

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Financial Statements as of
December 31, 2017 and 2016

LARRAIN VIAL SPA AND SUBSIDIARIES

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ThCh\$: Amounts expressed in thousands of Chilean pesos

UF : Amounts expressed in inflation-adjusted units

ThUS\$: Amounts expressed in thousands of United States dollars



Independent Auditors' Report

The Shareholders and Directors
Larraín Vial S.p.A.:

We have audited the accompanying consolidated financial statements of Larraín Vial S.p.A. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2017 and 2016, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

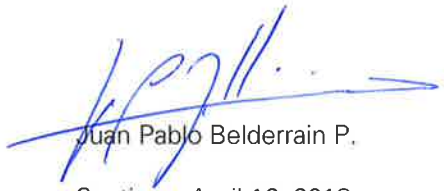
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Larraín Vial S.p.A. and its subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

The above translation of the auditor's report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.



Juan Pablo Belderrain P.
Santiago, April 16, 2018

KPMG Ltda.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements of Financial Position
as of December 31, 2017 and 2016

Assets	Note	2017 ThCh\$	2016 ThCh\$
Current assets:			
Cash and cash equivalents	6	103,017,795	78,467,845
Other financial assets, current	7	171,867,700	147,013,116
Other non-financial assets, current	8	5,681,344	6,715,936
Trade and other receivables	9	82,214,521	65,658,421
Receivables due from related parties	11(a)	2,481	127,351
Current tax assets	10(a)	9,585,184	8,545,827
Total current assets		372,369,025	306,528,496
Non-current assets:			
Other non-current financial assets	12	14,427,283	16,682,078
Other non-financial assets, non-current	13	204,788	878,585
Equity-accounted investees	14(a)	10,552,740	7,913,996
Intangible assets other than goodwill	16	6,813,542	5,816,084
Property, furniture and equipment	17	10,415,417	9,702,188
Investment in other companies	15	642,429	2,588,574
Deferred tax assets	18(a)	7,789,488	6,929,317
Total non-current assets		50,845,687	50,510,822
Total assets		423,214,712	357,039,318

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements of Financial Position, Continued
as of December 31, 2017 and 2016

Liabilities and equity	Note	2017 ThCh\$	2016 ThCh\$
Current liabilities:			
Other financial liabilities, current	19	107,277,944	93,556,819
Trade and other payables	20	171,032,856	129,084,895
Payables due to related parties, current	11(b)	-	862
Other short-term provisions	21	9,131,938	7,192,523
Current tax liabilities	10(b)	6,795,416	3,631,109
Other current non-financial liabilities	22	<u>5,238,742</u>	<u>4,598,190</u>
Total current liabilities		<u>299,476,896</u>	<u>238,064,398</u>
Non-current liabilities:			
Other non-current financial liabilities	19	6,404,670	6,747,876
Payables due to related parties, non-current	11(c)	6,917,451	10,415,271
Deferred tax liabilities	18(a)	<u>570,748</u>	<u>72,013</u>
Total non-current liabilities		<u>13,892,869</u>	<u>17,235,160</u>
Equity:			
Share capital		22,835,075	22,835,075
Other reserves	23	(2,373,366)	(2,225,065)
Retained earnings		<u>84,305,654</u>	<u>76,693,523</u>
Equity attributable to the owners of the Parent		<u>104,767,363</u>	<u>97,303,533</u>
Non-controlling interests	23	<u>5,077,584</u>	<u>4,436,227</u>
Total equity		<u>109,844,947</u>	<u>101,739,760</u>
Total liabilities and equity		<u>423,214,712</u>	<u>357,039,318</u>

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income
for the years ended as of December 31, 2017 and 2016

	Note	01-01-2017 12-31-2017 ThCh\$	01-01-2016 12-31-2016 ThCh\$
Revenue	24	111,263,185	102,192,354
Cost of sales	25	<u>(22,080,488)</u>	<u>(20,926,893)</u>
Gross profit		89,182,697	81,265,461
Administrative expenses	26	<u>(63,945,825)</u>	<u>(59,397,298)</u>
Profit from operating activities		<u>25,236,872</u>	<u>21,868,163</u>
Share of profit (loss) of equity-accounted associates and joint ventures	14(b)	1,845,469	2,157,459
Finance costs	27	(1,751,067)	(1,830,733)
Other non-operating income (loss)		51,036	(2,063,772)
Foreign currency exchange differences		<u>456,342</u>	<u>(1,326,177)</u>
Profit before taxes		25,838,652	18,804,940
Income tax expense	18(b)	<u>(5,911,879)</u>	<u>(2,673,418)</u>
Profit		<u>19,926,773</u>	<u>16,131,522</u>
Profit attributable to:			
Owners of the Parent		18,024,473	14,527,261
Non-controlling interest		<u>1,902,300</u>	<u>1,604,261</u>
Profit		<u>19,926,773</u>	<u>16,131,522</u>

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income, continued
for the years ended as of December 31, 2017 and 2016

	01-01-2017 12-31-2017 ThCh\$	01-01-2016 12-31-2016 ThCh\$
Profit	19,926,773	16,131,522
Components of other comprehensive income, before tax:		
Gain/(loss) from foreign currency translation difference, before taxes	(1,113,766)	(228,535)
Financial assets at fair value from equity	1,016,067	(158,910)
Income taxes related to items of other comprehensive income:		
Income taxes related to available for sale financial assets from other comprehensive income	-	-
Share of other comprehensive income of equity-accounted investees	-	(493,228)
Total comprehensive income	<u>19,829,074</u>	<u>15,250,849</u>
Comprehensive income attributable to:		
Owners of the Parent	17,876,172	13,458,372
Non-controlling interests	1,952,902	1,792,477
Total comprehensive income	<u>19,829,074</u>	<u>15,250,849</u>

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements Of Changes In Equity
for the years ended as of December 31, 2017 and 2016

2017	Share capital ThCh\$	Other reserves ThCh\$	Total other reserves ThCh\$	Retained earnings (losses) ThCh\$	Equity attributable to the owners of the Parent ThCh\$	Non- controlling interests ThCh\$	Total equity ThCh\$
Opening balance as of January 1, 2017	22,835,075	(2,225,065)	(2,225,065)	76,693,523	97,303,533	4,436,227	101,739,760
Increase (decrease) due to adjustments	-	-	-	-	-	-	-
Opening balance	<u>22,835,075</u>	<u>(2,225,065)</u>	<u>(2,225,065)</u>	<u>76,693,523</u>	<u>97,303,533</u>	<u>4,436,227</u>	<u>101,739,760</u>
Changes in equity:							
Profit for the year	-	-	-	18,024,473	18,024,473	1,902,300	19,926,773
Other comprehensive income	-	(148,301)	(148,301)	-	(148,301)	50,602	(97,699)
Shares issued	-	-	-	-	-	-	-
Dividends paid	-	-	-	(5,005,000)	(5,005,000)	(1,311,545)	(6,316,545)
Other increases (decreases) for other distributions to the Owners	-	-	-	(5,407,342)	(5,407,342)	-	(5,407,342)
Total changes in equity	<u>-</u>	<u>(148,301)</u>	<u>(148,301)</u>	<u>7,612,131</u>	<u>7,463,830</u>	<u>641,357</u>	<u>8,105,187</u>
Closing balance as of December 31, 2017	<u>22,835,075</u>	<u>(2,373,366)</u>	<u>(2,373,366)</u>	<u>84,305,654</u>	<u>104,767,363</u>	<u>5,077,584</u>	<u>109,844,947</u>

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements Of Changes In Equity, continued
for the years ended as of December 31, 2017 and 2016

2016	Share capital ThCh\$	Other reserves ThCh\$	Total other reserves ThCh\$	Retained earnings (losses) ThCh\$	Equity attributable to the owners of the Parent ThCh\$	Non- controlling interests ThCh\$	Total equity ThCh\$
Opening balance as of January 1, 2016	22,835,075	(1,344,392)	(1,344,392)	70,854,841	92,345,524	4,308,967	96,654,491
Increase (decrease) due to adjustments	-	-	-	(241,452)	(241,452)	-	(241,452)
Opening balance	<u>22,835,075</u>	<u>(1,344,392)</u>	<u>(1,344,392)</u>	<u>70,613,389</u>	<u>92,104,072</u>	<u>4,308,967</u>	<u>96,413,039</u>
Changes in equity:							
Profit for the year	-	-	-	14,527,261	14,527,261	1,604,261	16,131,522
Other comprehensive income	-	(880,673)	(880,673)	(1,699,487)	(2,580,160)	(1,477,001)	(4,057,161)
Shares issued	-	-	-	-	-	-	-
Interim dividends	-	-	-	(6,747,640)	(6,747,640)	-	(6,747,640)
Total changes in equity	<u>-</u>	<u>(880,673)</u>	<u>(880,673)</u>	<u>6,080,134</u>	<u>5,199,461</u>	<u>127,260</u>	<u>5,326,721</u>
Balance as of December 31, 2016	<u><u>22,835,075</u></u>	<u><u>(2,225,065)</u></u>	<u><u>(2,225,065)</u></u>	<u><u>76,693,523</u></u>	<u><u>97,303,533</u></u>	<u><u>4,436,227</u></u>	<u><u>101,739,760</u></u>

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Direct Method) for the years ended December 31, 2017 and 2016

	2017	2016
	ThCh\$	ThCh\$
Cash flows from (used in) operating activities:		
Cash receipts from sale of goods and rendering of services	65,059,820	72,695,777
Cash receipts from royalties, deposits, fees and other revenue	315,055,610	59,014,460
Cash receipts from contracts in force for brokerage or trading purposes	27,790,374	11,860,202
Cash receipts for premiums and services, annuities and other obligations from policies underwritten	1,380,717	-
Other cash receipts from operating activities	292,377,787	193,716,144
Cash payments to suppliers for goods and services	(341,598,200)	(113,777,092)
Cash payments to and on behalf of employees	(28,108,463)	(26,810,628)
Other cash payments used in operating activities	(295,612,853)	(178,982,362)
Dividends paid	(261,102)	-
Interest paid	125,866	(12,859)
Interest received	28,175	41,415
Income taxes reimbursed (paid)	(3,636,189)	(4,330,883)
Other cash receipts (payments)	2,491,130	169,408
Net cash from (used in) operating activities	35,092,672	13,583,582
Cash flows from (used in) investing activities:		
Other payments to acquire equity or debt securities of other entities	(6,274,339)	(1,435,053)
Loans granted to related parties	136,251	(257)
Acquisition of property and equipment	(9,241)	(103,383)
Cash receipts from futures, forward, share option and swap contracts	(493,226)	3,800,499
Cash receipts from related companies	-	-
Dividends received	397,219	1,040,447
Interest received	20,551	15,918
Other cash receipts (disbursements)	-	165,352
Net cash from (used in) investing activities	(6,222,785)	3,483,523
Cash flows from (used in) financing activities:		
Cash payments for the acquisition or redemption of Company's shares	-	(245,557)
Proceeds from long-term borrowings	-	-
Proceeds from short-term borrowings	652,354	-
Repayment of borrowings	-	(2,549,559)
Dividends paid	(6,235,604)	(3,146,312)
Interest paid	(393,886)	(69,811)
Other cash receipts (disbursements)	-	294
Net cash from (used in) financing activities	(5,977,136)	(6,010,945)
Net increase/(decrease) in cash and cash equivalents, before the effect of movements in exchange rates on cash held	22,892,751	11,056,160
Effect of exchange rate fluctuations on cash and cash equivalents	1,657,199	170,305
Cash and cash equivalents at January 1	78,467,845	67,241,380
Cash and cash equivalents at December 31	103,017,795	78,467,845

The notes are an integral part of these consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

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LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(1) General information

(a) Information of the Company and its subsidiaries

Larraín Vial S.p.A. (hereinafter the "Company") was incorporated as a shareholders' corporation on November 3, 1980 and registered under sheet 18255, No. 9312 of 1980. On November 11, 2015, the Company changed its name to Larraín Vial S.p.A. Its main shareholders are Chacabuco S.A., Rentas ST Dos Limitada, Inmobiliaria Fontecilla Limitada, Sociedad de Inversiones San Roque Limitada and LV Asociados SpA.

The registered address of Larraín Vial S.p.A. is located at Avenida El Bosque Norte N°0177, piso 4, comuna de Las Condes, Santiago.

The Company is engaged in the construction, acquisition, direct or indirect investment in and/or administration of companies in Chile or abroad the line of business of which are linked to the provision of stock exchange and brokerage services, the management of third party investments or financial or economic advisory services in capital markets or other similar markets. The Company is also engaged in providing services and advice in administrative, bookkeeping, economic, financial and marketing matters or any type of matters; and making investments in all types of movable and immovable property, tangible and intangible assets for their use, enjoyment, management, operation and disposal.

Larraín Vial SpA is the Parent of the Group companies and the owner and/or Parent of the different companies comprising the Larraín Vial Group, including, among others: Larraín Vial S.A. Corredora de Bolsa and LarraínVial Asset Management Administradora General de Fondos S.A., both Chilean companies under the oversight of the Chilean Superintendence of Securities and Insurance (SVS); Larraín Vial Sociedad Agente de Bolsa S.A. and Larraín Vial S.A. Sociedad Administradora de Fondos de Inversión, Peruvian companies under the oversight of the Peruvian Superintendence of the Securities Market; and Larraín Vial Colombia S.A. Comisionista de Bolsa, a Colombian company under the oversight of the Colombian Financial Superintendence.

Likewise, it includes Activa S.A., a shareholders' corporation through which the Group performs private equity business activities.

The distribution of shares of Larraín Vial S.p.A. is detailed as follows:

Shareholder	Ownership %
Chacabuco S.A.	47.16
Rentas ST Dos Limitada	35.13
Inmobiliaria Fontecilla Limitada	4.57
Sociedad de Inversiones San Roque Limitada	4.57
LV Asociados S.p.A.	8.57

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(1) General information, continued

(a) Information of the Company and its subsidiaries, continued

The Larraín Vial Group conducts the following main businesses or provides the following main services:

- Mutual funds and investment funds: The Company manages mutual fund deposits and investment funds, as well as portfolios of third parties under the terms of the above-mentioned Law No.20.712 on the Administration of Third Party Funds and Individual Portfolios.
- Mutual fund contributions and redemptions: the Company conducts transactions associated with making contributions and redemptions of mutual fund deposits (mainly short-term mutual fund deposits) as investments. Gains and/or losses from the fair value and the amount of the deposit at the closing date and/or the redemption of such deposits.
- Purchase and sale of currencies: it offers customers conducting purchases and sales of different currencies. Revenue is obtained from spreads applied to each transaction.
- Purchase and sale currency and rate forward contracts: through a contract it offers currency exchange businesses at future dates at a price established. Revenue is obtained from spreads applied to each transaction.
- Purchase and sale of debt securities: The Company conducts purchases and sales of debt securities as investment method. Revenue is obtained from accrued interests and adjustments from the purchase of securities and gains and/or losses generated by the sale.
- Purchase and sale of equity securities: The Company conducts purchases and sales of equity securities as investment method. Gains and/or losses are obtained from their fair value and sales amount.
- Securities loaned and obligations under repurchase agreements: The Company sells to its customer certain public offering securities by executing simultaneously and with the customer a repurchase agreement for those securities.
- Securities borrowed and purchase under resale agreements: Operation in which the broker acquires from its client certain public offering securities by executing simultaneously and with the client a repurchase agreement for those securities.
- Securities loaned and obligations under repurchase agreements: Operation in which the broker sells to its client certain public offering securities by executing simultaneously and with the client a repurchase agreement for those securities.
- Short sale: The Company conducts transactions involving shares received as loans to hedge sales transactions of securities not owned of customers and/or to conduct short sale transactions. The latter obtains a capital gain in the case the sales amount is greater than the repurchase of securities at the maturity date and a loss should the amount be lower.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(1) General information, continued

(a) Information of the Company and its subsidiaries, continued

- Provision of advisory services: the Company provides financial advisory and placement services for agricultural customers making available for them the most modern source of financing for their products in stock and their accounts receivable and advisory for investor customers, providing them with new formulas to maximize the return on their investments, in debt securities representing agricultural produce.
- Portfolio management: Larraín Vial offers a global solution using different investment strategies including all alternatives available in the domestic and international market. The Company prepares its investment strategy and assesses its portfolio considering the investment objectives and the risk level each customer would like to assume. Accordingly, using the different financial tools, the Company determines the portfolio that best suits and optimizes the risk-return ratio sought. Revenue obtained from fees collected by Management.
- Purchase and sale of shares: The Company offers customers to purchase and/or sell all the shares traded in the Santiago Stock Exchange (Bolsa de Comercio) and the Electronic Stock Exchange (Bolsa Electrónica de Chile) from which revenue are obtained through fees collected from customers.
- Fees for the purchase and sale of foreign securities: Offering the purchase and sale of securities in foreign markets, in accordance with the instructions contained in Circular No.1046 issued by the Chilean Superintendence of Securities and Insurance. Revenue obtained from fees charged from customers.
- Security custody: Services provided by the broker to secure absolute assurance on the custody of its equity, debt or financial brokerage securities.
- Equity securities brokerage: Purchase and sale of shares in the domestic market obtaining revenue from fees and commissions collected from clients.
- Debt securities brokerage: Relates to the purchase and sale of debt and financial brokerage securities from which the Company obtains income from fees and commissions collected from clients.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(1) General information, continued

(a) Information of the Company and its subsidiaries, continued

- Simultaneous transactions on behalf of customers: Simultaneous transaction allow customers to acquire shares without having the resources for such purposes, receiving the financing for the transaction from a third party. In addition, the entity providing the financing in exchange for this receives fixed return. Revenue obtained from fees charged from customers.
- Short sale: The investor, in exchange for the payment of a premium, obtains shares borrowed with the purpose of selling them in the market expecting a decrease in their price, which will have to be returned to the lender subsequently. This customer is obliged to constitute a guarantee in favor of the lender in the Stock Exchange securing it will comply with its commitment of returning the shares at the date established previously. The short seller or borrower in exchange for the payment of a premium, obtains the shares in loans for sale and is also obliged to deliver to the lender the benefits and variances in capital accrued by the shares loaned during the term of the loan.
- Corporate Finance: Financial advisory services for companies searching for financing in the capital market. Focused on companies' first registration with the Stock Exchange, capital increases, mergers & acquisitions, bond and stock option package placements, among others.
- Third party product distribution: offering institutional customers products (e.g., mutual fund deposits and investment fund deposits) from significant institutions at global level.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(2) Basis of preparation

The accompanying consolidated financial statements as of December 31, 2017 and 2016, have been prepared in accordance with International Financial Reporting Standards (IFRS).

The information contained in these consolidated financial statements is the responsibility of the Company.

For the preparation of the consolidated financial statements as of December 31, 2017 and 2016, Management has used its best understanding with respect to the standards and interpretations to be applied, and current facts and circumstances, which can be subject to changes. For instance, amendments to current standards and additional interpretations can be issued by the International Accounting Standards Board (IASB), changing the current regulation.

The translation of these financial statements is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

(a) Consolidation of the financial statements

For the preparation of the consolidated financial statements, Larraín Vial S.p.A. and its subsidiaries consider all those entities on which it has direct or indirect interest greater than 50%. Additionally, it considers those entities in which the Company has the ability to have effective control regardless of the interest percentages in such companies. Note that in accordance with IFRS 10, control is the power to direct the entity's financial and operating activities to obtain returns from its activities.

The financial statements of the subsidiaries are consolidated on a line by line basis with the financial statements of Larraín Vial S.p.A. Consequently, all the balances and effects of significant transactions performed by consolidating companies are eliminated on consolidation. Third party interest in the equity of consolidated companies is presented in the caption "non-controlling interest" in the consolidated statement of financial position within total equity. Additionally, third party interest of the profit or loss for the year is presented in the caption "profit attributable to non-controlling interests" in the consolidated statement of comprehensive income and the statement of changes in equity.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(2) Basis of preparation, continued

(a) Consolidation of the financial statements, continued

The table below includes the entities in which the Company has direct or indirect interest and are included in the consolidated financial statements:

Company	Country	Currency	Ownership percentage 2017		
			Direct %	Indirect %	Total %
Larraín Vial Servicios Financieros Ltda.	Chile	Ch\$	90.00	9.97	99.97
Larraín Vial S.A. Corredores de Bolsa de Productos	Chile	Ch\$	99.94	-	99.94
Larraín Vial Inversiones Dos Ltda.	Chile	Ch\$	97.50	-	97.50
Asesorías Larraín Vial y Asociados Ltda.	Chile	Ch\$	58.13	-	58.13
Larraín Vial Activos AGF S.A.	Chile	Ch\$	99.99	-	99.99
Larraín Vial Securities US LLC	USA	US\$	100.00	-	100.00
Larraín Vial Servicios Corporativos S.p.A.	Chile	Ch\$	100.00	-	100.00
Larraín Vial Colombia S.A. Comisionista de Bolsa	Colombia	COP	-	100.00	100.00
Larraín Vial Sociedad Agente de Bolsa S.A.	Peru	PEN	-	100.00	100.00
Larraín Vial S.A. Corredora de Bolsa	Chile	Ch\$	51.00	49.00	100.00
Larraín Vial Proyectos e Inversiones Ltda.	Chile	Ch\$	96.00	4.00	100.00
Larraín Vial S.A. Sociedad Administradora de Fondo de Inversión	Peru	PEN	-	65.00	65.00
San Sebastián Inmobiliaria S.A.	Chile	Ch\$	-	80.08	80.08
Activa S.A.	Chile	Ch\$	0.01	79.98	79.99
Activa S.p.A.	Chile	Ch\$	72.48	7.51	79.99
Activa Private Debt S.p.A.	Chile	Ch\$	-	100.00	100.00
Larraín Vial Asset Management Administradora General de Fondos S.A.	Chile	Ch\$	0.01	74.99	75.00
LVCC Asset Management	Chile	Ch\$	75.00	-	75.00
Larraín Vial Servicios Profesionales Ltda.	Chile	Ch\$	94.99	5.01	100.00
LV Colombia SAS	Colombia	COP	-	100.00	100.00
Profondos S.p.A.	Chile	Ch\$	-	100.00	100.00
Andes Investment Group Inc.	Chile	Ch\$	-	100.00	100.00
LV Trading Group Inc.	Chile	Ch\$	-	100.00	100.00
Larraín Vial Capital Perú SAC	Peru	PEN	-	99.99	99.99
Larraín Vial Investment INC	BVI	US\$	-	100.00	100.00
Larraín Vial Investment Management	Cayman	US\$	-	100.00	100.00
Larraín Vial Perú S.A.	Peru	PEN	-	50.00	50.00
Asesorías Larraín Vial Ltda.	Chile	Ch\$	99.00	1.00	100.00
Larraín Vial Inversiones Ltda.	Chile	Ch\$	0.01	97.81	97.91
Larraín Vial Asesorías y Servicios Ltda.	Chile	Ch\$	0.01	99.99	100.00
Asesorías e Inversiones el Bosque S.A.	Chile	Ch\$	0.01	99.99	100.00
Larraín Vial Perú Activos Reales	Peru	PEN	32.50	65.00	97.50
Larraín Vial Advisory	Chile	Ch\$	100.00	-	100.00
Larraín Vial Argentina SAU	Argentina	Arg	-	100.00	100.00

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(2) Basis of preparation, continued

(b) Accounting period

These consolidated financial statements are composed of:

- The consolidated statements of financial position for the years ended December 31, 2017 and 2016.
- Consolidated statements of other comprehensive income for the year as of December 31, 2017 and 2016.
- The consolidated statements of changes in equity as of December 31, 2017 and 2016.
- The consolidated statements of cash flows as of December 31, 2017 and 2016.
- Notes to the consolidated financial statements as of December 31, 2017 and 2016.

(c) Functional and presentation currency

The items included in the consolidated financial statements are presented using the currency of the main jurisdiction in which the reporting entity operates. These financial statements are presented in thousands of Chilean pesos, which is the Company's functional and presentation currency.

(d) Judgments and estimates

The preparation of the consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by the management of the Companies in order to quantify some assets, liabilities, revenues, expenses and uncertainties. Revisions to accounting estimates are recognized in the year in which the estimate is revised and any future year affected.

Particularly, the information about significant areas of estimation of uncertainty and critical judgments by Management in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements, are described in:

(i) Deferred taxes

Larrain Vial S.p.A. and subsidiaries account for deferred tax assets based on their possibility to be recovered on the basis of the existence of deferred tax liabilities with similar reversal terms and the possibility to generate future taxable earnings.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(2) Basis of preparation, continued

(d) Judgments and estimates, continued

(ii) Accrued vacations

Larrain Vial S.p.A. and subsidiaries recognize accrued vacations considering its accrued basis which will be evaluated by Management on an annual basis.

(iii) Provision for bonuses

Larraín Vial S.p.A. and subsidiaries recognize a provision when it is contractually bound or when past practices have created an implicit obligation, and when the obligation can be estimated reliably. This bonus is recognized for accounting purposes on a monthly basis and affects all the Company's financial statements.

(3) Significant accounting policies

The Larraín Vial Group selects and applies its accounting policies consistently to the transactions and other similar events, unless a standard or interpretation specifically requires or allows establishing categories of items for which the application of different policies could be appropriate. If a standard or interpretation requires or allows establishing the categories indicated above, a proper accounting policy is selected and applied consistently to each category.

(a) Basis of translation

Transactions in foreign currencies and inflation-adjusted units are recorded at the exchange rate of the related currency or inflation-adjusted unit at the date in which the transaction meets the requirements for its initial recognition. At each reporting date, monetary assets and liabilities denominated in foreign currencies and inflation-adjusted units are translated to Chilean pesos using the exchange rates in force for the related currency or inflation-adjusted unit. Foreign currency translation differences generated by both the settlement of foreign currency transactions and the measurement of monetary assets and liabilities in foreign currencies are recognized in the statement of income for the period in the caption foreign currency translation gain (loss), whereas differences generated from changes in inflation-adjusted units are recognized in the caption income (loss) from inflation-adjusted units.

For consolidation purposes, the assets and liabilities of the subsidiaries the functional currency of which is other than Chilean peso, are translated to Chilean pesos using the exchange rates prevailing at the date of the consolidated financial statements whereas foreign currency translation differences generated by the translation of assets and liabilities are recognized in the caption translation reserve within other reserves in equity. The revenue, costs and expenses are translated using the monthly average exchange rate for the related periods.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(a) Basis of translation, continued

The exchange rates for the main foreign currencies and inflation-adjusted units used in preparing the consolidated financial statements are as follows:

Chilean pesos per foreign currency or inflation-adjusted unit	As of	As of
	December 31, 2017	December 31, 2016
	\$	\$
US\$	614.75	669.47
EUR	739.15	705.6
Colombian peso	2,984.77	3,000.25
Peruvian sol	3,2410	3,3525
Unidad de fomento	26,798.14	26,347.98

(b) Offsetting of balances and transactions

Generally, in the financial statements there is no offsetting of assets or liabilities or revenue and expenses, except for those cases where such offsetting is required or permitted by any section of the standard and such presentation is the reflection of the substance of the transaction.

Revenues and expenses generated by transactions which contractually or compulsorily because of a law contemplate the possibility of offsetting and the entity has the intent of settling its net amount or realizing the asset and pay the liability simultaneously are recorded as net amounts in profit or loss.

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Foreign currency translation gains and losses that result from the settlement of these transactions and from conversion at the closing exchange rates for monetary assets and liabilities denominated in foreign currency are recognized in the statement of income, unless if deferred in equity, such as the hedges qualifying as cash flow hedges.

(ii) Transactions denominated in foreign currency

Foreign currency translation gains or losses on monetary and non-monetary items, such as equity and debt instruments at fair value through profit or loss, are recognized as part of the gain or loss in the fair value. Foreign currency translation differences on financial items accounted for at amortized cost, are included in the item foreign currency translation differences in the statement of income by function.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(c) Assets measured at fair value

All Group entities apply IFRS 9 for the classification and measurement of its financial assets and financial liabilities. Financial assets are measured at fair value through profit and loss, except for the Santiago Stock Exchange which its changes are measured through profit or loss.

Fair value of an asset at a given date is the amount for which an asset could be exchanged, at that date, between knowledgeable, willing parties in an arm's length transaction. Fair value most objective and usual reference of an asset is the price that someone would pay for it in a well-organized and transparent market ("quoted price" or "market price"). An active market is when quoted prices are available, easily and regularly, which are generated on an independent basis and represent actual transactions.

When no market price exists to determine the fair value of a given asset, the fair value is determined on the basis of a valuation technique for which such value is calculated considered that established for recent transactions of similar instruments.

(d) Assets measured at amortized cost

In accordance with IFRS 9, the Larraín Vial Group classifies and measures a financial asset at amortized cost if the following conditions are met:

- The asset is covered by a business model the objective of which is holding the asset to receive the contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows on specific dates, which are, exclusively, payments of principal owed plus interest on the balance of the principal owed.

Amortized cost is the acquisition cost of a financial asset minus incremental costs (approximately, as applicable) from the systematically recorded portion of the gains or losses from the difference between the initial amount and the corresponding reimbursement value at the expiration date.

For financial assets, amortized cost also includes adjustments to their carrying amount arising from any impairment loss.

For financial instruments, the amount charged systematically to profit or loss is recorded using the effective interest method. The effective interest rate is the rate that matches exactly the value of a financial instrument to all its estimated cash flows for all concepts throughout its remaining useful life.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(e) Cash and cash equivalents

Cash and cash equivalents include cash and other highly liquid low risk short-term investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, if any, are classified as third-party resources under current liabilities in the statement of financial position.

(f) Trade and other receivables

Trade and other receivable are initially recognized at their fair value (nominal value that, if applicable, includes implicit interest) and thereafter at their amortized cost using the effective interest rate method, less the allowance account for impairment losses. An allowance for impairment loss of trade receivables is established when there is objective evidence that the Group will not be able to collect of the outstanding amounts owed to it according to the original terms of receivables.

Embedded interest must be disaggregated and recognized as finance income when accrued.

The amount of the provision is calculated as the difference between its nominal value and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

However, if the difference between the nominal amount and the fair value is not significant, the nominal value is used.

(g) Intangible assets

Intangible assets are non-monetary assets without physical substance that can be individually identified either because they are separable or because they arise from a legal or contractual right. The statement of financial position includes assets whose cost can be measured reliably and from which Larraín Vial S.p.A. and its subsidiaries expect to obtain future economic benefits in accordance with IAS 38.

For the treatment of intangible assets with a finite useful life, the Company considers them as amortizable and are subject to impairment testing.

Amortization for the Company's intangible assets has been defined at 10 years.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(h) Goodwill

Goodwill represents the excess in the acquisition cost in a business combination on the Company's interest in the fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary at the date of acquisition and is accounted for at cost less accumulated impairment losses. Goodwill related to business combinations are included in the carrying amount of the investment.

Goodwill generated in the acquisition of joint ventures is assessed for impairment as part of the investment provided that evidence exists that the investment may be impaired. An impairment loss is recognized as the amount by which the carrying amount of the cash-generating unit exceeds its recoverable amount, recording such recoverable amount as the higher of the fair value of the cash-generating unit less costs to sell and its value in use.

An impairment loss is first allocated to goodwill to reduce its carrying amount and then to the other assets from the cash-generating unit. Upon recognition of impairment losses these are not reversed in subsequent years.

(i) Property, furniture and equipment

(i) Recognition and measurement

Equipment is measured at its acquisition cost net of the related accumulated depreciation and any impairment losses.

Property is initially recognized at acquisition cost. Subsequent to initial recognition, the Company has opted for measuring its property at fair value less accumulated depreciation and impairment losses.

Costs of extensions, modernization or improvements that represent an increase in productivity, capacity, efficiency or an increase in the useful lives of assets, are capitalized increasing the value of the related assets. Repair, preservation and maintenance expenses are expensed in profit or loss in the period in which they incurred. Gains or losses from the sale or retirement of items of property, plant and equipment are recognized in profit or loss for the period and calculated as the difference between the sales price and net carrying amount of the asset.

(ii) Subsequent costs

The cost of replacing an item of property, plant and equipment is recognized at its carrying amount only if it is probable that the future economic benefits associated with the item of property, plant and equipment will flow to the Company and the cost of the item can be measured reliably. Maintenance costs of property and equipment are recognized as incurred.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(i) Property, plant and equipment, continued

(iii) Depreciation

Items of property and equipment, net of their residual value are depreciated by allocating, on a straight-line basis, the cost in the estimated useful life years that comprise the period in which the Company expects to use them.

The useful life is revised on a regular basis and prospectively adjusted, if applicable.

	Useful life Years
Buildings, offices (leaseback contracts)	50
Buildings and infrastructure	10
Equipment	5
Furniture, supplies and other property, plant and equipment	5

(j) Income tax and deferred taxes

(i) Chile

On September 29, 2014, the Tax Reform Law was enacted, which, among other aspects, defines the by default tax system applicable to the Company, the corporate income tax rate that will be gradually applied to companies between 2014 and 2018 and allows that companies may opt for one of two tax systems established therein: the attributed income system or the partially-integrated system, which results in entities being subject to different tax rates starting from 2017. In conformity with such amendments, starting from 2017 shareholders' corporations must determine their taxes based on a "Partially Integrated System" established in letter B of Article No.14 of the Income Tax Law with no possibility of being subject to the alternative "Attributed Income System" established in letter A of such standard.

Additionally, a gradual increase was established in the Corporate Income Tax rate from 20% to 21% for 2014, 22.5% for 2015, 24% for 2016, 25.5% for 2017 and 27% starting from 2018.

With respect to this and in accordance with IAS 12 (Income Taxes) deferred tax assets and liabilities must be measured using tax rates that are expected to be applied in the period in which the asset is realized or the liability settled based on the rates that have been approved at period-end. For such purposes and in accordance with that indicated above, the Company has applied the rates established and effective for the Partially Integrated System.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(j) Income tax and deferred taxes, continued

(i) Chile, continued

(i.1) Deferred taxes

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences in the period in which they reverse using tax rates by default applied at the reporting date, as indicated below:

Year	Partially-integrated system %
2014	21.0
2015	22.5
2016	24.0
2017	25.5
2018	27.0

(ii) Peru

Through Decree Law No.1261 issued on December 10, 2016 and in force from January 1, 2017, the tax rate applicable to corporate income was amended to 29.5%. Accordingly, rates applicable to corporate income taxes for the last tax years are as follows:

Through 2014	30.0%
Years 2015 – 2016	28.0%
For 2017 an thereafter	29.5%

Such Decree Law also established the amendment to 5% of the income tax rate applicable to the distribution of dividends and any other type of distribution of profits that are generated and distributed beginning on January 1, 2017. As a summary, rates applicable to income taxes on dividends for the last tax years are detailed as follows:

Through 2014	4.1%
Years 2015 – 2016	6.8%
For 2017 an thereafter	5.0%

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(j) Income tax and deferred taxes, continued

(iii) Colombia

In Colombia income is subject to tax at a rate of 25% as income tax and complementary tax for the years 2016 and 2015 in accordance with Law No.1607 of 2012. For 2017, in accordance with Law No.1819 of 2016, the rate will be 34% and 33% thereafter.

Law No.1607 of December 2012 incorporated Income Tax for Equality (CREE) at a rate of 9% as the contribution made by companies, legal entities and added taxpayers filing income tax and complementary tax for the benefit of the employees, generating employment and social investment. By way of the effective term of Law No.1819 of 2016, such tax is abolished for the subsequent periods.

The basis to determine the Income Tax and the Income Tax for Equality (CREE) cannot be lower than 3% of equity on the last day of the prior taxable year. Note that starting from 2017, in accordance with Law No.1819 of 2016 the rate increases to 3.5%.

(iii.1) Deferred taxes

Through Law No.1.819 of December 29, 2016 an Additional Rate is implemented, which will be effective for 2 years, between 2018 and 2017; is calculated on the same taxable basis determined for the Income Tax for Equality (CREE) provided that this does not exceed \$800 million Colombian pesos. The rate of the applicable rate is 6% for 2017 and 4% for 2018.

For the years ended December 31, 2017 and 2016, the payment of income tax and complementary taxes is made on the basis of presumed income because the commission agent has recorded losses for tax purposes.

Deductible differences exceed taxable differences because for 2016 tax credits were recorded as part of deferred taxes essentially supported for the financial forecast and the possibilities of being reversed or recovering their effect.

(iii.2) Tax losses and excess in presumed income

Through the implementation of Law No. 1.819 of December 2016, a limitation to consolidated losses up to taxable period 2016 was implemented. Such limitation results in a decrease in tax credits which should be offset in the following periods without maximum term limit but without tax adjustment.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(k) Investment in other companies

Associates are entities which are significant influenced, but not controlled, and generally including 20% to 50% of voting rights as indicated in IAS "Investments in Associates". Investments in associates are equity-accounted and initially recognized at cost.

Under the equity method, the investment in the associate is recognized in the statement of financial position at cost plus the ownership interest of the Company in capital increases or decreases of the related entity. The statement of income reflects the ownership interest of the Company in the related entity's profit or loss. When a change is directly recognized in the related entity's equity, Companies recognize their ownership interest in such change in their equity and disclose that interest in the statement of changes in equity. Gains or losses arising from transactions between the Companies and related entities are eliminated to the extent of the associate's ownership interest.

(l) Impairment of assets

At each reporting date, the Company assesses whether any indication exists that any asset might be impaired. If any such indication exists, then the asset's recoverable amount is estimated to determine whether any adjustment for impairment is required.

(m) Liabilities measured at fair value

This caption includes liabilities measured at fair value, financial derivative contracts and financing liabilities. Note that each derivative financial instruments is reported as an asset if its fair value is positive and as a liability if it is negative.

(n) Trade payables

Trade payables are recognized initially at fair value and subsequently measured at their amortized cost using the effective interest method.

As for trade receivables, if the difference between the nominal value and the fair value is not significant, nominal value is used.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(o) Provisions

A liability is recognized if:

- The Group has a present legal or constructive obligation as a result of past events;
- An outflow of economic benefits will be required to settle the obligation;
- The amount of the obligation can be estimated reliably.

If a number of similar obligations exists, the probability that a cash outflow is required to settle the obligation is determined considering the type of obligation as a whole. Although the likelihood of outflow for any one item may be small, it may well be probable that some outflow of resources will be needed to settle the class of obligations as a whole. Provisions are measured at the present value of outflows expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision as a result of the passage of time is recognized as borrowing cost.

(p) Bank borrowings

Obligations with banks and financial institutions are initially recognized at their fair value net of costs incurred in the transaction. Subsequently, external resources are measured at amortized cost, any difference between the funds obtained (net of costs required for obtaining them) and the reimbursement value, is recognized in the statement of comprehensive income over the life of the debt using the effective interest method. The effective interest method consists of applying the market rate to debts with similar characteristics (net of the costs incurred for obtaining them).

Note that if the difference between the nominal amount and the fair value is not significant, the nominal value is used.

(q) Liabilities measured at amortized cost

These are the financial liabilities with fixed or determinable payments, measured at their amortized cost.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(r) Employee benefits

(i) Accrued vacations

The Group recognizes employee vacations on an accrual basis at their nominal amount. The concept referred to employee vacation benefits does not represent a significant amount in the statement of comprehensive income.

(ii) Short-term employee benefits

The Company contemplates an annual incentive plan for its employees that is based on individual goal compliance and such benefits comprise a given number or portion of monthly salaries, accrued for on the basis of the estimated amount for distribution.

(s) Revenue recognition

Revenue is recognized in the statement of income if it is probable that the economic benefits are received and can be measured reliably.

Revenue arising from the rendering of services are also recognized considering the percentage of completion of the transaction at the reporting date, provided that the amount of revenue can be measured reliably, i.e., the amount of revenue can be measured reliably, it is probable that the economic benefits will flow to the Company, the percentage of completion at the reporting date can be measured reliably, and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

(i) Recognition of revenue from fees and commissions

Fees and commissions for brokerage services for the purchase and sale of securities in the stock market are recognized as revenue as they occur.

(ii) Revenue recognition for interests and dividends

Interests are recognized using the effective interest method. Dividends are recognized on the date in which the right by the shareholder to receive payment is established.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(r) Revenue recognition, continued

(iii) Recognition of income from funds

Larraín Vial S.p.A. and subsidiaries on a daily basis recognize at nominal value income collected from funds managed as and when accrued based on a percentage of such fund's capital.

(iv) Recognition of revenue from financial advisory services

Finance income is recognized at pro rata of the time elapsed, using the effective interest method and includes interest and adjustments of debt securities.

(v) Recognition of revenue from financial instruments

Revenue from financial instruments refers to revenue from financial transactions and income for the entity's benefit from equity interest accrued within the business.

(vi) Revenue from brokerage services

Fees and commissions for brokerage services associated with the purchase and sale of securities in the stock market are recognized as revenue on the date of the relevant transaction.

(t) Borrowing costs

Obligations with banks and financial institutions are initially recognized at their fair value net of costs incurred in the transaction.

Subsequently, external resources are measured at amortized cost, any difference between the funds obtained (net of costs required for obtaining them) and the reimbursement value, is recognized in the statement of income over the term of the debt using the effective interest method. The effective interest method consists of applying the market rate to debts with similar characteristics (net of the borrowing costs). Note that if the difference between the nominal amount and the fair value is not significant, the nominal value is used.

(u) Significant reclassifications

As a result of the demutualization process conducted by the Santiago Stock Exchange on June 12, 2017, one million shares were exchanged of the Santiago Stock Exchange that Larraín Vial Corredora S.A owns as investment. Such investment is measured at fair value recognizing in equity its fair value variation. This is presented for 2017 under caption Current financial assets, and under Investment in other companies for 2016.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(u) Significant reclassifications, continued

Other reclassifications:

Assets	Previously Reported 12-31-2016 ThCh\$	Reclassifications ThCh\$	Balance restated 12-31-2016 ThCh\$
Assets			
Equity-accounted investees	5,542,216	2,371,780	7,913,996
Goodwill	2,371,780	(2,371,780)	-
Total assets	7,913,996	-	7,913,996
Liabilities			
Trade and other payables	128,198,429	886,466	129,084,895
Other current non-financial assets	5,484,656	(886,466)	4,598,190
Total liabilities	133,683,085	-	133,683,085

(v) New accounting pronouncements

(i) Early adoption of standards

The Company has early adopted IFRS 9, Financial Instruments. Mandatory adoption date January, 2018.

New IFRS	Mandatory for
IFRS 9, Financial Instruments	Annual periods beginning on or after January 1, 2018.

(ii) New standards, amendments to standards and interpretations that are mandatory for the first time for annual periods beginning on or after January 1, 2017

New standards	Mandatory for
IAS 7: Disclosure initiative, amendments to IAS 7	Annual periods beginning on or after January 1, 2017.
IAS 12, Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12).	Annual periods beginning on or after January 1, 2017.
2014-2016 Annual Improvements Cycle to IFRSs. Amendments to IFRS 12.	Annual periods beginning on or after January 1, 2017.

The Company's Management has assessed the application of these standards and amendments and has identified no significant accounting effects on the consolidated financial statements.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(u) Significant accounting policies, continued

(iii) Standards and amendments to standards that have been issued but are not yet effective

While in certain cases the IASB permits the early application of certain standards, the Company has not yet implemented these standards through the present date.

New IFRS	Mandatory for
IFRS 15, Revenue from Contracts with Customers	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 16, Leases	Annual periods beginning on or after January 1, 2019. Early adoption is permitted.
New Interpretations	
IFRIC 22: Foreign Currency Transactions and Advance Consideration	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRIC 23: Uncertainty over Income Tax Treatments	Annual periods beginning on or after January 1, 2019. Early adoption is permitted.
Amendments to IFRS	
IAS 28: Long-term Interests in Associates and Joint Ventures	Annual periods beginning on or after January 1, 2019. Early adoption is permitted.
IAS 40: Transfers of Investment Property (Amendments to IAS 40, Investment Property)	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
IFRS 9: Prepayment features with negative compensation	Annual periods beginning on or after January 1, 2019. Early adoption is permitted.
IFRS 15, Revenue from Contracts with Customers: Amendment clarifying requirements and providing additional transition relief for entities implementing the new standard.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.
2014-2016 Annual Improvements Cycle to IFRSs. Amendments to IFRS 1 and IAS 28.	Annual periods beginning on or after January 1, 2018. Early adoption is permitted.

Management believes the future adoption of the standards indicated above will not have any significant impact on the Company's consolidated financial statements.

(iv) Analysis of the effect of implementing IFRS 15

Issued on May 28, 2014, this Standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31, Revenue – Barter Transactions Involving Advertising Services. This new Standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(3) Significant accounting policies, continued

(u) Significant accounting policies, continued

(iv) Analysis of the effect of implementing IFRS 15, continued

This Standard contains a single model that applies to contracts with customer and two approaches for recognizing revenue: at a point in time or over time. The model considers an analysis of transactions based on a five-step model to determine whether, how much and when revenue is recognized:

- Identify the contract(s) with a customer.
- Identify the performance obligations in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognize revenue when (or as) the entity satisfies a performance obligation.

This standard is effective for periods beginning on or after January 1, 2018. Early adoption is permitted.

Management considered the possible effect of adopting this Standard, and concluded that IFRS 15 Revenue from Contracts with Customers will have no significant effect on the current operation models of the Company.

(4) Changes in accounting policies

As of December 31, 2017, no significant accounting changes have occurred that affect the presentation of these consolidated financial statements.

(5) Financial Risk Management

(5.1) Risk management

Larraín Vial, in line with its strategic objectives of being customer-oriented and strengthening the control function, has established a Good Governance framework. This institutional model is based in four foundations allowing Larrain Vial to customize its activities to the sector's good practice international standards and achieving such strategic objectives with a high degree of security. The four foundations in which the Good Governance framework is based are: Corporate Governance, Protection Model and Customer Service, Risk Management and Control Environment.

The quality of risk management is one of the Larraín Vial Group's strong points and, accordingly, a priority. Because of this, risks that may affect the Company are detected to generate strategies that anticipate such risks and turn them into opportunities for achieving return, generating value for the customers.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) Risk management, continued

In line with this, over the last few years Larraín Vial has been focused on achieving increased control on the performance of its businesses, which has allowed reaching a more detailed view of risks to which it is confronted in its daily management activities and accordingly, establishing or improving the controls necessary to mitigate their impact. These highlight, among others:

- The review of business processes, risks and controls existing at the Money Desks, the subsidiaries in Peru and Colombia and the Custody and Treasury Units.
- The improvement in the Compliance area and the Comptrollership Unit Management by increasing in both their number of employees and material resources available for use.
- The detailed diagnostic of the operating and control model of the Treasury and Custody units by identifying potential opportunities for improvement.

LarraínVial operates by using a centralized Corporate Services model which allows achieving both high efficiency in its operations and high service quality level.

The risk policy is focused on maintaining a mitigated and predictable risk profile for the group of its activities for which its risk management model is a key model for achieving the Group's strategic objectives. Such model is regulated by the following principles:

- **The independence of the risk function with respect to the business**, establishing separate functions between the business areas, responsible for managing risks to which they are confronted, and the risk areas responsible for looking after that the significant risks of all the Group's activities and businesses are identified, measured, managed and controlled.
- **Establishing policies and procedures**, generating a risk culture and structuring the basic regulating framework through which risk activities and processes are regulated.
- **Establishing risk aversion or tolerance**, to limit the levels and types of risks that the Company is willing to assume in the performance of its activities.
- **Active involvement by the Board** in decision making.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) Risk management, continued

Below, we include the information on LarrainVial's Governance structure:

(5.1.1) Governance structure

Larraín Vial and its related parties, maintain a governance structure that includes active involvement by entire organization, establishing the following duties and accountabilities of the different areas in the organizational structure:

- **Board of Directors:**

The Board is responsible for the right operation of the Company and risk policies, including promoting compliance with the legislation and regulations, approving the Group's Corporate Policies and understanding the risks inherent to the Group's businesses and activities, disseminating the risk management culture through the approval of a risk management and internal control methodology.

- **Risk Committees:**

The Risk Committee establishes the procedures and mechanisms for managing risks and provides senior management with recommendations on changes in policies, procedures and indicators analyzed. Additionally, it establishes mechanisms that allow foreseeing and mitigating operating compliance risks.

This Committee provides advisory to the Board to improve the ease of decision-making. Because of this, management reports are submitted regularly to adequately control risk management and monitoring the Company's exposure.

- **Risk Management:**

Larraín Vial has a Corporate Risk Management that looks after the implementation of the Risk and Internal Control Management System within the organization which allows identifying, measuring and controlling risks verifying that business processes are managed adequately and in accordance with the best practices, considering for this its regulating risks and implications.

- **Business Units:**

Business units are responsible for managing risks in the related working areas. Business units must continuously identify the risks arising both from internal and external circumstances. Business units must execute and comply with the policies approved.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

(5.1.1) Risk management, continued

▪ Comptrollership Unit:

The Comptrollership Unit Management performs internal audit functions and is responsible for the independent review of processes, assessing the implementation of policies, the performance of procedures and effectiveness of controls performed.

The detail of the exposure to such risks, as well as their management, is detailed as follows.

(5.1.2) Risk management and internal control system

Larraín Vial has developed a Risk Management Corporate Policy which defines the activities to minimize risks and the foundations and general guidelines for risk management to which the Group is confronted. Such policy also allows consistent and systematic risk management in line with the Company's objectives. The Corporate Policy is proposed by the Risk Committee and reviewed and approved by the Board of Directors at least once a year. It establishes the general foundations for the structure, management and monitoring of the different types of risks to which the Group companies and businesses are exposed.

Within the framework of the risk management LarrainVial adopted the three lines of defense model for regulatory compliance and internal policies, which allows generating controls and filters at the time of the contact with the customer and on a corporate basis.

The three lines of defense are as follows:

- First line: Responsible for the business lines and process owners composed of the commercial areas, desks and operations.
- Second line: Corporate Risk, Legal Counsel.
- Third line: Independent area for verification and assurance, Internal Audit.

This methodology together with the ongoing training provided to the different staff areas allows addressing the Company's risks in holistic manner.

Below, we include a detail of market and operational risk factors.

- Financial risk management

Financial risk relates to equity losses that may occur because of exposure to credit risk, liquidity risk or market risk.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

(5.1.2) Risk management and internal control system, continued

(a) Credit Risk

Credit risk is the probability that a customer or counterparty fails to meet its obligations or commitments on the date and amount established, because of a deterioration of its payment capacity or no intention of paying such obligations resulting in the other party to a contract incurring losses by not meeting the financial obligations assumed. Sources of credit risk are issuer and counterparty risks, which are presented below.

- **Issuer risk:** Possibility that the debt issuer either by way of fixed income or financial brokerage, does not meet its obligation on a timely basis and in the manner established. Because of such risk, the Credit Risk Committee establishes the specific limits for debt portfolios. In its turn, this requires that the Credit Risk Committee controls such limits and reporting to the Committee.

On a daily basis a review of the limits agreed is performed reporting the portfolio to the responsible employees who must regularize excesses using the procedure established for such purposes. The Credit Risk Committee is informed on a regular basis as to the status of the portfolio and when required, determines actions to regularize individual cases.

- **Customer and counterparty risk:** This is the possibility that a counterparty does not meet its portion of the agreement wither during its term or at the date of settlement. The main source of credit risk relates to forward transactions for which policies are in place for para for their operation using lines, limits and controls assigning a maximum amount for operation to each customer. The Credit Risk area is responsible for the customers' daily exposure.

Below, we include a summary of its customers' credit risk exposure.

i. Brokerage receivables

Larrain Vial has a collections policy, which is detailed as follows:

- Business executives have vast knowledge of the client and maintain a daily control of amounts owed and guarantees.
- Daily collection controls are distributed to Supervisors, Managers, Directors and Control Areas who report in regard on defaulting clients.

Domestic and international institutional counterparties that hold securities in custody with third parties operate on the basis of delivery when paid and therefore, there is only one marginal credit risk resulting from the variation during the collection period of this transaction.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

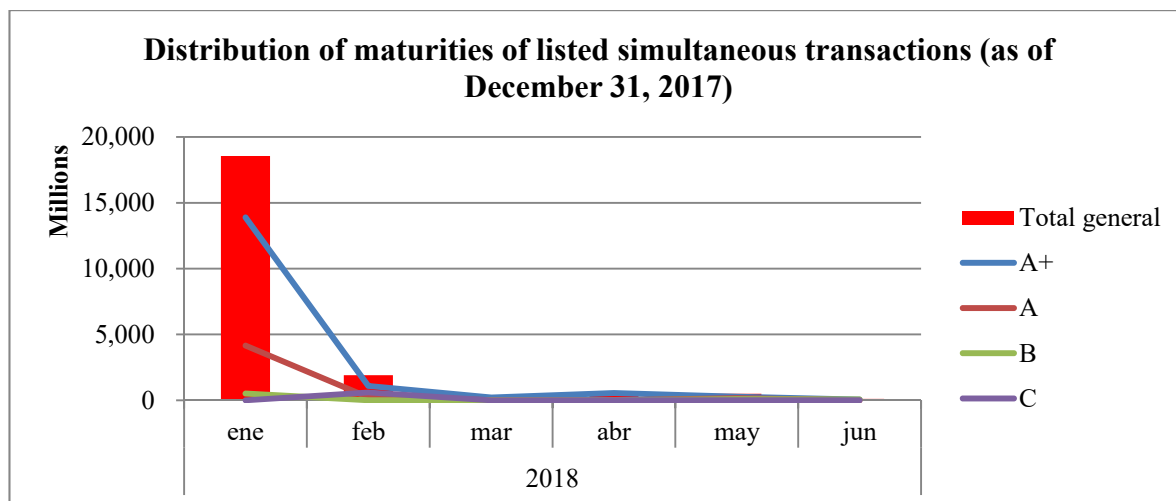
(5.1.2) Risk management and internal control system, continued

ii. Derivatives and revolving operational credit facilities.

Larraín Vial operates under the matched transactions and takes no underlying positions in derivatives. Simultaneous transactions and short sales in shares require approved lines for each client, which are granted and controlled by the Credit Committee. This type of transactions are framed within the standards contained in the Operations manual of the Chilean Stock Exchange and Electronic Stock Exchange, and that ongoing follow-up of the positions and status of guarantees is performed.

▪ Simultaneous transactions

The revolving operational credit facilities granted have a life of one year, are renewable and amount to Ch\$93,940 million. These lines operate in accordance with standards currently in force in the stock exchanges and are covered through guarantees in accordance with regulations in force.



As of December 31, 2017, outstanding simultaneous transactions by classification of their shares are distributed as follows.

Share	Amount in ThCh\$	% of total
A+	16,059,092	73.53%
A	4,537,690	20.78%
B	652,935	2.99%
C	589,087	2.70%
Overall total	21,838,804	100.00%

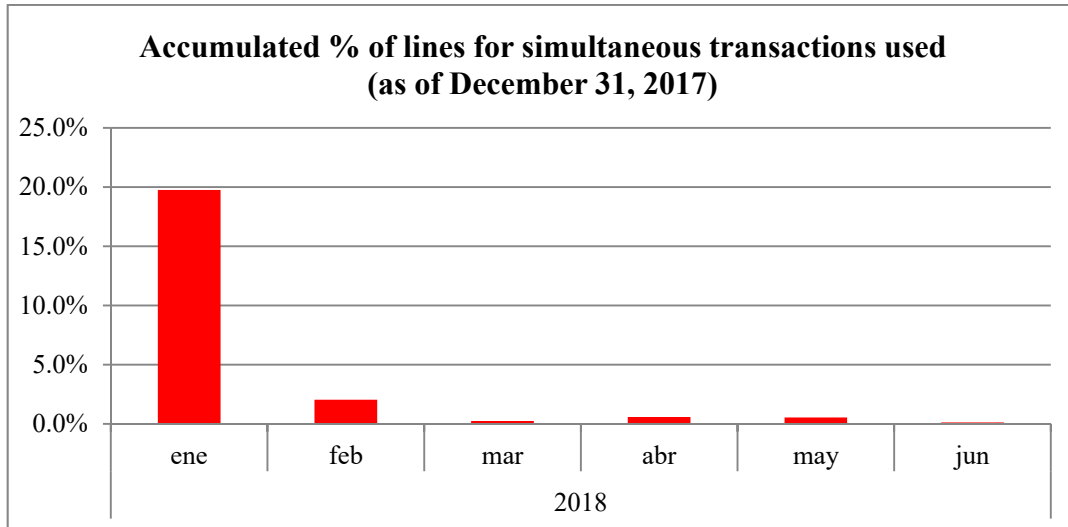
LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) Risk management, continued

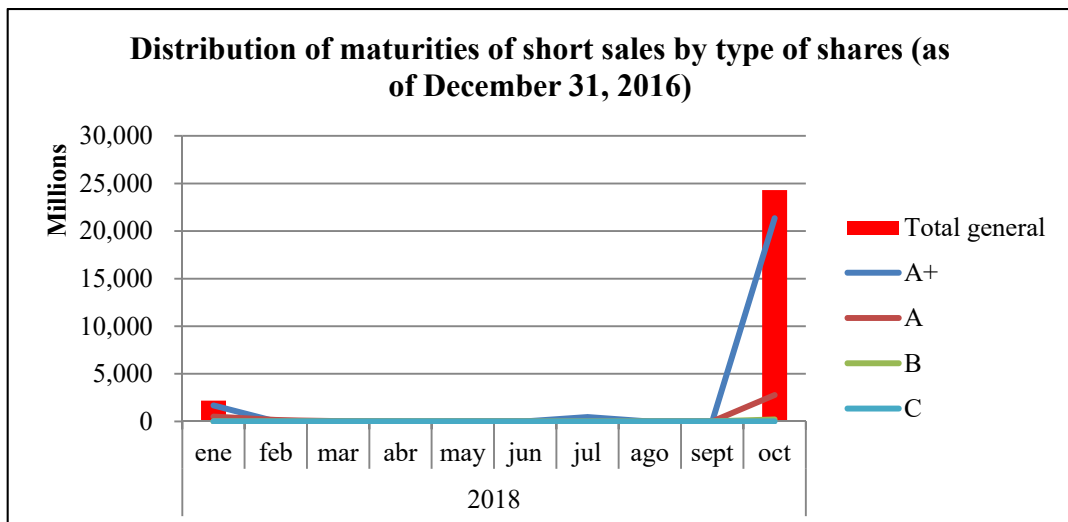
(5.1.2) Risk management and internal control system, continued



▪ **Short Sale**

As of December 31, 2017, with regard to short sale only those lines with operations currently in force are considered.

The revolving operational credit facilities granted have a life of one year, are renewable and amount to Ch\$101,910 million. These lines operate in accordance with standards currently in force in the stock exchanges and are covered through guarantees in accordance with regulations in force.



LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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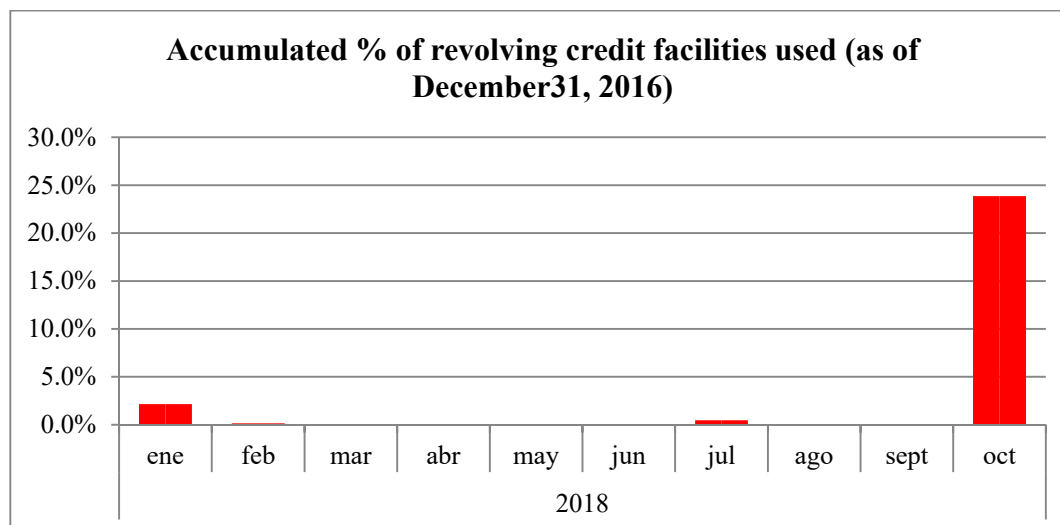
(5) Financial Risk Management, continued

(5.1) Risk management, continued

(5.1.2) Risk management and internal control system, continued

As of December 31, 2017, with regard to short sale only those lines with operations currently in force are considered.

Share	Amount in ThCh\$	% of total
A+	23,491,015	86.60%
A	3,438,028	12.67%
B	196,087	0.73%
C	-	-
Overall total	27,125,130	100.00%



LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

(5.1.2) Risk management and internal control system, continued

- **Forward**

As of December 31, 2017, the detail of VaR exposure in forward is as follows:

Risk control	Currency	Limit	Exposure	Usage %
Value at Risk (VaR)	US\$	(100)	(5.21)	5.21%

The gross exposure of US\$ 1,261 was within the financial risk limits established.

Below there is detail of forward revolving credit facilities authorized, which have a term of one year and are subject to renewal.

No. of lines used	Total of lines authorized MCh\$
230	73,131

As of December 31, 2017, the summary of outstanding forward transactions is as follows.

No. of lines used	Revolving credit facility used MCh\$	Long Position: Amounts MCh\$	Short Position: Amounts MCh\$	Reconciled Position: Amounts MCh\$
73	8,061	1,600	6,461	-

iii. Financial assets

As of December 31, 2017, LarrainVial's investment portfolio is composed of debt securities, term deposits and a controlled equity security position, which are exposed to credit risks.

The risk level allowed for the portfolio of such instruments is determined by the Credit Risk Committee. On a daily basis, the Credit Risk area controls the exposure for local debt securities and includes limits by risk rating, instrument category and issuer. The status of such limits is reported to the areas involved for follow-up and compliance based on the investment policies and guidelines defined.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

(5.1.2) Risk management and internal control system, continued

The table below reflects the percentage of the portfolio in accordance with the risk rating and related sector to which the consolidated local debt securities portfolio relates.

	N1	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
Banks	32.77%	6.23%	1.46%	7.97%	0.00%	1.75%	0.00%	0.00%	0.31%	0.00%	0.71%
Banco Central	0.00%	4.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Corporations	12.05%	1.84%	0.00%	0.12%	3.83%	2.24%	0.58%	0.16%	0.00%	7.31%	8.69%
Government	0.00%	2.63%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Overall total	44.82%	15.50%	1.46%	8.12%	3.83%	3.99%	0.58%	0.16%	0.31%	7.31%	9.40%

	BB	B+	B	C	Overall total
Banks	0.00%	0.00%	0.00%	0.00%	51.19%
Banco Central	0.00%	0.00%	0.00%	0.00%	4.80%
Corporations	0.10%	0.02%	4.39%	0.02%	41.35%
Government	0.00%	0.00%	0.00%	0.00%	2.66%
Overall total	0.10%	0.02%	4.39%	0.02%	100.00%

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) Risk management, continued

(5.1.2) Risk management and internal control system, continued

With respect to the debt security portfolio, this is concentrated in issuers in four countries, in accordance with the following table:

Country	Overall total
Chile (*)	33.3%
Colombia	35.3%
Spain	2.0%
Peru	29.4%
Overall total	100.0%

(*) Corresponds to bonds issued by Chilean companies in United States.

The table below reflects the percentage of the international debt security portfolio in accordance with the risk rating and related sector.

	AA	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-
Company	4.29%	1.13%	0.00%	71.90%	0.00%	4.01%	2.22%	0.00%	4.42%	0.53%
Financial	0.00%	0.47%	0.20%	0.00%	3.16%	1.52%	1.85%	0.11%	0.34%	0.01%
Overall total	4.29%	1.60%	0.20%	71.90%	3.16%	5.53%	4.08%	0.11%	4.76%	0.55%

	B+	B	Overall total
Company	0.29%	1.58%	90.38%
Financial	1.96%	0.00%	9.62%
Overall total	2.25%	1.58%	100.00%

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) Risk management, continued

(5.1.2) Risk management and internal control system, continued

(b) Liquidity risk

The liquidity risk relates to the Company's needs for funds to deal with its payment obligations. Where the Company's objective is maintaining a balance between the continuity of funds and financial flexibility through normal operating flows, short-term borrowings, short-term investments and revolving credit facilities. The financing policy of transactions does not contemplate long-term debt and therefore, solely requires short-term financing. On an ongoing and regular basis, the Company assesses risk concentration, the portfolio and sources of financing.

Within its liquidity policies, the Company observes regulatory compliance by the markets where it operates and considers as its main financing activities its operations through agreements, revolving credit facilities and own capital.

For financing through repurchase agreements, the Company has a debt security portfolio in Chile, which is diversified and has high liquidity, where 95.1% of the Company's portfolio has local risk investment grade rating of BBB- or higher.

(c) Market risk

Market risks affecting trading activities arise from variations in the market prices that could adversely affect the value of positions in financial instruments. The main sources of market risk are as follows:

- **Interest rate risk:** The interest rate risk for trading activities is basically the potential negative impact of rate fluctuations on the financial instrument measurement.
- **Price risk:** Loss from adverse fluctuations in instrument prices.
- **Currency risk:** Fluctuations in the value of the assets and liabilities denominated in other currencies, not offset by derivatives.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(5) Financial Risk Management, continued

(5.1) Risk management, continued

(5.1.2) Risk management and internal control system, continued

Upon identification of the sources of market risk, Larraín Vial uses a number of methodologies in order to measure such risk. The standard methodology applied for the trading activity is Value at Risk (VaR). Exposure is controlled by establishing limits and monitoring compliance. For such purpose, Larraín Vial has a system for the daily follow-up of metrics and limits composed of alerts the level of which has been defined by the Corporate Risk Committee. If any alert level is exceeded, the direct supervisor of the Desk line manager is informed. Additionally, all excesses in force are informed as part of the contents in the daily reports, indicating their excess levels together with the approval and term of regularization obtained from the responsible executive. Daily reports also include the information on the excesses that were effectively regularized on such closing date.

The detail of operating risk management is presented below.

(5.1.3) Operational risk management

The operational risk model is applicable to all business, support and management processes. For such purpose and consistent with the recommendations included in Basel, Larraín Vial has defined operational risk as the possibility of occurrence of equity losses because of failure, deficiencies or inadequate internal processes, people, systems or other external processes.

To identify and measure operational risks, a risk self-assessment is applied on individuals responsible for processes by way of which the opinion is sought from the expert employees on the process for the identification of risks and drawing a final conclusion on the potential impact and event occurrence affecting the objectives of the related units and process. The outcome of the self-assessment is revised on an annual basis together with process expert employees with the purpose of maintaining such information validated and updated.

According to the different exposure levels obtained for the risks identified, management actions are prioritized for risk mitigation purposes. Such management actions contemplate the execution of action plans, the implementation of indicators that can be managed by the organization and monitoring exposure to the risk.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

(5.1.3) Operational risk management, continued

Another mechanism, which is a part of the Company's Operational Risk is the management of loss events. Such management corresponds to recording the operating loss-triggering events and their subsequent analysis as to their origin and causes for their occurrence. Objectives of the record of operating loss-triggering events include:

- Capturing operating loss-triggering events generating a historical basis that allows studying the behavior of such events.
- Informing Senior Management as to the behavior of operating losses.
- Determining the causes generating such losses, supporting the development of action plans that allow correcting such events.
- Through historical data, becoming aware of risk exposure and risk tolerance.

Results from the Operational Risk are presented through regular reports for the Senior Management indicating the status of risks (or immediate reports, as the case may be in the event of severe non-compliance) on the management of incidents, failures, errors arising from such risks.

The summary of the main activities performed by the Operating Risk Department during 2017, focused on strengthening the Company's control measures is detailed below:

- Follow-up on reporting events to the Company's key personnel: Follow-up of 30 individuals on a monthly basis.
- Audit management and risk rating: Support and management on LVAM and Activos AGF audit. Preparation and delivery of information for risk rating agencies for LV CdB.
- Insurance management for the Group: Continuous management of 16 insurance policies for different holding entities, which includes the review of coverage, quoting and insurance contracts.
- Subsidiaries: Risk management for international subsidiaries; Dissemination and Implementation of corporate practices of operational risk, review and follow-up of significant operational risk events.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) (a) Risk management, continued

(5.1.3) Operational risk management, continued

A brief description of the main companies from a risk standpoint is presented below.

(5.1.4) Larraín Vial S.A. Corredora de Bolsa

Larraín Vial S.A. Corredora de Bolsa (Corredora) has operated for over 80 years in the Chilean finance system and continues to receive benefits from long-term relationships with its customers. Its operations in Chile, Peru, Colombia, and the United States, generate a greater diversification compared to its peers in the market, but its operations in Chile still represent the main part of its revenue. Corredora's diversified business, including capital markets, investments, brokerage, and equity management, helps mitigating market cycles.

Corredora's strong business position reflects its status as one of the leading stockbroker companies in Chile, with a wide range of financial services, from which it receives stable revenue. Corredora has maintained its leadership position throughout time in stock brokerage operations.

In recent years, Corredora has reinforced its risk management policies and has adopted an integral approach to risk by continuously improving its formal risk controls.

Corredora's liquidity is adequate for its investment level, based on liquid assets mainly from its investment portfolio, which mainly includes short-term instruments issued by the Government, and short-term instruments issued by corporations and banks.

(5.1.5) Larraín Vial Asset Management Administradora General de Fondos S.A.

The products operated by Larraín Vial Asset Management AGF S.A. (Asset Management) include equity security funds and discretionary portfolios in Chile, debt securities in Chile, balanced securities, equity securities in Latin America, debt securities in Latin America, and the monetary market in Chile.

Asset Management has a control structure which is appropriate for the size of its operations. Asset Management's policies and procedures are established and documented. Its risk management procedures are structured and uses established tools to assess risks. Risk management plays pivotal role in making decision associated with investments, with a focus on controls on credit, market, and liquidity risks.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(5) Financial Risk Management, continued

(5.1) Risk management, continued

(5.1.5) Larrain Vial Asset Management Administradora General de Fondos S.A., continued

Likewise, Asset Management has a Compliance Department which is structured independently and is responsible for ensuring the integrity and transparency of asset management procedures within the framework of internal and regulatory rules.

LarrainVial Asset Management AGF S.A. follows clear guidelines for developing portfolios, under a defined investment philosophy for each of its strategies with a standardized process system supported by a technology structure and with a contingency and business continuity plan.

LarrainVial Asset Management AGF S.A. has a unique technological platform which integrates its whole business cycle, from its front to back office, including trading, compliance, risk, and performance analysis.

LarrainVial Asset Management AGF S.A. has a positive financial profile supported by a strong market position as a result of the alignment of its administrative, technological and business strategies and resources. Accordingly, its positive financial profile is mainly a result of its practices to manage third-party resources, because the Company has resources to support and continue investing in leading practices related to third-party resource management.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(6) Cash and cash equivalents

Cash and cash equivalents includes cash balances, current accounts and petty cash recorded.

(a) As of December 31, 2017 and 2016, this caption is composed of the following:

	2017	2016
	ThCh\$	ThCh\$
Cash in Chilean pesos	6,791	7,397
Cash in foreign currency	258,038	478,176
Banks in Chilean pesos	22,813,590	17,280,673
Banks in foreign currency	79,939,376	60,701,599
Total	<u>103,017,795</u>	<u>78,467,845</u>

(b) The detail of cash and cash equivalents by currency is as follows:

As of December 31, 2017

	2017				
	Chilean peso	US dollar	Euro	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Cash on hand	6,791	228,461	29,578	-	264,829
Cash in banks	22,813,590	78,431,804	1,411,541	96,030	102,752,966
Cash and cash equivalents	<u>22,820,381</u>	<u>78,660,265</u>	<u>1,441,119</u>	<u>96,030</u>	<u>103,017,795</u>

As of December 31, 2016

	2016				
	Chilean peso	US dollar	Euro	Other	Total
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Cash on hand	7,397	451,936	26,240	-	485,573
Cash in banks	17,280,673	57,193,941	3,462,825	44,833	77,982,272
Cash and cash equivalents	<u>17,288,070</u>	<u>57,645,877</u>	<u>3,489,065</u>	<u>44,833</u>	<u>78,467,845</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
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(7) Other current financial assets

This caption includes investments in equity securities, investments in corporate bonds, investment fund deposits, shares, mutual fund deposits, and financial derivative agreements adjusted at fair value.

As of December 31, 2017 and 2016, the detail of other current financial assets is as follows:

	2017	2016
	ThCh\$	ThCh\$
Fixed rent at market value	117,123,461	117,350,713
Future operations	12,031,105	8,464,799
CFI investment funds	8,596,765	6,551,038
Shares	6,673,155	4,827,421
Mutual fund deposits	1,154,926	4,483,821
Forward transactions	24,102,975	3,703,716
Other investments	2,185,313	1,631,608
Total	<u>171,867,700</u>	<u>147,013,116</u>

a) Fixed rent at market value

	Own portfolio		
As of December 31, 2017	Available	Committed	Total
Financial instruments at fair value	ThCh\$	ThCh\$	ThCh\$
From Government	12,126,660	146,035	12,272,695
From financial institutions	14,338,233	39,439,689	53,777,922
From companies	12,650,650	38,422,194	51,072,844
Total DS and FBI	<u>39,115,543</u>	<u>78,007,918</u>	<u>117,123,461</u>

	Own portfolio		
As of December 31, 2016	Available	Committed	Total
Financial instruments at fair value	ThCh\$	ThCh\$	ThCh\$
From Government	5,858,155	2,387,746	8,245,901
From financial institutions	10,409,223	51,816,827	62,226,050
From companies	17,590,254	29,288,508	46,878,762
Total DS and FBI	<u>33,857,632</u>	<u>83,493,081</u>	<u>117,350,713</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(7) Other current financial assets, continued

b) Future operations

As of December 31, 2017

	Average rate	Maturity		Total
		Up to 7 days	Over 7 days	
		ThCh\$	ThCh\$	
Simultaneous transactions	0,37	174,141	7,730,542	7,904,683
Repurchase agreements	0,32	4,001,040	125,382	4,126,422
Total		4,175,181	7,855,924	12,031,105

As of December 31, 2016

	Average rate	Maturity		Total
		Up to 7 days	Over 7 days	
		ThCh\$	ThCh\$	
Simultaneous transactions	0.33	42,665	4,876,875	4,919,540
Repurchase agreements	1.43	3,249,088	296,171	3,545,259
Total		3,291,753	5,173,046	8,464,799

c) CFI investment funds

	2017	2016
	ThCh\$	ThCh\$
Equity securities	7,984,131	6,542,770
Debt securities	612,634	6,976
Alternative	-	1,292
Total	8,596,765	6,551,038

d) Shares

	2017	2016
	ThCh\$	ThCh\$
Chile	4,808,645	3,402,898
Colombia	1,850,231	1,414,654
Peru	14,279	9,869
Total	6,673,155	4,827,421

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(7) Other current financial assets, continued

e) Mutual funds

	2017	2016
	ThCh\$	ThCh\$
Money market	334,022	3,838,596
Debt securities	627,706	389,939
Balanced	193,198	168,283
Equity securities	-	87,003
Total	<u>1,154,926</u>	<u>4,483,821</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(7) Other current financial assets, continued

f) Forward transactions

As of December 31, 2017, financial derivative contracts are detailed as follows:

Type of contract	No. of operations	Domestic				Derivative financial instruments at fair value			Total assets at fair value
		Purchase		Sale		Asset position			
		Amount in monetary unit of the agreement	Amount of the agreement	Amount of the agreement	Amount of the agreement	Up to 7 days	8 to 360 days	Over 1 year	
		ThCh\$		ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$	
A) Forward									
US dollars (Offsetting)	452	1,015,181,056	643,096,079	(1,000,454,326)	(638,779,518)	9,220,539	14,291,453	-	23,511,992
US dollars (Cash delivered)	64	7,618,624	4,810,116	(16,072,413)	(10,279,405)	65,820	318,516	-	384,336
Euro (Offsetting)	8	3,503,500	377,842,050	(3,503,500)	(378,999,650)	-	17,000	-	17,000
Euros (Cash delivered)	-	-	-	-	-	-	-	-	-
UF (Offsetting)	11	-	-	(94,015)	(2,509,472)	-	5,531	-	5,531
UF (Cash delivered)	-	-	-	-	-	-	-	-	-
Colombian pesos (Offsetting)	3	-	-	(29,730,000,000)	(6,266,865)	-	184,116	-	184,116
B) Other agreements (specify)									
Total	538	1,026,303,180	1,025,748,245	(30,750,124,254)	(1,036,834,910)	9,286,359	14,816,616	-	24,102,975

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
as of December 31, 2017 and 2016

(7) Other current financial assets, continued

f) Forward transactions, continued

As of December 31, 2016, financial derivative contracts are detailed as follows:

Type of contract	No. of operations	Domestic				Derivative financial instruments at fair value			Total assets at fair value ThCh\$
		Purchase		Sale		Asset position			
		Amount in monetary unit of the agreement	Amount of the agreement ThCh\$	Amount in monetary unit of the agreement	Amount of the agreement ThCh\$	Up to 7 days ThCh\$	8 to 360 days ThCh\$	Over 1 year ThCh\$	
A) Forward									
US dollars (Offsetting)	378	393,548,000	263,199,167	(431,080,094)	(289,130,814)	240,453	3,173,315	-	3,413,768
US dollars (Cash delivered)	25	11,020,000	7,406,513	(11,839,000)	(7,941,393)	-	88,475	-	88,475
Euro (Offsetting)	-	-	-	-	-	-	-	-	-
Euros (Cash delivered)	-	-	-	-	-	-	-	-	-
UF (Offsetting)	2	1,000,000	26,962,000,000	(1,000,000)	(26,960,000,000)	-	123,499	-	123,499
UF (Cash delivered)	-	-	-	-	-	-	-	-	-
Colombian pesos (Offsetting)	3	7,830,500,000	1,711,355,775	(19,230,500,000)	(4,100,609)	-	77,974	-	77,974
B) Other agreements (specify)	-	-	-	-	-	-	-	-	-
Total	408	8,236,068,000	28,943,961,455	(19,674,419,094)	(27,261,172,816)	240,453	3,463,263	-	3,703,716

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(7) Other current financial assets, continued

(g) Other investments

	2017	2016
	ThCh\$	ThCh\$
Short sales	124,945	57,766
Commodities exchange invoices	480,271	466,001
International Custody	1,580,097	1,107,841
Total	<u>2,185,313</u>	<u>1,631,608</u>

(8) Other current non-financial assets

As of December 31, 2017 and 2016, the detail of other current non-financial assets is as follows:

	2017	2016
	ThCh\$	ThCh\$
Value-added tax fiscal credit	5,101,629	6,366,386
Other non-financial assets(*)	375,322	189,548
Other prepaid expenses	204,393	160,002
Total	<u>5,681,344</u>	<u>6,715,936</u>

(*) Other non-financial assets include supplier advances, salary advances and loans for employees.

(9) Trade and other receivables

As of December 31, 2017 and 2016, the detail of this caption is as follows:

	2017	2016
	ThCh\$	ThCh\$
Receivables from brokers and dealers (*)	65,353,139	52,414,083
Accounts receivables	16,861,382	13,244,338
Total	<u>82,214,521</u>	<u>65,658,421</u>

(*) "Receivables from brokers and dealers" correspond to brokerage operations, fees receivable, and stock exchange rights, and purchase and sale transactions related to instruments in the commodities market on behalf of the customer. The counterparty to the account is recognized in the caption liabilities under "Payables to brokers and dealers."

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(10) Current tax assets and liabilities

As of December 31, 2017 and 2016, the detail of this caption is as follows:

(a) As of December 31, 2017 and 2016, the detail of this caption is as follows:

	2017	2016
	ThCh\$	ThCh\$
Monthly provisional income tax payment	7,992,577	6,253,784
Income taxes recoverable	1,521,984	2,152,650
Credit for training expenses	70,623	139,393
Total	<u>9,585,184</u>	<u>8,545,827</u>

(b) As of December 31, 2017 and 2016, the detail of current tax liabilities is as follows:

	2017	2016
	ThCh\$	ThCh\$
Provision for income tax	6,705,270	3,629,945
Other taxes	90,146	1,164
Total	<u>6,795,416</u>	<u>3,631,109</u>

(*) Other taxes payable correspond to taxes paid abroad.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(11) Balances with related parties

As of December 31, 2017 and 2016, the detail of receivables and payables due from and to related parties is the following:

Transactions with related parties have been made at market price, no allowances for doubtful accounts have been recorded and no guarantees have been recorded for these operations.

Current accounts correspond to funding whose payment will be made by wire transfer or by means of a debit to the current account (commercial account) for the total amount owed without any commissions, interests or readjustments.

(a) Trade receivables due from related parties

	2017	2016
	ThCh\$	ThCh\$
Minería Activa S.A.	-	124,870
FIP Crecimiento Forestal	2,481	2,481
Total	<u>2,481</u>	<u>127,351</u>

(b) Trade payables due to related parties, current

	2017	2016
	ThCh\$	ThCh\$
Fundación Larraín Vial	-	862
Total	<u>-</u>	<u>862</u>

(c) Trade payables due to related parties, non-current

	2017	2016
	ThCh\$	ThCh\$
Renta ST Limitada	2,660,798	4,417,146
Chacabuco S.A.	4,256,653	5,998,125
Total	<u>6,917,451</u>	<u>10,415,271</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(11) Balances with related parties, continued

(d) Transactions with related parties

Entity	Relationship	Transaction description	2017		2016	
			Amount	Effect on profit or loss	Amount	Effect on profit or loss
			ThCh\$	ThCh\$	ThCh\$	ThCh\$
Chacabuco S.A.	Shareholder	Borrowing	4,256,653	140,545	5,998,125	180,483
Renta ST Ltda.	Shareholder	Borrowing	2,660,538	99,003	4,417,146	105,202
Crecimiento Forestal	Shareholder	Borrowing	2,481	-	2,481	-
Minería Activa S.A.	Shareholder	Borrowing	-	-	124,871	3,403
Fundación Larraín Vial	Indirect	Borrowing	-	-	862	1,071

(12) Other non-current financial assets

This caption comprises investment fund deposits, securities granted as collateral and other assets, which are measured at market value.

As of December 31, 2017 and 2016, the detail of other non-current financial assets is as follows:

	2017	2016
	ThCh\$	ThCh\$
a) Investment funds	7,476,044	8,076,452
b) Collateral amounts	6,872,202	8,519,525
c) Other assets	79,037	86,101
Total	14,427,283	16,682,078

a) Investment funds

	2017	2016
	ThCh\$	ThCh\$
Americas Energy Fund I	2,399,705	3,035,593
NG Capital Partners I	2,289,809	2,213,797
Americas Energy Fund II	1,214,382	1,308,324
FIP Forestal	471,961	484,434
Fibra II	541,610	496,319
Victus Chile	139,511	150,381
FIP Agrícola	172,306	148,645
Minería Activa - Proyecto Filipina	137,673	137,673
Minería Activa - Indiana	107,294	99,493
FIP Opción Global	1,793	1,793
Total	7,476,044	8,076,452

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(12) Other non-current financial assets, continued

b) Securities granted as collateral

	2017	2016
	ThCh\$	ThCh\$
Guarantees for financial operations	6,872,202	8,519,525
Total	<u>6,872,202</u>	<u>8,519,525</u>

c) Other assets

	2017	2016
	ThCh\$	ThCh\$
San Sebastián Inmobiliaria Ltda. Cuenta en Participación V	79,307	86,101
Total	<u>79,307</u>	<u>86,101</u>

(13) Other non-financial assets, non-current

As of December 31, 2017 and 2016, the detail of other non-financial assets, non-current is as follows:

	2017	2016
	ThCh\$	ThCh\$
Guarantee	198,640	360,826
Other non-financial non-current assets	6,148	517,759
Total	<u>204,788</u>	<u>878,585</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(14) Equity-accounted investees

As of December 31, 2017 and 2016, the detail of this caption is as follows:

(a) The amount of investments in associates is detailed as follows:

	Country	Ownership interest %	2017 ThCh\$	Ownership interest %	2016 ThCh\$
Sociedad Altamar Capital Partners, SL-	Spain	16.80	2,184,790	16.80	2,034,407
Goodwill	Spain	-	2,371,780	-	2,371,780
Inversiones Cayman Inc.	Cayman	50.00	1,692,145	50.00	1,110,002
Eurocapital Servicios Financieros SAC	Peru	32.50	849,505	32.50	830,370
Sociedad MA S.p.A.	Chile	50.00	540,151	50.00	306,482
Minería Activa Uno SpA	Chile	2.27	203,896	2.27	203,896
Sembrador S.p.A.	Chile	42.50	163,024	42.50	173,730
Administrador Fen Capital	Chile	51.00	150,282	51.00	77,000
Acción Bolsa de Producto Agro	Chile	5.02	149,243	5.02	145,591
Minería Activa Dos SpA	Chile	2.27	143,672	2.27	141,221
Larraín Vial Perú Activos Reales	Peru	65.00	113,381	65.00	113,381
UMM Capital	Chile	0.89	99,494	0.89	90,903
Grupo LOA S.p.A.	Chile	50.00	94,622	50.00	100,198
Gestor Rentas Inmobiliaria SpA	Chile	40.00	69,701	40.00	-
Gestor Rentas Inmobiliarias- Goodwill (*)	Chile	-	1,586,510	-	-
Inversiones Minera GBS S.A.	Chile	12.67	47,094	12.67	47,094
LVA Índices S.A.	Chile	33.33	46,687	33.33	141,266
Asesorías e Inversiones Mater	Chile	50.00	19,415	50.00	13,683
CCLV Contraparte Central S.A.	Chile	0.15	14,709	0.15	13,739
SCL Energía Activa S.A.	Chile	50.00	11,043	50.00	(2,368)
Fibra Activos Inmobiliarios S.A.C.	Peru	50.00	910	50.00	910
Subsolé Capital de Riesgo	Chile	0.20	686	0.20	711
Total			10,552,740		7,913,996

(*) On March 3, 2017, Larraín Vial S.p.A. acquired 4,000 shares of Gestor de Rentas Inmobiliarias S.p.A. owned by Aurus Capital S.A. Administradora General de Fondos, equivalent to 40% of its share capital. The price for the acquisition of such shares totaled ThCh\$432 per share paid in cash at the time of the purchase and sale transaction, generating goodwill of ThCh\$1,586,510, which is subject to impairment assessment.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(14) Equity-accounted investees, continued

(b) **Income and expenses of associates as of December 31, 2017 and 2016 are detailed as follows:**

	2017	2016
	ThCh\$	ThCh\$
Equity value of non-holding companies	883,753	1,049,924
Dividends received	961,716	1,107,535
Total	1,845,469	2,157,459

(15) Investments in other companies

This caption comprises the investments in associates held by Larrain Vial SpA Group in the Santiago Stock Exchange, Santiago Electronic Stock Exchange and Colombia Stock Exchange, which are measured at market value. As of December 31, 2017 and 2016, the detail of this caption is as follows:

	2017	2016
	ThCh\$	ThCh\$
Santiago Stock Exchange	-	2,008,933
Colombia Stock Exchange	483,558	430,478
Bolsa Electrónica de Chile (The Chilean Electronic Stock Exchange)	158,871	149,163
Total	642,429	2,588,574

(a) Santiago Stock Exchange

	2017		2016	
	No. of shares	Fair value	No. of shares	Fair value
	No.	ThCh\$	No.	ThCh\$
Santiago Stock Exchange	-	-	1	2,008,933
Total	-	-	1	2,008,933

As a result of the demutualization process conducted by the Santiago Stock Exchange on June 12, 2017, one million shares were exchanged of the Santiago Stock Exchange that Larrain Vial Corredora S.A owns as investment. Such investment is measured at fair value recognizing in equity its fair value variation.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(15) Investments in other companies, continued

(a) Santiago Stock Exchange, continued

(i) As of December 31, 2017 and 2016, movements in investments are detailed as follows:

Santiago Stock Exchange

Movements	2017	2016
	ThCh\$	ThCh\$
Opening balance	2,008,993	2,168,626
Transfer to investment at Fair Value through equity	(2,008,933)	
Profit (loss)	-	(159,693)
Total	-	2,008,933

(ii) Dividends received

Date	2017	Date	2016
	ThCh\$		ThCh\$
-	-	05-05-2016	76,000
-	-	06-24-2016	15,000
-	-	09-23-2016	40,000
-	-	12-23-2016	15,000
Total	-	Total	146,000

(b) Colombia Stock Exchange

Entity	2017		2016	
	No. of shares	Fair value	No. of shares	Fair value
	No.	ThCh\$	No.	ThCh\$
Colombia Stock Exchange	91,000,000	483,558	91,000,000	430,478
Total	91,000,000	483,558	91,000,000	430,478

As of December 31, 2017 and 2016, movements in investments are detailed as follows:

Colombia Stock Exchange

Movements	2017	2016
	ThCh\$	ThCh\$
Opening balance	430,478	345,152
Profit (loss)	53,080	85,326
Total	483,558	430,478

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(15) Investments in other companies, continued

(c) Bolsa Electrónica de Chile

Entity	2017		2016	
	No. of shares	Fair value	No. of shares	Fair value
	No.	ThCh\$	No.	ThCh\$
Bolsa Electrónica de Chile (The Chilean Electronic Stock Exchange)	1	158,871	1	149,163
Total	1	158,871	1	149,163

As of December 31, 2017 and 2016, movements in investments are detailed as follows:

Movements	2017 ThCh\$	2016 ThCh\$
Opening balance	149,163	141,734
Profit (loss)	9,708	7,429
Total	158,871	149,163

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(16) Intangible assets other than goodwill

As of December 31, 2017 and 2016, movements in intangible assets are detailed as follows:

(a) As of December 31, 2017

	Licenses ThCh\$	System T-24 ThCh\$	Software ThCh\$	Total ThCh\$
Intangible assets				
Initial balance as of January 1, 2017	643,566	-	5,705,291	6,348,857
Exchange rate fluctuations	(6,117)	-	(2,419)	(8,536)
Additions	240,988	580,047	570,829	1,391,864
Disposals or withdrawals		4,769,159	(4,769,159)	-
Gross amount as of December 31, 2017	878,437	5,349,206	1,504,542	7,732,185
Amortization for the year	(20,396)	(266,612)	(107,398)	(394,406)
Increase/(decrease) in exchange rate	6,541	-	1,995	8,536
Accumulated amortization	(130,924)	-	(401,849)	(532,773)
Total accumulated amortization	(144,779)	(266,612)	(507,252)	(918,643)
Net amount as of December 31, 2017	733,658	5,082,594	997,290	6,813,542

(b) As of December 31, 2016

	Licenses ThCh\$	Software ThCh\$	Total ThCh\$
Intangible assets			
Initial balance as of January 1, 2016	546,188	4,659,226	5,205,414
Exchange rate fluctuations	(5,031)	735	(4,296)
Additions	102,409	1,045,330	1,147,739
Disposals or withdrawals	-	-	-
Gross amount as of December 31, 2016	643,566	5,705,291	6,348,857
Amortization for the year	(113,279)	(4,262)	(117,541)
Increase/(decrease) in exchange rate	(2,539)	(41)	(2,580)
Accumulated amortization	(15,106)	(397,546)	(412,652)
Total accumulated amortization	(130,924)	(401,849)	(532,773)
Net amount as of December 31, 2016	512,642	5,303,442	5,816,084

The balance of intangible assets includes software development, which to certain extent corresponds to the R&D system. In addition, trademarks and licenses correspond to license for software used by Larraín Vial Comisionista de Bolsa in Colombia and by Larraín Vial S.A. Corredora de Bolsa in Chile.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(17) Property, plant and equipment

As of December 31, 2017 and 2016, the detail of this caption is as follows:

(a) As of December 31, 2017, movements are detailed as follows:

Property, plant and equipment	Machinery and equipment ThCh\$	Furniture and fixtures ThCh\$	Fixtures ThCh\$	Assets under lease contracts ThCh\$	Assets under construction ThCh\$	Office remodeling ThCh\$	Total ThCh\$
Initial balance as of January 1, 2017	653,500	339,156	1,661,386	7,481,236	503,873	2,065,004	12,704,155
Exchange rate fluctuations	(3,482)	(4,459)	(4,314)	-	-	-	(12,255)
Additions	496,420	41,646	-	-	214,214	1,064,474	1,816,754
Disposals or withdrawals	(8,136)	-	(7,017)	-	(229,238)	(6,690)	(251,080)
Adjustments and reclassifications	-	-	-	-	-	-	-
Gross amount as of December 31, 2017	1,138,302	376,343	1,650,555	7,481,236	488,849	3,122,788	14,257,573
Depreciation for the year	(334,281)	(12,227)	(105,324)	(151,671)	-	(239,470)	(842,973)
Increase/(decrease) in exchange rate	(3,538)	3,161	3,161	-	-	-	2,784
Accumulated depreciation	(550,922)	(278,591)	(1,524,100)	(297,204)	-	(351,150)	(3,001,967)
Total accumulated depreciation	(888,741)	(287,657)	(1,626,263)	(448,875)	-	(590,620)	(3,842,156)
Net amount as of December 31, 2017	249,561	88,686	23,792	7,032,361	488,849	2,532,168	10,415,417

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(17) Property, plant and equipment, continued

(b) As of December 31, 2016, movements are detailed as follows:

Property, plant and equipment	Machinery and equipment ThCh\$	Furniture and fixtures ThCh\$	Fixtures ThCh\$	Assets under lease contracts ThCh\$	Assets under construction ThCh\$	Office remodeling ThCh\$	Total ThCh\$
Initial balance as of January 1, 2016	633,052	338,302	1,650,722	7,481,236	284,986	996,326	11,384,624
Exchange rate fluctuations	1,854	854	(3,688)	-	-	(450)	(1,430)
Additions	18,594	-	14,352	-	218,887	1,069,128	1,320,961
Disposals or withdrawals	-	-	-	-	-	-	-
Adjustments and reclassifications	-	-	-	-	-	-	-
Gross amount as of December 31, 2016	653,500	339,156	1,661,386	7,481,236	503,873	2,065,004	12,704,155
Depreciation for the year	(43,612)	(14,700)	(202,893)	(143,991)	-	(274,634)	(679,830)
Increase/(decrease) in exchange rate	2,021	152	3,613	5,649	-	348	11,783
Accumulated depreciation	(509,331)	(264,043)	(1,324,820)	(158,862)	-	(76,864)	(2,333,920)
Total accumulated depreciation	(550,922)	(278,591)	(1,524,100)	(297,204)	-	(351,150)	(3,001,967)
Net amount as of December 31, 2016	102,578	60,565	137,286	7,184,032	503,873	1,713,854	9,702,188

(c) Valuation

Management has opted for applying the cost model as accounting policy and applies such policy to all items containing a class of property, plant and equipment.

(d) Depreciation method

Items of property, plant and equipment (except for land) are depreciated on a straight-line basis giving rise to a constant charge throughout the life of the item of PPE concerned.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(18) Income tax and deferred taxes

As of December 31, 2017 and 2016, the detail of this caption is as follows:

(a) As of December 31, 2017 and 2016, deferred taxes are detailed as follows:

Deferred taxes correspond to the amount of income taxes that Larraín Vial S.p.A. and subsidiaries Company will have to pay (liabilities) or recover (assets) in future periods, related to the temporary differences between the fiscal and the tax base and the carrying amount of certain assets and liabilities.

	2017		2016	
	Deferred tax assets ThCh\$	Deferred tax liabilities ThCh\$	Deferred tax assets ThCh\$	Deferred tax liabilities ThCh\$
Accrued vacations	443,498	-	340,632	-
Financial Instruments	2,401,720	556,028	3,001,926	56,066
Allowance for doubtful accounts	66,071	-	178,125	-
Lease	674,694	-	719,113	-
Provision for bonuses for personnel	2,257,661	-	1,288,803	-
Gain from bargain purchase	1,917	-	-	-
Provision for short sale	-	-	6,252	-
Operations under repurchase or resale agreements	700,881	-	338,663	-
Other provisions for PIV	-	-	9,456	-
Stock exchange seats	-	14,720	-	15,947
Tax loss	933,480	-	819,780	-
Other	309,566	-	226,567	-
Total	<u>7,789,488</u>	<u>570,748</u>	<u>6,929,317</u>	<u>72,013</u>

(b) Income tax

As of December 31, 2017 and 2016, the detail of income tax is as follows:

	2017 ThCh\$	2016 ThCh\$
Provision for corporate income tax	6,031,717	3,549,418
Payment of income taxes	370,945	237,101
Tax on the industry, trading and wealth	173,971	20,641
Adjustment of provision	-	104,441
Adjustment for provisional payment for absorbed earnings (PPUA)	(144,362)	115,348
Adjustment o prior year income taxes	-	151,813
Credit for donations	-	(72,748)
Effect of deferred taxes	<u>(520,392)</u>	<u>(1,432,596)</u>
Total	<u>5,911,879</u>	<u>2,673,418</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(18) Income tax and deferred taxes, continued

(c) Reconciliation of tax rate

Reconciliation of income tax expense using the statutory rate to the income tax expense using the effective rate:

		2017		2016
	Rate	Tax Calculated	Rate	Tax Calculated
	%	ThCh\$	%	ThCh\$
(Loss)/profit before tax		25,835,748		18,804,940
Income tax	25.50%	6,588,116	24.00%	4,513,186
Temporary differences from deferred taxes	(2.62%)	(676,237)	(9.78%)	(1,839,768)
Effective rate (debit) credit associated with income tax and/or deferred taxes	22.88%	5,911,879	14.22%	2,673,418

(19) Other current and non-current financial liabilities

As of December 31, 2017 and 2016, the detail of other current financial liabilities is as follows:

	2017	2016
	ThCh\$	ThCh\$
Future obligations	80,739,841	91,487,436
Bank borrowings	2,711,694	1,500,060
Liabilities under lease agreements	458,492	447,769
Forward obligations	23,367,917	121,554
Total current	107,277,944	93,556,819
Liabilities under lease agreements	6,404,670	6,747,876
Total non-current	6,404,670	6,747,876

a) Future obligations

	2017	2016
	ThCh\$	ThCh\$
Agreements	80,684,968	84,960,951
Simultaneous transactions	-	2,942,430
Short Sale	54,873	3,584,055
Total	80,739,841	91,487,436

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(19) Other current and non-current financial liabilities, continued

(b) Bank borrowings

Bank	Interest rate	2017 ThCh\$	2016 ThCh\$
Banco Consorcio	0.48%	2,000,000	1,500,000
Banco Internacional	0.20%	288,369	-
Corpbanca Itau Colombia	11.00%	336,079	-
Citibank Peru	5.30%	59,236	51
Banco Santander	0.20%	1	6
Banco de Chile	0.41%	28,006	2
Banco Crédito e Inversiones	0.43%	2	1
Banco Security	0.30%	1	-
Total		<u>2,711,694</u>	<u>1,500,060</u>

(c) Lease obligations

Bank	Interest rate	Current		Non-current	
		2017 ThCh\$	2016 ThCh\$	2017 ThCh\$	2016 ThCh\$
Banco Bice	UF + 3.78%	458,492	434,355	6,404,672	6,747,876
HP Perú SRL	USD + 2.43%	-	13,414		
Total		<u>458,492</u>	<u>447,769</u>	<u>6,404,672</u>	<u>6,747,876</u>

(d) Forward obligations

	2017 ThCh\$	2016 ThCh\$
Forward	23,367,917	121,554
Total	<u>23,367,917</u>	<u>121,554</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(20) Trade and other payables

As of December 31, 2017 and 2016, the detail of trade and other payables is the following:

	2017	2016
	ThCh\$	ThCh\$
Payables to brokers and dealers (*)	80,789,604	65,545,787
Payables (**)	86,467,115	61,072,660
Other provisions	2,806,761	1,579,982
Social security institutions and withholdings	633,022	567,969
Value-added tax fiscal debit	336,354	318,497
Total	<u>171,032,856</u>	<u>129,084,895</u>

(*) "Brokerage payables" relate to brokerage operations, commission payables, stock exchange rights, and purchase and sale transactions related to instruments in the commodities market. The account's counterparty is included in "Receivables from brokers and dealers" in Assets.

(**) Payables mainly include balances maintained in Brokers' current accounts in foreign currencies. Additionally, these contain short-term documents, activities and own costs arising from the activities conducted by Larrain Vial Group to its suppliers. Such accounts are paid at terms which do not exceed 30 days, without being subject to accrual of interest. In addition, this caption records a provision for minimum dividend of ThCh\$5,407,342, see note 23d).

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(21) Employee benefits

(a) As of December 31, 2017 and 2016, this caption comprises the following:

	2017	2016
	ThCh\$	ThCh\$
Provision for bonuses	7,172,043	5,350,358
Accrued vacations	1,913,537	1,801,377
Other provisions	46,358	40,221
Provision for bonuses	-	567
Total	9,131,938	7,192,523

(b) Movements in this caption are detailed as follows:

(i) As of December 31, 2017

	Opening balance at January 1	Increase (decrease) in provisions	Provision used	Exchange rate fluctuations	Closing balance as of December 31
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other provisions	40,221	139,821	(133,684)	-	46,358
Provision for bonuses	5,350,358	12,588,079	(10,763,033)	(3,363)	7,172,043
Accrued vacations	1,801,377	416,558	(300,747)	(3,649)	1,913,537
Provision for bonuses	567	-	(567)	-	-
Total	7,192,523	13,144,458	(11,198,031)	(7,012)	9,131,938

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(21) Employee benefits, continued

(b) Movements in this caption are detailed as follows:

(ii) As of December 31, 2016

	Opening balance at January 1	Increase (decrease) in provisions	Provision used	Exchange rate fluctuations	Closing balance as of December 31
	ThCh\$	ThCh\$	ThCh\$	ThCh\$	ThCh\$
Other provisions	40,977	4,867,477	(4,868,233)	-	40,221
Provision for bonuses	4,520,243	5,397,534	(4,724,527)	157,108	5,350,358
Accrued vacations	1,792,796	2,285,887	(2,277,306)	-	1,801,377
Provision for bonuses	-	799,194	(798,627)	-	567
Total	<u>6,354,016</u>	<u>13,350,092</u>	<u>(12,668,693)</u>	<u>157,108</u>	<u>7,192,523</u>

(22) Other non- financial liabilities, current

As of December 31, 2017 and 2016, the detail of this caption is as follows:

	2017 ThCh\$	2016 ThCh\$
Deferred income from the sale of property, plant and equipment	2,603,124	2,820,050
Other payables	2,635,618	1,778,140
Total	<u>5,238,742</u>	<u>4,598,190</u>

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(23) Equity

As of December 31, 2017 and 2016, the detail of equity is as follows:

(a) Capital

As of December 31, 2017 and 2016, the Company's capital and reserves are composed of the following:

	Number of shares	
	2017	2016
Series A	33,175,531	33,175,531
Series B	3,110,571	3,110,571
Total	36,286,102	36,286,102

Series "A" shares grant the right to attend to and vote at the Ordinary and Extraordinary Shareholders' Meetings. Additionally, such shares grant the following rights: (i) receiving share capital refunds or from the Company's dissolution in all respects not related to Series "B" shares; (ii) receiving dividends, which are subordinated to the payment of dividends for Series "B" shares; (iii) in general, exercise all the rights granted to all ordinary shareholders in conformity with the Company's By-Laws and the Law. Series "B" shares grant the right to attend to and vote at the Ordinary and Extraordinary Shareholders' Meetings. In addition, they are entitled to receive an annual dividend charged to the Company's net profit for the related year, the amount and payment schedule will be defined by the shareholders at a Shareholders' Meeting in conformity with the Company's By-Laws. Such dividends will be paid and such payment will have preference over those dividends that may be agreed for Series "A" shares. Series "B" shares (a) will grant right to dividends (b) right to capital refund, either because of a capital decrease or associated with the Company's dissolution or any other event. (c) They will not grant a right to withdrawal or preference option for the subscription of shares or other securities convertible into shares which the Company may issue. (d) In general, it obliges to respect and comply with the duties, obligations and/or limitations that are applicable to them in conformity with the By-Laws or the Law.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(23) Equity, continued

(b) Other reserves

As of December 31, 2017 and 2016, this caption comprises the following:

	2017	2016
	ThCh\$	ThCh\$
Opening balance	(2,225,065)	(1,344,392)
Translation adjustment from related parties	(1,164,368)	(228,535)
Financial assets at fair value through equity	1,016,067	(158,910)
Share of other comprehensive income of equity-accounted investees	-	(493,228)
Total	(2,373,366)	(2,225,065)

(c) Non-controlling interests

As of December 31, 2017 and 2016, the detail of non-controlling interests is as follows:

	2017	2016
	ThCh\$	ThCh\$
Opening Balance	4,436,227	4,308,967
Dividend distribution	(1,311,545)	-
Other comprehensive income	50,602	(1,477,001)
Share of profit or loss	1,902,300	1,604,261
Total	5,077,584	4,436,227

(d) Dividend

(i) Provision for minimum dividend

In accordance with the dividend distribution policy, the provision for dividends is as follows:

	2017
	ThCh\$
Opening balance	-
Provision for the year	5,407,342
Total	5,407,342

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(23) Equity, continued

(d) Dividend, continued

(ii) Dividends paid

Dividends distributed during 2017:

	Debit to retained earnings 2016 ThCh\$	Total ThCh\$
Dividends paid	5,005,000	5,005,000
Total	5,005,000	5,005,000

(24) Revenue

As of December 31, 2017 and 2016, this caption is composed of the following:

	2017 ThCh\$	2016 ThCh\$
Revenue from fund income	41,888,111	36,243,073
Gain or loss from financial instruments	24,697,522	26,657,946
Revenue from financial advisory services	24,412,869	23,399,596
Commission revenue	8,519,588	6,055,007
Revenue from brokerage services	9,970,190	7,806,480
Other revenue	2,134,905	2,030,252
Total	111,263,185	102,192,354

(25) Cost of sales

As of December 31, 2017 and 2016 the detail of cost of sales is as follows:

	2017 ThCh\$	2016 ThCh\$
Commission costs	(15,860,772)	(13,905,847)
Interest on obligations	(3,344,437)	(3,589,927)
Services on behalf of third parties	(2,476,524)	(3,019,487)
Other cost of sales	(398,755)	(411,632)
Total	(22,080,488)	(20,926,893)

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(26) Administrative expenses

As of December 31, 2017 and 2016, the detail of administrative expenses is as follows:

	2017	2016
	ThCh\$	ThCh\$
Personnel expenses	(41,419,124)	(38,866,628)
Selling expenses	(20,501,048)	(19,286,547)
Other administrative expenses	(2,025,553)	(1,244,123)
	(63,945,725)	(59,397,298)
Total	(63,945,725)	(59,397,298)

(27) Finance costs

As of December 31, 2017 and 2016, the detail of finance costs is as follows:

	2017	2016
	ThCh\$	ThCh\$
Interest paid	(723,629)	(921,040)
Bank expenses	(689,983)	(579,627)
Fee on revolving credit facility	(337,455)	(330,066)
	(1,751,067)	(1,830,733)
Total	(1,751,067)	(1,830,733)

(28) Contingencies and commitments

(a) Direct commitments

As of December 31, 2017, the Company maintains equity securities amounting to ThCh\$5,269,289 at the Santiago Stock Exchange to guarantee term operations.

As of August 4, 2011, the Company entered into a guarantee contract named "Guaranty" with Citigroup Inc. and each subsidiary for US\$17,000,000 (seventeen million U.S. dollars). The guarantee contract mentioned above authorizes Larraín Vial S.A. Corredora de Bolsa to become a guarantor and co-debtor of all and every obligation arising from the credits for Larraín Vial Sociedad Agente de Bolsa S.A. a Peruvian subsidiary.

(b) Collateral on corporate assets in favor of third parties

As of December 31, 2017, the Group records no guarantees in favor of third parties.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(c) Legal

As of December 31, 2017, the Company is a party to the following lawsuits:

- (i) Lawsuit No.1: "Larraín Vial S.A. Corredora de Bolsa against Superintendencia de Valores y Seguros". Case Journal No. C-21500-2014, filed with 29th Civil Court of Santiago

On September 30, 2014, Larraín Vial S.A. Corredora de Bolsa filed a claim for a fine imposed by the Chilean Superintendence of Securities and Insurance, in relation to the Cascadas case, through exempt resolution No.223 dated September 2, 2014, for UF200,000. On December 2, 2015, the claim filed by Larraín Vial S.A. Corredora de Bolsa was accepted, voiding the fine imposed by the SVS against the Company. On December 16, 2015, the Superintendence of Securities and Insurance filed a claim against the sentence in first instance (Journal No.561-2016 submitted to the Court of Appeals of Santiago), currently in progress.

- (ii) Lawsuit No.2: "Basso against Ponce", Case Journal No. C-11.619-2015, filed with the 17th Civil Court of Santiago

On November 20 2015, Larraín Vial S.A. Corredora de Bolsa was noticed of a lawsuit seeking compensation for damages, filed by two minority shareholders of the Cascadas companies, for an amount that will be determined in the subsequent procedural stage. On January 29, 2016, the lawsuit was amended, excluding Julio Ponce and Aldo Motta as defendants. On February 2, 2016, the Court ruled to withdraw the lawsuit against the aforementioned defendants, amended the lawsuit amount as indicated above, and ordered that its resolution be notified along with the lawsuit. On June 10, 2016, the amendment of the lawsuit was noticed through a subpoena sent to Larraín Vial S.A. Corredora de Bolsa. On July 22, 2016, Larraín Vial S.A. Corredora de Bolsa, replied to the lawsuit. On August 29, 2016, the Court accepted the dilatory plea related to the incompetence to file the complaint recorded by the other defendant Roberto Guzmán ordering the plaintiff to correct the complaint. Currently, the lawsuit was amended and noticed to the parties, filing a rejoinder.

The outcome of this lawsuit has no material impact on the financial statements of Larraín Vial S.A. Corredora de Bolsa.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(c) Legal, continued

(iii) Inapplicability requirement for unconstitutionality, Case No. 3575 - 17

On June 13, 2017, Larraín Vial S.A. Corredora de Bolsa, filed an inapplicability requirement for unconstitutionality with the Constitutional Court in accordance with first subparagraph of article 29 D.L No. 3.538 of 1980, Basic Constitutional Law issued by the Superintendence of Securities and Insurance, in the record of summary proceeding filed against a fine, entitled "Larraín Vial S.A. Corredores de Bolsa vs. Superintendencia de Valores y Seguros", Case No. C-21.500-2014 of the 29th Civil Court of Santiago, currently acknowledged by the Court of Appeals of Santiago through an appeal filed under Case No. 561-2016, submitted to the Court under Journal No. 13.070-2015. This proceeding request the statement of inapplicability for unconstitutionality of article 29 of first subparagraph of D.L No. 3.538, applicable to "Larraín Vial S.A. Corredora de Bolsa vs. SVS", currently in second stage as a result of the appeal filed by CDE against the final sentence favorable to Larraín Vial ruled by 29th Civil Court of Santiago.

(d) Collateral

As of December 31, 2017 and 2016, the Company has provided no collateral.

(e) Guarantees on transactions

(i) In conformity with Law No.18.045, as of December 31, 2017, the Company granted the following securities in guarantee:

	ThCh\$
Guarantee for stock trading operations:	
Non-adjustable promissory notes issued by the Central Bank of Chile	4,169,253
Guarantee	1,344,672
Subtotal	5,513,925
Other guarantees:	
Deposit with Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation for US\$100,000	61,475
Banco Chile performance bond (Central bank foreign exchange) UF8.000 maturing 10-14-2017	281,362
OP. SOMA debt security bond UF10,500	214,372
Guarantee	378,500
Subtotal	935,709
Total	6,449,634

This balance is classified in the caption "Other non-current financial assets."

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(e) Guarantees on transactions, continued

(ii) Stockbroker integral insurance policies

- Insurance company: CHUBB de Chile Cía. de Seguros Generales S.A.
Contract effective as of the date of these financial statements:
Validity: from January 11, 2017 to January 11, 2018.
Policy holder: Larraín Vial S.A. Corredora de Bolsa
Amount insured: US\$10,100,000.

The policy holder is Larraín Vial S.A. and the insurance covers the correct work of the Holding's employees, brokers and distributors.

- Insurance company: ACE Seguros S.A.
Contract effective as of the date of these financial statements:
Validity: from November 30, 2016 to November 30, 2017.
Amount insured: US\$5,000,000 (five millions of U.S. dollars).

- Insurance company: ACE Seguros S.A.
Contract effective as of the date of these separate financial statements:
Validity: from November 30, 2016 to November 30, 2017.
Amount insured: US\$2,500,000 (two millions and five hundred thousand U.S. dollars).

The policy holder is Larraín Vial S.A. Corredora de Bolsa and the insurance covers the Correct Professional Performance.

- Insurance company: Mapfre Seguros.
Contract effective as of the date of these financial statements:
Validity: from January 26, 2016 to January 26, 2017.
Amount insured: UF50,060 (fifty thousand and sixty UF-inflation-adjusted units).
Validity: from January 10, 2017 to January 10, 2018.
Amount insured: UF147,724 (one hundred and forty seven thousand seven hundred and twenty four UF-inflation-adjusted units), to comply with the requirement securing the portfolio management.

The policy holder is Larraín Vial S.A. Corredora de Bolsa and the insurance covers the Correct Professional Performance.

In order to comply with the Article 30 of Law No.18.045 of the Securities Market, the Company has granted a guarantee policy of UF20,000, which is under custody at the Santiago Stock Exchange. Validity: from April 22, 2016 to April 22, 2018.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(e) Guarantees on transactions, continued

(ii) Stockbroker integral insurance policies, continued

- Fire and earthquake insurance policy of the Building
Insurance company: Compañía de seguros Penta Seguros Generales S.A:
Validity: from September 30, 2016 through September 30, 2017.
Policy holder: Asesorías Larraín Vial Ltda.
Amount insured: UF 296,697 (two hundred and ninety six thousand six hundred and ninety seven UF).
- Insurance Policy for Electronic Equipment
Insurance company: Compañía de seguros Penta Seguros Generales S.A:
Validity: from September 30, 2016 through September 30, 2017.
Policy holder: Asesorías Larraín Vial Ltda.
Amount insured: UF 35,025 (thirty five thousand and twenty five UF).

Guarantee in accordance with Law No.19.220

Larraín Vial S.A. Corredores de Bolsa de Productos has engaged an insurance policy with the purpose of guaranteeing the correct and full compliance with its obligations as a Commodity Exchange Broker in accordance with Articles Nos. 11 and 12 of Law No.19.220.

Larraín Vial S.A. Corredores de Bolsa de Productos engaged guarantee insurance policy No. 330-17-00017451 for UF6,000 from Compañía Mapfre Seguros Generales S.A. The beneficiary is the Bolsa de Productos de Chile (the Chilean Commodity Exchange) and its term is from November 17, 2017 and November 17, 2018.

Additionally, the Company has engaged an insurance policy to guarantee correct professional performance for UF2,000 from Compañía Mapfre Seguros Generales S.A., policy No.330-14-00008692 in favor of Bolsa de Productos de Chile. Bolsa de Productos Agropecuarios S.A. from November 17, 2017 to November 17, 2018.

(f) Guarantees for funds managed

The amount of the guarantee will be the higher of UF 10,000 (ThCh\$ 267,981 as of December 31, 2017) and 1% of the average daily equity managed for the prior calendar year at the update date.

Larraín Vial Activos S.A. Administradora General de Fondos constituted guarantees in favor of the funds managed maturing on January 10, 2018.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(f) Guarantees for funds managed, continued

The amounts of guarantees are detailed as follows:

Performance bond	Amount	Beneficiary	Issuer's name	Maturity
54747810	UF 43,856	FONDO DE INVERSION LARRAINVIAL DEUDA CORPORATIVA	Corpbanca	January 10, 2018
54747870	UF 40,845	FONDO DE INVERSION LARRAINVIAL DEUDA LOCAL	Corpbanca	January 10, 2018
54747934	UF 17,899	FONDO DE INVERSION LARRAINVIAL DEUDA RETORNO ABSOLUTO	Corpbanca	January 10, 2018
54747950	UF 13,287	FONDO DE INVERSION LARRAINVIAL CHILE EQUITY	Corpbanca	January 10, 2018
54747969	UF 10,000	FONDO DE INVERSION LARRAINVIAL CORDILLERA	Corpbanca	January 10, 2018
54748019	UF 10,000	FONDO DE INVERSION LARRAINVIAL DEUDA LATAM HIGH YIELD	Corpbanca	January 10, 2018
54748051	UF 10,000	FONDO DE INVERSION LARRAIN VIAL MAGALLANES II	Corpbanca	January 10, 2018
54748078	UF 10,000	FONDO DE INVERSIÓN LARRAINVIAL FALCOM RENTA FIJA MÉXICO	Corpbanca	January 10, 2018
54748116	UF 10,000	FONDO DE INVERSION LARRAINVIAL MEXICO EQUITY	Corpbanca	January 10, 2018
54748132	UF 10,000	FONDO DE INVERSION LARRAINVIAL PERU EQUITY	Corpbanca	January 10, 2018
54748159	UF 10,000	FONDO DE INVERSION LARRAINVIAL HIGH YIELD LATAM UF	Corpbanca	January 10, 2018
54748205	UF 10,000	FONDO DE INVERSION LARRAINVIAL FACTURAS	Corpbanca	January 10, 2018
54748230	UF 10,000	FONDO DE INVERSION LARRAINVIAL ACCIONES GLOBALES	Corpbanca	January 10, 2018
54748280	UF 10,000	FONDO DE INVERSION LARRAINVIAL MULTISTRATEGIA	Corpbanca	January 10, 2018
54748310	UF 10,000	FONDO DE INVERSION LARRAINVIAL OPORTUNIDAD ARGENTINA	Corpbanca	January 10, 2018
54748353	UF 10,000	FONDO DE INVERSION LARRAINVIAL PATRIMONIO	Corpbanca	January 10, 2018
212497	UF 10,000	FONDO DE INVERSION LARRAINVIAL TASAS CHILE RETORNO ABSOLUTO	BICE	January 10, 2018

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(f) Guarantees for funds managed, continued

Performance bond	Amount	Beneficiary	Issuer's name	Maturity
54748299	UF 10,487	FONDO MUTUO LARRAINVIAL ENFOQUE	Corpbanca	January 10, 2018
54748345	UF 10,252	FONDO MUTUO LARRAINVIAL BONOS LATAM	Corpbanca	January 10, 2018
54748400	UF 10,000	FONDO MUTUO LARRAINVIAL ASIA	Corpbanca	January 10, 2018
54748442	UF 10,000	FONDO MUTUO LARRAINVIAL LATINOAMERICANO	Corpbanca	January 10, 2018
54748493	UF 10,000	FONDO MUTUO LARRAINVIAL EUROPA	Corpbanca	January 10, 2018
54748540	UF 10,000	FONDO MUTUO LARRAINVIAL ESTRATEGIA CONSERVADORA	Corpbanca	January 10, 2018
54748558	UF 10,000	FONDO MUTUO LARRAINVIAL ESTRATEGIA MODERADA	Corpbanca	January 10, 2018
54748574	UF 10,000	FONDO MUTUO LARRAINVIAL ESTRATEGIA DEFENSIVA	Corpbanca	January 10, 2018
54748582	UF 10,000	FONDO MUTUO LARRAINVIAL ESTRATEGIA AGRESIVA	Corpbanca	January 10, 2018
212498	UF 10,000	FONDO MUTUO LARRAINVIAL AHORRO DÓLAR	BICE	January 10, 2018
212515	UF 10,000	FONDO MUTUO LARRAINVIAL QUANT LATAM	BICE	January 10, 2018
56706194	UF 10,000	FONDO MUTUO LARRAIN VIAL AHORRO ARGENTINA	Corpbanca	January 10, 2018
330-17-00016747	UF 10,000	FONDO MUTUO CONSORCIO DINÁMICO CONSERVADOR	Mapfre	January 10, 2018
330-17-00016746	UF 10,000	FONDO MUTUO CONSORCIO DINÁMICO MODERADO	Mapfre	January 10, 2018
212819	UF 10,000	FONDO MUTUO CONSORCIO DINÁMICO BALANCEADO	BICE	January 10, 2018
212820	UF 10,000	FONDO MUTUO CONSORCIO DINÁMICO CRECIMIENTO	BICE	January 10, 2018
330-17-00016965	UF 10,000	FONDO MUTUO CONSORCIO DINÁMICO AGRESIVO	Mapfre	January 10, 2018

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(f) Guarantees for funds managed, continued

Performance bond	Amount	Beneficiary	Issuer's name	Maturity
212502	UF 10,000	FONDO DE INVERSION LARRAINVIAL BOLSA RETORNO ABSOLUTO	BICE	January 10, 2018
212501	UF 10,000	FONDO DE INVERSION LARRAINVIAL SERENDIP	BICE	January 10, 2018
214174	UF 10,000	FONDO DE INVERSION LARRAINVIAL ESTADOS UNIDOS	BICE	January 10, 2018
131536	UF 10,000	FONDO DE INVERSION LARRAINVIAL DEUDA PRIVADA	BBVA	January 10, 2018
84748396	UF 90,825	FONDO MUTUO LARRAINVIAL AHORRO CAPITAL	Corpbanca	January 10, 2018
54748434	UF 50,273	FONDO MUTUO LARRAINVIAL CASH	Corpbanca	January 10, 2018
54748477	UF 63,458	FONDO MUTUO LARRAINVIAL MONEY MARKET	Corpbanca	January 10, 2018
54748507	UF 44,655	FONDO MUTUO CONSORCIO AHORRO UF	Corpbanca	January 10, 2018
54748531	UF 38,669	FONDO MUTUO LARRAINVIAL AHORRO A PLAZO	Corpbanca	January 10, 2018
84748566	UF 41,869	FONDO MUTUO LARRAINVIAL HIPOTECARIO Y CORPORATIVO	Corpbanca	January 10, 2018
54748590	UF 46,381	FONDO MUTUO LARRAINVIAL AHORRO ESTRATEGICO	Corpbanca	January 10, 2018
54748604	UF 15,296	FONDO MUTUO LARRAINVIAL MERCADO MONETARIO	Corpbanca	January 10, 2018
54748620	UF 25,047	FONDO MUTUO CONSORCIO AHORRO NOMINAL	Corpbanca	January 10, 2018
54748639	UF 27,778	FONDO MUTUO LARRAINVIAL ESTADOS UNIDOS	Corpbanca	January 10, 2018
54748043	UF 25,563	FONDO MUTUO CONSORCIO AHORRO LARGO PLAZO	Corpbanca	January 10, 2018
54748060	UF 21,769	FONDO MUTUO CONSORCIO BALANCEADO CRECIMIENTO	Corpbanca	January 10, 2018

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(f) Guarantees for funds managed, continued

Performance bond	Amount	Beneficiary	Issuer's name	Maturity
54748086	UF 26,880	FONDO MUTUO LARRAINVIAL PORTFOLIO LIDER	Corpbanca	January 10, 2018
54748108	UF 17,153	FONDO MUTUO CONSORCIO BALANCEADO MODERADO	Corpbanca	January 10, 2018
54748124	UF 15,669	FONDO MUTUO CONSORCIO BALANCEADO CONSERVADOR	Corpbanca	January 10, 2018
54748140	UF 13,925	FONDO MUTUO LARRAINVIAL PROTECCION	Corpbanca	January 10, 2018
54748191	UF 14,059	FONDO MUTUO LARRAINVIAL ACCIONES NACIONALES	Corpbanca	January 10, 2018
54748213	UF 11,269	FONDO MUTUO LARRAINVIAL BONOS HIGH YIELD GLOBAL	Corpbanca	January 10, 2018
54748221	UF 10,000	FONDO MUTUO CONSORCIO ACCIONES CHILENAS	Corpbanca	January 10, 2018

In compliance with articles 226 et seq. of Law 18.045, Larraín Vial Activos S.A. Administradora General de Fondos recorded on January 10, 2017, guarantees in favor of the funds managed maturing on January 10, 2018. The amounts of guarantees are detailed as follows:

Performance bond	Amount	Beneficiary	Issuer's name	Maturity
54742126	UF 53,964	FONDO DE INVERSION LARRAIN VIAL – BCP	Corpbanca	January 10, 2018
54742150	UF 28,950	FONDO DE INVERSION INVERSIONES HOTELERAS	Corpbanca	January 10, 2018
54742240	UF 21,837	FONDO DE INVERSION DEUDA HIPOTECARIA CON SUBSIDIO HABITACIONAL	Corpbanca	January 10, 2018
54742266	UF 16,452	FONDO DE INVERSION LARRAIN VIAL DOVER	Corpbanca	January 10, 2018
54742274	UF 16,322	FONDO DE INVERSION DEUDA HIPOTECARIA CON SUBSIDIO HABITACIONAL II	Corpbanca	January 10, 2018

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(f) Guarantees for funds managed, continued

Performance bond	Amount	Beneficiary	Issuer's name	Maturity
54742320	UF 10,000	FONDO DE INVERSION NVA ENERGIA I	Corpbanca	January 10, 2018
54742355	UF 10,000	FONDO DE INVERSION PROVEEDORES COPEVAL	Corpbanca	January 10, 2018
212491	UF 10,000	FONDO DE INVERSION LARRAIN VIAL HARBOURVEST EX-US	BICE	January 10, 2018
212489	UF 10,000	FONDO DE INVERSION LARRAIN VIAL HARBOURVEST-US	BICE	January 10, 2018
212490	UF 10,000	FONDO DE INVERSION LARRAIN VIAL - BRAZIL SMALL CAP	BICE	January 10, 2018
330-17-00016569	UF 10,000	FONDO DE INVERSION TPL INVESTMENT CHILE	Mapfre	January 10, 2018
330-17-00016573	UF 10,000	FONDO DE INVERSION ACTIVA DEUDA SGR	Mapfre	January 10, 2018
330-17-00016583	UF 10,000	FONDO DE INVERSION HPH I	Mapfre	January 10, 2018
330-17-00016571	UF 10,000	FONDO DE INVERSIÓN ACTIVA DEUDA AUTOMOTRIZ GLOBAL	Mapfre	January 10, 2018
330-17-00016582	UF 10,000	FONDO DE INVERSIÓN DEUDA ENERGÍA COLOMBIANA	Mapfre	January 10, 2018
330-17-00016572	UF 10,000	FONDO DE INVERSIÓN MARATHON ECO III	Mapfre	January 10, 2018
330-17-00016929	UF 32,000	FONDO DE INVERSIÓN LV-PATIO RENTA INMOBILIARIA I	Mapfre	January 10, 2018
54954395	UF 10,000	FONDO DE INVERSIÓN ACTIVA LEASING INMOBILIARIO I	Corpbanca	January 10, 2018
214226	UF 10,000	FONDO DE INVERSIÓN LARRAINVIAL LANDMARK REAL ESTATE VIII	BICE	January 10, 2018
214311	UF 10,000	FONDO DE INVERSIÓN LARRAÍN VIAL APOLLO IX	BICE	January 10, 2018
3002017060843	UF 10,000	FONDO DE INVERSIÓN DRAKE REAL ESTATE PARTNERS FUND III	AVLA	January 10, 2018
0097-9800006300	UF 10,000	FONDO DE INVERSIÓN ACTIVA FINANCIAMIENTO INMOBILIARIO I	BBVA	January 10, 2018
01139800006351	UF 10,000	FONDO DE INVERSIÓN LARRAIN VIAL LANDMARK EQUITY XVI	BBVA	January 10, 2018
330-17-00016570	UF 10,000	FONDO DE INVERSIÓN LYXOR MULTI STRATEGY FUND	MAPFRE	January 10, 2018

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(g) Guarantees for funds managed

On January 10, 2017, Larrain Vial Asset Management Administradora General de Fondos S.A. recorded a guarantee for the benefit of the investors the funds of which are managed by the Company to ensure compliance with its obligations associated with such services.

Number of performance bond	Performance bond amount	Beneficiary	Issuer name	Maturity
51224914	UF72,850	Investors the funds of which are managed	Corpbanca	January 10, 2018

(h) Insurance

LarrainVial has an insurance policy to cover its operations, which complies with the current regulatory requirements. A summary of the several insurance policies in force as of December 31, 2017 is presented below.

No.	Matter	Company	Currency	Insured amount	Effective date		Policyholder
					from	to	
1	Correct Performance Insurance	LV S.A CBP	UF	6,000	11-17-2017	11-17-2018	Principal represented by Chilean Commodities Exchange
2	Correct Performance Insurance	LV CdB	UF	20,000	04-22-2016	04-22-2018	Creditors represented by BCS
3	Correct Performance Insurance	LV CdB	UF	50,060	01-26-2017	01-26-2018	Voluntary pension savings policyholders (APV) of LV CB
4	Correct Performance Insurance	LV S.A CBP	UF	2,000	11-17-2017	11-17-2018	Chilean Commodities Exchange
5	Employee loyalty insurance	LV CdB	US\$	10,000,000	01-31-2017	01-31-2018	Holding Larrain Vial S.A., Brokers and Suppliers
6	(D&O) Directors' & Officers' Liability Insurance	LV S.A and subsidiaries	US\$	7,000,000	01-31-2017	01-31-2018	Holding LV S.A. affiliates and subsidiaries
7	FIPI) Financial institutions professional indemnity	LV S.A	US\$	2,500,000	01-31-2017	01-31-2018	Holding LV S.A. affiliates and subsidiaries
8	Electronic equipment	Asesorías LV Ltda.	UF	35,025	09-30-2017	09-30-2018	Holding Larrain Vial S.A. and related entities

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(h) Insurance, continued

No.	Matter	Company	Currency	Insured amount	Effective date		Policyholder
9	Fire - Earthquake	Asesorías LV Ltda.	UF	296,696	09-30-2017	09-30-2018	Holding Larraín Vial S.A. and related entities
10	Civil liability	Asesorías LV Ltda.	UF	20,000	09-30-2017	09-30-2018	Holding Larraín Vial S.A. and related entities
11	Financial Institution Bond Form B-2 (Ed. 12-97) Form 17-02-1371	LV Securities US LLC	US\$	600,000	05-27-2017	05-27-2018	LarrainVial Securities US LLC
12	General Business Liability	LV Securities US LLC	US\$	3,000,000	11-18-2017	11-18-2018	LarrainVial Securities US LLC
13	Workers Compensation	LV Securities US LLC	US\$	500,000	09-01-2017	09-01-2018	LarrainVial Securities US LLC
14	Bank Global Liability and Professional Civil Liability	LV Colombia	COP	2,000,000,000	06-14-2017	07-10-2018	Larraín Vial Colombia S.A Comisionista de Bolsa
15	Directors' & Officers' Liability Insurance	LV Colombia	COP	1,000,000,000	07-10-2017	07-10-2018	Larraín Vial Colombia S.A Comisionista de Bolsa
16	Multiple risk insurance policy with América Financiera	LV S.A Sociedad Administradora de Fondos (Perú)	US\$	447,688	11-01-2017	11-01-2018	Larraín Vial S.A. Sociedad Administradora De Fondos asegurados Additional: Larraín Vial Sociedad Agente De Bolsa S.A.

(i) Comfort Letters (CL)

As of year-end December 31, 2017 and 2016, the Company has provided the following Comfort Letters (CL):

- (i) CL dated February 5, 2016, granted in favor of Banco de Crédito del Perú, which indicates that Larraín Vial SpA is committed to maintain at least 51% of LARRAIN VIAL SOCIEDAD AGENTE DE BOLSA S.A. ("SAB") authorized and issued share capital; maintain the effective control on SAB's management agencies; provide technical assistance as required by SAB; subordinate all payments, debts, dividends due by SAB in favor of its individual ownership interest solely if SAB fails to comply with its bank borrowings as agreed; that provides no circumstances where SAB will fail to comply with its obligations and liabilities before the Bank.

This CL expired on December 31, 2016.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(i) Comfort Letters, continued

- (ii) CL dated March 3, 2017, granted in favor of Banco Bice, which indicates that the Company is committed to maintain 75% on LVCC Asset Management S.A. ownership, and the latter 99.987% on LarraínVial Asset Management Administradora General de Fondos S.A., as this company maintains obligations outstanding with the Bank.
- (iii) CL dated March 7, 2017, provided in favor of Banco de Crédito del Perú which indicates that Larraín Vial SpA is committed to maintain at least 51% of LARRAIN VIAL SOCIEDAD AGENTE DE BOLSA S.A. ("SAB") authorized and issued share capital; maintain the effective control on SAB's management agencies; provide technical assistance as required by SAB; subordinate all payments, debts, dividends due by SAB in favor of its individual ownership interest solely if SAB fails to comply with its bank borrowings as agreed; that provides no circumstance where SAB will fail to comply with its obligations and liabilities before the Bank.

This CL expired on December 31, 2017.

Comfort Letters granted after December 31, 2017

- (iv) CL dated February 8, 2018, granted in favor of Fondo Bursátil IShares COLCAP and Fondo Bursátil MSCI Colombia Risk Weighted ETFs represented by CITIVALORES Comisionista de Bolsa., to meet the obligations of LARRAÍN VIAL COLOMBIA S.A. COMISIONISTA DE BOLSA.
- (v) CL dated January 23, 2018, granted in favor of Banco de Crédito del Perú which indicates that Larraín Vial SpA is committed to maintain at least 51% of LARRAIN VIAL SOCIEDAD AGENTE DE BOLSA S.A. ("SAB") authorized and issued share capital; maintain the effective control on SAB's management agencies; provide technical assistance as required by SAB; subordinate all payments, debts, dividends due by SAB in favor of its individual ownership interest solely if SAB fails to comply with its bank borrowings as agreed; that provides no circumstance where SAB will fail to comply with its obligations and liabilities before the Bank.

This CL expires on January 23, 2020.

- (vi) CL dated March 14, 2018, granted in favor of Banco Bice, which indicates that the Company is committed to maintain 85% on Activa SpA ownership, and the latter 51% on Administradora Fen Capital S.A., as this company maintains obligations outstanding with the Bank.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(28) Contingencies and commitments, continued

(i) Comfort Letters, continued

- (vii) CL dated March 21, 2018, granted in favor of Davivienda, to comply with the obligations of LARRAÍN VIAL COLOMBIA S.A. COMISIONISTA DE BOLSA., up to COP\$60,000,000,000 (sixty thousand million of Colombian pesos)
- (viii) CL dated March 23, 2018, granted in favor of AFP Cuprum to comply with the obligations of LARRAÍN VIAL SECURITIES US LLC., up to US\$2,000,000 (two million of United States dollars)

(29) Environment

The Larraín Vial Group has incurred no expenditure in environmental matters as it does not conduct any hazardous activities.

(30) Sanctions

Larraín Vial S.A: Corredora de Bolsa

(a) Superintendence of Securities and Insurance

(i) As of December 31, 2017

On January 27, 2016, the Company was noticed of a fine of Ch\$1,030,000 issued by the 27th Civil Court of Santiago for a breach of Article No. 34 of Law No.18.046 (Journal No.5509-2011)

(ii) As of December 31, 2016

On August 22, 2016, the Company was noticed of a fine of UF300 issued by the 27th Civil Court of Santiago for a breach of Article No.34 of Law No.18.046 (Journal No.5509-2011).

(b) Internal Revenue Service

(i) As of December 31, 2017

The Company records no sanctions to be disclosed.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(30) Sanctions, continued

Larraín Vial S.A: Corredora de Bolsa

(b) Internal Revenue Service, continued

(ii) As of December 31, 2016

On December 31, 2016, the Company received the following requests for tax payments from the Internal Revenue Service:

- Form 21 sheet No.113884065 of Ch\$132,477 fine, affidavit 1899, paid on 10-20-2016.
- Form 21 sheet No.113783125 of Ch\$115,917 fine, affidavit 1899, paid on 10-20-2016.
- Form 21 sheet No.113902325 of Ch\$132,477 fine, affidavit 1899, paid on 10-20-2016.
- Form 21 sheet No.113859915 of Ch\$43,477 fine, affidavit 1913, paid on 10-20-2016.

On June 24, 2016, the Company received the following requests for tax payments from the Internal Revenue Service:

- Form 21 sheet No.113657225 of Ch\$98,567 fine, affidavit 1899.

On March 17, 2016, the Company received the following requests for tax payments from the Internal Revenue Service:

- Form 21 sheet No.112704855 of Ch\$161,838 fine, affidavit 1922.
- Form 21 sheet No.112649435 of Ch\$149,698 fine, affidavit 1899.

(c) CCLV Contraparte Central

(i) As of December 31, 2017

The Company records no sanctions to be disclosed.

(ii) As of December 31, 2016

- On January 2, 2016, the Company paid the fine for voidance of accepted transactions, sheet No. 71708 sanction imposed of UF 5 equivalent to Ch\$128,145.
- On March 17, 2016, the Company paid the fine for voidance of accepted transactions, sheet No. 71999 sanction imposed of UF 5 equivalent to Ch\$128,886.
- On December 6, 2016, the Company paid the fine for voidance of accepted transactions of UF45 equivalent to Ch\$1,184,582.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(30) Sanctions, continued

Larraín Vial S.A. Corredores de Bolsa de Productos

(a) Internal Revenue Service

(i) As of December 31, 2017

Form 29 sheet No.58988869866 of Ch\$116,444 fine, form amendment, paid on 03/15/2017.

(ii) As of December 31, 2016

Form 29 sheet No.5970373106 of Ch\$146,788 fine, form amendment, paid on 08/23/2016.

(31) Significant events

(a) Larraín Vial S.p.A.

On March 3, 2017, Larraín Vial S.p.A. acquired 4,000 shares of Gestor de Rentas Inmobiliarias S.p.A. owned by Aurus Capital S.A. Administradora General de Fondos, equivalent to 40% of its share capital. The price for the acquisition of such shares totaled Ch\$432,267.5068 per share paid in cash at the time of the purchase and sale transaction. Gestor de Rentas Inmobiliarias S.p.A. is engaged in rendering real estate management services and is responsible for the management of the portfolio of Fondo LV – Patio Renta Inmobiliaria I Fondo de Inversión.

At the Extraordinary Shareholders' Meeting held on April 27, 2017, the shareholders agreed to increase the number of directors from five to seven, appointing as new directors Leonidas Vial Claro and Mr. Santiago Larraín Cruzat, and confirming those already appointed up to such date.

(b) Larraín Vial Corredora de Bolsa, S.A.

As a result of the demutualization process conducted by the Santiago Stock Exchange on June 12, 2017, one million shares were exchanged of the Santiago Stock Exchange that Larraín Vial Corredora S.A owns as investment. Such investment is measured at fair value recognizing in equity its fair value variation.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(31) Significant events, continued

(c) Larraín Vial Activos S.A. Administradora General de Fondos

On January 9, 2017, Larraín Vial Activos S.A. Administradora General de Fondos renewed the guarantees through January 10, 2018 for each fund managed in favor of Larraín Vial Activos S.A. Administradora general de Fondos that acts as the representative of the beneficiaries, complying with Article No.4 of Law No.20.712 and General Standard No.125 issued by the SVS.

At the Extraordinary Contributors' Meeting of February 1, 2017, Aurus Renta Inmobiliaria Fondo de Inversión, managed by Aurus AGF agreed to amend its Internal Regulations, among other matters, to change its name to Fondo de Inversión LV-Patio Renta Inmobiliaria I and that such fund be managed by Larraín Vial Activos S.A. Administradora General de Fondos, which became effective beginning on March 3, 2017.

Performance bond	Amount of performance bond	Beneficiary's name	Issuer's name	Maturity
330-17-00016929	UF 32,000	FONDE DE INVERSIÓN LV-PATIO RENTA INMOBILIARIA I	Mapfre	January 10, 2018

At the Extraordinary Board of Directors' meeting held on April 11, 2017, the Board incorporated Fondo de Inversión Larraín Vial Landmark Real Estate VIII.

At the Extraordinary Board of Directors' meeting held on April 26, 2017, the Board incorporated Fondo de Inversión Larraín Vial Apollo IX.

At the Extraordinary Board of Directors' meeting held on June 05, 2017, the Board incorporated the investment fund Drake Real Estate Partners Fund III.

At the Extraordinary Board of Directors' meeting held on July 24, 2017, the Board incorporated Fondo de Inversión Activa Leasing Inmobiliario I.

At the Extraordinary Board of Directors' meeting held on August 08, 2017, the Board incorporated Fondo de Inversión Privado LV Cofisa II.

At the Extraordinary Board of Directors' meeting held on September 05, 2017, the Board incorporated Fondo de Inversión Activa Financiamiento Inmobiliario I.

At the Extraordinary Board of Directors' meeting held on September 12, 2017, the Board incorporated Fondo de Inversión Privado Larraín Vial Deuda Estructurada II.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(31) Significant events, continued

(d) Larraín Vial Asset Management Administradora General de Fondos S.A.

1. On January 9, 2017, Larraín Vial Activos S.A. Administradora General de Fondos renewed the guarantees through January 10, 2018 for each fund managed in favor of Larraín Vial Activos S.A. Administradora general de Fondos that acts as the representative of the beneficiaries, complying with Article No.4 of Law No.20.712 and General Standard No.125 issued by the SVS.
2. On March 2, 2017, the following Mutual Fund internal regulations were registered with the Public Record of Internal Regulations managed by the Superintendence of Securities and Insurance:
 - Conservative Dynamic Mutual Fund. The fund is mainly involved in investing 100% of its asset in debt mutual fund deposits of type 1, 2 or 3 managed by the Administrator, in accordance with the definitions of mutual funds contained in Circular No. 1.578 of 2002 issued by the Superintendence of Securities and Insurance or those amending or replacing such Circular.
 - Moderate Dynamic Mutual Fund This fund is mainly involved in investing as minimum 65% and maximum 90% of its asset, in debt mutual fund deposits of type 1, 2 or 3 managed by the Administrator, in accordance with the definitions of mutual funds contained in Circular No. 1.578 of 2002 issued by the Superintendence of Securities and Insurance or those amending or replacing such Circular. Accordingly, the fund will invest as minimum 10% and maximum 35% of its asset in mutual fund deposits managed by an Administrator other than those indicated above, provided that the limits established are met.
 - Dynamic Balanced Mutual Fund. This fund is mainly involved in investing as minimum 50% and maximum 65% of its asset, in debt mutual fund deposits of type 1, 2 or 3, managed by the Administrator, in accordance with the definitions of mutual funds contained in Circular No. 1.578 of 2002 issued by the Superintendence of Securities and Insurance or those amending or replacing such Circular. Accordingly, the fund will invest as minimum 35% and maximum 50% of its asset in mutual fund deposits managed by an Administrator other than those indicated above, provided that the limits established are met.
 - Dynamic Growth Mutual Fund. This fund is mainly involved in investing as minimum 50% and maximum 65% of its asset, in mutual fund deposits of type 1, 2 or 3 managed by the Administrator other than debt mutual funds, in accordance with the definitions of mutual funds contained in Circular No. 1.578 of 2002 issued by the Superintendence of Securities and Insurance or those amending or replacing such Circular. Accordingly, this fund will invest as minimum 35% and maximum 50% of its asset, in debt mutual fund deposits type 1, 2 or 3, managed by Administrator in accordance with the definitions of mutual funds contained in Circular No. 1.578.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(31) Significant events, continued

(d) Larraín Vial Asset Management Administradora General de Fondos S.A.

- Aggressive Dynamic Mutual Fund. This fund is mainly involved in investing as minimum 65% and maximum 90% of its asset, in mutual fund deposits managed by the Administrator other than debt mutual funds of type 1, 2 or 3, in accordance with the definitions of mutual funds contained in Circular No. 1.578 of 2002 issued by the Superintendence of Securities and Insurance or those amending or replacing such Circular. Accordingly, this fund will invest as minimum 10% and maximum 35% of its asset, in debt mutual fund deposits of type 1, 2 or 3, managed by the Administrator, in accordance with the definitions of mutual funds contained in Circular No. 1.578.
- 3. On March 21, 2017, the Superintendence of Securities and Insurance was requested with the cancellation of record and issue of deposits of the investment fund Larraín Vial Deuda Corporativa Latinoamericana, which internal regulation was deposited on September 20, 2016, in the Public Record of Internal Regulations managed by such Superintendence.
- 4. On March 23, 2017, the following mutual fund internal regulations were registered with the Public Record of Internal Regulations managed by the Superintendence of Securities and Insurance:
 - Mutual fund Larraín Vial Cash, which includes amendments by the Administrator as a result of the merger of such mutual fund with mutual fund Larraín Vial Disponible, which will cease to exist as a result of such operation.
 - Mutual fund Larraín Vial Europa, which includes amendments by the Administrator as a result of the merger of such mutual fund with mutual fund Larraín Vial España, which will cease to exist as a result of such operation.
 - Mutual fund Larraín Vial Latinoamericano, which includes amendments by the Administrator as a result of the merger of such mutual fund with mutual fund Larraín Vial Latam Ex Brasil, which will cease to exist as a result of such operation.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(31) Significant events, continued

(d) Larraín Vial Asset Management Administradora General de Fondos S.A.

5. On April 6, 2017, the following Internal Regulations of Fondo de Inversión Larraín Vial Estados Unidos were registered with the Public Record of Internal Regulations managed by the Superintendencia of Securities and Insurance. The fund is mainly involved in the capitalization instruments in United States markets. In addition, such fund can invest a part of its resources in debt instruments of the markets indicated above. For such purposes, investment in United States markets will include the direct and indirect investment in instruments issued by entities incorporated in United States, or that contain most of their assets, invoicing or main revenue activities in such country. The fund will directly invest in the instruments mentioned above or through funds and Exchange Trade Funds (ETF).

The fund should invest as minimum 90% of its assets in issuers' shares in United States markets, or where the related asset is represented by issuers' shares of such markets.

6. Through Significant Event dated April 28, 2017, and communicated at the Extraordinary Shareholders' Meeting held at the same date, an amendment to the by-laws was approved related to decrease the board of directors from 9 to 8 members. After such meeting, an Ordinary Shareholders' Meeting was held renewing the Company's board of directors, composed of Mr. Fernando Larraín Cruzat, Mr. Santiago Larraín Cruzat, Mr. Juan Luis Correa Gandarillas, Mr. Fernando Barros Tocornal, Mr. Antonio Recabarren Medeiros, Mr. Francisco Javier García Holtz, Mr. Eduardo Walker Hitschfeld and Mr. Pablo Castillo Prado.
7. At the Ordinary Shareholders' Meeting held on April 28, 2017, was agreed among other matters, the payment of a total dividend of Ch\$4,377,718,202, equivalent to Ch\$574.07 per share, which correspond to 100% of profit for the year ended December 31, 2016. Such dividend was paid on May 3, 2017.
8. On May 23, 2017, the Superintendencia of Securities and Insurance through exempt resolution 2307, cancelled the incorporation of Fondo de Inversión Larraín Vial Deuda Corporativa Latinoamericana in the Public Record of Internal Regulations.
9. Through Significant Event dated May 29, 2017, was communicated on May 26, 2017, the incorporation of the Company's Board of Directors, which is composed of Mr. Pablo Castillo Prado, Mr. Fernando Larraín Cruzat, Mr. Santiago Larraín Cruzat, Mr. Juan Luis Correa Gandarillas, Mr. Fernando Barros Tocornal, Mr. Antonio Recabarren Medeiros, Mr. Francisco Javier García Holtz and Mr. Eduardo Walker Hitschfeld. Such meeting included the appointment of Mr. Pablo Castillo Prado as Chairman of the Company's board of directors.

LARRAIN VIAL SPA AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

(31) Significant events, continued

(d) Larraín Vial Asset Management Administradora General de Fondos S.A.

10. On June 22, 2017, the following Internal Regulations of Fondo de Inversión Larraín Vial Deuda Privada were registered with the Public Record of Internal Regulations managed by the Superintendence of Securities and Insurance. The fund is mainly involved in obtaining yields mainly by investing, directly or indirectly, in private debt instruments or by investing in lease contracts with purchase and sale agreement as regulated by Law 19.281 of 1993, "Lease Contracts with Purchase and Sale Agreement", and housing related to article 30 of the same law.

For such purposes, the Fund can invest, directly or indirectly, in promissory notes, commercial papers, debt securities, credit securities, debt contracts, acknowledgement of debt, securitized debt securities, mutual funds, mutual mortgage, invoices or any other instruments or contract related to private debt.

Likewise, the Fund can directly enter into or acquire Lease Contracts with Purchase and Sale Agreement, or indirectly invest in such agreements. For such purposes, indirect investment will include the investment in fund deposits or shares of companies that invest in the instruments indicated above, as well as public instruments intended to invest in private debt instruments.

11. On September 4, 2017, Fondo de Inversión Larraín Vial Deuda Privada commenced its operations, which its main investment objective is detailed in number 10 above.

(32) Subsequent events

(a) Larraín Vial SpA.

On March 12, 2018, Larraín Vial S.p.A. acquired 7,875 shares of Sociedad DD3 Capital Advisor S.A., equivalent to 12.6% of its share capital. The price for the acquisition of such shares totaled MXN7,599 per share paid in cash at the time of the purchase and sale transaction. Gestor de DD3 Capital Advisor S.A., is mainly involved in the development of financial advisory business, asset management and distribution of third party funds among other in Mexico.

(b) Larraín Vial Activos S.A. Administradora General de Fondos

On January 10, 2018, Larraín Vial Activos S.A. Administradora General de Fondos renewed the guarantees through January 10, 2019 for each fund managed in favor of Larraín Vial Activos S.A. Administradora General de Fondos, that acts as the representative of the beneficiaries, complying with Article No.4 of Law No.20.712. At the Extraordinary Board of Directors' Meeting held on January 17, 2018, the Board incorporated the following Funds: "Fondo de Inversión Activa Leasing Habitacional y Deuda Hipotecaria" and "Fondo de Inversión Larraín Vial Pai Partners Europe VII".

LARRAIN VIAL SPA AND SUBSIDIARIES

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(32) Subsequent events, continued

(c) Larrain Vial Asset Management Administradora General de Fondos S.A.

On January 10, 2018, LarrainVial Asset Management Administradora General de Fondos S.A. renewed the guarantees through January 10, 2019 for each fund managed in favor of LarrainVial Asset Management Administradora General de Fondos S.A., complying with Article No.4 of Law No.20.712.

On March 16, 2018, Fondo de Inversión LarrainVial Multiactivos Retorno Absoluto registered with the Public Record of Internal Regulations managed by the Financial Market Commission.

On March 24, 2018, Fondo de Inversión LarrainVial Deuda Latam registered with the Public Record of Internal Regulations managed by the Financial Market Commission.

In Management opinion, between December 31, 2017 and at the date of issuance of these financial statements no subsequent events have occurred that could have a significant effect in the financial statements, other than those indicated above.