

# Press Release



SUPERINTENDENCIA  
VALORES Y SEGUROS

## INSURANCE MARKET FINANCIAL REPORT AS OF SEPTEMBER 2007

- *Life insurance company earnings rose by 55.7% during the period from January to September 2007, in comparison with the same period of the previous year. In the area of general insurance, earnings increased by 45.9%.*
- *Life Annuities sales showed a strong recovery, increasing by 20.56% with respect to the previous period and turning around the downward trend that they had been demonstrating.*
- *Traditional insurance sales by life insurance companies increased by 9.88% during the first nine months of the year. In the area of general insurance, earthquake and vehicle coverage rose by 19.3% and 14.1% respectively.*
- *22 of the 29 life insurance companies experienced an increase in sales from January to September 2007, in comparison with the same period of the previous year.*

### I. LIFE INSURANCE COMPANIES

During the first nine months of the year 2007, earnings made in the life insurance market reached US\$ 464.2 million. This indicates a positive growth of 55.7% in industry earnings in comparison with the same period in 2006.

This significant increase in earnings has generated an improvement in the profitability indicators, showing an increase both in return on equity and in return on investments between January and September 2007 in comparison with the same period last year.

Return on equity showed a significant increase from 14.28% during the first nine months of 2006 to 20.56% during the same period in 2007. At the same time, return on investments experienced a growth from 6.34% during the previous period to 6.93%.

### **Net Profit by Company**

<b>Company (\$thousand September 2007)</b>	<b>Jan-Sept 2007</b>	<b>Jan-Sept 2006</b>
Abn Amro	-142,453	-262,698
Ace	-29,285	127,203
Banchile	2,333,886	1,821,078
Bbva	2,325,886	2,066,540
Bci	3,286,005	3,217,284
Bice	42,845,482	19,172,833
Cardif	-2,466,584	3,176,897
Chilena Consolidada	12,341,167	6,901,036
Cigna	1,513,578	2,508,342
Seguros CLC S.A. (1)	-62,200	764
CN Life	10,771,090	7,887,337
Consortios Nacional	67,023,435	41,008,671
Cruz del Sur	9,333,121	4,288,883
Euroamerica	7,790,634	1,960,824
Huelen	90,719	163,012
Ing	11,647,042	3,970,070
Interamericana	2,660,909	1,052,992
Mapfre	-313,547	-577,645
Metlife	3,837,612	2,321,722
Mut. De Carabineros	2,177,163	2,317,016
Mut. De Ejec. Y Aviac.	2,272,925	3,151,439
Mutual de Seguros	8,263,971	6,986,836
Ohio	1,289,894	4,482
Penta	11,288,733	8,971,163
Principal	5,866,427	1,037,092
Renta Nacional	5,449,793	3,490,253
Santander (2)	16,505,571	13,984,025
Security Prevision (3)	1,186,546	865,337
Security Rentas (3)	-	7,363,793
Vida Corp	8,345,221	3,583,813
<b>TOTAL</b>	<b>237,532,741</b>	<b>152,560,405</b>

(1) Seguros CLC was created by Resolution N°237 of June 2006.

(2) By Resolution N°352 of August 2006, Altavida changed its name to Santander Seguros de Vida.

(3) On June 30, 2007, the company Seguros Vida Security Prevision took over the company Security Rentas Seguros de Vida S.A.

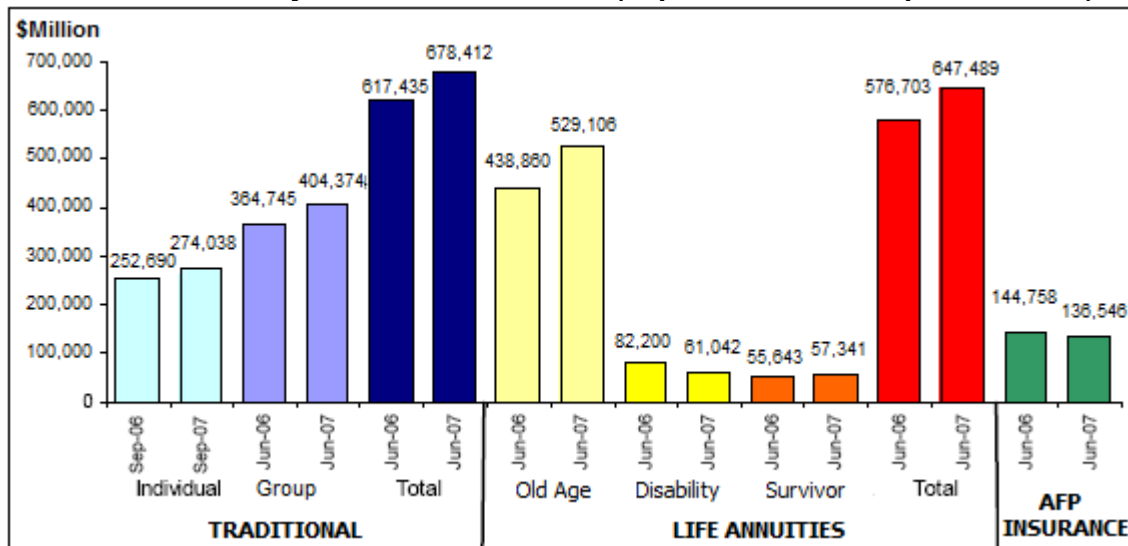
The increase in old age annuities, along with the rise in traditional life insurance for individual or group policies, allowed life insurance companies' premiums to grow by more than US\$ 241.4 million between the months of January and September this year, compared with the same period in 2006. In this way, premiums rose from US\$ 2,615.5 million to US\$ 2,857.9 million, representing a 9.23% increase.

Sales of traditional insurance increased by 9.88% during the first nine months of the year, with an 8.45% rise in individual policies and a 10.86% rise in group policies.

The area of Life Annuities – which represents 44.27% of the total direct premium of all life insurance – experienced a strong recovery, up 12.27% from the first nine months of last year, due mainly to an increase in Old Age Annuities sales, whose premium revenues went up by 20.56%.

<b>Direct Premium</b> (\$thousand, September 2007)	<i>September 2007</i>	<i>September 2006</i>	<i>Variation</i> 2006-2007
Traditional – Individual	274,037,813	252,689,745	8.45%
Traditional – Group	404,373,899	264,744,901	10.86%
<b>Total Traditional</b>	<b>678,411,712</b>	<b>617,434,646</b>	<b>9.88%</b>
Old Age Annuities	529,106,135	438,859,807	20.56%
Disability Annuities	61,041,594	82,199,719	-25.74%
Survivor Annuities	57,340,940	55,643,536	3.05%
<b>Total Life Annuities</b>	<b>647,488,669</b>	<b>576,702,536</b>	<b>12.27%</b>
<b>AFP Insurance</b>	<b>136,546,394</b>	<b>144,758,309</b>	<b>-5.67%</b>
<b>TOTAL DIRECT PREMIUM</b>	<b>1,462,446,775</b>	<b>1,338,895,491</b>	<b>9.23%</b>

**Direct Premium by Area of Life Insurance (September 2006 – September 2007)**



With respect to the direct premium of each company, 22 of the 29 insurance companies experienced an increase in sales during the first nine months of the year 2007, in comparison to the same period of last year.

**Direct Premium Variation by Company**

<b>Company</b>	<b>Jan-Sept 2007 (\$thousand Sept 2007)</b>	<b>Jan-Sept 2006 (\$thousand Sept 2007)</b>	<b>Variation (%)</b>
Abn Amro	0	318,319	-
Ace	4,163,457	3,415,721	21.89%
Banchile	29,614,952	26,246,727	12.83%
Bbva	61,346,078	52,332,931	17.22%
Bci	27,735,201	23,407,619	18.49%
Bice	87,178,295	83,285,190	4.67%
Cardif	67,555,674	49,285,012	37.07%
Chilena Consolidada	84,513,365	79,024,248	6.95%
Cigna	5,465,053	7,364,660	-25.79%
Seguros CLC S.A. (1)	1,791,004	0	-
CN Life	621,281	431,221	44.07%
Consorcios Nacional	142,886,136	130,029,803	9.89%
Cruz del Sur	55,871,300	43,090,671	29.66%
Euroamerica	66,756,916	62,830,867	6.25%
Huelen	682,354	266,047	156.48%
Ing	219,652,554	225,230,469	-2.48%
Interamericana	56,989,659	54,548,611	4.47%
Mapfre	3,397,189	6,085,710	-44.18%
Metlife	162,820,889	128,598,426	26.51%
Mut. De Carabineros	8,613,128	5,498,572	56.64%
Mut. De Ejec. Y Aviac.	9,091,917	8,175,200	11.21%
Mutual de Seguros	12,240,677	11,407,554	7.30%
Ohio	28,501,936	25,949,777	9.83%
Penta	76,662,784	60,173,258	27.40%
Principal	90,338,482	99,648,085	-9.34%
Renta Nacional	165,320	177,367	-6.79%
Santander (2)	53,451,145	59,870,604	-10.72%
Security Prevision (3)	36,272,883	32,555,097	11.42%
Vida Corp	68,067,146	59,547,711	14.31%
<b>TOTAL</b>	<b>1,462,446,775</b>	<b>1,338,895,491</b>	<b>9.23%</b>

(1) Seguros CLC was created by Resolution N°237 of June 2006.

(2) By Resolution N°352 of August 2006, Altavida changed its name to Santander Seguros de Vida.

(3) On June 30, 2007, the company Seguros Vida Security Prevision bought out the company Security Rentas Seguros de Vida S.A.

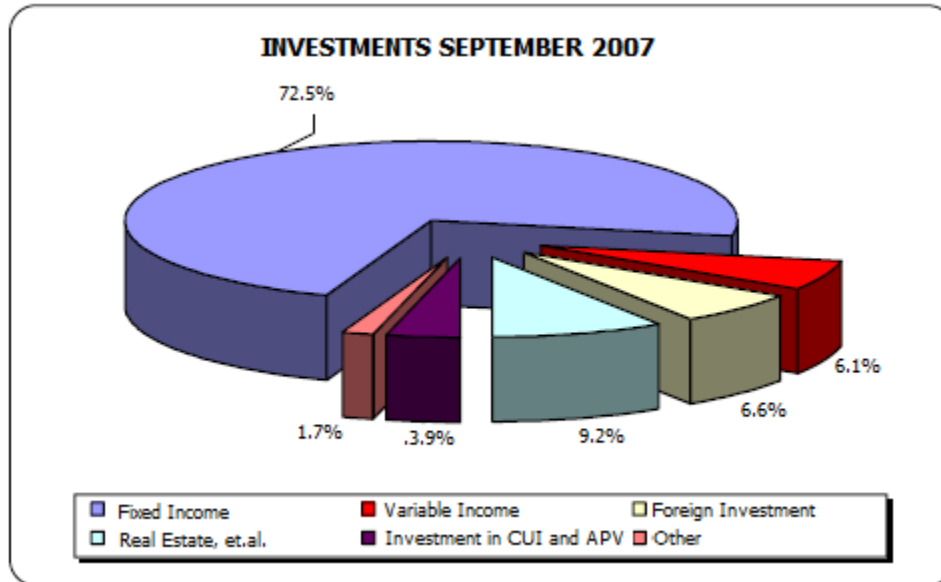
## **A.- Investment Structure**

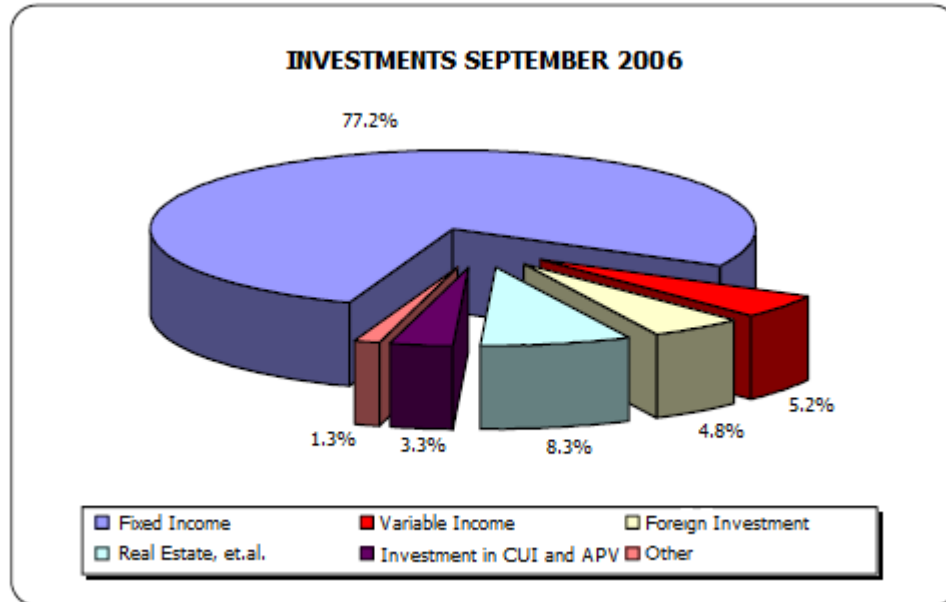
Investments made by life insurance companies between January and September of 2007 grew by 6.28% in comparison with the same period of last year. An overwhelming amount of investments were in fixed-income titles, representing 72.5% of total investments up to September 2007.

Nevertheless, investment in fixed-income instruments has experienced a decline in the past few years regarding its portfolio participation, giving more room to investments that generate greater profits. Given this change, an increase in portfolio participation can be seen by other types of investment during the first nine months of the year 2007, with respect to the same period of last year, with a significant 46.7% increase in foreign investments.

Type of Investment	September 2007 (\$thousand Sept. 2007)	Percentage (%)	September 2006 (\$thousand Sept. 2007)	Percentage (%)
Fixed Income	10,362,612,471	72.5%	10,371,119,495	77.2%
Variable Income	868,359,144	6.1%	697,326,872	5.2%
Foreign	937,975,790	6.6%	639,256,722	4.8%
Real Estate, et.al	1,315,253,747	9.2%	1,112,238,394	8.3%
CUI* and APV	561,660,190	3.9%	445,140,861	3.3%
Other	238,304,264	1.7%	175,295,525	1.3%
<b>Total Investments</b>	<b>14,284,165,606</b>	<b>100%</b>	<b>13,440,378,869</b>	<b>100%</b>

\*CUI: Insurance with a unique investment account.





## B. Indicators of Debt

With respect to debt indicators, the Required Liability to Equity ratio shows a decline in comparison with the previous period, with an indicator of 7.12 during the first nine months of 2007 and of 7.65 during the year 2006. On the other hand, the Financial Liabilities to Equity indicator maintained practically the same with a slight drop, showing a ratio of 0.07 in comparison to 0.08 of the previous period.

Indicator	Market Total
Return on Equity Jan-Sept 2007	20.56%
Return on Equity Jan-Sept 2006	14.28%
Return on Investments Jan-Sept 2007	6.93%
Return on Investments Jan-Sept 2006	6.34%
Required Liabilities to Equity Jan-Sept 2007 (Ratio)	7.12
Required Liabilities to Equity Jan-Sept 2006 (Ratio)	7.65
Financial Liabilities to Equity Jan-Sept 2007 (Ratio)	0.07
Financial Liabilities to Equity Jan-Sept 2006 (Ratio)	0.08

## II. GENERAL INSURANCE COMPANIES

The profits of the general insurance market went up by 45.9% during the first nine months of the year 2007, in comparison to the same period of last year, reaching US\$ 28.4 million.

### *Net Profit Variation by Company*

Company	Jan-Sept 2007 (\$thousand Sept 2007)	Jan-Sept 2006 (\$thousand Sept 2007)
ABN AMRO GENERALES	-58,306	-201,349

ACE SEGUROS	-317,382	-338,728
ASEGURADORA MAGALLANES	1,254,129	1,185,865
BCI SEGUROS GENERALES	2,869,351	2,418,223
CARDIF	-3,569,862	2,879,893
CHILENA CONSOLIDADA	650,734	-597,513
CHUBB DE CHILE	467,408	383,528
COFACE CHILE	289,062	305,085
CONSORCIO NACIONAL	362,887	618,491
CREDITO CONTINENTAL	1,505,687	1,276,063
HUELEN	-5,969	48,851
INTERAMERICANA	3,932,144	1,351,749
ISE CHILE	948,852	298,965
LIBERTY	333,486	681,828
MAPFRE SEGUROS GENERALES	-2,158,989	-2,385,640
MAPRFE GARANTIAS Y CREDITO	413,914	712,607
MUTUALIDAD DE CARABINEROS	540,812	635,852
PENTA SECURITY	2,558,944	2,475,229
PENTA NACIONAL	508,333	474,391
ROYAL & SUN ALLIANCE (1)	3,060,935	-2,022,045
SANTANDER (2)	956,297	-236,795
<b>TOTAL</b>	<b>14,542,467</b>	<b>9,964,553</b>

(1) In June 2006, Royal & Sun Alliance bought all shares for the Compañía Cruz del Sur.

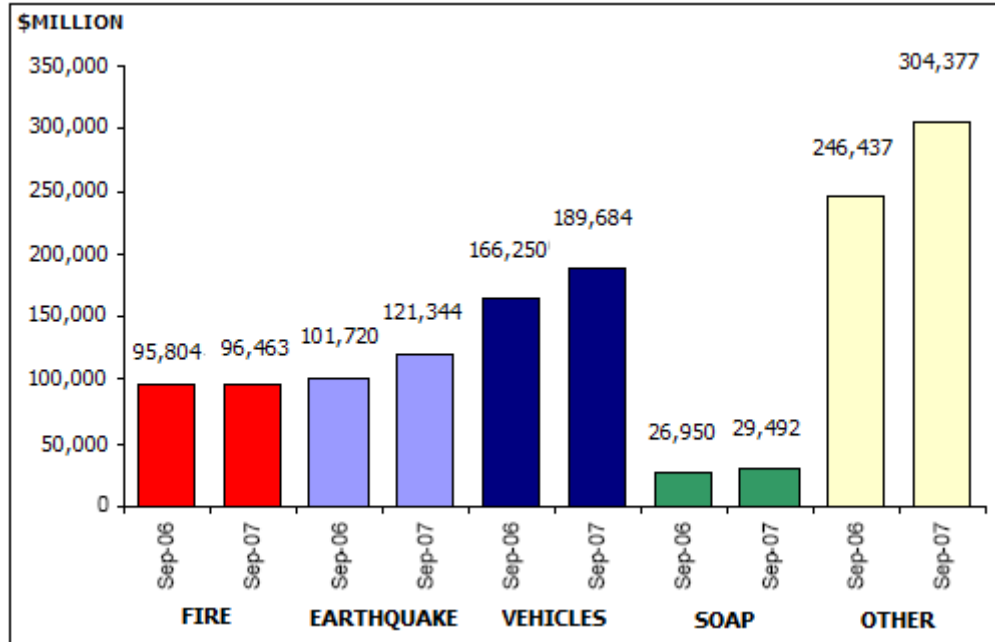
(2) Santander Seguros Generales S.A. was created by Resolution N°297 of July 2006.

Cumulative Direct Premiums during the first nine months of the year 2007 for General Insurance Companies totaled US\$ 1,448.8 million, showing a 16.35% increase with respect to the same period of the previous year.

It should be pointed out that an increase is seen in all areas, but with a significant rise in earthquake insurance sales, which rose by 19.3%, and in vehicle insurance, which grew by 14.1% during the period.

Area	Jan-Sept 2007 (\$thousand Sept 2007)	Jan-Sept 2006 (\$thousand Sept 2007)	Variation (%)
Fire	96,462,994	95,803,545	0.69%
Earthquake	121,343,527	101,720,157	19.29%
Vehicle	189,684,417	166,249,828	14.10%
SOAP (Obligatory Vehicle Insurance)	29,491,537	26,950,213	9.43%
Other	304,376,884	246,437,387	23.51%
<b>Total Direct Premium</b>	<b>741,359,359</b>	<b>637,161,130</b>	<b>16.35%</b>

***Direct Premium by Area of General Insurance (September 2006 – September 2007)***



The companies that show the greatest percentage growth in sales from the first nine months in 2006 to the same period in 2007 include: HUELEN, CONSORCIO, BCI and PENTA SECURITY.

### Direct Premium Variation by Company

Company	Jan-Sept 2007 (\$thousand Sept 2007)	Jan-Sept 2006 (\$thousand Sept 2007)	Variation (%)
ABN AMRO GENERALES	0	-1,113,574	-
ACE SEGUROS S.A.	29,844,768	22,791,571	30.95%
ASEGURADORA MAGALLANES	53,353,851	42,423,976	25.76%
BCI SEGUROS GENERALES	54,100,206	39,051,120	38.54%
CARDIF	56,395,582	43,634,763	29.24%
CHILENA CONSOLIDADA	87,042,251	81,288,252	7.08%
CHUBB DE CHILE	6,765,039	6,035,746	12.08%
COFACE CHILE S.A.	3,976,940	3,618,056	9.92%
CONSORCIO NACIONAL	13,148,876	9,430,701	39.43%
CREDITO CONTINENTAL	7,985,395	7,120,275	12.15%
HUELEN	160,333	107,960	48.51%
INTERAMERICANA	85,030,280	81,957,456	3.75%
ISE CHILE	13,387,448	13,739,390	-2.56%
LIBERTY	54,718,286	46,302,511	18.18%
MAPFRE SEGUROS GENERALES	58,970,490	60,141,044	-1.95%
MAPRFE GARANTIAS Y CREDITO	4,391,802	4,052,037	8.39%
MUTUALIDAD DE CARABINEROS	687,300	679,836	1.10%



PENTA SECURITY	80,586,726	58,975,667	36.64%
RENTA NACIONAL	9,078,878	7,861,898	15.48%
ROYAL & SUN ALLIANCE (1)	109,081,210	107,409,493	1.56%
SANTANDER (2)	12,653,698	1,652,942	-
<b>TOTAL</b>	<b>741,359,359</b>	<b>637,161,130</b>	<b>16.35%</b>

(1) In June 2006, Royal & Sun Alliance bought all shares for the Compañía Cruz del Sur.

(2) Santander Seguros Generales S.A. was created by Resolution N°297 of July 2006.

With respect to the return on equity indicator, during the first nine months of 2007 general insurance companies showed an improvement to the previous period, reflecting an increase in profit. Return on equity increased to 8.18% from the 6.03% presented during the same period of last year.

On the other hand, return on investments maintained fairly consistent with the level shown during the previous period, with an indicator of 3.33%.

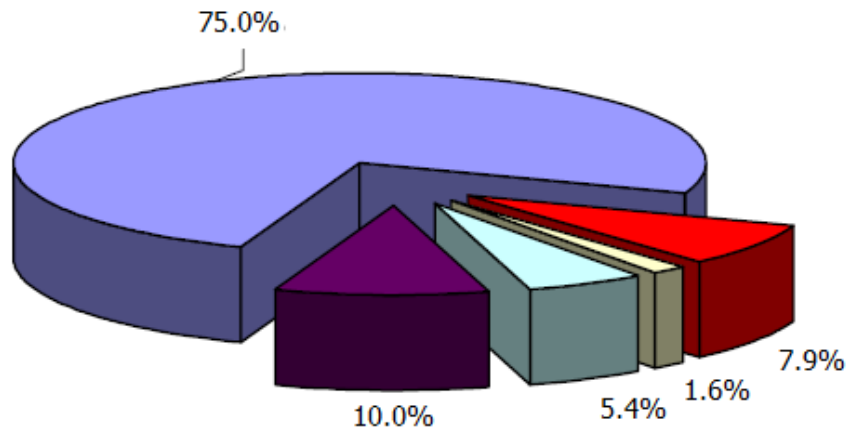
### A.- Investment Structure

The total amount of investments maintained in the portfolios of the first group of insurance companies, between January and September 2007, increased by 17.08% in comparison with the same period of last year, reaching US\$ 876 million.

Investments made by General Insurance Companies were heavily concentrated in national fixed income securities, representing 75.0% of all investments. During this period, it should be pointed out there was an increase in all investments types, with the exception of investment in variable income securities, showing a strong 68% rise in foreign investment and a 48% rise in investment in real estate.

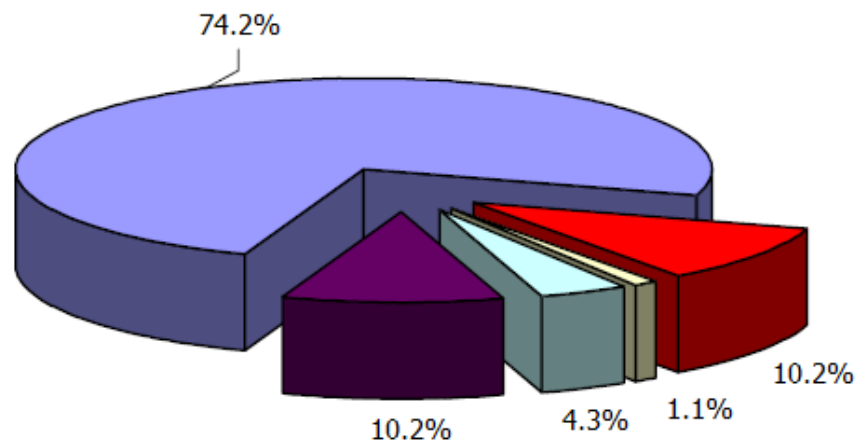
Type of Investment	September 2007 (\$thousand Sept. 2007)	Percentage (%)	September 2006 (\$thousand Sept. 2007)	Percentage (%)
Fixed Income	336,112,232	75.0%	284,081,182	74.2%
Variable Income	35,497,511	7.9%	38,947,375	10.2%
Foreign	7,290,321	1.6%	4,338,432	1.1%
Real Estate, et.al	24,408,767	5.4%	16,459,148	4.3%
Other	44,978,295	10.0%	39,054,286	10.2%
<b>Total Investments</b>	<b>448,287,126</b>	<b>100%</b>	<b>382,880,423</b>	<b>100%</b>

### INVESTMENTS SEPTEMBER 2007



■ Fixed Income ■ Variable Income ■ Foreign ■ Real Estate ■ Other

### INVESTMENTS SEPTEMBER 2006



■ Fixed Income ■ Variable Income ■ Foreign ■ Real Estate ■ Other

### B.- Indicators of Debt

With respect to debt levels, we can see a slight increase in the Required Liabilities to Equity ratio which reached 2.53 during the first nine months of 2007, in comparison with 2.39 during the same period of last year. On the other hand, the Financial Liabilities to Equity indicators stayed the same at 0.01.

Indicator	Market Total
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Return on Equity Jan-Sept 2007	8.18%
Return on Equity Jan-Sept 2006	6.03%
Return on Investments Jan-Sept 2007	3.33%
Return on Investments Jan-Sept 2006	3.35%
Required Liabilities to Equity Jan-Sept 2007 (Ratio)	2.53
Required Liabilities to Equity Jan-Sept 2006 (Ratio)	2.39
Financial Liabilities to Equity Jan-Sept 2007 (Ratio)	0.01
Financial Liabilities to Equity Jan-Sept 2007 (Ratio)	0.01

### III. INSURANCE BROKERS

#### 1. Breakdown of Intermediaries as of September 2007

Insurance intermediaries are distributed in the following way:

	<i>Individuals</i>	<i>Companies</i>	<i>Total</i>
General, Life, and Life Annuities Insurance	575	93	668
Only General and Life Insurance	1,165	293	1,458
Only Life Annuities	400	5	405
<b>Total</b>	<b>2,140</b>	<b>391</b>	<b>2,531</b>

#### 2. Results of Intermediation by Banking Subsidiary Companies as of September 2007

Premiums intermediated by insurance brokers from banking subsidiary companies as of September 2007 experienced a growth of 16.15% with respect to the same period in 2006. On the other hand, intermediation commissions decreased this year to 15.55%.

<i>Company</i>	<i>Intermediary Premium Jan. - Sept. 2007</i>	<i>Intermediary Premium Jan. - Sept. 2007</i>	<i>Intermediary Premium Variation %</i>	<i>Commission(*)/ Intermediary Premium % Jan. - Sept. 2007</i>	<i>Commission(*)/ Intermediary Premium % Jan. - Sept. 2006</i>
All Companies	384,394,847	330,940,895	16.15%	15.55%	16.04%
Banripley	7,929,551	8,540,877	-7.16%	12.99%	13.51%
Santander	96,723,072	88,023,283	9.88%	9.89%	10.44%
Banchile	54,593,098	49,364,875	10.59%	16.07%	15.06%

BankBoston	8,122,842	7,747,031	4.85%	40.57%	33.16%
BancoEstado	71,220,446	57,706,479	23.42%	18.71%	21.37%
Citibank	16,486,897	16,173,521	1.94%	28.19%	30.95%
Scotia Corp	7,184,803	7,120,786	0.90%	24.60%	21.85%
Bci (ex Genera) (*)	20,537,460	15,245,447	34.71%	22.05%	20.67%
Bice	54,495,848	9,438,659	477.37%	17.30%	29.19%
Ex Bci (bought by Genera) (*)	5,754,357	4,752,089	21.09%	11.17%	11.68%
Bbva	0	35,694,663			14.22%
	41,346,473	31,133,183	32.81%	6.70%	7.39%

In thousands of pesos as of September 2007

On 09/26/2007 Genera bought Bci and changed its name to Bci.

#### IV. MORTGAGE LOAN ADMINISTRATORS

The following table shows the main industry indicators as of September 2007.

Indicator	Market
Debt Ratio (number of times, market average)	4.12
Loans granted (market total, January to September 2007)	6,462
Loans endorsed (market total, January to September 2007)	5,488
Results Jan. – Sept. 2007 (\$thousand Sept. 2007, market total)	200,063
Total Number of Registered Administrators	16

Santiago, November 7, 2007.