND SUSTAINABILITY.

# VISION

WE WANT OUR SUBSIDIARIES TO BECOME LEADING COMPANIES THAT CAN SUSTAINABLY MEET PENSION AND HEALTHCARE REQUIREMENTS, WHILE CONTINUALLY INCREASING SHAREHOLDER VALUE, WITHIN THE FRAMEWORK, VALUES AND PRINCIPLES ESTABLISHED BY THE CHILEAN CONSTRUCTION CHAMBER.

**PROFIT FOR THE YEAR VS ROE (CH\$ MILLION)**



## BANCO INTERNACIONAL

(CH\$857)

PROFIT\*  
(MILLION)

12,542  
CUSTOMERS

## INVERSIONES CONFUTURO

CH\$22,630

PROFIT  
(MILLION)

94,132  
PENSIONERS

## VIDA CÁMARA

(CH\$4,595)

LOSS (MILLION)

250,492  
SUPPLEMENTARY HEALTH  
INSURANCE BENEFICIARIES

## AFP HABITAT

CH\$83,564

PROFIT  
(MILLION)

1,242,764

AVERAGE  
CONTRIBUTORS  
IN CHILE

672,273  
ACTIVE MEMBERS  
IN PERU

## RED SALUD

14.2

MILLION OF  
SERVICES PROVIDED

CH\$31,324

EBITDA  
(MILLION)

## CONSALUD

CH\$364,878

REVENUE  
(MILLION)

CH\$5,722

PROFIT  
(MILLION)

367,041  
AVERAGE  
POLICYHOLDERS

663,413

AVERAGE  
BENEFICIARIES

DIVIDENDS  
PERCEIVED BY ILC 2015



84.77%  
AFP HABITAT

10.92%  
ISAPRE CONSALUD

4.14%  
RED SALUD

0.17%  
OTHERS

# COUNTRIES WHERE WE OPERATE

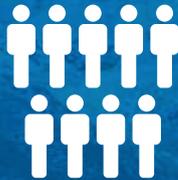


## CHILE

INHABITANTS  
OVER 65  
YEARS OLD  
(% OF TOTAL)  
2013



10%



POPULATION  
2014

17.8  
MILLION



LIFE EXPECTANCY  
AT BIRTH  
2013

81.2  
YEARS



UNEMPLOYMENT  
2015

5.8%



GDP PER CAPITA  
(PPA, 2014)

US\$21,580



NUMBER OF  
HOSPITAL BEDS  
FOR EVERY 1000  
INHABITANTS  
2011

2.1



FORMALITY OF  
EMPLOYMENT 2014

86.4%



# PERU



POPULATION  
2014

**31.0**  
MILLION



LIFE EXPECTANCY  
AT BIRTH  
2013

**74.3**  
YEARS

INHABITANTS  
OVER 65  
YEARS OLD  
(% OF TOTAL)  
2013



**7%**



UNEMPLOYMENT  
2015

**6.2%**



GDP PER CAPITA  
(PPA, 2014)

**US\$11,440**



FORMALITY OF  
EMPLOYMENT 2014

**27.2%**



# 04

## SUSTAINABILITY AT ILC

**ILC participates in areas that provide key long-term services** through its subsidiaries. It aims to continually generate value in a sustainable manner for its members in all its markets. This is not just a challenge, but our indispensable duty.

Furthermore, ILC and its subsidiaries occupy a prominent place in their sectors, as they are leading players within each market. The Company believes that its **pension, savings, insurance and healthcare services** play a fundamental role in the welfare of society and the country.

**ILC aims to contribute, through specific initiatives** in the pension and healthcare sectors. Two programs that specifically make progress in this direction are: "The ABCs of Pensions" and "Vive Consalud".

During 2015, AFP Habitat developed the program "ABCs of Pensions", which contributes to pension education, raising awareness about the importance of saving, and explaining how the pension system works. The program consisted of informative articles published in

Chilean newspapers and television interviews of senior Habitat executives. Some of the topics addressed include: 90% of the population does not know how to calculate their pension; 30% of members do not realize that savings belong to them; the benefits available to independent and dependent employees if they contribute to the pension system; what to do to achieve a desired pension: three recommendations for a comfortable retirement; an additional monthly voluntary contribution of Ch\$90,000 could increase the monthly pension for a woman by up to Ch\$300,000; for every year that retirement is postponed, benefits increase by an average of 7%.

The "Vive Consalud" program encourages a healthy lifestyle through several initiatives and benefits, with the goal of improving the health and wellbeing of its members. The program includes benefits that may be purchased directly or using surplus premiums, such as agreements with gyms, medical packs, weight control plans, and even products such as clinical beds, wheelchairs, etc.



**Conoce el ABC de las Pensiones.**

AFP Habitat y El Mercurio se unen para explicarte el Sistema Previsional de forma fácil.  
Encuentra esta información útil y valiosa en el Cuerpo C, quincenalmente los días domingo.  
Más información en [habitat.emol.com](http://habitat.emol.com)

AFP **HABITAT**  
Seguridad y Confianza



# SOCIAL IMPACT 2015

## AFFILIATES

## EMPLOYEES

## INVESTORS

### CORPORATE GOVERNANCE



### COOPERATION WITH OUR INVESTORS:

- Open-door policy in the Investor Relations Department
- Constant flow of information through public reporting
- Participation in domestic and international conferences

### TEAMWORK:

- 12,900 employees, of whom approximately 65% are women

### CONCERN FOR THE WORKFORCE CLIMATE:

- Employee satisfaction surveys in Habitat, Confuturo, Banco Internacional, Consalud and Vida Cámara

### COMMITTED TO CORPORATE GOVERNANCE:

- Directors' Committee, Investment Committee, Code of Ethics, Manual for handling market sensitive information, Crime prevention model, General policy for routine transactions between related parties, Internal procedures, Health and safety regulations, whistleblower channel.

### DEVELOPING OUR EMPLOYEES:

- Average of 93 hours training per employee in Habitat
- Average of 6 hours training per employee in Confuturo
- Average of 27 hours training per employee in Banco Internacional
- Average of 8 hours training per employee in Consalud
- Average of 11 hours training per employee in Red Salud



#### RESPONSIBILITY FOR OUR AFFILIATES:

- 1.2 million contributors in Habitat
- 109,000 pensioners in Habitat
- 94,000 pensioners in Confuturo and Corpseguros
- 666,000 policyholders in Consalud
- 250,000 beneficiaries of supplementary health insurances in Vida Cámara

#### PASSION FOR SERVICE EXCELLENCE:

- Service Department in Habitat
- Customer Service Department in Consalud
- Customer and Quality Service Committee, Customer Experience Department in Confuturo

#### COMMITTED TO OUR AFFILIATES:

- Habitat Funds A, B and C ranked top in annual returns, where as Funds D and E ranked second in Chile
- Habitat Fund 2 ranked top in annual returns in Peru

#### CONCERN FOR THE WELFARE OF OUR AFFILIATES:

- "ABCs of Pensions" Program
- "Vive Consalud" and "Walking with You" programs
- Consalud Race, with over 12,000 participants in 2015
- Consalud reimbursement of running and mountain bike race registrations

#### BROAD COVERAGE FOR OUR AFFILIATES:

- 26 Habitat branches, 22 mobile branches, 6 service centers and 3 mall stands in Chile
- 5 Habitat branches in Peru
- 19 Confuturo and Corpseguros branches
- 11 Banco Internacional branches
- 31 Consalud branches
- 16 Vida Cámara branches
- 11 hospitals in Chile
- 31 outpatient medical and dental centers

#### IN COMMUNICATION WITH OUR AFFILIATES:

- Habitat, Confuturo, Banco Internacional, Consalud and Red Salud have social network pages, such as Facebook and Twitter, to bring them closer to their members and customers

## 05

## ILC FROM THE BEGINNING

**1980** Sociedad de Inversiones y Rentas La Construcción S.A. becomes the investment vehicle for the Chilean Construction Chamber (CChC). The purpose of the Company is to invest in all kinds of real estate, shares, rights, bonds and other securities, particularly in those issued by social welfare entities, insurers, clinics or hospitals, educational establishments and electronic services.

**1981** ILC is a founding shareholder of AFP Habitat under the new social security system established by Decree Law 3,500. Since then, AFP Habitat has steadily grown to become a market leader.

**1984** A new legal regime for healthcare services enables CChC to form a private corporation called "Instituto de Salud Previsional de la Construcción", better known as Isapre Consalud.

**1985** Compañía de Seguros de Vida La Construcción is created.

**1989** CChC inaugurates its new 36,000 m<sup>2</sup> building located at the corner of the avenues Marchant Pereira and Providencia, in order to manage its growth and to unite under one roof the CChC, AFP Habitat, Isapre Consalud and Compañía de Seguros de Vida La Construcción.

**1996** A partnership between Inversiones La Construcción and Citigroup is formed, called "Inversiones Previsionales S.A." with the aim of jointly control AFP Habitat.

**1997** "Desarrollos Educativos" is created, which plans, creates and operates educational establishments through various subsidiaries.

**2000** Megasalud S.A. is created in November providing outpatient medical and dental care, as a result of the spin-off and amended bylaws of Isapre Consalud.

**2001** ILC enters the e-business through the creation of a platform that manages the purchase and payment of construction materials, called iConstruye.

**2004** The Company divests its insurance business by selling all its shares in Seguros de Vida La Construcción S.A. to Bicecorp.

**2008** Healthcare companies and business units throughout the country were growing strongly. As a consequence, "Red Salud" was created as a parent company to manage and control the healthcare companies and shareholdings related to ILC.

**2009** ILC re-enters the insurance sector to participate in the tender for Disability and Survivor Insurance (SIS) in Chile by acquiring the company RBS (Chile) Seguros de Vida S.A. Later the same year Compañía de Seguros Vida Cámara S.A. is created, and is awarded 28% of the SIS contract for the period July 2009 to June 2010.

**2010** ILC terminates its joint control agreement with Citigroup regarding the property of AFP Habitat. Compañía de Seguros Vida Cámara is awarded 36% of the SIS contract for the period July 2010 to June 2012. Empresas Red Salud inaugurates the expansion of its facilities at the Avansalud Hospital, for an investment of US\$30 million.

**2011** ILC is registered with the SVS and successfully completes its first bond issuance in the market. Compañía de Seguros Vida Cámara enters the health and life insurance market. Red Salud inaugurates the Bicentenario Hospital with floor area of over 62,000 m<sup>2</sup>, which required an investment of US\$100 million.

**2012** ILC successfully completes an initial public offering, raising US\$468 million. This has been the largest IPO in the Chilean stock market

**2013** ILC sells 51% of Desarrollos Educacionales to the British group Cognita. AFP Habitat opens in Peru, after winning the first tender for new members in the private pension system for two years. Vida Cámara bids on Disability and Survivor Insurance in Peru and is awarded two of the seven segments. ILC acquires 67% of Corp Group Vida Chile S.A., indirectly consolidating Compañía de Seguros Corpvida S.A. and Compañía de Seguros Corpseguros S.A.

**2014** The capital of Corp Group Vida Chile S.A. is increased to finance the purchase of the remaining shares of Corpvida S.A. from Mass Mutual (Chile) Ltda. As a result, ILC's shareholding in Corp Group Vida Chile S.A. rises from 67% to 72.42%. Vida Cámara Chile continues to provide coverage under the Disability and Survivor Insurance tender, covering 22% of the male portfolio.

**2015** ILC acquires 50.9% of Banco Internacional and 50.1% of Factoring Baninter S.A. and Baninter Corredora de Seguros Ltda., which enables the Company to enter the Chilean banking market. The Superintendency of Pensions authorizes the structure proposed by ILC to allow Prudential to share ownership in AFP Habitat S.A., with an equal shareholding. This transaction is concluded in March 2016 after the approval from the Superintendency of Pensions and a successful tender offer. Habitat Peru begins its second tender for a two-year period to service individual accounts for new members to the private pension system (SPP). Vida Cámara Peru begins its second SISCO tender in that country, with one of seven segments for two years. Red Salud reorganizes ownership over its regional hospitals, and acquires control of the Elqui Hospital in La Serena, Valparaiso Hospital, Integral Hospital in Rancagua, Mayor Hospital in Temuco and Magallanes Hospital in Punta Arenas. ILC makes significant changes to its life insurance companies: Corpvida and Corp Group Vida Chile become Confuturo and Inversiones Confuturo, respectively. Furthermore, equity at Confuturo is increased by UF1 million.





67%



49%

DESARROLLOS EDUCACIONALES

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

SERVICIOS EDUCACIONALES

33%

ICONSTRUYE

99%

99.9%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

99%

99.9%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

100%

75.48%

INVERSIONES CONFUTURO S.A.

99.9%

99.9%

99.9%

99.9%

99.9%

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99.9%

99.9%

99.9%

100%

INMOBILIARIA ILC SpA

100% (\*\*\*)

ADM DE INVERSIONES PREVISIONALES SpA

100% (\*\*\*)

INV. PREVISIONALES CHILE SpA

100%

BI ADMINISTRADORA SpA

0.01%

99.99%

ILC HOLDCO SpA

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

99.9%

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FACTORIZING BANINTER S.A.

BANCO INTERNACIONAL

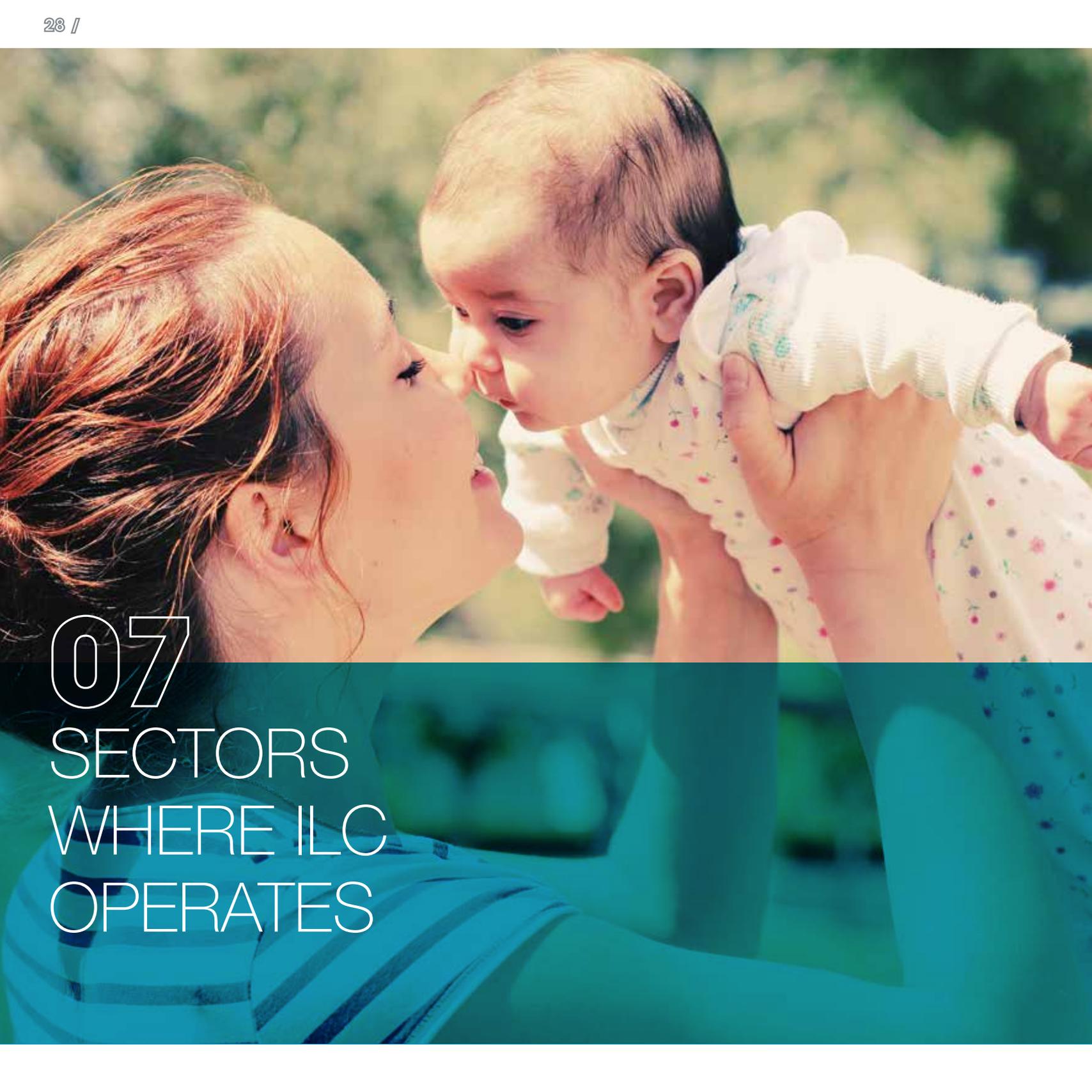
BANINTER CORREDORA DE SEGUROS

(\*) INVESCO LIMITADA OWNS 0.1% OF INVERSIONES MARCHANT PEREIRA LIMITADA.

(\*\*) ILC OWNS 0.1% OF SOCIEDAD EDUCACIONAL MACHALI S.A..

(\*\*\*) INVERSIONES LA CONSTRUCCION S.A. OWNS 0.16% OF VIDA CAMARA PERU.

(\*\*\*\*) FOLLOWING PRUDENTIAL'S INVESTMENT IN HABITAT IN MARCH 2016, ILC'S INTEREST IN THIS COMPANY WAS MODIFIED.



07

SECTORS  
WHERE ILC  
OPERATES

## NON-INSURANCE BUSINESS\*

## AFP SECTOR

## AFP HABITAT

ILC has participated in the pension market since 1981 through its 67.48% stake in AFP Habitat. This industry administers individual pension funds related to mandatory retirement savings and voluntary retirement savings, which includes the voluntary retirement savings account (APV) and the voluntary savings account (CAV). Furthermore, it pays pensions under scheduled and temporary withdrawal programs.

## BANKING SECTOR

## BANCO INTERNACIONAL

ILC acquired control over 50.9% of Banco Internacional in October 2015. This company is focused on financing small and medium-sized enterprises.

## ISAPRE SECTOR

## CONSALUD

ILC controls 99.9% of Isapre Consalud, which was formed in 1984 with the aim of insuring medical costs. Isapre Consalud now has individual and group plans, plus a range of supplementary insurance policies to enhance healthcare coverage and meet affiliate's requirements.

## HEALTHCARE SECTOR

## RED SALUD

ILC controls 89.9% of Empresas Red Salud, which is a leading private provider of healthcare in hospitals and outpatient centers in the country, with a network of 31 medical centers, 10 hospitals and 1 associated hospital.

## OTHER SECTORS

NAHUELCURA SCHOOL / ICONSTRUYE / OTHER INVESTMENTS / FACTORING BANINTER / BANINTER CORREDORA DE SEGUROS

ILC participates in the educational and information technology sectors, through its stake in the Nahuelcura School in Machalí and IConstruye, respectively.

ILC strengthened its involvement in the financial sector by acquiring 50.1% of Factoring Baninter and Baninter Corredora de Seguros in October 2015.

Additionally, the Company has a financial investment portfolio of approximately Ch\$55,436 million and rental property valued at approximately Ch\$12,708 million, comprising land and office buildings.

## INSURANCE BUSINESS

## INSURANCE SECTOR

## INVERSIONES CONFUTURO / VIDA CÁMARA

ILC has been involved in the life insurance sector since November 2013, and it currently owns 75.48% of Inversiones Confuturo, which owns Confuturo and Corpseguros, which focuses on annuities and life insurances.

Moreover, the Company owns 99.9% of Compañía de Seguros Vida Cámara, focusing initially on Disability and Survivor insurances. Vida Cámara began to sell supplementary health insurances in 2011, in order to expand its portfolio of life insurance products.



\* ILC finalized the process of taking over control of Banco Internacional, Factoring Baninter and Baninter Corredores de Seguros. This was disclosed as a material event on October 30, 2015. These businesses were consolidated into ILC from November 2015, and reported within its non-insurance sector on a transitory basis. As of March 2016, these companies are reported within a new business sector in ILC: Banking.

## CONSOLIDATED RESULTS

ILC achieved a consolidated profit of \$72,482 million as of December 31, 2015 recording an increase of 4.7% over 2014, which was \$69,218 million.

Its non-insurance businesses achieved a profit of \$78,770 million, which was 12.5% lower than 2014 of \$90,057 million. This decrease is explained by the lower profit at AFP Habitat, despite its 5.2% increase in operating income, as it suffered reduced returns on legal reserves, which decreased by 44.9% compared to the previous year. Similarly, Isapre Consalud achieved an increase in its revenues of 7.5%, but this did not compensate for the rise in costs associated with hospital and outpatient services covered and subsidies for medical leave from work, which increased by 10.2% in the year.

Profit before tax, finance costs, depreciation, amortization and returns on legal reserves of the non-insurance sector was \$138,394 million for 2015, which was 8.1% higher than the \$128,046 million posted in 2014. This was the result of the higher operating income at AFP Habitat derived from larger revenues; the gain on the sale of a plot of land belonging to ILC; and the higher operating income at Red Salud, dominated by the operating income from the Bicentenario and Avansalud hospitals, and the addition of the ACR6 group.

The insurance business reported a profit of \$27,276 million, far higher than the \$11,447 million achieved in 2014. This variation was explained by the higher financial margin on annuities and greater financial returns, particularly the result on fixed income, leasing and real estate investments.

### COMPOSITION OF PROFIT FOR THE YEAR

	2015 MCH\$	2014 MCH\$
Operating income - non-insurance sector <sup>(1)</sup>	104,338	96,247
Non-operating income - non-insurance sector <sup>(2)</sup>	(231)	14,551
Operating income - insurance sector <sup>(3)</sup>	23,689	8,305
Non-operating income - insurance sector <sup>(4)</sup>	6,444	1,991
Taxes <sup>(5)</sup>	(28,195)	(19,590)
Loss attributable to non-controlling interests <sup>(6)</sup>	(33,563)	(32,286)
Profit for the year <sup>(7)</sup>	72,482	69,218

(1) Includes the following accounts: Revenues, cost of sales, gains from derecognition of financial assets measured at amortized cost, other income, distribution costs, administrative expenses, marketing expenses, research and development expenses, other expenses, and other gains (losses). Banco Internacional, Factoring Baninter and Baninter Corredora de Seguros were consolidated from November 2015.

(2) Includes the following accounts: Financial income, financial costs, share of profit (losses) of associates and joint ventures, exchange rate differences, gain (loss) from indexed assets and liabilities, gain (loss) arising from the difference between the carrying amount and the fair value of financial assets reclassified at fair value. Banco Internacional, Factoring Baninter and Baninter Corredora de Seguros were consolidated from November 2015.

(3) Includes the following accounts: net interest and indexation income, insurance operating income, insurance operating costs, and operating costs.

(4) Includes the following accounts: other income and costs.

(5) Income tax (non-insurance and insurance).

(6) Profit attributable to non-controlling interests.

(7) Profit attributable to owners of the parent company.



## OPERATING RESULTS

### AFP Sector:

This sector includes AFP Habitat (Chile and Peru), whose operating income rose by \$4,115 million, or 5.2% compared to 2014. This is due to an increase of 9% in income from fees (+\$13,147 million), from an increase in the average base income of contributors, larger balances of voluntary savings under management and pensions paid, which offset the decrease in the number of contributors in Chile. This increase in income from fees exceeds the rise in administrative expenses of \$10,438 million, explained by a larger sales force, advertising campaigns, deployment of mobile branches and IT expenditures.

### ISAPRE Sector:

This sector includes Isapre Consalud, whose operating income fell by \$756 million, or 11.0% compared to last year. This was due to the 10% increase in operating costs (+\$29,301 million), associated with the higher use of hospital and

outpatient services, as well as subsidies for labor leave. The foregoing was partly offset by the 8% increase in operating income (+\$25,563 million) due to an increase in the number of policyholders, contribution increases for CPI indexation and an increase in the compulsory contribution cap. Administrative expenses rose due to increases in staffing, additional expenditures related to legal issues, leases, advertising and IT.

### Insurance Sector:

This sector includes Inversiones Confuturo S.A., Confuturo S.A., Corpseguros S.A and Vida Cámara S.A. (Chile and Peru), providing individual, group and pension insurance. Operating income rose by \$15,404 million compared to 2014, due to increased premiums associated with annuities, which achieved higher profit margins and investment volume, particularly in returns on fixed income, leasing and real estate investments.

### Healthcare Sector:

This sector includes Red Salud, whose operating income increased by 24.9% compared to the previous year. This was due to the higher operating income from the Avansalud and Bicentenario Hospitals (+\$2,086 million), and the consolidation of the ACR6 hospital group (+\$3,723 million). Sixteen beds were added to the adult Intensive Care Unit (ICU) at the Bicentenario Hospital to improve the quality of hospital care. All the above compensates for the lower operating income at Megasalud and the Tabancura Hospital, which fell by \$2,618 million. There was also an increase of \$1,077 million in administrative expenses at the holding of Red Salud, due to increased staffing and expenditures on office refurbishments, leases and external consultants.

**Banking Sector:**

This sector includes operating income for Banco Internacional, which was consolidated in November 2015. This sector reported a loss of \$2,427 million. Operating income includes: net interest and indexation income, net fee and service income, net financial operating income, net gains on foreign exchange transactions, credit risk provision expenses and operating support costs.

**Other Sectors:**

This segment includes Sociedad Educacional Machalí S.A., Iconstruye S.A., operating costs for the parent company and real estate properties. Operating income for Factoring Baninter S.A. and Baninter Corredores de Seguros Ltda. was consolidated with effect from November 2015, reporting a loss of \$893 million. Operating income rose by \$4,022 million compared to last year, due to the sale of land belonging to the parent company, and the higher operating income of iConstruye.

**COMPOSITION OF OPERATING RESULTS BY SECTOR**

	2015 MCHS	2014 MCHS
AFP Sector	82,856	78,741
ISAPRE Sector	6,090	6,847
Insurance Sector	23,161	7,757
Healthcare Sector	15,657	12,538
Banking Sector*	(2,427)	0
Other Sectors	2,691	(1,331)
Operating Results	128,028	104,552

\* November and December 2015 only

**NON-OPERATING INCOME****AFP Sector:**

This sector includes AFP Habitat (Chile and Peru), whose non-operating income decreased by \$14,341 million, or 39.8% compared to the previous year. This was mainly explained by a reduction in its financial income, due to the decline in the returns of its legal reserves.

**ISAPRE Sector:**

This sector includes Isapre Consalud, whose non-operating income decreased by \$881 million, or 34.8% over the previous year, due to a decrease in its financial income.

**Insurance Sector:**

This sector includes Inversiones Confuturo, Confuturo, Corpseguros and Vida Cámara (Chile and Peru), providing individual, group and pension insurance. This sector achieved an increase in non-operating income of Ch\$6,458 million compared to 2014, due to the lower effect derived from inflation in debt denominated in UF, and the exchange gains on US dollar denominated instruments.

**Healthcare Sector:**

This sector includes Red Salud. Non-operating income for Red Salud fell by \$799 million, or 7.8% compared with 2014. This was mainly due to the consolidation of the ACR6 Group, which produced a loss of \$951 million, as well as by the higher financial interest and indexation adjustments that amounted \$85 million.

**Banking Sector:**

This sector includes non-operating income for Banco Internacional, which was consolidated with effect from November 2015. Non-operating

income amounted to \$3 million, which includes investments in support companies that paid dividends.

#### Other Sectors:

This sector includes Sociedad Educacional Machalí S.A., Iconstruye S.A., the Group's investment portfolio, and real estate assets. Non-operating income for Factoring Baninter S.A. and Baninter Corredores de Seguros Ltda. was consolidated with effect from November 2015. Non-operating income declined by \$769 million, or 25.3%, which is explained by a lower financial income from ILC'S investment portfolio, as well as by the increase in the financial cost of the parent company. This decrease also includes the effect of consolidating Baninter Corredora de Seguros and Factoring Baninter, which generated a gain of \$1,643 million, principally comprising negative goodwill arising on the business combination of Factoring Baninter S.A.

#### COMPOSITION OF NON-OPERATING RESULTS BY SECTOR

	2015 MCH\$	2014 MCH\$
AFP Sector	21,681	36,022
ISAPRE Sector	1,648	2,529
Insurance Sector	(2,273)	(8,731)
Healthcare Sector	(11,040)	(10,240)
Banking Sector*	3	0
Other Sectors	(3,806)	(3,038)
<b>Non-operating income</b>	<b>6,213</b>	<b>16,542</b>

\* November and December 2015 only

#### COMPOSITION OF ASSETS BY SECTOR\*

	2015 MCH\$	2014 MCH\$
AFP Sector**	507,596	484,012
ISAPRE Sector	101,361	96,866
Insurance Sector	5,390,471	4,852,844
Healthcare Sector	385,605	306,843
Banking Sector***	1,174,742	0
Other Sectors	175,365	100,589
<b>TOTAL ASSETS</b>	<b>7,735,139</b>	<b>5,841,155</b>

\* Assets do not include consolidation adjustments. Only assets consolidated into ILC on the respective dates

\*\* AFP Habitat assets contain goodwill and intangible assets from business combinations

\*\*\* November and December 2015 only

#### COMPOSITION OF LIABILITIES BY SECTOR

	2015 MCH\$	2014 MCH\$
AFP Sector	83,564	86,490
ISAPRE Sector	88,464	86,927
Insurance Sector	5,016,272	4,508,435
Healthcare Sector	262,657	191,660
Banking Sector	1,083,090	0
Other Sectors	415,273	279,520
<b>TOTAL LIABILITIES</b>	<b>6,949,320</b>	<b>5,153,032</b>
Non-controlling interests	278,569	196,994
Equity attributable to owners of the parent company	196,994	491,129
<b>LIABILITIES AND EQUITY</b>	<b>7,735,139</b>	<b>5,841,155</b>
Return on equity	14.3%	14.3%
Net financial debt / Equity	0.85x	0.55x



## MAJOR MILESTONES IN 2015

### **AFP Habitat**

AFP Habitat Peru began its second tender for all new members of the private pension system in Peru in June. This will remain valid until May 31, 2017.

AFP Habitat Peru's fees from members using the mixed fee system are: 0.38% on compensation and 1.25% over assets under management. This is the lowest fee in the Peruvian private pension system.

In November the Superintendency of Pensions approved the proposed partnership structure that enables Prudential to own part of AFP Habitat S.A., having an equal stake with ILC. This operation was successfully completed in March 2016. The transaction included a voluntary tender offer in February 2016, in order to acquire up to 13.1% of the shares of Habitat at a price of Ch\$899.9 per share.

The history of Prudential Financial Inc. has about 140 years. It has now become a global leader in financial services, managing over US\$1,000 billion. It has 49,000 employees and operates in over 40 countries including the United States, Germany, India, China, United Kingdom, Mexico and Brazil.



Through this partnership, the Company aims to strengthen its presence in the Latin American pension market and continue to provide its members with the best service and the latest investment management practices at a global level.

#### **Healthcare**

In April 2015, Empresas Red Salud S.A. transferred its interest in Administradora de Clínicas Regionales Cinco SpA to Mutual de Seguridad, in exchange for a controlling stake in Elqui Hospital in La Serena, Integral Hospital in Rancagua, Valparaiso Hospital, Mayor Hospital in Temuco and Magallanes Hospital in Punta Arenas.

#### **Banco Internacional**

ILC acquired 50.9% of Banco Internacional, Factoring Baninter and Baninter Corredora de Seguros from Baninter in October.

Banco Internacional has been in the banking industry for over 70 years. The company has belonged to Baninter S.A. since 2007 and has assets of over US\$2 billion.

Through this partnership, the Company and Baninter S.A. will benefit from their combined skills and experience. Furthermore, this partnership will enable ILC to provide financial products and services that complement those currently provided by its subsidiaries, always remaining within the regulatory framework for each of the sectors that participates.

#### **Insurance**

In January Vida Cámara Peru began to operate the tender for disability, survivor and funeral expenses insurance, with an offer of 1.35% of the insurable compensation for one of seven segments for two years.

In September, Corpvida was renamed Confuturo. This change aims to reflect the new culture introduced by ILC, emphasizing its focus on innovation. Also, in December the Corp Group Vida Chile holding company was renamed Inversiones Confuturo.

In December, ILC increased the capital of Inversiones Confuturo by UF1,000,000, in order to support the significant growth in premiums experienced during 2015 at its subsidiary Confuturo. This action reduced its leverage and improved its financial situation.

#### **Other Sectors**

During August ILC awarded the tender process for the "Licitation of the Building at the corner of Avenida Bernardo O'Higgins with Avenida Padre Alberto Hurtado, Estación Central", which it owned, generating a gain before tax of Ch\$5,130 million.



08

SUBSIDIARIES



- 8.1 AFP SECTOR
- 8.2 ISAPRE SECTOR
- 8.3 HEALTHCARE SECTOR
- 8.4 BANKING SECTOR
- 8.5 INSURANCE SECTOR
- 8.6 OTHER SECTORS

# 8.1 AFP SECTOR



## MISSION

*WE WANT TO IMPROVE THE QUALITY OF LIFE OF OUR CUSTOMERS, BY PROVIDING AN EXCELLENT PENSION SERVICE*

## VISION

*WE WANT PEOPLE IN CHILE TO BE OPTIMISTIC ABOUT THEIR RETIREMENT, APPRECIATING THE IMPORTANCE OF SAVING*

## HISTORY / MILESTONES 2015

AFP Habitat is a publicly held corporation that was formed in 1981 when the new individual pension system was introduced. The Chilean Construction Chamber was a founding shareholder. ILC controls AFP Habitat through a shareholding of 67.5% as of December 31, 2015.

Following the Pension Reform in 2008, AFP Habitat began to examine new horizons that would allow it to continue growing. In June 2013, AFP Habitat launched operations in Peru by incorporating all new workers who chose the private pension system, after winning the public tender in 2012. The second tender was held in December 2014, with AFP Habitat winning for the second consecutive time, for the period comprehended between July 2015 to May 2017. AFP Habitat is a low cost AFP in Peru and charges a mixed fee of 0.38% on compensation and 1.25% on the balance under management. The number of active members had reached



## IMPORTANT FIGURES 2015

2<sup>ND</sup>

IN MARKET SHARE  
IN TERMS OF CONTRIBUTORS,  
AFFILIATES, ASSETS  
UNDER MANAGEMENT AND  
VOLUNTARY SAVINGS IN  
CHILE

1<sup>ST</sup>

IN ANNUAL RETURNS  
FOR FUNDS A, B AND C IN  
CHILE, AND FUND 2 IN PERU



CHOSEN AS **THE  
BEST AFP**  
ACCORDING TO AN  
ADIMARK STUDY



BRANCHES

26

IN CHILE



BRANCHES

5

IN PERU



8.1



672,273 as of the end of December 2015, which represents a market share of 11.3%, whereas funds under management amounted to \$1,492 million Nuevos Soles (US\$437 million).

In November 2015, the Superintendency of Pensions in Chile approved the proposed partnership structure that enables Prudential to own part of AFP Habitat. The detailed transaction was approved by the Superintendency of Pensions in January 2016, and ILC managed a successful tender offer to acquire 13.1% of the shares of Habitat. ILC and Prudential jointly control Habitat with shareholdings of 40.29% each, since March 2016.

In April 2014, President Michelle Bachelet created the Presidential Advisory Committee on the Pension System, also known as the "Bravo Commission." Its purpose was to study the pension system, perform a diagnosis and prepare proposals to resolve any identified shortcomings. The report was submitted in September 2015, with a total of 58 proposals, which was reviewed by a special ministerial committee.

AFP Habitat supported some of these 58 recommendations, such as increasing individual savings and equalizing the retirement age for men and women.

## PRODUCTS

AFP Habitat participates in the pension industry, which is regulated by Decree Law 3,500 in Chile. It manages pension funds related to compulsory retirement savings and voluntary savings, which include:

- Management of members' compulsory retirement savings
- Management of non-pension voluntary savings (CAV)
- Management of voluntary retirement savings and voluntary group savings (APV and APVC)
- Pension payments under scheduled and temporary withdrawal programs for pensioners

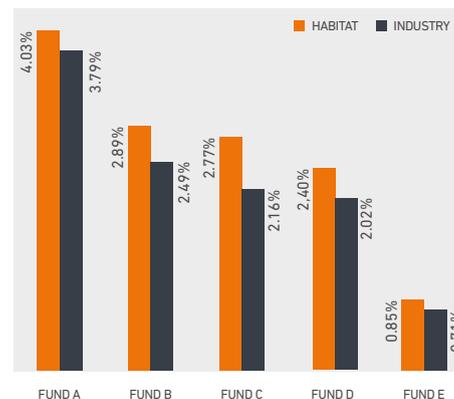
## WHAT CHARACTERIZES AFP HABITAT?

### 1. FOCUS ON PROFITABILITY

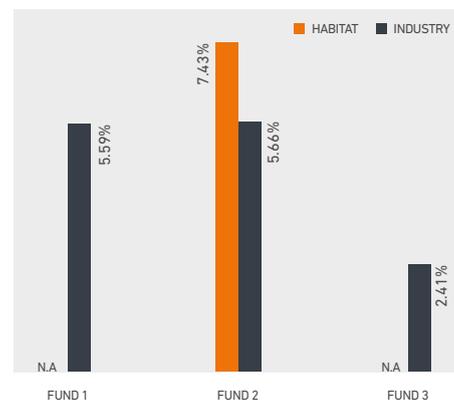
Profitability is one of the key issues that determine the pension that affiliates will receive when they retire, so AFP Habitat selects first-class investments with an extensive track record. As a result, it now leads the profitability rankings for 2015 in its two markets, with first place in 12 month profitability in Chile for its funds A, B and C, with returns of 4.03%, 2.89% and 2.77% respectively; and in Peru for its fund 2, with a return of 7.43% over the last twelve months.



### RETURNS ON FUNDS MANAGED IN CHILE



### RETURNS ON FUNDS MANAGED IN PERU





**1,190**  
EMPLOYEES IN CHILE



**108**  
EMPLOYEES IN PERU



**US\$40.4**  
BILLION OF ASSETS UNDER MANAGEMENT IN CHILE



**US\$0.4**  
BILLION OF ASSETS UNDER MANAGEMENT IN PERU



## 2. WIDE COVERAGE AND SCALE

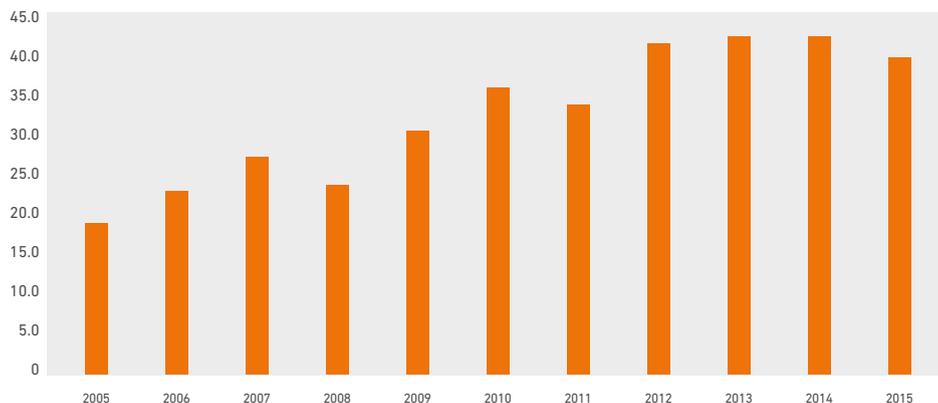
AFP Habitat can be found at 186 localities in Chile, due to its network of 26 branches, 22 mobile branches or Habiexpress, 6 service centers and 3 mall stands in Chile. Furthermore, 13 branches are open to the public on Saturday mornings, to improve customer service. AFP Habitat attended 22 million member consultations through its computer and mobile web site, its call centers and its 22 Habiexpress mobile branches with the aim of improving communication with its affiliates.

Habitat enjoys the greatest member retention rate among all AFPs, in addition to being the second largest AFP in terms of assets under management, affiliates, contributors and voluntary savings.

CONTRIBUTORS TO THE CHILEAN PENSION FUND SYSTEM AS OF DECEMBER 2015



ASSETS UNDER MANAGEMENT BY AFP HABITAT (US\$ BILLION)



8.1



### 3. BRAND VALUE

AFP Habitat has successfully positioned itself in the mind of Chileans. This was reflected in Adimark's study in 2015, which showed that AFP Habitat was perceived as "the best AFP". In addition, it also achieved the first place in attributes such as affiliate care, information provided and quality of service.

### 4. ENCOURAGING SAVINGS

AFP Habitat is aware of the importance of educating people in order to achieve a savings culture. Therefore, in 2015 Habitat developed a pension education program called "The ABCs of Pensions", which teaches in an easy manner the benefits of savings for old age, thereby improving people's understanding of the pension system.

## FINANCIAL RESULTS FOR AFP HABITAT IN 2015

The year 2015 closed with low returns in almost all global equity markets. Despite this situation, pension funds still delivered positive returns. These yields were influenced by selectivity in international investments, as well as by the

appreciation of the US dollar and other currencies against the Chilean peso.

This year was also highly volatile, as a result of the economic situation in China, and the rebalance of this economy towards a higher domestic consumption component, reducing dependence into investment.

Major financial markets reacted negatively to the precipitous decline in the price of crude oil that negatively affected the countries that produce this commodity, including the United States. However, US employment data maintained its upward trend, paving the way for the US Federal Reserve to increase its monetary policy rate from 0.25% to 0.50%; the first rise in 7 years.

Finally, the IPSA fell by 4.43% during the year, in line with world's stock markets. However, the inflation rate remained high during the year at 4.4%, which was beneficial for investments in indexed instruments linked to the UF.

In spite of this global and national scenario, AFP Habitat achieved a profit before legal reserves of Ch\$65,904 million, which represents a growth of 5.5% in comparison to 2014.

Revenues increased by 9.4% compared to 2014. This increase of \$13,147 million is due to an increase in income from fees, both in Chile and Peru. Average income increased in Chile, as a result of the commercial efforts undertaken by Habitat during 2015, as well as the increase in the compulsory contribution limit. Habitat Peru reported an income fee of \$6,786 million, with over 672,273 affiliates as of December 31, 2015, which represents a market share of 11.3% with over US\$438 million in assets under management.

Administrative and sales expenses during the period reached \$68,233 million, showing an increase of 15.2% compared to the previous year. This is explained by an increase in personnel expenses of 21.0%, in particular in the sales area due to increased staffing. Moreover, marketing expenses increased together as did expenses to deploy mobile branches and IT systems.

The company's non-operating income declined by 39.8% compared to the previous year, due to a decline of 45% in the profitability of legal reserves, in response to lower investment returns.



# 8.2 ISAPRE SECTOR



## PROMISE

*ALWAYS CONCERNED FOR YOU, TO PROVIDE YOU WITH BETTER HEALTHCARE BENEFITS AND SECURE FOR YOU THE HEALTH YOU NEED AND THE LIFESTYLE YOU DESIRE.*

## VISION

*CONTRIBUTE TO THE SOCIAL WELFARE OF THE COUNTRY BY PROVIDING PEOPLE WITH ACCESS TO HIGH QUALITY, PROMPT HEALTHCARE SOLUTIONS.*

### HISTORY / MILESTONES 2015

Consalud began in 1983 as a private health corporation that provided medical care. Between 1984 and 1998, Isapre Consalud became a first-class private health network, and installed the latest infrastructure at 33 medical and dental centers throughout Chile.

In 2000, Isapre Consalud was divided into three areas: health insurance, hospital and outpatient healthcare, and support and investment. Consequently, Consalud became a health insurance provider, dedicated exclusively to providing private health plans. Megasalud S.A. was created to provide hospital and outpatient healthcare, and it continues to this day as part of Red Salud. The support and investment area was grouped by business in other companies.

During 2015, 39 group and 56 individual plans were created to provide customers with products tailored to their needs. These included 59 plans designed for women, 17 for families, 9 for couples and 10 exclusively for men. Furthermore, 11 supplementary policies were developed, which include Click Doctor, Child Protection, health coverage when unemployed, free choice catastrophic coverage, prescription drug coverage, etc.

During 2015, a strategic image change was completed, in order to capture attributes such as closeness, modernity, simplicity and transparency.



## IMPORTANT FIGURES 2015

**68**BRANCHES AND  
CUSTOMER SERVICE  
CENTERS**1,950**

EMPLOYEES

**68,800**NEW CONTRACTS SOLD  
DURING 2015**20.0%**MARKET SHARE OF  
CONTRIBUTORS**20.1%**MARKET SHARE OF  
BENEFICIARIES

## 8.2



Isapre Consalud faced major market challenges due to steadily increasing costs, increases in claims and a poorly defined regulatory framework. During 2015, appellate injunctions increased by 35% in relation to 2014, valued at approximately Ch\$22,000 million, which was almost 60% of profit for private insurers this year. Through various channels, Isapre Consalud has contributed proposals to improve the situation for the market and for its policyholders. The company expects that regulatory definitions will be clarified in 2016, given the increases in costs and appellate injunctions that it has faced in recent years.

## PRODUCTS

Consalud sells health insurance solutions, providing plans and supplementary policies that improve protection for its policyholders.

### 1. PLANS:

Free choice, single provider, and preferred provider plans

### 2. SUPPLEMENTARY POLICIES:

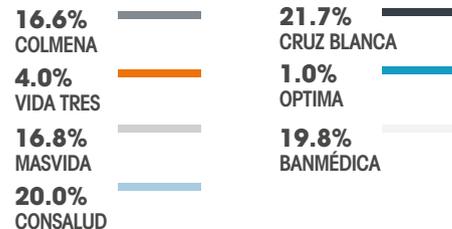
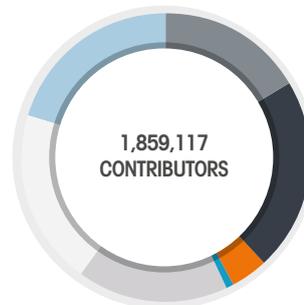
Obtaining stem cells, sports protection, surgery in Santiago, dental coverage, healthcare coverage when unemployed, Child Protection, free choice catastrophic coverage, telephone doctor, family protection, click doctor, prescription drug coverage, travel assistance.

## WHAT DEFINES ISAPRE CONSALUD?

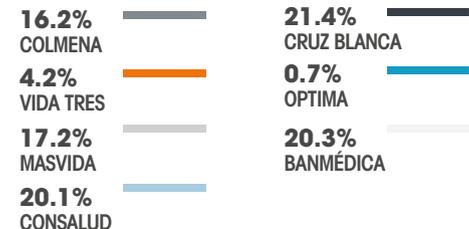
### 1. BROAD MARKET COVERAGE

Consalud is the second largest Isapre in terms of policyholders with a market share of 20.0% among open Isapres; and third in terms of beneficiaries with a market share of 20.1%. With 32 years in business, it has gotten to know its policyholders and their needs very well.

CONTRIBUTORS IN THE OPEN PRIVATE HEALTH INSURANCE SYSTEM AS OF DECEMBER 2015



BENEFICIARIES IN THE OPEN PRIVATE HEALTH INSURANCE SYSTEM AS OF DECEMBER 2015





## 2. FOCUS ON PROVIDING PERSONALIZED, SIMPLE AND CLOSE CARE

Consalud provides differentiated products that empathetically and rapidly respond to the needs of each customer. This mission lays the foundation for its exclusive "Walking with You" program, which supports and advises policyholders with complex diseases, such as heart disease or cancer. Moreover, Consalud currently has an extensive network of services from its 68 branches and service centers, from Arica in the extreme north of Chile to Punta Arenas in the extreme south. Also, the Isapre has a virtual branch to simplify life for its policyholders, allowing them to perform procedures online, such as prepaying or requesting reimbursement for medical care expenses. Finally, Isapre Consalud has a Fan Page on Facebook and a Twitter account, to maintain a constant flow of communication with 85,280 followers.

## 3. FOCUS ON INNOVATION

Consalud is constantly improving the health solutions and benefits it provides for its policyholders. In 2015 Consalud was the first and only Isapre to provide a Stem Cell benefit to all its policyholders, with the possibility of extending this coverage using the "Stem Cell" supplementary plan. In addition, Consalud has supplementary plans that are unique in this market, such as "Child Protection", "Sports Protection" and "Surgery in Santiago". Another initiative developed by Consalud is the "Prepaid Program", which enables elective surgery to be prepaid at a fixed final value, without requiring additional guarantees.

### SUPPLEMENTARY PLANS CURRENTLY PROVIDED BY CONSALUD

Dental Coverage



Stem Cells



Prescription Drug Coverage



Telephone Doctor



Click Doctor



Sports Protection



School Protection



Family Protection



Free Choice Catastrophic Coverage



Free Choice Outpatient



Surgery in Santiago



Travel Assistance



Emergency Protection



Healthcare Coverage when Unemployed



## 8.2



#### 4. ENCOURAGE HEALTHY LIFESTYLES

Consalud has developed initiatives such as its "Vive Consalud" program, which consists of several agreements and benefits that improve the health and wellbeing of its policyholders. The program includes benefits that may be purchased directly or using surplus premiums, such as agreements with gyms, medical packs, weight control plans, and even products such as clinical beds, wheelchairs, etc. In October 2015 the second "Consalud Run" was held in Santiago, and approximately 12,000 people participated. Similarly, Consalud developed the "Running Reimbursement", which subsidizes 50% of the registration fee to enter a race, and is the only Isapre that provides this benefit.

#### FINANCIAL RESULTS FOR ISAPRE CONSALUD IN 2015

During 2015, revenue rose 7.5% in comparison to 2014. This is explained by high inflation, which affects revenue collection from policyholders whose contributions are defined in UF (around 85% of Consalud policyholders). In addition, the average number of policyholders rose by 1.3% compared to 2014, and the compulsory

contribution limit rose from UF 72.3 to UF 73.2, which increased contributions from policyholders earning higher incomes.

However, cost of sales increased by 10.2% over the previous year, due to an increase in the frequency and the average cost of medical services, and the cost of medical leave from work in comparison to 2014. Average hospital care costs increased by 4.2% and the number of hospital services covered by Isapre Consalud increased by 7.3%. In addition, average outpatient care costs increased by 5.1% and the number of outpatient services covered increased by 5.0%. Finally, the cost of medical leave from work increased by 8.1%, while the number of cases of medical leave rose by 7.0%.

Administrative and sales expenses fell by 1.6% in comparison to 2014. As of December 2015, 19,181 appellate injunctions were filed against Consalud concerning adjustments in the base price, compared with 12,156 appeals as of December 2014.

As the increase in revenue was insufficient to offset the rise in operating costs, Isapre Consalud recorded profit of \$5,722 million, which was 21.2% less than in 2014.



# 8.3 HEALTHCARE SECTOR



## MISSION

*HELP PEOPLE TO LIVE LONGER AND BETTER WITH COMPREHENSIVE MEDICAL AND DENTAL CARE FOCUSED ON THE PATIENT AND THEIR FAMILY. OUR COMMITMENT IS TO PROVIDE A WIDE RANGE OF SERVICES, TO HIGH QUALITY STANDARDS, IN ACCORDANCE WITH THE PRINCIPLES AND VALUES OF THE CHILEAN CHAMBER OF CONSTRUCTION*

## VISION

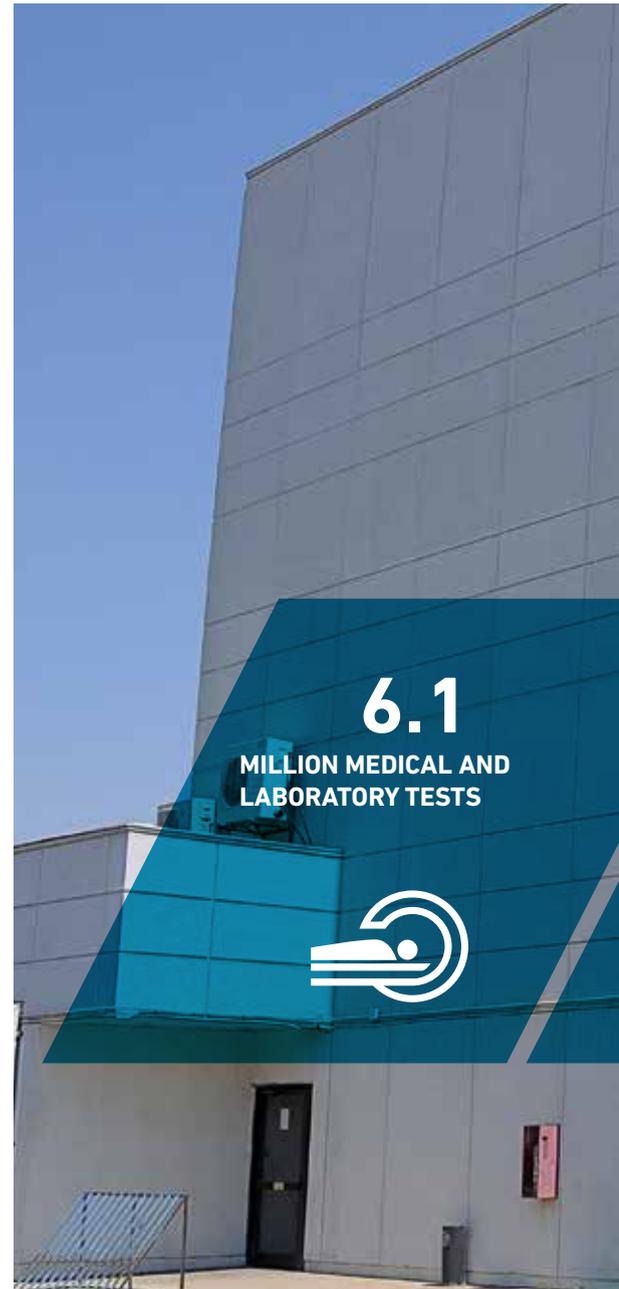
*A NATIONAL BENCHMARK FOR PRIVATE MEDICAL AND DENTAL HEALTHCARE, RECOGNIZED FOR ITS WIDE RANGE OF SERVICES, ITS PRESTIGE, ITS EXCELLENT WORKING ENVIRONMENT, AND ITS CAPACITY TO RESPOND TO THE HEALTHCARE NEEDS OF A LARGE PART OF THE POPULATION*

## IMPORTANT EVENTS IN 2015

Red Salud was incorporated in April 2008, with the objective of developing a national network of healthcare providers. In March 2010 it formed a partnership with Inmobiliaria Clínicas Regionales in order to develop a regional network of healthcare providers.

In May 2011 Mutual de Seguridad became a shareholder, strengthening the Company's financial strategy and complementing each other in infrastructure and healthcare services. In that same year, the Company inaugurated Bicentenario Hospital, one of the largest private healthcare providers in the country. This hospital is located in the Estación Central district, and has approximately 240 beds following an investment of US\$100 million.

Between 2008 and early 2015, management at Red Salud was focused entirely on implementing and commissioning the investment plan initiated in 2008. However, 2015 was a year of change for this strategic focus.



## IMPORTANT FIGURES 2015

10

SUBSIDIARY  
HOSPITALS

1

ASSOCIATED  
HOSPITAL

31

OUTPATIENT CARE  
CENTERS

127,000

DISCHARGES



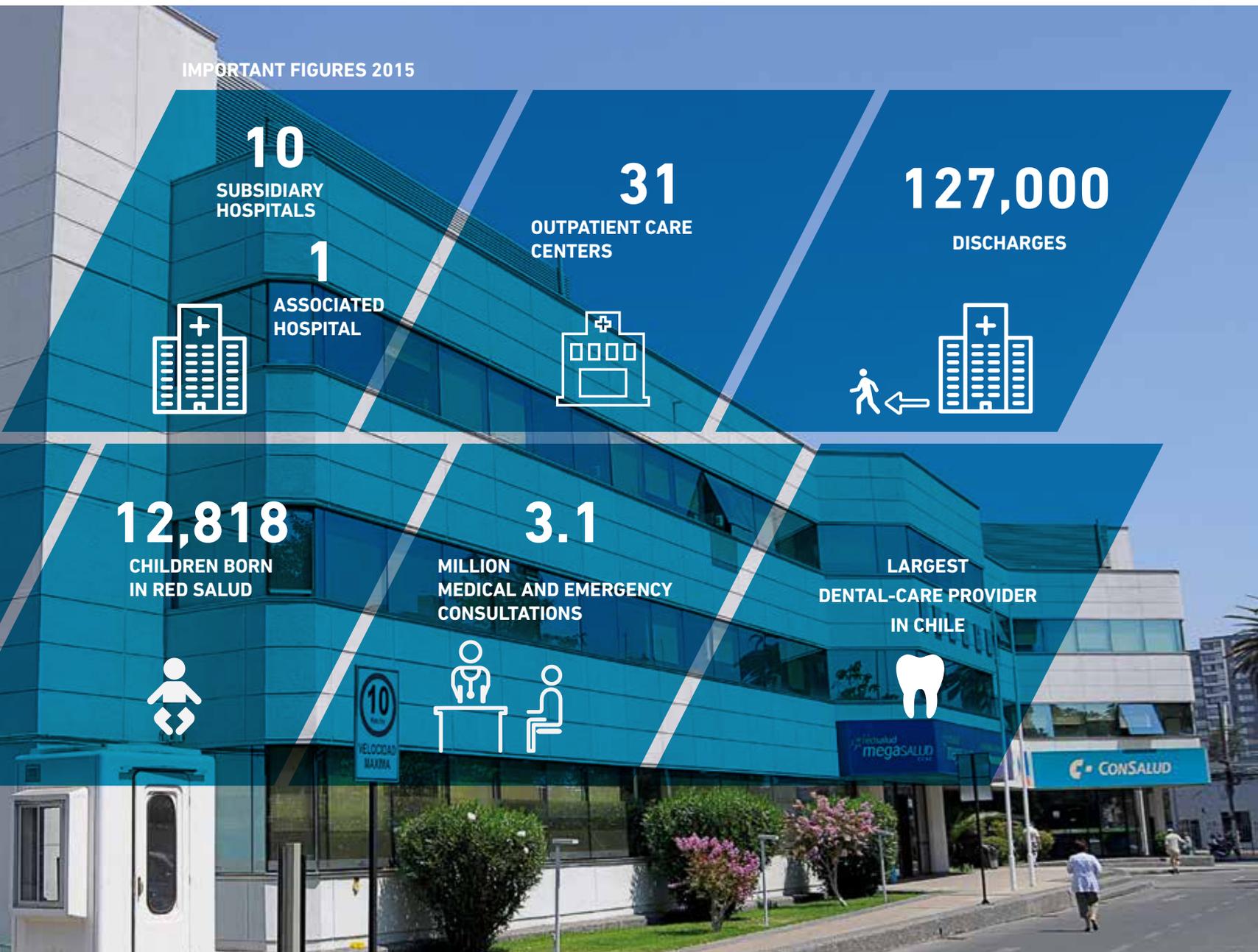
12,818

CHILDREN BORN  
IN RED SALUD

3.1

MILLION  
MEDICAL AND EMERGENCY  
CONSULTATIONS

LARGEST

DENTAL-CARE PROVIDER  
IN CHILE

## 8.3



Firstly, the partnership between Red Salud and the Chilean Safety Association (Asociación Chilena de Seguridad) and Mutual de Seguridad to manage the regional hospitals project was brought to a close during May. As a result of this separation Red Salud became the owner of the shareholdings previously owned by Administradora Clínicas Regionales Dos in the Elqui, Valparaiso, Integral, Mayor and Magallanes hospitals, through its subsidiary Administradora de Clínicas Regionales Seis (ACR6).

Secondly, at the beginning of the second half of the year management at Red Salud underwent changes, and a demanding action plan was implemented that focused on the profitability of the network's hospitals, which was initially focused on drastic cost control and reorganizing the institutional framework by reformulating the management model at both the corporate and subsidiary levels.

During 2015 the strategic focus was on securing profitable returns from the investments made in previous years. The only significant investment was the completion of the expansion project at the Tabancura Hospital, and renewing and improving the Megasalud network, which includes 37 dental clinics, 25 lab testing collection sites, 4 MRI scanners, 4 CT scanners, 8 ultrasound devices, 4 bone density scanners and 2 mammography

units. Avansalud Hospital completed internal restructuring, which released space for 7 new medical surgical beds, transformed 3 medical surgical beds into intermediate treatment beds and increased ICU capacity to 15 critical patient beds. A new Hemodynamics Unit was inaugurated, which will come into full operation during 2016. The completion of the expansion at the Tabancura Hospital and its commissioning in 2016 will mark the completion of the investment program that started in 2009.

Finally, a teaching agreement was reached between the Bicentenario Hospital and Universidad Diego Portales, which transformed the hospital into a clinical field center for the schools of Medicine, Health and Dentistry.

## RED SALUD

Red Salud has an extensive network of outpatient centers and hospitals throughout Chile.

- **Outpatient Care Centers:** Operated under Megasalud, with 31 care centers throughout Chile
- **Private Hospitals in the Metropolitan Region:** Tabancura, Avansalud, Bicentenario and Arauco Salud (as an associated hospital)
- **Private Hospitals in other regions:** Iquique, Elqui in La Serena, Integral in Rancagua, Valparaiso, Mayor in Temuco and Magallanes in Punta Arenas



- **Associated Hospitals:** Viña del Mar
- **Oncosalud:** Oncological network with 11 care centers throughout Chile

## WHAT DEFINES RED SALUD?

### 1. SIZABLE PRIVATE HEALTHCARE PROVIDER IN CHILE

At the close of 2015, Red Salud had 10 private hospitals, 1 associated hospital, 31 medical centers, 885 beds, 814 consulting rooms and 461 emergency consulting rooms throughout Chile; in a network that extends from Arica in the extreme north of Chile to Punta Arenas in the extreme south.

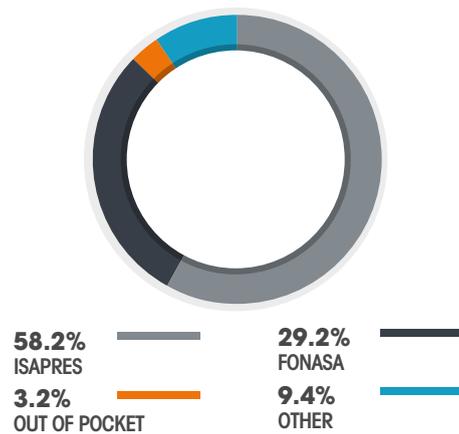
Red Salud is the largest dental-care provider in Chile. In 2015 Red Salud provided 1.7 million dental consultations.



## 2. SERVING ALL SOCIO-ECONOMIC SEGMENTS

An objective at Red Salud is to provide quality medical care to all socio-economic segments, and expand healthcare options for Chileans.

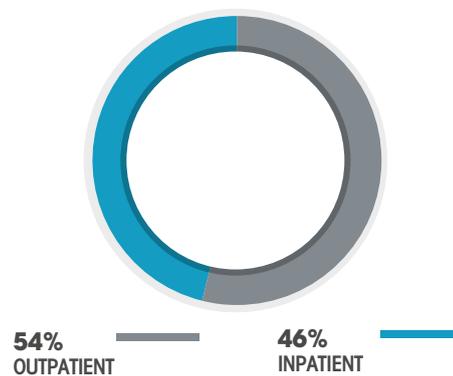
RED SALUD REVENUE BY INSURER



## 3. MEDICAL SOLUTIONS, REGARDLESS OF COMPLEXITY

Red Salud can resolve even the most complex medical issues, using its state-of-the-art facilities and equipment and its experienced medical teams. Red Salud is a comprehensive provider, and strives to improve the health and quality of life of everyone in Chile, by providing every possible medical service.

RED SALUD REVENUE BY SERVICE



8.3



## FINANCIAL RESULTS FOR RED SALUD IN 2015

The increase in operating revenue of 32.1% in 2015 is due to higher revenues in all units, particularly at Bicentenario Hospital 20.4%, Avansalud Hospital 13.4% and Megasalud 5.1%.

Taking control of the five regional hospitals in the ACR6 Group in May 2015 produced an increase in operating revenue of \$46,363 million.

Operating revenue increased significantly in the hospital segment, following the trend towards these services. This segment reported an increase of \$41,871 million compared to 2014, of which \$30,606 million came from consolidating the ACR6 Group, in response to increases in the volume of services provided at these units. \$31,439 million in additional revenue came from the outpatient segment, of which \$15,122 million came from consolidating the ACR6 Group, due to increases in the volume for imaging, dental, laboratory tests, medical consultations and procedures, which represent approximately 96% of the increase for this segment.

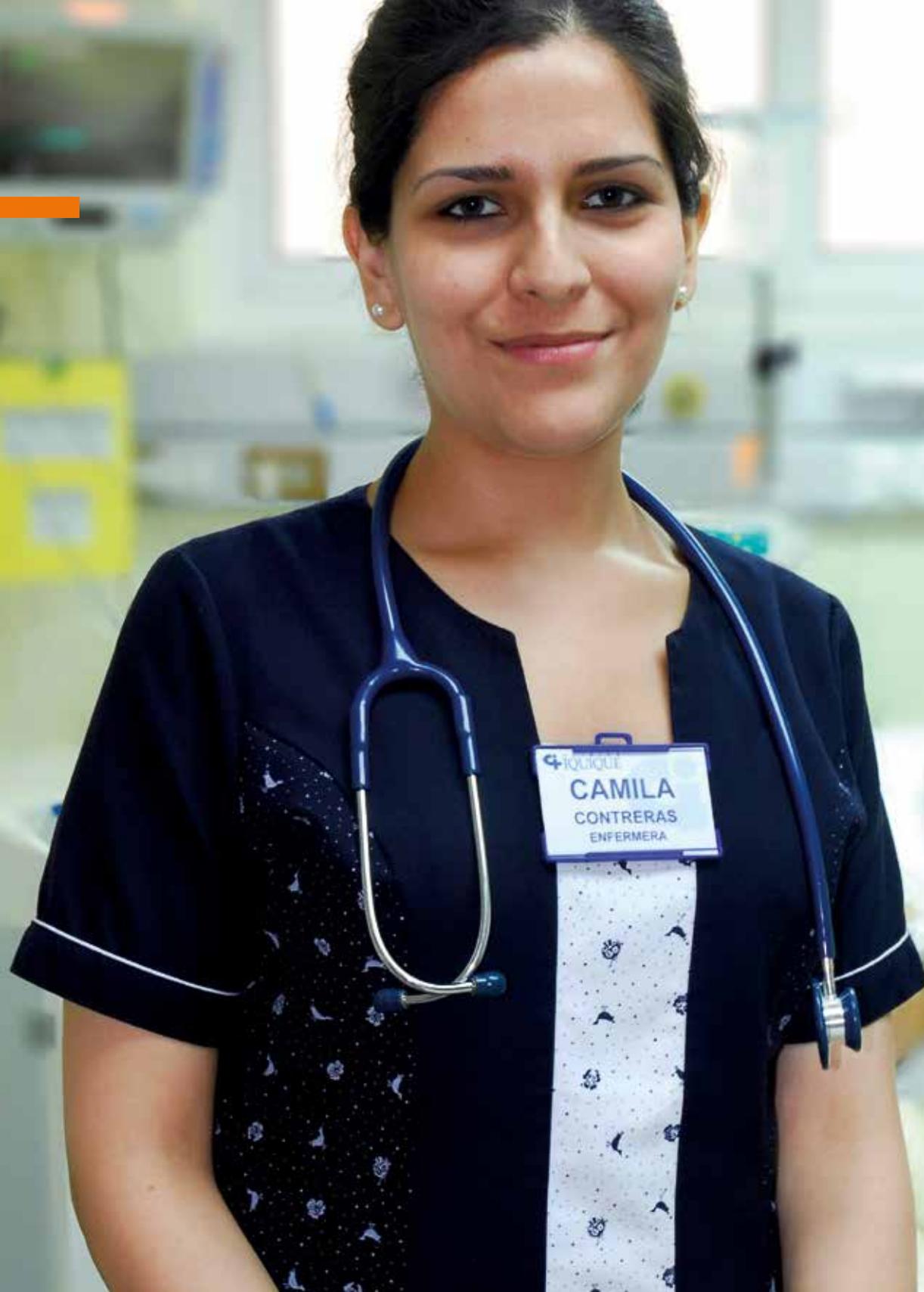
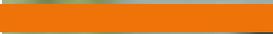
Cost of sales increased by 30.5%, which is directly related to these volume increases, in addition

to taking over control of the ACR6 Group, which resulted in a cost increase of \$35,032 million. The Bicentenario Hospital was the only unit that managed to reduce its costs as a percentage of revenue, from 84.3% in 2014 to 81.7% in 2015.

Administrative and sales expenses increased by 43.4%, largely due to the consolidation of the ACR6 Group, which required additional expenses of \$7,591 million during the period May to December 2015. In addition, higher administrative expenses were incurred during the period, due to an increase in staffing, maintenance expenses and external consultancy services.

The subsidiary posted a non-operating loss of \$11,040 million, an increase of 7.8% compared to 2014. This was essentially due to higher financial costs arising on Red Salud bonds in UF, in addition to \$951 million in non-operating costs associated with consolidating the ACR6 Group in May 2015.

Consequently, the profit for Red Salud was \$2,367 million in 2015, 12.4% higher than the previous year.



 **CAMILA**  
CONTRERAS  
ENFERMERA

# 8.4 BANKING SECTOR



## HISTORY / MILESTONES 2015

Banco Internacional was formed on February 1, 1944, when the Superintendency of Banks licensed Banco Israelita, which opened its doors to the public on July 17, 1944. The bylaws of the institution were reformed in 1981 and it was renamed Banco Internacional.

Years later, in 1989, the Bank launched a strategy focusing on the corporate segment, which remains its main focus to this day. In 2007 the Bank developed new business areas: leasing, factoring, large corporations segment, real estate finance, private banking and retail banking.

In August 2014, ILC signed a Memorandum of Understanding with Baninter S.A., which controlled Banco Internacional, Factoring Baninter and Baninter Corredores de Seguros, with the aim of taking control of this institution. In September 2015 the Superintendency of Banks approved ILC's participation. A takeover bid resulted in the purchase of some of the Bank's shares, and a subsequent capital increase of approximately \$20,000 million was only subscribed to by ILC. As a result, on October 30 the Company owned 50.9% of the Bank. This transaction significantly improved the solvency and capitalization of Banco Internacional.

The arrival of ILC also meant a change in the composition of the Board of Directors and of certain positions in senior management. Therefore, James Callahan and Mario Chamorro took over as Chairman and CEO, respectively. They immediately embarked on a restructuring process, to align the Bank with its new identity and strategic focus.

In keeping with market trends, Banco Internacional launched its mobile banking application in 2015. This enabled companies and individuals to quickly, expeditiously and securely perform banking transactions. Important improvements to credit assessment processes were introduced at the Bank, in order to provide customers with simpler and faster responses. Finally, state-backed guarantees were strengthened, enabling the Bank to provide an improved range of services to small and medium-sized enterprises.

## STRATEGIC FOCAL POINTS FOR 2016

Banco Internacional has established several strategic short-term priorities. These include:

- 1. Improving its position in the small and medium-sized enterprises segment.** Banco Internacional aims to become the best choice for financial solutions, measured by attributes such as service and agility
- 2. Achieving efficiency and profitability indicators similar to comparable banks**
- 3. Strengthening the Bank's culture.** This requires special emphasis on the principles and values of its shareholders and controller, who seek excellence, ethics and team work

## FINANCIAL RESULTS FOR BANCO INTERNACIONAL IN 2015

Banco Internacional posted an operating loss of \$3,320 million for the months of November and December 2015. This result includes net interest and indexation income, net income from fees and services, net financial operating income, gains on foreign exchange transactions, credit risk provision expenses and operating support costs.



IMPORTANT FIGURES 2015

**467**  
EMPLOYEES



**0.94%**  
MARKET SHARE -  
BUSINESS SEGMENT



**0.59%**  
MARKET SHARE - OVERALL



**14.77%**  
BASEL INDEX

**CH\$882,602**  
BILLION  
IN LOANS



**12,542**  
NUMBER OF CUSTOMERS



# 8.5 INSURANCE SECTOR

## INVERSIONES CONFUTURO

### HISTORY / MILESTONES 2015

Inversiones Confuturo, formerly Corp Group Vida Chile S.A., is the holding company that consolidates two life insurance companies Corpseguros and Confuturo. Inversiones Confuturo became part of ILC in November 2013, when it acquired a 67% stake, which in turn consolidated 72.1% of Corpvida and 99.9% of Corpseguros.

In July 2014, ILC carried out a capital increase, to finance the purchase of shares in Corpvida owned by Mass Mutual. As a result, ILC increased its interest in Corp Group Vida Chile S.A. from 67.0% to 72.4%; and Corp Group Vida Chile increased its interest in Corpvida from 72.1% to 100%.

During 2015, the company underwent several changes. The first of these was to rename Corp Group Vida Chile which became Inversiones Confuturo. Secondly, during December 2015, ILC carried out another capital increase in Inversiones Confuturo, for a total of UF1 million. As a result, ILC controls 75.48% of Inversiones Confuturo.

**confuturo**

### MISSION

*SAFEGUARD FINANCIAL SECURITY FOR OUR CUSTOMERS THROUGHOUT THEIR LIFE, THROUGH EXCELLENT SERVICES, PROVIDED BY A HIGHLY COMPETENT AND MOTIVATED TEAM, WHO ALWAYS BEHAVE RESPONSIBLY AND ETHICALLY, WHILE SECURING EXPECTED PROFITABILITY FOR SHAREHOLDERS.*

### VISION

*A BENCHMARK IN THE INSURANCE MARKET, RENOWNED FOR ITS SOLIDITY, RELIABILITY AND TRANSPARENCY, SUPPORTING ITS CUSTOMERS THROUGHOUT THEIR LIVES.*



IMPORTANT FIGURES 2015

19

BRANCHES



829

EMPLOYEES



255,865

INDIVIDUALS INSURED



45,037

PENSIONERS



UF 2,099

AVERAGE RETIREMENT  
ANNUITY PREMIUM



UF 13,2

MILLION  
PREMIUMS COLLECTED



UF 116,5

ASSETS (MILLIONS)



## HISTORY / MILESTONES 2015

Confuturo, formerly Corpvida, began in 1989 when it was formed as Compensa Compañía de Seguros de Vida S.A. In 1996 Corp Group and the US company Mass Mutual International acquired Compensa Compañía de Seguros de Vida S.A. and changed its name to Compañía de Seguros Vida Corp S.A. Four years later it merged with another company within the group called Mass Seguros de Vida S.A., which resulted in Vida Corp becoming one of the soundest life insurance companies in the market. In 2006 it was renamed Compañías de Seguros CorpVida S.A.

Since November 2013, the company has been controlled by ILC, which adopted the strategy of sustainable growth in annuities, insurance and savings. In July 2014, ILC carried out a capital increase, to finance the purchase of shares in Corpvida owned by Mass Mutual, which increased ILC's interest in Corpvida from 72.1% to 100%.

During 2015, the company underwent several changes. The first of these was to change the name from Corpvida to Confuturo. This change aims to reflect the new culture introduced by the new controller, and emphasizes the focus on innovation.

Secondly, during December 2015, ILC carried out a capital increase in Inversiones Confuturo, for a total of UF1 million. At the same time, Inversiones Confuturo carried out a capital increase in Confuturo for the same sum, to support significant premium growth, to reduce its leverage and improve its financial situation.

## PRODUCTS

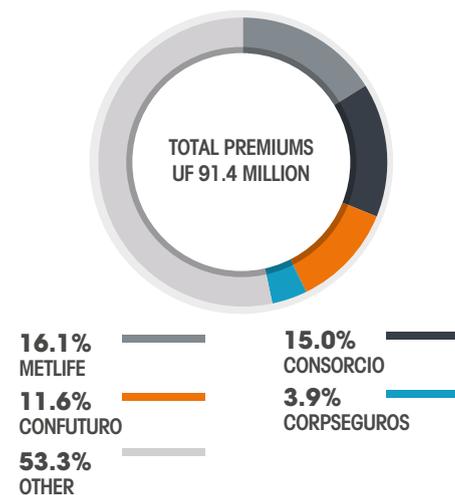
- Life annuities
- Consumer loans for pensioners
- Voluntary retirement savings
- Individual life insurance
- Mass insurance

## WHAT DEFINES CONFUTURO?

### 1. MARKET LEADERSHIP

Confuturo has an important share of the national life insurance market, especially in the annuities segment, where it is third measured by direct premiums. This helps it to better understand its customers' needs, which is essential for improving the quality of life for its pensioners and insured individuals.

### MARKET SHARE OF DIRECT PREMIUMS FOR ANNUITIES AS OF DECEMBER 2015



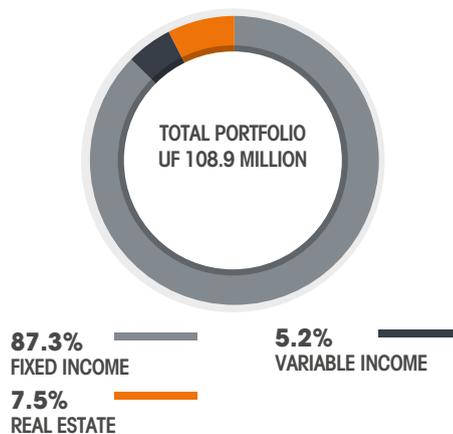


## 2. CONSTANT ATTENTION TO MAXIMIZING THE RETURNS ON FUNDS MANAGED

At the end of 2015, Confuturo managed an investment portfolio of approximately UF 108.9 million (US\$3.9 billion). Therefore, maximizing profitability is vital to achieving the highest returns for its policyholders and shareholders. Confuturo achieves this by employing a team with proven investment experience, who constantly analyze the best investment alternatives, resulting in a portfolio with a conservative and long-term profile.

The ratio of return on investments to investment value was 4.1% at Confuturo and 5.3% at Corpseguros in 2015.

### CONFUTURO INVESTMENT PORTFOLIO BY INSTRUMENT AT THE CLOSE OF 2015



## 3. TECHNOLOGY AND EFFICIENCY FOCUS

Confuturo is constantly innovating and modernizing the insurance market, which is reflected in the improvements and technology it has incorporated into customer services, to respond more efficiently to their needs. Anyone

can purchase products fully online, without being previously registered as a customer. In 2015 Confuturo began to migrate to a system that pays pensions by electronic funds transfer, even offering to provide sight accounts for pensioners who do not have bank accounts. In addition, during 2015 the support platform integration project progressed, to migrate from the ASI system to the SIP system, and in April 2015 the secondary data center was commissioned.

## 4. CUSTOMER FOCUS

Confuturo differentiates its products from those traditionally offered by the market, in order to match the best possible solution to the requirements of each customer, while continually strengthening the advisory role of its sales channels. Therefore, the Company has been running its "Passion for the Customer" program for two years, and created a Customer Experience Department. These initiatives aim to train and motivate the sales force and create a culture where the voice of the customer is continually heard within the organization.

# 8.5 INSURANCE SECTOR

## CORPSEGUROS

### HISTORY

The origins of Corpseguros date back to 2001, when ING Seguros de Vida acquired Aetna, transforming this company into the national market leader with a market share of 15%.

On September 29, 2009, the SVS approved amendments to the bylaws of ING Seguros de Vida S.A. and for it to split, to form ING Seguros de Rentas Vitalicias S.A.

On November 10, 2009, CorpGroup Interhold S.A. bought all the shares in ING Seguros de Rentas Vitalicias S.A. Later that same month, the SVS approved the change in its name to Compañía de Seguros Corpseguros S.A.

In November 2013, ILC became a shareholder and controller of the Company, when it acquired its parent company Corp Group Vida Chile S.A.

### PRODUCTS

- Life annuities
- Consumer loans for pensioners

### FINANCIAL RESULTS FOR CONFUTURO AND CORPSEGUROS IN 2015

The year 2015 was historic for the annuities market, due to changes in standards relating to the discount rate used to calculate reserves, which increased sales and demand for the product.

The market size exceeded UF 93.5 million in premiums, which represents growth of 32.4% with respect to 2014. In 2015, 36,069 pensioners chose annuities, reflecting an increase of 28.4% compared to 2014. During 2015 the average premium for the market was UF 2,627, reflecting an increase of 4.7% compared to the previous year.

Confuturo has an important share of the market, achieving third place in market share measured by total premiums and the number of customers who chose annuities in 2015. Corpseguros achieved its highest revenue over the last 5 years, with an average premium of UF 4,648, the highest average premium in the market for the third consecutive year.

Despite the Chilean economy growing by 2.3% in 2015, the individual life insurance market registered 14% growth in direct premiums. Confuturo achieved particularly high growth of 22% compared to 2014, which was well above the market rate. While its market share for individual insurance grew from 5.8% to 6.2%. Confuturo had the third largest share of the market for voluntary retirement savings insurance, with a share of 14.5%, almost two percentage points higher than its share last year.

During 2015 Confuturo granted 7,561 consumer loans to pensioners, again reaching historic transaction volumes. This represented net loans of UF 199,193, which represents growth of 9.5% over the previous year. Corpseguros granted 13,668 consumer loans, which was a record and net loans were valued at UF 123,757, an increase of 1.6% over 2014.

Finally, during 2015 Confuturo's mass insurance revenue was UF 53,613, as a result of various agreements concluded during 2014 and 2015 with Mutual de Seguridad and Banco Internacional, along with revenue from products with Corpbanca and Condell banks.

During 2015 net insurance revenue at Inversiones Confuturo grew by 41.6%, due to higher volumes and premium values associated with the annuities segment, as a result of a policy change regarding the discount rate used to calculate reserves.

Net interest and indexation income rose by 10.6%, due to a better performance from fixed-income, real estate and leasing investments, in addition to an increase in investment volumes.

However, cost of sales increased by 24.8% compared to 2014, as the volume increase in annuity premiums resulted in higher associated costs, and higher accounting reserves.

Non-insurance income declined by 34.0%, mainly due to reductions in tax credits for the period. Insurance income increased by 245.1%, due to an improvement in associated indexation adjustments and gains from investments in affiliated companies.

Consequently, consolidated profit at Inversiones Confuturo was \$22,630 million, an increase of 118.9% compared to 2014.



IMPORTANT FIGURES CORPSEGUROS 2015

19

BRANCHES



49,095

PENSIONERS



49,229

ANNUITIES PAID



UF4,344

AVERAGE RETIREMENT  
ANNUITY PREMIUM

UF88,3

ASSETS (MILLIONS)



# 8.5 INSURANCE SECTOR



## MISSION

*BE RECOGNIZED FOR EXCELLENT SERVICE QUALITY WITHIN THE INSURANCE INDUSTRY, ASSURING THAT CUSTOMERS FEEL THE DIFFERENCE FROM BEING WITH VIDA CÁMARA*

## VISION

*CONTRIBUTE TO PEOPLE'S WELLBEING THROUGH GROUP HEALTH AND LIFE INSURANCE, BY PROVIDING TRANSPARENT SOLUTIONS WITH HIGH SERVICE STANDARDS, RESULTING IN LASTING AND DEPENDABLE RELATIONSHIPS.*

## HISTORY / MILESTONES 2015

Compañía de Seguros de Vida Cámara began in 2009 following the acquisition of 99.9% of the shares in RBS (Chile) Seguros de Vida S.A. This transaction enabled ILC to enter the insurance sector, with the aim of participating in tenders for Disability and Survivor Insurance (SIS), after the 2008 Pension Reform, which required AFPs to tender such insurance. Later that same year, Vida Cámara participated in the first SIS tender, and was awarded 27% of the total member portfolio in the system. This percentage increased to 36% after the second tender.

In 2011 Vida Cámara progressed by entering the group insurance market, focusing on life and health insurance coverage.



IMPORTANT FIGURES 2015

16

BRANCHES



209

EMPLOYEES



OPERATIONS IN  
CHILE PERU



250,492

SUPPLEMENTARY HEALTH  
INSURANCE BENEFICIARIES



8.5

**Vida Cámara**  
 Construyendo juntos tu Tranquilidad  
 SOMOS CChC

During 2013 Vida Cámara entered the group credit life insurance market, when tenders were invited for group credit life insurance for mortgage and consumer loans in Chile. In 2014, Vida Cámara achieved the leading market share measured by premiums.

During 2014 Vida Cámara Peru was authorized to operate. This year the company provided disability, survivor and funeral expenses insurance (SISCO), after winning two segments from a total of seven.

In 2015, Vida Cámara Peru was awarded one segment from a total of seven following the second SISCO tender process.

## PRODUCTS

Vida Cámara participates in the life and health insurance market, providing its customers with the following products:

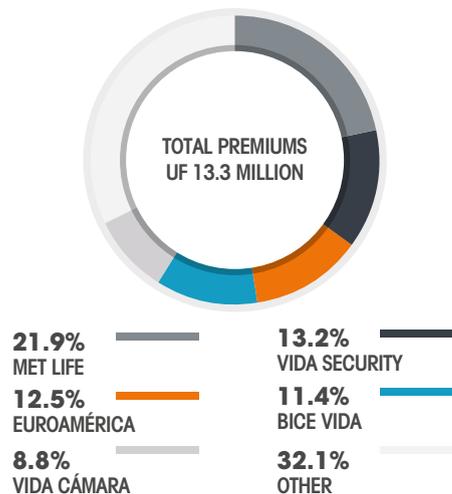
- Disability and survivor insurance (SIS) in Chile
- Disability, survivor and funeral expenses insurance (SISCO) in Peru
- Collective health insurance
- Life insurance
- Collective credit life insurance for mortgage and consumer loans

## WHAT DEFINES VIDA CÁMARA?

### 1. THE SEARCH FOR A SIGNIFICANT MARKET SHARE

This search forces the company to improve its understanding of each customer's requirements, in addition to achieving economies of scale which will improve its operational efficiency. In 2015 the Company provided two SIS segments for men from nine in Chile and one SISCO segment from seven in Peru. The Company had 250,492 supplementary health insurance beneficiaries at the end of 2015, which was 7.5% higher than in 2014. Finally, at the end of 2015 Vida Cámara had 47,648 life insurance policyholders.

### MARKET SHARE BY DIRECT PREMIUMS FOR GROUP HEALTH INSURANCE AS OF DECEMBER 2015



**2. CUSTOMER FOCUS** Vida Cámara aims to differentiate itself within the market based on its service excellence. This will be achieved through an extensive network of 16 offices from Arica in the extreme north of Chile to Punta Arenas in the extreme south, with a 24/7 call center and a web page that can provide each beneficiary with all the information needed. Vida Cámara has achieved a more agile reimbursement service for its members, with 44% of supplementary health reimbursements being paid immediately through the IMED and IMED Dental electronic reimbursement systems or at drug stores.

These achievements are appreciated by the market, which was evidenced in a general service satisfaction survey, where Vida Cámara scored 85.7% in 2015.

### 3. FOCUS ON INNOVATION

The company aims to provide unique products and services through innovation. Currently, the web page can reimburse the cost of outpatient services via web, and has a section to register for credit life insurance.

## FINANCIAL RESULTS FOR VIDA CÁMARA IN 2015

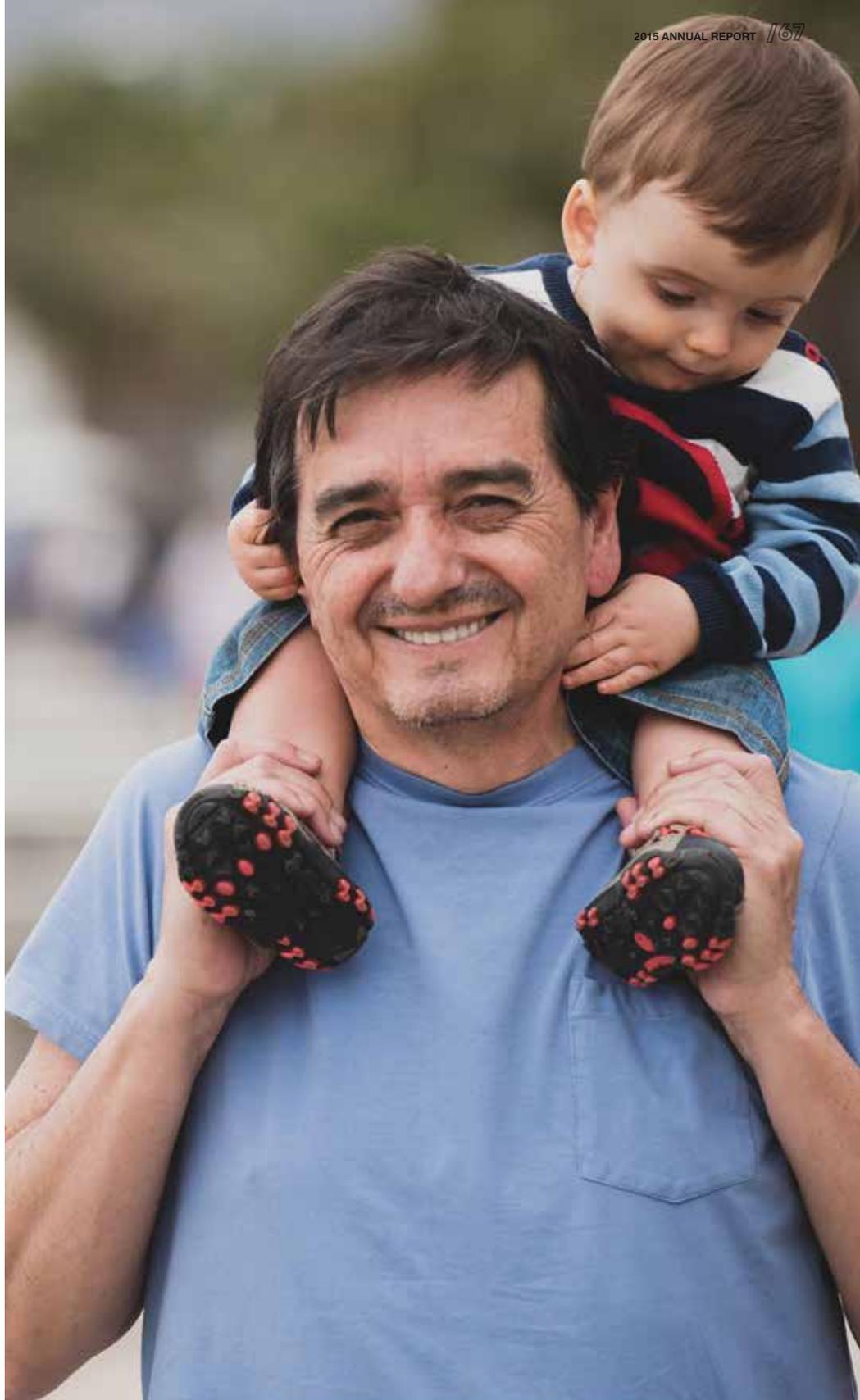
The gross income for Vida Cámara comprises the technical margin and investment income on the SIS and SISCO businesses and life and health insurance in Chile. It fell by 158.3% in 2015 compared to the previous year. This is mainly due to the poor performance of SIS in Chile, as it required higher reserves, experienced higher claims and reported poor returns on its investments.

The poor performance from health insurance is mainly due to an increase in claims, which rose from 79.4% in 2014 to 82.3% in 2015.

Finally, SISCO in Peru reversed its previous result, due to higher rates awarded in the second tender that applied from January 2015, and the release of previous SIS reserves.

Operating costs were reduced by 13.9%, due to a 9% reduction in personnel and administrative costs. This reduction was the result of various initiatives carried out by the Company to control costs and improve efficiency. For example, the reduction in personnel expenses was achieved by outsourcing services related to its health and life products at Vida Cámara Chile.

Consequently, Vida Cámara reported a consolidated loss of \$4,595 million, an improvement of 10.5% in comparison to the previous year.



# 8.6 OTHER SECTORS



COLEGIO  
NAHUELCURA

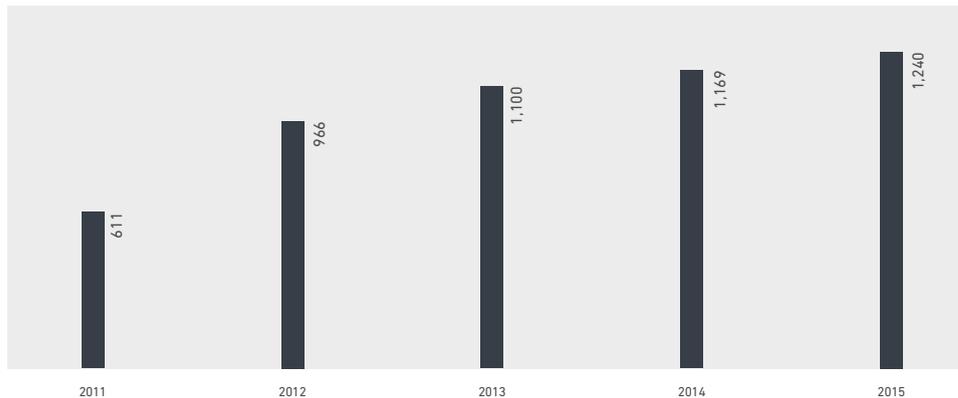
## OBJECTIVES

Nahuelcura School is a subsidized private school with a science-humanities focus located in Machalí, which began to receive students in March 2011, and forms part of the Social Network of the Chilean Chamber of Construction.

The aim of this institution is to provide students with a robust academic and value-based education leaving them with the necessary skills to effectively continue developing in an environment of constant change. It ensures that its students become motivated to learn, as their own

capabilities and strengths develop. Therefore, the school emphasizes the values of honesty and respect as an attainable foundation from the earliest stages of development. Freedom with responsibility drives the school in all its activities and is the basis for the belief that overcoming challenges depends on the student's ability to personally and freely commit to searching for the truth. Finally, at higher stages of critical and moral development are participation, personal improvement, loyalty and a spirit of service. These values are guides that enable students to make correct decisions in their lives and to act accordingly.

## STUDENT ENROLLMENT



## ACHIEVEMENTS OF STUDENTS AND EXECUTIVES DURING 2015

- **Best Score in the Community** and fifth best at a regional level, **Simce - Reading Comprehension** Second grade (299 points)
- **First Place for Robotics and Corporate Social Responsibility**, Technological Scientific Fair, O'Higgins Region
- **First Place for Contribution to an Occupational Health and Safety Culture**, Mutual de Seguridad
- Thanks to efforts by the school's administration, it posted **profit of Ch\$222 million** this year, which reversed the previous year's loss

IMPORTANT FIGURES 2015

57

NUMBER OF TEACHERS



1,240

NUMBER OF STUDENTS



SIMCE

BEST SCORE IN THE  
COMMUNITY  
READING COMPREHENSION,  
SECOND GRADE



# 8.6 OTHER SECTORS



## HISTORY / MILESTONES 2015

iConstruye is an information technology (IT) company that provides technology outsourcing services and electronic solutions, to secure operational savings and improve management for its customers.

iConstruye was formed in 2001 as an ILC IT company, but it only currently owns 32.96%. Its managing partners, CChC and over 50 associates own the remainder.

Through the years, iConstruye has become renowned for its B2B electronic transactions portal for the construction industry in Chile and Colombia, whose purpose is to provide greater efficiency and transparency to the process of buying and selling between companies in this market. The same formula was replicated for electronic governments and B2B for large corporations in Chile, Colombia, Panama and Argentina.

It developed, commissioned and operated Chilecompra for over four years, which is internationally recognized. The success of this project was recognized with the prize for Best e-Business in Latin America awarded at the World Summit on the Information Society held in Geneva in 2003. It was also recognized in Digital Country and by the Santiago Chamber of Commerce in its "Innovation made in Chile 2010" contest.

During 2015, iConstruye achieved a record number of customers. Its electronic invoicing solution also became a leader within that industry and expanded into other markets, such as the industrial and mining markets under the brand name "Agilice".

Furthermore, the Company has developed complementary products to electronic invoicing and a specialized platform for SMEs. This range

of products strengthens the added value offered by iConstruye.com and has prepared it to face the challenge of penetrating the marketplace during 2016, by replicating iConstruye.com solutions for thousands of customers and increasing transactions within the community.

Similarly, 2015 witnessed the success of TOCTOC.com, which is the iConstruye.com B2C platform dedicated to advertising properties and providing information to the real estate market. Achievements this year include its new tool for Online Appraisals. Over 5,000 appraisals were requested as a result of the tax reform, which represented 12% of the appraisals submitted to the IRS in 2015. In October TOCTOC.com generated over 100,000 business opportunities for real estate companies.

IMPORTANT FIGURES 2015

172

EMPLOYEES



MARKET PRESENCE



CHILE



PERU



COLOMBIA

1,445

NUMBER OF CUSTOMERS





## LIQUID FINANCIAL INVESTMENTS AND REAL ESTATE ASSETS

### LIQUID FINANCIAL ASSETS

The Company has its own financial investments, apart from those of its subsidiaries, that are designed to meet its liquidity needs. They are managed in accordance with a policy approved by the Board. These financial investments were valued at approximately \$55,436 million as of December 31, 2015.

Additionally, the Company has rental property that comprise land and office buildings valued at approximately \$12,708 million.

### REAL ESTATE ASSETS

The Company has 22,500 m2 of property, valued at approximately \$12,686 million.

These properties include buildings and land for rental.

Property, plant and equipment valued at \$531 million.

Investment property valued at \$12,155 million.

### PROPERTY

The Company's principal properties are as follows:

- CChC building, located at 10, Marchant Pereira, Providencia, Floors 13 to 20, plus storage units and parking spaces. One floor is used by the parent company and the remaining seven are rented as offices. It is registered with the Santiago Property Registrar on page 36414 No. 35217 dated 2005, page 62346 No. 60060 dated 2001, page 29281 No. 47598 dated 2006 and page 852 No. 1375 dated 2006.
- Mutua de Seguridad CChC building, located at 194, Av. Libertador Bernardo O'Higgins, Santiago, Floors 3 to 7, plus storage units and parking spaces. These offices are rented. It is registered with the Santiago Property Registrar on page 7837 No. 9877 dated 2001.
- Av. Italia building, located at 1056, Avenida Italia, Providencia. This property has been rented as a Clinical Laboratory. It is registered with the Santiago Property Registrar on page 6636 No. 6750 dated 1997 and page 19642 No. 21548 dated 1997.
- Land divided into vacant lots, located at Avenida Tabancura, to be leased. It is registered with the Santiago Property Registrar on pages 56338 and 56339 No. 87783 and No.87784 dated 2008.

On July 10, 2013, a "Sale Commitment" contract was signed, which commits Inmobiliaria y Constructora Apoquindo Las Condes S.A. to sell to Inmobiliaria ILC SpA the building that will become its new corporate headquarters. That commitment comprises 18 floors, parking spaces

and storage units of a building located at the intersection of Avenida Apoquindo and Avenida Las Condes, which was still under construction at the close of 2015. The price was UF 1,433,299 plus value-added tax (VAT). ILC had disbursed approximately 50% of the agreed amount at the close of 2015.

All ILC's property is owned.

ILC, its subsidiaries and its associates do not have any land reserved for the development of significant projects in the short or medium-term.

The Company indirectly controls the following properties through its subsidiaries:

### ISAPRE SECTOR:

- Isapre Consalud building, located at 222, Av. Pedro Fontova, Huechuraba. This property houses the Isapre's headquarters.

### AFP SECTOR:

- Los Carrera 330 buildings, La Serena. This property belongs to AFP Habitat S.A. and is used as a branch.
- CChC building, located at 10, Marchant Pereira, Providencia, Floors 5 to 12. This property houses AFP Habitat's headquarters.
- Premises at 330, Morandé, Santiago and at 20, Eusebio Lillo, Coyhaique. These properties belong to AFP Habitat S.A. and are used as branches.

**HEALTHCARE SECTOR:**

- Bicentenario Hospital building, located at 3,545 Av. Libertador Bernardo O'Higgins. This property houses the hospital.
- Avansalud Hospital building, located at 100, Av. Salvador. This property houses the hospital.
- Tabancura Hospital building, located at 1,185, Av. Tabancura. This property houses the hospital.
- Megasalud Medical Centers in major cities.

**INSURANCE SECTOR:**

- Investment property owned by the Compañía de Seguros de Vida Confuturo S.A. and Compañía de Seguros de Vida CorpSeguros S.A.

The Bicentenario and Avansalud hospital buildings are leased under financial lease agreements. The remaining properties are owned by each subsidiary.

**EQUIPMENT AND FACILITIES**

The Company has equipment, furnishings and fittings valued at \$13,757 million at the close of 2015, which comprises movable assets and computer equipment used in administration.

Additionally it owns the following assets through its subsidiaries:

- Medical equipment of \$33,267 million.
- Computer equipment of \$2,523 million.
- Other plant and equipment of \$19,711 million.

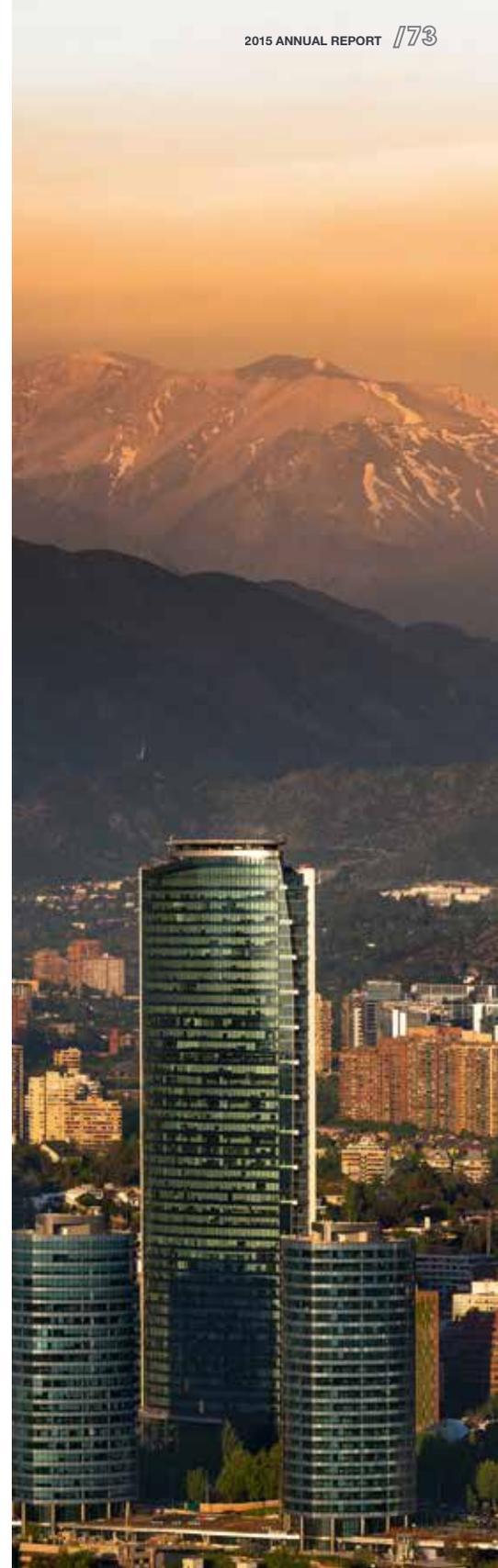
ILC, its subsidiaries and its associates do not have any significant short or medium-term investment plans.

**SUPPLIERS AND CUSTOMERS****SUPPLIERS**

ILC, its subsidiaries and its associates do not have any suppliers that individually represent at least 10% of total purchases of goods and services for the year.

**CUSTOMERS**

ILC, its subsidiaries and its associates do not have any customers that individually represent at least 10% of total ILC revenue.





09

CORPORATE  
GOVERNANCE

Corporate governance at ILC is determined by its bylaws, by Law 18,046 on Corporations, by the Corporate regulations in Supreme Decree 702 dated 2011, and by Law 18,045 on the Stock Market. The Company is supervised by the Securities Inspectorate, which reports to the Superintendency of Securities and Insurance.

ILC provides long-term services, such as pensions. Therefore, continuity and sustainably generating value are not only a challenge, but a commitment to each of its customers. It also has an important responsibility for healthcare, since its beneficiaries and their families have placed their trust in ILC and its subsidiaries to meet their healthcare needs. The Company rises to these challenges by managing its business in a sustainable manner while remaining fully committed to its customers.

Therefore, it must have a corporate governance structure that implements the guidelines and objectives established by the Board at each of its

subsidiaries. This enables ILC to add value and contribute to the sustainable development and welfare of each customer, of society and of the country.

Inversiones La Construcción S.A. is a publicly held corporation, formed in Chile and registered with the Securities Registry of the Superintendency of Securities and Insurance. The Company is controlled by the Chilean Chamber of Construction (CChC), which is a private association composed of approximately 2,700 partners, linked to the construction industry. It was founded in 1951 with the aim of promoting construction in Chile. It is a trade association governed by Decree Law 2,757 dated 1979 and its subsequent amendments. There are no individuals behind this legal entity. For the same reasons, CChC does not have a parent company under Article 97 of Law 18,045.

With regard to the control of ILC, neither the members of the parent company nor the other major shareholders have a shareholder

agreement. There are no individuals or legal entities other than the parent company who alone or with other shareholders through a shareholder's agreement may appoint at least one member of the Company's management or own 10% or more of the capital or the voting capital in the case of a simplified corporation.

ILC placed its IPO on the stock exchange in July 2012, which increased its capital through selling shares in CChC. Approximately 33% of the Company's shares were placed with Chilean and foreign investors. During 2015 there were no significant changes in the ownership of ILC. As of December 2015, CChC controlled 67% of ILC, while 16.2% was held by private investors and mutual funds in Chile and 16.8% was held on behalf of foreign investors.

As of December 31, 2015, subscribed and paid capital was divided into 100,000,000 shares, owned by 216 shareholders. The 12 largest

shareholders at the close of 2015 were as follows:

COMPANY	TAXPAYER ID NUMBER	OWNERSHIP INTEREST
Chilean Chamber of Construction	81.458.500-K	67.00%
Banco de Chile on behalf of non-resident third parties	97.004.000-5	6.07%
Banco Itaú on behalf of foreign investors	76.645.030-K	5.03%
Banco Santander on behalf of foreign investors	97.036.000-K	4.78%
BICE Inversiones Corredores de Bolsa S.A.	79.532.990-0	3.18%
BCI Corredores de Bolsa S.A.	96.519.800-8	1.96%
Moneda S.A. AFI for Pionero Investment Fund	96.684.990-8	1.67%
Banchile Corredores de Bolsa S.A.	96.571.220-8	1.53%
BTG Pactual Chile S.A. Corredores de Bolsa	84.177.300-4	1.22%
Larrain Vial S.A. Corredora de Bolsa	80.537.000-9	1.08%
Credicorp Capital S.A. Corredores de Bolsa	96.489.000-5	0.69%
Valores Security S.A. Corredora de Bolsa	96.515.580-5	0.61%
Other		5.18%
<b>TOTAL</b>		<b>100%</b>

## BOARD, DIRECTORS' COMMITTEE AND MANAGEMENT: FUNDAMENTAL COMPONENTS OF CORPORATE GOVERNANCE AT ILC

ILC has a mission, vision and objectives, which form the basis for its financial and business performance. These have been established by the ILC Board, who transmit responsibilities, skills and corporate culture to subsidiaries and their employees via management. The mission is to improve the quality of life of all Chileans, offering efficient and accessible services mainly in the areas of pensions and healthcare, thereby creating value, efficiency and sustainability.

Each subsidiary independently identifies and manages its risks and opportunities relating to sustainability. This is due to differences in the nature of each business and the particular challenges each faces. The ILC Board members can participate as guests at the board meetings of subsidiaries, with the aim of acquiring a detailed understanding of the strategy and the issues faced by each business within the Company. The technical profile of the Board is shaped by the experience of renowned entrepreneurs and professionals from various sectors, each bringing complementary knowledge and skills.

The Board represents and is committed to protecting the interests of all investors. Its functions include establishing objectives, policies and strategies for the Company, which are then implemented by management. This is achieved at monthly meetings with the objective of analyzing Company performance, its risks, strategies and medium and long-term plans.

ILC is directed by a Board of nine members elected at the Annual General Shareholders' Meeting for one year, in accordance with its bylaws. The members of the Board elect a Chairman for the same period, who may be re-elected for a second year.

The nine members of the current Board were elected at the Annual General Shareholders' Meeting held on April 30, 2015, and will hold office for one year. Mr. René Cortázar was re-elected as an "independent director" at that meeting, in order to comply with Article 50 bis of Law 18,046.

Mr. René Cortázar is the only Director with the authority to select the members of the Directors' Committee, in accordance with Article 50 bis of Corporations Law. Therefore, at the board meeting held on May 25, 2015, he appointed the Directors Lorenzo Constans and Sergio Torretti as members of this committee for 2015.

In 2014 the Directors' Committee was composed of Mr. René Cortázar as the Independent Director, together with Mr Paulo Bezanilla and Mr Sergio Torretti.

During 2015 the ILC Board spent UF 2,500 on consultancy.

## DIRECTOR AND SENIOR EXECUTIVE COMPENSATION

As of December 31, 2015 and 2014, gross compensation and bonuses paid to senior management at ILC during those years was \$695,492 thousand and \$591,504 thousand, respectively. Senior management covers the Chief Executive Officer of ILC and his direct reports. There are no long-term benefits, nor post employment benefits for Group senior management. The compensation policy for



Company executives is based upon their performance, and objective measurable parameters that reflect the responsibility of their position.

As of December 31, 2015 and 2014, the compensation paid to the ILC Board was \$76,026 thousand and \$71,241, thousand respectively. In addition, they were paid \$363,395 thousand and \$443,124 thousand in 2015 and 2014, respectively, under a profit sharing program. This policy was adopted at the Ordinary General Shareholders' Meeting held on April 30, 2015, which established compensation of UF20 per Director for each board meeting attended, UF30 for the Vice President and UF40 for the Chairman for each board meeting attended. In addition, Directors receive 0.05% of annual profits, and the Vice Chairman and the Chairman receive 0.075% and 0.1% of profits, respectively. Compensation is only paid for one board meeting each calendar month, regardless of the number of meetings held or attended during that period. Nevertheless, if a regular monthly board meeting is postponed to the following month, it will be remunerated, together with the regular meeting for that respective month. This compensation will be paid in proportion to the length of time that the Director has been in office.

The Annual General Shareholders' Meeting held on April 30, 2015, approved compensation for each member of the Directors' Committee of UF26 for each meeting attended. Compensation is only paid for one board meeting each calendar month, regardless of the number of meetings held or attended during that period. Nevertheless, if a regular monthly board meeting is postponed to the following month, it will be remunerated, together with the regular meeting for that respective month. This compensation will be paid in proportion to the length of time that the Director has been in office.

DIRECTOR	2015				2014			
	ILC BOARD COMPENSATION TH\$	DIRECTORS' COMMITTEE COMPENSATION TH\$	COMPENSATION AND PROFIT SHARING AT SUBSIDIARY BOARDS TH\$	PROFIT SHARING 2014 TH\$	ILC BOARD COMPENSATION TH\$	DIRECTORS' COMMITTEE COMPENSATION TH\$	COMPENSATION AND PROFIT SHARING AT SUBSIDIARY BOARDS TH\$	PROFIT SHARING 2013 TH\$
Jorge Mas Figueroa	11,040	-	-	20,189	3,079	-	-	-
Daniel Hurtado Parot	7,516	-	-	64,892	10,785	-	-	84,405
Gastón Escala Aguirre	5,011	-	-	47,587	7,905	-	-	63,304
Lorenzo Constans Gorri	4,498	3,930	13,437	34,609	5,760	-	17,330	42,202
Italo Ozzano Cabezón	-	-	-	23,073	3,804	-	-	42,202
Alberto Etchegaray Aubry	5,514	-	45,171	34,609	5,760	-	45,734	42,202
* Paulo Bezanilla Saavedra	-	-	-	34,609	3,477	1,872	-	42,202
* Patricio Bustamante Pérez	6,012	-	-	-	-	-	-	-
Francisco Vial Bezanilla	6,012	-	7,684	34,609	5,287	-	-	42,202
Sergio Torretti Costa	5,508	7,159	-	34,609	5,242	6,255	-	42,202
René Cortázar Sanz	6,012	7,814	-	25,957	4,349	5,036	-	-
Juan Benavides Feliu	-	-	-	8,652	2,630	-	-	31,652
José Miguel García Echevarri	-	-	-	-	-	-	-	10,551
TOTAL	57,123	18,903	66,292	363,395	58,078	13,163	63,064	443,124

\* Paulo Bezanilla Saavedra left his position in January 2015, and was replaced by Patricio Bustamante Pérez.

#### ADDITIONAL COMPENSATION FOR ILC BOARD MEMBERS AND MANAGEMENT IN SUBSIDIARIES

	POSITION	2015 THCH\$	2014 THCH\$
Alberto Etchegaray Aubry	ILC Director / Chairman Red Salud	45,171	45,734
Lorenzo Constans Gorri	ILC Director / Director of Red Salud	13,437	17,330
Francisco Vial Bezanilla	ILC Director / Director of Banco Internacional	7,684	-
Pablo González Figari	ILC Chief Executive Officer / Director of Confuturo, Corpseguros and Vida Cámara	58,474	47,302
David Gallagher Blamberg	ILC Chief Development Officer / Director of Factoring Baninter	2,561	-

#### DIRECTORS' COMMITTEE

The purpose of this Committee is to ensure that the Company adopts the best corporate governance practices. The Committee is formed by an independent director, in order to protect the interests of minority shareholders.

The main functions of this Committee are:

- Examine external and internal audit reports, and respond to them prior to their submission at the shareholders' meeting for their approval.
- Propose external auditors and risk rating agencies to the Board.
- Examine the background information regarding related party transactions referred to in Chapter XVI, and submit its opinion to the Board.
- Examine the compensation systems and plans for Company managers, senior executives and employees.
- Prepare an annual management report with the main recommendations for shareholders.

The Directors' Committee was formed in 2013. Eight meetings were held in 2013, ten meetings in 2014 and twelve meetings in 2015.

During 2015, the Committee's expenses were UF 1,240 for audit services and special work commissioned by the Directors' Committee, which examined "Preventive audits of internal procedures in subsidiaries". These assignments were awarded to KPMG (UF 900) and PWC (UF 340).

#### THE MAIN RECOMMENDATIONS OF THE DIRECTORS' COMMITTEE TO SHAREHOLDERS DURING 2015.

The Committee must comply with Article 50 bis of Law 18,046. In addition, it suggested continuing to develop and monitor corporate governance policies, especially in virtue of the events that occurred in the market during 2015 and new guidance from the market regulator on corporate governance practices (NCG° 385). Finally, it monitors internal control processes focusing on

important risks defined by the Company using the risk matrix in order to refine processes.

#### MAIN ACTIVITIES OF THE DIRECTORS' COMMITTEE IN 2015

The meeting held on January 26, 2015, discussed the following topics:

- 1- It reviewed and approved the Directors' Committee Annual Report for 2014.
- 2- It reviewed the risk matrix at December 2014 for ILC and its subsidiaries. It noted that regulatory risk for Isapres continued to be high, due to the debate regarding the private health system. It also included risks outside the matrix, such as the change in the liability valuation rate for life annuities, which makes them more competitive compared to scheduled withdrawals.



- 3- It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for December 2014.
- 4- It analyzed and selected the Directors and Officers Civil Liability Insurance from amongst those that had been proposed to the Committee. It commented to the Directors that following management analysis, the Zurich (Chilena Consolidada) proposal had been selected.
- 5- It received a presentation regarding "Procedures for Travel Expenses, Transfers, Meals and Parking for ILC Directors, Executives and Employees". This was reviewed, discussed and approved by the Committee.

The meeting held on March 18, 2015, discussed the following topics:

1. The Chairman invited the External Auditors, Deloitte, to explain the Financial Statements for 2014 and the audit process for ILC and

its subsidiaries. The Deloitte team indicated that there were no significant issues that might change their opinion regarding ILC's financial statements. This is not an opinion based on IFRS, but on the basis of an "understanding", given that the insurance subsidiaries and the AFP do not report under IFRS, but under the standards defined by their respective market regulators. The most significant accounting change was Law 20,780, which subsequently affected deferred taxes and retained earnings.

2. It reviewed the Management Analysis of the Financial Statements as of December 31, 2014, separated into the insurance and non-insurance businesses. It analyzed the detailed comprehensive income, assets, liabilities and equity at the subsidiaries and the parent company. Finally, it reviewed an analysis of the operating result by business segment for each subsidiary.
3. The draft results of the assessment according to NCG 341 as of December 31, 2014, were reviewed, which must be

submitted via SEIL and uploaded to the Company's website by March 31. The Director's suggestions were adopted, which required changes, clarifications and the inclusion of additional information. The document was subsequently approved.

The meeting held on March 30, 2015, discussed the following topics:

1. The Committee Chairman asked to meet with the partner at Deloitte, Mr. Roberto Espinoza without ILC management being present. This is best corporate governance practice and is suggested in NCG 341. The aim was to discuss any concerns held by the Board or the auditing firm relating to management.
2. It invited Mr. Agustín Silva and Mr. Cristian Sotelo, the PWC partners responsible for the selective audits at subsidiaries for 2014, to present the main conclusions of their reports. Given the time spent, the Committee asked Mr. Silva to return to the next meeting to conclude the presentation of his report.

3. It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for January 2015.
4. It reviewed the proposed risk rating agencies and auditors for 2015. The Committee endorsed the selection of risk rating agencies for approval by the Board, and recommended Deloitte as auditors for 2015, on the basis of an evaluation of various financial proposals, and Deloitte's good performance for 2014. The Company has established that auditors must be changed after a maximum period of four years.
5. It reviewed new legislation that may affect the Group, in particular the draft of NCG 341.

The meeting held on Monday, April 27, 2015, discussed the following topics:

1. It invited the PWC partner Mr. Cristian Sotelo and Mr. Raul Letelier, who were responsible for some of the selective audits at subsidiaries, to present their main conclusions regarding CorpVida / CorpSeguros. After making comments, PWC reported that the control environment, which uses work-flow, is very good and there were only a few issues for improvement in some processes and in cleaning the database.

2. It reviewed the Risk Matrix for ILC and its subsidiaries as of March 2015. It reviewed in greater detail the financial risk indicator for Vida Cámara. The Chief Executive Officer commented that this issue will be reviewed by the Board and presented the proposals. Additionally it reviewed in greater detail the regulatory risk indicators for all companies.
3. It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for March 2015.

The meeting held on Monday, May 25, 2015, discussed the following topics:

1. The Committee reviewed and analyzed the presentation that summarized the Management Analysis and the Financial Statements as of March 31, 2015, which separated the insurance from the non-insurance businesses. It reviewed in detail the results, assets and liabilities for each subsidiary, and the consolidated results.
2. It analyzed the risk matrix as of April 2015 for ILC and its subsidiaries. The Directors suggested that the financial risk indicator for Consalud should move from low to medium risk, due to the claims suffered by the portfolio, and the recent analysis of the financial statements. It also reviewed progress of this matrix in the Qlick-view

system, which is a web-based system used primarily for management control. It is 95% complete with only a few tables that remain to be incorporated.

3. It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for April 2015. Some of these comments were explained in greater detail following questions from members of the Committee.
4. It reviewed the main points of the BH Compliance report arising from its "Crime Prevention Model Review under Law 20,393" for the first half of 2015 for ILC, where it stated that "ILC's Crime Prevention Model complies, in all material respects, with the requirements established in paragraphs 1, 2 and 3 of Article 4 of Law 20,393", and the certificate of compliance issued by BH Compliance was renewed.

The meeting held on Monday, June 22, 2015, discussed the following topics:

1. The External Auditors Deloitte presented their Audit Plan for ILC and its subsidiaries for 2015. Its review began with an examination of the team assigned to ILC and its subsidiaries, and continued with a review of the plan for 2015, the proposed specialists, the schedule, the deliverables and the independence of the team.



2. The services that could not be contracted to the auditors were analyzed, according to Article 242 of Law 18,045, in order to avoid losing the independent nature of these services. This Committee also authorized the services that can be contracted to the auditors.
3. It received reports regarding the new corporate governance standards that affect the Group. These are NCG 385, which replaces the repealed NCG 341, and NCG 386 that complements NCG 30 and establishes additional disclosure requirements for the annual report. It reviewed the draft response to NCG 385 on Corporate Governance, which significantly expands the information to be disclosed.

The meeting held on Monday, July 27, 2015, discussed the following topics:

1. The documents that comprise the Crime Prevention Model were reviewed, being

the Procedures, Health and Safety Manual, the Crime Prevention Manual and the Code of Conduct and Ethics. This last document required a minor change.

2. It analyzed in detail the risks defined in the Risk Matrix as of June 2015 for ILC and its subsidiaries, its development and the main changes with respect to the previous period. It also reviewed market information on Isapres, specifically the publicly available information regarding protection appeals and the consequences of increases in plans and costs.
3. It evaluated ILC's proposal to sell eight floors between floors 13 and 20 at 10, Marchant Pereira, plus 55 parking spaces and 7 storage units to Habitat. Two independent appraisals of these buildings were commissioned from Transsa and Colliers, to ensure that the price, and terms and conditions for this transaction are aligned with the market. After analyzing the

appraisals and the valuations in detail for this proposed sale to Habitat, the Committee decided to review the proposal in greater detail, and requested a report which would be reviewed at the next Directors' Committee.

The meeting held on Monday, August 24, 2015, discussed the following topics:

1. It invited the External Auditors Deloitte to report on their progress with the external audit and their review of the interim financial information for ILC and its subsidiaries as of June 30, 2015. The Deloitte representative gave a detailed presentation and the Directors' Committee commented on some subjects of interest. It concluded that based on its review it was not aware of any significant change to the interim consolidated financial statements for ILC as of June 30, 2015, for these to comply with the instructions and standards for the preparation and presentation of financial

information issued by the Superintendency of Securities and Insurance, as described in Note 3(a) to these interim consolidated financial statements.

2. It analyzed in detail in the interim consolidated financial statements of ILC as of June 30, 2015. It then analyzed a detailed report of the assets and liabilities, and analyzed the consolidated results and the individual results for each subsidiary, and finally reviewed the Management Analysis of these financial statements. The Directors' Committee found this financial information to be fairly presented, and recommended that the Board approve it.
3. It reviewed the main changes in the risk matrix indicators as of July 2015 for ILC and its subsidiaries. Additionally, it reviewed the new claims ranking for insurance companies issued by the SVS.
4. It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for July 2015.
5. It re-evaluated ILC's proposal to sell eight floors between floors 13 and 20 at 10, Marchant Pereira, plus 55 parking spaces and 7 storage units to Habitat. Two independent appraisals of these buildings were commissioned from Transsa and Colliers, to ensure that the price, and

terms and conditions for this transaction are aligned with the market. It prepared a report for submission to the Board with the final recommendation of the Committee in accordance with Number 3 of subparagraph 7 of Article 50 bis of Law 18,046. It confirmed that the proposed transaction contained conditions similar to those that usually prevail in the market. The Committee approved the submission of this report to the Board.

6. It agreed to commission a selective audit of subsidiaries using the auditing firm KPMG, as it submitted the best financial proposal, while assigning a team with similar technical characteristics and similar audit scope. The particular KPMG audit will undertake specific procedures at the Consalud and Vida Cámara subsidiaries and the Avansalud, Tabancura and Iquique hospitals.

The meeting held on Monday, September 28, 2015, discussed the following topics:

1. It reviewed the progress of a preventive audit at subsidiaries. It analyzed and commented on the important issues, and agreed to await the final audit report from PWC.
2. It analyzed the risk matrix as of August 2015 for ILC and its subsidiaries. It concluded that there have been no significant changes to the indicators monitored during this period.

3. It analyzed and commented on the main themes arising from the "Summary of subsidiary's Audit Committees" for August 2015. It reviewed in detail this report that summarized the main points raised by these committees.

4. It reviewed the proposal for ILC to sell Floors 3 to 7, with storage units and parking spaces, in the building at 194, Alameda, to Mutual de Seguridad. It carefully reviewed this proposal, the price and its terms and conditions, together with the memorandum issued by Prieto y Cía., which indicates that this transaction is not between related parties. However, in accordance with best practice, it agreed to prepare a report for the next Committee meeting containing its Board recommendation.

5. It performed an overall review of the new standards being prepared by the SVS, SAFF, SIS and SBIF.

The meeting held on Monday, October 26, 2015, discussed the following topics:

1. It analyzed the categories defined in the Risk Matrix. Management reported that there were no significant changes to the classifications in the Risk Matrix for September 2015 for ILC and its subsidiaries.



2. It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for September 2015. It reviewed in detail this report that summarized the main points raised by these committees.
3. It reviewed the offer from Mutual de Seguridad to acquire Floors 3 to 7, with storage units and parking spaces, in the building at 194, Alameda, from ILC. This transaction was first discussed at the September board meeting, which established that it is not a transaction between related parties, according to the Memorandum issued by Prieto y Cía. The Committee analyzed the transaction's context, the contract details and the property valuations, and it concluded that the sale of this property to Mutual de Seguridad "contributes to the business, and its price, terms and conditions conform to those currently prevailing in the market".
4. It performed an overall review of the new standards being prepared by the SVS, SAFF, SIS and SBIF.

The meeting held on Monday, November 23, 2015, discussed the following topics:

1. It reviewed in detail the financial statements as of September 30, 2015, and reviewed the Management Analysis that forms an integral part of these financial statements. It commented on the important issues, and agreed to submit them to the Board.
2. Management reported that there were no significant changes in the Risk Matrix indicators for ILC and its subsidiaries for October 2015, with the exception of including information regarding Banco Internacional. Therefore, it reviewed all of the Bank's indicators and noted that some are still being compiled.
3. It analyzed and commented on the main themes arising from the "Summary of Subsidiary's Audit Committees" for October 2015. It reviewed in detail this report that summarized the main points raised by these committees.

4. Management presented a report called "Transactions with Related Parties, Article 147 Law 18,046 and Chapter XVI of Law 18,045" which reviewed the main contracts with subsidiaries. Furthermore, the Committee reviewed board minutes that approved transactions not covered by the routine transactions policy, and the related companies note to the financial statements as of September 30, 2015. This report was approved by the Committee.

The meeting held on Monday, December 21, 2015, discussed the following topics:

1. It invited the External Auditors to the meeting, in order to analyze the ILC Management Letter. The Deloitte team described the situations that it had observed in internal control processes during its audit of the ILC financial statements as of December 31, 2015. Management subsequently analyzed and discussed each of the comments raised and reviewed the associated action plans.

2. It reviewed in detail the more important changes in the Risk Matrix indicators for November 2015 for ILC and its subsidiaries. It noted that the financial risk indicators at Vida Cámara recovered from high to medium during December 2015, as its investment surpluses have been consistently kept at acceptable levels over the last year.
3. It reviewed the "annual review of the compensation systems and plans" for Company managers, senior executives and main employees. After verifying details with the Directors, the information received was approved.

#### **INVESTMENT COMMITTEE**

ILC has an Investment Committee, given the materiality of its investments under management. The Committee is composed of the Directors Mr. Francisco Vial Bezanilla and Mr. Lorenzo Constans Gorri, and some Company executives. Its purpose is to monitor correct compliance with ILC's investment policy, yet securing sufficient agility when making investment decisions. This Committee meets regularly and reports its main decisions to the Board.

The Company has its own financial investments, in addition to those of its subsidiaries, which are managed in accordance with the investment

policy approved by its Board. This policy has established that investments in local fixed income instruments must be classified equal to or greater than A+, except for existing investments prior to the policy coming into effect and that represent less than 12% of ILC's investment portfolio.

#### **FINANCING POLICY**

The Company does not have a borrowing policy directly agreed by the Board. However, ILC has always adopted a conservative financial policy, with limited borrowing.

#### **DIVIDEND POLICY**

Article 24 of the Company's bylaws establishes that the distribution of dividends each year must be approved at an Ordinary Shareholders' Meeting, when it approves the financial statements. The ILC General Shareholders' Meeting held on April 30, 2015, unanimously agreed to approve a dividend proposal submitted by the Board, through its Chairman. This proposal is to distribute a dividend that is the higher of (1) the Company's current dividend policy, i.e. distributing between 60% and 80% of "Distributable Profit" for the year, less the gain on the sale of ILC's share of AFP Habitat to Prudential (if completed during 2015) and (2) the Company's current dividend according to its bylaws. The definition of "Distributable Profit" in number (1) is profit for the year, less ILC's

proportional share of the change in cash reserves at the subsidiary AFP Habitat. Where a positive change in cash reserves results from an increase in the value of cash reserves as a result of a net investment in cash reserve units or purchases less sales, and an increase in the value of such cash reserve units. If either of these values is negative, it will be excluded from this calculation. The manner and timing of payment is established in the Corporations Law and its Regulations.

#### **RISK RATING**

During 2015, the risk rating agencies Feller Rate and ICR renewed ILC's solvency risk rating at AA+.

At the close of 2015, the risk rating agency Feller Rate Risk maintained its solvency rating for ILC at AA+, but with "negative" prospects, as the Company has its investments concentrated in regulated and stable sectors; it invests in health and pension companies, which contributes to synergies; it has a solid investment portfolio, in particular AFP Habitat; and has adequate liquidity. At the close of 2015, the risk rating agency ICR maintained its solvency rating for ILC at AA+, but "under observation", and mentioned the following points: it is a diversified company operating in stable industries; in each of its markets it is a market leader; its financial situation allows it to comfortably meet its obligations; and both ILC and CChC have adequate liquidity.



#### EXTERNAL AUDITORS

ILC has a contract with the audit firm Deloitte Auditores y Consultores Limitada to examine the Company's accounting and financial statements for 2015 and express its professional and independent opinion on them.

#### COMMENTS AND PROPOSALS FROM SHAREHOLDERS

No comments or proposals have been raised at Ordinary Shareholders' Meetings.

#### ILC TOOLS THAT SUPPORT GOOD CORPORATE GOVERNANCE

ILC and its subsidiaries have adopted the values of transparency and honesty, which have historically guided its controlling shareholder, the Chilean Chamber of Construction. Therefore, the Company strives to keep the general public informed as best it can, with special emphasis on its controlling interests and shareholders. It

fulfills the demanding ethical standards referred to in the various regulations that govern it.

The Company has several formal tools to strengthen and promote its Corporate Governance functions. The most important are:

- **Code of Conduct and Ethics:** their purpose is to publicize the principles that guide the behavior of its Directors, executives and employees when carrying out their daily functions, under the concepts of professionalism, trust, integrity and responsibility. This code is given to every employee when they start working for ILC.

- **Manual for Handling Market Sensitive Information:** its purpose is to protect the interests of investors when certain associated people are handling transactions involving ILC securities, and managing the disclosure of information to the market. It secures equal opportunities for anyone to access public corporate information, and thus preserve the confidence and transparency required by the market to invest in ILC securities.

This manual is public and can be found on the ILC website.

- **Crime Prevention Model:** its purpose is to protect the Company from the crimes of money laundering, terrorism financing and bribery. ILC decided to certify that its Crime Prevention Model complies with Law 20,393. This certified compliance was awarded in 2014 for a period of two years by BH Compliance, which is a leading company in the Crime Prevention Model compliance market.

- **General Policy for Routine Transactions between Related Parties within ILC:** its purpose is to ensure that transactions between persons or companies related to ILC contribute to the business, and that the price, and terms and conditions are equivalent to those prevailing in the market. This policy is public and can be found on the ILC website.

- **Internal Procedures, and Health and Safety Regulations:** their purpose is to establish the

general regulations that cover employee's obligations and prohibitions while at Company premises. It establishes selection procedures for recruiting dependent employees, and by law it establishes the procedure to investigate complaints, etc. This manual is given to every employee when they start working for ILC.

- **Complaints Channel:** its purpose is to receive complaints from staff, shareholders, suppliers, customers or any other person, regarding any irregularities or illegal acts committed by an ILC employee. It is available to the public and located on the Company's website. Every complaint is processed with utmost confidentiality.

Initiatives that improve corporate governance at ILC include:

- **Orientation Process for New Directors:** It consists of a meeting with the Board of Directors, the senior executives and providing important Company information. Its purpose is to introduce new Directors to ILC strategy and culture.

- **Internal Audits:** ILC performs internal audits on its subsidiaries. These are performed by third parties and their purpose is to understand, manage and monitor the processes carried out by each subsidiary. Generally, these audits are submitted to the Directors' Committee for subsequent submission to the ILC Board.

- **Corporate Governance Surveys at Subsidiaries:** every year ILC sends a Corporate Governance survey to the Chairman of each subsidiary. Its purpose is to diagnose their practices, strengthen any weaknesses detected, and standardize evaluation criteria.

- **Office of the Controller:** ILC has an Office of the Controller to ensure that management processes function correctly. The ILC Controller reports to the Board and participates on the Directors' Committee for ILC and each subsidiary, always ensuring that every process functions correctly. Furthermore, the office has a fundamental role in monitoring the Risk Matrix indicators, and it prepares policies and performs internal audits in order to reduce potential threats.

- **Management Control Department:** this department is part of the finance department, and monitors the Company's business. Its purpose is to measure financial indicators, and ascertain the impact of strategic plans and decisions implemented by the Board and management.

## REGULATORY FRAMEWORK

ILC has always subjected itself to self-regulation. It was registered in 2011 and opened on the stock market in 2012, which required the Company to comply with the regulations and best practices imposed by domestic and international markets.

Moreover, most of ILC's businesses are regulated by the Superintendencies of Securities and Insurance, Pensions and Health, who apply their own standards to ensure transparent and timely market regulation, while focusing on risk management.

## RISK ANALYSIS

The Company is a parent company with decentralized businesses in the areas of pensions, healthcare and other sectors. Business decisions are analyzed and implemented by management and the Board of Directors at each subsidiary, while taking into consideration the risks inherent to each and any corresponding mitigation measures. The main business risks are market risk, insurance technical risk, liquidity risk, credit risk, regulatory risk and operational risks, etc.

Most of ILC's businesses are regulated by the Superintendencies of Securities and Insurance, Pensions and Health. In parallel, ILC analyzes and consolidates its own risks and those of its subsidiaries, which ILC manages and mitigates in order to be sustainable. Therefore, it uses a "Risk Matrix", which is a tool that identifies, monitors and manages the main strategic risks, it also estimates their impact and likelihood of occurrence.



The main risks facing ILC and its subsidiaries are as follows:

#### **A. REGULATORY RISK**

Regulations, standards and stable criteria enable projects to be properly evaluated and reduce investment risk. Therefore, appropriate monitoring of the evolution of standards is vital.

Most of ILC's businesses are regulated by the Superintendencies of Securities, Insurance, Pensions, Health, Banks and Financial Institutions, who apply their own standards to ensure transparent and timely market regulation, while focusing on risk management.

#### **Pension Fund Administration Sector Risk**

During 2014, the government established a commission comprised of national and international experts, whose purpose was to generate proposals to improve the current pension system. During September 2015, this commission submitted a report to the President of Chile, which contained a diagnosis of the current pension system, three pension system

structural proposals and 58 specific measures to improve the current pension system. These included proposals to raise the age of retirement for women from 60 to 65 years, to increase the compulsory contribution from 10% to 14%, and to create a State AFP.

During 2014 the legal framework for the pension system in Peru was amended, eliminating the obligation for independent workers to contribute, and creating the obligation to refund the contributions paid during the period when that requirement was in force.

#### **Isapre Sector Risk**

During October 2014, the Presidential Advisory Committee completed a study on a new legal regime for the private health system. It submitted its report to the President of Chile, which contained two proposals: a single national health insurance, supported by 10 commission members, or a multiple competitive insurance system with freedom of choice, supported by 7 commission members.

During December 2015, Isapre Consalud received 19,181 appellate injunctions associated with price increases for base plans. However, as a result of a ruling by the Supreme Court in December 2013 confirming the legality of increases in health plans associated with the increase in pathologies covered by GES, the appellate injunctions were dismissed for that reason.

On June 16, 2014, the Chilean National Consumers and Users Corporation "CONADECUS", filed 5 civil claims against the Isapres Banmedica, Colmena, Consalud, Cruz Blanca and Vida Tres, requesting that these Isapres are declared in breach of their contracts due to increases in their plan prices. In addition, it requested compensation for the excess amounts paid by members and that this sum is returned to them as compensation for consequential damages. During March 2015, CONADECUS received a court order to inform those consumers that might be affected by the conduct of the defendants that they should become a party to the case or protect their rights. They were informed through the publication of a notice in the Santiago edition of the newspaper "El Mercurio" and on the Chilean National Consumers and Users Corporation's website. On September 14, a hearing was held to reconcile this dispute. However, no agreement was reached, so the trial will advance to the preliminary proceedings stage.

Although Consalud has been and is exposed to regulatory changes, its capacity to adapt and its thirty years' experience in the market, will enable it to easily overcome any changes and challenges imposed by the market regulator.

## **B. OPERATIONAL RISK**

This is the risk of direct or indirect loss arising from causes associated with Group processes, personnel, technology and infrastructure. ILC and its subsidiaries have policies and internal control procedures that minimize operational risks associated with managing their resources, which include: Business continuity plans in regulated companies, operational incident monitoring, and IT systems stability monitoring. In addition, it has a Crime Prevention Model to prevent the crimes of money laundering, terrorism financing and bribery. All these risks are monitored on a regular basis using the Risk Matrix for ILC and its subsidiaries.

### **Directors' Committee**

This Committee is governed by Article 50 of Law 18,046, and is composed of three ILC Directors and is chaired by the Independent Director. Furthermore, the CEO and Controller attend. It meets regularly and reports to the Board on a regular basis.

### **Certified Compliance with Law 20,393**

ILC decided to certify that its Crime Prevention Model complied with Law 20,393 in 2014, as the Board and senior management is committed to continually improving corporate governance. This certification was requested from BH Compliance, which is a leading company in the Crime Prevention Model compliance market, and after a thorough review process, the prevention model was certified as compliant on December 2, 2014, for a 2 year period. This reinforces ILC's commitment to continuously apply the best corporate governance standards.

## **C. MARKET RISK**

### **Investment Committee**

The ILC Investment Committee is composed by two Directors and some Company executives and its purpose is to monitor correct compliance with ILC's investment policy, yet securing sufficient agility when making investment decisions. This Committee meets regularly and reports its main decisions to the Board.

### **Interest Rate Risk**

Interest rate risk is the sensitivity of financial asset and liability values to fluctuations in market interest rates.

Financial liabilities at ILC and its subsidiaries are loans from financial institutions, finance leases and obligations to the public, such as bonds. The proportion of these obligations subject to fixed interest rates was 84%, as of December 31, 2015.

These liabilities are mainly exposed to changes in the value of the UF, which is mitigated by a large proportion of ILC's revenue also being indexed to the UF.

### **Financial Investment Performance Risk**

This is the risk of changes to the market value of ILC's investment instruments, which are particularly exposed to volatility in local and international financial markets, and to exchange rate and interest rate movements. The diversification built into investment policy partially mitigates the effect of violent changes in market conditions.

The parent company has an investment policy that has been approved by its Board. This policy has established that investments in local fixed income instruments must be classified equal to or greater than A+, provided they are highly liquid and have a good credit risk.

The investment portfolio of the subsidiary Compañía de Seguros de Vida Cámara S.A. is based on the policy approved by its Board.



This policy restricts investments to financial instruments that have similar maturities to its liabilities denominated in UF, and are classified equal to or greater than A+.

Moreover, the Company's investment policy requires that at least 35% of the portfolio is invested in instruments issued by the Central Bank of Chile or the Chilean State Treasury.

The investment portfolio for the subsidiaries Compañía de Seguros Confuturo S.A. and Compañía de Seguros Corpseguros S.A. is based on an investment policy that aims to optimize the balance between risks and returns on the portfolio. It requires that the portfolio remains within risk limits defined by the Board, while securing an adequate return on the capital invested by shareholders, and assuring policyholders that the Company can fulfill its commitments to them. The majority of the investments held by these companies are at amortized cost, which substantially reduces market risk. Additionally, the Investment Committee meets every two weeks, in order to review investment proposals and analyze the associated credit risk. It also

reviews the credit situation for every financial investment in Chile and abroad, the lines of credit approved by banks, mutual funds, brokers, covenants and counterparties in derivative transactions.

The Committee is comprised of representatives from the Company's Board, its Chief Executive Officer, Investment Manager, Chief Financial Officer, Deputy Risk Manager and other executives.

The purpose of the derivatives policy is to cover financial risks and to invest, to enable insurance companies to optimize and diversify their investment portfolio.

The financial risk policy aims to limit associated risks, such as market, liquidity, reinvestment, credit and operational risks, to pre-defined levels.

Interest rate risk at Banco Internacional is calculated and monitored using the standard method established in the Compendium of Financial Regulations issued by the Central Bank of Chile and the Updated Compilation of

Standards issued by the SBIF. This requires that interest rate exposure for the trading book and the banking book is measured every day.

The trading book includes financial instruments that have been classified as trading instruments and derivatives that have not been classified as hedging instruments, according to accounting standards.

The banking book includes the remaining assets and liabilities that do not form part of the trading book. The standard banking book model provides a short-term sensitivity measurement associated with the interest margin, and the economic value for the long-term sensitivity measurement.

#### **Cash Reserves Performance Risk**

Pension fund investments are particularly exposed to volatility in local and international financial markets, and to exchange rate and interest rate movements.

These risks directly affect pension fund performance and consequently cash reserves performance, which is directly reflected in profit for the year at the managing company.

#### **Exchange Rate Risk**

ILC is exposed to exchange rate risk on its investments in Peru, its subsidiaries Vida Cámara Peru and Habitat Peru, excluding exchange rate effects on financial investments and cash reserves.

Insurance companies have cross currency swap and forward contracts with financial institutions to protect their investment portfolio from changes in exchange rates, which fully comply with NCG 200 issued by the Superintendency of Securities and Insurance. This standard also defines how they are valued.

Banco Internacional is exposed to losses caused by adverse changes in the value of national currencies compared to foreign currencies and the UF, as these are used to value instruments, contracts and other transactions. Banco Internacional mitigates this exposure using monitoring models that raise warnings regarding exchange rate and indexation risks in the trading and banking books. These models fully comply with the regulations issued by the Central Bank of Chile and the Superintendency of Banks and Financial Institutions.

#### **D. TECHNICAL INSURANCE RISKS**

Pension and Private Annuity Insurance, Traditional Insurance:

The subsidiaries Compañía de Seguros Confuturo S.A. and Compañía de Seguros Corpseguros S.A. aim to manage insurance risk by securing sufficient resources to guarantee their ability to meet the commitments detailed in their insurance contracts.

Therefore, they are organized as follows:

- **Technical Management Department:** It calculates reserves, calculates prices, defines enrollment guidelines, determines retention limits and reinsurance agreements, performs analysis and actuarial projections.
- **Operational Management Department:** It implements enrollment processes, issues policies, collects premiums, maintains contracts, pays claims and benefits.
- **Product Development Department:** It identifies market needs and coordinates the product development process.

It is guided by the following policies, which define the processes associated with managing insurance risk:

- Reserves Policy
- Pricing Policy

- Enrollment Policy
- Reinsurance Policy
- Investment Policy

The reserves policy establishes the criteria and responsibilities for calculating technical reserves. It complies with the regulations issued by the Superintendency of Securities and Insurance, and provides the information required by the Company's Corporate Governance.

The pricing policy is based on the principles of equivalence and equality, bearing in mind the competitive nature of the insurance market. These principles are used to calculate insurance premiums and ensure that they are sufficient to finance claims, operating costs and the required return, which reflects the risk assumed by the Company.

The enrollment policy is designed to ensure that risks are carefully classified according to medical and non-medical factors, taking into account the capital employed.

Enrollment guidelines are adapted to each business according to its characteristics and the way each is marketed. The principles of objectivity and non-discrimination are always applied.

The reinsurance policy imposes risk and diversification requirements for reinsurance companies, in order to minimize the liquidity risk associated with any failure to meet their commitments. However, the Company does not



have any reinsurance on its life annuity portfolio at the closing date of these financial statements.

Furthermore, the Company is constantly improving technical training for its distribution channels, according to their characteristics, the product and the target market.

#### **Technical Risks associated with the Business:**

- Longevity: Risk of loss when life expectancy exceeds expectations.
- Investments: Risk of loss when performance is lower than expected.
- Expenses: Risk of loss when expenses exceed expectations.
- Mortality Risk of loss when deaths follow an unexpected pattern.
- Persistence: Risk of loss when redemptions and policy cancellations exceed expectations.

These risks have been mitigated by adapting the following:

- Product Design
- Enrollment
- Claims Analysis
- Reinsurance

#### **Disability and Survivor Insurance (SIS), Health and Life Insurance**

The disability and survivor insurance business is affected by five main risk components: the number of disability claims and deaths in the period; changes in the rate at which life annuities are sold; changes in pension fund performance; the rate at which disability claims are approved; and changes in the taxable income of AFP contributors.

The Company carried out a thorough financial and statistical analysis and forecasted all the variables in order to arrive at SIS pricing. In addition Compañía de Seguros de Vida Cámara S.A. has financial matching policies to ensure that its investment portfolio matures with the same average maturity as its liabilities, which mitigates the effect of interest rate reductions. It has a full team dedicated to managing the supplementary insurance settlement process for the disability and survivor department, which centralizes back office services for SIS and reports to the Chilean Insurers Association.

Compañía de Seguros de Vida Cámara S.A. provides health and life insurance and is exposed

to the risk of claims and errors in pricing health and life policies.

#### **Health Insurance**

The main risks to which the Isapre sector is exposed are errors in pricing health policies, as they may not adequately cover the corresponding costs and rates agreed with healthcare providers, or the intensity and frequency of their use by policyholders. This is a major risk in the industry due to its low net margins. Isapre Consalud S.A. mitigates this risk using pricing models and a team of experts in these issues.

#### **E. LIQUIDITY RISK**

Liquidity risk is the possibility that the Group fails to meet its working capital and fixed asset investment commitments or financial obligations.

ILC finances its business and its investments using the dividends and income distributions it receives from the companies in which it has invested. It also sells assets and issues bonds and shares.

The Group has sufficient liquid financial resources to meet its short and long-term obligations, and

can also rely on its subsidiaries as important sources of cash. Furthermore, ILC has broad access to funding from the banking sector and capital markets in order to meet its obligations, as its solvency rating is AA+ according to the risk rating companies ICR and Feller-Rate.

The nature of the pension annuity industry is for liabilities in general to have an average term longer than assets. Therefore, the risk of exposing the subsidiaries Compañía de Seguros Confuturo S.A. and Compañía de Seguros Corpseguros S.A. to a liquidity crisis is low. Furthermore, these liabilities are concentrated in highly diversified life annuities, which cannot be enforced in advance, which further reduces their exposure to a liquidity crisis.

Liabilities at the subsidiary Compañía de Seguros Confuturo S.A. are associated with CUI accounts (single investment accounts), so are supported by investments in indexes or liquid assets, which support the products offered by the Company, thus reducing liquidity risks.

Additionally, these liabilities represent a low proportion of its portfolio, and even in a stress scenario the market depth for those assets that support these liabilities is far greater than the Company's potential liquidity requirements.

Banco Internacional has a financial risk department that is responsible for identifying, measuring and controlling the bank's exposure to liquidity risk, arising from mismatches in its own business and investments made by the finance department. It operates in accordance with the bank's strategic objectives, its internal policies, current regulations and best liquidity risk management practice. Banco Internacional has a liquidity management policy, which aims to stabilize funds, minimize their cost and proactively prevent liquidity risks. It has defined liquidity ratios and limits, early warning indicators, contingency plans and liquidity stress tests, which together ensure that liquidity is correctly monitored and anticipates any avoidable risks.

ILC and its subsidiaries constantly analyze their financial situation, by forecasting cash flows and their financial environment in order to negotiate new financial borrowing or restructure the terms of current loans to bring them into alignment with current cash generation, if necessary. It also has pre-approved lines of short-term credit to cover any liquidity risk.

## F. CREDIT RISK

Credit risk is the risk of a financial loss to the Group when a counterparty fails to fulfill its contractual obligations.

The credit risk associated with amounts due from banks, financial instruments and trading securities, which form most of the Group's financial investments such as cash reserves, insurance reserves and the parent company's investment portfolio, are all subject to strict standards imposed by market regulators and their own investment policies. They define minimum risk ratings, maximum concentrations in industries or companies, minimum investment in instruments issued by the Central Bank or Treasury. Therefore, credit risk is reduced to practically the same as that facing the largest institutional investor in the country.

Insurance companies prepare and submit their risk analysis on an annual basis, in accordance with instructions issued by the Superintendency of Securities and Insurance.

The insurance companies, Corpseguros, Confuturo and Vida Cámara, have financial investments that cover their insurance reserves, and they carefully monitor their risk ratings. Moreover, the real estate investments in their portfolios are supported with guarantees such as: land, buildings, performance bonds, and other safeguards.

The risk exposure associated with recovering trade receivables and other accounts receivable is managed by each ILC subsidiary. The greatest credit risk exposure is in the Isapres, which experience low delinquency rates, due to the regulations that apply to this sector to ensure the financial solidity of these institutions. Fonasa has a low credit risk, as it is a healthcare insurer funded directly by the State. The remaining debtors comprise many customers owing small amounts, which minimizes the impact of this risk.

Credit risk at Banco Internacional arises from the likelihood that a counterparty fails to comply with its contractual obligations. Banco Internacional has a credit risk division that detects and controls potential portfolio impairment, and is responsible for monitoring industry concentration, economic conditions, market conditions, regulatory and behavioral changes, changes to key economic variables such as exchange rates, inflation and interest rates, and changes and trends in asset valuation criteria. Banco Internacional has a Credit Policy and Procedures Manual, which guides the executive team in the traditional loan business, subject to assessment, approval and management.

### Earnings Distribution

The Company's paid capital has a carrying value of Ch\$239,852 million and is represented by 100,000,000 common registered shares with no par value. Equity has increased by the appropriate proportion of capital growth, which is understood to be a legal right, once the financial statements are approved at the Ordinary Shareholders' Meeting, in accordance with Article 10 of Law 18,046.

#### EFFECTS ON EQUITY

EQUITY ACCOUNTS	BALANCE AS OF 12/31/2015 MCH\$	PROPOSAL TO THE BOARD MCH\$
PAID CAPITAL	239,852	239,852
SHARE PREMIUM	471	471
OTHER RESERVES	90,767	90,767
RETAINED EARNINGS	103,678	176,160
PROFIT FOR THE YEAR	72,482	
INTERIM DIVIDEND (JANUARY 2016)		7,000
FINAL DIVIDEND*		28,000
<b>TOTAL EQUITY</b>	<b>507,250</b>	<b>472,250</b>

#### DISTRIBUTABLE EARNINGS

	2015 MCH\$
(+) TOTAL ILC PROFIT	72,482
(-) CHANGE IN CASH RESERVES AT AFP HABITAT OF 67.48%	11,915
<b>ILC DISTRIBUTABLE EARNINGS</b>	<b>60,567</b>
INTERIM DIVIDEND	14,000
FINAL DIVIDEND*	28,000
<b>TOTAL DIVIDEND PAID FROM 2015 PROFIT</b>	<b>42,000</b>
<b>PERCENTAGE DISTRIBUTED OF DISTRIBUTABLE EARNINGS</b>	<b>69.3%</b>

\* SUBJECT TO APPROVAL AT THE ORDINARY GENERAL SHAREHOLDERS' MEETING

## DIVIDENDS PAID OVER THE LAST FOUR YEARS

PAYMENT MONTH	DIVIDEND NUMBER	DIVIDEND PER SHARE	PARTICIPATING SHARES	TOTAL DISTRIBUTED	DIVIDEND TYPE	YEAR EARNED
Dec-11	86	CH\$1,965	37,031,553	CH\$72,767,001,645	Interim	2010
May-11	87	CH\$188	37,031,553	CH\$6,961,931,964	Final	2010
Jun-11	88	CH\$270	37,031,553	CH\$9,998,519,310	Additional final	Retained earnings
Sept-13	89	CH\$270	37,031,553	CH\$9,998,519,310	Additional final	Retained earnings
Nov-11	90	CH\$131	37,031,553	CH\$4,851,133,443	Interim	2011
Nov-11	91	CH\$351	37,031,553	CH\$12,998,075,103	Additional final	Retained earnings
May-12	92	CH\$316	37,031,553	CH\$11,701,970,748	Final	2011
Jun-12	93	CH\$1,660	37,031,553	CH\$61,472,377,980	Additional final	Retained earnings
Oct-12	94	CH\$180	99,981,743	CH\$17,996,713,740	Interim	2012
Jan-13	95	CH\$80	100,000,000	CH\$8,000,000,000	Interim	2012
May-13	96	CH\$288	100,000,000	CH\$28,800,000,000	Final	2012
Oct-13	97	CH\$150	100,000,000	CH\$15,000,000,000	Interim	2013
Jan-14	98	CH\$60	100,000,000	CH\$6,000,000,000	Interim	2013
May-14	99	CH\$240	100,000,000	CH\$24,000,000,000	Final	2013
Oct-14	100	CH\$70	100,000,000	CH\$7,000,000,000	Interim	2014
Jan-15	101	CH\$60	100,000,000	CH\$6,000,000,000	Interim	2014
May-15	102	CH\$319	100,000,000	CH\$31,900,000,000	Final	2014
Oct-15	103	CH\$70	100,000,000	CH\$7,000,000,000	Interim	2015
Jan-16	104	CH\$70	100,000,000	CH\$7,000,000,000	Interim	2015

## ILC SHARE TRADING STATISTICS

## SANTIAGO STOCK EXCHANGE

QUARTERLY	NUMBER OF SHARES TRADED	AVERAGE PRICE	TOTAL VALUE TRADED	STOCK MARKET PRESENCE
1st Quarter 2013	7,099,671	CH\$9,139	CH\$64,883,270,006	94.44%
2nd Quarter 2013	6,782,229	CH\$8,849	CH\$60,012,714,657	100.00%
3rd Quarter 2013	5,014,085	CH\$6,910	CH\$34,647,709,178	100.00%
4th Quarter 2013	6,327,677	CH\$7,326	CH\$46,354,253,826	100.00%
1st Quarter 2014	3,202,820	CH\$7,156	CH\$22,804,281,689	99.44%
2nd Quarter 2014	4,511,334	CH\$7,038	CH\$32,145,240,795	99.26%
3rd Quarter 2014	5,486,735	CH\$7,388	CH\$27,896,701,454	98.52%
4th Quarter 2014	5,473,969	CH\$7,912	CH\$43,668,095,197	98.70%
1st Quarter 2015	2,403,628	CH\$7,453	CH\$17,905,201,350	98.89%
2nd Quarter 2015	3,483,526	CH\$7,485	CH\$26,194,133,877	98.89%
3rd Quarter 2015	2,789,632	CH\$7,362	CH\$20,579,477,374	98.33%
4th Quarter 2015	2,892,754	CH\$7,586	CH\$21,960,568,919	98.89%



## CHILEAN ELECTRONIC STOCK EXCHANGE

QUARTERLY	NUMBER OF SHARES TRADED	AVERAGE PRICE	TOTAL VALUE TRADED
1st Quarter 2013	777,479	CH\$9,150	CH\$17,120,504,901
2nd Quarter 2013	252,017	CH\$8,896	CH\$2,242,312,153
3rd Quarter 2013	379,054	CH\$6,803	CH\$2,578,485,229
4th Quarter 2013	290,569	CH\$7,337	CH\$2,132,671,650
1st Quarter 2014	77,295	CH\$7,139	CH\$559,425,644
2nd Quarter 2014	436,040	CH\$7,011	CH\$3,011,358,351
3rd Quarter 2014	324,296	CH\$7,452	CH\$2,524,930,478
4th Quarter 2014	189,795	CH\$7,873	CH\$1,482,033,367
1st Quarter 2015	170,232	CH\$7,429	CH\$1,262,557,993
2nd Quarter 2015	148,935	CH\$7,440	CH\$1,102,244,607
3rd Quarter 2015	169,832	CH\$7,359	CH\$1,250,633,954
4th Quarter 2015	90,873	CH\$7,599	CH\$694,561,778

## VALPARAISO STOCK EXCHANGE

QUARTERLY	NUMBER OF SHARES TRADED	AVERAGE PRICE	TOTAL VALUE TRADED
1st Quarter 2013	14,156	CH\$9,130	CH\$129,148,039
2nd Quarter 2013	10,933	CH\$9,035	CH\$98,784,908
3rd Quarter 2013	4,520	CH\$6,789	CH\$30,686,538
4th Quarter 2013	-	-	-
1st Quarter 2014	-	-	-
2nd Quarter 2014	-	-	-
3rd Quarter 2014	-	-	-
4th Quarter 2014	-	-	-
1st Quarter 2015	-	-	-
2nd Quarter 2015	-	-	-
3rd Quarter 2015	-	-	-
4th Quarter 2015	-	-	-

## ILC SHARE TRADING BY EXECUTIVES

## 2015

INDIVIDUAL / LEGAL ENTITY	RELATIONSHIP	INVESTMENT	NATURE	AVERAGE UNIT PRICE (CH\$)	TRANSACTION AMOUNT (CH\$)
Julio Galvez Pacheco	ILC Executive	Financial Investment	Bought	7,500	1,057,500

## ILC DIRECTORS AND EXECUTIVES WITH OWNERSHIP INTERESTS

The Directors and senior executives with ownership interests in ILC are listed below:

NAME	POSITION	NUMBER OF SHARES	% INTEREST
Jorge Mas Figueroa	Chairman	0	0%
Daniel Hurtado Parot	Vice Chairman	48,108	0.048108%
Gastón Escala Aguirre	ILC Director	617,493	0.617493%
Sergio Torretti Costa	ILC Director	424	0.000424%
Paulo Bezanilla Saavedra (1)	ILC Director	0	0%
Francisco Vial Bezanilla	ILC Director	13,899	0.013899%
René Cortázar Sanz	ILC Director	0	0%
Patricio Bustamante Pérez	ILC Director	0	0%
Lorenzo Constans Gorri	ILC Director	8,205	0.008205%
Alberto Etchegaray Aubry	ILC Director	2,038	0.002038%
Pablo González Figari	Chief Executive Officer	8,744	0.008744%
Ignacio González Recabarren	Chief Financial Officer	4,720	0.00472%
Robinson Peña Gaete	Chief Accounting and Administrative Officer	2,778	0.002778%
Nicole Winkler Sotomayor (2)	Deputy Development Manager	736	0.000736%
Andrés Gallo Poblete	Controller	137	0.000137%
David Gallagher Blamberg	Chief Development Officer	1,132	0.001132%
Juan Hardessen Álvarez (3)	Planning Manager	0	0%
Juan Olguín Tenorio	Head Accountant	0	0%
María Paz Merino Pagola (4)	Head of Investor Relations	0	0%
Trinidad Valdés Monge	Head of Investor Relations	0	0%
Lorena Mardones Jara	Treasurer	0	0%
Hernando Farías Ulloa	Head of Internal Control	0	0%
Julio Galvez Pacheco	Deputy Development Manager	141	0.000141%
Andrea Isbej Morales	Deputy Management Control Manager	0	0%

(1) Mr. Paulo Bezanilla Saavedra was an ILC Director from May 2011 until January 2015 and was replaced by Mr. Patricio Bustamante Pérez.

(2) Nicole Winkler Sotomayor worked at ILC from November 2010 until January 2015.

(3) John Hardessen Alvarez worked at ILC from July 2014 until April 2015.

(4) Maria Paz Merino Pagola worked at ILC from July 2013 until August 2015.

## ILC AND SUBSIDIARIES' TRADEMARKS

DECEMBER 31, 2015

### A) ILC Trademarks

The main trademarks registered in the name of ILC (formerly Sociedad de Inversiones y Servicios la Construcción S.A.) are the following:

1) The trademark ILC INVERSIONES under number 938523 for classes 35 and 36, and valid until 11/18/2021.

2) The trademark RED SALUD CCHC under numbers 793516 and 822222 for classes 36 and 44, and valid until 07/31/2017 and 07/18/2018, respectively.



3) The trademark REDSALUD RED SOCIAL CCHC under numbers 824762 and 824763 for classes 16, 36 and 44, and valid until 08/20/2018.

4) The trademark LA CONSTRUCCIÓN under number 871262 for class 36, and valid until 02/02/2019.

5) The trademark CLÍNICA PEÑALOLÉN under numbers 969455, 969457, 969459, 999428 and 1027650 for classes 44, 42, 39, 41 and 35, and valid until 10/26/2022 for classes 44, 42 and 39, 03/12/2023 for class 41 and 08/02/2023 for class 35.

6) The trademark CLÍNICA ÑUÑO A under number 1027652 for class 35, and valid until 08/02/2023.

7) The trademark CLÍNICA LA FLORIDA under numbers 992520, 969461, 969463, 969465 and 1033743 for classes 44, 42, 41, 39 and 35 and valid until 02/07/2023 for class 44, 10/26/2022 for classes 42, 41 and 39 and 08/23/2023 for class 35.

8) The trademark CONVIDA under number 1127511 for class 36, and valid until 09/25/2024.

9) The trademark CONSTRUVIDA under number 1145865 for class 36, and valid until 12/16/2024.

10) The trademark CONSTRUSALUD under number 1174476 for classes 36 and 44, and valid until 08/04/2025.

#### **B) Trademarks of ILC Subsidiaries**

The main trademarks registered in the name of ILC's subsidiaries are the following:

##### **ISAPRE CONSALUD S.A.**

The trademark ISAPRE CONSALUD through Isapre Consalud S.A. under numbers 932317 and 933201 for classes 35, 36, 38, 44 and 16, and valid until 09/22/2021 and 09/29/2021 respectively.

The trademark CONSALUD through Isapre Consalud S.A. under numbers 757610, 757611, 757612 and 758105 for classes 16, 35, 36 and 44, and valid until 05/04/2016 and 05/10/2016 for class 44.

The trademark CONSALUD SEGUROS through Isapre Consalud S.A. under numbers 1145624,

1145625 and 1145626 for classes 35, 36 and 16, and valid until 12/15/2024.

##### **ADMINISTRADORA DE FONDOS DE PENSIONES HÁBITAT S.A.**

The trademark HABITAT A.F.P. through Administradora de Fondos de Pensiones Hábitat S.A. under numbers 943597 and 943598 for classes 16, 36 and 38 and valid until 11/26/2021.

The trademark AFP HABITAT through Administradora de Fondos de Pensiones Hábitat S.A. under number 983178 for class 36, and valid until 01/03/2023.

##### **INVERSIONES CONFUTURO S.A.**

The trademark CORPSEGUROS through Compañía de Seguros Corpvida S.A. under number 809983 for class 36, and valid until 11/27/2017.

The trademark CORPVIDA through Compañía de Seguros Corpvida S.A. under numbers 814604, 821812, 814605 and 814606 for classes 24, 36, 35 and 16, and valid until 04/22/2018 for classes 24, 35 and 16, and 07/11/2018 for class 36.

The trademark VIDA CORP through Compañía de Seguros Corpvida S.A. under numbers 830225, 826927, 826926, and 851338 for classes 35, 37, 42, 43, 44, 16, 36 and valid until 05/06/2018 for class 35, 03/30/2018 for classes 16, 37, 42, 43 and 44, and 09/29/2019 for class 36.

The trademark CORP VIDA through Compañía de Seguros Corpvida S.A. under numbers 960835, 960838, 960836 and 960837 for classes 16, 37, 42, 43, 44 and 45, and valid until 01/24/2022.

The trademark Confuturo under number 1167385 for class 36, and valid until 05/27/2025.

**CLÍNICA BICENTENARIO S.A. (FORMERLY CLÍNICA LA CONSTRUCCIÓN S.A.)**

The trademark CLINICA BICENTENARIO through Clínica La Construcción S.A. under number 856278 for classes 35, 39, 41, 42 and 44, and valid until 07/27/2019.

The trademark CLINICA METROPOLITANA through Clínica La Construcción S.A. under number 804625 for classes 35, 39, 41, 42 and 44, and valid until 12/28/17.

The trademark CLINICA SANTIAGO PONIENTE through Clínica La Construcción S.A. under

number 798981 for classes 35, 39, 41 and 44, and valid until 10/17/2017.

**SERVICIOS MEDICOS TABANCURA S.A.**

The trademark CLÍNICA TABANCURA through Servicios Médicos Tabancura S.A. under number 1006266 for class 16, and valid until 10/30/2022.

The trademark TABANCURA through Servicios Médicos Tabancura S.A. under number 785198 for class 44, and valid until 01/02/2017.

The trademark MATERNIDAD TABANCURA through Servicios Médicos Tabancura S.A. under number 928825 for class 44, and valid until 06/08/2021.

**CLINICA AVANSALUD S.A.**

The trademark CLINICA AVANSALUD brand, through Clínica Avansalud S.A. under numbers 1087362, 1087358, and 1087360 for classes 16, 36 and 38, and valid until 09/07/2024.

The trademark AVANSALUD, through Clínica Avansalud S.A. under numbers 982282, 982284 and 1042249, for classes 36, 38 and 44, and valid until 09/10/2022 for classes 36 and 38, and 12/22/2023 for class 44. The same trademark

through Clínica Avansalud S.A. under numbers 1087364 and 1120984 for classes 16 and 44, and valid until 03/18/2024 and 06/16/2024 respectively.

The trademark MEDIC II through Clínica Avansalud S.A. under numbers 858648, 858649 and 858650 for classes 9, 16 and 38 and valid until 08/26/2019.

**MEGASALUD S.A.**

The trademark MEGASALUD through Megasalud S.A. under numbers 756393, 927137, 753183, 754718 and 750311 for classes 10, 16, 36, 42 and 44, and valid until 04/18/16 for class 10, 08/01/2021 for class 16, 03/10/2016 for class 36, 03/29/16 for class 42 and 02/10/16 for class 44.

The trademark MEGASALUD.CL through Megasalud S.A. under numbers 886819 and 756392 for classes 10, 35, 39 and 42, and valid until 06/15/2020 for class 10 and 04/18/16 for classes 35, 39 and 42.

The trademark RED SALUD MEGASALUD CCHC through Megasalud S.A. under numbers 857897 and 800203 for classes 16 and 44, and valid until 08/18/2019 for class 16 and 11/02/2017 for class 44.



#### **COMPAÑÍA DE SEGUROS DE VIDA CÁMARA S.A.**

The trademark VIDA CAMARA through Compañía de Seguros de Vida Cámara S.A. under number 913784 for class 36, and valid until 03/23/2021.

#### **ICONSTRUYE S.A.**

The trademark ICONSTRUYE through Iconstruye S.A. under numbers 939970 and 983800 for classes 9, 16, 35, 36, 37, 38, 41 and 42, and valid until 11/22/2021 for classes 9 and 16 and 02/01/2022 for classes 35, 36, 37, 38, 41 and 42.

The trademark EL INMOBILIARIO through Iconstruye S.A. under number 808523 for classes 35, 36 and 38, and valid until 02/14/2018.

The trademark EL INMOBILIARIO ICONSTRUYE through under numbers 823900, 823913, 829340 and 823912 for classes 16, 35, 36 and 38 and valid until 08/07/2018 for classes 16, 35 and 38 and 10/03/2018 for class 36.

The trademark ICONSTRUYE.COM, through under numbers 939971 and 989326 for classes 9, 16, 35, 36, 37, 38, 41 and 42, and valid until 11/22/2021 for classes 9 and 16 and 02/01/2022 for classes 35, 36, 37, 38, 41 and 42.

#### **CLÍNICA IQUIQUE S.A.**

The trademark CI IQUIQUE through Clínica Iquique S.A. under number 923818 for class 44, and valid until 10/16/2020.

#### **ADMINISTRADORA CLÍNICAS REGIONALES SEIS S.A.**

This company has not registered any trademarks.

#### **ONCORED SPA**

This company has not registered any trademarks.

#### **INMOBILIARIA ILC SPA**

This company has not registered any trademarks.

#### **INMOBILIARIA CLÍNICA S.A.**

This company has not registered any trademarks.

#### **EMPRESAS RED SALUD S.A.**

This company has not registered any trademarks.

#### **SOCIEDAD EDUCACIONAL MACHALI S.A.**

This company has not registered any trademarks.

#### **INVERSIONES LA CONSTRUCCIÓN LIMITADA**

This company has not registered any trademarks.

#### **INVERSIONES PREVISIONALES-DOS S.A.**

This company has not registered any trademarks.

#### **INVERSIONES INTERNACIONALES LA CONSTRUCCIÓN S.A.**

This company has not registered any trademarks.

#### **COMPAÑÍA DE SEGUROS CORPSEGUROS S.A.**

This company has not registered any trademarks.

## INSURANCE CONTRACTS

The Group has taken out insurance policies to cover risks to property, plant and equipment and potential claims against Directors and executives when performing their duties. These policies sufficiently cover the risks to which they are exposed.

ILC has taken out insurance policies covering risks to physical assets:

- Machinery breakdowns and civil liability for the building located at 10, Marchant Pereira, Providencia. It covers: Fire, earthquake, machinery and electronic equipment breakdown, theft, assault, windows and terrorism.

- All risks insurance for the building located at 194, Av. Libertador Bernardo O'Higgins, Santiago, and for the building located at 1056, Av. Italia, Providencia.

ILC has also taken out civil liability insurance to protect the Directors and management, whose decisions commit the company to third parties. This insurance primarily covers the legal costs to defend an investigation or administrative claim.

AFP Habitat has taken out a policy that covers all its properties and covers the risk of loss or physical damage.

Isapre Consalud has taken out a policy that covers all its properties and covers the risk of loss or physical damage.

Red Salud has taken out policies that cover the risks associated with fire, terrorism, earthquake, civil liability and damages due to stoppages at its subsidiaries.

Nahuelcura School has taken out a policy that covers risks associated with fire, earthquake, natural events, terrorism and civil liability.

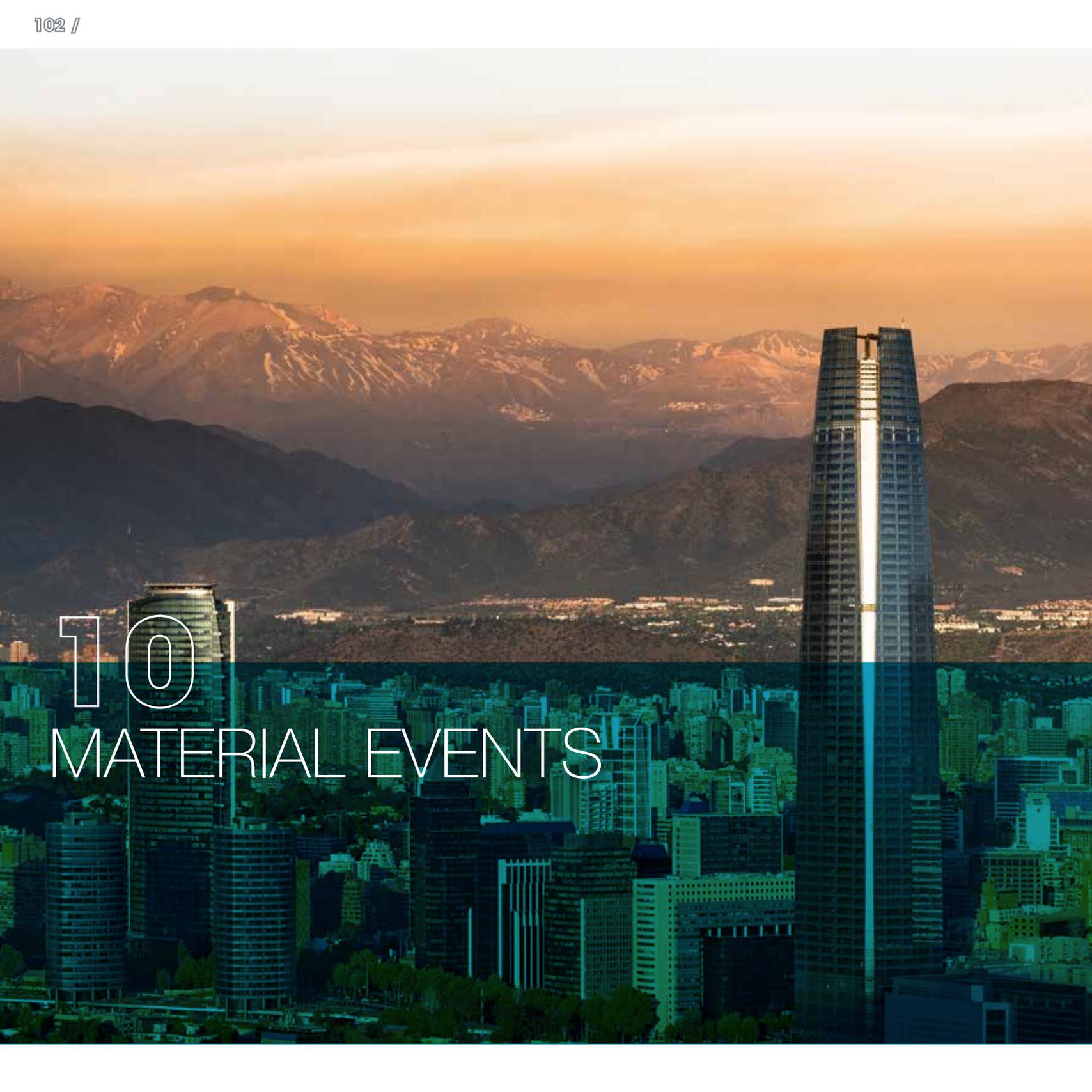
The subsidiaries of Inversiones Confuturo, Confuturo and Corpseguros, have taken out policies that cover the risks associated with fire, theft, damage to electronic equipment and civil liability.

## TRANSACTIONS WITH RELATED COMPANIES IN 2015

The main transactions between ILC and related companies are as follows, and are detailed in the Company's financial statements as of December 31, 2015, in note 8.

## TRANSACTIONS WITH RELATED COMPANIES IN 2015

TAXPAYER ID NUMBER	PARENT COMPANY	TAXPAYER ID NUMBER	COUNTERPART SUBSIDIARY	RELATIONSHIP	TRANSACTION	AMOUNT THCH\$	EFFECT ON PROFIT (LOSS)
94.139.000-5	Inversiones la Construcción S.A.	76.020.458-7	Red Salud S.A.	Parent - Subsidiary	Interest and indexation mercantile current account	334,198	334,198
94.139.000-6	Inversiones la Construcción S.A.	76.283.171-6	Inversiones Marchant Pereira Ltda.	Parent - Subsidiary	Interest and indexation mercantile current account	4,028	4,028
76.438.032-0	Inversiones la Construcción S.A.	99.003.000-6	Administradora de Inversiones Previsionales SpA	Parent - Subsidiary	Capital contribution	10,000	-
94.139.000-5	Inversiones la Construcción S.A.	99.003.000-6	Compañía de Seguros Vida Cámara S.A.	Parent - Subsidiary	Interest and indexation mercantile current account	31,733	31,733
94.139.000-5	Inversiones la Construcción S.A.	99.003.000-6	Compañía de Seguros Vida Cámara S.A.	Parent - Subsidiary	Capital contribution	3,764,440	-
94.139.000-5	Inversiones la Construcción S.A.	76.081.583-7	Sociedad Educacional Machalí S.A.	Parent - Subsidiary	Interest and indexation mercantile current account	700	700
94.139.000-5	Inversiones la Construcción S.A.	76.296.621-2	Inmobiliaria ILC SpA	Parent - Subsidiary	Current account loan	12,661,230	-
94.139.000-5	Inversiones la Construcción S.A.	76.296.621-2	Inmobiliaria ILC SpA	Parent - Subsidiary	Interest and indexation mercantile current account	631,239	631,239
94.139.000-5	Inversiones la Construcción S.A.	99.003.000-6	Compañía de Seguros Vida Cámara S.A.	Parent - Subsidiary	Office leases	184,766	184,766
94.139.000-5	Inversiones la Construcción S.A.	94.941.720-0	Iconstruye S.A.	Parent - Subsidiary	Office leases	87,075	87,075
94.139.000-5	Inversiones la Construcción S.A.	98.000.100-8	AFP Habitat S.A.	Parent - Subsidiary	Storage unit lease	1,188	1,188
94.139.000-5	Inversiones la Construcción S.A.	76.123.853-1	Inmobiliaria Clínica S.A.	Parent - Subsidiary	Land lease	5,040	5,040
94.139.000-5	Inversiones la Construcción S.A.	96.608.510-K	Inversiones Internacionales La Construcción S.A.	Parent - Subsidiary	Administrative consultancy	18,000	18,000
94.139.000-5	Inversiones la Construcción S.A.	76.090.153-9	Inversiones La Construcción Limitada	Parent - Subsidiary	Administrative consultancy	36,000	36,000
81.458.500-K	Cámara Chilena de la Construcción AG	94.139.000-5	Inversiones La Construcción S.A.	Parent - Subsidiary	Office leases	15,656	15,656
94.139.000-5	Inversiones la Construcción S.A.	96.751.830-1	Inversiones Confuturo S.A.	Parent - Subsidiary	Interest and indexation mercantile current account	513	513
94.139.000-5	Inversiones la Construcción S.A.	96.751.830-1	Inversiones Confuturo S.A.	Parent - Subsidiary	Administrative consultancy	36,000	36,000
94.139.000-5	Inversiones la Construcción S.A.	96.856.780-2	Isapre Consalud S.A.	Parent - Subsidiary	Dividend paid	575,531	-
94.139.000-5	Inversiones la Construcción S.A.	76.093.446-1	Inversiones Previsionales Dos S.A.	Parent - Subsidiary	Dividend paid	2,316,143	-
94.139.000-5	Inversiones la Construcción S.A.	76.020.458-7	Red Salud S.A.	Parent - Subsidiary	Dividend paid	639,053	-
94.139.000-5	Inversiones la Construcción S.A.	96.751.830-1	Inversiones Confuturo S.A.	Parent - Subsidiary	Capital contribution	25,629,000	-
94.139.000-5	Inversiones la Construcción S.A.	76.499.524-4	ILC Holdco SpA	Parent - Subsidiary	Capital contribution	67,834,000	-
76.438.032-0	Inversiones la Construcción S.A.	76.499.521-K	BI Administradora SpA	Parent - Subsidiary	Capital contribution	10,000	-
76.438.032-0	Inversiones la Construcción S.A.	96.751.830-1	Cía. de Seguros de Vida Confuturo S.A.	Parent - Subsidiary	Share purchase	185	-
94.139.000-5	Inversiones la Construcción S.A.	94.941.720-0	Iconstruye S.A.	Parent - Subsidiary	Dividend paid	50,916	-



10  
MATERIAL EVENTS

- On January 26, 2015, it was reported that the Board was advised that Mr. Paulo Bezanilla Saavedra had submitted his resignation from his position as Director as of that date; and that the Board had appointed Mr. Patricio Bustamante Pérez as his replacement.
- On March 30, 2015, it was reported that the shareholders were called to an Ordinary General Shareholders' Meeting scheduled for April 30, 2015. This meeting will address the following matters:
  - Approve the Annual Report and Financial Statements as of December 31, 2014;
  - Approve the final proposed dividend to shareholders paid from profit for 2014, in addition to interim dividends paid from profit for 2014, of Ch\$319 per share;
- Approve the dividend policy for 2015;
- Appoint the Directors;
- Approve the Director's compensation for 2015.
- Approve the compensation for members of the Directors' Committee referred to in Article 50 bis of Law 18,046 and approve its expense budget for 2015;
- Appoint the External Auditors and Risk Rating Agencies.
- Receive a report on transactions with related parties, in accordance with the Chapter XVI of Law 18,046;
- Select the newspaper to publish notices of calls to shareholders meetings;
- Other matters within the jurisdiction of an Ordinary General Shareholders' Meeting, according to the law and the Company's bylaws.
- On April 30, 2015, it was reported that the Ordinary General Shareholders' Meeting approved the following:
  - Distribute a final dividend to shareholders paid from profit for 2014, in addition to interim dividends paid from profit for 2014, of Ch\$319 per share;
  - Appoint as directors Messrs. Jorge Mas Figueroa, Daniel Hurtado Parot, Gaston Escala Aguirre, Lorenzo Constans Gorri, Alberto Etchegaray Aubry, Sergio Torretti Costa, Francisco Vial Bezanilla, Patricio Bustamante Perez and René Cortázar Sanz, the latter as an independent Director.
  - Appoint Deloitte Auditores y Consultores Limitada as external auditors.
  - Appoint Feller – Rate Clasificadora de Riesgo Limitada and International Credit Rating Compañía Clasificadora de Riesgo Limitada as risk rating companies.

- On August 28, 2015, it was reported that the “Tender for Property on the corner of Avenida Bernardo O’Higgins and Avenida Padre Alberto Hurtado, Estación Central” was awarded, which involves the sale of real estate owned by the Company. This generated a gain before tax of around Ch\$5,130 million.

- On September 4, 2015, it was reported that the Superintendency of Banks and Financial Institutions authorized the acquisition of at least 50.1% of the shares of Banco Internacional, Factoring Baninter S.A. and Baninter Corredores de Seguros Limitada, through a takeover bid to acquire shares and a subsequent capital increase.

- On September 28, 2015, it was reported that the Board agreed to distribute to the shareholders an interim dividend of Ch\$70 per share; paid from the profit for 2015 on October 21, 2015.

- On October 7, 2015, it was reported that ILC and its subsidiary ILC HoldCo signed a Sale Framework Agreement with Baninter and its subsidiary BI HoldCo, in order to create an association between ILC and Banco Internacional, Factoring Baninter and Baninter Corredores de Seguros. This document agreed that the buyer would invest in: (i) Banco Internacional, through the launch of a public offer to acquire all its subscribed and paid shares; and subscribing to 466,005,572 new paid shares to be issued under a capital increase approved at its Extraordinary

Shareholders' Meeting held on April 22, 2015; (ii) Factoring Baninter, through the purchase of 943,069 of its shares and subscribing to 400,382 new shares to be issued under a capital increase; and, (iii) Baninter Corredores de Seguros, through acquiring 50,11% of its total voting rights.

These acquisitions total approximately Ch\$68,200 million pesos.

- On October 30, 2015, it was reported that the purchase of Banco Internacional, Factoring Baninter S.A. and Baninter Insurance Brokers Limited had been successfully completed for a total cost of Ch\$67,600 million pesos.

Therefore, the Company indirectly acquired control over these companies on that date.

- On November 5, 2015, it was reported that the Board decided to disclose a confidential material event that had been reported to the Superintendency of Securities and Insurance on November 3, 2015. The newspaper El Mercurio then reported the details of this confidential material event.

This event was the reception of an official communication from the Superintendency of Pensions, stating that it conclusively rejected the structure envisaged in the Transaction Master Agreement signed by the Company and Prudential Financial Inc., to create a partnership that would

allow the latter to invest in the subsidiary Administradora de Fondos de Pensiones Habitat S.A. It reported that the Company and Prudential were analyzing the objections raised by the Superintendency, in order to request that the proposal be reconsidered, given the benefits presented in the proposed structure and its full alignment with all legal requirements. However, if the Superintendency decides to maintain its interpretation, ILC and Prudential would then have to explore a new structure in order to complete the transaction, which would imply a change in the projected deadlines. If they were unable to reach an agreement, then the parties would annul the agreements reached to date.

The Board had originally decided to keep this information confidential until such date as the position of the Superintendency of Pensions became definitive, in order to not harm the interests of the Company and its shareholders.

- On November 13, 2015, it was reported that an official communication had been received from the Superintendency of Pensions, stating that it approved the new proposed structure to create a partnership that would enable Prudential to invest in Habitat, which effectively resolved the objections raised regarding the initial structure.



- On November 20, 2015, it was reported that an amendment to the Transaction Master Agreement between Prudential and Habitat had been signed, which incorporated the new structure approved by the Superintendency of Pensions, and did not alter the previously established transaction stages.

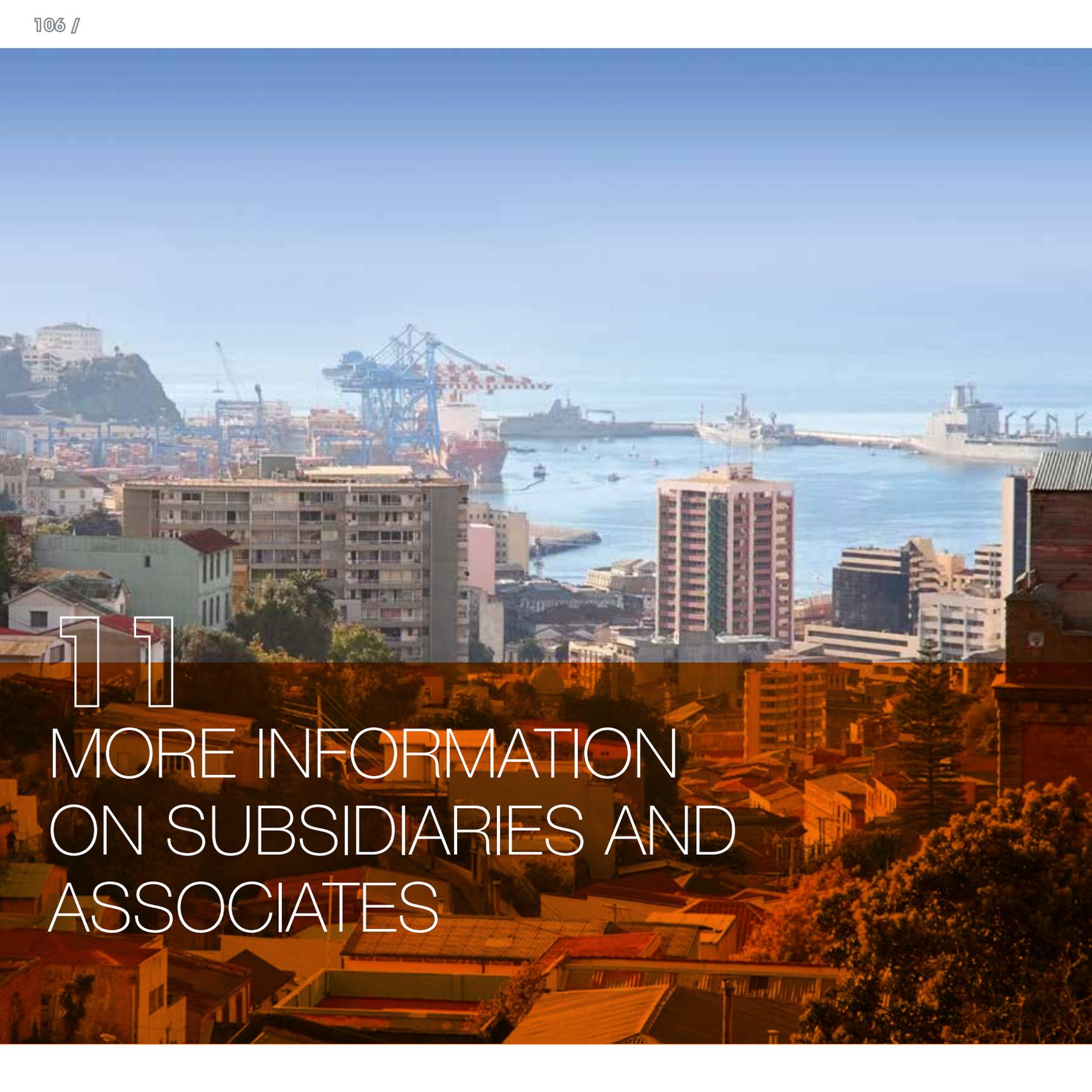
The amendment also includes an adjustment in the price per share for the voluntary takeover bid to acquire shares to be launched for 13.1% of the shares of Habitat. Therefore, this price will be used as the basis for determining the price at which ILC will sell half of its shareholding in Habitat to Prudential after the takeover bid. This price is Ch\$890 (the original price of Ch\$925 per Habitat share, less the dividend of Ch\$35 distributed on May 8 by Habitat). This price will be indexed in accordance with the increase in value of the UF between October 1, 2015, and the day prior to the date on which the capitalization takes place that enables the shares in Habitat to be acquired.

Finally, it was reported that the deadline for receiving the approval of the Superintendency of Pensions was extended to March 21, 2016, as this is a pre-condition for transaction closure.

- On December 21, 2015, it was reported that a board meeting held on that day the Board agreed to distribute to the shareholders an interim dividend of Ch\$70 per share, to be paid from profit for 2015 on January 14, 2016.

- On December 23, 2015, it was reported that on the previous day ILC subscribed and paid for 221,422,280 series "A" paid shares, from the capital increase of its subsidiary Inversiones Confuturo, approved at the Extraordinary General Shareholders' Meeting held on December 21, 2015. The price paid for all these shares was UF 1,000,000, equivalent on this date to Ch\$25,629,090,000.

This capital increase was to finance the subsidiary Compañía de Seguros Confuturo, through the subsidiary Inversiones Confuturo.



# 11

MORE INFORMATION  
ON SUBSIDIARIES AND  
ASSOCIATES

## SUBSIDIARY INMOBILIARIA ILC SPA

### Legal Name

Inmobiliaria ILC SpA

### Taxpayer ID Number

76.296.621-2

### Legal Nature

Simplified corporation

### Subscribed and Paid Capital

ThCh\$50

### Ownership Interest (%)

100%

### Investment as a Percentage of the Parent Company's Net Assets

-0.057%

### Business Description

The purpose of the company is to buy, sell or exchange properties and any associated rights over them; use them in any manner, for its own account or on behalf of third parties; lease, lend and manage furnished and unfurnished property; use parking spaces; and perform anything associated with these purposes. At present the company has signed a purchase promise agreement with Inmobiliaria Apoquindo – Las Condes S.A. for 18 floors, parking spaces and storage units at the Chilean Chamber of Construction building, currently under construction.

### Board

#### Chairman

Jorge Mas Figueroa

#### Vice Chairman

Daniel Hurtado Parot

### Directors

Lorenzo Constans Gorri  
Paulo Bezanilla Saavedra  
Alberto Etchegaray Aubry  
Sergio Torretti Costa  
René Cortázar Sanz  
Gastón Escala Aguirre  
Francisco Vial Bezanilla

### Management

#### Chief Executive Officer

Pablo González Figari

(\*) The Directors are also Directors of the parent company. Pablo González Figari is an executive at the parent company.

### Main Contracts with the Parent Company

The company has a mercantile current account with the parent company.

## SUBSIDIARY ADMINISTRACIÓN DE INVERSIONES PREVISIONALES SPA

### Legal Name

Administradora de Inversiones Previsionales SpA

### Taxpayer ID Number

76.438.032-0

### Legal Nature

Simplified corporation

### Subscribed and Paid Capital

Its capital is Ch\$4,165,062,400, only one series Y share has been paid for.\*

### Ownership Interest (%)

100% \*\*

### Investment as a Percentage of the Parent Company's Net Assets

0.9%

### Business Description

The purpose of the company is to directly or indirectly manage investments in AFPs or other legal entities dedicated to providing pensions; which includes, without limitation, participating in the ownership and management or control of any company that has direct or indirect investments in one or more companies conducting the aforementioned business, in accordance with the fourth article of its bylaws. Furthermore, the company may acquire and dispose of any security, and directly or through its subsidiaries enter into any agreement related to the aforementioned business.

### Board

The company is managed by Inversiones La Construcción S.A. as managing partner, in accordance with Transitional Article 2. \*\*\*

### Management

Inversiones La Construcción S.A. solely and exclusively represents and manages the company and uses its legal name. This is accomplished by its legal representatives, and its general or specially designated representatives.

### Main Contracts with the Parent Company

The Company does not have any contracts with the parent company.

\* Capital of 100 X series shares and 100 Y series shares was paid on January 5 and 8, 2016.

\*\* On March 2, 2016, ILC's ownership interest became 50%, as Prudential Chile SpA became the owner of 50% of the shares, being 100 series Y shares.

\*\*\* From March 2, 2016, the Company was managed by a Board composed of four Directors, as Prudential had become owner of 50% of the shares.

## SUBSIDIARY INVESCO LIMITADA

### Legal Name

Inversiones la Construcción Limitada

### Taxpayer ID Number

76.090.153-9

### Legal Nature

Limited liability company

### Subscribed and Paid Capital

ThCh\$97,015

### Ownership Interest (%)

99.9%

### Investment as a Percentage of the Parent Company's Net Assets

20.07%

**Business Description**

The purpose of the company is to invest in movable and immovable, tangible and intangible property, and in rights, shares or any transferable securities.

**Board****Chairman**

Jorge Mas Figueroa

**Vice Chairman**

Daniel Hurtado Parot

**Directors**

Lorenzo Constans Gorri  
Paulo Bezanilla Saavedra  
Alberto Etchegaray Aubry  
Sergio Torretti Costa  
René Cortázar Sanz  
Gastón Escala Aguirre  
Francisco Vial Bezanilla

**Management****Chief Executive Officer**

Pablo González Figari

The Directors are also Directors of the parent company. Pablo González Figari is an executive at the parent company.

**Main contracts with the parent company**

The company has a consultancy contract with the parent company.

**SUBSIDIARY  
INPRESA DOS SPA****Legal Name**

Inversiones Previsionales Dos SpA.

**Taxpayer ID Number**

76.093.446-1

**Legal Nature**

Simplified corporation

**Subscribed and Paid Capital**

Paid Ch\$42,354 million and subscribed Ch\$42,931 million \*

**Ownership Interest (%)**

99.9%

**Investment as a Percentage of  
the Parent Company's Net Assets**

22.5%

**Business Description**

The purpose of the company is to invest in shares and securities issued or that may be issued by Administradora de Fondos de Pensiones Habitat S.A. and generally in any securities or investment bonds. The company operates mainly in Chile and its business is focused on the pension sector, which includes AFPs, in addition to providing the services and benefits established by law.

**Board\*\*\*****Chairman**

Joaquín Cortez Huerta

**Vice Chairman**

Pablo González Figari

**Directors**

Alejandro Ferreiro Yazigi  
Fernando Siña Gardner  
Patricio Mena Barros  
Sergio Icaza Pérez

**Management****Chief Executive Officer**

Robinson Peña Gaete

The Directors Pablo González Figari and Robinson Peña Gaete are executives at the parent company.

\* The entire capital of Ch\$42,931 million was paid on March 8.

\*\* On January 5, ownership totaled 100% of the series B shares, while Inversiones Previsionales Chile SpA owns 100% of the series A shares.

\*\*\* On March 4, the Board was composed of Pablo González Figari (Chairman), Ignacio González Recabarren, Ralph J. Storti, and Rodrigo Ochagavía Ruiz-Tagle.

**Main Contracts with the Parent Company**

There are no contracts with the parent company.

**SUBSIDIARY INVESCO INTERNACIONAL S.A.****Legal Name**

Inversiones Internacionales la Construcción S.A.

**Taxpayer ID Number**

96,608,510-K

**Legal Nature**

Privately held corporation

**Subscribed and Paid Capital**

ThCh\$922.04

**Ownership Interest (%)**

61.6%

**Investment as a Percentage of  
the Parent Company's Net Assets**

0.14%

**Business Description**

The company's business is focused on the pension and healthcare sectors in South America.

**Pension sector**

Includes AFPs, in addition to providing the services and benefits established by law.

**Healthcare sector**

Providing healthcare services and benefits, either directly or through the financing them, and any related or complementary business.

**Board****Chairman**

Alberto Etchegaray Aubry

**Vice Chairman**

Alfredo Schmidt Montes

**Directors**

José Molina Armas  
Gustavo Vicuña Molina

The Chairman Alberto Etchegaray Aubry is a Director of the parent company.

**Management**

**Chief Executive Officer**  
Ricardo Silva Mena

**Main Contracts with the Parent Company**

The company has a management consultancy contract with the parent company.

## SUBSIDIARY

### AFP HABITAT S.A.

**Legal Name**

Administradora de Fondos de Pensiones Habitat S.A.

**Legal Nature**

Quoted public corporation

**Taxpayer ID Number**

98.000.100-8

**Subscribed and Paid Capital**

ThCh\$1,764

**Ownership Interest (%)**

67.49%\*

**Investment as a Percentage of the Parent Company's Net Assets**

27.85%

**Business Description**

The purpose of the company is to manage pension funds, grant and manage the services and benefits established by Decree Law 3,500 dated 1980, and perform any other activities that the law expressly authorizes. In particular form subsidiary corporations that complement its business under the terms of Article 23 of Decree Law 3,500 and invest in corporations that are security depositories as defined in Law 18,873.

**Board****Chairman**

Juan Maximiliano Benavides Feliú

**Vice Chairman**

Luis Nario Matus

**Directors**

Fernando Alberto Zavala Cavada  
José Miguel García Echavarrí

Luis Rodríguez Villasuso Sario  
Klaus Schmidt-Hebbel Dunker  
Jaime Miguel Danús Larroulet

## Management and Personnel

### Managers and deputy managers

28

### Supervisors, professionals and technicians

361

### Administrative and sales employees

1,340

**Management**

**Chief Executive Officer**  
Cristián Rodríguez Allendes

**Corporate Risk and Planning Manager**  
Patrick Muzard Le Minihy de la Villehervé

**Investment Manager**  
Alejandro Bezanilla Mena

**Commercial Manager**  
Fernando Rojas Ochagavía

**Chief Financial Officer**  
Cristián Costabal Gonzalez

**Human Resources Manager**  
Paola Daneri Hermosilla

**Chief Operating Officer**  
Andrea de la Barra Cotapos

**Information Technology Manager**  
Claudia Carrasco Cifuentes

**Services Manager**  
José Manuel Izquierdo Correa

**Chief Legal Officer**  
José Miguel Valdés Lira

**Controller**  
Edgardo Guzmán Lobos

**Main Contracts with the Parent Company**

The company has contract to lease storage units from the parent company.

\* On March 2, 2016, Prudential invested in Habitat and owns the same proportion as ILC, leaving the latter directly and indirectly owning 40.29% of the company.

## ASSOCIATE

### AFP HABITAT S.A. (PERU)

**Legal Name**

AFP Habitat S.A.

**Legal Nature**

Special corporation

**Subscribed and Paid Capital**

ThCh\$14,160

**Ownership Interest (%)**

63.42%

### Investment as a Percentage of the Parent Company's Net Assets

0.5%

**Business Description**

The purpose of the company is to manage pension funds and provide benefits for retirement, disability, survivor and funeral expenses, in accordance with Decree Law 25,897, which is the law that defines the private pension fund management system, and its regulations and modifications.

**Board****Chairman**

Rafael Bernardo Luis Picasso Salinas

**Vice Chairman**

Patrick Muzard Le Minihy de la Villehervé

**Directors**

María Cecilia Blume Cillóniz  
Joaquín Cortez Huerta  
Cristian Rodríguez Allendes  
Juan Gil Toledo Escobedo

**Chief Executive Officer**

Mariano Álvarez De La Torre Jara

**Number of Employees**

153

**Main Contracts with the Parent Company**

There are no contracts with the parent company.

**SUBSIDIARY  
ISAPRE CONSALUD S.A.****Legal Name**

Isapre Consalud S.A.

**Legal Nature**

Privately held corporation

**Taxpayer ID Number**

96.856.780-2

**Subscribed and Paid Capital**

ThCh\$14,984

**Ownership Interest (%)**

99.99%

**Investment as a Percentage of  
the Parent Company's Net Assets**

1.88%

**Business Description**

The purpose of the company is to finance healthcare services and benefits, and any complementary or related activities, in accordance with D.F.L. 1 dated 2005 issued by the Ministry of Health, and its supplementary provisions.

**Board****Chairman**

Máximo Honorato Álamos

**Vice Chairman**

Pedro Grau Bonet

**Directors**

Orlando Sillano Zan  
Guillermo Martínez Barros  
Jaime Silva Cruz

**Management and Personnel****Number of Employees**

1,905

**Managers and deputy managers**

9 Managers  
3 Regional managers  
10 Deputy managers

**Administrative and sales employees**

1523

**Professionals and technicians**

382

**Management****Chief Executive Officer**

Marcelo Dutilh Labbé

**Health and Development Manager**

Gonzalo Rodríguez Edwards

**Commercial Manager**

Felipe Andrés Allendes Silva

**Customer Services Manager**

Harald Christian Chutney Vallejos

**Operations and IT Manager**

Raúl Roberto Zilleruelo León

**Chief Financial Officer**

Hernán Alfredo Pérez Carvallo

**Human Resources Manager**

Carmen Paz Urbina Sateler

**Chief Legal Officer**

Héctor Mauricio Allende Leiva

**Controller**

Juan Pablo Martín Frugone Domke

**Main Contracts with the Parent Company**

There are no contracts with the parent company.

**SUBSIDIARY RED SALUD S.A.****Legal Name**

Empresas Red Salud S.A.

**Taxpayer ID Number**

76.020.458-7

**Legal Nature**

Privately held corporation

**Subscribed and Paid Capital**

ThCh\$48,541

**Ownership Interest (%)**

89.99%

**Investment as a Percentage of  
the Parent Company's Net Assets**

14.83%

**Business Description**

The purpose of the company is to invest in tangible and intangible assets, including rights in companies, shares, securities, credit instruments and commercial documents.

**Board****Chairman**

Alberto Etchegaray Aubry

**Vice Chairman**

Víctor Manuel Jarpa Riveros

**Directors**

Lorenzo Constans Gorri  
Enrique Loeser Bravo  
Carlos Orfali Bejer  
Gustavo Vicuña Molina

The Chairman Alberto Etchegaray Aubry and the Director Lorenzo Constans Gorri are Directors of the parent company.

**Management and Personnel****Managers**

113

**Employees**

6,569

**Management****Chief Executive Officer**

Sebastián Reyes Gloffka

**Health Manager**

Victoria Fabrè Muñoz

**Planning and Management Control Manager**

Juan Pablo Undurraga Costa

**Chief Financial Officer**

Mariás Moral Mesa

**Commercial Strategy Manager**

Juan Pablo Pascual Beas

**Administrative Manager**

Jorge Martínez Alfaro

**IT and Networked Business Manager**

Leonidas Rosas Torrealba

**Corporate Controller**

Sergio Soto Avendaño

**Main Contracts with the Parent Company**

The company has a mercantile current account with the parent company.

**ASSOCIATE SERVICIOS MÉDICOS TABANCURA SPA****Legal Name**

Servicios Médicos Tabancura SpA.

**Legal Nature**

Simplified corporation

**Taxpayer ID Number**

78.053.560-1

**Subscribed and Paid Capital**

ThCh\$8,180,305

**Ownership Interest (%)**

89.98%

**Investment as a Percentage of the Parent Company's Net Assets**

2.19%

**Business Description**

The purpose of the company is to create, manage and operate in any way, for itself or on behalf of third parties, hospitals and any complementary related activities.

**Board and Management**

"Empresas Red Salud S.A." manages and represents the company and uses its legal name. This is accomplished by its Board, who have the widest possible authority to manage and dispose of assets.

**Managers**

Mario Cortés  
Monroy Hache

**Main Contracts with the Parent Company**

There are no contracts with the parent company.

**ASSOCIATE CLINICA IQUIQUE S.A.****Legal Name**

Clínica Iquique S.A.

**Legal Nature**

Privately held corporation

**Taxpayer ID Number**

96.598.850-5

**Subscribed and Paid Capital**

ThCh\$3,097,425

**Ownership Interest (%)**

89.98%

**Investment as a Percentage of the Parent Company's Net Assets**

0.46%

**Business Description**

The purpose of the company is to create, manage and operate in any way, for itself or on behalf of third parties, hospitals and any complementary related activities.

**Board****Chairman**

Alberto Etchegaray Aubry

**Vice Chairman**

Pablo Burchard Howard

**Directors**

Ricardo Silva Mena  
Edith Venturelli Lionelli  
Eduardo Urrutia Hewstone  
Kurt Reiccharad Barends  
Damaris Lozano Rovelo

The Chairman Alberto Etchegaray Aubry is a Director of the parent company.

**Manager**

Manuel Rivera Sepúlveda

**Main Contracts with the Parent Company**

There are no contracts with the parent company.

**ASSOCIATE CLINICA AVANSALUD SPA****Legal Name**

Clínica Avansalud SpA

**Legal Nature**

Simplified corporation

**Taxpayer ID Number**

78.040.520-1

**Subscribed and Paid Capital**

ThCh\$12,069,415

**Ownership Interest (%)**

89.98%

**Investment as a Percentage of the Parent Company's Net Assets**

1.85%

**Business Description**

The purpose of the company is to: (a) create, develop and manage hospitals, clinics and general health centers and institutions that provide medical and surgical services, and provide advisory, administrative and management services to support the development, organization and administration of such facilities. b) the use, assignment and temporary use, in any form, of property.

**Directors and Management**

"Empresas Red Salud S.A." manages and represents the company and uses its legal name. This is accomplished by its Board, who have the widest possible authority to manage and dispose of assets.

**Manager**

Edith Venturelli Leonelli

**Main Contracts with the Parent Company**

The Company has a mercantile current account with the parent company.

## ASSOCIATE MEGASALUD SPA

### Legal Name

Megasalud SpA

### Legal Nature

Privately held corporation

### Taxpayer ID Number

96.942.400-2

### Subscribed and Paid Capital

ThCh\$53,792,320

### Ownership Interest (%)

89.98%

### Investment as a Percentage of the Parent Company's Net Assets

7.13%

### Business Description

The purpose of the company is to create, develop and manage hospitals, clinics and general health centers and institutions that provide medical and surgical services, and provide advisory, administrative and management services to support the development, organization and administration of such facilities. This also involves the use, assignment and temporary use, in any form, of property, with or without buildings.

### Board and Management

"Empresas Red Salud S.A." manages and represents the company and uses its legal name. This is accomplished by its Board, who have the widest possible authority to manage and dispose of assets.

### Manager

Rodrigo Medel Samacoitz

### Main Contracts with the Parent Company

There are no contracts with the parent company.

## ASSOCIATE ADMINISTRADORA CLINICAS REGIONALES SEIS SPA

### Legal Name

Administradora Clínicas Regionales Seis SpA

### Legal Nature

Simplified corporation

### Taxpayer ID Number

76.434.619-K

### Subscribed and Paid Capital

ThCh\$21,340,604

### Ownership Interest (%)

89.98%

### Investment as a Percentage of the Parent Company's Net Assets

2.85%

### Business Description

The purpose of the company is to invest in establishments and clinical infrastructure and provide services of any nature, for itself or in partnership with third parties or at their request, to hospitals, clinics, polyclinics, medical centers and health services in general, and invest in such services, and perform anything directly or indirectly related to this purpose.

### Board and Management Chairman

Alberto Etchegaray Aubry

### Directors

Gustavo Vicuña Molina  
Victor Manuel Jarpa Riveros  
Kurt Reichhard Barends

The Chairman Alberto Etchegaray Aubry is a Director of the parent company.

### Manager

Gabriel Burgos Salas

### Main Contracts with the Parent Company

There are no contracts with the parent company.

## ASSOCIATE CLÍNICA BICENTENARIO SPA

### Legal Name

Clínica Bicentenario SpA

### Legal Nature

Simplified corporation

### Taxpayer ID Number

96.885.930-7

### Subscribed and Paid Capital

ThCh\$22,420,342

### Ownership Interest (%)

89.98%

### Investment as a Percentage of the Parent Company's Net Assets

0.78%

### Business Description

The purpose of the company is to create, develop and manage hospitals, clinics and general health centers and institutions that provide medical and surgical services, and provide advisory, administrative and management services to support the development, organization and administration of such facilities.

### Board and Management

"Empresas Red Salud S.A." manages and represents the company and uses its legal name. This is accomplished by its Board, who have the widest possible authority to manage and dispose of assets.

### Manager

Juan Pablo Duclos C.

### Main Contracts with the Parent Company

The company has a subordinated debt contract with the parent company.

**SUBSIDIARY BI ADMINISTRADORA SPA****Legal Name**

BI Administradora SpA

**Legal Nature**

Private limited company

**Taxpayer ID Number**

76.499.521-K.

**Subscribed and Paid Capital**

ThCh\$10,000

**Ownership Interest (%)**

ILC: 50.01%

BI Administradora SpA: 49.99%

**Investment as a Percentage of the Parent Company's Net Assets**

0.58%

**Business Description**

The purpose of the company is to directly or indirectly manage investments in banking corporations, in insurance brokerage firms, factoring companies and other legal entities engaged in financial business; which includes, without limitation, participating in the ownership and management or control of any company that has direct or indirect investments in one or more companies conducting the aforementioned business. Furthermore, the company may acquire and dispose of any security, and directly or through its subsidiaries enter into any agreement related to the aforementioned business.

**Board****Chairman**

Jorge Mas Figueroa

**Vice Chairman**

Alfonso Peró Costabal.

**Directors**

Daniel Hurtado Parot

Andrés Navarro Haeussler

Pablo Gonzalez Figari.

**Management and Personnel**

Legal Representatives: Daniel Hurtado Parot, Pablo González Figari, Alfonso Peró Costabal and Andrés Navarro Haeussler, either one of the first two signing with either one of the second two.

**Chief Executive Officer**

Robinson Peña Gaete

The Chairman Jorge Mas Figueroa is a Director of the parent company. The Directors Pablo González Figari and Robinson Peña Gaete are executives at the parent company.

**Main Contracts with the Parent Company**

The Company does not have any contracts with the parent company.

**SUBSIDIARY ILC HOLDCO SPA****Legal Name**

ILC HoldCo SpA

**Legal Nature**

Simplified corporation

**Taxpayer ID Number**

76.499.524-4

**Subscribed and Paid Capital**

ThCh\$67,835,000,000

**Ownership Interest (%)**

BI Administradora: 0.001%

ILC: 99.99%

**Investment as a Percentage of the Parent Company's Net Assets**

9.9%

**Business Description**

The purpose of the company is to directly or indirectly invest in banking corporations, in insurance brokerages, factoring companies and other legal entities engaged in financial business, manage and operate them, and receive returns on these investments.

**Board**

The company does not have a Board. It is managed by BI Administradora SpA.

**Management and Personnel**

The company is managed by BI Administradora SpA. through its legal representatives or through its general or specially designated representatives.

**Main Contracts with the Parent Company**

The Company does not have any contracts with the parent company.

**ASSOCIATE BANINTER FACTORING S.A.****Legal Name**

Factoring Baninter S.A.

**Legal Nature**

Privately held corporation

**Taxpayer ID Number**

76.072.472-6

**Subscribed and Paid Capital**

Ch\$5,570,058,596, divided into 2,681,536 fully subscribed and paid shares

**Ownership Interest (%)**

BI Holdco SpA: 49.9%

ILC Holdco SpA: 50.1%

**Investment as a Percentage of the Parent Company's Net Assets (ILC)**

0.49%

**Business Description**

The purpose of the company is a) to undertake factoring, which includes managing loan repayments earning collection fees, or in its own name as the assignee of such loans, and advances on loans; b) to invest within Chile or abroad in income-producing activities, in businesses involving financial markets, and intangible movable property such as shares, pledged shares, debt securities, bonds or debentures, savings plans, shares or rights in civil or commercial companies, communities or associations, and in registered or bearer securities, commercial documents, privileges, investment patents, trademarks, industrial models, licenses and concessions; the purchase, sale and disposal of such property, rights or shares, and the administration, marketing and exploitation of these investments

and receiving returns and revenue on them; c) to perform research, provide commercial, economic and financial advice and consulting services; d) to acquire and possess tangible and intangible movable goods, debt securities, shares, bonds or other securities and real or personal rights, in order to sell or exploit them according to their nature and receive returns on them or dispose of such property and its benefits; e) to acquire and dispose of commercial documents and transferable securities; f) to provide services and advice, and to represent itself or third parties, especially in matters relating to the previous purposes; g) to form and hold interests in companies, communities and associations, whatever their nature; and any other business that the partners agree upon, and h) to generally do anything directly or indirectly related to any of these purposes.

#### **Board Chairman**

Juan Antonio Minassian Baloian

#### **Directors**

Pablo Iñen de la Fuente  
David Gallagher Blamberg  
Julio Jaraquemada Ledoux  
Andrés Navarro Betteley

The Director David Gallagher Blamberg is an executive at the parent company.

#### **Management**

##### **Chief Executive Officer**

Claudia Sepulveda Cabrera

#### **Main Contracts with the Parent Company**

The Company does not have any contracts with the parent company.

### **ASSOCIATE BANCO INTERNACIONAL S.A.**

#### **Legal Name**

Banco Internacional S.A.

#### **Legal Nature**

Private banking corporation

#### **Taxpayer ID Number**

97.011.000-3

#### **Subscribed and Paid Capital**

ThCh\$ 83,325,095

#### **Ownership Interest (%)**

50.9%

#### **Investment as a Percentage of the Parent Company's Net Assets**

6.81%

#### **Business Description**

The purpose of the bank is to operate all businesses permitted by the General Banking Law and its complementary regulations, now or in the future, without affecting its ability to extend or restrict its activities within such legislation, without the need to modify its bylaws.

#### **Board Chairman**

James Callahan F.

#### **Vice Chairman**

Andrés Solari Urquieta

#### **Directors**

Juan Antonio Minassian Baloian  
Fernando Lefort Gorchs  
Pablo Iñen de la Fuente  
Francisco Vial Bezanilla  
Julio Jaraquemada Ledoux  
Andrés Navarro Betteley  
Carlos Brito Claissac.

The Director Francisco Vial Bezanilla is a Director of the parent company.

#### **Management and Personnel**

##### **Chief Executive Officer**

Mario Chamorro C.

##### **Chief Legal Officer**

Álvaro Contreras C.

##### **Commercial Banking Division Manager**

Fernando Pleticosic G.

##### **Risk Division Manager**

Héctor Neira T.

##### **Finance Division Manager**

Jorge Moreno W.

#### **Operations and IT Division Manager**

David Diaz B.

#### **Planning and Management Control Division Manager**

Ezequiel Iturain C.

#### **Human Resources Manager**

Natalia Madrid S.  
Controller  
Marta Cea N.

#### **Main Contracts with the Parent Company**

The Company does not have any contracts with the parent company.

### **ASSOCIATE BANINTER CORREDORA DE SEGUROS LTDA.**

#### **Legal Name**

Baninter Corredores De Seguros Limitada

#### **Legal Nature**

Limited liability company

#### **Taxpayer ID Number**

76.002.878-9

#### **Subscribed and Paid Capital**

ThCh\$1,000

#### **Ownership Interest (%)**

BI Holdco SpA: 49.89%  
ILC Holdco SpA: 50.11%

#### **Investment as a Percentage of the Parent Company's Net Assets**

0.0003%

#### **Business Description**

The purpose of the company is to provide remunerated and independent insurance brokerage services for life and general insurance, with any domestic insurer, without affecting its involvement in any business agreed by its partners.

#### **Board**

Not applicable as it is a limited liability company

#### **Management and Personnel**

##### **Chief Executive Officer**

Felipe Julio Orrego

**Main Contracts with the Parent Company**

The company does not have any contracts with the parent company.

**SUBSIDIARY INVERSIONES CONFUTURO S.A.****Legal Name**

Inversiones Confuturo S.A. (formerly Corp Group Vida Chile S.A.)

**Legal Nature**

Privately held corporation

**Taxpayer ID Number**

96.751.830-1

**Subscribed and Paid Capital**

ThCh\$236,984,567

**Ownership Interest (%)**

75.48%

**Investment as a Percentage of the Parent Company's Net Assets**

25.49%

**Business Description**

The purpose of the company is to invest in movable or immovable property, for itself or on behalf of third parties, in particular investing in insurance companies. It may also provide any kind of consultancy service.

**Board****Chairman**

Joaquín Cortez Huerta

**Vice Chairman**

Pablo González Figari

**Directors**

Alejandro Ferreiro Yazigi  
Fernando Siña Gardner  
Patricio Mena Barros  
Sergio Icaza Pérez  
Juan Echeverría González

**Management****Chief Executive Officer**

Robinson Peña Gaete

The Vice Chairman Pablo González Figari and Mr. Robinson Peña Gaete are executives at the parent company.

**Main Contracts with the Parent Company**

The company has a mercantile current account with the parent company.

**ASSOCIATE COMPAÑÍA DE SEGUROS VIDA CÁMARA (PERÚ)****Legal Name**

Vida Cámara Perú S.A.

**Legal Nature**

Special corporation

**Subscribed and Paid Capital**

ThCh\$15,492

**Ownership Interest (%)**

99.98%

**Investment as a Percentage of the Parent Company's Net Assets**

2.31%

**Business Description**

The purpose of the company is to insure, based on life insurance premiums allowed by Law 26,702 covering general financial systems, the insurance system and how the Superintendency of Banking and Insurance is organized and any regulations that amend or replace it, which applies to the insurance companies referred to in subparagraph D) of Article 16 of Law 26,702. It can also do anything that contributes to achieving its purpose, even if not expressly referred to in its bylaws, and anything that companies included in that paragraph and insurance companies are permitted to do.

**Board****Chairman**

Jorge Alfredo Guillermo Picasso Salinas

**Directors**

Dulio Aurelio Costa Olivera  
Alfonso Arturo Cortina García

Patrick Jean Olivier Muzard Le Minihy De La Villeherve  
Sergio Andrés Arroyo Merino

**Management****Chief Executive Officer**

José Bazo Febres

**Main Contracts with the Parent Company**

There are no contracts with the parent company.

**SUBSIDIARY INVERSIONES MARCHANT PEREIRA LIMITADA****Legal Name**

Inversiones Marchant Pereira Limitada

**Legal Nature**

Limited liability company

**Subscribed and Paid Capital**

ThCh\$1,635

**Ownership Interest (%)**

99.9%

**Investment as a Percentage of the Parent Company's Net Assets**

0.16%

**Business Description**

The purpose of the company is to permanently invest in assets and receive revenue and returns from them, and invest in other businesses as decided by its management.

**Board****Chairman**

Jorge Mas Figueroa

**Vice Chairman**

Daniel Hurtado Parot

**Directors**

Lorenzo Constans Gorri  
Paulo Bezanilla Saavedra  
Alberto Etchegaray Aubry  
Sergio Torretti Costa

René Cortázar Sanz  
Gastón Escala Aguirre  
Francisco Vial Bezanilla

**Management**  
**Chief Executive Officer**  
Pablo González Figari

The Directors are also Directors of the parent company. Pablo González Figari is an executive at the parent company.

**Main Contracts with the Parent Company**

The company has a mercantile current account with the parent company.

**SUBSIDIARY SOCIEDAD EDUCACIONAL MACHALÍ S.A.**

**Legal Name**  
Sociedad Educacional Machalí S.A.

**Taxpayer ID Number**  
76.081.583-7

**Legal Nature**  
Privately held corporation

**Subscribed and Paid Capital**  
ThCh\$1,637

**Ownership Interest (%)**  
99.9%

**Investment as a Percentage of the Parent Company's Net Assets**  
0.16%

**Business Description**  
The purpose of the company is to plan, organize, create and operate either directly or through subsidiaries or in partnership with third parties educational establishments for nursery,

primary and secondary education, and to construct the associated infrastructure.

**Board**  
**Chairman**  
Robinson Peña Gaete

**Directors**  
Ignacio González Recabarren  
David Gallagher Blamberg

**Public**  
**Chief Executive Officer**  
Rosana Sprovera Manríquez

**Nahuelcura de Machalí Project Manager**  
Carlos Guerra Fernández

The company currently has a management and educational contract with COREDUC.

The Directors Robinson Peña Gaete, Ignacio González Recabarren and David Gallagher Blamberg, are executives at the parent company.

**Main Contracts with the Parent Company**  
The company has a mercantile current account with the parent company.

**ASSOCIATE DESARROLLOS EDUCACIONALES S.A.**

**Legal Name**  
Desarrollos Educativos S.A.

**Legal Nature**  
Privately held corporation

**Subscribed and Paid Capital**  
ThCh\$10,942

**Ownership Interest (%)**  
49.0%

**Investment as a Percentage of the Parent Company's Net Assets**  
1.31%

**Business Description**  
The purpose of the company is to plan, organize, create and operate either directly or through subsidiaries or in partnership with third parties educational establishments for nursery, primary and secondary education, and to construct the associated infrastructure.

**Board**  
**Chairman**  
Félix Joaquín Díaz Grohnert

**Directors**  
Víctor Barahona Kuntsmann  
Patricia Eben Sperger Orrego

**Management**  
**Chief Executive Officer**  
Víctor Barahona Kuntsmann

**Main Contracts with the Parent Company**  
Lease of offices located at 10, Marchant Pereira on Floor 10.

**SUBSIDIARY ICONSTRUYE S.A.**

**Legal Name**  
Iconstruye S.A.

**Taxpayer ID Number**  
96.941.720-0

**Legal Nature**  
Privately held corporation

**Subscribed and Paid Capital**  
ThCh\$1,805

**Ownership Interest (%)**

32.9%

**Investment as a Percentage of the Parent Company's Net Assets**

0.12%

**Business Description**

The purpose of the company is to create, prepare, maintain and market web pages, sites or portals, to operate them in any form and provide services using them. To develop computer programs. To distribute and represent engineering products related to marketing and advertising management. To provide an electronic platform for on-line purchases and sales in the construction sector, which covers the identification of requirements through to supplier payment. In addition, to provide services or financial advice and manage for itself or on behalf of third parties businesses, agencies, representations and licenses.

**Board****Chairman**

Ramón Yavar Bascuñan

**Directors**

Germán Bartel Jeffrey

Juan Eduardo Correa García

Claudio Nitsche Meli

Patricio José Mena Barros

Edgar Bogolasky Sack

Luis Felipe Hübner Guzmán

**Management****Chief Executive Officer**

Nicolás Errázuriz Salinas

**Real Estate Business Manager**

Nicolás Gumucio Schönthaler

**Financial Cycle Business Manager**

Mauricio Thibaut Gómez

**Commercial Cycle Business Manager**

José Manuel Saavedra Ramírez

**Chief Financial Officer**

Ricardo Maino Swinburn

**Commercial Manager**

Isabel Cristina Pinochet Ulloa

**Project Manager**

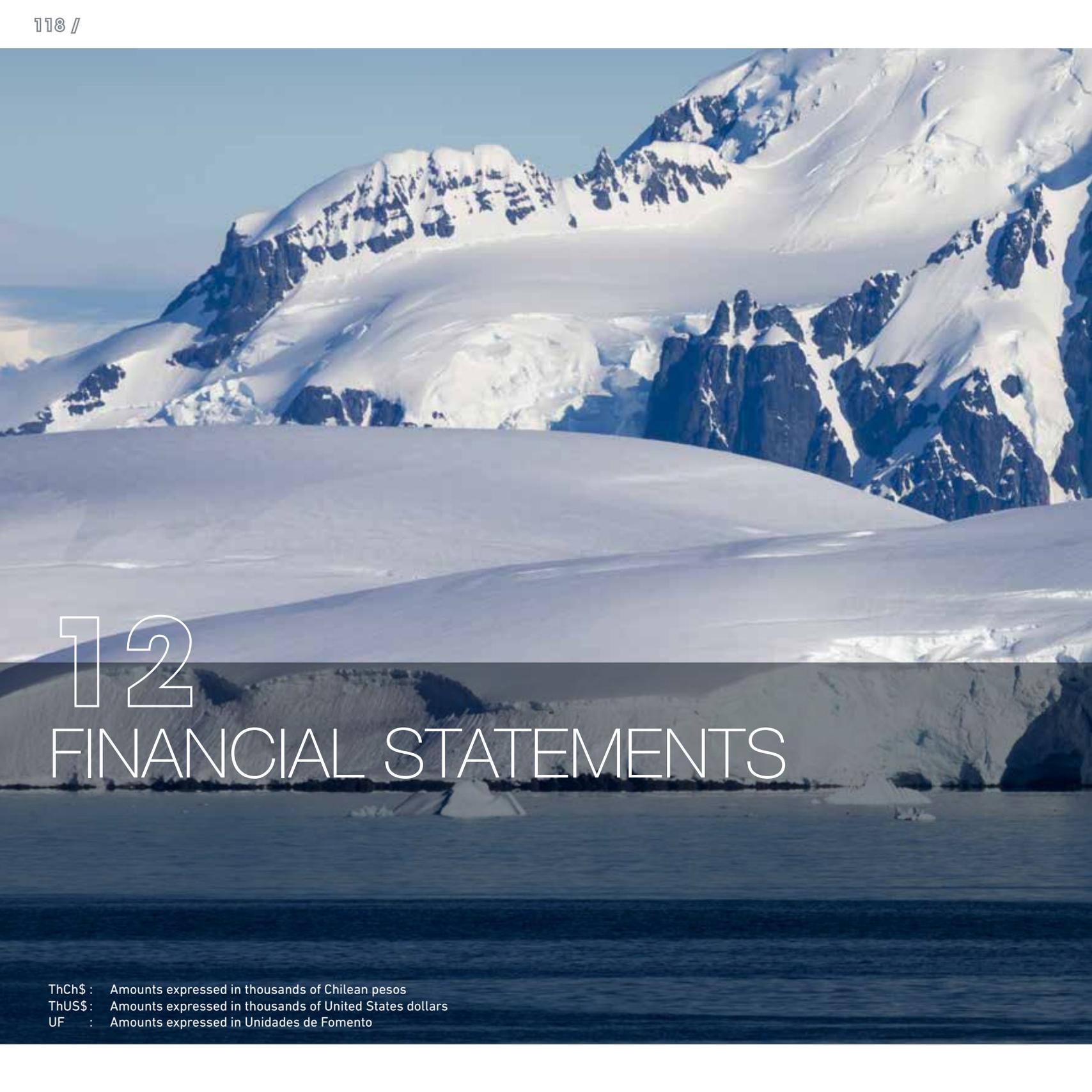
Héctor Silva Núñez

**Product Manager**

Mónica Jerez González

**Main Contracts with the Parent Company**

The company has a contract to lease offices from the parent company.



# 12 FINANCIAL STATEMENTS

ThCh\$ : Amounts expressed in thousands of Chilean pesos  
ThUS\$ : Amounts expressed in thousands of United States dollars  
UF : Amounts expressed in Unidades de Fomento



**CONSOLIDATED STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

The Financial Statements of ILC are available for review at its offices, as well as at the SVS.

The printed version of this annual report does not include the notes to the consolidated financial statements or the management analysis, which are an integral part of the annual report. The full version is available on our website ([www.ilcinversiones.cl](http://www.ilcinversiones.cl)), in the "investors" section.

# CONSOLIDATED FINANCIAL STATEMENTS

## INVERSIONES LA CONSTRUCCIÓN S.A.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

### ASSETS

NON-INSURANCE BUSINESS	NOTE	12-31-2015 THCH\$	12-31-2014 THCH\$
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	(6)	155,249,607	75,224,233
Current financial instruments	(10)	281,074,701	58,799,704
Other current non-financial assets	(12)	47,122,511	13,133,050
Trade and other current receivables	(7)	901,626,572	56,339,121
Current receivables from related parties	(8)	1,590,154	4,048,764
Inventories	(9)	3,861,820	2,362,875
Non-current assets or disposal groups classified as held for sale	(16)	6,595	3,451,359
Current tax assets	(11)	12,381,706	7,404,526
<b>Total current assets non-insurance business</b>		<b>1,402,913,666</b>	<b>220,763,632</b>
<b>NON-CURRENT ASSETS:</b>			
Non-current financial instruments	(10)	302,609,193	276,315,237
Other non-current non-financial assets	(12)	45,430,327	26,354,613
Non-current receivables	(7)	10,341,527	3,851,991
Non-current receivables from related parties	(8)	847,141	1,727,611
Investment accounted for using equity method	(14)	15,176,104	38,101,390
Intangible assets other than goodwill	(15)	102,382,124	68,265,109
Goodwill	(17)	108,697,566	101,561,871
Property, plant and equipment	(16)	313,093,851	221,913,036
Investment property	(18)	16,456,991	17,267,411
Deferred tax assets	(11)	26,719,483	12,188,631
<b>Total non-current assets non-insurance business</b>		<b>941,754,307</b>	<b>767,546,900</b>
<b>Total assets non-insurance business</b>		<b>2,344,667,973</b>	<b>988,310,532</b>
<b>INSURANCE BUSINESS</b>	<b>NOTA</b>	<b>31-12-2015 M\$</b>	<b>31-12-2014 M\$</b>
Cash and banks	(6)	162,969,742	118,942,548
Financial investments	(31)	4,103,939,749	3,805,512,232
Real estate and similar investments	(35)	771,789,337	619,772,372
Single investment account investments	(34)	158,160,106	121,992,117
Trade credits and receivables	(33)	17,794,613	16,405,946
Premiums receivable from policyholders	(37)	18,830,378	21,232,098
Reinsurance receivables	(38)	61,831,043	48,144,108
Investments in companies		1,354,415	1,745,460
Intangibles	(39)	23,744,758	24,108,557
Fixed assets	(36)	1,042,120	1,073,547
Current taxes	(40)	10,754,589	6,546,181
Deferred taxes	(40)	28,002,011	23,390,341
Other assets	(41)	30,257,867	43,978,958
<b>Total assets insurance business</b>		<b>5,390,470,728</b>	<b>4,852,844,465</b>
<b>TOTAL ASSETS</b>		<b>7,735,138,701</b>	<b>5,841,154,997</b>

# CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

## LIABILITIES

	NOTE	12-31-2015 THCHS	12-31-2014 THCHS
<b>NON-INSURANCE BUSINESS</b>			
<b>CURRENT LIABILITIES:</b>			
Other current financial liabilities	(19)	399,495,365	65,082,293
Trade and other current payables	(20)	1,019,578,595	97,221,484
Current payables to related parties	(8)	412,716	1,325,249
Other short term provisions	(21)	39,339,586	36,206,832
Current tax liabilities	(11)	2,556,840	597,635
Current provisions for employee benefits	(22)	15,711,803	13,331,830
Other current non-financial liabilities	(23)	1,005,422	682,485
<b>Total current liabilities non-insurance business</b>		<b>1,478,100,327</b>	<b>214,447,808</b>
<b>NON-CURRENT LIABILITIES:</b>			
Other non-current financial liabilities	(19)	372,777,097	370,933,943
Other long-term provisions	(21)	13,385	35,904
Deferred tax liabilities	(11)	80,967,727	58,715,652
Non-current provisions for employee benefits	(22)	605,605	463,127
Other non-current non-financial liabilities	(23)	583,768	-
<b>Total non-current liabilities non-insurance business</b>		<b>454,947,582</b>	<b>430,148,626</b>
<b>Total de pasivos actividad no aseguradora</b>		<b>1,933,047,909</b>	<b>644,596,434</b>
<b>INSURANCE BUSINESS</b>			
Social security insurance reserve	(43)	4,546,695,317	4,157,355,251
Non-social security insurance reserve	(43)	205,111,626	170,200,619
Premiums payable	(44)	22,702,139	7,635,285
Obligations with banks	(42)	211,257,013	133,810,436
Current taxes	(46)	11,688,808	1,210,306
Provisions	(45)	955,857	1,096,068
Other liabilities	(47)	17,860,840	37,127,378
<b>Total liabilities insurance business</b>		<b>5,016,271,600</b>	<b>4,508,435,343</b>
<b>TOTAL LIABILITIES</b>		<b>6,949,319,509</b>	<b>5,153,031,777</b>
<b>EQUITY</b>			
Issued capital	(58)	239,852,287	239,852,287
Share premium		471,175	469,968
Retained earnings	(58)	176,159,642	153,797,325
Other reserves	(58)	90,767,155	97,009,179
Equity attributable to owners of parent		507,250,259	491,128,759
Non-controlling interests		278,568,933	196,994,461
<b>Total equity</b>		<b>785,819,192</b>	<b>688,123,220</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>7,735,138,701</b>	<b>5,841,154,997</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## INVERSIONES LA CONSTRUCCIÓN S.A.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

INCOME STATEMENT NON-INSURANCE BUSINESS	NOTE	01-01-2015 12-31-2015 THCH\$	01-01-2014 12-31-2014 THCH\$
Revenue	(24)	823,209,957	700,049,973
Cost of sales	(24)	(551,617,734)	(460,334,026)
<b>Gross profit</b>		<b>271,592,223</b>	<b>239,715,947</b>
Other income by function		3,953,779	1,705,114
Administrative expenses	(28)	(177,440,159)	(144,481,087)
Other expenses by function		(329,923)	(2,249,600)
Other gains (losses)	(26)	8,024,160	1,556,640
Finance income	(25)	25,859,298	43,297,869
Finance costs	(27)	(24,466,224)	(21,713,005)
Share of profit of associates and joint ventures accounted for using the equity method	(14)	5,579,498	4,334,763
Foreign exchange differences	(29)	83,472	103,191
Losses from indexation units	(30)	(8,928,536)	(11,471,619)
<b>Profit before tax</b>		<b>104,107,588</b>	<b>110,798,213</b>
Income tax expense	(11)	(25,337,699)	(20,741,399)
<b>Profit from continuing operations</b>		<b>78,769,889</b>	<b>90,056,814</b>
<b>Profit from non-insurance business</b>		<b>78,769,889</b>	<b>90,056,814</b>

# CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

INCOME STATEMENT INSURANCE BUSINESS	NOTE	01-01-2015 12-31-2015 THCHS	01-01-2014 12-31-2014 THCHS
Interest and indexation income	(48)	254,842,879	237,161,255
Interest and indexation expenses	(49)	(11,763,334)	(16,209,488)
<b>Net interest and indexation income</b>		<b>243,079,545</b>	<b>220,951,767</b>
Withheld premiums		550,043,092	377,125,845
Adjustment of reserves for claims in process and for mathematical life reserve	(50)	(25,137,947)	(11,287,651)
<b>Total income insurance business</b>		<b>524,905,145</b>	<b>365,838,194</b>
Cost of claims	(51)	(675,649,348)	(520,072,596)
Cost of brokerage		(19,707,565)	(18,985,547)
Administrative costs		(16,246,269)	(15,780,536)
<b>Total operating costs insurance business</b>		<b>(711,603,182)</b>	<b>(554,838,679)</b>
Personnel remunerations and expenses		(15,919,195)	(15,418,417)
Administrative expenses		(2,799,555)	(3,299,086)
Depreciation and amortization		(2,138,888)	(1,720,303)
Impairment		(4,839,375)	(888,304)
Other operating cost/income	(52)	(6,994,999)	(2,320,352)
<b>Total operating expenses insurance business</b>		<b>(32,692,012)</b>	<b>(23,646,462)</b>
<b>Operating profit or loss insurance business</b>		<b>23,689,496</b>	<b>8,304,820</b>
Gains or losses from societies investments		944,773	-
Gains or losses from indexation units	(53)	4,716,681	1,380,064
Exchange differences		782,448	610,959
<b>Profit from other income and costs</b>		<b>6,443,902</b>	<b>1,991,023</b>
<b>Profit before tax</b>		<b>30,133,398</b>	<b>10,295,843</b>
Income tax	(54)	(2,857,693)	1,151,548
<b>Profit (loss) from continuing operations</b>		<b>27,275,705</b>	<b>11,447,391</b>
<b>Profit (loss) from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit (loss) from insurance business</b>		<b>27,275,705</b>	<b>11,447,391</b>
<b>Profit for the year</b>		<b>106,045,594</b>	<b>101,504,205</b>
Profit attributable to owners of parent		72,481,822	69,217,722
Profit attributable to non-controlling interests		33,563,772	32,286,483
<b>Profit for the year</b>		<b>106,045,594</b>	<b>101,504,205</b>
Basic earnings per share		0.72	0.69
Diluted earnings per share		0.72	0.69

# CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

STATEMENT OF COMPREHENSIVE INCOME	01-01-2015 12-31-2015 THCHS	01-01-2014 12-31-2014 THCHS
Profit for the year	106,045,594	101,504,205
Other comprehensive income	(1,995,439)	-
<b>Total comprehensive income</b>	<b>104,050,155</b>	<b>101,504,205</b>
Comprehensive income attributable to owners of parent	71,048,560	69,217,722
Comprehensive income attributable to non-controlling interests	33,001,595	32,286,483
<b>Total comprehensive income</b>	<b>104,050,155</b>	<b>101,504,205</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## INVERSIONES LA CONSTRUCCIÓN S.A.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	NOTE	ISSUED CAPITAL THCH\$	SHARE PREMIUM THCH\$	OTHER MISCELLANEOUS RESERVES THCH\$	TOTAL OTHER RESERVES THCH\$	RETAINED EARNINGS THCH\$	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT THCH\$	NON-CONTROLLING INTERESTS THCH\$	TOTAL EQUITY THCH\$
Opening balance as of 01-01-2015		239,852,287	469,968	97,009,179	97,009,179	153,797,325	491,128,759	196,994,461	688,123,220
Increases (decreases) through correction of errors		-	-	-	-	-	-	-	-
Opening balance as of 01-01-2015		239,852,287	469,968	97,009,179	97,009,179	153,797,325	491,128,759	196,994,461	688,123,220
Dividends	(58)	-	-	-	-	(48,800,638)	(48,800,638)	(15,172,762)	(63,973,400)
Profit for the year		-	-	-	-	72,481,822	72,481,822	33,563,772	106,045,594
Other comprehensive income		-	-	(161,661)	(161,661)	(1,271,601)	(1,433,262)	(562,177)	(1,995,439)
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control		-	1,207	6,488,299	6,488,299	63,330	6,552,836	(6,552,836)	-
Increase (decrease) through business combinations		-	-	-	-	-	-	69,309,498	69,309,498
Increase (decrease) through transfers and other changes	(58)	-	-	(12,568,662)	(12,568,662)	(110,596)	(12,679,258)	988,977	(11,690,281)
<b>Total changes in equity</b>		-	1,207	(6,242,024)	(6,242,024)	22,362,317	16,121,500	81,574,472	97,695,972
Closing balance as of 12-31-2015	(58)	239,852,287	471,175	90,767,155	90,767,155	176,159,642	507,250,259	278,568,933	785,819,192

# CONSOLIDATED FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	NOTE	ISSUED CAPITAL THCH\$	SHARE PREMIUM THCH\$	OTHER MISCELLANEOUS RESERVES THCH\$	TOTAL OTHER RESERVES THCH\$	RETAINED EARNINGS THCH\$	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT THCH\$	NON-CONTROLLING INTERESTS THCH\$	TOTAL EQUITY THCH\$
Opening balance as of 01-01-2014		239,852,287	469,968	102,299,676	102,299,676	133,954,946	476,576,877	241,319,822	717,896,699
Correction adjustments		-	-	-	-	-	-	-	-
<b>Opening balance as of 01-01-2014</b>		<b>239,852,287</b>	<b>469,968</b>	<b>102,299,676</b>	<b>102,299,676</b>	<b>133,954,946</b>	<b>476,576,877</b>	<b>241,319,822</b>	<b>717,896,699</b>
Dividends		-	-	-	-	(38,269,276)	(38,269,276)	(29,759,292)	(68,028,568)
Profit for the year		-	-	-	-	69,217,722	69,217,722	32,286,483	101,504,205
Increase (decrease) through changes in ownership		-	-	6,748,739	6,748,739	-	6,748,739	(38,280,739)	(31,532,000)
interests in subsidiaries that do not result in loss of control		-	-	(12,039,236)	(12,039,236)	(11,106,067)	(23,145,303)	(8,571,813)	(31,717,116)
<b>Total changes in equity</b>		<b>-</b>	<b>-</b>	<b>(5,290,497)</b>	<b>(5,290,497)</b>	<b>19,842,379</b>	<b>14,551,882</b>	<b>(44,325,361)</b>	<b>(29,773,479)</b>
<b>Closing balance as of 12-31-2014</b>	<b>(51)</b>	<b>239,852,287</b>	<b>469,968</b>	<b>97,009,179</b>	<b>97,009,179</b>	<b>153,797,325</b>	<b>491,128,759</b>	<b>196,994,461</b>	<b>688,123,220</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## INVERSIONES LA CONSTRUCCIÓN S.A.

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

CONSOLIDATED STATEMENTS OF CASH FLOWS	01-01-2015 12-31-2015 THCHS	01-01-2014 12-31-2014 THCHS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>NON-INSURANCE BUSINESS</b>		
Receipts from sales of goods and rendering of services	897,837,042	721,234,899
Receipts from royalties, fees, commissions and other revenue	46,925,547	44,062,987
Other cash receipts from operating activities	34,020,746	30,484,671
Payments to suppliers for goods and services	(365,435,670)	(199,485,843)
Payments to and on behalf of employees	(151,144,204)	(120,539,200)
Payments for premiums and claims, annuities and other policy benefits	(409,158,583)	(356,119,966)
Other cash payments from operating activities	(2,969,697)	(2,269,939)
Dividends received	3,469,294	3,425,082
Interest paid	(934,648)	(585,117)
Interest received	410,164	668,600
Income taxes refunded (paid)	(30,548,313)	(27,446,525)
Other inflows (outflows) of cash	163,536,905	(1,354,574)
<b>Cash flows from operating activities non-insurance business</b>	<b>186,008,583</b>	<b>92,075,075</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>INSURANCE BUSINESS</b>		
Revenue from premiums from policyholders and coinsurance	566,438,392	395,105,278
Revenue from reinsurance claims	9,665,819	13,537,697
Revenue from commissions ceded reinsurance	-	856
Revenue from financial assets at fair value	3,621,341,652	2,000,851,189
Revenue from financial assets at amortized cost	2,203,969,354	1,302,722,476
Interest received	7,234,314	3,539,662
Other revenue from insurance business	3,274,278	2,739,846
Loans and receivables	811,450	690,101
Outflows from direct insurance expenses	(9,646,410)	(6,620,902)
Payment of annuities and claims	(456,036,007)	(392,988,586)
Outflows from direct insurance brokerage	(14,085,451)	(16,679,886)
Outflows from financial assets at fair value	(3,625,754,774)	(2,034,627,194)
Outflows from financial assets at amortized cost	(2,116,325,272)	(1,193,290,576)
Outflows from other insurance activities	(13,368,326)	(14,514,301)
Outflows from tax paid	(12,591,999)	(8,081,743)
Other inflows (outflows) of cash	(69,028,161)	(50,005,217)
<b>Cash flows from operating activities insurance business</b>	<b>95,898,859</b>	<b>2,378,700</b>
<b>Net cash flows from (used in) operating activities</b>	<b>281,907,442</b>	<b>94,453,775</b>

# CONSOLIDATED FINANCIAL STATEMENTS

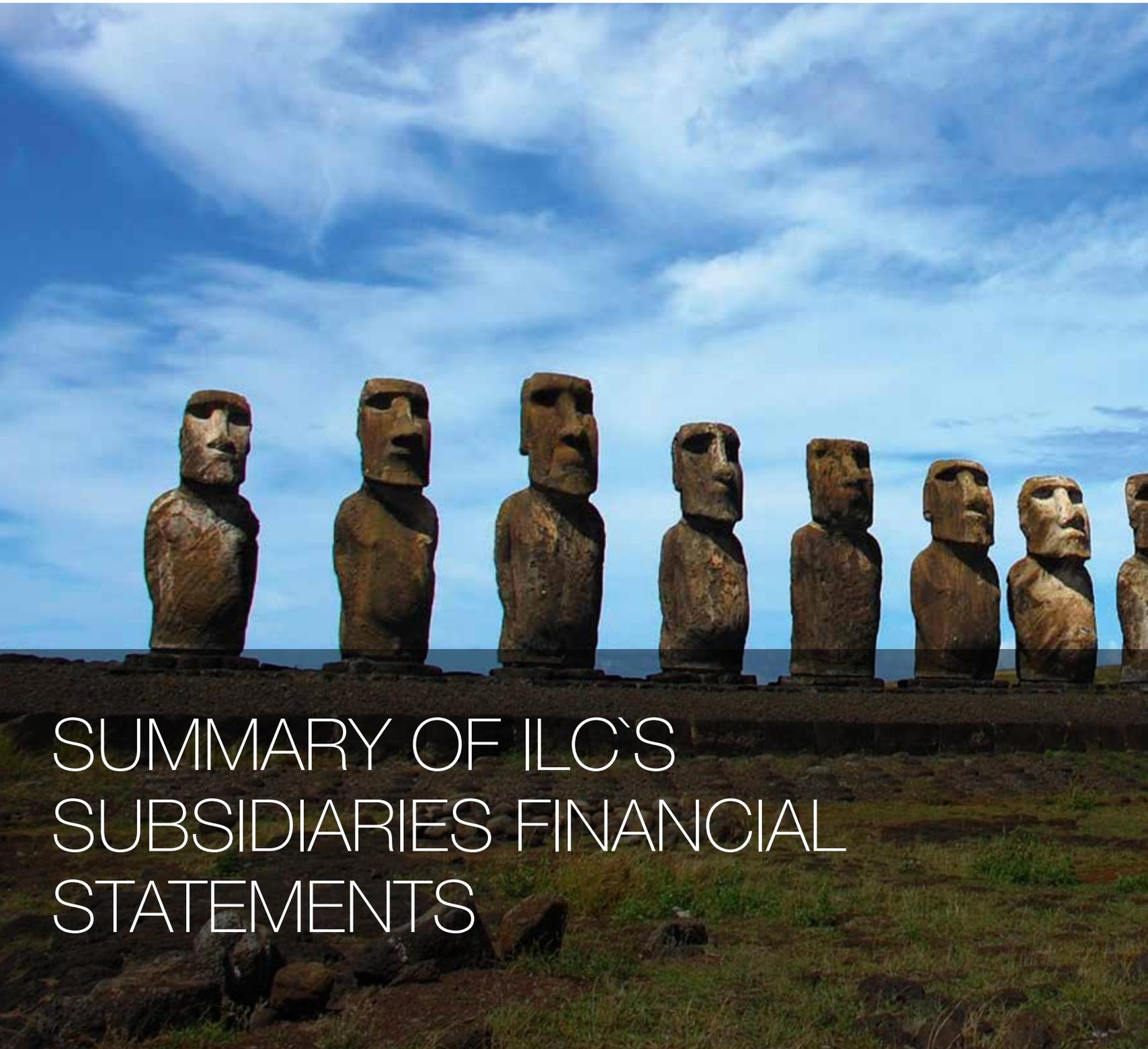
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	01-01-2015 12-31-2015 THCHS	01-01-2014 12-31-2014 THCHS
<b>CASH FLOWS USED IN INVESTING ACTIVITIES NON-INSURANCE:</b>		
Cash flows from losing control of subsidiaries or other businesses	-	3,216,031
Cash flows used in obtaining control of subsidiaries or other businesses	(1,000)	(31,532,000)
Cash flows used in acquiring non-controlling interests	(68,599,342)	-
Other cash receipts from sales of equity or debt instruments of other entities	130,549,196	112,574,598
Other cash payments to acquire equity or debt instruments of other entities	(134,346,396)	(145,194,895)
Other cash receipts from the sale of interests in joint ventures	274,073	-
Loans to related parties	(29,010,182)	(4,656,081)
Proceeds from sales of property, plant and equipment	480,488	314,741
Purchase of property, plant and equipment	(16,957,690)	(22,348,607)
Purchase of intangible assets	(3,193,941)	(3,067,539)
Purchase of other long-term assets	(2,419,998)	(1,065,632)
Cash receipts from government grants	775,551	-
Cash receipts from repayment of advances and loans made to third parties	-	11,226
Cash receipts from related parties	3,164,590	1,493,877
Interest received	946,704	1,530,699
Other inflows of cash	5,046,084	3,952,418
<b>Net cash flows from (used in) investing activities non insurance business</b>	<b>(113,291,863)</b>	<b>(84,771,164)</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES INSURANCE BUSINESS:</b>		
Proceeds from investment properties	65,967,799	36,006,218
Proceeds from plant and equipment	4,064	-
Outflows from investment properties	(120,520,720)	(4,802,870)
Outflows from plant and equipment	(24,940)	(13,378)
Outflows from intangible assets	(181,271)	-
Other inflows from investing activities	300,434	545,719
<b>Net cash flows from (used in) investing activities insurance business</b>	<b>(54,454,634)</b>	<b>31,735,689</b>
<b>Net cash flows from (used in) investing activities</b>	<b>(167,746,497)</b>	<b>(53,035,475)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	01-01-2015 12-31-2015 THCHS	01-01-2014 12-31-2014 THCHS
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES NON INSURANCE BUSINESS:</b>		
Proceeds from long-term loans	13,079,221	5,945,818
Proceeds from short term loans	199,579,989	54,184,319
Loans from related parties	12,311,532	1,734,799
Repayments of borrowings	(80,604,752)	(38,201,324)
Payments of finance lease liabilities	(12,781,066)	(4,628,955)
Payment of loans to related parties	(957,834)	(251,475)
Dividends paid	(65,869,478)	(64,363,975)
Interest paid	(29,501,945)	(10,164,137)
Other inflows (outflows) of cash	(12,552,163)	208,783
<b>Net cash flows (used in) financing activities non insurance business</b>	<b>22,703,504</b>	<b>(55,536,147)</b>
<b>NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES INSURANCE BUSINESS:</b>		
Bank or similar loans	113,511,608	126,335,233
Other proceeds from financing activities	95,706,680	52,820,563
Interest paid	(5,439,663)	(18,730,416)
Other outflows of financing activities	(218,570,241)	(128,408,114)
<b>Net cash flows from financing activities insurance business</b>	<b>(14,791,616)</b>	<b>32,017,266</b>
<b>Net cash flows from (used in) financing activities</b>	<b>7,911,888</b>	<b>(23,518,881)</b>
<b>Increase in cash and cash equivalents before effect of exchange rate changes</b>	<b>122,072,833</b>	<b>17,899,419</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>1,979,735</b>	<b>2,499,601</b>
<b>Increase in cash and cash equivalents for the year</b>	<b>124,052,568</b>	<b>20,399,020</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>194,166,781</b>	<b>173,767,761</b>
<b>Cash and cash equivalents at end of year</b>	<b>318,219,349</b>	<b>194,166,781</b>



# SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS



## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## INVERSIONES PREVISIONALES DOS SPA (CONSOLIDADO)

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	48,982	53,052
Total non current assets	458,614	430,960
<b>Assets</b>	<b>507,596</b>	<b>484,012</b>
Total current liabilities	25,963	31,815
Total non current liabilities	57,601	54,675
Total equity	424,031	397,522
<b>Total liabilities and equity</b>	<b>507,596</b>	<b>484,012</b>
INCOME STATEMENT	2015	2014
Gross profit	82,856	78,741
Non operating income	21,681	36,022
Profit (loss) before taxes	104,537	114,763
Income taxes and minority interest	(23,204)	(22,597)
<b>Profit for the year</b>	<b>81,333</b>	<b>92,166</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	68,925	70,819
Cash flows from (used in) investing activities	(6,329)	(5,058)
Cash flows from (used in) financing activities	(63,921)	(84,954)
Effect of exchange rate fluctuations on cash and cash equivalents	170	175
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(1,155)</b>	<b>(19,018)</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>139,369</b>	<b>134,000</b>	<b>(3,448)</b>	<b>269,920</b>	<b>127,601</b>	<b>397,522</b>
<b>COMPREHENSIVE INCOME</b>						
Net income	0	54,792	0	54,792	26,541	81,333
Capital Increase	0	0	0	0	0	0
Dividends	0	(37,771)	0	(37,771)	(16,813)	(54,584)
Increase (decrease) through transfers and other changes	0	2	(162)	(159)	(80)	(239)
<b>Changes in Equity</b>	<b>0</b>	<b>17,023</b>	<b>(162)</b>	<b>16,862</b>	<b>9,648</b>	<b>26,510</b>
<b>Closing balance at December 31, 2015</b>	<b>139,369</b>	<b>151,023</b>	<b>(3,610)</b>	<b>286,782</b>	<b>137,249</b>	<b>424,031</b>

## AFP HABITAT S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	48,057	52,855
Total non current assets	305,111	274,954
<b>Assets</b>	<b>353,168</b>	<b>327,809</b>
Total current liabilities	26,833	36,576
Total non current liabilities	43,677	40,188
Total equity	282,658	251,045
<b>Total liabilities and equity</b>	<b>353,168</b>	<b>327,809</b>
INCOME STATEMENT	2015	2014
Gross profit	101,125	112,748
Non operating income	5,973	4,559
Profit (loss) before taxes	107,098	117,307
Income taxes and minority interest	(23,537)	(22,777)
<b>Profit for the year</b>	<b>83,561</b>	<b>94,530</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	69,320	70,992
Cash flows from (used in) investing activities	(6,329)	(5,058)
Cash flows from (used in) financing activities	(65,044)	(85,049)
Effect of exchange rate fluctuations on cash and cash equivalents	170	175
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(1,883)</b>	<b>(18,940)</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>1,764</b>	<b>257,177</b>	<b>(7,896)</b>	<b>251,045</b>	<b>0</b>	<b>251,045</b>
<b>COMPREHENSIVE INCOME</b>						
Other income and expenses charged (discharged) to net Equity	0	83,564	(240)	83,324	(3)	83,321
Dividends	0	(55,000)	3,291	(51,709)	0	(51,709)
<b>Changes in Equity</b>	<b>0</b>	<b>28,564</b>	<b>3,052</b>	<b>31,615</b>	<b>(3)</b>	<b>31,613</b>
<b>Closing balance at December 31, 2015</b>	<b>1,764</b>	<b>285,741</b>	<b>(4,845)</b>	<b>282,660</b>	<b>(2)</b>	<b>282,658</b>

## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## ADMINISTRADORA DE INVERSIONES PREVISIONALES SPA

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015

BALANCE SHEET	2015
Total current assets	10
Total non current assets	1
<b>Assets</b>	<b>11</b>
Total current liabilities	5
Total non current liabilities	0
Total equity	6
<b>Total liabilities and equity</b>	<b>11</b>
INCOME STATEMENT	2015
Gross profit	(5)
Non operating income	0
Profit (loss) before taxes	(5)
Income taxes and minority interest	1
<b>Profit for the year</b>	<b>(4)</b>
STATEMENT OF CASHFLOWS	2015
Cash flows from (used in) operating activities	0
Cash flows from (used in) investing activities	(5)
Cash flows from (used in) financing activities	15
Effect of exchange rate fluctuations on cash and cash equivalents	0
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>10</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Changes in Equity				
Closing balance at December 31, 2015	0	(4)	0	(4)
Capital Increase	10	0	0	10
Dividends	0	0	0	0
<b>Changes in Equity</b>	<b>10</b>	<b>(4)</b>	<b>0</b>	<b>6</b>
<b>Closing balance at December 31, 2015</b>	<b>10</b>	<b>(4)</b>	<b>0</b>	<b>6</b>

## ISAPRE CONSALUD S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	39,137	41,560
Total non current assets	62,224	55,306
<b>Assets</b>	<b>101,361</b>	<b>96,866</b>
Total current liabilities	83,787	83,844
Total non current liabilities	4,677	3,083
Total equity	12,897	9,940
<b>Total liabilities and equity</b>	<b>101,361</b>	<b>96,866</b>
INCOME STATEMENT	2015	2014
Gross profit	6,090	6,847
Non operating income	1,648	2,529
Profit (loss) before taxes	7,739	9,376
Income taxes and minority interest	(2,017)	(2,117)
<b>Profit for the year</b>	<b>5,722</b>	<b>7,259</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	2,652	15,746
Cash flows from (used in) investing activities	(3,094)	1,006
Cash flows from (used in) financing activities	(5,090)	(9,540)
Effect of exchange rate fluctuations on cash and cash equivalents	-	-
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(5,532)</b>	<b>7,212</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>14,984</b>	<b>(5,860)</b>	<b>816</b>	<b>9,940</b>	<b>-</b>	<b>9,940</b>
Changes in Equity						
Closing balance at December 31, 2015	0	5,722	0	5,722	0	5,722
Dividendos	0	(2,765)	0	(2,765)	0	(2,765)
Changes in equity	0	2,957	-	2,957	-	2,957
<b>Closing Balance at December 31, 2015</b>	<b>14,984</b>	<b>(2,903)</b>	<b>816</b>	<b>12,897</b>	<b>0</b>	<b>12,897</b>

## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## INVERSIONES CONFUTURO S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	4,563	2,222
Total non current assets	137	2,500
Total insurance activity assets	5,247,658	4,720,697
<b>Assets</b>	<b>5,252,358</b>	<b>4,725,419</b>
Total current liabilities	33,140	14,350
Total non current liabilities	89,864	108,040
Total insurance activity liabilities	4,897,956	4,405,349
Total equity	231,398	197,680
<b>Total liabilities and equity</b>	<b>5,252,358</b>	<b>4,725,419</b>
<b>INCOME STATEMENT</b>	<b>2015</b>	<b>2014</b>
Gross profit non insurance activity	(529)	(550)
Non operating income non insurance activity	(8,717)	(10,720)
Profit (loss) before taxes and others	(9,246)	(11,270)
Income taxes and minority interest	8	4,375
<b>Profit for the year non insurance activity</b>	<b>(9,238)</b>	<b>(6,895)</b>
Gross profit insurance activity	30,292	15,208
Non operating income insurance activity	5,708	1,654
Profit (loss) before taxes and others	36,001	16,862
Income taxes and minority interest	(4,130)	(1,257)
<b>Profit for the year insurance activity</b>	<b>31,871</b>	<b>15,605</b>
<b>Profit for de years</b>	<b>22,633</b>	<b>8,710</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>2015</b>	<b>2014</b>
Cash flows from (used in) operating activities, non insurance activity	(92)	(83)
Cash flows from (used in) operating activities, insurance activity	100,338	11,393
Cash flows from (used in) investing activities, non insurance activity	11	(31,526)
Cash flows from (used in) investing activities, insurance activity	(54,252)	31,749
Cash flows from (used in) financing activities, non insurance activity	11,871	18,652
Cash flows from (used in) financing activities, insurance activity	(16,481)	32,017
Effect of exchange rate fluctuations on cash and cash equivalents	980	881
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>42,375</b>	<b>63,084</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>211,355</b>	<b>3,645</b>	<b>(17,348)</b>	<b>197,652</b>	<b>28</b>	<b>197,680</b>
<b>COMPREHENSIVE INCOME</b>						
Comprehensive income	0	20,874	0	20,874	3	20,877
Capital Increase	25,629	0	0	25,629	0	25,629
Increase (decrease) through transfers and other changes	0	1,558	(7,561)	(6,003)	4	(5,999)
Dividends	0	(6,789)	0	(6,789)	0	(6,789)
<b>Changes in Equity</b>	<b>25,629</b>	<b>15,643</b>	<b>(7,561)</b>	<b>33,711</b>	<b>7</b>	<b>33,718</b>
<b>Closing balance at December 31, 2015</b>	<b>236,985</b>	<b>19,288</b>	<b>(24,909)</b>	<b>231,363</b>	<b>35</b>	<b>231,398</b>

## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## COMPAÑÍA DE SEGUROS VIDA CÁMARA S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014		
Total current assets	0	0		
Total non current assets	0	0		
Total insurance activity assets	88,709	87,152		
<b>Assets</b>	<b>88,709</b>	<b>87,152</b>		
Total current liabilities	0	0		
Total non current liabilities	0	0		
Total insurance activity liabilities	64,213	61,826		
Total equity	24,496	25,326		
<b>Total liabilities and equity</b>	<b>88,709</b>	<b>87,152</b>		
INCOME STATEMENT	2015	2014		
Gross profit insurance activity	(6,261)	(5,618)		
Non operating income insurance activity	293	350		
Profit (loss) before taxes and others	(5,968)	(5,267)		
Income taxes and minority interest	1,373	1,127		
<b>Profit for the year non insurance activity</b>	<b>(4,595)</b>	<b>(4,140)</b>		
STATEMENT OF CASH FLOWS	2015	2014		
Cash flows from (used in) operating activities, insurance activity	1,138	(5,136)		
Cash flows from (used in) investing activities, insurance activity	(890)	(8,534)		
Cash flows from (used in) financing activities, insurance activity	(39,298)	15,500		
Effect of exchange rate fluctuations on cash and cash equivalents	0	0		
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(39,049)</b>	<b>1,830</b>		
STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	TOTAL EQUITY
Opening balance at January 1, 2015	26,189	(889)	27	25,326
<b>COMPREHENSIVE INCOME</b>				
Comprehensive Income	0	(4,595)	0	(4,595)
Capital Increase	3,764	0	0	3,764
Increase (decrease) through transfers and other changes	0	0	0	0
Dividends	0	0	0	0
<b>Changes in Equity</b>	<b>3,764</b>	<b>(4,595)</b>	<b>0</b>	<b>(831)</b>
Closing balance at December 31, 2015	29,953	(5,484)	27	24,496

## EMPRESAS RED SALUD S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	84,614	62,707
Total non current assets	300,875	242,198
<b>Assets</b>	<b>385,489</b>	<b>304,905</b>
Total current liabilities	132,131	74,365
Total non current liabilities	130,411	115,356
Total equity	122,947	115,184
<b>Total liabilities and equity</b>	<b>385,489</b>	<b>304,905</b>
INCOME STATEMENT	2015	2014
Gross profit	15,657	12,452
Non operating income	(11,040)	(10,154)
Profit (loss) before taxes	4,618	2,298
Income taxes and minority interest	(806)	391
<b>Profit for the year</b>	<b>3,811</b>	<b>2,690</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	16,549	8,924
Cash flows from (used in) investing activities	(12,082)	(23,470)
Cash flows from (used in) financing activities	(9,351)	8,349
Effect of exchange rate fluctuations on cash and cash equivalents	(0)	1
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(4,884)</b>	<b>(6,196)</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>48,541</b>	<b>2,279</b>	<b>62,478</b>	<b>113,298</b>	<b>1,886</b>	<b>115,184</b>
<b>COMPREHENSIVE INCOME</b>						
Comprehensive Income	0	2,367	0	2,367	1,444	3,811
Dividends	0	(2,184)	0	(2,184)	(463)	(2,647)
Increase (decrease) through transfers and other changes	0	(592)	0	(592)	7,191	6,598
<b>Changes in Equity</b>	<b>0</b>	<b>(409)</b>	<b>0</b>	<b>(409)</b>	<b>8,172</b>	<b>7,763</b>
<b>Closing balance at December 31, 2015</b>	<b>48,541</b>	<b>1,870</b>	<b>62,478</b>	<b>112,889</b>	<b>10,058</b>	<b>122,947</b>

## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## ICONSTRUYE S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	2,491	1,819
Total non current assets	751	838
<b>Assets</b>	<b>3,243</b>	<b>2,657</b>
Total current liabilities	1,043	664
Total non current liabilities	0	0
Total equity	2,200	1,994
<b>Total liabilities and equity</b>	<b>3,243</b>	<b>2,657</b>
INCOME STATEMENT	2015	2014
Gross profit	682	252
Non operating income	(20)	21
Profit (loss) before taxes	662	273
Income taxes and minority interest	(147)	(41)
<b>Profit for the year</b>	<b>515</b>	<b>233</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	966	170
Cash flows from (used in) investing activities	(164)	(189)
Cash flows from (used in) financing activities	(257)	(709)
Effect of exchange rate fluctuations on cash and cash equivalents	0	0
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>544</b>	<b>(727)</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>1,805</b>	<b>(41)</b>	<b>230</b>	<b>1,994</b>
COMPREHENSIVE INCOME				
Comprehensive Income	0	515	0	515
Dividendos Provisorios	0	(154)	0	(154)
Dividendos Pagados	0	(163)	0	(163)
Increase (decrease) through transfers and other changes	0	0	8,779	9
<b>Changes in Equity</b>	<b>0</b>	<b>198</b>	<b>8,779</b>	<b>206</b>
<b>Closing balance at December 31, 2015</b>	<b>1,805</b>	<b>157</b>	<b>238</b>	<b>2,200</b>

## INVERSIONES MARCHANT PEREIRA LTDA.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	806	370
Total non current assets	4,307	4,482
<b>Assets</b>	<b>5,113</b>	<b>4,853</b>
Total current liabilities	1,042	995
Total non current liabilities	2,928	2,943
Total equity	1,143	914
<b>Total liabilities and equity</b>	<b>5,113</b>	<b>4,853</b>
INCOME STATEMENT	2015	2014
Gross profit	563	243
Non operating income	(332)	(577)
Profit (loss) before taxes	231	(333)
Income taxes and minority interest	(2)	52
<b>Profit for the year</b>	<b>229</b>	<b>(281)</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	(279)	208
Cash flows from (used in) investing activities	781	(40)
Cash flows from (used in) financing activities	(291)	(84)
Effect of exchange rate fluctuations on cash and cash equivalents	0	-
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>212</b>	<b>83</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	NON-CONTROLLING INTEREST	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>1,635</b>	<b>(351)</b>	<b>(370)</b>	<b>914</b>	<b>0</b>	<b>914</b>
<b>COMPREHENSIVE INCOME</b>						
Comprehensive Income	0	229	0	229	0	229
Changes in Equity	0	229	0	229	0	229
<b>Closing balance at December 31, 2015</b>	<b>1,635</b>	<b>(122)</b>	<b>(370)</b>	<b>1,143</b>	<b>0</b>	<b>1,143</b>

## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## INMOBILIARIA ILC SPA

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	4	35
Total non current assets	20,783	7,854
<b>Assets</b>	<b>20,787</b>	<b>7,889</b>
Total current liabilities	21,503	8,211
Total non current liabilities	0	0
Total equity	(716)	(322)
<b>Total liabilities and equity</b>	<b>20,787</b>	<b>7,889</b>
INCOME STATEMENT	2015	2014
Gross profit	(1)	(0)
Non operating income	(546)	(378)
Profit (loss) before taxes	(547)	(378)
Income taxes and minority interest	153	87
<b>Profit for the year</b>	<b>(394)</b>	<b>(291)</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	(31)	(15)
Cash flows from (used in) investing activities	0	0
Cash flows from (used in) financing activities	0	0
Effect of exchange rate fluctuations on cash and cash equivalents	0	0
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(31)</b>	<b>(15)</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	TOTAL EQUITY
Opening balance at January 1, 2015	50	(372)	0	(322)
COMPREHENSIVE INCOME				
Comprehensive Income	0	(394)	0	(394)
Changes in Equity	0	(394)	0	(394)
Closing balance at December 31, 2015	50	(766)	0	(716)

# INVERSIONES INTERNACIONALES LA CONSTRUCCIÓN S.A.

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015	2014
Total current assets	1,322	1,404
Total non current assets	0	0
<b>Assets</b>	<b>1,322</b>	<b>1,404</b>
Total current liabilities	5	84
Total non current liabilities	0	0
Total equity	1,317	1,320
<b>Total liabilities and equity</b>	<b>1,322</b>	<b>1,404</b>
INCOME STATEMENT	2015	2014
Gross profit	(44)	(40)
Non operating income	41	90
Profit (loss) before taxes	(3)	50
Income taxes and minority interest	0	0
<b>Profit for the year</b>	<b>(3)</b>	<b>50</b>
STATEMENT OF CASHFLOWS	2015	2014
Cash flows from (used in) operating activities	(82)	62
Cash flows from (used in) investing activities	0	610
Cash flows from (used in) financing activities	(0)	0
Effect of exchange rate fluctuations on cash and cash equivalents	0	0
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>(82)</b>	<b>672</b>

STATEMENT OF CHANGE IN EQUITY	CAPITAL EMITIDO	PRIMAS DE EMISION	GANANCIAS (PERDIDAS) ACUMULADAS	OTRAS RESERVAS	PATRIMONIO TOTAL
<b>Opening balance at January 1, 2015</b>	<b>922</b>	<b>1,439</b>	<b>(1,019)</b>	<b>(22)</b>	<b>1,320</b>
<b>COMPREHENSIVE INCOME</b>					
Comprehensive Income	0	0	(3)	0	(3)
Changes in Equity	0	0	(3)	0	(3)
<b>Closing balance at December 31, 2015</b>	<b>922</b>	<b>1,439</b>	<b>(1,022)</b>	<b>(22)</b>	<b>1,317</b>

## SUMMARY OF ILC'S SUBSIDIARIES FINANCIAL STATEMENTS

## BI ADMINISTRADORA SPA

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET	2015
Total current assets	9
Total non current assets	2
<b>Assets</b>	<b>11</b>
Total current liabilities	3
Total non current liabilities	0
Total equity	8
<b>Total liabilities and equity</b>	<b>11</b>
<b>INCOME STATEMENT</b>	<b>2015</b>
Gross profit	(3)
Non operating income	0
Profit (loss) before taxes	(3)
Income taxes and minority interest	1
<b>Profit for the year</b>	<b>(2)</b>
<b>STATEMENT OF CASHFLOWS</b>	<b>2015</b>
Cash flows from (used in) operating activities	0
Cash flows from (used in) investing activities	(1)
Cash flows from (used in) financing activities	10
Effect of exchange rate fluctuations on cash and cash equivalents	0
<b>Net increase (decrease) on cash and cash equivalents</b>	<b>9</b>

STATEMENT OF CHANGE IN EQUITY	ISSUED CAPITAL	RETAINED EARNINGS (LOSSES)	OTHER RESERVES	TOTAL EQUITY
<b>Opening balance at January 1, 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME</b>				
Comprehensive Income	0	(2)	0	(2)
Capital Increase	10	0	0	10
<b>Changes in Equity</b>	<b>10</b>	<b>(2)</b>	<b>0</b>	<b>8</b>
<b>Closing balance at December 31, 2015</b>	<b>10</b>	<b>(2)</b>	<b>0</b>	<b>8</b>

## ILC HOLDCO SPA\*

FIGURES IN CLP \$ MILLION AS OF AND FOR DECEMBER 2015 AND 2014

BALANCE SHEET		2015
Total current assets		1,159,160
Total non current assets		72,064
<b>Assets</b>		<b>1,231,224</b>
Total current liabilities		1,009,782
Total non current liabilities		92,116
Total equity		129,326
<b>Total liabilities and equity</b>		<b>1,231,224</b>
INCOME STATEMENT		2015
Gross profit		(2,143)
Non operating income		471
Profit (loss) before taxes		(1,673)
Income taxes and minority interest		816
<b>Profit for the year</b>		<b>(857)</b>
STATEMENT OF CASHFLOWS		2015
Cash flows from (used in) operating activities		97,574
Cash flows from (used in) investing activities		(72,690)
Cash flows from (used in) financing activities		53,754
Effect of exchange rate fluctuations on cash and cash equivalents		0
<b>Net increase (decrease) on cash and cash equivalents</b>		<b>78,638</b>

STATEMENT OF CHANGE IN EQUITY	CAPITAL EMITIDO	PRIMAS DE EMISIÓN	GANANCIAS (PERDIDAS) ACUMULADAS	OTRAS RESERVAS	PATRIMONIO TOTAL	PATRIMONIO TOTAL
<b>Opening balance at January 1, 2015</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME</b>						
Comprehensive Income	0	366	0	366	(1,222)	(857)
Emisión de Capital	67,835	0	0	67,835	0	67,835
Increase (decrease) through transfers and other changes	0	250	(21)	229	(0)	229
Increase (Decrease) due to participation change in affiliates without loss of control	0	0	0	0	62,119	62,119
<b>Changes in Equity</b>	<b>67,835</b>	<b>616</b>	<b>-21,255</b>	<b>68,430</b>	<b>60,896</b>	<b>129,326</b>
<b>Closing balance at December 31, 2015</b>	<b>67,835</b>	<b>616</b>	<b>(21)</b>	<b>68,430</b>	<b>60,896</b>	<b>129,326</b>

\* ILC Holdco SpA consolidates las filiales Banco Internacional S.A., Factoring Baninter S.A. and Baninter Corredora de Seguros.

# 13 STATEMENT OF RESPONSIBILITY

The undersigned, in their capacity of Directors and Chief Executive Officer of Inversiones La Construcción S.A respectively, declare under oath that they are responsible for the accuracy of all information provided in this report by Inversiones La Construcción S.A., in accordance with the Norma de Carácter General N°30 and its subsequent modifications, issued by SVS.



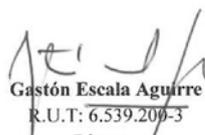
**Jorge Mas Figueroa**  
R.U.T: 5.347.240-0  
Presidente del Directorio



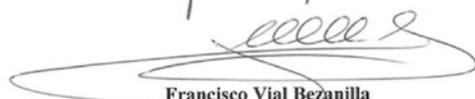
**Lorenzo Constant Gorri**  
R.U.T: 5.816.225-6  
Director



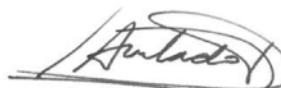
**René Cortázar Sanz**  
R.U.T: 5.894.548-K  
Director



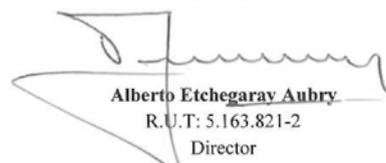
**Gastón Escala Aguirre**  
R.U.T: 6.539.200-3  
Director



**Francisco Vial Bezanilla**  
R.U.T: 6.400.466-2  
Director



**Daniel Hurtado Parot**  
R.U.T: 7.010.350-8  
Vicepresidente del Directorio



**Alberto Etchegaray Aubry**  
R.U.T: 5.163.821-2  
Director



**Patricio Bustamante Perez**  
R.U.T: 5.863.552-9  
Director



**Sergio Torretti Costa**  
R.U.T: 6.551.451-0  
Director



**Pablo González Figari**  
R.U.T: 9.611.943-7  
Gerente General

**PRODUCTION & DESIGN**

Interfaz Diseño



HC