



For further information contact:

Quiñenco S.A.

Pilar Rodríguez-IRO

(56) 22750-7221

prodriguez@lq.cl

QUIÑENCO S.A. ANNOUNCES CONSOLIDATED RESULTS FOR THE YEAR AND FOURTH QUARTER OF 2019

(Santiago, Chile, March 26, 2020) Quiñenco S.A., a leading Chilean business conglomerate, announced today its consolidated financial results under IFRS, for the full year and fourth quarter ended December 31, 2019.

Consolidated financial results are presented in accordance with IFRS and the regulations established by the Financial Market Commission (CMF, formerly Superintendency of Securities and Insurance). All figures are presented in nominal Chilean pesos, unless stated otherwise. Figures in US\$ have been converted from Chilean pesos (Ch\$) at the observed exchange rate on December 31, 2019 (Ch\$748.74 = US\$1.00), unless indicated otherwise, and are only provided for the reader's convenience.

2019 HIGHLIGHTS

Net income of Ch\$210,049 million, up by 16.4% from 2018, primarily due to favorable performance of the Financial and Transport segments, and non-recurring gain at Quiñenco corporate level from the sale of the insurance business.

CSAV's main asset, Hapag-Lloyd, posted positive results for the year, well above 2018, boosting the Transport segment, while payment of the total balance of the subordinated debt favorably impacted the Financial segment, along with sound and stable results from Banco de Chile.

Enex's contribution rose by 33.4%, reflecting the Road Ranger acquisition and good performance locally. Likewise, SM SAAM's contribution was up 24.9% based on positive operating performance in all segments, but especially in port terminals and tug boats. Nexans posted annual losses due to restructuring costs, but reached 32.4% growth in operating results. CCU's results dropped due to a non-recurring gain reported in 2018, and lower results in Argentina.

Earnings per share amounted to Ch\$126.33 in 2019.



GROUP HIGHLIGHTS – FOURTH QUARTER 2019 AND SUBSEQUENT EVENTS

SM SAAM materializes Boskalis transaction in tug boat business

On October 30, 2019, SM SAAM announced the closing of the transaction with Boskalis, as agreed earlier that year, thus purchasing Boskalis' stake in the two joint operations for the tug boat business including operations in Brazil, Mexico, Canada and Panama, for a total of US\$194 million. SM SAAM now controls 100% of the operations in these four countries, consolidating its presence across the Americas.

Enex acquires 50% of Gasur in Paraguay

On November 22, 2019, Enex announced the acquisition of 50% ownership in Gasur SRL, for a total of US\$6 million. Gasur has a network of 51 service stations, including some convenience stores, in Paraguay.

Quiñenco sells insurance business to Chubb

On December 30, 2019, Quiñenco announced the closing of the transaction with international insurance company Chubb, as informed previously in September, to sell its 66.3% stake in Inversiones Vita, parent company of Banchile Vida and SegChile, including direct and indirect ownership. The transaction was carried out for a total of approximately Ch\$35,900 million, generating an after tax gain of Ch\$14,289 million for Quiñenco in the fourth quarter of 2019.

CSAV increases stake in Hapag-Lloyd

During January 2020, as approved by its Board of Directors, CSAV acquired an additional stake in Hapag-Lloyd, thus reaching a stake of close to 30%. The acquisition implied an investment of approximately US\$330 million, financed with a loan from Quiñenco. CSAV's Board also agreed to carry out a US\$350 million capital increase, subject to approval by CSAV's shareholders at an extraordinary meeting.



INFORMATION ON FINANCIAL STATEMENTS AND SEGMENTS

FORMAT OF FINANCIAL STATEMENTS

In accordance with the definition issued by the Financial Market Commission, the line “Gains (losses) of operating activities” includes the following concepts: Gross income, Other operating income, Distribution Costs, Administrative expenses, Other operating expenses, and Other gains (losses). In accordance with this definition, this document refers to Gains (losses) of operating activities or Operating Income in the same manner.

As of January 1, 2019, IFRS 16 (leases) has been adopted, with effects on the Balance sheet and Income Statement. Consequently, right of use of leased assets and the present value of the corresponding liabilities are now included in the balance sheet. In the income statement, amortizations of the rights of use and financial costs are registered instead of leasing expenses. For further detail please refer to the Financial Statements (notes 3 and 19).

SEGMENT INFORMATION

In accordance with IFRS requirements, financial information is reported for the six segments defined by Quiñenco for this purpose: Manufacturing, Financial, Energy, Transport, Port Services and Other. However, in order to allow a better understanding of the consolidated financial statements, the latter and the subsequent analysis, have been divided in Banking and Non-banking (Industrial) activities, as follows:

- **Industrial Sector:** includes the following Segments and main companies:

i) Manufacturing

- Invexans
- Techpack

ii) Financial

- LQ Inversiones Financieras (LQIF holding)

iii) Energy

- Enex

iv) Transport

- Compañía Sud Americana de Vapores (CSAV)

v) Port Services

- SM SAAM

vi) Other

- Quiñenco and others (includes CCU, Quiñenco holding, and eliminations)

The companies composing this sector reported their financial statements in accordance with IFRS. Invexans, Techpack, CSAV and SM SAAM report their financial statements in US dollars, and translate them to Chilean pesos for consolidation purposes.



Invexans' main asset is its 28.50% stake in Nexans, a French multinational company leader in the world cable industry. As of December 31, 2019, Quiñenco has a 99.4% stake in Invexans.

As of December 31, 2019, Techpack has a 0.53% stake in Nexans. Thus, as of December 31, 2019, through its subsidiaries Invexans and Techpack, Quiñenco has a 29.02% interest in Nexans.

As of December 31, 2019, Quiñenco's ownership of Techpack is 99.97%.

During the last quarter of 2017 CSAV sold its entire stake in Norgistics Chile to third parties, and determined the closing of the offices of Norgistics in Peru, Mexico and China. Therefore, in 2018 and 2019 all of Norgistics' operations have been classified as discontinued activities in the income statement. During 3Q 2019, Quiñenco acquired an additional 5.28% stake in CSAV. Thus, as of December 31, 2019, Quiñenco's stake in CSAV reached 61.45%.

During the second quarter of 2018, CSAV acquired an additional 0.4% stake in the German shipping company Hapag-Lloyd, increasing its stake to 25.86% at year-end 2018. During 2019, CSAV acquired a further 1.93%, reaching 27.79% ownership as of December 31, 2019.

On June 6, 2019, the Banco de Chile shares held by SM-Chile and SAOS were distributed to the series A, B, D and E shareholders of SM-Chile en liquidación registered as of May 31, 2019, in accordance with SM-Chile's bylaws. Thus, as of December 31, 2019, LQIF's ownership and economic rights in Banco de Chile are 51.15%.

On December 30, 2019, Quiñenco sold its direct and indirect stakes in Banchile Vida, SegChile and Inversiones Vita (parent company of the former two companies) to multinational insurance firm Chubb. Thus, the contribution of the insurance business and the gain generated by the transaction have been classified as a discontinued activity in the income statement in 2018 and 2019.

Banking Sector: includes the following Segments and main companies:

i) Financial

- Banco de Chile
- SM Chile

These companies reported their financial statements partially in accordance with IFRS, as determined by the Financial Market Commission (previously Superintendency of Banks and Financial Institutions).


ANALYSIS OF CONSOLIDATED RESULTS
Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss) Industrial Sector	(29,113)	(31,965)	(13,706)	(12,997)	19,277	25,709	10,696	88,152	37,100	46,063	45,944	5,057	70,198	120,019
Consolidated Income Banking Sector	-	-	515,117	564,846	-	-	-	-	-	-	961	675	516,078	565,521
Consolidated Net Income (Loss)	(29,113)	(31,965)	501,411	551,849	19,277	25,709	10,696	88,152	37,100	46,063	46,905	5,732	586,276	685,541
Net Income (Loss) Attributable to Non-controlling Interests	(4)	298	380,138	414,912	-	-	4,688	35,344	21,767	26,914	(743)	(1,975)	405,846	475,491
Net Income (Loss) Attributable to Controllers' Shareholders	(29,109)	(32,262)	121,273	136,938	19,277	25,709	6,009	52,809	15,333	19,150	47,648	7,707	180,430	210,049

* Corresponds to the contributions of each business segment to Quiñenco's net income.

Net Income¹ – Full Year 2019

Quiñenco reported net income of Ch\$210,049 million in 2019, increasing 16.4% from 2018. This positive variation is primarily attributable to CSAV's share in the results of its main asset, German shipping company Hapag-Lloyd, which reported net income of US\$405 million, well above the prior year, based on improved operating performance, boosted by higher average freight rates and growing transport volumes, together with prioritization of more profitable trade routes and revenue management. In the energy segment, Enex's contribution increased by 33.4%, mainly reflecting the acquisition of the Road Ranger travel center network in the USA, as well as positive performance in the local operations, partly offset by increased finance costs. In the port services segment, SM SAAM's contribution went up by 24.9%, with growth in all business areas, and particularly in port terminals and tug boats, and efficiencies obtained through its new operating model. CCU's results, however, declined, primarily due to the gain reported in 2018 on the early termination of the Budweiser license in Argentina, along with lower results in the International Business Segment. In the manufacturing segment, Nexans reported losses in 2019, due to restructuring costs. Operating income, however, increased by 32.4%, based on organic growth of 4.5% in sales, increased efficiencies and cost reductions. In the banking sector, full payment of the subordinated debt with the Central Bank in April 2019 had a positive impact, together with stable results at Banco de Chile. Finally, at the corporate level, the sale of the insurance business generated an after tax gain of Ch\$14,289 million.

Earnings per ordinary share amounted to Ch\$126.33 in 2019.

¹ Net income corresponds to Net income attributable to Controllers' shareholders.



Summarized Consolidated Income Statement

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Consolidated Income (Loss)	(24,866)	(3,876)	(3,902)	(4,166)	4,325	10,876	8,579	25,094	11,043	10,952	961	4,979	(3,859)	43,858
Industrial Sector														
Consolidated Income Banking Sector	-	-	140,346	147,147	-	-	-	-	-	-	424	51	140,770	147,198
Consolidated Net Income (Loss)	(24,866)	(3,876)	136,444	142,981	4,325	10,876	8,579	25,094	11,043	10,952	1,385	5,031	136,910	191,056
Net Income (Loss) Attributable to Non-controlling Interests	15	41	103,592	107,413	-	-	3,760	9,675	6,394	6,270	(3,449)	(5,075)	110,312	118,323
Net Income (Loss) Attributable to Controllers' Shareholders	(24,880)	(3,917)	32,852	35,568	4,325	10,876	4,819	15,419	4,649	4,682	4,834	10,106	26,598	72,733

* Corresponds to the contributions of each business segment to Quiñenco's net income.

Net Income – 4Q 2019

Quiñenco reported a net gain of Ch\$72,733 million in the fourth quarter of 2019, increasing 173.5% with respect to the same period in 2018. This variation is primarily explained by the positive quarterly performance of the manufacturing, transport, and energy segments. In the manufacturing segment, Nexans posted improved results during the second half of 2019, while Techpack's losses declined substantially from 4Q 2018, which included expenses and a negative price adjustment related to the transaction with Amcor. CSAV's increased contribution reflected strong quarterly results of its main asset, Hapag-Lloyd. Enx, in turn, posted an increase of 151.5% in net income, mostly boosted by the Road Ranger acquisition in the USA. In the banking sector, the absence of accrued interest on the subordinated debt with the Chilean Central Bank, following full repayment during the second quarter of 2019, was partly offset by lower results at Banco de Chile, mainly due to higher loan loss provisions and operating expenses, despite steady growth in customer related income. CCU's net income, however, decreased, pulled down by lower non-operating results, although EBIT grew by 5.8%, based on growth in sales volumes and initiatives in revenue management and efficiencies. SM SAAM's contribution, in turn, remained stable in terms of Chilean pesos.

Earnings per ordinary share amounted to Ch\$43.74 in the fourth quarter of 2019.



Consolidated Income Statement Breakdown

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Industrial Sector								
Revenues	644,924	861.3	671,565	896.9	2,666,437	3,561.2	3,010,184	4,020.3
Manufacturing - Invexans & Techpack	26	0.0	18	0.0	31	0.0	67	0.1
Financial - LQIF holding	-	-	-	-	-	-	-	-
Energy - Enex	635,939	849.3	670,339	895.3	2,276,314	3,040.2	2,570,311	3,432.8
Transport - CSAV	15,209	20.3	19,426	25.9	58,474	78.1	65,499	87.5
Port Services - SM SAAM	90,131	120.4	109,148	145.8	330,997	442.1	373,718	499.1
Other - Quinenco & others	(96,381)	(128.7)	(127,367)	(170.1)	620	0.8	589	0.8
Operating income (loss)	(594)	(0.8)	1,378	1.8	48,684	65.0	71,379	95.3
Manufacturing - Invexans & Techpack	(1,186)	(1.6)	(437)	(0.58)	(6,692)	(8.9)	(3,286)	(4.4)
Financial - LQIF holding	(463)	(0.6)	(290)	(0.39)	(1,697)	(2.3)	(1,579)	(2.1)
Energy - Enex	7,629	10.2	14,554	19.44	28,069	37.5	39,147	52.3
Transport - CSAV	(1,142)	(1.5)	(5,234)	(6.99)	2,366	3.2	(7,855)	(10.5)
Port Services - SM SAAM	13,213	17.6	18,944	25.30	51,919	69.3	69,993	93.5
Other - Quinenco & others	(18,644)	(24.9)	(26,159)	(34.94)	(25,282)	(33.8)	(25,041)	(33.4)
Non-operating income (loss)	(401)	(0.5)	27,825	37.2	34,148	45.6	40,078	53.5
Interest income	4,521	6.0	3,595	4.8	15,692	21.0	18,669	24.9
Interest expense	(15,855)	(21.2)	(20,163)	(26.9)	(55,909)	(74.7)	(74,344)	(99.3)
Share of net income/loss from related co.	20,897	27.9	54,611	72.9	110,851	148.1	122,806	164.0
Foreign exchange gain (loss)	(2,285)	(3.1)	(896)	(1.2)	(10,447)	(14.0)	(421)	(0.6)
Indexed units of account restatement	(7,679)	(10.3)	(9,323)	(12.5)	(26,039)	(34.8)	(26,632)	(35.6)
-	-	-	-	-	-	-	-	-
Income tax	3,256	4.3	(7,684)	(10.3)	(3,161)	(4.2)	(13,173)	(17.6)
Net income (loss) from discontinued operations	(6,121)	(8.2)	22,339	29.8	(9,473)	(12.7)	21,736	29.0
Consolidated Net Income (Loss) Industrial Sector	(3,859)	(5.2)	43,858	58.6	70,198	93.8	120,019	160.3
Banking Sector								
Operating revenues	506,660	676.7	529,748	707.5	1,874,738	2,503.9	2,015,198	2,691.5
Provision for loan losses	(61,354)	(81.9)	(101,468)	(135.5)	(281,410)	(375.8)	(347,275)	(463.8)
Operating expenses	(220,451)	(294.4)	(236,701)	(316.1)	(848,361)	(1,133.1)	(911,004)	(1,216.7)
Operating income (loss)	224,855	300.3	191,579	255.9	744,966	995.0	756,919	1,010.9
Non-operating income (loss)	(20,701)	(27.6)	957	1.3	(72,279)	(96.5)	(21,714)	(29.0)
Income tax	(63,385)	(84.7)	(45,338)	(60.6)	(156,609)	(209.2)	(169,683)	(226.6)
Consolidated Net Income (Loss) Banking Sector	140,770	188.0	147,198	196.6	516,078	689.3	565,521	755.3
Consolidated Net Income	136,910	182.9	191,056	255.2	586,276	783.0	685,541	915.6
Net Income Attributable to Non-controlling Interests	110,312	147.3	118,323	158.0	405,846	542.0	475,491	635.1
Net Income Attributable to Controllers' Shareholders	26,598	35.5	72,733	97.1	180,430	241.0	210,049	280.5



Industrial Sector

Revenues – Full Year 2019

Consolidated revenues totaled Ch\$3,010,184 million in 2019, 12.9% above 2018, mainly owing to higher revenues at Enex, and to a lesser extent, at SM SAAM² and CSAV.

Consolidated sales in 2019 can be broken down as follows: Enex (85.4%), SM SAAM (12.4%), and CSAV (2.2%).

Revenues – 4Q 2019

Consolidated revenues totaled Ch\$671,565 million in the fourth quarter of 2019, 4.1% above those of the same period in 2018, primarily due to higher revenues at Enex, and to a lesser extent, sales growth at SM SAAM². In the fourth quarter of 2019 and 2018 Banchile Vida is no longer consolidated, thus quarterly figures include the effect of de-consolidation of the first nine-months of the year of the insurance business.

Operating Income³ – Full Year 2019

Operating income in 2019 reached a gain of Ch\$71,379 million, 46.6% above the gain of Ch\$48,684 million reported in 2018. The variation is primarily attributable to greater operating income at SM SAAM, mainly reflecting efficiencies reached through its new operating model, and at Enex, boosted by the Road Ranger acquisition in the USA and improved performance in Chile, and to a lesser extent, increased operating income at Invexans, partially offset by lower operating results at CSAV.

Operating Income – 4Q 2019

Operating income for the fourth quarter of 2019 reached a gain of Ch\$1,378 million, compared to the loss of Ch\$594 million in the fourth quarter of 2018. The increment in consolidated operating results is primarily attributable to Enex and SM SAAM, partially offset by lower operating income at CSAV.

EBITDA⁴ – Full Year 2019

EBITDA amounted to Ch\$204,811 million in 2019, up 85.4% from 2018. Higher EBITDA is mainly attributable to Enex, SM SAAM and CSAV. In these three cases EBITDA was favorably affected by the accounting of operating leases per IFRS 16 in 2019.

² It is worth noting that since Techpack, Invexans, CSAV and SM SAAM report in US dollars and translate their financial statements to Chilean pesos for consolidation purposes, variations analyzed in Chilean pesos vary from those in US dollars. For analysis of Techpack, Invexans, CSAV and SM SAAM's results in US dollars, refer to Segment/Operating company analysis.

³ Operating income includes: Gross income (revenues minus cost of sales), Distribution costs, Administrative expenses, Other operating revenue, Other operating expenses, and Other gains/losses.

⁴ EBITDA is calculated as: Operating income minus/plus Other gains/losses plus Depreciation plus Amortization of intangibles.



EBITDA – 4Q 2019

EBITDA amounted to Ch\$41,280 million in 4Q 2019, 128.7% up from the fourth quarter of 2018. The increment is primarily explained by higher EBITDA at Enex and SM SAAM. In both cases, EBITDA was favorably affected by the accounting of operating leases per IFRS 16 in 2019.

Non-Operating Results⁵ – Full Year 2019

Non-operating income amounted to a gain of Ch\$40,078 million in 2019, compared to a gain of Ch\$34,148 million reported in 2018. The main items included in non-operating results are discussed below:

Proportionate share of net income of equity method investments (net) – Full Year 2019

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from IRSA (CCU), as well as Invexans' and Techpack's share in Nexans' results, CSAV's share in Hapag-Lloyd's results, and SM SAAM's share in its affiliates, reached a gain of Ch\$122,806 million, compared to a gain of Ch\$110,851 million in 2018.

- CSAV's proportionate share of Hapag-Lloyd's net income (adjusted by fair value accounting at CSAV), including the gain generated by the increase in CSAV's stake in the German shipping company, amounted to a gain of Ch\$105,454 million in 2019, significantly above the gain of Ch\$10,991 million reported in 2018.
- Invexans' proportionate share in Nexans' net income (adjusted by fair value accounting at Invexans), together with Techpack's share in Nexans' net income, amounted to a loss of Ch\$30,385 million in 2019, compared to the loss of Ch\$3,947 million reported in 2018.
- Quiñenco's proportionate share of net income from IRSA (CCU) decreased by 58.5% to Ch\$37,458 million.
- SM SAAM's proportionate share in its affiliates decreased by 29.7% to Ch\$8,247 million.

Interest Income – Full Year 2019

Interest income in 2019 amounted to Ch\$18,669 million, up by 19.0% from 2018. This variation is primarily explained by higher financial income at SM SAAM, Enex and Techpack.

Interest Expense – Full Year 2019

Interest expense in 2019 amounted to Ch\$74,344 million, up 33.0% with respect to 2018. The variation is mainly explained by higher interest expense at Enex, mostly related to the Road Ranger acquisition as well as IFRS 16, and to a lower extent at CSAV and SM SAAM.

⁵ Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.



Foreign currency exchange differences – Full Year 2019

In 2019, the gains/losses specific to foreign currency translation differences amounted to a loss of Ch\$421 million, compared to the loss of Ch\$10,447 million reported in 2018, primarily attributable to more favorable results at Enex, Techpack and SM SAAM.

Indexed units of account restatement – Full Year 2019

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the Unidad de Fomento or UF (inflation indexed) amounted to a loss of Ch\$26,632 million in 2019, 2.3% higher than in 2018, mostly attributable to Quiñenco corporate level.

Non-Operating Results⁶ – 4Q 2019

Non-operating income amounted to a gain of Ch\$27,825 million in the fourth quarter of 2019, compared to a loss of Ch\$401 million in the same quarter of 2018.

Proportionate Share of Net Income of Equity Method Investments (net) – 4Q 2019

Quiñenco's proportionate share of net income from equity method investments (net), which primarily includes the results from CCU, as well as Invexans' share in the results of Nexans⁷, CSAV's share in the results of Hapag-Lloyd, and SM SAAM's affiliates, reached a gain of Ch\$54,611 million, compared to a gain of Ch\$20,897 million in 4Q 2018.

- Quiñenco's proportionate share of net income from IRSA (CCU) decreased 12.7% from Ch\$18,266 million to Ch\$15,943 million.
- SM SAAM's proportionate share in its affiliates decreased by 69.7% to Ch\$1,067 million.
- CSAV's proportionate share of net income from Hapag-Lloyd (adjusted by fair value accounting), amounted to a gain of Ch\$40,589 million, compared to a gain of Ch\$6,986 million in 4Q 2018.
- Invexans' proportionate share in Nexans' net income (adjusted by fair value accounting at Invexans), together with Techpack's share in Nexans' net income, amounted to a loss of Ch\$3,480 million in 4Q 2019, compared to the loss of Ch\$8,738 million reported in 4Q 2018.

Interest Income 4Q 2019

Interest income for the fourth quarter of 2019 amounted to Ch\$3,595 million, 20.5% less than that obtained in 4Q 2018. This variation corresponds mainly to lower financial income at Quiñenco corporate level, offset by higher financial income at Enex.

Interest Expense – 4Q 2019

Interest expense for the fourth quarter of 2019 amounted to Ch\$20,163 million, 27.2% greater than in the fourth quarter of 2018. The variation is mainly explained by higher financial costs at Enex, CSAV and SM SAAM.

⁶ Non-operating results include the following items: Financial income, Financial costs, Proportionate share of equity method investments, Foreign currency exchange differences, and Indexed units of account restatement.

⁷ Nexans only reports results as of June and December, in accordance with French regulations and IFRS.



Foreign Currency Exchange Differences – 4Q 2019

In 4Q 2019, the gains (losses) specific to foreign currency translation differences amounted to a loss of Ch\$896 million, compared to a loss of Ch\$2,285 million reported in 4Q 2018, primarily attributable to favorable results at Techpack and SM SAAM, and to a lesser extent at CSAV, partially compensated by higher losses at Enx.

Indexed Units of Account Restatement – 4Q 2019

The gain or loss derived from the restatement of assets and liabilities indexed to units such as the Unidad de Fomento or UF (inflation indexed) amounted to a loss of Ch\$9,323 million in the fourth quarter of 2019, compared to a loss of Ch\$7,679 million reported in the same period of 2018. The variation is mainly explained by greater losses at Quiñenco (corporate level).

Income Taxes – Full Year 2019

The industrial sector reported income tax expense of Ch\$13,173 million, compared to income tax of Ch\$3,161 million reported in 2018, primarily due to higher income tax expense at SM SAAM and CSAV, partially compensated by lower tax expense at Enx.

Income Taxes – 4Q 2019

The industrial sector reported an income tax expense of Ch\$7,684 million in 4Q 2019, compared to an income tax credit of Ch\$3,256 million reported in 4Q 2018, primarily explained by a tax expense at CSAV vis-à-vis a credit in 4Q 2018, and to a lesser extent, by higher income tax expense at SM SAAM, partially compensated by lower taxes at Enx.

Discontinued Operations – Full Year 2019

In 2019 the result of discontinued operations amounted to a gain of Ch\$21,736 million, compared to a loss of Ch\$9,473 million in 2018. Discontinued operations in 2019 mainly correspond to Quiñenco's share in Banchile Vida's results up to December 30, 2019, and the after tax gain generated by the sale of the insurance business of Ch\$14,289 million. Discontinued operations also include the loss from Techpack's discontinued activities and CSAV's discontinued logistics and freight forwarder activities.

Discontinued Operations – 4Q 2019

In 4Q 2019 the result of discontinued operations amounted to a gain of Ch\$22,339 million, compared to a loss of Ch\$6,121 million in 4Q 2018. In 4Q 2019, the contribution primarily corresponds to Quiñenco's share in Banchile Vida's results for the year, and the after tax gain on the sale of the insurance business, which amounted to Ch\$14,289 million. Discontinued operations also include CSAV and Techpack's discontinued activities.

Non-controlling Interests – Full Year 2019

In 2019, at a consolidated level (including both industrial and banking net income), net income attributable to non-controlling interests amounted to Ch\$475,491 million. Of the total amount reported in 2019, Ch\$277,325



million corresponds to minority shareholders' share of Banco de Chile and SM-Chile's net income. Remaining net income attributable to non-controlling interest is explained by minority shareholders' share of LQIF's and, to a lesser extent, CSAV and SM SAAM's net income.

Non-controlling Interests – 4Q 2019

In the fourth quarter of 2019, at a consolidated level (including both Industrial and Banking net income), net income attributable to non-controlling interests amounted to Ch\$118,323 million. Of the total amount reported in 4Q 2019, Ch\$71,196 million corresponds to minority shareholders' share of Banco de Chile and SM Chile's net income. Remaining net income attributable to non-controlling interest is mainly explained by minority shareholders' share of LQIF's net income, and to a much lesser extent, of CSAV and SM SAAM's net income.

Banking Sector

Operating Revenues - Full Year 2019

Operating revenues in 2019 amounted to Ch\$2,015,198 million, 7.5% above the previous year. Operating revenues correspond almost entirely to Banco de Chile, which also posted an increment of 7.5%, mainly due to higher customer related income, boosted by growth in fee income, higher income from loans, based on a 7.1% increment in average balances, greater income from subsidiaries, and a higher contribution from demand deposits.

Operating Revenues - 4Q 2019

Operating revenues for the fourth quarter of 2019 amounted to Ch\$529,748 million, 4.6% above the fourth quarter of 2018, mainly due to higher customer related income at Banco de Chile.

Provision for Credit Risk - Full Year 2019

Provisions for loan losses at Banco de Chile amounted to Ch\$347,274 million in 2019, 23.4% higher than 2018, mainly due to a net decline in credit quality, mostly explained by the retail segment, as well as higher provisions following the growth in loans and an overall change in the portfolio mix.

Provision for Credit Risk - 4Q 2019

Provisions for loan losses at Banco de Chile amounted to Ch\$101,468 million in the fourth quarter of 2019, 65.4% greater than the provisions registered in the fourth quarter of 2018, mainly attributable to a net credit deterioration following the events triggered in October 2019.

Operating Expenses - Full Year 2019

Operating expenses increased by 7.4% to Ch\$911,004 million, explained primarily by greater personnel expenses, higher expenses related to investments in technology, commercial and operating efficiency, as well as damage to branches and ATMs during the social unrest that started in October.



Operating Expenses - 4Q 2019

Operating expenses went up by 7.4% to Ch\$236,701 million in 4Q 2019, primarily reflecting higher bonuses granted to personnel and expenses related to damage and repair of infrastructure.

Non-operating Results - Full Year 2019

During 2019 non-operating results amounted to a loss of Ch\$21,714 million, 70.0% lower than the loss of Ch\$72,279 million reported in 2018, primarily explained by lower accrued interest expense of the Subordinated Debt with the Chilean Central Bank, which was completely paid on April 30, 2019.

Non-operating Results - 4Q 2019

During the fourth quarter of 2019 non-operating results amounted to a gain of Ch\$957 million, comparing favorably to the loss of Ch\$20,701 million reported in the fourth quarter of 2018, primarily explained by the absence of accrued interest expense of the Subordinated Debt with the Chilean Central Bank in the current quarter, since it was fully paid on April 30, 2019.

Consolidated Net Income – Full Year 2019

Consolidated net income for the banking sector amounted to Ch\$565,521 million, up by 9.6% from 2018, resulting from higher operating revenues and lower interest expense on the subordinated debt, partially offset by higher loan loss provisions, greater operating expenses, and higher tax expense during the year.

Consolidated Net Income - 4Q 2019

Consolidated net income for the banking sector amounted to Ch\$147,198 million in 4Q 2019, up by 4.6% from the same period in 2018, mainly due to improved non-operating results and growth in operating revenues, as well as lower income tax expense, partly offset by higher loan loss provisions and greater operating expenses.


CONSOLIDATED BALANCE SHEET ANALYSIS (vis-à-vis the 3rd quarter of 2019)
Condensed Consolidated Balance Sheet

	09-30-2019		12-30-2019	
	MCh\$	MUS\$	MCh\$	MUS\$
Current assets industrial sector	1,110,695	1,483.4	1,025,848	1,370.1
Non-current assets industrial sector	5,215,357	6,965.5	5,397,021	7,208.1
Assets financial sector	39,447,350	52,685.0	41,273,328	55,123.7
Total Assets	45,773,401	61,133.9	47,696,197	63,701.9
Current liabilities industrial sector	465,615	621.9	521,270	696.2
Long-term liabilities industrial sector	2,103,644	2,809.6	2,154,985	2,878.1
Liabilities financial sector	35,859,927	47,893.7	37,520,550	50,111.6
Non-controlling interests	3,977,461	5,312.2	4,012,958	5,359.6
Shareholders' equity	3,366,754	4,496.6	3,486,434	4,656.4
Total Liabilities & Shareholders' equity	45,773,401	61,133.9	47,696,197	63,701.9

Current Assets Industrial Sector

Current assets decreased by 7.6% compared to the third quarter of 2019, primarily due to a lower balance of cash and cash equivalents, mostly attributable to SM SAAM, following its acquisition of Boskalis' stake in the joint tug boat operations, partially offset by the sale of the insurance business, held through Banchile Vida and SegChile, carried out by Quiñenco (corporate level), in addition to dividends received from Vita (parent company of Banchile Vida and SegChile) during the quarter.

Non Current Assets Industrial Sector

Non current assets increased by 3.5% compared to the third quarter of 2019, mainly reflecting an increment in fixed assets, mostly attributable to the consolidation of SAAM Towage Brazil.

Assets Banking Sector

Total assets of the banking sector increased by 4.6% compared to the third quarter of 2019. Loans to customers increased by 1.5% with respect to September 2019, reflecting growth in residential mortgage and commercial loans, followed by a slight increase in consumer loans.

Current Liabilities Industrial Sector

Current liabilities increased by 12.0% compared to the third quarter of 2019, primarily due to higher financial debt, mainly at SM SAAM, and a higher balance of dividends payable to Quiñenco shareholders.



Long-term Liabilities Industrial Sector

Long-term liabilities increased by 2.4% compared to the third quarter of 2019, primarily attributable to SM SAAM, reflecting the consolidation with SAAM Towage Brazil's liabilities and financing required for the transaction.

Liabilities Banking Sector

Liabilities corresponding to the banking sector increased by 4.6% compared to the third quarter of 2019.

Minority Interest

Minority interest increased by 0.9% compared to the third quarter of 2019.

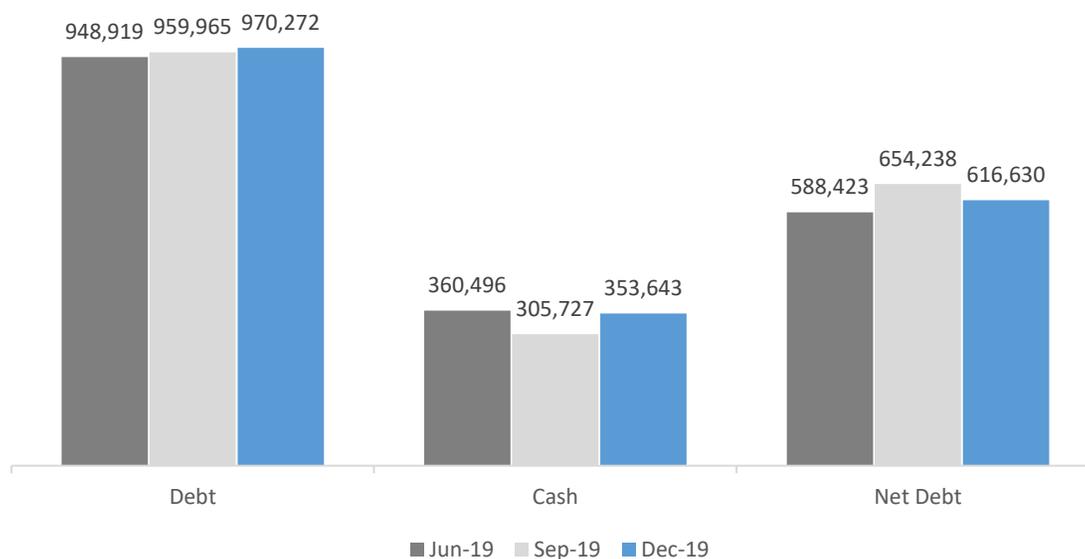
Equity

Shareholders' equity increased by 3.6% compared to the third quarter of 2019, mainly due to higher other reserves, mainly reflecting positive conversion effects at CSAV and Invexans, and also due to period earnings net of dividends.


QUIÑENCO CORPORATE LEVEL DEBT AND CASH

As of December 31, 2019	Debt		Cash & Equivalents		Total Net Debt	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Corporate level	847,734	1,132.2	352,384	470.6	495,350	661.6
Adjusted for:						
50% interest in LQIF	99,601	133.0	772	1.0	98,829	132.0
50% interest in IRSA	22,937	30.6	486	0.6	22,451	30.0
Total	970,272	1,295.9	353,643	472.3	616,630	823.6

The debt to total capitalization ratio at the corporate level (unadjusted) was 19.0% as of December 31, 2019.

Corporate Level Adjusted⁸ Cash & Debt
 (Millions of Ch\$)


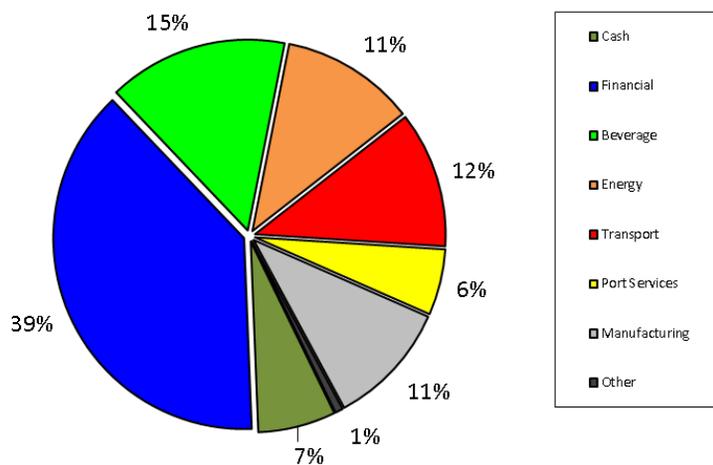
⁸ Adjusted for 50% interest in LQIF holding and IRSA.



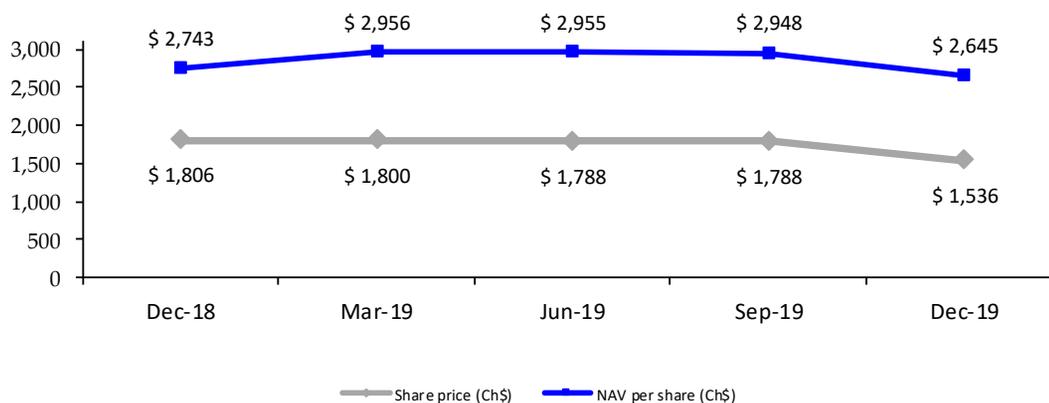
NAV

As of December 31, 2019, the estimated net asset value (NAV) of Quiñenco was US\$5.9 billion (Ch\$2,645 per share) and market capitalization was US\$3.4 billion (Ch\$1,536 per share). The discount to NAV is estimated at 42.0% as of the same date.

NAV as of December 31, 2019
US\$5.9 billion



NAV/Share Price Trend
as of December 31, 2019




SEGMENT / OPERATING COMPANY ANALYSIS
Full Year Results

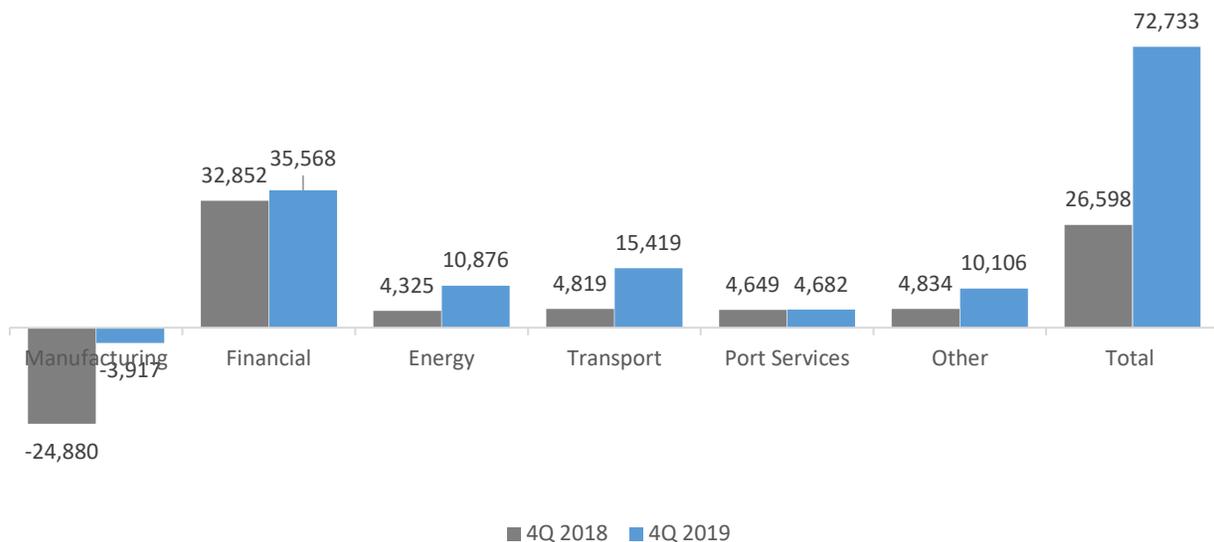
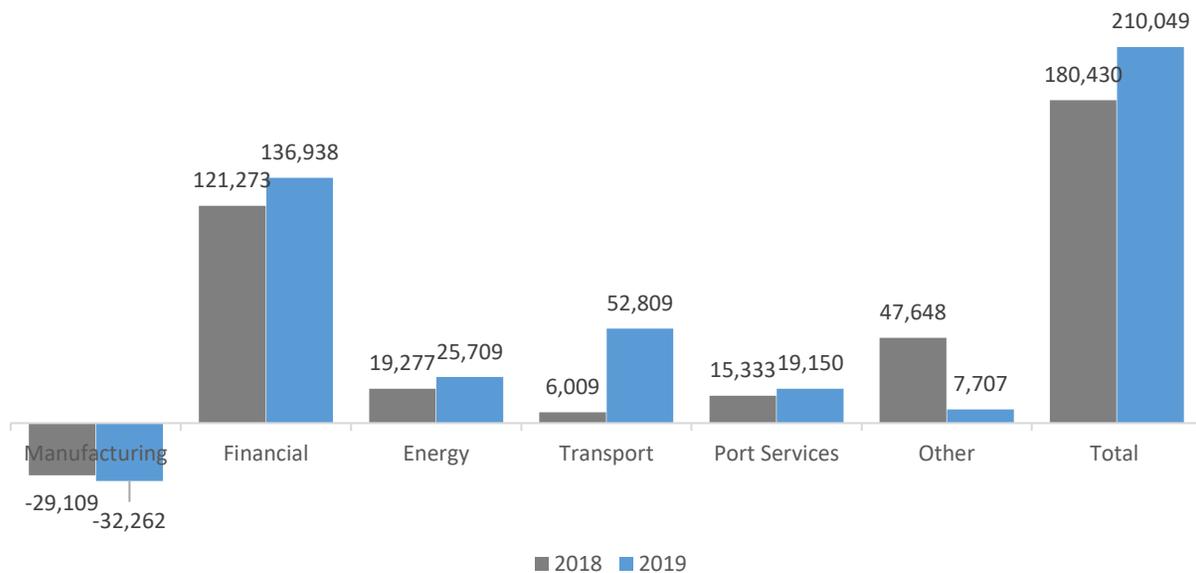
Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Industrial Sector														
Income (loss) from continued operations before taxes	(11,406)	(31,152)	(14,826)	(14,755)	21,534	26,335	5,153	90,184	49,602	65,752	32,776	(24,908)	82,832	111,457
Income tax	(331)	6	1,120	1,758	(2,257)	(627)	5,845	(1,334)	(12,502)	(19,689)	4,964	6,713	(3,161)	(13,173)
Net loss from discontinued operations	(17,375)	(819)	-	-	-	-	(301)	(697)	-	-	8,204	23,252	(9,473)	21,736
Net income (loss) industrial sector	(29,113)	(31,965)	(13,706)	(12,997)	19,277	25,709	10,696	88,152	37,100	46,063	45,944	5,057	70,198	120,019
Banking Sector														
Net income before taxes	-	-	671,726	734,529	-	-	-	-	-	-	961	675	672,687	735,205
Income tax	-	-	(156,609)	(169,683)	-	-	-	-	-	-	-	-	(156,609)	(169,683)
Net income banking sector	-	-	515,117	564,846	-	-	-	-	-	-	961	675	516,078	565,521
Consolidated net income (loss)	(29,113)	(31,965)	501,411	551,849	19,277	25,709	10,696	88,152	37,100	46,063	46,905	5,732	586,276	685,541
Net income (loss) attributable to Non-controlling interests	(4)	298	380,138	414,912	-	-	4,688	35,344	21,767	26,914	(743)	(1,975)	405,846	475,491
Net Income (Loss) Attributable to Controllers' shareholders	(29,109)	(32,262)	121,273	136,938	19,277	25,709	6,009	52,809	15,333	19,150	47,648	7,707	180,430	210,049

Quarterly Results

Sector /Segment	Manufacturing		Financial		Energy		Transport		Port Services		Other		Total	
	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19	4Q 18	4Q 19
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Industrial Sector														
Income (loss) from continued operations before taxes	(10,583)	(3,525)	(3,939)	(4,203)	5,444	10,122	4,510	32,982	14,137	17,174	(10,564)	(23,348)	(994)	29,203
Income tax	(40)	(18)	37	36	(1,119)	754	4,152	(7,309)	(3,095)	(6,223)	3,322	5,075	3,256	(7,684)
Net loss from discontinued operations	(14,242)	(333)	-	-	-	-	(83)	(580)	-	-	8,204	23,252	(6,121)	22,339
Net income (loss) industrial sector	(24,866)	(3,876)	(3,902)	(4,166)	4,325	10,876	8,579	25,094	11,043	10,952	961	4,979	(3,859)	43,858
Banking Sector														
Net income before taxes	-	-	203,731	192,485	-	-	-	-	-	-	424	51	204,155	192,536
Income tax	-	-	(63,385)	(45,338)	-	-	-	-	-	-	-	-	(63,385)	(45,338)
Net income banking sector	-	-	140,346	147,147	-	-	-	-	-	-	424	51	140,770	147,198
Consolidated net income (loss)	(24,866)	(3,876)	136,444	142,981	4,325	10,876	8,579	25,094	11,043	10,952	1,385	5,031	136,910	191,056
Net income (loss) attributable to Non-controlling interests	15	41	103,592	107,413	-	-	3,760	9,675	6,394	6,270	(3,449)	(5,075)	110,312	118,323
Net Income (Loss) Attributable to Controllers' shareholders	(24,880)	(3,917)	32,852	35,568	4,325	10,876	4,819	15,419	4,649	4,682	4,834	10,106	26,598	72,733



Contribution to Net Income by Segment
(Millions of Ch\$)




MANUFACTURING SEGMENT

The following table details the contribution of the investments in the Manufacturing segment during 2018 and 2019 to Quiñenco's net income:

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Invexans	(9,156)	(12.2)	(3,602)	(4.8)	(9,041)	(12.1)	(32,095)	(42.9)
Techpack	(15,724)	(21.0)	(314)	(0.4)	(20,068)	(26.8)	(167)	(0.2)
Total Manufacturing Segment	(24,880)	(33.2)	(3,917)	(5.2)	(29,109)	(38.9)	(32,262)	(43.1)

As of December 31, 2018 and 2019, Quiñenco's ownership of Invexans was 98.7% and 99.4%, respectively. As of December 31, 2018 and 2019, Quiñenco's ownership of Techpack was 99.97%.

INVEXANS

	4Q 18		4Q 19		4Q 18	4Q 19	2018	2019
	MCh\$	MUS\$	MCh\$	MUS\$				
Sales	21	0.0	13	0.0	31	17	31	74
Operating loss	(617)	(0.8)	(163)	(0.2)	(907)	(224)	(7,779)	(3,102)
Non-operating income (loss)	(8,642)	(11.5)	(3,435)	(4.6)	(12,662)	(4,462)	(5,371)	(43,022)
Net loss controller	(9,279)	(12.4)	(3,625)	(4.8)	(13,596)	(4,719)	(13,380)	(46,242)
Total assets			314,629	420.2			469,125	409,063
Shareholders' equity			297,479	397.3			445,951	397,307

Invexans reports its financial statements in US dollars and translates them to Chilean pesos for consolidation purposes, based on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Invexans' figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table.

In accordance with French regulations and IFRS, Nexans does not publish financial statements for the quarters ended in March and September. In view of this, Invexans requested and was granted approval from the CMF to use December and June financial information for March and September, respectively. Therefore, these quarters only reflect exchange rate conversion effects and changes in the stake in Nexans corresponding to that quarter.



Full Year 2019 Results

Invexans reported an operating loss of US\$3,102 thousand, compared to the loss of US\$7,779 thousand reported in 2018. This improvement is mainly due to lower administrative expenses, mostly attributable to lower prospecting expenses for new business opportunities of its subsidiary in London. In addition, Invexans reported a non-recurring gain from the sale of a property in Santiago, and a reduction in operating expenses related to legal contingencies in Brazil, whereas in 2018 a tax provision was established.

Non-operating income amounted to a loss of US\$43,022 thousand, substantially greater than the loss of US\$5,371 thousand reported in 2018. This decline is primarily explained by Invexans' accounting of its share in Nexans' results for the year. In 2019, Nexans reported a loss of €122 million, down from the gain of €14 million reported in 2018. Nexans' operating income, however, increased by 32.4% to €249 million, while sales posted an organic increase of 4.5%. This improved performance is based on growth in all segments and the positive impact of cost reduction and transformation plans implemented by the company. The Building & Territories segment led with an increase of €36 million in operating income, based on 3.5% organic growth in sales, mostly concentrated in the first half of the year and in Europe and South America, together with the favorable impact of lower costs and efficiencies. The High Voltage & Projects segment reported a €28 million rise in operating income, boosted by 6.7% organic growth in sales, attributable to subsea high voltage, reflecting sound project execution, compensating lower performance in land high voltage. The Industry & Solutions segment, in turn, reported a €16 million increase in operating income, due to positive performance in automotive harnesses, particularly in the USA, together with increased profitability in industrial cables. Finally, the Telecom & Data segment reported a €7 million increment in operating income, mainly showing growth in LAN cables and systems, despite somewhat lower organic sales, and in subsea telecom cables, along with cost reductions and greater efficiencies. EBITDA for the year reached €413 million, 27.1% above 2018, including the favorable impact of the adoption of IFRS 16, which amounted to €29 million. In terms of non-operating results, Nexans reported the negative impact of restructuring costs of €251 million, mostly corresponding to provisions of the restructuring plan in Europe. Net financial costs increased by 12.5% during 2019. Thus, in all Nexans reported a loss of €122 million in 2019.

Invexans adjusts its proportional share in Nexans' results to reflect the effect of the fair value it determined for the French company. Thus, in all, Invexans reported a loss of US\$42,672 thousand for its investment in Nexans during the year, increasing from the loss of US\$5,161 thousand reported in 2018.

Invexans posted a net loss of US\$46,242 thousand in 2019, which compares unfavorably with the loss of US\$13,380 thousand reported in 2018, primarily explained by the decrease in Nexans' results explained above.

4Q 2019 Results

In 4Q 2019 Invexans reported a net loss of US\$4,719 thousand, comparing favorably to the loss of US\$13,596 thousand reported in 4Q 2018. The result primarily reflects Invexans' share in Nexans' net income for the second half of 2019, adjusted by fair value accounting, which improved from a loss of US\$12,545 thousand to a loss of US\$4,440 thousand, mainly reflecting the improvement in Nexans' net income during the second half of 2019, based on 28.3% growth in operating income and a lower impact from restructuring costs, which were concentrated in the first semester.


TECHPACK

	4Q 18		4Q 19		4Q 18	4Q 19	2018	2019
	MCh\$	MUS\$	MCh\$	MUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	5	0.0	5	0.0	7	7	16	21
Operating income	(568)	(0.8)	(274)	(0.4)	(836)	(365)	(2,579)	(1,642)
Net income (loss) from discontinued operations	(14,242)	(19.0)	(333)	(0.4)	(20,851)	(435)	(25,797)	(1,146)
Net income (loss) Controller	(15,554)	(20.8)	(251)	(0.3)	(22,763)	(298)	(29,534)	712
Total assets			150,843	201.5			197,866	201,463
Shareholders' equity			149,156	199.2			193,457	199,210

Techpack carries its accounting in US dollars and translates its financial statements to Chilean pesos for consolidation purposes, based on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. Techpack's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as shown in the last two columns of the table.

On May 31, 2016, Techpack sold its entire flexible packaging business to Australian Amcor. Due to this sale, the results and expenses related to the transaction have been classified in discontinued operations.

Full Year 2019 Results

Techpack's operating income amounted to a loss of US\$1,642 thousand in 2019, 36.3% less than the loss reported the prior year, primarily due to lower administrative expenses.

Non-operating income for the year amounted to a gain of US\$3,367 thousand, compared to a loss of US\$1,003 thousand in 2018, mostly due to lower losses from exchange rate differences in the current quarter.

The loss from discontinued operations in 2019 amounted to US\$1,146 thousand, significantly lower than the loss of US\$25,797 thousand corresponding to 2018, which primarily was explained by expenses and a price adjustment related to the transaction with Amcor.

4Q 2019 Results

Techpack's net income reached a loss of US\$298 thousand in 4Q 2019, compared to a loss of US\$22,763 thousand in 4Q 2018, primarily due to the loss of US\$20,851 thousand of discontinued operations during the fourth quarter of 2018, corresponding mostly to expenses and price adjustment related to the transaction with Amcor. To a lesser extent, Techpack also recorded lower losses from exchange rate differences.


FINANCIAL SEGMENT

The following table details the contribution of the investments in the Financial Segment during 2018 and 2019 to Quiñenco's net income:

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
LQIF holding	(1,954)	(2.6)	(2,083)	(2.8)	(6,853)	(9.2)	(6,498)	(8.7)
Banking sector	34,806	46.5	37,651	50.3	128,126	171.1	143,436	191.6
Total Financial Segment	32,852	43.9	35,568	47.5	121,273	162.0	136,938	182.9

As of December 31, 2018 and 2019, Quiñenco's ownership of LQIF was 50.0%. LQIF's economic rights in Banco de Chile were 34.1% as of December 31, 2018 and 51.2% as of December 31, 2019.

LQIF Holding
Full Year 2019 Results

LQIF holding registered a loss of Ch\$12,997 million in 2019, 5.2% lower than the loss of Ch\$13,713 million in 2018, primarily due to a higher income tax credit in 2019.

4Q 2019 Results

LQIF holding registered a loss of Ch\$4,166 million in 4Q 2019, 6.6% above the loss of Ch\$3,909 million reported in 4Q 2018, mainly explained by higher losses from the effect of inflation on financial obligations denominated in UFs, due to a higher variation of 0.93% in the UF in the current quarter vis-à-vis an increment of 0.76% in 4Q 2018.


Banking Sector

The Banking sector is comprised of Banco de Chile and, until June 2019, by SM Chile. The most relevant item of the income statement in the case of SM Chile is the interest expense of the Subordinated Debt with the Chilean Central Bank. On April 30, 2019, following full repayment of the Subordinated Debt, SM-Chile was dissolved and is in the winding up process.

BANCO DE CHILE

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Operating revenues	506,216	676.1	529,695	707.4	1,873,283	2,501.9	2,014,520	2,690.5
Provision for loan losses	(61,353)	(81.9)	(101,467)	(135.5)	(281,410)	(375.8)	(347,274)	(463.8)
Operating expenses	(220,257)	(294.2)	(236,701)	(316.1)	(847,724)	(1,132.2)	(911,004)	(1,216.7)
Net income (loss)	161,522	215.7	147,145	196.5	594,872	794.5	593,008	792.0
Loan portfolio					27,914,322	37,281.7	30,019,470	40,093.3
Total assets					35,926,459	47,982.6	41,273,333	55,123.7
Shareholders' equity					3,304,152	4,412.9	3,528,222	4,712.2
Net financial margin	5.1%		4.7%		4.8%		4.6%	
Efficiency ratio	43.5%		44.7%		45.3%		45.2%	
ROAE	19.8%		16.9%		18.7%		17.5%	
ROAA	1.8%		1.4%		1.7%		1.6%	

Full Year 2019 Results

Banco de Chile reported net income of Ch\$593,008 million in 2019, a slight 0.3% lower than in 2018. Strong growth in operating revenues was offset by increased loan loss provisions, higher operating expenses, and higher income tax expense.

Operating revenues, which include net financial income, fee income and other operating income, increased 7.5% in 2019 to Ch\$2,014,520 million. This increment is mainly due to growth in fee income, driven by insurance brokerage and transactional services, higher income from loans based on 7.1% growth in average balances, greater financial income from subsidiaries, mostly securities brokerage based on higher revenues from fixed income, higher income from demand deposits, reflecting increased average balances and also higher foreign interest rates (on average), and finally, a greater contribution from the trading and structuring units. These favorable effects were partially compensated by higher derivatives' counterparty risk charges, lower other operating income due to the release of non-credit related allowances in 2018, and a negative impact from the effect of the exchange rate variation on the Bank's USD hedging position, due to a higher depreciation of the Chilean peso compared to the previous year.

Provisions for loan losses amounted to Ch\$347,274 million up by 23.4% from 2018. This increase is mainly attributable to a net credit deterioration, largely following the trend observed since 4Q 2019, mostly concentrated in the retail segment. The rise is also due to loan growth, almost entirely explained by the retail segment. These effects were partly offset by a lower impact from changes in the credit risk models and the adoption of a standardized group-based risk matrix for commercial loans, mainly affecting the retail segment, and a decline in risk expenses explained by the



exchange rate impact on USD-denominated loan loss allowances of a lower depreciation of the Chilean peso in 2019 as compared to the previous year.

Operating expenses increased 7.5% to Ch\$911,004 million compared to 2018, mostly due to higher personnel expenses, primarily explained by higher severance payments influenced by organizational restructuring, a rise in salaries due to inflation and benefits negotiated with staff, and higher bonuses related to the commitment during the social unrest towards the end of the year. Also, impairments increased due to the damages caused to branches and ATMs.

Income tax expense in 2019 increased 8.4% to Ch\$169,683 million.

As of December 2019, the Bank's loan portfolio posted an annual expansion of 7.5%, placing the Bank as number 2 in total loans. In the retail segment, loans grew 11.1%, boosted by personal banking loans, mostly mortgages, as well as loans to SMEs. The wholesale segment, in turn, experienced an annual increase of 1.7%, with strong growth in the middle market, compensating a significant slowdown in demand for loans from corporations.

Banco de Chile is the second ranked bank in the country with a market share of 16.5% of total loans (excluding subsidiaries outside Chile), for the period ended December 31, 2019. Its return on average equity reached 17.5%.

4Q 2019 Results

Banco de Chile reported net income of Ch\$147,145 million in the fourth quarter of 2019, decreasing by 8.9% with respect to the fourth quarter of 2018. Although operating revenues grew 4.6%, where customer income growth more than compensated a decline in non-customer income, results were negatively impacted by the 65.4% increase in loan loss provisions, explained by a net credit deterioration following the events of October 2019, and, to a lesser extent, due to loan growth. Operating expenses also increased 7.5%, primarily due to non-recurring bonuses granted to personnel and expenses related to damage and repair of infrastructure. Income tax expense, however, declined during the quarter.

Interest Subordinated Debt - Full Year 2019

Accrued interest expense of the Subordinated Debt with the Chilean Central Bank decreased by 64.6% with respect to 2018, following complete repayment of said debt on April 30, 2019.

Interest Subordinated Debt - 4Q 2019

Accrued interest expense of the Subordinated Debt with the Chilean Central Bank was only reported in the fourth quarter of 2018, following complete repayment of said debt on April 30, 2019.



ENERGY SEGMENT

The following table details the contribution of the investments in the Energy Segment during 2018 and 2019 to Quiñenco's net income:

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Enex	4,325	5.8	10,876	14.5	19,277	25.7	25,709	34.3
Total Energy Segment	4,325	5.8	10,876	14.5	19,277	25.7	25,709	34.3

As of December 31, 2018 and 2019, Quiñenco controls 100% of the energy segment.

ENEX

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	635,939	849.3	670,339	895.3	2,276,314	3,040.2	2,570,311	3,432.8
Operating income	7,629	10.2	14,554	19.4	28,069	37.5	39,147	52.3
Net income Controller	4,325	5.8	10,876	14.5	19,277	25.7	25,709	34.3
Total assets					1,066,109	1,423.9	1,339,745	1,789.3
Shareholders' equity					584,128	780.1	610,127	814.9

Full Year 2019 Results

During 2019 Enex reported sales of Ch\$2,570,311 million, up by 12.9% from 2018, primarily due to the addition of the Road Ranger network in the USA towards the end of 2018, along with higher prices of fuels in Chile and sales volume growth in the service station segment. In the industrial channel, higher prices were compensated by lower volumes in the mining sector, which were partly offset by growth in the aviation sector. The total volume of dispatches amounted to 4.3 million cubic meters during the period, 8.0% above 2018, of which 98.3% were fuels.

Gross income during the period reached Ch\$278,432 million, growing 25.4% over 2018, mainly boosted by gross income from the Road Ranger operations. In the local operations, gross income from service stations increased, based on the higher sales volume, and from the industrial channel, partially compensated by a lower favorable impact of selling inventory at historical cost given increasing international reference prices in 2019 compared to the prior year.

Operating income posted a 39.5% increase to Ch\$39,147 million in 2019, following the rise in gross income explained above. This favorable effect was partially compensated by a 21.7% increase in selling and administrative expenses, mostly attributable to the Road Ranger operations. EBITDA amounted to Ch\$92,226 million in 2019, increasing 83.3% from 2018, including the favorable impact of the adoption of IFRS 16 (leases) in the current year.



Earnings release

Full year and fourth quarter 2019

Non-operating income amounted to a loss of Ch\$12,812 million, well above the loss reported in 2018, mostly due to an increase in financial costs, based on the higher level of debt related to the Road Ranger travel center network acquisition, and also due to higher lease liabilities following adoption of IFRS 16.

Net income for the year amounted to Ch\$25,709 million, 33.4% higher than the Ch\$19,277 million reported in 2018, largely explained by the increase in operating income, boosted by the Road Ranger acquisition in the USA, and to a lesser extent, lower income tax expense, partially compensated by a lower non-operating result.

4Q 2019 Results

During 4Q 2019 Enx posted net income of Ch\$10,876 million, significantly greater than the gain of Ch\$4,325 million in 4Q 2018. Operating income increased 90.8% during the quarter, mainly reflecting the 19.1% growth in gross income, mostly boosted by the contribution from the Road Ranger operations in the USA, and also by a favorable impact during the quarter of selling inventory at historical cost given increasing international reference prices in the current quarter. EBITDA amounted to Ch\$28,168 million, increasing 104.4% over 4Q 2018, including the favorable impact of the adoption of IFRS 16 (leases) in the current quarter. Finally, during the quarter Enx reported an income tax credit in 2019, compared to an expense in 2018.



TRANSPORT SEGMENT

The following table details the contribution of the investments in the Transport Segment during 2018 and 2019 to Quiñenco's net income:

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
CSAV	4,819	6.4	15,419	20.6	6,009	8.0	52,809	70.5
Total Transport Segment	4,819	6.4	15,419	20.6	6,009	8.0	52,809	70.5

As of December 31, 2018 and 2019, Quiñenco's ownership of CSAV was 56.2% and 61.5%, respectively. Quiñenco's proportionate share in CSAV's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2018 and 2019 the adjustment was a lower result of Ch\$1,770 million and a lower result of Ch\$25 million, respectively.

CSAV

	4Q 18		4Q 19		4Q 18	4Q 19	2018	2019
	MCh\$	MUS\$	MCh\$	MUS\$				
Sales	15,209	20.3	19,426	25.9	22,436	25,784	91,436	92,955
Operating income (loss)	(1,142)	(1.5)	(5,234)	(7.0)	(1,681)	(6,806)	(3,700)	(10,664)
Net income (loss) Controller	8,737	11.7	25,098	33.5	12,890	33,073	18,248	124,616
Total assets			1,884,863	2,517.4			2,257,877	2,517,380
Shareholders' equity			1,665,338	2,224.2			2,130,203	2,224,187

CSAV reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. CSAV's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table. In 2017 CSAV sold its stake in Norgistics Chile and decided on the closure of its other offices. Therefore, all of Norgistics operations have been classified as discontinued operations in 2018 and 2019 in the income statement.

Full Year 2019 Results

CSAV's consolidated sales in 2019 reached US\$93.0 million, up by 1.7% from 2018, mostly reflecting higher revenues from sub-leases and sales of slots, offsetting a lower volume of transported vehicles. CSAV's gross income amounted to a loss of US\$0.9 million in 2019, down from the gain of US\$4.2 million in 2018, mainly due to increased costs, mostly related to charter expenses and provisions for onerous contracts.



Earnings release

Full year and fourth quarter 2019

Operating income reached a loss of US\$10.7 million in 2019, compared to a gain of US\$3.7 million reported in 2018, mostly due to the drop in gross income explained above, a non-recurring gain from the sale of fixed assets reported in 2018, and higher administrative expenses in 2019.

Non-operating income amounted to a gain of US\$137.5 million in 2019, as compared to a gain of US\$7.9 million reported in 2018. This favorable variation is primarily due to CSAV's share in Hapag-Lloyd's results for the quarter, adjusted by CSAV's fair value accounting of this investment, which amounted to a gain of US\$113.2 million in 2019, compared to a gain of US\$13.1 million in 2018. In addition, CSAV acquired a 1.9% stake in the German shipping company during 2019, generating a gain of US\$34.6 million, whereas the 0.4% stake acquired during 2018 had generated a gain of US\$0.9 million. Thus, in all, CSAV's investment in Hapag-Lloyd, including all of the effects explained above, amounted to a gain of US\$147.8 million in 2019, compared to the gain of US\$14.0 million reported in 2018.

Hapag-Lloyd reported net income of US\$405 million in 2019, which compares favorably to the gain of US\$43.5 million reported in 2018, based on a positive operating result. Sales grew 2.8% reflecting a 1.4% increase in transported volumes, and a 2.7% rise in average freight rates. Operating expenses remained stable. Thus, EBIT amounted to US\$908 million in 2019, well above the US\$524 million reported the prior year. EBITDA amounted to US\$2,223 million, 65.2% greater than in 2018, with the EBITDA margin reaching 15.8%. Of this increment in EBITDA, approximately US\$523 million are explained by the favorable impact of the adoption of IFRS 16, which implies amortizing the right of use of the leased assets instead of lease expenses.

In 2019 CSAV registered an income tax expense of US\$1.3 million, compared to a credit of US\$7.1 million in 2018, mostly due to the impact of the depreciation of the euro, given the financing structure of the investment in Hapag-Lloyd. Thus, in 2019 CSAV reported a net gain of US\$124.6 million, a substantial improvement from the gain of US\$18.3 million reported in 2018.

4Q 2019 Results

During the fourth quarter of 2019 CSAV posted a net gain of US\$33.1 million, 156.6% above the gain of US\$12.9 million reported in the same period in 2018. This variation primarily reflects CSAV's share of Hapag-Lloyd's results for the quarter, adjusted by fair value accounting, which amounted to a gain of US\$53.7 million in 4Q 2019 compared to a gain of US\$10.3 million in 4Q 2018, partly offset by lower performance of the car carrier business and income tax expense during the quarter.



PORT SERVICES SEGMENT

The following table details the contribution of the investments in the Port Services Segment during 2018 and 2019 to Quiñenco's net income:

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
SM SAAM	4,649	6.2	4,682	6.3	15,333	20.5	19,150	25.6
Total Port Services Segment	4,649	6.2	4,682	6.3	15,333	20.5	19,150	25.6

As of December 31, 2018 and 2019, Quiñenco's ownership of SM SAAM was 52.2%. Quiñenco's proportionate share in SM SAAM's results is adjusted by the fair value accounting of this investment at Quiñenco. During 2018 the adjustment was a lower result of Ch\$1,405 million and in 2019 the adjustment was a lower result of Ch\$1,966 million.

SM SAAM

	4Q 18		4Q 19		4Q 18	4Q 19	2018	2019
	MCh\$	MUS\$	MCh\$	MUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sales	90,131	120.4	109,148	145.8	132,783	143,992	515,987	529,793
Operating income	13,213	17.6	18,944	25.3	19,482	25,019	80,772	99,592
Net income Controller	9,798	13.1	10,042	13.4	14,446	13,304	49,607	57,780
Total assets			1,211,453	1,618.0			1,425,237	1,617,989
Shareholders' equity			588,989	786.6			772,406	786,641

SM SAAM reports its financial statements in US dollars, and translates them to Chilean pesos for consolidation purposes based, in general terms, on the US\$/Ch\$ exchange rate at the end of the period in the case of the Balance Sheet, and the monthly average exchange rate in the case of the Income Statement. SM SAAM's figures in Chilean pesos are included for reference. However, the following analysis is based on the company's financial statements in US dollars, as filed with the CMF, as shown in the last two columns of the table.

Full Year 2019 Results

In 2019 SM SAAM's consolidated sales reached US\$529.8 million, up by 2.7% from 2018, mostly due to higher revenues from tug boats and port terminals, compensating lower revenues from logistics. Revenue growth in the tug boat segment mostly reflects increased special services and salvage, as well as the consolidation with SAAM Towage Brasil during the last two months of the year. Revenues from port terminals were boosted by foreign ports. At logistics, revenues diminished due to lower volumes of warehousing and transport, mainly related to the retail sector.



Consolidated revenues can be broken down as follows: port terminals (51.7%), tug boats (39.1%), logistics (9.7%), and corporate⁹ (-0.6%).

During 2019, operating income amounted to US\$99.6 million, 23.3% above 2018, boosted by positive performance in all segments, particularly port terminals and tug boats, reflecting revenue growth and cost efficiencies reached through the implementation of the company's new business model. SM SAAM's consolidated EBITDA reached US\$177.0 million in 2019, up 21.3% from 2018, including the favorable impact of first time adoption of IFRS 16 (leases).

Non-operating income for the year amounted to a loss of US\$0.3 million, comparing unfavorably to the gain of US\$2.3 million reported in 2018. This variation is mainly explained by lower income from equity investments, mostly due to lower performance of port terminals in Chile, impacted by the social unrest during the last quarter of the year, and higher financial costs, partially offset by lower losses from exchange rate differences.

Income tax expense was US\$29.3 million in 2019, 38.2% greater than the prior year. Thus, in all, SM SAAM's net income amounted to US\$57.8 million, 16.5% above 2018, primarily reflecting improved operating performance across all its business segments.

4Q 2019 Results

In the fourth quarter of 2019 SM SAAM's net income amounted to US\$13.3 million, down by 7.9% from 4Q 2018. This variation is mainly attributable to lower results of port terminals in Chile, impacted by the social unrest during the quarter, in addition to non-recurring costs related to the implementation of the new business model, partly offset by the favorable impact of the increased stake in the tug boat operations acquired from Boskalis.

⁹ Corporate also includes eliminations and others.



OTHER SEGMENT

The following table details the contribution from investments in the Segment Other during 2018 and 2019 to Quiñenco's net income:

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
IRSA (CCU)	18,266	24.4	15,943	21.3	90,165	120.4	37,458	50.0
Quiñenco & other	(13,432)	(17.9)	(5,837)	(7.8)	(42,517)	(56.8)	(29,751)	(39.7)
Total Segment Others	4,834	6.5	10,106	13.5	47,648	63.6	7,707	10.3

As of December 31, 2018 and 2019, Quiñenco's ownership of CCU was 30.0%.

CCU

	4Q 18		4Q 19		2018		2019	
	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$	MCh\$	MUS\$
Sales	550,601	735.4	578,072	772.1	1,783,282	2,381.7	1,822,541	2,434.1
Operating income	89,741	119.9	92,551	123.6	472,751	631.4	233,965	312.5
Net income (loss)	62,698	83.7	54,959	73.4	306,891	409.9	130,142	173.8
Total assets					2,405,865	3,213.2	2,353,691	3,143.5
Shareholders' equity					1,280,127	1,709.7	1,328,054	1,773.7

Full Year 2019 Results

CCU reports its results in accordance with the following three business segments: Chile, International Business, and Wine. Chile includes beer, non-alcoholic beverages, and spirits. The International Business segment includes beer, cider, non-alcoholic beverages, and spirits in Argentina, Uruguay, Paraguay, and starting 3Q 2018, Bolivia. Wine includes the commercialization of wine, mainly in the export market. CCU's sales grew by 2.2% in 2019 compared to 2018, mainly as a result of 5.3% growth in consolidated sales volumes, offsetting a 2.9% reduction in average prices in Chilean pesos. The Chile segment's sales went up by 4.9%, with volumes increasing by 4.9%, while average prices remained stable. Sales in the Wine segment increased 2.8%, reflecting 2.3% higher average prices, together with a slight 0.5% rise in volumes. In the International Business segment, however, sales decreased 4.0%, due to a drop of 10.8% in average prices, reflecting the negative impact of the depreciation of the Argentine peso against the Chilean peso, which was greater than rises in prices in local currency, partially compensated by 7.6% growth in volumes, boosted mostly by Bolivia, consolidated since 3Q 2018, and to a lesser extent, Argentina.

Operating income amounted to Ch\$233,965 million in 2019, 50.5% less than the gain of Ch\$472,751 million reported in 2018, primarily explained by the non-recurring gain related to the early termination of the Budweiser license in Argentina reported in the second quarter of 2018. To a lesser extent, the reduction reflects the 1.0% decline in gross income, partly compensated by lower selling and administrative expenses. The decline in gross income is mainly



Earnings release

Full year and fourth quarter 2019

attributable to the International Business segment, partially compensated by the Chile and Wine segments. Gross income from the International Business segment fell by 15.1%, reflecting the drop in sales explained above, together with an 8.2% increase in costs, primarily due to the impact of a 58.9% depreciation of the Argentine peso against the US dollar on dollar-indexed costs, and the impacts of inflation in Argentina, partly offset by conversion effects, given the devaluation of the Argentine peso with respect to the Chilean peso. In the Chile segment, sales growth was partly offset by higher costs, mainly pushed up by the depreciation of the Chilean peso with respect to the US dollar and its impact on USD-denominated costs, although this was mitigated through efficiencies and lower costs of some raw materials. The Wine segment, in turn, posted a 14.1% rise in gross income, boosted by higher average prices and a reduction of 3.4% in costs, reflecting a lower cost of wine.

CCU reported non-operating losses of Ch\$48,343 million, significantly higher than the loss of Ch\$14.540 reported in 2018, mainly due to a loss from exchange rate differences in 2019 vis-à-vis a gain in 2018, the latter mainly related to the transaction in Argentina. CCU also reported higher losses from indexed units of account, mainly due to hyperinflationary accounting in Argentina, higher net financial costs and lower results from equity investments, particularly in Colombia.

Net income in 2019 amounted to Ch\$130,142 million, substantially below the gain in 2018, primarily due to the non-recurring gain on the early termination of the Budweiser license in Argentina reported in 2Q 2018.

4Q 2019 Results

In 4Q 2019 CCU's net income decreased 12.3% to Ch\$54,959 million. Consolidated sales volumes grew 6.1% whereas average prices declined by 1.1%, thus revenues posted an increment of 5.0%. Quarterly performance of all operating segments improved, with EBIT up by 5.8%, based on the growth in sales volumes and initiatives in revenue management and efficiencies, compensating the negative impact of the devaluation of the Chilean and Argentine pesos against the US dollar on USD indexed costs. EBITDA increased 4.5% to Ch\$119,765 million in the quarter, with growth in all operating segments. Net income, however, diminished, due to lower non-operating results, reflecting higher net financial costs, losses from exchange rate differences, and losses from indexed units of account.



QUIÑENCO and Others

Full Year 2019 Results

The positive variation in Quiñenco and others is mainly explained at the corporate level by the non-recurring after tax gain of Ch\$14,289 million generated by the sale of the insurance business (Banchile and SegChile) to Chubb in December 2019, which involved a total amount of approximately Ch\$35,900 million. Also, although to a lesser extent, at the corporate level financial income increased, mostly reflecting a higher cash balance, partly offset by higher financial costs.

4Q 2019 Results

The positive variation in Quiñenco and others is mainly explained at the corporate level by the non-recurring after tax gain of Ch\$14,289 million generated by the sale of the insurance business explained above, to a small extent offset by greater losses from the effect of inflation on indexed liabilities.

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All of Quiñenco's Earnings and Press Releases and other relevant information on the Company, including quarterly financial statements, are available for viewing on the Company's website:

www.quinenco.cl
www.quinencogroup.com