



## **Press Release March 2017**

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## **Executive summary**

### **Section I. Highlights**

During Q1 2017 revenues increased 9,85% reaching Ch\$ 369.587 million, EBITDA increased 15,55% to Ch\$ 46.577 million and Net profit increased 35% to Ch\$ 23.333 million, all compared to Q1 2016. This growth in all lines is mainly explained by:

- Higher operating income registered in Isapres explained by higher income regarding an increase in the average premium and lower medical loss ratio and medical leave costs.
- In Hospitals and outpatients network, even though revenues were higher than Q1 of last year, the net profit was lower than last year. This is explained by higher SG&A expenses due to the start up of the new expansion projects in Clínica Dávila, Clínica Vespucio and Clínica Ciudad del Mar.
- In Perú the better results are explained due to higher operating profit in both Pacífico EPS and Pacífico Asistencia Médica. In Hospitals and outpatient network, the better results are due to higher activity.
- In Colombia, in the one hand, better results are due to higher operating profit in Prepaid Medicine and in “Mandatory Healthcare Plan”. In the other hand, lower net profit in Clínica del Country due to lower financial incomes, compensated by the better results in Clínica La Colina due to a higher inpatient and outpatient activity.
- In January 18<sup>th</sup>, Banmédica successfully issued 2 bond series for a total of UF 2.5 million (US\$ 100 million approximately). 30% of that amount was intended to refinance the Company’s short- and long-term liabilities. The 70% was intended to finances the Company’s growth projects.

## Section II. Financial Results Summary

	Mar.2017	Mar.2016	Change
Revenues (Millions of Ch\$)	369.587	336.450	33.137
Ebitda (Millions of Ch\$)	46.577	40.310	6.267
Ebitda Margin (%)	12,60%	11,98%	0,62%
Net Profit (Millions of Ch\$)	23.333	17.284	6.049
Net Margin (%)	6,31%	5,14%	1,18%
Occupancy Rate (Hospitals)	69,30%	73,20%	-3,90%
Physician Consultations (Number)	1.004.243	1.023.534	(19.291)
Number of Insurance (*)	1.548.292	1.427.165	121.127

\*: Isapre Banmédica and Vida Tres March 2017 – March 2016

Colmédica December 2016 - December 2015

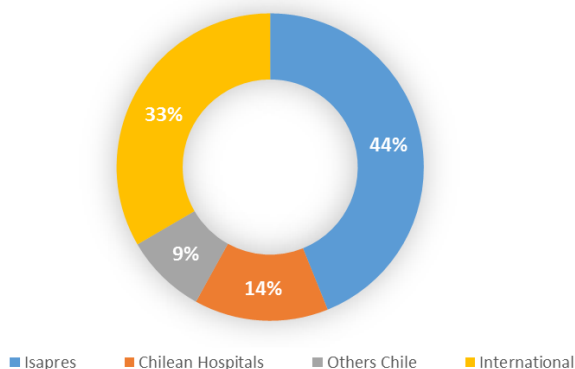
Aliansalud December 2016 - December 2015

Empremédica Pacífico EPS March 2017- February 2016

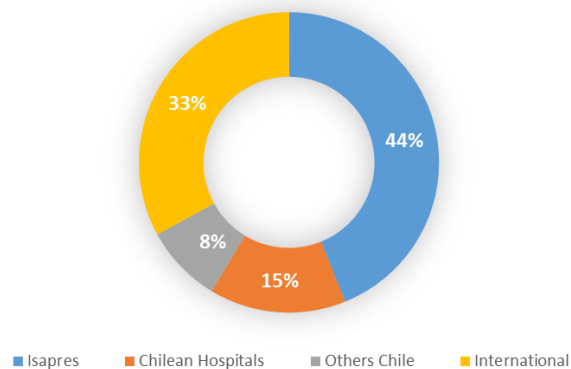
<b>Empresas Banmédica</b>			
<b>Financial Highlights (Ch \$ Millions)</b>			
	Mar.2017	Mar.2016	Change
Revenues	369.587	336.450	33.137
Cost of Sales	(280.412)	(258.797)	(21.615)
<b>Gross Income</b>	<b>89.175</b>	<b>77.653</b>	<b>11.522</b>
<b>Gross Margin (%)</b>	<b>24,13%</b>	<b>23,08%</b>	<b>1,05%</b>
SG & A Expenses	(50.661)	(44.942)	(5.719)
Non-Operating Result	(15.181)	(15.427)	246
<b>Net Profit</b>	<b>23.333</b>	<b>17.284</b>	<b>6.049</b>
<b>Net Margin (%)</b>	<b>6,31%</b>	<b>5,14%</b>	<b>1,18%</b>
Ebitda	46.577	40.310	6.267
Ebitda Margin (%)	12,60%	11,98%	0,62%

Net Income attributable to shareholders reached Ch\$ 23.333 million (Ch\$ 28,9 per share), an increase of 35% when compared with earnings per share to March 2016.

Total revenues as of March 2017



Total revenues as of March 2016



### Section III. Balance Sheet Analysis

Statement on Financial Position (Ch\$ Millions)	Mar.2017	Dec.2016
Current Assets	451.748	398.833
Fixed Assets	471.637	450.537
Other Assets	321.288	312.439
<b>Total Assets</b>	<b>1.244.673</b>	<b>1.161.810</b>
Current Liabilities	450.619	507.534
Long Term Liabilities	422.716	303.160
Minority Interest	64.753	64.726
Equity	306.585	286.390
<b>Equity and Liabilities</b>	<b>1.244.673</b>	<b>1.161.810</b>
Cash and Cash Equivalents	166.332	122.036
Financial Debt	416.158	377.786
<b>Net Financial Debt</b>	<b>249.826</b>	<b>255.750</b>

The change in the balance sheet between March 2017 and December 2016 is explained by:

**Current Assets:**

- Increase in Cash equivalent, mainly from Banmédica S.A. (Ch\$ 17,293 million), due to cash from Bonds Q and S issued in January. In Isapres (Ch\$ 13,628 million) due to cash surpluses invested in financial instruments. In Hospital (Ch\$ 6.091 million) mainly from Clínica Dávila from bank loans. Finally, in the International Segment, both in Colmédica and Aliansalud (Ch\$ 2,597 million) and Empremédica (Ch\$ 4,894 million), due to cash surpluses invested in financial instruments.
- Increase in Other Financial Assets (Current), mainly in the International Segment, both in Colmédica and Aliansalud (Ch\$ 5,142 million) and Empremédica (Ch\$ 2,397 million), due to investments in financial instruments.

**Fixed assets:**

- Increase in Property, Plant and Equipment, due to facility projects in Clínica Dávila, construction of H and I Towers (Ch\$ 1,999 million). Clínica Vespucio, habilitation of the new Tower (Ch\$ 6,031 million). Inmobiliaria Santa María, mainly from the acquisition of medical equipment and construction of a new Tower for Clínica Santa María (Ch\$ 4,564 million). In Clínica Ciudad del Mar due to the construction of the new Medical Center (Ch\$ 3,345 million). Finally in Empremédica due to new additions, equipment and others (Ch\$ 2,132 million) and in Colmédica mainly for constructions and buildings.

**Current Liabilities:**

- Increase in Other Current and Noncurrent Financial Liabilities, mainly from Banmédica S.A. (Ch\$ 44,072 million) explained by Bond Q and S issued on January.
- Increase in Accounts Payable, in Banmédica S.A. (Ch\$ 7,104 million) associated with the recognition of dividends to pay. In Hospitals, the increase is associated with an increase in purchase due to the constructions in Clínica Vespucio, Ciudad del Mar and Santa María. In the International, in Empremédica (Ch\$ 3,070 million) and in Colmédica (Ch\$ 1,500 million) due to dividends to pay.

In counterpart, there is a decrease in Accounts Payable in Isapres (Ch\$ 3,599 million) due to lower payables to hospitals and ambulatory services and in Clínica Dávila (Ch\$ 2,286 million) associated to lower medical fees to pay.

- Increase in Current Taxes Payables in Isapres (Ch\$ 3,534 million) and Colmédica (Ch\$ 2.771 million) in both cases associated to higher income tax due to better results of the period.

**Shareholders' Equity:**

Shareholders' Equity (Ch\$ million)	Quarter ended March 2017			Change % Mar.17- Mar.16
	Mar.2017	Dec.2016	Mar.2016	
Capital	32.332	32.332	32.332	0,0%
Reserves	30.375	24.358	24.657	23,2%
Retained earnings:				
Retained earnings prior periods	227.545	189.275	191.881	18,6%
Income for the period	23.333	57.751	17.284	35,0%
Provision for mandatory dividend	(7.000)	(17.325)	(5.196)	34,7%
<b>Equity attributable to shareholders</b>	<b>306.585</b>	<b>286.390</b>	<b>260.959</b>	<b>17,5%</b>
Non-controlling interest	64.753	64.726	59.608	8,6%
<b>Total Equity</b>	<b>371.338</b>	<b>351.116</b>	<b>320.567</b>	<b>15,8%</b>
<b>ROE*</b>	<b>22,5%</b>	<b>21,3%</b>	<b>18,5%</b>	<b>21,6%</b>

(\*) Annualized Net Profit attributable to shareholders / Average equity attributable to shareholders.

Shareholders' equity reached Ch\$ 306.585 million in Q1 2017. ROE for last twelve month was 22,5%.

**Financial position and financial debt changes.**

RATIOS	Mar.2017	Dec.2016
Indebtedness Ratio	2,85x	2,83x
Financial Indebtedness Ratio	1,12x	1,08x

The Indebtedness ratio and the Financial Indebtedness ratio are higher when compared with December 2016 due to higher financial liabilities associated with Bond Q and S issued in January 2017.

## Section IV. Financial Highlights by Business Unit

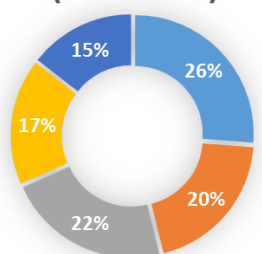
### Isapres results

Isapres Financial Highlights (Ch\$ Millions)	Mar.2017	Mar.2016	Change
Revenues	162.226	147.669	14.557
Cost of Sales	(127.733)	(120.336)	(7.397)
<b>Gross Income</b>	<b>34.493</b>	<b>27.333</b>	<b>7.160</b>
<b>Gross Margin (%)</b>	<b>21,26%</b>	<b>18,51%</b>	<b>2,75%</b>
SG & A expenses	(16.555)	(14.225)	(2.330)
Non-Operating Result	(3.218)	(1.619)	(1.599)
<b>Net Income</b>	<b>14.720</b>	<b>11.489</b>	<b>3.231</b>
<b>Net Margin (%)</b>	<b>9,07%</b>	<b>7,78%</b>	<b>1,29%</b>
<b>Ebitda</b>	<b>18.407</b>	<b>13.553</b>	<b>4.854</b>
<b>Ebitda Margin (%)</b>	<b>11,35%</b>	<b>9,18%</b>	<b>2,17%</b>

The higher result in the Health Insurance segment is explain due to a higher income regarding an increase in the average premium and lower health claims and medical leave expenses.

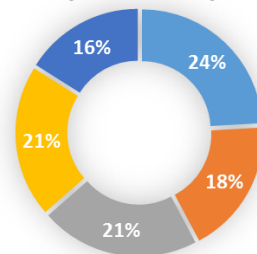
Health claims in outpatient services, hospital and GES, accounted 63,78% of revenues up to March, compared to 66,46% in March 2016. Medical leave expenses decreased from 15,04% of revenues in March 2016 down to 14,96% in March 2017.

**Market Share March 2017  
(Revenues)**



■ Banmédica + Vida Tres  
■ Cruz Blanca  
■ Masvida  
■ Colmena  
■ Consalud

**Market Share March 2017  
(Affiliates)**



■ Banmédica + Vida Tres  
■ Cruz Blanca  
■ Masvida  
■ Colmena  
■ Consalud

Source: Superintendencia de Salud.

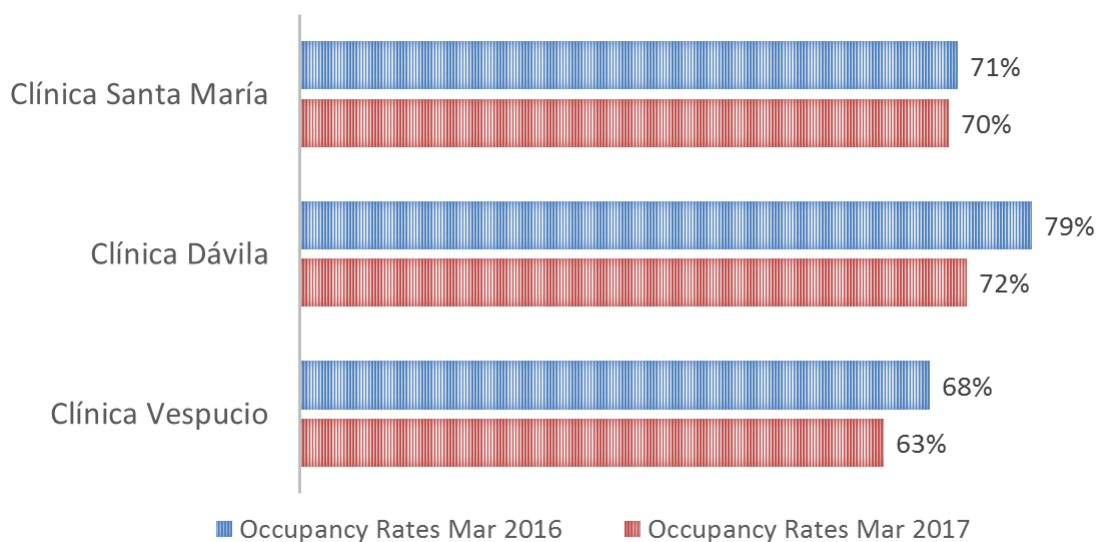


**Hospitals results:**

Hospitals Financial Highlights (Ch\$ Million)	Mar.2017	Mar.2016	Change
Revenues	94.550	87.932	6.617
Cost of Sales	(74.062)	(68.360)	(5.702)
<b>Gross Income</b>	<b>20.487</b>	<b>19.572</b>	<b>915</b>
<b>Gross Margin (%)</b>	<b>21,67%</b>	<b>22,26%</b>	<b>-0,59%</b>
SG & A expenses	(15.579)	(13.444)	(2.135)
Non-Operating Result	(2.300)	(2.657)	357
<b>Net Income</b>	<b>2.609</b>	<b>3.472</b>	<b>(863)</b>
<b>Net Margin (%)</b>	<b>2,76%</b>	<b>3,95%</b>	<b>-1,19%</b>
Ebitda	9.300	10.340	(1.040)
<b>Ebitda Margin (%)</b>	<b>9,84%</b>	<b>11,76%</b>	<b>-1,92%</b>

The net income presented in the Hospital segment decrease 24,9% compared March 2016. This is explained by higher Operating costs and SG&A expenses due to the start up of the new expansion projects in Clínica Dávila, Clínica Vespucio and Clínica Ciudad del Mar.

**Hospitals Occupancy Rates:**



### Outpatient results:

Outpatient network Financial Highlights (Ch \$ Millions)	Mar.2017	Mar.2016	Change
Revenues	17.349	16.734	615
Cost of Sales	(15.501)	(14.304)	(1.196)
<b>Gross Income</b>	<b>1.848</b>	<b>2.430</b>	<b>(581)</b>
<b>Gross Margin (%)</b>	<b>10,65%</b>	<b>14,52%</b>	<b>-3,86%</b>
SG & A expenses	(1.272)	(1.130)	(142)
Non-Operating Result	(258)	(512)	254
<b>Net Income</b>	<b>319</b>	<b>788</b>	<b>(469)</b>
<b>Net Margin (%)</b>	<b>1,84%</b>	<b>4,71%</b>	<b>-2,87%</b>
Ebitda	1.601	2.212	(611)
<b>Ebitda Margin (%)</b>	<b>9,23%</b>	<b>13,22%</b>	<b>-3,99%</b>

Even though revenues increased by 3,7%, Net Income was lower than March 2016 due to higher sales costs and SG&A expenses due to the start up of the new medical center in Ñuñoa.

### Rescue Services results:

Rescue Services Financial Highlights (Ch \$ Millions)	Mar.2017	Mar.2016	Change
Revenues	7.851	7.492	359
Cost of Sales	(4.510)	(4.287)	(222)
<b>Gross Income</b>	<b>3.341</b>	<b>3.205</b>	<b>137</b>
<b>Gross Margin (%)</b>	<b>42,56%</b>	<b>42,77%</b>	<b>-0,22%</b>
SG & A expenses	(2.977)	(2.877)	(100)
Non-Operating Result	(115)	(49)	(66)
<b>Net Income</b>	<b>249</b>	<b>278</b>	<b>(29)</b>
<b>Net Margin (%)</b>	<b>3,16%</b>	<b>3,71%</b>	<b>-0,54%</b>
Ebitda	511	473	39
<b>Ebitda Margin (%)</b>	<b>6,51%</b>	<b>6,31%</b>	<b>0,20%</b>

The lower Net Income compared to March 2016, is due mainly to a lower Non-Operating Result.

### Colmédica results:

Colmédica Colombia Financial Highlights (Ch \$ Millions)	Mar.2017	Mar.2016	Change
Revenues	51.628	43.432	8.195
Cost of Sales	(37.010)	(31.524)	(5.486)
<b>Gross Income</b>	<b>14.617</b>	<b>11.908</b>	<b>2.709</b>
<b>Gross Margin (%)</b>	<b>28,31%</b>	<b>27,42%</b>	<b>0,90%</b>
SG & A expenses	(8.248)	(6.815)	(1.433)
Non-Operating Result	(2.384)	(2.152)	(232)
<b>Net Income</b>	<b>3.986</b>	<b>2.941</b>	<b>1.045</b>
<b>Net Margin (%)</b>	<b>7,72%</b>	<b>6,77%</b>	<b>0,95%</b>
Ebitda	6.833	5.444	1.388
<b>Ebitda Margin (%)</b>	<b>13,23%</b>	<b>12,54%</b>	<b>0,70%</b>

Higher operating income registered in Colmédica Prepaid Medicine and Aliansalud (Colombia), due to higher operating margin due to higher revenues and lower medical loss ratio.

### Colombian Hospitals results:

Colombia Hospitals Financial Highlights (Ch \$ Millions)	Mar.2017	Mar.2016	Change
Revenues	19.278	17.236	2.041
Cost of Sales	(12.678)	(11.205)	(1.474)
<b>Gross Income</b>	<b>6.599</b>	<b>6.032</b>	<b>568</b>
<b>Gross Margin (%)</b>	<b>34,23%</b>	<b>34,99%</b>	<b>-0,76%</b>
SG & A expenses	(3.577)	(3.227)	(350)
Non-Operating Result	(2.409)	(2.320)	(89)
<b>Net Income</b>	<b>614</b>	<b>485</b>	<b>129</b>
<b>Net Margin (%)</b>	<b>3,18%</b>	<b>2,81%</b>	<b>0,37%</b>
Ebitda	3.826	3.358	467
<b>Ebitda Margin (%)</b>	<b>19,84%</b>	<b>19,48%</b>	<b>0,36%</b>

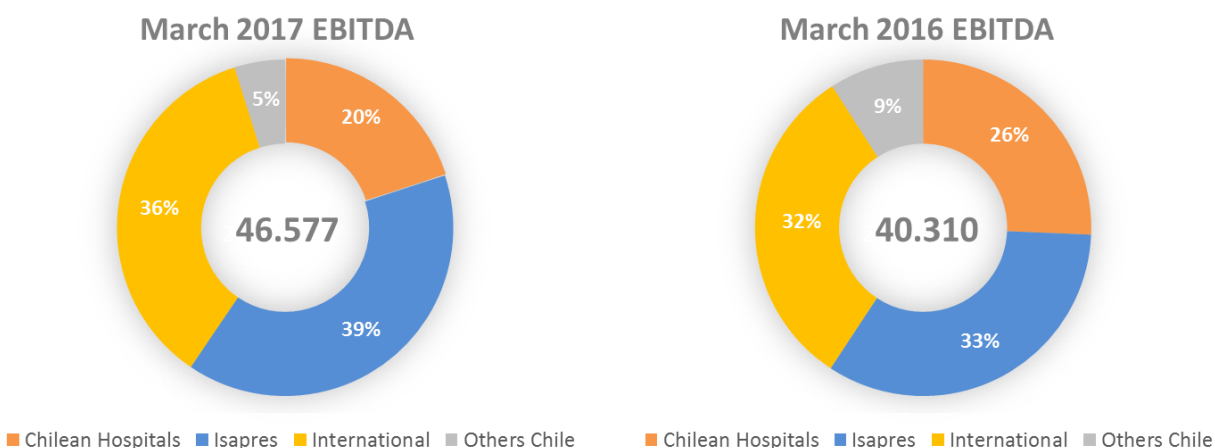
Colombian Hospitals results were affected by the lower net profit in Clínica del Country due to lower financial incomes, but compensated by the better results in Clínica La Colina due to a higher inpatient and outpatient activity

**Empremédica results:**

<b>Empremédica Financial Highlights (Ch \$ Millions)</b>	<b>Mar.2017</b>	<b>Mar.2016</b>	<b>Change</b>
Revenues	72.127	67.836	4.291
Cost of Sales	(55.787)	(52.873)	(2.915)
<b>Gross Income</b>	<b>16.339</b>	<b>14.963</b>	<b>1.376</b>
<b>Gross Margin (%)</b>	<b>22,65%</b>	<b>22,06%</b>	<b>0,60%</b>
SG & A expenses	(7.892)	(9.137)	1.245
Non-Operating Result	(4.205)	(3.034)	(1.170)
<b>Net Income</b>	<b>4.242</b>	<b>2.792</b>	<b>1.450</b>
<b>Net Margin (%)</b>	<b>5,88%</b>	<b>4,12%</b>	<b>1,77%</b>
Ebitda	9.874	7.224	2.650
<b>Ebitda Margin (%)</b>	<b>13,69%</b>	<b>10,65%</b>	<b>3,04%</b>

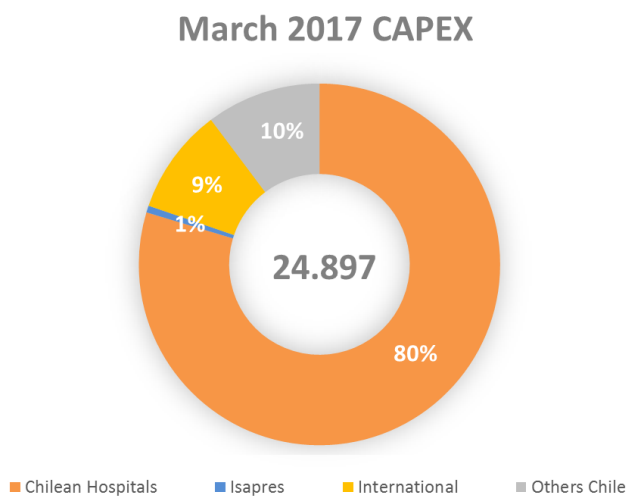
Empremédica better results are explained by higher income and lower medical loss ratio in both Pacífico EPS and Pacífico Asistencia Médica; and better operating margin in Hospital due to an increased in both inpatient and outpatient activity.

## Section V.- EBITDA Composition by Business Unit.



\*Figures en CH\$ Million

## Section VI. Capex Composition and Medical Facilities Investment Plan



\*Figures en CH\$ Million

### **Capex Highlights:**

In March 2017, capex accounted Ch\$ 24.897 million equivalent to 3,47x depreciation.

Investments on fixed assets were allocated in Clínica Vespucio (Ch\$ 10.061 million), Clínica Santa María (Ch\$ 6.423 million), Clínica Dávila (Ch\$ 3.345 million), Vida Integra (Ch\$ 1.611 million), Empremédica (Ch\$ 1.413 million), Colmédica (Ch\$ 952 million), and others (Ch\$ 1.092 million).

### **Section VII. Risk Rating**

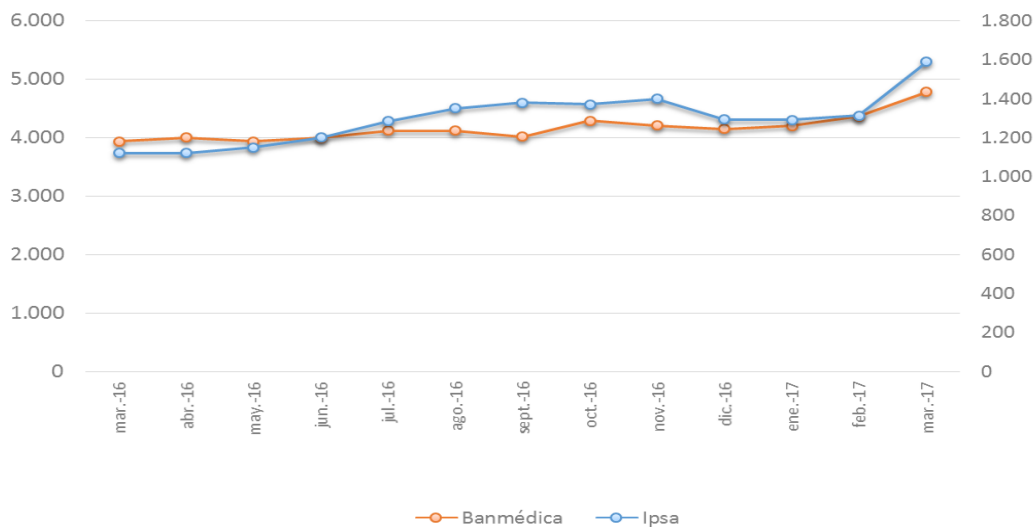
Banmédica S.A., stock and bond risk ratings published by Fitch Rating and Feller Rate are the following:

Banmédica S.A.	AA-
Stocks	Level 3 (Fitch) Level 2 (Feller)
Bonds	AA-

Source: Credit Analysis Fitch Ratings- and Feller Rate.

## Section VIII. Stock Market Information

Banmédica	Stock Price
Closing Price 31.03.2017 (Ch\$ per share)	1.589,00





EMPRESAS  
**BANMEDICA**

