

CHEMICAL & MINING CO OF CHILE INC

Form 6-K

January 05, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE

SECURITIES EXCHANGE ACT OF 1934

For the month of January, 2018.

Commission File Number 33-65728

CHEMICAL AND MINING COMPANY OF CHILE INC.

(Translation of registrant's name into English)

El Trovador 4285, Santiago, Chile (562) 2425-2000

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F: ☒ Form 40-F: ☐

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Santiago, Chile. January 4, 2018.- Sociedad Química y Minera de Chile S.A. (SQM) (NYSE: SQM; Santiago Stock Exchange: SQM-B, SQM-A) reports the translation of its financial statements for the nine months ended September 30, 2017, the Spanish version of which was filed with the Chilean Superintendency of Securities and Insurance (*Superintendencia de Valores y Seguros* or “SVS”) on November 22, 2017.

CONSOLIDATED FINANCIAL STATEMENTS

For the period ended

September 30, 2017

Sociedad Química y Minera de Chile S.A. and Subsidiaries

In Thousands of United States Dollars

This document includes:

- Report of Independent Register Public Accounting Firms
- Consolidated Classified Statements of Financial Position
- Consolidated Statements of Income by Function
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Cash Flows
- Consolidated Statements of Changes
in Equity
- Notes to the Consolidated Financial Statements

Sociedad Química y Minera de Chile S.A. and Subsidiaries

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Classified Statements of Financial Position**

Assets	Note	As of September 30, 2017 ThUS\$	As of December 31, 2016 ThUS\$
Current assets			
Cash and cash equivalents	7.1	520,561	514,669
Other current financial assets	10.1	384,232	289,189
Other current non-financial assets	24	34,858	30,273
Trade and other receivables, current	10.2	377,286	368,761
Trade receivables due from related parties, current	9.5	62,855	82,259
Current inventories	8	916,386	993,072
Current tax assets	27.1	51,404	51,632
Current assets other than assets classified as held-for-sale or disposal		2,347,582	2,329,855
Non-current assets or asset groups for disposal classified as held-for-sale		1,894	2,056
Total current assets		2,349,476	2,331,911
Non-current assets			
Other non-current financial assets	10.1	35,242	34,099
Other non-current non-financial assets	24	27,710	24,690
Trade receivables, non-current	10.2	1,466	1,840
Investments classified using the equity method of accounting	11.1-12.3	111,378	113,140
Intangible assets other than goodwill	13.1	108,166	109,439
Goodwill	13.1	44,177	37,972
Property, plant and equipment	14.1	1,435,034	1,532,710
Tax assets, non-current	28.1	32,179	32,179
Deferred tax assets	28.3	-	664
Total non-current assets		1,795,352	1,886,733
Total assets		4,144,828	4,218,644

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Classified Statements of Financial Position, (continued)**

Liabilities and Equity	Note	As of September 30, 2017 ThUS\$	As of December 31, 2016 ThUS\$
Current liabilities			
Other current financial liabilities	10.4	133,562	179,144
Trade and other payables, current	10.5	169,315	200,496
Trade payables due to related parties, current	9.6	1,052	7
Other current provisions	18.1	46,970	41,912
Current tax liabilities	27.2	71,757	75,872
Provisions for employee benefits, current	15.1	15,675	20,998
Other current liabilities	18.3	181,560	61,920
Total current liabilities		619,891	580,349
Non-current liabilities			
Other non-current financial liabilities	10.4	1,021,168	1,093,438
Other non-current provisions	18.1	16,564	8,934
Deferred tax liabilities	27.3	206,003	206,119
Provisions for employee benefits, non-current	15.1	29,706	22,532
Total non-current liabilities		1,273,441	1,331,023
Total liabilities		1,893,332	1,911,372
Equity	17		
Share capital		477,386	477,386
Retained earnings		1,724,787	1,781,576
Other reserves		(9,867)	(12,888)
Equity attributable to owners of the Parent		2,192,306	2,246,074
Non-controlling interests		59,190	61,198
Total equity		2,251,496	2,307,272
Total liabilities and equity		4,144,828	4,218,644

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Income by Function**

	Note	January to September		July to september	
		2017	2016	2017	2016
		ThUS\$	ThUS\$	ThUS\$	ThUS\$
Revenue	26.1	1,582,549	1,385,507	558,685	504,048
Cost of sales	26.2	(1,036,162)	(979,299)	(370,148)	(358,332)
Gross profit		546,387	406,208	188,537	145,716
Other income	26.3	12,098	10,824	6,236	5,162
Administrative expenses	26.4	(72,605)	(62,641)	(26,518)	(21,834)
Other expenses by function	26.5	(26,872)	(46,727)	(13,476)	(37,116)
Other gains (losses)	26.6	(868)	(1,800)	123	(2,555)
Profit (loss) from operating activities		458,140	305,864	154,902	89,373
Finance income		8,809	7,979	3,093	1,362
Finance costs	21-26.8	(37,811)	(45,203)	(12,265)	(12,782)
Share of profit of associates and joint ventures accounted for using the equity method	11-12	10,566	12,441	2,742	1,844
Foreign currency translation differences	22	602	(575)	5,309	1,019
Profit (loss) before taxes		440,306	280,506	153,781	80,816
Income tax expense, continuing operations	27.3	(123,376)	(81,116)	(40,766)	(23,824)
Profit for the year		316,930	199,390	113,015	56,992
Profit attributable to					
Owners of the Parent		317,243	197,426	112,857	55,813
Non-controlling interests		(313)	1,964	158	1,179
Profit for the year		316,930	199,390	113,015	56,992

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Income by Function, (continued)

	Note	January to September 2017 US\$	January to September 2016 US\$	July to September 2017 US\$	July to September 2016 US\$
Earnings per share					
Common shares					
Basic earnings per share (US\$ per share)	20	1,2053	0,7501	0,4288	0,2120
Diluted common shares					
Diluted earnings per share (US\$ per share)	20	1,2053	0,7501	0,4288	0,2120

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Comprehensive Income**

Statement of comprehensive income	January to September		July to September	
	2017	2016	2017	2016
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Profit (loss) for the year	316,930	199,390	113,015	56,992
Other comprehensive income				
Items of other comprehensive income that will not be reclassified to profit for the year, before taxes				
Other comprehensive income, before taxes, gains (losses) from new measurements of defined benefit plans	80	(2,955)	686	(1,941)
Total other comprehensive income that will not be reclassified to profit for the year, before taxes	80	(2,955)	686	(1,941)
Items of other comprehensive income that will be reclassified to profit for the year, before taxes				
Foreign currency exchange difference				
Foreign currency exchange gains I(losses) before taxes	(1,701)	940	(203)	(376)
Other comprehensive income before taxes	(1,701)	940	(203)	(376)
Financial assets available-for-sale				
Profit (loss) from new measurements of available for sale financial assets net of taxes	(57)	-	3,808	-
Other comprehensive income before taxes	(57)	-	3,808	-
Cash flow hedges on defined benefit plans				
Gains (losses) from cash flow hedges	1,826	48	(307)	407
Other comprehensive income before taxes	1,826	48	(307)	407
Total other comprehensive income that will be reclassified to profit for the year	68	988	3,298	31
Other items of other comprehensive income before taxes	148	(1,967)	3,984	(1,910)
Income taxes related to items of other comprehensive income that will not be reclassified to profit for the year				
Income taxes related to new measurements of defined benefit plans in other comprehensive income	(79)	778	(208)	581
Accumulated income taxes related to items of other comprehensive income that will not be reclassified to profit for the year	(79)	778	(208)	581
Income taxes related to items of other comprehensive income that will be reclassified to profit for the year				
Income taxes related to available for sale financial assets from other comprehensive income	(544)	-	(506)	-

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Income taxes related to cash flow hedges in other comprehensive income	-	18	(24)	(130)
Accumulated income taxes related to items of other comprehensive income that will be reclassified to profit for the year	(544)	18	(530)	(130)
Total other comprehensive income	(475)	(1,171)	3,246	(1,459)
Total comprehensive income	316,455	198,219	116,261	55,533
Comprehensive income attributable to				
Owners of the Parent	316,764	196,241	116,102	54,352
Non-controlling interests	(309)	1,978	159	1,181
Total comprehensive income	316,455	198,219	116,261	55,533

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Cash Flows**

Consolidated Statements of cash flows	Note	9/30/2017	9/30/2016
		ThUS\$	ThUS\$
Cash flows from operating activities			
Cash receipts from sales of goods and rendering of services		1.520.970	1.380.502
Cash receipts from premiums and benefits, annuities and other benefits from policies entered		154	4.432
Cash payments to suppliers for the provision of goods and services (1)		(690.749)	(666.037)
Cash payments to and on behalf of employees		(167.075)	(143.030)
Other payments related to operating activities		(7.967)	(39.137)
Net cash generated from (used in) operating activities		655.333	536.730
Dividends received		1.769	3.632
Interest paid		(18.351)	(15.029)
Interest received		8.809	7.979
Income taxes paid		(146.173)	(62.688)
Other incomes (outflows) of cash (2)		13.992	(14.450)
Net cash generated from (used in) operating activities		515.379	456.174
Cash flows from (used in) investing activities			
Payments made to acquire interest in joint ventures		(42)	(27.255)
Proceeds from the sale of property, plant and equipment		4.667	1.122
Acquisition of property, plant and equipment		(98.323)	(83.577)
Proceeds from sales of intangible assets		5.999	2.742
Cash advances and loans granted to third parties		-	(2.100)
Proceeds from the repayment of advances and loans granted to third parties		117	(15)
Other inflows (outflows) of cash (3)		(94.614)	235.064
Net cash generated from (used in) investing activities		(182.196)	125.981

(1) Includes a payment of ThUS\$30,000 made to the SEC and the DOJ, which was provisioned in 2016.

(2) Other inflows (outflows) of cash from operating activities include increases (decreases) net of Value Added Tax.

(3) Other inflows (outflows) of cash include investments and redemptions of time deposits and other financial instruments that do not qualify as cash and cash equivalent in accordance with IAS 7, paragraph 7, since they mature in more than 90 days from the original investment date.

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries

Consolidated Statements of Cash Flows, (continued)

	Note	9/30/2017 ThUS\$	9/30/2016 ThUS\$
Cash flows used in financing activities			
Proceeds from short-term borrowings		20.000	60.000
Repayment of borrowings		(86.712)	(237.000)
Dividends paid		(260.566)	(175.111)
Other cash receipts (payments) (4)		-	(200.000)
Net cash generated used in financing activities		(327.278)	(552.111)
Net increase (decrease) in cash and cash equivalents before the effect of changes in the exchange rate		5.905	30.044
Effects of exchange rate fluctuations on cash held		(13)	15.105
Net (decrease) increase in cash and cash equivalents		5.892	45.149
Cash and cash equivalents at beginning of period		514.669	527.259
Cash and cash equivalents at end of period		520.561	572.408

(4) Other inflows (outflows) of cash from financing activities include a payment of ThUS\$200,000 on the single-series bond made in 2016.

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Changes in Equity**

2017	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	Reserve for gains (losses) from financial assets measured at fair value through comprehensive income	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(19,463)	64	3,513	(4,834)	7,832	(12,888)	1,781,576	2,246,074	61,198	2,307,170
Profit for the year	-	-	-	-	-	-	-	317,243	317,243	(313)	316,930
Other comprehensive income	-	(1,701)	1,826	(600)	(4)	-	(479)	-	(479)	4	(475)
Comprehensive income	-	(1,701)	1,826	(600)	(4)	-	(479)	317,243	316,764	(309)	316,455
Dividends	-	-	-	-	-	-	-	(370,532)	(370,532)	(1,699)	(372,231)
Increase (decrease) due to transfers and other changes	-	-	-	-	-	3,500	3,500	(3,500)	-	-	-
Increase (decrease) in equity	-	(1,701)	1,826	(600)	(4)	3,500	3,021	(56,789)	(53,768)	(2,008)	(55,730)
Equity as of September 30, 2017 (Unaudited)	477,386	(21,164)	1,890	2,913	(4,838)	11,332	(9,867)	1,724,787	2,192,306	59,190	2,251,485

The accompanying notes form an integral part of these consolidated financial statements.

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Sociedad Química y Minera de Chile S.A. and Subsidiaries**Consolidated Statements of Changes in Equity**

2016	Share capital	Foreign currency translation difference reserves	Cash flow hedge reserves	Actuarial gains (losses) from defined benefit plans	Other miscellaneous reserves	Other reserves	Retained earnings	Equity attributable to owners of the Parent	Non-controlling interests	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Equity at beginning of the year	477,386	(14,035)	(1,699)	(2,386)	(1,677)	(19,797)	1,882,196	2,339,785	60,571	2,400,356
Profit for the year	-	-	-	-	-	-	197,426	197,426	1,964	199,390
Other comprehensive income	-	(83)	66	(2,146)	978	(1,185)	-	(1,185)	14	(1,171)
Comprehensive income	-	(83)	66	(2,146)	978	(1,185)	197,426	196,241	1,978	198,219
Dividends	-	-	-	-	-	-	(248,714)	(248,714)	(1,877)	(250,591)
Increase (decrease) in equity	-	(83)	66	(2,146)	978	(1,185)	(51,288)	(52,473)	101	(52,372)
Equity as of September 30, 2016 (Unaudited)	477,386	(14,118)	(1,633)	(4,532)	(699)	(20,982)	1,830,908	2,287,312	60,672	2,347,984

The accompanying notes form an integral part of these consolidated financial statements.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 1 Identification and Activities of the Company and Subsidiaries

1.1 Historical background

Sociedad Química y Minera de Chile S.A. "SQM" is an open stock corporation organized under the laws of the Republic of Chile and its Tax Identification Number is 93.007.000-9.

The Company was incorporated through a public deed dated June 17, 1968 by the notary public of Santiago MR. Sergio Rodríguez Garcés. Its existence was approved by Decree No. 1,164 of June 22, 1968 of the Ministry of Finance, and it was registered on June 29, 1968 in the Registry of Commerce of Santiago, on page 4,537 No. 1,992. SQM's headquarters are located at El Trovador 4285, Fl. 6, Las Condes, Santiago, Chile. The Company's telephone number is +56 2 2425-2000.

The Company is registered with the Securities Registry of the Chilean Superintendence of Securities and Insurance (SVS) under No. 0184 dated March 18, 1983 and is subject to the inspection of the SVS.

1.2 Main domicile where the Company performs its production activities

The Company's main domiciles are: Calle Dos Sur plot No. 5 - Antofagasta; Arturo Prat 1060 - Tocopilla; Administration Building w/n - Maria Elena; Administration Building w/n Pedro de Valdivia - María Elena, Anibal Pinto 3228 - Antofagasta, Kilometer 1378 Ruta 5 Norte Highway - Antofagasta, Coya Sur Plant w/n - Maria Elena, kilometer 1760 Ruta 5 Norte Highway - Pozo Almonte, Salar de Atacama (Atacama Saltpeter deposit) potassium chloride plant s/n - San Pedro de Atacama, potassium sulfate plant at Salar de Atacama s/n – San Pedro de Atacama, Minsal Mining Camp s/n CL Plant CL, Potassium– San Pedro de Atacama, formerly the Iris Saltpeter office S/N, Commune of Pozo Almonte, Iquique.

1.3 Codes of main activities

The codes of the main activities as established by the Chilean Superintendence of Securities and Insurance are as follows:

- 1700 (Mining)

-2200 (Chemical products)

-1300 (Investment)

1.4 Description of the nature of operations and main activities

Our products are mainly derived from mineral deposits found in northern Chile. We mine and process caliche ore and brine deposits. The ore deposit in northern Chile contains nitrate and iodine deposits. The brine deposits of the Salar de Atacama, in northern Chile, contain high concentrations of lithium and potassium as well as significant concentrations of sulfate.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 1 Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

From our caliche ore deposits located in the north of Chile, we produce a wide range of nitrate-based products used for specialty plant nutrients and industrial applications, as well as iodine and iodine derivatives. At the Salar de Atacama, we extract brines rich in potassium, lithium and sulfate in order to produce potassium chloride, potassium sulfate, lithium solutions, and bischofite (magnesium chloride). We produce lithium carbonate and lithium hydroxide at our plant near the city of Antofagasta, Chile, from the solutions brought from the Salar de Atacama.

We sell our products in over 100 countries worldwide through our global distribution network and generate our revenue mainly from abroad.

Our products are divided into six categories: specialty plant nutrition, iodine and its derivatives, lithium and its derivatives, industrial chemicals, potassium and other products and services, described as follows:

Specialty plant nutrition: SQM produces and sells four types of specialty plant nutrition in this line of business: potassium nitrate, sodium nitrate, sodium potassium nitrate, and specialty mixes. This business is characterized by being closely related to its customers for which it has specialized staff who provide expert advisory in best practices for fertilization according to each type of crop, soil and climate. Within this type of business, potassium derivative products and especially potassium nitrate have had a leading role because of the contribution they make to developing crops, ensuring an improvement in post-crop life, in addition to improving quality, flavor and fruit color. The potassium nitrate, which is sold in multiple formats and as a part of other specialty mixtures, is complemented by sodium nitrate, potassium sodium nitrate, and more than 200 fertilizing mixtures.

Iodine: The Company is a major global producer of iodine. Iodine is widely used in the pharmaceutical industry, technology and nutrition. Additionally, iodine is used as X ray contrast media and polarizing film for LCD displays.

Lithium: The Company's lithium is mainly used for manufacturing rechargeable batteries for cell phones, cameras and notebooks. By manufacturing lithium-based products, SQM provides significant materials for addressing great challenges, such as the efficient use of energy and raw materials. Lithium is not only used for rechargeable batteries for small electrical appliances such as mobile phones, tablets and laptops, but is also used in industrial applications, such as the manufacturing of glass, ceramics and lubricating greases. Other uses include the pharmaceutical and chemical industries.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 1 Identification and Activities of the Company and Subsidiaries (continued)

1.4 Description of the nature of operations and main activities, continued

Industrial chemicals: Industrial chemicals are products used as supplies for a number of production processes. SQM participates in this line of business producing sodium nitrate, potassium nitrate and potassium chloride. Industrial nitrates have increased their importance over the last few years due to their use as storage means for thermal energy at solar energy plants, which are widely used in countries such as Spain and the United States in their quest to decrease CO₂ emissions.

Potassium: Potassium is a primary essential macro-nutrient, and even though does not form part of the plant's structure, it has a significant role for the development of its basic functions, ensuring the quality of a crop, increasing post-crop life, improving crop flavor, the amount of vitamins it contains and its physical appearance. Within this business line, SQM also has potassium chlorate and potassium sulfate, both extracted from the salt layer located under the Salar de Atacama (the Atacama Saltpeter Deposit).

Other products and services: This business line includes revenue from commodities, services, interests, royalties and dividends.

1.5 Other background

Staff

As of September 30, 2017, and December 31, 2016, the workforce was as follows:

	9/30/2017			12/31/2016		
	SQM S.A.	Other subsidiaries	Total	SQM S.A.	Other subsidiaries	Total
Employees						
Executives	40	76	116	31	72	103
Professionals	137	935	1,072	119	919	1,038
Technicians and operators	256	3,156	3,412	262	3,076	3,338
Foreign employees	17	268	285	8	264	272
Overall total	450	4,435	4,885	420	4,331	4,751

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 1 Identification and Activities of the Company and subsidiaries (continued)

1.5 Other background, continued

Main shareholders

The table below establishes certain information about the beneficial property of Series A and Series B shares of SQM as of September 30, 2017 and December 31, 2016 with respect to each shareholder with an interest in excess of 5% of outstanding Series A or B shares. The information below is taken from our records and reports controlled in the Central Securities Depository and reported to the Superintendence of Securities and Insurance (SVS) and the Chilean Stock Exchange, whose main shareholders are as follows:

Shareholder as of September 30, 2017	No. of Series A with ownership	% of Series A shares		No. of Series B with ownership	% of Series B shares	% of total shares	
The Bank of New York Mellon, ADRs	-	-		55,706,560	46.28	%	21.17 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,894,152	31.43	%	7,007,688	5.82	%	19.72 %
Inversiones El Bolder Limitada	29,330,326	20.54	%	16,363,546	13.59	%	17.36 %
Inversiones RAC Chile Limitada	19,200,242	13.44	%	2,202,773	1.83	%	8.13 %
Potasios de Chile S.A.(*)	18,179,147	12.73	%	-	-		6.91 %
Inversiones PCS Chile Limitada	15,526,000	10.87	%	1,600,000	1.33	%	6.51 %
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3.34 %
Banco de Chile por Cuenta de Terceros no Residentes	-	-		8,269,845	6.87	%	3.14 %
Banco Itau por Cuenta de Inversionistas	20,950	0.01	%	6,771,809	5.63	%	2.58 %
Banco Santander por cuenta de inversionistas extranjeros	-	-		4,149,927	3.45		1.58 %

(*) Total Pampa Group 29.97%

Shareholder as of December 31, 2016	No. of Series A with ownership	% of Series A shares		No. of Series B with ownership	% of Series B shares	% of total shares	
The Bank of New York Mellon, ADRs	-	-		59,373,011	49.32	%	22.56 %
Sociedad de Inversiones Pampa Calichera S.A.(*)	44,894,152	31.43	%	7,007,688	5.82	%	19.72 %
Inversiones El Bolder Limitada	29,330,326	20.54	%	16,363,546	13.59	%	17.36 %

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Inversiones RAC Chile Limitada	19,200,242	13.44	%	2,202,773	1.83	%	8.13	%
Potasios de Chile S.A.(*)	18,179,147	12.73	%	-	-		6.91	%
Inversiones PCS Chile Limitada	15,526,000	10.87	%	1,600,000	1.33		6.51	%
Banco de Chile on behalf of non-resident third parties	-	-		8,962,355	7.45	%	3.41	%
Inversiones Global Mining (Chile) Limitada (*)	8,798,539	6.16	%	-	-		3.34	%
Banco Itaú on behalf of investors	20,950	0.01	%	6,502,217	5.40	%	2.48	%
Inversiones La Esperanza Limitada	3,711,598	2.60	%	46,500	0.04	%	1.43	%

(*) Total Pampa Group 29.97%

On September 30, 2017 the total number of shareholders had risen to 1,223.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 2 Basis of presentation for the consolidated financial statements

2.1 Accounting period

These consolidated financial statements cover the following periods:

- Consolidated Statements of Financial Position for the periods ended September 30, 2017 and December 31, 2016.
- Consolidated Statements of Changes in Equity for the periods ended September 30, 2017 and 2016.
- Consolidated Statements of Comprehensive Income for the periods between January and September 30, 2017 and 2016.
- Statements of Direct-Method Cash Flows for the periods ended September 30, 2017 and 2016.

2.2 Financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its Subsidiaries were prepared in accordance with International Financial Reporting Standards (hereinafter “IFRS”) and represent the full, explicit and unreserved adoption of International Financial Reporting Standards as issued by the International Accounting Standards Board (hereinafter the “IASB”).

These consolidated financial statements fairly reflect the Company’s financial position, the comprehensive results of operations, changes in equity and cash flows occurring during the years then ended.

IFRS establish certain alternatives for their application. Those applied by the Company are detailed in this Note.

On October 17, 2014, the Chilean Superintendence of Securities and Insurance issued Official Communication No. 856 providing instructions for inspected entities to recognize within equity in the financial year 2014, any differences in deferred tax assets and liabilities resulting directly from the increase in the corporate income tax rate introduced by Law No. 20.780. This accounting treatment differs from that established by International Accounting Standard 12 (IAS 12) and, accordingly, represented a change in the accounting framework for the preparation and presentation of financial information that had been adopted up to that date.

As the above represented a specific and temporary departure from the IFRS, and in conformity with the provisions of paragraph 4 of IFRS 1, as of 2016, the Company decided to retrospectively apply those standards (in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”) as if had never ceased their application.

As the above does not amend any of the accounts disclosed in the statements of financial position as of September 30, 2017 and 2016 or those as of December 31, 2016 and 2015 in conformity with that indicated in paragraph 40A of IAS 1 “Presentation of Financial Statements”, it is not necessary to present the statement of financial position as of January 1, 2015 (third column).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 2 Basis of presentation for the consolidated financial (continued)

2.2 Financial statements, continued

The accounting policies used for the preparation of the annual consolidated accounts comply with all IFRS in issue at the reporting date.

For the closing date of these financial statements certain reclassifications have been made for the captions current tax assets, other non-current financial assets, equity accounted investees, current tax assets, non-current as of December 31, 2016, for consistent presentation and comparability to the figures as of September 30, 2017.

2.3 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Inventories are recorded at the lower of cost and net realizable value.
 - Financial derivatives at fair value; and
 - Staff severance indemnities and pension commitments at actuarial value
- Certain financial investments classified as available for sale measured at fair value with an offsetting entry in other comprehensive income.
- Other current and non-current assets and financial liabilities at amortized cost

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements

New accounting pronouncements

a) The following standards, interpretations and amendments are mandatory for the first time for annual periods beginning on January 1, 2017:

<i>Amendments and improvements</i>	Mandatory for annual periods beginning on
Amendment to IAS 7 “Statement of Cash Flows.” Issued in February 2016. The amendment introduces additional disclosures allowing users of the financial statements to assess changes in obligations from financing activities.	01/01/2017
Amendment to IAS 12 “Income Taxes.” Issued in February 2016. The amendment clarifies how to account for deferred taxes associated with debt securities measured at their fair value.	01/01/2017
Amendment to IFRS 12 “Disclosure of Interest in Other Entities.” Issued in December 2016. The amendment clarifies the scope of this standard. Such amendments must be applied retrospectively to annual periods beginning on January 1, 2017.	01/01/2017
Amendment to IAS 28 “Investments in Associates and Joint Ventures”, related to the measurement of the associate or joint venture at fair value. Issued in December 2016.	01/01/2017

The adoption of the standards, amendments and interpretations indicated above has no significant impact on the Company’s consolidated financial statements.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

b) Standards, interpretations and amendments issued that had not become effective for financial statements beginning on January 1, 2017 and which the Company has not adopted early are as follows:

<i>Standards and interpretations</i>	Mandatory for annual periods beginning on
<i>IFRS 9 "Financial Instruments" – Issued in July 20014. The IASB has issued the full version of IFRS 9, which supersedes the application guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and financial liabilities and an expected credit losses model that replaces the incurred loss impairment model used today. The final hedging accounting part of IFRS 9 was issued in November 2013. Early adoption is permitted.</i>	01/01/2018
<i>IFRS 15 "Revenue from Contracts with Customers" – Issued in May 2014. This standard establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. For such purposes, the basic principle is that an entity will recognize revenue representing the transfer of goods or services to customers in an amount that reflects the consideration that the entity expects to receive in exchange for such goods or services. The application of this standard will replace IAS 11 Construction Contracts and IAS 18 Revenue, as well as IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue-Barter Transactions Involving Advertising Services. Earlier adoption is permitted.</i>	01/01/2018
<i>IFRS 16 "Leases" – issued in January 2016 establishes the principle for the recognition, measurement, presentation and disclosure of leases. IFRS 16 supersedes the current IAS 17 and introduces a single model for accounting recognition for lessees and requires a lessee to recognize the assets and liabilities of all lease contracts over a term of more than 12 months, unless the underlying asset has a low value. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted for entities applying IFRS 15 prior to the date of initial application of IFRS 16.</i>	01/01/2019
<i>IFRS 17 "Insurance Contracts" - issued in May 2017, this replaces the current IFRS 4. IFRS 17 will mainly amend the accounting for all entities issuing insurance contracts and investment contracts with discretionary involvement characteristics. This standard is applicable to all annual periods beginning on January 1, 2021 and early adoption is allowed provided that the entity applies IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments."</i>	01/01/2021
	01/01/2018

IFRIC 22 “Foreign Currency Transactions and Advance Consideration.” Issued in December 2016. This interpretation is applicable to a transaction in foreign currency (or a portion thereof) if an entity recognizes a non-financial asset or non-financial liability arising from the payment of receipt of an advance consideration prior to the entity recognizing the related asset, expense or income (or the applicable portion thereof). The interpretation provides guidance for when a single payment / receipt occurs, as well as for situations in which multiple payments / receipts are made. It is intended to reduce diversity in practice

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.4 Accounting pronouncements, continued

<i>Amendments and improvements</i>	Mandatory for annual periods beginning on
IFRIC 23 “Uncertainty over Income Tax Treatments.” Issued in June 2016. This interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when uncertainty over the income tax treatments exists.	01/01/2013
Amendment to IFRS 15 "Revenue from Contracts with Customers." Issued in April 2016. This amendment provides clarification on the guidance for the identification of performance obligations in contracts with customers, the accounting for intellectual property license and the assessment of principal versus agent (gross presentation vs. net presentation of revenue). It includes new and amended illustrative examples, as well as practical examples related to the transition to the new revenue standard.	01/01/2018
Amendment to IFRS 9 “Financial Instruments”. Published in October 2017. The amendment permits more assets to be measured at amortized cost than under the previous version of IFRS 9, in particular some prepayable financial assets with negative compensation. The assets affected, which include some loans and debt securities, would otherwise have been measured at fair value through profit and loss (FVTPL). For them to qualify for amortized cost measurement, the negative compensation must be "reasonable compensation for early termination of the contract."	01/01/2019
Amendment to IAS 28 “Investments in Associates and Joint Ventures” Published in October 2017. This amendment clarifies that companies should apply IFRS 9 to account for long-term interests in an associate or joint venture to which the equity method is not applied. The Board has published an example that illustrates how companies should apply the requirements of IFRS 9 and IAS 28 to long-term interests in an associate or joint venture.	01/01/2019
The following amendment was issued by the IASB and was originally scheduled to take effect in 2016. However, the board has changed its position and the mandatory effective date is now to be determined.	
Amendment to IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures”. Published in September 2014. These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.	Undetermined

As of September 30, 2017, the Company's management is in the process of assessing the impacts on the consolidated financial statements of the adoption of IFRS 9, IFRS 15 and IFRS 16. However, for the remaining standards, amendments and interpretations described above, it believes they will not have any significant impact for the initial application period.

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Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation

(a) Subsidiaries

These are all those entities where Sociedad Química y Minera de Chile S.A. has control over directing their financial and operational policies. This is generally accompanied by a share of more than half of the voting rights. Subsidiaries apply the same accounting policies of their Parent.

To account for the acquisition, the Company uses the acquisition method. Under this method the acquisition cost is the fair value of assets delivered, equity securities issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingencies assumed in a business combination are measured initially at fair value at the acquisition date. For each business combination, the Company will measure non-controlling interest of the acquiree either at fair value or as proportional share of net identifiable assets of the acquiree.

Companies included in consolidation:

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest 9/30/2017			12/31/2016
				Direct	Indirect	Total	Total
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM North America Corp.	USA	US\$	40.0000	60.0000	100.0000	100.0000
Foreign	SQM Europe N.V.	Belgium	US\$	0.5800	99.4200	100.0000	100.0000
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Soquimich European Holding B.V.	Netherlands	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Corporation N.V.	Netherlands	US\$	0.0002	99.9998	100.0000	100.0000
Foreign	SQI Corporation N.V.	Netherlands	US\$	0.0159	99.9841	100.0000	100.0000
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	0.0100	99.9900	100.0000	100.0000
Foreign	North American Trading Company	USA	US\$	0.0000	100.0000	100.0000	100.0000

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Foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Peru S.A.	Peru	US\$	0.9800	99.0200	100.0000	100.0000
Foreign	SQM Ecuador S.A.	Ecuador	US\$	0.0040	99.9960	100.0000	100.0000
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQMC Holding Corporation L.L.P.	USA.	US\$	0.1000	99.9000	100.0000	100.0000
Foreign	SQM Investment Corporation N.V.	Netherlands	US\$	1.0000	99.0000	100.0000	100.0000
Foreign	SQM Brasil Limitada	Brazil	US\$	1.0900	98.9100	100.0000	100.0000
Foreign	SQM France S.A.	France	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Japan Co. Ltd.	Japan	US\$	0.1597	99.8403	100.0000	100.0000
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	1.6700	98.3300	100.0000	100.0000
Foreign	SQM Oceania Pty Limited	Australia	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	98.3333	1.6667	100.0000	100.0000
Foreign	SQM Colombia SAS	Colombia	US\$	0.0000	100.0000	100.0000	—
	SQM Australia PTY	Australia	Dolar Australiano	0.0000	100.0000	100.0000	-
	SACAL S.A.	Argentina	Peso Argentino	0.0000	100.0000	100.0000	-

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Note 2 Basis of presentation for the consolidated financial statements (continued)**2.5 Basis of consolidation, continued**

TAX ID No.	Foreign subsidiaries	Country of origin	Functional currency	Ownership interest 9/30/2017			12/31/2016
				Direct	Indirect	Total	Total
Foreign	SQM Indonesia S.A.	Indonesia	US\$	0.0000	80.0000	80.0000	80.0000
Foreign	SQM Virginia L.L.C.	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Italia SRL	Italy	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	Comercial Caimán Internacional S.A.	Panama	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Africa Pty.	South Africa	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Lithium Specialties LLC	USA	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Iberian S.A.	Spain	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Agro India Pvt. Ltd.	India	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	0.0000	100.0000	100.0000	100.0000
Foreign	SQM Thailand Limited	Thailand	US\$	0.0000	99.996	99.996	99.996

TAX ID No.	Domestic subsidiaries	Country of origin	Functional currency	Ownership interest 9/30/2017			12/31/2016
				Direct	Indirect	Total	Total
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
96.651.060-9	SQM Potasio S.A.	Chile	US\$	99.9999	0.0000	99.9999	99.9999
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	99.9999	0.0001	100.0000	100.0000
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	51.0000	0.0000	51.0000	51.0000
86.630.200-6	SQMC Internacional Ltda.	Chile	Ch\$	0.0000	60.6381	60.6381	60.6381
79.947.100-0	SQM Industrial S.A.	Chile	US\$	99.0470	0.9530	100.0000	100.0000
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Ch\$	1.0000	99.0000	100.0000	100.0000
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	0.0003	99.9997	100.0000	100.0000
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	0.0000	60.6383	60.6383	60.6383
79.626.800-K	SQM Salar S.A.	Chile	US\$	18.1800	81.8200	100.0000	100.0000
78.053.910-0	Proinsa Ltda.	Chile	Ch\$	0.0000	60.5800	60.5800	60.5800
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Ch\$	0.0000	100.0000	100.0000	100.0000

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76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	0.2691	99.7309	100.0000	100.0000
76.064.419-6	Comercial Agrorama Ltda. (a)	Chile	Ch\$	0.0000	42.4468	42.4468	42.4468
76.145.229-0	Agrorama S.A.	Chile	Ch\$	0.0000	60.6377	60.6377	60.6377
76.359.919-1	Orcoma Estudios SPA	Chile	US\$	51.0000	-	51.0000	51.0000
76.360.575-2	Orcoma SPA	Chile	US\$	100.0000	-	100.0000	100.0000
76.686.311-9	SQM MaG SpA.	Chile	US\$	100.0000	-	100.0000	100,0000

(a) The Company consolidated Comercial Agrorama Ltda. as it has the control of this company's relevant activities.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 2 Basis of presentation for the consolidated financial statements (continued)

2.5 Basis of consolidation, continued

Subsidiaries are consolidated using the line-by-line method, adding the items that represent assets, liabilities, revenues, and expenses of similar content, and eliminating those related to intragroup transactions.

Profit or loss of subsidiaries acquired or divested during the year are included in profit or loss accounts consolidated from the date control is transferred to the Group, or up to the date control is lost, as applicable.

Non-controlling interest represents the equity of a subsidiary not directly or indirectly attributable to the Parent.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies

3.1 Classification of balances as current and non-current

In the attached consolidated statement of financial position, balances are classified in consideration of their remaining recovery (maturity) dates; i.e., those maturing within a period equal to or less than 12 months are classified as current and those with maturity dates exceeding the aforementioned period are classified as non-current.

The exception to the foregoing relates to deferred taxes, which are classified as non-current, regardless of the maturity they have.

3.2 Functional and presentation currency

The Company's consolidated financial statements are presented in United States dollars ("U.S. dollars" or "US\$"), which is the Company's functional and presentation currency and is the currency of the main economic environment in which it operates.

Consequently, the term foreign currency is defined as any currency other than the U.S. dollar.

The consolidated financial statements are presented in thousands of United States dollars without decimals.

3.3 Foreign currency translation

(a) Group entities:

The revenue, expenses, assets and liabilities of all entities that have a functional currency other than the presentation currency are converted to the presentation currency as follows:

- Assets and liabilities are converted at the closing exchange rate prevailing on the reporting date.

-Revenues and expenses of each profit or loss account are converted at monthly average exchange rates.

All resulting foreign currency translation gains and losses are recognized as a separate component in translation reserves.

In consolidation, foreign currency differences arising from the translation of a net investment in foreign entities are recorded in equity (other reserves). At the date of disposal, such foreign currency translation differences are recognized in the statement of income as part of the gain or loss from the sale.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.3 Foreign currency translation, continued

The main exchange rates and the adjustment unit used to translate monetary assets and liabilities, expressed in foreign currency at the end of each period in respect to U.S. dollars, are as follows:

	9/30/2017 US\$	12/31/2016 US\$
Brazilian real	3.16	3.25
New Peruvian sol	3.26	3.35
Argentine peso	17.1	15.84
Japanese yen	112.73	116.83
Euro	0.85	0.95
Mexican peso	18.16	20.63
Australian dollar	0.78	0.72
Pound Sterling	0.75	0.81
South African rand	13.07	13.70
Ecuadorian dollar	1.00	1.00
Chilean peso	637.93	669.47
Chinese yuan	6.65	6.67
Indian rupee	65.29	66.60
Thai baht	33.29	34.59
UF (*)	41.79	39.36

(*) The Unidad de Fomento (UF) is an indexed monetary unit used in Chile, calculated based on the variation in the Consumer Price Index (CPI).

(b) Transactions and balances

Non-monetary transactions in currencies other than the functional currency (U.S. dollar) are translated to the respective functional currencies of Group entities at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are recorded in the statement of income except for all monetary items that provide an effective hedge for a net investment in a foreign operation. These items are recognized in other comprehensive income on the divestment, when they are recognized in the statement of income. Charges and credits attributable to foreign currency translation differences on those hedge monetary items are also recognized in other comprehensive income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are retranslated to the functional currency at the historical exchange rate of the transaction. Non-monetary items that are measured based on fair value in a foreign currency are translated using the exchange rate at the date on which the fair value is determined.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.4 Subsidiaries

SQM S.A. uses the level of control it has in subsidiaries as a basis to determine their share in the consolidated financial statements. This control consists of the Company's ability to exercise power in the subsidiary, exposure, or right, to variable performance from its share in the investee and the ability to use its power on the investee to have an influence on the amount of the investor's performance.

The Company prepares the consolidated financial statements using consistent accounting policies for the entire Group. The consolidation of a subsidiary commences when the Company has control over the subsidiary and stops when control ceases.

3.5 Consolidated statement of cash flows

Cash equivalents correspond to highly-liquid short-term investments that are easily convertible into known amounts of cash. They are subject to insignificant risk of changes in their value and mature in less than three months from the date of acquisition of the instrument.

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and cash equivalents as defined above.

The statement of cash flows includes movements in cash performed during the year, determined using the direct method.

3.6 Financial assets

Management determines the classification of its financial assets at the time of initial recognition, on the basis of the business model for the management of financial assets and the characteristics of contractual cash flows from the financial assets. In accordance with IAS 39, financial assets are measured initially at fair value plus transaction costs that may have been incurred and are directly attributable to the acquisition of the financial asset. Subsequently, financial assets are measured at amortized cost or fair value.

The Company assesses, at each reporting date, whether there is objective evidence that an asset or group of assets is impaired. An asset or group of financial assets is impaired if and only if there is evidence of impairment as a result of one or more events occurring after the initial recognition of the asset or group of assets. For the recognition of

impairment, the loss event has to have an impact on the estimate of future cash flows from the asset or groups of financial assets.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.7 Financial liabilities

Management determines the classification of its financial liabilities at the time of initial recognition. As established in IAS 39, financial liabilities at the time of initial recognition are measured at fair value, less transaction costs that may have been incurred and are directly attributable to the issue of the financial liability. Subsequently, these are measured at amortized cost using the effective interest method. Financial liabilities that have been initially recognized at fair value through profit or loss will be measured subsequently at fair value.

3.8 Financial instruments at fair value through profit or loss

Management will irrevocably determine, at the time of initial recognition, the designation of a financial instrument at fair value through profit or loss. By doing so, this eliminates and/or significantly reduces the measurement or recognition inconsistency that would otherwise have arisen from the measurement of assets or liabilities or from the recognition of gains and losses from them on different bases.

3.9 Financial instrument offsetting

The Company offsets an asset and liability if and only if it presently has a legally enforceable right of setting off the amounts recognized and has the intent of settling for the net amount of realizing the asset and settling the liability simultaneously.

3.10 Reclassification of financial instruments

At such time when the Company changes its business model for managing financial assets, it will reclassify those financial assets affected by the new business model.

Financial liabilities could not be reclassified.

3.11 Derivative and hedging financial instruments

Derivatives are recognized initially at fair value as of the date on which the derivatives contract is signed and, they are subsequently assessed at fair value. The method for recognizing the resulting gain or loss depends on whether the derivative has been designated as an accounting hedge instrument and, if so, it depends on the type of hedging, which may be as follows:

Fair value hedge of assets and liabilities recognized (fair value hedges);

Hedging of a single risk associated with an asset or liability recognized or a highly probable forecast transaction (cash flow hedge).

At the beginning of the transaction, the Company documents the relationship that exists between hedging instruments and those items hedged, as well as their objectives for risk management purposes and the strategy to conduct different hedging operations.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.11 Derivative and hedging financial instruments, continued

The Company also documents its evaluation both at the beginning and at the end of each period if the derivatives used in hedging transactions are highly effective to offset changes in the fair value or in cash flows of hedged items.

The fair value of derivative instruments used for hedging purposes is shown in Note 10.3 (hedging assets and liabilities). Changes in the cash flow hedge reserve are classified as a non-current asset or liability if the remaining expiration period of the hedged item is more than 12 months, and as a current asset or liability if the remaining expiration period of the entry is less than 12 months.

Derivatives that are not designated or do not qualify as hedging derivatives are classified as current assets or liabilities, and changes in the fair value are directly recognized through profit or loss.

a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps that hedge fixed rate borrowings is recognized in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognized in profit or loss within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortized to profit or loss over the period to maturity using a recalculated effective interest rate.

b) Cash flow hedges

The effective portion of gains or losses from the hedge instrument is initially recognized with a debit or credit to other comprehensive income, whereas any ineffective portion is immediately recognized with a debit or credit to profit or loss, as applicable.

Amounts taken to equity are transferred to profit or loss when the hedged transaction affects profit or loss, as when the hedged interest income or expense is recognized when a projected sale occurs. When the hedged entry is the cost of a

non-financial asset or liability, amounts taken to other reserves are transferred to the initial carrying value of the non-financial asset or liability.

Should the expected firm transaction or commitment no longer be expected to occur, the amounts previously recognized in equity are transferred to profit or loss. If a hedge instrument expires, is sold, finished, or exercised without any replacement, or if a rollover is performed or if its designation as hedging is revoked, the amounts previously recognized in other reserves are maintained in equity until the expected firm transaction or commitment occurs.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.12 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets, which have been designated as available for sale and are not classified in any of the previous categories of financial instruments. Available for sale financial instruments are initially recognized at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are recognized at fair value and changes other than impairment losses are recognized in other comprehensive income and presented in equity in the fair value reserve. If an investment is derecognized, the accumulated gain or loss is reclassified to profit or loss.

3.13 Derecognition of financial instruments

In accordance with IAS 39, the Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; and the control of the financial assets has not been retained.

The Company derecognizes a financial liability when its contractual obligations or a part of these are discharged, paid to the creditor or legally extinguished.

3.14 Derivative financial instruments

The Company maintains derivative financial instruments to hedge its exposure to foreign currencies. Derivative financial instruments are recognized initially at fair value; attributable transaction costs are recognized when incurred. Subsequent to initial recognition, any changes in the fair value of such derivatives are recognized in profit or loss as part of gains and losses.

The Company permanently assesses the existence of embedded derivatives, both in its contracts and financial instruments. As of September 30, 2017, and December 31, 2016, there were no embedded derivatives.

3.15 Fair value initial measurements

From the initial recognition, the Company measures its assets and liabilities at fair value plus or minus transaction costs incurred that are directly attributable to the acquisition of a financial asset or issuance of a financial liability.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.16 Leases

(a) Lease - Finance lease

Leases are classified as finance leases when the Company holds substantially all the risks and rewards derived from the ownership of the asset. Finance leases are capitalized at the beginning of the lease, at the lower of the fair value of the leased asset or the present value of minimum lease payments.

Each lease payment is distributed between the liability and the interest expenses to obtain ongoing interest on the pending balance of debt. The respective lease obligations, net of interest expense, are included in other non-current liabilities. The interest element of finance cost is debited in the consolidated statement of income during the lease period so that a regular ongoing interest rate is obtained on the remaining balance of the liability for each year.

(b) Lease – Operating lease

Leases in which the lessor maintains a significant part of the risks and rewards derived from the ownership are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are debited to the statement of income or capitalized (as applicable) on a straight-line basis over the lease period.

3.17 Deferred acquisition costs from insurance contracts

Acquisition costs from insurance contracts are classified as prepayments and correspond to insurance contracts in force, recognized using the straight-line method and on an accrual basis, and are recognized under other non-financial assets.

3.18 Trade and other receivables

Trade and other receivables relate to non-derivative financial assets with fixed and determinable payments and are not quoted in any active market. These arise from sales operations involving the products and/or services that the Company sells directly to its customers.

These assets are initially recognized at their fair value and subsequently at amortized cost according to the effective interest rate method, less a provision for impairment loss. An allowance for impairment loss is established for trade receivables when there is objective evidence that the Company will not be able to collect all the amounts which are owed to it, according to the original terms of receivables.

Implicit interest in installment sales is recognized as interest income when interest is accrued over the term of the operation.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.19 Inventory measurement

The Company states inventories at the lower of cost and net realizable value. The cost price of finished products and products in progress includes the direct cost of materials and, when applicable, labor costs, indirect costs incurred to transform raw materials into finished products, and general expenses incurred in carrying inventories to their current location and conditions. The method used to determine the cost of inventories is weighted average cost.

Commercial discounts, rebates obtained, and other similar entries are deducted in the determination of the acquisition price.

The net realizable value represents the estimate of the sales price, less all the estimated costs involved in making the finished product and the costs that will be incurred in the commercialization, sales, and distribution processes.

The Company conducts an evaluation of the net realizable value of inventories at the end of each year, recording an estimate with a charge to income when these are overstated. When a situation arises whereby the circumstances, which previously caused the rebate to cease to exist, or when there is clear evidence of an increase in the net realizable value due to a change in the economic circumstances or prices of main raw materials, the previous estimate is modified.

The valuation of obsolete, impaired or slow-moving products relates to their estimated net realizable value.

Provisions have been made in the Company's inventories based on a technical study which covers the different variables that affect products in stock (density and humidity, among others).

Raw materials, supplies and materials are recorded at the lower of acquisition cost or market value. Acquisition cost is calculated according to the average price method.

3.20 Investments in associates and joint ventures

Interests in companies over which joint control is exercised (joint venture) or where an entity has a significant influence (associates) are recognized using the equity method of accounting. Significant influence is presumed to exist when interest greater than 20% is held in the capital of an investee.

Under this method, the investment is recognized in the statement of financial position at cost plus changes, subsequent to the acquisition, and considering the proportional share in the equity of the associate. For such purposes, the interest percentage in the ownership of the associate is used. The associated goodwill acquired is included in the carrying amount of the investee and is not amortized. The debit or credit to profit or loss reflects the proportional share in the profit or loss of the associate.

Unrealized gains for transactions with affiliates or associates are eliminated according to the Company's interest percentage in such entities. Unrealized losses are also eliminated, except if the transaction provides evidence of impairment loss of the transferred asset.

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Note 3 Significant accounting policies (continued)

3.20 Investments in associates and joint ventures, continued

Changes in the equity of associates are recognized on a proportional basis with a charge or credit to “Other reserves” and classified according to their origin.

Reporting dates of the associate, the Company and related policies are similar for equivalent transactions and events under similar circumstances.

In the event that the significant influence is lost or the investment is sold or is held as available for sale, the equity method is discontinued, suspending the recognition of the proportional share of profit or loss.

If the resulting amount according to the equity method is negative, the share of profit or loss is reflected as zero in the consolidated financial statements, unless a commitment exists by the Company to reinstate the Company’s equity position, in which case the related provision for risks and expenses is recorded.

Dividends received by these companies are recorded by reducing the equity value, and the proportional share of profit or loss recognized according to the equity share are included in the consolidated profit or loss accounts in the caption “Equity share of profit (loss) of associates and joint ventures that are accounted for using the equity method of accounting”.

3.21 Transactions with non-controlling interests

Non-controlling interests are recorded in the consolidated statement of financial position within equity, but separate from equity attributable to the owners of the Parent.

3.22 Related party transactions

Transactions between the Company and its subsidiaries are part of the Company’s normal operations within its scope of business activities. Conditions for such transactions are those normally effective for those types of operations with regard to terms and market prices. These transactions have been eliminated in consolidation. The expiration conditions

vary according to the originating transaction.

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Note 3 Significant accounting policies (continued)

3.23 Property, plant and equipment

Tangible property, plant and equipment assets are stated at acquisition cost, net of the related accumulated depreciation, amortization and impairment losses that they might have experienced.

In addition to the price paid for the acquisition of tangible property, plant and equipment, the Company has considered the following concepts as part of the acquisition cost, as applicable:

1. Accrued interest expenses during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, which are those that require a substantial period prior to being ready for use. The interest rate used is that related to the project's specific financing or, should this not exist, the average financing rate of the investor company.

2. The future costs that the Company will have to experience, related to the closure of its facilities at the end of their useful life, are included at the present value of disbursements expected to be required to settle the obligation.

Construction-in-progress is transferred to property, plant and equipment in operation once the assets are available for use and the related depreciation and amortization begins on that date.

Extension, modernization or improvement costs that represent an increase in productivity, ability or efficiency or an extension of the useful lives of property, plant and equipment are capitalized as a higher cost of the related assets. All the remaining maintenance, preservation and repair expenses are charged to expense as they are incurred.

The replacement of full assets, which increase the asset's useful life or its economic capacity, are recorded as a higher value of property, plant and equipment with the related derecognition of replaced or renewed elements.

Gains or losses which are generated from the sale or disposal of property, plant and equipment are recognized as income (or loss) in the period, and calculated as the difference between the asset's sales value and its net carrying value.

Costs derived from the daily maintenance of property, plant and equipment are recognized when incurred.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.24 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated through the straight-line distribution of cost over the estimated technical useful life of the asset, which is the period in which the Company expects to use the asset. When components of one item of property, plant and equipment have different useful lives, they are recorded as separate assets. Useful lives are reviewed on an annual basis.

In the case of mobile equipment, depreciation is performed depending on the hours of operation

The useful lives used for the depreciation and amortization of assets included in property, plant and equipment in years are presented below.

Classes of property, plant and equipment	Minimum life or rate (years)	Maximum life or rate (years)
Mining assets	3	10
Energy generating assets	2	16
Buildings	2	30
Supplies and accessories	2	15
Office equipment	3	20
Transport equipment	3	20
Network and communication equipment	2	15
IT equipment	2	15
Machinery, plant and equipment	2	30
Other property, plant and equipment	1	30

3.25 Goodwill

Goodwill acquired represents the excess in acquisition cost on the fair value of the Company's ownership of the net identifiable assets of the subsidiary on the acquisition date. Goodwill acquired related to the acquisition of subsidiaries is included in goodwill, which is subject to impairment tests annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is stated at cost less accumulated impairment losses. Gains and losses related to the sale of an entity include the carrying value of goodwill related to the entity sold.

This intangible asset is assigned to cash-generating units with the purpose of testing impairment losses. It is allocated based on cash-generating units expected to obtain benefits from the business combination from which the aforementioned goodwill acquired arose.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.26 Intangible assets other than goodwill

Intangible assets mainly relate to water rights, rights issues, electric line easement expenses and software license and development expenses.

(a) Water rights

Water rights acquired by the Company relate to water from natural sources and are recorded at acquisition cost. Given that these assets represent legal rights granted in perpetuity to the Company, they are not amortized, but are subject to annual impairment tests.

(b) Rights of way for electric lines

As required for the operation of industrial plants, the Company has paid rights of way in order to install wires for the different electric lines on third party land. These rights are presented under intangible assets. Amounts paid are capitalized at the date of the agreement and charged to the statement of income, according to the life of the right of way.

(c) Computer software

Licenses for IT programs acquired are capitalized based on their acquisition and customization costs. These costs are amortized over their estimated useful lives.

Expenses related to the development or maintenance of IT programs are recognized as an expense as and when incurred. Costs directly related to the production of unique and identifiable IT programs controlled by the Group, and which will probably generate economic benefits that are higher than its costs during more than a year, are recognized as intangible assets. Direct costs include the expenses of employees who develop information technology software and general expenses in accordance with corporate charges received.

The costs of development for IT programs recognized as assets are amortized over their estimated useful lives.

(d)

Mining property and concession rights

The Company holds mining property and concession rights from the Chilean Government. Property rights are usually obtained at no initial cost (other than the payment of mining patents and minor recording expenses) and once the rights on these concessions have been obtained, they are retained by the Company while annual patents are paid. Such patents, which are paid annually, are recorded as prepaid assets and amortized over the following twelve months. Amounts attributable to mining concessions acquired from third parties that are not from the Chilean Government are recorded at acquisition cost within intangible assets.

No impairment of intangible assets exists as of September 30, 2017 and December 31, 2016.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.27 Research and development expenses

Research and development expenses are charged to profit or loss in the period in which the expenditure was incurred.

3.28 Prospecting expenses

The Company has mining property and concession rights from the Chilean Government and others that it has acquired from third parties other than the Chilean Government, destined to the exploitation of caliche ore and saltpeter deposits and also the exploration of these types of deposits.

Upon obtaining these rights, the Company initially records disbursements directly associated with the exploration and evaluation of deposits (associated with small deposits with trading feasibility) as asset at cost. Such disbursements include the following concepts:

- Disbursements for geological reconnaissance evaluation
- Disbursements for drilling
- Disbursements for drilling work and sampling
- Disbursements for activities related to technical assessment and trading feasibility of drilling work
- And any disbursement directly related to specific projects where its objective is finding mining resources.

Subsequently, the Company distinguishes exploration and evaluation projects according to the economic feasibility of the mineral extracted in the area or exploration, among those that finally will deliver future benefits to the Company (profitable projects) and those projects that are unlikely to bring profit to the Company in the future (i.e., when the ore grade at the site is low and its exploitation is not economically profitable).

If technical studies determine that the ore grade is not economically suitable for exploitation, the asset is directly expensed. Otherwise, it is held in the caption “other non-current assets”, reclassifying the portion related to the area to be exploited in the year in the caption inventories and such amount is amortized as production cost on the basis of estimated tons to be extracted.

The technical reasons for this classification correspond to the fact that this is an identifiable non-monetary asset that is owned to be used in the production of our processes as a main raw material.

For this reason and because our disbursements correspond to reserves that have proved to be financially feasible and used as a principal raw material in our production processes, these are presented as inventories that will be exploited within the commercial year and the remainder as development expenses for small deposits and prospecting expenses in the caption “other non-current assets”.

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Note 3 Significant accounting policies (continued)

3.29 Impairment of non-financial assets

Assets subject to depreciation and amortization are also subject to impairment testing, provided that an event or change in the circumstances indicates that the amounts in the accounting records may not be recoverable. An impairment loss is recognized for the excess of the book value of the asset over its recoverable amount.

The recoverable amount of an asset is the higher between the fair value of an asset or cash generating unit (“CGU”) less costs of sales and its value in use, and is determined for an individual asset unless the asset does not generate any cash inflows that are clearly independent from other assets or groups of assets.

When the carrying value of an asset exceeds its recoverable amount, the asset is considered an impaired asset and is reduced to its net recoverable amount.

In evaluating value in use, estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessment, the value of money over time and the specific asset risks.

To determine the fair value less costs to sell, an appropriate valuation model is used.

Impairment losses from continuing operations are recognized with a debit to profit or loss in the categories of expenses associated with the impaired asset function, except for properties reevaluated previously where the revaluation was taken to equity.

For assets other than acquired goodwill, an annual evaluation is carried out to determine whether any previously recognized impairment losses have already decreased or ceased to exist. If this should be the case, the recoverable amount is estimated. A previously recognized impairment loss is only reversed if there have been changes in the estimates used to determine the asset’s recoverable amount since the last time an impairment loss was recognized. If this is the case, the carrying value of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying value that would have been determined, net of depreciation, if an asset impairment loss had not been recognized in prior years. This reversal is recognized with a credit to profit or loss.

3.30 Minimum dividend

As required by the Shareholders' Corporations Act, unless decided otherwise by a unanimous vote by the shareholders of subscribed and paid shares, a public company must distribute dividends as agreed by the shareholders at the General Shareholders' Meeting held each year. This must entail a minimum of 30% of its profits, except when the Company records unabsorbed losses from prior years. However, the Company has set a policy to distribute 50% of its profits for the year, unless decided otherwise by a unanimous vote by the shareholders at the General Shareholders' meeting held each year.

At an extraordinary meeting held on April 11, 2017, the Company's Board of Directors made a recommendation for discussion at the Ordinary Shareholders' Meeting (the Meeting), which was held on April 28, 2017, that the Company should distribute and pay dividends based on 100% of the Company's net profit for distribution for the financial year 2016. This recommendation was accepted by the Meeting.

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Note 3 Significant accounting policies (continued)

3.30 Minimum dividend, continued

For 2017, the Company has defined the following dividend policy: (a) To distribute and pay a dividend to the respective shareholders, a percentage of the profits to be determined as follows:

(i) 100% of the profit for 2017 if all the following financial parameters are met: (a) that the total of cash and cash equivalents and other current financial assets (“Cash”) divided by the addition of other current financial liabilities (the “Short-term Financial Liabilities”) is equal to or more than 2.5 times, and (b) the total of current liabilities and non-current liabilities (“Total Liabilities”) divided by total equity (“Equity”) is equal to or less than 1.1 times.

(ii) 80% of profit for 2017 if all the following financial parameters are met: (a) that Cash divided by Short-term Financial Liabilities is equal to or more than 2.0 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.2 times.

(iii) 60% of profit for 2017 if all the following financial parameters are met: (a) that Cash divided by Short-term Financial Liabilities is equal to or more than 1.5 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.3 times. Should none of these parameters be met, the Company will distribute and pay as dividend 50% of the profit for 2017 to the respective shareholders.

3.31 Earnings per share

The basic earnings per share amounts are calculated by dividing the profit for the year attributable to the ordinary owners of the parent by the weighted average number of ordinary shares outstanding during the year.

The Company has not conducted any type of operation of potential dilutive effect that would entail the disclosure of diluted earnings per share.

3.32 Trade and other payables

Trade and other payables are measured at fair value plus all costs associated with the transaction. Subsequently, these are carried out at amortized cost using the effective interest rate method.

3.33 Interest-bearing borrowings

At initial recognition, interest-bearing borrowings are measured at fair value net of transaction costs incurred. Subsequently, they are measured at amortized cost using the effective interest rate method. Amortized cost is calculated considering any premium or discount from the acquisition and includes costs of transactions which are an integral part of the effective interest rate.

These are recorded as non-current when their expiration period exceeds twelve months and as current when the term is lower than such term. Interest expense is calculated in the year in which it is accrued following a financial criterion.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.34 Other provisions

Provisions are recognized when:

- The Company has a present obligation or constructive obligation as the result of a past event.
- It is more likely than not that certain resources must be used, including benefits, to settle the obligation.
- A reliable estimate can be made of the amount of the obligation.

In the event that the provision or a portion of it is reimbursed, the reimbursement is recognized as a separate asset solely if there is certainty of income.

In the consolidated statement of income, the expense for any provision is presented net of any reimbursement.

Should the effect of the value of money over time be significant, provisions are discounted using a discount rate before tax that reflects the liability's specific risks. When a discount rate is used, the increase in the provision over time is recognized as a finance cost.

The Company's policy is to maintain provisions to cover risks and expenses based on a better estimate to deal with possible or certain and quantifiable responsibilities from current litigation, compensations or obligations, pending expenses for which the amount has not yet been determined, collaterals and other similar guarantees for which the Company is responsible. These are recorded at the time the responsibility or the obligation that determines the compensation or payment is generated.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.35 Obligations related to employee termination benefits and pension commitments

Obligations towards the Company's employees comply with the provisions of the collective bargaining agreements in force, which are formalized through collective employment agreements and individual employment contracts, except for the United States, which is regulated in accordance with employment plans in force up to 2002. (See more details in Note 15.4)

These obligations are valued using actuarial calculations, according to the projected unit credit method which considers such assumptions as the mortality rate, employee turnover, interest rates, retirement dates, effects related to increases in employees' salaries, as well as the effects on variations in services derived from variations in the inflation rate. The criteria in force contained in the revised IAS 19 are also taken into account.

Actuarial gains and losses that may be generated by variations in defined, pre-established obligations are directly recorded in other comprehensive income.

Actuarial losses and gains have their origin in departures between the estimate and the actual behavior of actuarial assumptions or in the reformulation of established actuarial assumptions.

The discount rate used by the Company for calculating the obligation was 4.89% and 4.522% for the periods ended September 30, 2017 and December 31, 2016, respectively.

The Company's subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation using a net salary progressive rate net of adjustments for inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 4.5% interest rate for 2016 and 5.00% for 2015. The net balance of this obligation is presented under the non-current provisions for employee benefits (refer to Note 15.4).

3.36 Compensation plans

Compensation plans implemented through benefits provided in share-based payments settled in cash are recognized in the financial statements at their fair value, in accordance with International Financial Reporting Standards No. 2 "Share-based Payments." Changes in the fair value of options granted are recognized with a charge to payroll on a straight-line basis during the period between the date on which these options are granted and the payment date (see Note 16).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.37 Revenue recognition

Revenue includes the fair value of considerations received or receivable for the sale of goods and services during the performance of the Company's activities. Revenue is presented net of value added tax, estimated returns, rebates and discounts and after the elimination of sales among subsidiaries.

Revenue is recognized when its amount can be stated reliably, it is probable that the future economic rewards will flow to the entity and it meets the specific conditions for each type of activity-related revenue, as follows:

(a) Sale of goods

The sale of goods is recognized when the Company has delivered products to the customer, and there is no obligation pending compliance that could affect the acceptance of products by the customer. The delivery does not occur until products have been shipped to the customer or confirmed as received by the customer, and the related risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the conditions established in the sale, when the acceptance period has ended, or when there is objective evidence that those criteria required for acceptance have been met.

Sales are recognized in consideration of the price set in the sales agreement, net of volume discounts and estimated returns at the date of the sale. Volume discounts are evaluated in consideration of annual foreseen purchases and in accordance with the criteria defined in agreements.

(b) Sale of services

Revenue associated with the rendering of services is recognized considering the degree of completion of the service as of the date of presentation of the consolidated classified statement of financial position, provided that the result from the transaction can be estimated reliably.

(c) Interest income

Interest income is recognized when interest is accrued in consideration of the principal pending payment using the effective interest rate method.

(d) Income from dividends

Income from dividends is recognized when the right to receive the payment is established.

3.38 Finance income and finance costs

Finance income is mainly composed of interest income in financial instruments such as term deposits and mutual fund deposits. Interest income is recognized in profit or loss at amortized cost, using the effective interest rate method.

Finance costs are mainly composed of interest on bank borrowing expenses, interest on bonds issued and interest capitalized for borrowing costs for the acquisition, construction or production or qualifying assets.

Borrowing costs and bonds issued are recognized in profit or loss using the effective interest rate method.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.38 Finance income and finance costs, continued

For finance costs accrued during the construction period that are directly attributable to the acquisition, construction or production of qualifying assets, the effective interest rate related to the project's specific financing is used. If none exists, the average financing rate of the subsidiary making the investment is utilized. Borrowing and financing costs that are directly attributable to the acquisition, construction or production of an asset are capitalized as part of that asset's cost.

3.39 Income tax and deferred taxes

Corporate income tax for the year is determined as the sum of current taxes from the different consolidated companies.

Current taxes are based on the application of the various types of taxes attributable to taxable income for the year.

Differences between the book value of assets and liabilities and their tax basis generate the balance of deferred tax assets or liabilities, which are calculated using the tax rates expected to be applicable when the assets and liabilities are realized.

In conformity with current Chilean tax regulations, the provision for corporate income tax and taxes on mining activity is recognized on an accrual basis, presenting the net balances of accumulated monthly tax provisional payments for the fiscal period and associated credits. The balances of these accounts are presented in current income taxes recoverable or current taxes payable, as applicable.

Tax on companies and variations in deferred tax assets or liabilities that are not the result of business combinations are recorded in the statement of income accounts or equity accounts in the consolidated statement of financial position, considering the origin of the gains or losses which have generated them.

At each reporting period, the carrying amount of deferred tax assets has been reviewed and reduced to the extent where there will not be sufficient taxable income to allow the recovery of all or a portion of the deferred tax assets.

Likewise, as of the date of the consolidated financial statements, deferred tax assets that are not recognized were evaluated and not recognized as it was more likely than not that future taxable income will allow for recovery of the deferred tax asset.

With respect to deductible temporary differences associated with investments in subsidiaries, associated companies and interest in joint ventures, deferred tax assets are recognized solely provided that it is more likely than not that the temporary differences will be reversed in the near future and that there will be taxable income with which they may be used.

The deferred income tax related to entries directly recognized in equity is recognized with an effect on equity and not with an effect on profit or loss.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.39 Income tax and deferred taxes, continued

Deferred tax assets and liabilities are offset if there is a legally receivable right of offsetting tax assets against tax liabilities and the deferred tax is related to the same tax entity and authority.

3.40 Segment reporting

IFRS 8 requires that companies adopt a “management approach” to disclose information on the operations generated by its operating segments. In general, this is the information that management uses internally for the evaluation of segment performance and making the decision on how to allocate resources for this purpose.

An operating segment is a group of assets and operations responsible for providing products or services subject to risks and performance that are different from those of other business segments. A geographical segment is responsible for providing products or services in a given economic environment subject to risks and performance that are different from those of other segments operating in other economic environments.

For assets and liabilities, the allocation to each segment is not possible given that these are associated with more than one segment, except for depreciation, amortization and impairment of assets, which are directly allocated to the applicable segments, in accordance with the criteria established in the costing process for product inventories.

The following operating segments have been identified by the Company:

-Specialty plant nutrients

-Industrial chemicals

-Iodine and derivatives

-Lithium and derivatives

-Potassium

-Other products and services

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.41 Responsibility for Information and Estimates Made

The Management of Sociedad Química y Minera de Chile S.A. and its subsidiaries is responsible for the information contained in these consolidated financial statements, which expressly indicate that all the principles and criteria included in IFRS, as issued by the International Accounting Standards Board (IASB), have been applied in full.

In preparing the consolidated financial statements of Sociedad Química y Minera de Chile S.A. and its subsidiaries, Management has made judgments and estimates to quantify certain assets, liabilities, revenues, expenses and commitments included therein. Basically, these estimates refer to:

- The useful lives of property, plant and equipment, and intangible assets and their residual value. Estimated useful lives are determined based on current facts and past experience, and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations. See notes 3.24, 13 and 14.

- Impairment losses of certain assets - Assets, including property, plant and equipment, exploration assets, goodwill and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. If an impairment assessment is required, the assessment of fair value often requires estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. Changes in such estimates could impact the recoverable values of these assets. Estimates are reviewed regularly by management. See notes 13 and 14.

- Assumptions used in calculating the actuarial amount of pension-related and severance indemnity payment benefit commitments. See Note 15.

Contingencies – The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, the assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. See notes 18 and 19.

Provisions on the basis of technical studies that cover the different variables affecting products in stock (density and moisture, among others), and related allowance.

Inventory valuation requires judgment to determine obsolescence and estimates of provisions for obsolescence to ensure that the carrying value of inventory is not in excess of the net realizable value. See note 8.

Despite the fact that these estimates have been made on the basis of the best information available on the date of preparation of these consolidated financial statements, certain events may occur in the future and oblige their amendment (upwards or downwards) over the next few years, which would be made prospectively, recognizing the effects of the change in estimates in the related future consolidated financial statements.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 3 Significant accounting policies (continued)

3.42 Environment

In general, the Company follows the criteria of considering amounts used in environmental protection and improvement as environmental expenses. However, the cost of facilities, machinery and equipment used for the same purpose are considered property, plant and equipment, as the case may be.

Note 4 Financial risk management

4.1 Financial risk management policy

The Company's financial risk management policy is focused on safeguarding the stability and sustainability of Sociedad Química y Minera de Chile S.A. and its subsidiaries with regard to all such relevant financial uncertainty components.

The Company's operations are subject to certain financial risk factors that may affect its financial position or results. The most significant risk exposures are market risk, liquidity risk, currency risk, doubtful accounts risk, and interest rate risk, among others.

There could also be additional risks, which are either unknown or known but not currently deemed to be significant, which could also affect the Company's business operations, its business, financial position, or profit or loss.

The financial risk management structure includes identifying, determining, analyzing, quantifying, measuring and controlling these events. Management and, in particular, Finance Management, is responsible for constantly assessing the financial risk. The Company uses derivatives to hedge a significant portion of those risks.

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Note 4 Financial risk management, continued

4.2 Risk factors

4.2.1 Market risk

Market risk refers to the uncertainty associated with fluctuations in market variables affecting the Company's assets and liabilities, including:

- Country risk: The economic situation of the countries where the Company operates may affect its financial position.
- a) For example, sales conducted in emerging markets expose SQM to risks related to economic conditions and trends in those countries. In addition, inventories may also be affected by the economic scenario in such countries and/or the global economy, among other probable economic impacts.
- Price risk: The Company's product prices are affected by the fluctuations in international prices of fertilizers and chemicals, as well as changes in production capacities or market demand, all of which might affect the Company's business, financial position and results of operations.
- b) Commodity price risk: The Company is exposed to changes in commodity prices and energy which may have an impact on its production costs that may cause unstable results.
- c)

At present, the SQM Group incurs an annual expenditure of approximately US\$124 million associated with fuel, gas, energy and equivalents, of which US\$82 million is related to direct electricity consumption. A change of 10% in the prices of energy required for the Company's operations may involve costs of approximately US\$12 million in short-term movements.

The markets in which the Company operates are unpredictable, exposed to significant fluctuations in supply and demand, and high price volatility. Additionally, the supply of certain fertilizers or chemicals, including certain products in which the Company trades vary, mainly depending on the production of top producers and their related business strategies. Accordingly, the Company cannot forecast with certainty changes in demand, responses from competitors or fluctuations in the final price of its products. These factors can lead to significant impacts on the Company's product sales volumes, financial position and share price.

- d) Quality standards: In the markets in which we operate, customers might impose quality standards on our products and/or governments could enact more stringent standards for the distribution and/or use of our products. Consequently, we might not be able to sell our products if we are not able to meet those new standards. In addition,

our production costs might increase to meet such new standards. Not being able to sell our products in one or more markets or to key customers might significantly affect our business, financial position or the results of our operations.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 4 Financial risk management, continued

4.2.2 Credit risk

A contraction of the global economy and the potentially adverse effects in the financial position of our customers may extend the receivables recovery period for SQM, increasing its exposure to doubtful account risk. While measures have been taken to minimize such risk, the global economic situation may result in losses that might have a material adverse effect on the Company's business, financial position or results of operations.

To mitigate these risks, SQM actively controls debt collection and has established certain safeguards which include loan insurance, letters of credit, and prepayments for a portion of receivables.

Financial investments correspond to time deposits with maturities exceeding 90 days and less than 360 days from the investment date, so they are not exposed to significant market risks.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

		Rating Institution			9/30/2017
Financial institution	Financial assets	Moody's	S&P	Fitch	ThUS\$
Banco BBVA Chile	Dépositos a plazo	P-1	A-2	-	6,202
Banco Crédito e Inversiones	Dépositos a plazo	P-1	-	N1+	23,206
Banco de Chile	Dépositos a plazo	P-1	A-1	-	11,525
Banco Santander - Santiago	Dépositos a plazo	P-1	A1	N1+	13,027
BBVA Banco Francés	Dépositos a plazo	-	-	-	1,590
Itau-Corpbanca	Dépositos a plazo	P-1	A-2	-	7,609
JP Morgan US dollar Liquidity Fund Institutional	Fondos de inversión	P-1	-	-	176,550
Legg Mason - Western Asset Institutional Cash Reserves	Fondos de inversión	-	-	-	180,313
Scotiabank Sud Americano	Dépositos a plazo				2,801
Nedbank	Dépositos a plazo	P-3	F3	-	1,041
Banco Security	Dépositos a plazo				1,902
Total					425,766

		Rating	Institution	12/31/2016	
Financial institution	Financial assets	Moody's	S&P	Fitch	ThUS\$

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Banco Crédito e Inversiones	90 days to 1 year	P-1	-	N1+	139,068
Banco Itau Chile	90 days to 1 year	-	A-2	-	15,129
Itau-Corpbanca	90 days to 1 year	P-1	A-2	-	39,995
Banco Santander - Santiago	90 days to 1 year	P-1	A1	N1+	75,680
Banco Security	90 days to 1 year	-	A-3	N1+	15,120
Morgan Stanley	90 days to 1 year	A-2	A-2	F1	3,581
Scotiabank Sud Americano	90 days to 1 year	-	-	N1+	27,189
Total					315,762

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Note 4 Financial risk management, continued

4.2.3 Currency risk

As a result of its influence on price level determination as well as its relationship with cost of sales, and since a significant portion of the Company's business transactions are performed in that foreign currency, the functional currency of SQM is the United States dollar. However, the global business activities of the Company expose it to the foreign exchange fluctuations of several currencies with respect to the value of the U.S. dollar. Accordingly, SQM has entered into hedge contracts to mitigate the exposure generated by its main mismatches (assets, net of liabilities) in currencies other than the U.S. dollar against foreign exchange fluctuation. These contracts are periodically updated depending on the mismatch amount to be hedged in such currencies. Occasionally, and subject to the Board of Directors' approval, in the short-term the Company insures cash flows from certain specific items in currencies other than the U.S. dollar.

A significant portion of the Company's costs, particularly payroll, is denominated in Chilean pesos. Accordingly, an increase or decrease in the exchange rate against the U.S. dollar would affect the Company's profit for the period. Approximately US\$353 million of the Company's costs are denominated in Chilean pesos. A significant portion of the effect of such obligations on the statement of financial position is hedged by derivative instrument transactions on the balance mismatch in such currency.

As of September 30, 2017, the Company recorded derivative instruments classified as currency and interest rate hedges associated with all the bonds payable, denominated in UF, with a fair value of US\$17.8 million against SQM. As of September 30, 2016, this amounts to US\$41 million against SQM.

As of September 30, 2017, the Chilean peso to U.S. dollar exchange rate was Ch\$637.93 per US\$1.00 (Ch\$ 658.02 per US\$ 1.00 as of September 30, 2016).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 4 Financial risk management, continued

4.2.4 Interest rate risk

Interest rate fluctuations, primarily due to the uncertain future behavior of markets, may have a material impact on the financial results of the Company.

The Company has current and non-current debts valued at the LIBOR rate, plus a spread. The Company is partially exposed to fluctuations in this rate, as SQM currently holds hedging derivative instruments to hedge a portion of its liabilities subject to LIBOR rate fluctuations.

As of September 30, 2017, the Company has no financial liabilities linked to variations in the LIBOR rate and, therefore, significant increases in that rate would not impact its financial position.

In addition, as of September 30, 2017, the Company's financial liabilities are mainly concentrated in the long-term and approximately 7% have maturities of less than 12 months, decreasing in the process the exposure to changes in interest rates.

4.2.5 Liquidity risk

Liquidity risk relates to the funds needed to comply with payment obligations. The Company's objective is to maintain financial flexibility through a comfortable balance between fund requirements and cash flows from regular business operations, bank borrowings, bonds, short term investments, and marketable securities, among others.

The Company has an important capital expense program which is subject to change over time.

On the other hand, world financial markets go through periods of contraction and expansion that are unforeseeable in the long-term and may affect SQM's access to financial resources. Such factors may have a material adverse impact on the Company's business, financial position and results of operations.

SQM constantly monitors the matching of its obligations with its investments, taking due care of maturities of both, from a conservative perspective, as part of this financial risk management strategy. As of September 30, 2017, the Company had unused, available revolving credit facilities with banks, for a total of approximately US\$330 million.

The position in other cash and cash equivalents generated by the Company are invested in highly liquid mutual funds with an AAA risk rating.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 4 Financial risk management, continued

4.2.5 Liquidity risk, continued

As of September 30, 2017	Nature of undiscounted cash flows				
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	Total
(in millions of US\$)					
Other non-derivative financial liabilities					
Bank borrowings	80.57	81.16	-	-	81.16
Unsecured obligations	1.045.43	46.16	510.76	737.64	1.294.57
Subtotal	1.125.99	127.32	510.76	737.64	1.357.73
Other derivative financial liabilities					
Hedging liabilities	26.73	6.97	(4.58)	(180.02)	(177.63)
Derivative financial instruments	0.80	0.80	-	-	0.80
Subtotal	27.53	7.77	(4.58)	(180.02)	(176.83)
Total	1.153.53	135.10	506.18	557.62	1.198.89

As of December 31, 2016	Nature of undiscounted cash flows				
	Carrying amount	Less than 1 year	1 to 5 years	Over 5 years	Total
(in millions of US\$)					
Other non-derivative financial liabilities					
Bank borrowings	101.27	102.08	-	-	102.08
Unsecured obligations	1,130,22	94,76	479,54	873,91	1,448,21
Subtotal	1,231,49	196,84	479,54	873,91	1,550,29
Other derivative financial liabilities					
Hedging liabilities	42.62	17.20	40.33	(23,58)	33.95
Derivative financial instruments	(2,175)	(2.18)	-	-	(2.18)
Subtotal	40.45	15.02	40.33	(23.58)	31.77
Total	1,271,94	211,86	519,87	850,33	1,582,06

4.3 Risk measurement

The Company has methods to measure the effectiveness and efficiency of financial risk hedging strategies, both prospectively and retrospectively. These methods are consistent with the risk management profile of the Group.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 5 Changes in accounting estimates and policies (consistent presentation)

5.1 Changes in accounting estimates

The Company had no changes in the determination of accounting estimates at the closing date of the consolidated financial statements. (For more information, see Note 3.41).

5.2 Changes in accounting policies

As of September 30, 2017, the Company's consolidated financial statements present no changes in accounting policies or estimates compared to the prior period (for further details refer to Note 2.6).

The consolidated statements of financial position as of September 30, 2017 and December 31, 2016 and the statements of comprehensive income, changes in equity and cash flows for the periods ended September 30, 2017 and 2016, have been prepared in accordance with the Standards issued by the Chilean Superintendence of Securities and Insurance (SVS), which consider the International Financial Reporting Standards (IFRS).

The accounting principles and criteria were applied consistently.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation

6.1 Parent's stand-alone assets and liabilities

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Assets	3,942,233	3,824,137
Liabilities	(1,749,927)	(1,578,063)
Equity	2,192,306	2,246,074

6.2 Parent entity

As provided in the Company's by-laws, no shareholder can concentrate more than 32% of the Company's voting right shares and therefore there is no controlling entity.

6.3 Joint arrangements of controlling interest

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that as of September 30, 2017 are equivalent to 29.97% of the current total amount of issued, subscribed and fully-paid shares in the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.12% of the total amount of issued, subscribed and fully-paid shares of SQM S.A.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been mutually related parties. This is independent of the fact that on December 21, 2006 the two Groups entered into a Joint Action Agreement (JAA) related to those shares. Consequently, neither the Pampa Group nor the Kowa Group individually owns more than 32% of the voting right capital of SQM S.A.

This Joint Action Agreement has not transformed the Pampa and Kowa Groups into mutually related parties. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group, into related parties of SQM S.A.

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.72
76.165.311-5	Potasios de Chile S.A.	6.91
96.863.960-9	Inversiones Global Mining (Chile) Limitada	3.34
Total Pampa Group		29.97
79.798.650-k	Inversiones la Esperanza (Chile) Ltda.	1.43
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.12

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)

6.4 General information on consolidated subsidiaries

As of September 30, 2017 and December 31, 2016, the general information of the companies on which the Company exercises control and significant influence is as follows:

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		Total
					Direct	Indirect	
SQM Nitratos S.A.	96.592.190-7	El Trovador 4285 Las Condes	Chile	US\$	99.9999	0.0001	100.0000
Proinsa Ltda.	78.053.910-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.5800	60.5800
SQMC Internacional Ltda.	86.630.200-6	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6381	60.6381
SQM Potasio S.A.	96.651.060-9	El Trovador 4285 Las Condes	Chile	US\$	99.9999	-	99.9999
Serv. Integrales de Tránsito y Transf. S.A.	79.770.780-5	Arturo Prat 1060, Tocopilla	Chile	US\$	0.0003	99.9997	100.0000
Isapre Norte Grande Ltda.	79.906.120-1	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	1.0000	99.0000	100.0000
Ajay SQM Chile S.A.	96.592.180-K	Av. Pdte. Eduardo Frei 4900, Santiago	Chile	US\$	51.0000	-	51.0000
Almacenes y Depósitos Ltda.	79.876.080-7	El Trovador 4285 Las Condes	Chile	Ch\$	1.0000	99.0000	100.0000
SQM Salar S.A.	79.626.800-K	El Trovador 4285 Las Condes	Chile	US\$	18.1800	81.8200	100.0000
SQM Industrial S.A.	79.947.100-0	El Trovador 4285 Las Condes	Chile	US\$	99.0470	0.9530	100.0000
Exploraciones Mineras S.A.	76.425.380-9	El Trovador 4285 Las Condes	Chile	US\$	0.2691	99.7309	100.0000
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	76.534.490-5	Anibal Pinto 3228, Antofagasta	Chile	Ch\$	-	100.0000	100.0000
Soquimich Comercial S.A.	79.768.170-9	El Trovador 4285 Las Condes	Chile	US\$	-	60.6383	60.6383
	76.064.419-6		Chile	US\$	-	42.4468	42.4468

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Comercial Agrorama Ltda. (*)		El Trovador 4285 Las Condes						
Comercial Hydro S.A.	96.801.610-5	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6383	60.6383	
Agrorama S.A.	76.145.229-0	El Trovador 4285 Las Condes	Chile	Ch\$	-	60.6377	60.6377	
Orcoma Estudios SPA	76.359.919-1	Apoquindo 3721 Of.131 Las Condes	Chile	US\$	51.0000	-	51.0000	
Orcoma SPA	76.360.575-2	Apoquindo 3721 Of.131 Las Condes	Chile	US\$	100.0000	-	100.0000	
SQM MaG SpA.	76.686.311-9	Los Militares 4290, Las Condes	Chile	US\$	100.0000	-	100.0000	
SQM North America Corp.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	40.0000	60.0000	100.0000	
RS Agro Chemical Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Orangestad	Aruba	US\$	98.3333	1.6667	100.0000	
Nitratos Naturais do Chile Ltda.	Foreign	Al. Tocantis 75, 6° Andar, Conunto 608 Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US\$	-	100.0000	100.0000	
Nitrate Corporation of Chile Ltd.	Foreign	1 More London Place London SE1 2AF	United Kingdom	US\$	-	100.0000	100.0000	
SQM Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Netherlands	US\$	0.0002	99.9998	100.0000	
SQM Peru S.A.	Foreign	Avenida Camino Real N° 348 of. 702, San Isidro, Lima	Peru	US\$	0.9800	99.0200	100.0000	
SQM Ecuador S.A.	Foreign	Av. José Orrantia y Av. Juan Tanca Marengo Edificio Executive Center Piso 2 Oficina 211 Al. Tocantis 75, 6° Andar, Conunto 608	Ecuador	US\$	0.0040	99.9960	100.0000	
SQM Brasil Ltda.	Foreign	Edif. West Gate, Alphaville Barureri, CEP 06455-020, Sao Paulo	Brazil	US\$	1.0900	98.9100	100.0000	

(*) SQM is the Parent of Soquimich Comercial and the latter is the Parent of Comercial Agrorama Ltda. SQM controls the management of Comercial Agrorama Ltda.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)**6.4 General information on consolidated subsidiaries, continued**

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
SQI Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Netherlands	US\$	0.0159	99.9841	100.0000
SQMC Holding Corporation L.L.P.	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta	United States	US\$	0.1000	99.9000	100.0000
SQM Japan Co. Ltd.	Foreign	From 1 st Bldg 207, 5-3-10 Minami-Aoyama, Minato-ku, Tokyo	Japan	US\$	0.1597	99.8403	100.0000
SQM Europe N.V.	Foreign	Houtdok-Noordkaai 25a B-2030 Antwerp, Belgium	Belgium	US\$	0.5800	99.4200	100.0000
SQM Italia SRL	Foreign	Via A. Meucci, 5 500 15 Grassina Firenze	Italy	US\$	-	100.0000	100.0000
SQM Indonesia S.A.	Foreign	Perumahan Bumi Dirgantara Permai, Jl Suryadarma Blok Aw No 15 Rt 01/09 17436 Jatisari Pondok Gede	Indonesia	US\$	-	80.0000	80.0000
North American Trading Company	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Virginia LLC	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
SQM Comercial de México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	0.0010	99.9900	100.0000
SQM Investment Corporation N.V.	Foreign	Pietermaai 123, P.O. Box 897, Willemstad, Curacao	Netherlands	US\$	1.0000	99.0000	100.0000
Royal Seed Trading Corporation A.V.V.	Foreign	Caya Ernesto O. Petronia 17, Oranjestad	Aruba	US\$	1.6700	98.3300	100.0000

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SQM Lithium Specialties LLP	Foreign	2727 Paces Ferry Road, Building Two, Suite 1425, Atlanta, GA	United States	US\$	-	100.0000	100.0000
Soquimich SRL Argentina Comercial	Foreign	Espejo 65 Oficina 6 – 5500 Mendoza	Argentina	US\$	-	100.0000	100.0000
Caimán Internacional S.A.	Foreign	Edificio Plaza Bancomer Calle 50	Panama	US\$	-	100.0000	100.0000
SQM France S.A.	Foreign	ZAC des Pommiers 27930 FAUVILLE	France	US\$	-	100.0000	100.0000
Administración y Servicios Santiago S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	-	100.0000	100.0000
SQM Nitratos México S.A. de C.V.	Foreign	Av. Moctezuma 144-4 Ciudad del Sol. CP 45050, Zapopan, Jalisco México	Mexico	US\$	-	100.0000	100.0000
SQM Australia PTY	Foreign	Level 16, 201 Elizabeth Street Sydney	Australia	Australian dollar	-	100.0000	100.0000
SACAL S.A.	Foreign	Av. Leandro N. Alem 882, piso 13 Buenos Aires	Argentina	Argentine peso	-	100.0000	100.0000

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)**6.4 General information on consolidated subsidiaries, continued**

Subsidiary	Tax ID	Address	Country of incorporation	Functional currency	Ownership interest		
					Direct	Indirect	Total
Soquimich European Holding B.V.	Foreign	Loacalellikade 1 Parnassustoren 1076 AZ Amsterdam	Netherlands	US\$	-	100.0000	100.0000
SQM Iberian S.A	Foreign	Provenza 251 Principal 1a CP 08008, Barcelona	Spain	US\$	-	100.0000	100.0000
SQM Africa Pty Ltd.	Foreign	Tramore House, 3 Wterford Office Park, Waterford Drive, 2191 Fourways, Johannesburg	South Africa	US\$	-	100.0000	100.0000
SQM Oceania Pty Ltd.	Foreign	Level 9, 50 Park Street, Sydney NSW 2000, Sydney	Australia	US\$	-	100.0000	100.0000
SQM Agro India Pvt. Ltd.	Foreign	C 30 Chiragh Enclave New Delhi, 110048	India	US\$	-	100.0000	100.0000
SQM Beijing Commercial Co. Ltd.	Foreign	Room 1001C, CBD International Mansion N 16 Yong An Dong Li, Jian Wai Ave Beijing 100022, P.R.	China	US\$	-	100.0000	100.0000
SQM Thailand Limited	Foreign	Unit 2962, Level 29, N° 388, Exchange Tower Sukhumvit Road, Klongtoey Bangkok	Thailand	US\$	-	99.996	99.996
SQM Colombia SAS	Foreign	Cra 7 No 32 – 33 piso 29 Pbx: (571) 3384904 Fax: (571) 3384905 Bogotá D.C. – Colombia	Colombia	US\$	-	100.0000	100.0000

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)**6.5 Information attributable to non-controlling interests**

Subsidiary	% of interests in the ownership held by non- controlling interests.	Profit (loss) attributable to non-controlling interests		Equity, non-controlling interests		Dividends paid to non- controlling interests		
		9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016	
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Proinsa Ltda.	0.1	%	-	-	-	-	-	-
SQM Potasio S.A.	0.0000001	%	-	-	-	-	-	-
Ajay SQM Chile S.A.	49	%	(605)	1,360	8,399	8,303	510	1,163
SQM Indonesia S.A.	20	%	-	-	1	1	-	-
Soquimich Comercial S.A.	39.3616784	%	620	2,378	48,598	50,416	1,189	1,851
Comercial Agrorama Ltda.	30	%	298	(106)	(84)	201	-	-
Agrorama S.A.	0.001	%	-	-	-	-	-	-
Orcoma Estudios SPA	49	%	-	2	2,277	2,277	-	-
SQM (Thailand) Limited.	0.004	%	-	-	-	-	-	-
Total			313	3,634	59,191	61,198	1,699	3,014

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Note 6 Background of companies included in consolidation (continued)

6.6 Information on consolidated subsidiaries

	9/30/2017						
	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
Subsidiary	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Nitratos S.A.	749,228	43,463	725,859	4,267	73,785	3,818	3,909
Proinsa Ltda.	57	1	-	-	-	(3)	(3)
SQMC Internacional Ltda.	211	-	-	-	-	(3)	(3)
SQM Potasio S.A.	259,556	877,366	57,526	23,230	2,920	219,883	220,358
Serv. Integrales de Tránsito y Transf. S.A.	103,498	36,071	131,326	1,350	26,666	2,973	2,982
Isapre Norte Grande Ltda.	685	794	714	148	1,137	24	35
Ajay SQM Chile S.A.	17,320	1,159	908	430	16,990	1,235	1,235
Almacenes y Depósitos Ltda.	290	48	1	-	-	(5)	76
SQM Salar S.A.	739,994	792,526	481,119	191,158	748,684	275,566	276,407
SQM Industrial S.A.	1,403,236	635,091	1,033,477	90,506	494,417	25,073	26,912
Exploraciones Mineras S.A.	537	31,678	6,145	-	-	(10)	(10)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	294	605	493	336	333	18	4
Soquimich Comercial S.A.	161,211	16,071	50,276	3,542	73,226	(1,575)	(1,598)
Comercial Agrorama Ltda.	9,814	1,968	12,017	46	8,497	(993)	(992)
Comercial Hydro S.A.	5,260	45	38	12	22	86	86
Agrorama S.A.	11,877	1,229	15,037	67	8,775	(1,003)	(1,028)
Orcoma SpA	-	2,360	14	-	-	-	-
Orcoma Estudio SpA	349	4,300	2	-	-	-	-
Compañía Minera Arfwedon SPA	10	-	-	-	-	-	-
SQM North America Corp.	149,569	15,510	177,896	782	201,532	1,085	817
RS Agro Chemical Trading Corporation A.V.V.	5,158	-	8	-	-	(21)	(21)
Nitratos Naturais do Chile Ltda.	3	141	3,494	-	-	(150)	(150)
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	668	112,481	3,575	-	-	(2,087)	(292)
SQM Perú S.A.	267	-	1,167	-	-	19	19
SQM Ecuador S.A.	14,606	104	11,797	40	20,550	1,467	1,467
SQM Brasil Ltda.	175	-	670	2,372	282	(88)	(88)

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SQI Corporation N.V.	16	21	61	-	-	(7) (7)
SQMC Holding Corporation L.L.P.	24,280	14,689	1,000	-	-	1,439	1,439	
SQM Japan Co. Ltd.	47,378	291	44,907	572	78,149	(2,316) 2,843	

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued**

9/30/2017

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Europe N.V.	386,171	2,710	345,194	-	644,795	(7,506)	(7,506)
SQM Italia SRL	1,216	-	15	-	-	-	-
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	158	145	39	-	-	-	-
SQM Virginia LLC	14,803	14,349	14,803	-	-	(8)	(8)
SQM Comercial de México S.A. de C.V.	101,327	1,997	73,349	-	138,950	3,423	3,423
SQM Investment Corporation N.V.	63,902	91	25,380	862	-	(8,349)	(8,349)
Royal Seed Trading Corporation A.V.V.	30,648	-	49,808	-	-	1,966	1,966
SQM Lithium Specialties LLP	15,755	3	1,264	-	-	(8)	(8)
Soquimich SRL Argentina	179	-	173	-	-	(26)	(26)
Comercial Caimán Internacional S.A.	261	-	1,122	-	-	2	2
SQM France S.A.	345	6	114	-	-	-	-
Administración y Servicios Santiago S.A. de C.V.	240	87	690	69	2,047	(44)	(44)
SQM Nitratos México S.A. de C.V.	43	6	23	9	209	4	4
Soquimich European Holding B.V.	52,854	116,796	70,145	1,224	-	(2,825)	(1,030)
SQM Iberian S.A.	63,505	1,280	56,744	-	127,696	(1,909)	1,592
SQM Africa Pty Ltd.	71,311	1,558	65,132	-	74,625	1,031	1,031
SQM Oceanía Pty Ltd.	3,137	-	1,080	-	1,331	239	239
SQM Agro India Pvt. Ltd.	-	-	-	-	-	-	-
SQM Beijing Commercial Co. Ltd.	2,665	19	475	-	2,240	59	59
SQM Thailand Limited	14,357	5	11,098	-	4,830	319	319
SQM Colombia SAS	1,808	-	-	1,174	-	(17)	(17)
SQM Australia Pty	7,000	-	-	-	-	-	-

Sacal S.A.	6	-	-	-	-	-	-
Total	4,542,317	2,727,064	3,476,176	322,196	2,752,688	510,776	526,044

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued**

	12/31/2016						
	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
Subsidiary	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Nitratos S.A.	656,221	54,180	644,610	5,990	96,235	12,178	12,164
Proinsa Ltda.	56	1	-	-	-	(4)	(4)
SQMC Internacional Ltda.	204	-	-	-	-	(3)	(3)
SQM Potasio S.A.	176,976	722,965	37,167	26,933	5,902	253,322	252,435
Serv. Integrales de Tránsito y Transf. S.A.	75,296	36,407	107,567	224	30,315	(18,192)	(18,362)
Isapre Norte Grande Ltda.	664	746	714	131	3,053	23	23
Ajay SQM Chile S.A.	17,240	1,069	975	388	28,035	2,776	2,776
Almacenes y Depósitos Ltda.	278	45	1	-	-	(10)	105
SQM Salar S.A.	785,127	828,606	751,857	195,369	975,326	316,182	316,024
SQM Industrial S.A.	1,212,960	658,277	882,593	97,714	600,075	17,262	21,790
Exploraciones Mineras S.A.	510	31,598	6,027	-	-	(286)	(284)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	337	632	614	291	2,265	85	-
Soquimich Comercial S.A.	153,068	14,663	38,533	1,115	134,501	6,041	6,020
Comercial Agrorama Ltda.	10,759	1,589	11,644	35	15,185	(356)	(341)
Comercial Hydro S.A.	5,242	56	115	15	47	350	350
Agrorama S.A.	12,348	842	14,078	37	16,462	(582)	(584)
Orcoma SpA	-	2,360	14	-	-	(1)	(1)
Orcoma Estudio SpA	671	4,135	159	-	-	4	4
SQM North America Corp.	175,834	15,621	204,201	485	228,229	(27,821)	(29,082)
RS Agro Chemical Trading Corporation A.V.V.	5,179	-	8	-	-	(23)	(23)
Nitratos Naturais do Chile Ltda.	6	251	3,456	-	-	(175)	(175)
Nitrate Corporation of Chile Ltd.	5,076	-	-	-	-	-	-
SQM Corporation N.V.	668	116,267	3,568	-	-	2,479	5,819
SQM Perú S.A.	249	1	1,170	-	8	(165)	(165)
SQM Ecuador S.A.	18,870	121	17,538	41	24,161	471	471
SQM Brasil Ltda.	200	1	714	2,266	296	(173)	(173)
SQI Corporation N.V.	-	23	55	-	-	(17)	(17)
SQMC Holding Corporation L.L.P.	23,135	13,936	1,000	-	-	1,977	1,977

SQM Japan Co. Ltd.	2,868	276	6,708	561	3,013	(7,615)	(7,615)
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Note 6 Background of companies included in consolidation (continued)**6.6 Information on consolidated subsidiaries, continued****12/31/2016**

Subsidiary	Assets		Liabilities		Revenue	Profit (loss)	Comprehensive income (loss)
	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM Europe N.V.	365,805	2,510	317,147	-	723,192	6,118	8,075
SQM Italia SRL	1,086	-	14	-	-	-	-
SQM Indonesia S.A.	3	-	1	-	-	-	-
North American Trading Company	158	145	39	-	-	-	-
SQM Virginia LLC	14,811	14,357	14,811	-	-	(3	(3
SQM Comercial de México S.A. de C.V.	73,791	2,200	49,048	-	186,769	(1,757	(1,757
SQM Investment Corporation N.V.	53,037	117	6,191	863	-	(5,441	(5,441
Royal Seed Trading Corporation A.V.V.	28,662	-	49,788	-	-	(914	(719
SQM Lithium Specialties LLP	15,763	3	1,264	-	-	(3	(3
Soquimich SRL Argentina	209	-	177	-	-	(12	(12
Comercial Caimán Internacional S.A.	259	-	1,122	-	-	(2	(2
SQM France S.A. Administración y Servicios Santiago S.A. de C.V.	345	6	114	-	-	-	-
SQM Nitratos México S.A. de C.V.	148	24	504	55	2,687	268	268
Soquimich European Holding B.V.	41	1	24	6	266	(2	(2
SQM Iberian S.A.	55,198	115,761	65,005	3,142	-	1,025	5,581
SQM Africa Pty Ltd.	81,119	1,709	73,198	-	146,677	3,501	9,464
SQM Oceanía Pty Ltd.	89,627	1,399	84,292	-	92,122	(7,627	(7,627
SQM Agro India Pvt. Ltd.	2,387	-	570	-	2,383	(99	(99
SQM Beijing Commercial Co. Ltd.	1	-	1	-	-	(3	(3
SQM Thailand Limited	2,285	30	171	-	5,106	(34	(34
SQM Vitas Spain S.A.	10,228	5	7,288	-	5,579	319	319
	2,287	686	1,583	-	13,673	157	253

Total	4,137,292	2,643,621	3,407,438	335,661	3,341,562	553,218	571,387
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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies

a) Transactions conducted in 2017

On January 1, 2017, the subsidiary SQM Iberian S.A. absorbed the joint venture SQM Vitas Spain.

On January 10, 2017, SQM Japan Co. Ltd. carried out a capital increase of ThUS\$8,676. Only Soquimich European Holding B.V. subscribed shares, thereby increasing its interest from 46.24% to 84.03% and reducing the interest held by SQM S.A. from 0.54% to 0.16% and by SQM Potasio S.A. from 53.22% to 15.81%. This had no impact on the consolidated results of SQM S.A., which continues to hold 100% of SQM Japan Co. Ltd. in its consolidated statement of financial position.

On February 10, 2017, the subsidiary Compañía Minera Arfwedson SAP was created in Chile with a capital contribution from SQM S.A. equivalent to ThUS\$10 for a 100% interest. On August 29, 2017, the company's name was changed to "SQM MAG SpA". The transaction had no impact on the Company's consolidated results.

On April 19, 2017, the subsidiary SACAL S.A. was incorporated with capital of ThUS\$7. The company is owned by SQM Potasio S.A. (95%) and SQM Industrial S.A. (5%). The transaction had no impact on the Company's consolidated results.

On July 31, 2017, the company SQM Trading was legally formed. No capital contributions have been recorded as of September 30, 2017. The subsidiary is owned by SQM S.A. (0.58%) and Soquimich European Holding (99.42%). The transaction had no impact on the Company's consolidated results.

During July 2017, the subsidiary SQM Agro India Private Limited was closed. The transaction had no impact on the Company's consolidated results.

On August 14, 2017, SQM Colombia SAS agreed to carry out a capital increase of ThUS\$1,814.64, which was subscribed by its owner SQM Industrial S.A.. To date, it has paid ThUS\$641. The transaction had no impact on the Company's consolidated results.

On August 29, 2017, Compañía Minera Arfwedson SpA, changed its name to SQM MaG SpA.

On August 31, 2017, the subsidiary SQM Australia Pty Ltd. was created with initial capital of ThUS\$7,000. This subsidiary is fully owned (100%) by SQM Potasio S.A. The transaction had no impact on the Company's consolidated results.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 6 Background of companies included in consolidation (continued)

6.7 Detail of transactions between consolidated companies, continued

b) Transactions conducted in 2016

On May 12, 2016, the subsidiary SQM Iberian S.A. purchased 100% of SQM Vitas Spain for ThUS\$1,710, generating a loss of ThUS\$104.

On October 3, 2016, SQM Colombia SAS was incorporated with capital of ThUS\$10.6. The company is fully (100%) owned by SQM Industrial S.A. The transaction had no impact on the Company's consolidated results.

On December 5, 2016, Soquimich European Holding B.V. contributed capital of ThUS\$1,721 to SQM Japan Co. Ltd, as part of a capital increase. Following the contribution, the ownership structure of SQM Japan Co Ltd. is as follows:

- | | |
|----|--|
| 1. | SQM S.A. with 0.54%, |
| 2. | SQM S.A. with 53.22%, |
| 3. | Soquimich European Holding B.V. with 46.24%. |

This transaction had no impact on results.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 7 Cash and cash equivalents

7.1 Types of cash and cash equivalents

As of September 30, 2017 and December 31, 2016, cash and cash equivalents are detailed as follows:

a) Cash	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Cash on hand	104	53
Cash in banks	94,647	80,287
Other demand deposits	44	1,260
Total cash	94,795	81,600

b) Cash equivalents	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Short-term deposits, classified as cash equivalents	68,903	95,673
Short-term investments, classified as cash equivalents	356,863	337,396
Total cash equivalents	425,766	433,069
Total cash and cash equivalents	520,561	514,669

7.2 Short-term investments, classified as cash equivalents

As of September 30, 2017 and December 31, 2016, the short-term investments classified as cash and cash equivalents relate to mutual funds (investment liquidity funds) for investments in:

Institution	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Legg Mason - Western Asset Institutional Cash Reserves	180,313	178,446
JP Morgan US dollar Liquidity Fund Institutional	176,550	158,950
Total	356,863	337,396

Short-term investments are highly liquid fund manager accounts that are basically invested in short-term fixed rate notes in the U.S. market.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 7 Cash and cash equivalents (continued)

7.3 Information on cash and cash equivalents by currency

As of September 30, 2017 and December 31, 2016, information on cash and cash equivalents by currency is detailed as follows:

Original currency	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Chilean Peso (*)	2,244	6,044
US Dollar	479,804	490,978
Euro	17,667	11,386
Australian dollar	7,000	
Mexican Peso	650	309
South African Rand	3,699	3,250
Japanese Yen	8,747	2,149
Peruvian Sol	8	3
Brazilian Real	32	59
Chinese Yuan	648	400
Indian Rupee	8	8
Thai Baht	-	8
UAE dirham	49	
Argentine Peso	4	4
Pound Sterling	1	71
Total	520,561	514,669

(*)The Company maintains financial derivative policies which allow to minimize the risk of the variation in Chilean pesos exchange rate.

7.4 Amount restricted (unavailable) cash balances

Cash on hand and in current bank accounts are available resources, and their carrying value is equal to their fair value.

As of September 30, 2017 and December 31, 2016, restricted cash balances are presented in Note 10.9.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 7 Cash and cash equivalents (continued)**7.5 Short-term deposits, classified as cash equivalents**

The detail at the end of each period is as follows:

2017 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to-date ThUS\$	9/30/2017 ThUS\$
Banco Crédito e Inversiones	Fixed term	US\$	1.65	9/25/2017	10/18/2017	2,200	1	2,201
Banco Crédito e Inversiones	Fixed term	US\$	1.5	9/29/2017	10/11/2017	10,000	-	10,000
Banco BBVA Chile	Fixed term	US\$	1.5	9/29/2017	10/11/2017	5,000	-	5,000
Banco BBVA Chile	Fixed term	US\$	1.8	8/30/2017	3/2/2018	1,200	2	1,202
Banco Crédito e Inversiones	Fixed term	US\$	1.85	9/6/2017	5/14/2018	1,100	1	1,101
Banco Crédito e Inversiones	Fixed term	US\$	1.50	8/16/2017	10/16/2017	1,300	2	1,302
Banco Crédito e Inversiones	Fixed term	US\$	1.70	9/21/2017	2/2/2018	1,000	-	1,000
Banco Crédito e Inversiones	Fixed term	US\$	1.90	9/21/2017	6/11/2018	1,600	1	1,601
Banco Crédito e Inversiones	Fixed term	US\$	1.71	9/25/2017	1/22/2018	6,000	1	6,001
Banco de Chile	Fixed term	US\$	1.65	8/21/2017	10/23/2017	2,500	5	2,505
Banco de Chile	Fixed term	US\$	1.95	8/30/2017	3/2/2018	2,800	5	2,805
Banco de Chile	Fixed term	US\$	2.15	8/23/2017	8/23/2017	2,000	5	2,005
Banco de Chile	Fixed term	US\$	1.35	7/31/2017	10/2/2017	4,200	10	4,210
Banco Santander - Santiago	Fixed term	US\$	1.48	8/7/2017	10/6/2017	2,200	5	2,205
Banco Santander - Santiago	Fixed term	US\$	1.55	8/16/2017	10/16/2017	2,000	4	2,004
Banco Santander - Santiago	Fixed term	US\$	2.00	8/30/2017	3/2/2018	1,000	2	1,002
Banco Santander - Santiago	Fixed term	US\$	2.00	8/28/2017	8/31/2018	3,000	6	3,006
Banco Santander - Santiago	Fixed term	US\$	1.95	8/28/2017	5/10/2018	2,000	4	2,004
Banco Santander - Santiago	Fixed term	US\$	1.5	8/11/2017	10/16/2017	2,800	6	2,806
Banco Security	Fixed term	US\$	1.8	9/6/2017	5/14/2018	1,900	2	1,902
Corpbanca	Fixed term	US\$	1.61	8/11/2017	10/16/2017	1,100	2	1,102

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Corpbanca	Fixed term	US\$	1.7	9/6/2017	5/14/2018	6,000	7	6,007
Corpbanca	Fixed term	US\$	1.85	9/25/2017	1/22/2018	500	-	500
Scotiabank Sud Americano	Fixed term	US\$	1.4	9/20/2017	8/5/2018	2,800	1	2,801
BBVA Banco Francés	Fixed term	US\$	1.9	9/30/2017	10/1/2017	171	3	174
BBVA Banco Francés	Fixed term	US\$	0.18	6/30/2017	7/7/2017	1,416	-	1,416
Nedbank	Fixed term	US\$	-	9/1/2017	9/30/2017	1,041	-	1,041
Total						68,828	75	68,903

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 7 Cash and cash equivalents (continued)**7.5 Short-term deposits, classified as cash equivalents, continued**

2016 Receiver of the deposit	Type of deposit	Original Currency	Interest rate	Placement date	Expiration date	Principal ThUS\$	Interest accrued to-date ThUS\$	12/31/2016 ThUS\$
Scotiabank Sud Americano	Fixed term	US\$	1.28	12/29/2016	1/31/2017	9,900	1	9,901
Banco de Chile	Fixed term	US\$	0.90	12/30/2016	1/9/2017	15,000	1	15,001
Banco Crédito e Inversiones	Fixed term	US\$	0.90	12/30/2016	1/10/2017	10,000	-	10,000
Banco Crédito e Inversiones	Fixed term	US\$	0.93	10/11/2016	1/30/2017	13,000	27	13,027
Banco BBVA Chile	Fixed term	US\$	0.75	10/11/2016	1/30/2017	2,000	3	2,003
Banco Santander - Santiago	Fixed term	US\$	1.21	12/1/2016	1/3/2017	3,500	4	3,504
Banco de Chile	Fixed term	US\$	0.76	12/7/2016	1/6/2017	3,900	2	3,902
Banco Santander - Santiago	Fixed term	US\$	0.90	12/12/2016	1/12/2017	5,000	2	5,002
Banco de Chile	Fixed term	US\$	1.30	12/12/2016	1/12/2017	1,700	1	1,701
Banco Crédito e Inversiones	Fixed term	US\$	0.88	12/14/2016	1/17/2017	2,000	1	2,001
Corpbanca	Fixed term	US\$	1.28	12/20/2016	2/21/2017	800	-	800
Scotiabank Sud Americano	Fixed term	US\$	1.28	12/20/2016	2/21/2017	5,000	2	5,002
Banco Santander - Santiago	Fixed term	US\$	0.75	12/22/2016	1/23/2017	3,500	1	3,501
Banco Santander - Santiago	Fixed term	US\$	1.25	12/28/2016	2/9/2017	3,900	1	3,901
Banco Security	Fixed term	US\$	1.31	12/28/2016	2/9/2017	3,300	-	3,300
Banco Security	Fixed term	US\$	1.00	12/29/2016	1/30/2017	3,800	-	3,800
Banco Santander - Santiago	Fixed term	Ch\$	0.31	12/16/2016	1/2/2017	1,942	3	1,945
Corpbanca	Fixed term	Ch\$	0.32	12/29/2016	1/9/2017	597	1	598
Scotiabank Sud Americano	Fixed term	Ch\$	0.33	12/30/2016	1/9/2017	2,091	-	2,091
Citibank New York	Overnight	US\$	0.01	12/31/2016	1/1/2017	1,742	-	1,742
BBVA Banco Francés	Fixed term	US\$	0.21	24/10/2016	1/31/2017	199	-	199
Nedbank	On demand	US\$	-	12/1/2016	1/31/2017	2,752	-	2,752
Total						95,623	50	95,673

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 8 Inventories

The composition of inventory at each period-end is as follows:

Type of inventory	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Raw material reserves	3,616	7,536
Supplies for production reserves	23,807	23,610
Products-in-progress reserves	451,831	482,261
Finished product reserves	437,132	479,665
Total	916,386	993,072

As of September 30, 2017, the Company has inventory of caliche ore (in piles or undergoing leaching process) available for processing valued at ThUS\$52,818 (ThUS\$ 43,400 as of December 31, 2016).

As of September 30, 2017, the sum registered as cost of sale related to inventory in the statement of income amounts to ThUS\$912,512 and to ThUS\$811,673 as of September 30, 2016.

Inventory reserves recognized as of September 30, 2017 amount to ThUS\$88,409, and ThUS\$81,295 as of December 31, 2016. Inventory reserves have been made based on a technical study that covers the different variables affecting products in stock (density and humidity, among others). Additionally, reserves are recognized if goods are sold cheaper than the related cost, and for differences that arise from inventory counts.

The breakdown of inventory reserves is detailed as follows:

Type of inventory	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Raw material reserves	93	93
Suministros para la producción	-	920
Products-in-progress reserves	75,134	64,857
Finished product reserves	13,182	15,425
Total	88,409	81,295

The Company has not delivered inventory as collateral for the periods indicated above.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 8 Inventories, continued

As of September 30, 2017 and December 31, 2016, movements in provisions are detailed as follows:

Reconciliation	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Opening balance	81.295	80.369
Changes		
Additional provisions	14,480	9,831
Increase (decrease) in existing provisions	(7,366)	(8,905)
Total changes	7,114	926
Total	88,409	81,295

Note 9 Related party disclosures

9.1 Related party disclosures

Balances pending at period-end are not guaranteed, accrue no interest and are settled in cash. No guarantees have been delivered or received for trade and other receivables due from related parties or trade and other payables due to related parties.

9.2 Relationships between the parent and the entity

According to the Company's by-laws, no shareholder can own more than 32% of the Company's voting right shares.

Sociedad de Inversiones Pampa Calichera S.A., Potasios de Chile S.A., and Inversiones Global Mining (Chile) Ltda., collectively the Pampa Group, are the owners of a number of shares that as of September 30, 2017 are equivalent to 29.97% of the current total amount of issued, subscribed and fully-paid shares in the Company. In addition, Kowa Company Ltd., Inversiones La Esperanza (Chile) Limitada, Kochi S.A. and La Esperanza Delaware Corporation, collectively the Kowa Group, are the owners of a number of shares equivalent to 2.12% of the total amount of issued, subscribed and fully-paid shares of SQM S.A.

The Pampa Group and the Kowa Group have informed SQM S.A., the Chilean SVS and the relevant stock exchanges in Chile and abroad that they are not and have never been mutually related parties. This is independent of the fact that on December 21, 2006 the two Groups entered into a Joint Action Agreement (JAA) related to those shares.

Consequently, neither the Pampa Group nor the Kowa Group individually owns more than 32% of the voting right capital of SQM S.A.

This Joint Action Agreement has not transformed the Pampa and Kowa Groups into mutually related parties. The Joint Action Agreement has only transformed the current controller of SQM S.A., composed of the Pampa Group, and the Kowa Group, into related parties of SQM S.A.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.2 Relationships between the parent and the entity, continued

Detail of effective concentration

Tax ID No.	Name	Ownership interest %
96.511.530-7	Sociedad de Inversiones Pampa Calichera S.A.	19.72
76.165.311-5	Potasios de Chile S.A.	6.91
96.863.960-9	Inversiones Global Mining (Chile) Ltda.	3.34
Total Pampa Group		29.97
79.798.650-k	Inversiones la Esperanza (Chile) Ltda.	1.43
59.046.730-8	Kowa Co Ltd.	0.30
96.518.570-4	Kochi S.A.	0.30
59.023.690-k	La Esperanza Delaware Corporation	0.09
Total Kowa Group		2.12

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.3 Detailed identification of the link between the Parent and subsidiary

As of September 30, 2017 and December 31, 2016, the detail of entities that are related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
Foreign	Nitratos Naturais Do Chile Ltda.	Brazil	US\$	Subsidiary
Foreign	Nitrate Corporation Of Chile Ltd.	United Kingdom	US\$	Subsidiary
Foreign	SQM North America Corp.	United States	US\$	Subsidiary
Foreign	SQM Europe N.V.	Belgium	US\$	Subsidiary
Foreign	Soquimich S.R.L. Argentina	Argentina	US\$	Subsidiary
Foreign	Soquimich European Holding B.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Corporation N.V.	The Netherlands	US\$	Subsidiary
Foreign	SQI Corporation N.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Comercial De México S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	North American Trading Company	United States	US\$	Subsidiary
Foreign	Administración y Servicios Santiago S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQM Peru S.A.	Peru	US\$	Subsidiary
Foreign	SQM Ecuador S.A.	Ecuador	US\$	Subsidiary
Foreign	SQM Nitratos Mexico S.A. de C.V.	Mexico	US\$	Subsidiary
Foreign	SQMC Holding Corporation L.L.P.	United States	US\$	Subsidiary
Foreign	SQM Investment Corporation N.V.	The Netherlands	US\$	Subsidiary
Foreign	SQM Brasil Limitada	Brazil	US\$	Subsidiary
Foreign	SQM France S.A.	France	US\$	Subsidiary
Foreign	SQM Japan Co. Ltd.	Japan	US\$	Subsidiary
Foreign	Royal Seed Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Oceania Pty Limited	Australia	US\$	Subsidiary
Foreign	Rs Agro-Chemical Trading Corporation A.V.V.	Aruba	US\$	Subsidiary
Foreign	SQM Indonesia S.A.	Indonesia	US\$	Subsidiary
Foreign	SQM Virginia L.L.C.	United States	US\$	Subsidiary
Foreign	SQM Italia SRL	Italy	US\$	Subsidiary
Foreign	Comercial Caiman Internacional S.A.	Panamá	US\$	Subsidiary
Foreign	SQM Africa Pty. Ltd.	South Africa	US\$	Subsidiary
Foreign	SQM Colombia SAS	Colombia	US\$	Subsidiary
Foreign	SQM Lithium Specialties LLC	United States	US\$	Subsidiary
Foreign	SQM Iberian S.A.	Spain	US\$	Subsidiary
Foreign	SQM Agro India Pvt. Ltd.	India	US\$	Subsidiary
Foreign	SQM Beijing Commercial Co. Ltd.	China	US\$	Subsidiary
Foreign	SQM Thailand Limited	Thailand	US\$	Subsidiary
Foreign	SQM Australia PTY	Australia	Australian dollar	Subsidiary
Foreign	SACAL S.A.	Argentina	Argentine peso	Subsidiary
96.801.610-5	Comercial Hydro S.A.	Chile	US\$	Subsidiary

96.651.060-9	SQM Potasio S.A.	Chile	US\$	Subsidiary
96.592.190-7	SQM Nitratos S.A.	Chile	US\$	Subsidiary
96.592.180-K	Ajay SQM Chile S.A.	Chile	US\$	Subsidiary

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Note 9 Related party disclosures (continued)

9.3 Detailed identification of the link between the Parent and subsidiary, continued

As of September 30, 2017 and December 31, 2016, the detail of entities that are related parties of the SQM S.A. Group is as follows:

Tax ID No.	Name	Country of origin	Functional currency	Nature
86.630.200-6	SQMC Internacional Ltda.	Chile	Chilean peso	Subsidiary
79.947.100-0	SQM Industrial S.A.	Chile	US\$	Subsidiary
79.906.120-1	Isapre Norte Grande Ltda.	Chile	Chilean peso	Subsidiary
79.876.080-7	Almacenes y Depósitos Ltda.	Chile	Chilean peso	Subsidiary
79.770.780-5	Servicios Integrales de Tránsitos y Transferencias S.A.	Chile	US\$	Subsidiary
79.768.170-9	Soquimich Comercial S.A.	Chile	US\$	Subsidiary
79.626.800-K	SQM Salar S.A.	Chile	US\$	Subsidiary
78.053.910-0	Proinsa Ltda.	Chile	Chilean peso	Subsidiary
76.534.490-5	Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	Chile	Chilean peso	Subsidiary
76.425.380-9	Exploraciones Mineras S.A.	Chile	US\$	Subsidiary
76.064.419-6	Comercial Agrorama Ltda.	Chile	Chilean peso	Subsidiary
76.145.229-0	Agrorama S.A.	Chile	Chilean peso	Subsidiary
76.359.919-1	Orcoma Estudios SPA	Chile	US\$	Subsidiary
76.360.575-2	Orcoma SPA	Chile	US\$	Subsidiary
76.686.311-9	SQM MaG SpA	Chile	US\$	Subsidiary
Foreign	Abu Dhabi Fertilizer Industries WWL	Arab Emirates	Arab Emirates dirham	Associate
Foreign	Doktor Tarsa Tarim Sanayi AS	Turkey	Turkish lira	Associate
Foreign	Ajay North America	United States	US\$	Associate
Foreign	Ajay Europe SARL	France	Euro	Associate
Foreign	SQM Eastmed Turkey	Turkey	Euro	Associate
Foreign	Charlee SQM Thailand Co. Ltd.	Thailand	Thai baht	Associate
Foreign	Kore Potash Ltd.	Australia	US\$	Associate
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	China	US\$	Joint venture
Foreign	Coromandel SQM India	India	Indian rupee	Joint venture
Foreign	SQM Vitas Fzco.	Arab Emirates	Arab Emirates dirham	Joint venture
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	China	US\$	Joint venture
Foreign	SQM Vitas Holland B.V.	Dutch Antilles	Euro	Joint venture
Foreign	Kowa Company Ltd.	Japan	US\$	Joint control
Foreign	Minera Exar S.A.	Argentina	US\$	Joint control
96.511.530-7	Sociedad de Inversiones Pampa Calichera	Chile	US\$	Joint control

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96.529.340-k	Norte Grande S.A.	Chile	Chilean peso	Other related parties
79.049.778-9	Callegari Agricola S.A.	Chile	Chilean peso	Other related parties
Foreign	Coromandel Internacional	India	Indian rupee	Other related parties
Foreign	Vitas Roullier SAS	France	Euro	Other related parties
Foreign	SQM Vitas Brazil Agroindustria	Brazil	US\$	Other related parties
Foreign	SQM Vitas Peru S.A.C.	Peru	US\$	Other related parties
Foreign	SQM Vitas Plantacote B.V	Dutch Antilles	Euro	Other related parties
Foreign	Terra Tarsa B.V..	Holland	Euro	Other related parties
Foreign	Plantacote N.V	Belgium	Euro	Other related parties
Foreign	Doktolab Tarim Arastima San. Tic As	Turkey	Turkish Lira	Other related parties
Foreign	Terra Tarsa Ukraine LLC	Ukraine	Ukrainian Grivna	Other related parties
Foreign	Terra Tarsa Don LLC	Russian Federation	Russian ruble	Other related parties

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.4 Detail of related parties and related party transactions

Transactions between the Parent and its subsidiaries, associated businesses, joint ventures and other related parties are part of the Company's common transactions. Their conditions are those customary for this type of transactions in respect of terms and market prices. In addition, these have been eliminated in consolidation and are not detailed in this note.

Maturity terms for each case vary by virtue of the transaction giving rise to them.

As of September 30, 2017 and December 31, 2016, the detail of significant transactions with related parties is as follows:

Tax ID No.	Company	Nature	Country of origin	Transaction	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi As	Associate	Turkey	Sale of products	11.050	11.619
Foreign	Ajay Europe S.A.R.L.	Associate	France	Sale of products	10.975	17.977
Foreign	Ajay Europe S.A.R.L.	Associate	France	Dividends	785	1.338
Foreign	Ajay North America LLC.	Associate	United States	Sale of products	10.368	12.865
Foreign	Ajay North America LLC.	Associate	United States	Dividends	842	2.605
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Sale of products	3.438	8.312
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	Sale of products	4.446	3.798
77.557.430-5	Sales de Magnesio Ltda.	Associate	Chile	Sale of products	45	-
Foreign	Kowa Company Ltd.	Other related parties	Japan	Sale of products	91.111	91.678
Foreign	Kowa Company Ltd.	Other related parties	Japan	Services received	-	-
Foreign	SQM Vitas Brasil Agroindustria	Joint control or significant influence	Brazil	Sale of products	26.577	17.686
Foreign	SQM Vitas Peru S.A.C.	Joint control or significant influence	Peru	Sale of products	19.385	22.090

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Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Sale of products	49	965
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of products	-	9.950
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	Sale of services	189	257
Foreign	Coromandel SQM India	Joint venture	India	Sale of products	7.078	4.630
Foreign	SQM Vitas Spain	Joint venture	Spain	Sale of products	-	5.528
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Netherlands	Sale of products	-	49
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	Sale of products	153	166
Foreign	SQM Vitas Holland B.V.	Joint venture	Holland	Sale of products	-	634
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Sale of products	210	44
Foreign	Minera Exar S.A.	Joint venture	Argentina	Loans	11.000	-
Foreign	Terra Tarsa Ukraine LLC	Associate	Turkey	Sale of services	1.211	-
Foreign	Terra Tarsa Don LLC	Joint venture	Russian Federation	Sale of products	423	-
Foreing	Plantacote N.V.	Associate	Belgium	Sale of products	6	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.5 Trade receivables due from related parties, current:

Tax ID N°	Company	Nature	Country of origin	Currency	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Foreign	Charlee SQM Thailand Co. Ltd.	Associate	Thailand	US\$	3,245	1,315
Foreign	Ajay Europe S.A.R.L.	Associate	France	Euro	3,468	3,801
Foreign	Ajay North America LLC.	Associate	United States	US\$	2,068	3,095
Foreign	Abu Dhabi Fertilizer Industries WWL	Associate	United Arab Emirates	Arab Emirates dirham	873	764
Foreign	Kowa Company Ltd.	Jointly controlled entity	Japan	US\$	3,851	34,377
96.511.530-7	Soc.de Inversiones Pampa Calichera	Jointly controlled entity	Chile	US\$	6	6
Foreign	SQM Vitas Brasil Agroindustria	Joint venture	Brazil	US\$	18,533	9,580
Foreign	SQM Vitas Peru S.A.C.	Joint venture	Peru	US\$	13,487	13,318
Foreign	Coromandel SQM India Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	India	Indian rupee	4,687	1,177
Foreign	China	Joint venture	China	US\$	994	14,547
79.049.778-9	Callegari Agrícola S.A.	Other related parties	Chile	Ch\$	-	41
Foreign	SQM Vitas Fzco.	Joint venture	United Arab Emirates	Arab Emirates dirham	235	97
Foreign	SQM Vitas Plantacote B.V.	Joint venture	Holland	Euro	-	91
Foreign	SQM Star Qingdao Corp Nutrition Co., Ltd.	Joint venture	China	US\$	46	48
Foreign	Plantacote N.V.	Associate	Belgium	Euro	178	2
Foreign	Terra Tarsa Ukraine LLC	Associate	Turkey	Euro	96	-
Foreign	Terra Tarsa Don LLC	Associate	Russian Federation	Russian ruble	88	-
Foreign	Minera Exar S.A.	Joint venture	Argentina	US\$	11,000	-
Total					62,855	82,259

9.6

Trade payables due to related parties, current:

Company.	Nature	Currency
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Tax ID No.			Country of origin		9/30/2017 ThUS\$	12/31/2016 ThUS\$
Foreign	Doktor Tarsa Tarim Sanayi AS	Associate	Turkey	YTL	645	7
Foreign	Sichuan SQM Migao Chemical Fertilizers Co Ltda.	Joint venture	China	US\$	407	-
Current Total					1,052	7

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management

1) Board of directors

SQM S.A. is managed by a Board of Directors which is composed of 8 regular directors, 2 of whom are independent directors, who are elected for a three-year period. The present Board of Directors was elected by the shareholders at the Ordinary Shareholders' Meeting of April 28, 2017.

As of September 30, 2017, the Company has the following Committees:

Directors' Committee: composed of Juan Gerardo Jofré Miranda, Fernando Massú Taré and Joanne L. Boyes. Such Committee performs the duties contained in Article 50 bis of Law No. 18.046, the Chilean "Securities Act".

Health, Safety and Environmental Matters Committee: composed of Arnfinn F. Prugger, Gonzalo Guerrero Y. and Hernán Büchi Buc.

Corporate Governance Committee: composed of Robert A. Kirkpatrick, Hernán Büchi Buc and Juan Gerardo Jofré Miranda.

During the periods covered by these financial statements, there are no pending balances receivable and payable between the Company, its directors or members of Senior Management, other than those related to remuneration, fee allowances and profit-sharing. In addition, there were no transactions conducted between the Company, its directors or members of Senior Management.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

2)

Directors' Compensation

Directors' compensation is detailed as follows:

The payment of a fixed, gross and monthly amount of four hundred UF in favor of the Chairman of the Board of a) Directors of SQM S.A. and of two hundred UF in favor of the remaining seven Directors of SQM S.A. and regardless of the number of Board of Directors' Meetings held or not held during the related month.

A payment in domestic currency in favor of the Chairman of the Company's Board of Directors consisting of a b) variable and gross amount equivalent to 0.15% of profit for the period effectively earned by the Company during the 2017 fiscal year.

A payment in domestic currency in favor of each Company's directors excluding the Chairman of the Board, c) consisting of a variable and gross amount equivalent to 0.06% of profit for the period effectively earned by the Company during the 2017 fiscal year.

The fixed and variable amounts indicated above cannot be altered and those expressed in percentages will be paid after the related General Shareholders' Meeting of SQM S.A. approves the Balance Sheet, Financial Statements, d) Annual Report, the Account Inspectors' Report and Independent Auditor's Report of SQM S.A. for the commercial year ended December 31, 2017.

The amounts expressed in UF will be paid in accordance with the value determined by the Chilean Superintendence of Banks and Financial Institutions (SBIF), the Central Bank of Chile (Banco Central de Chile) or another relevant e) institution replacing them during the last day of the calendar year applicable. The amounts reflected in or referred to in U.S. dollars will be converted to Chilean pesos and paid in Chilean pesos in accordance with the exchange rate in force when the dividend for the 2017 fiscal year is paid.

f) Therefore, the remunerations and profit sharing paid to members of the Board of Directors and Audit Committee during 2017 amount to ThUS\$2,790 (ThUS\$ 2,292 as of December 31, 2016).

3) Directors' Committee

The remuneration of the Directors Committee comprises:

The payment of a fixed, gross and monthly amount of UF 75 in favor of each of the 3 directors that are members of a) the Directors' Committee, regardless of the number of meetings of the Directors' Committee that have or have not been held during the month concerned.

b) The payment in domestic currency and in favor of each of the 3 directors of a variable and gross amount equivalent to 0.02% of total net profit that the Company effectively obtains during the 2017 fiscal year.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

The fixed and variable amounts indicated above cannot be altered and those expressed in percentages will be paid after the related General Shareholders' Meeting of SQM S.A. approves the Balance Sheet, Financial Statements, c) Annual Report, the Account Inspectors' Report and Independent Auditor's Report of SQM S.A. for the commercial year ended December 31, 2017.

The amounts expressed in UF will be paid in accordance with the value determined by the Chilean Superintendence of Banks and Financial Institutions (SBIF), the Central Bank of Chile (Banco Central de Chile) or another relevant d) institution replacing them during the last day of the calendar year applicable. The amounts reflected in or referred to in U.S. dollars will be converted to Chilean pesos and paid in Chilean pesos in accordance with the exchange rate in force when the dividend for the 2017 fiscal year is paid.

4) Health, Safety and Environmental Matters Committee:

The remuneration for this committee is composed of the payment of a fixed, gross and monthly amount of UF 50 for each of the 3 Directors on the committee, regardless of the number of meetings it has held.

5) Corporate Governance Committee

The remuneration for this committee is composed of the payment of a fixed, gross and monthly amount of UF 50 for each of the 3 Directors on the committee regardless of the number of meetings it has held.

6) No guarantees have been constituted in favor of the directors.

7) Senior management compensation:

As of September 30, 2017, the global compensation paid to the 113 main executives amounts to ThUS\$22.067 and a) the global compensation paid to the 105 main executives as of December 31, 2016 amounted to ThUS\$20,439. This includes monthly fixed salary and variable performance bonuses.

SQM S.A. has an annual bonus plan based on goal achievement and individual contribution to the Company's b) results. These incentives are structured as a minimum and maximum number of gross monthly salaries and are paid once a year.

c) The Company also has retention bonuses for its executives. The value of these bonuses is linked to the Company's stock price and is payable in cash during the first quarter of 2021 (see Note 16).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 9 Related party disclosures (continued)

9.7 Board of Directors and Senior Management, continued

8) No guarantees have been constituted in favor of the Company's management.

The Company's Managers and Directors do not receive or have not received any benefit during the period ended September 30, 2017 and the year ended December 31, 2016 or compensation for the concept of pensions, life insurance, paid time off, profit sharing, incentives, or benefits due to disability other than those mentioned in the preceding points.

9.8 Key management personnel compensation

As of September 30, 2017, there are 113 people occupying key management personnel posts (there were 105 as of December 31, 2016).

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Key management personnel compensation	22,067	20,439

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments

Financial instruments in accordance with IAS 39 are detailed as follows:

10.1 Types of other financial assets

Description of other financial assets	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Other current financial assets (1)	378,774	284,160
Derivatives (2)	3,761	4,095
Hedging assets	1,697	934
Total other current financial assets	384,232	289,189
Other non-current financial assets (3)	35,242	34,099
Total other non-current financial assets	35,242	34,099

(1) Relates to term deposits with maturities exceeding 90 days and less than 360 days from the investment date.

(2) Relates to forwards and options that were not classified as hedging instruments (see detail in Note 10.3).

(3) The detail of other financial assets, non-current is as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Non-current investments not accounted for using the equity accounting method, classified as available for sale	9,154	6,899
Share purchase option (*)	20,000	20,000
Hedging assets	6,043	7,156
Other financial assets, non-current	45	44
Total other financial assets, non-current	35,242	34,099

Detail of other current financial assets

	9/30/2017	12/31/2016
Institution		
	ThUS\$	ThUS\$
Banco Santander	152,493	54,364
Banco de Crédito e Inversiones	168,148	40,627
Corpbanca	-	19,247
Banco Itaú	15,353	44,722
Banco Security	-	15,007
Morgan Stanley	4,191	3,150
Scotiabank Sud Americano	38,589	107,043
Total	378,774	284,160

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments, (continued)

10.2 Trade and other receivables

	9/30/2017			12/31/2016		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade receivables	352,637	-	352,637	344,839	-	344,839
Prepayments	7,195	-	7,195	6,621	-	6,621
Other receivables	17,454	1,466	18,920	17,301	1,840	19,141
Total trade and other receivables	377,286	1,466	378,752	368,761	1,840	370,601

	9/30/2017			12/31/2016		
	Assets before allowance	Allowance for doubtful trade receivables	Assets for trade receivables, net	Assets before allowance	Allowance for doubtful trade receivables	Assets for trade receivables, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Receivables related to credit operations, current	365,286	(12,649)	352,637	361,656	(16,817)	344,839
Trade receivables, current	365,286	(12,649)	352,637	361,656	(16,817)	344,839
Prepayments, current	9,195	(2,000)	7,195	9,421	(2,800)	6,621
Other receivables, current	19,504	(2,050)	17,454	19,300	(1,999)	17,301
Current trade and other receivables	28,699	(4,050)	24,649	28,721	(4,799)	23,922
Other receivables, non-current	1,466	-	1,466	1,840	-	1,840
Non-current receivables	1,466	-	1,466	1,840	-	1,840
Total trade and other receivables	395,451	(16,699)	378,752	392,217	(21,616)	370,601

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments, (continued)

10.2 Trade and other receivables, continued

Portfolio stratification, continued

The Company's policy is to require guarantees (such as letters of credit, guarantee clauses and others) and/or maintaining insurance policies for certain accounts as deemed necessary by management.

Unsecuritized portfolio

As of September 30, 2017 and December 31, 2016, the detail of the unsecuritized portfolio is as follows:

9/30/2017

	Not overdue	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - 210 days	211 - 250 days	Over 250 days	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Number of customers, portfolio under no renegotiated terms	2,658	750	584	666	900	135	137	31	108	444	6,413
Portfolio under no renegotiated terms	249,574	6,086	2,050	5,440	2,890	1,560	673	2,241	2,211	87,609	360,334
Number of customers under renegotiated terms portfolio	23	350	57	45	35	31	19	14	24	334	932
Portfolio under renegotiated terms, gross	1,008	324	170	234	86	132	154	94	63	2,687	4,952
Total gross portfolio	250,582	6,410	2,220	5,674	2,976	1,692	827	2,335	2,274	90,296	365,286

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	Not overdue	1 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 150 days	151 - 180 days	181 - 210 days	211 - 250 days	Over 250 days	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Number of customers, portfolio under no renegotiated terms	1,943	2,502	1,666	1,324	1,473	372	290	227	221	1,903	11,921
Portfolio under no renegotiated terms	298,872	18,511	5,097	2,951	3,441	1,010	643	522	309	25,849	357,205
Number of customers under renegotiated terms portfolio	22	333	155	30	17	9	3	19	5	218	811
Portfolio under renegotiated terms, gross	947	602	83	62	118	5	8	33	33	2,560	4,451
Total gross portfolio	299,819	19,113	5,180	3,013	3,559	1,015	651	555	342	28,409	361,656

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments, (continued)

10.2 Trade and other receivables, continued

As of September 30, 2017 and December 31, 2016, movements in provisions are as follows:

Reconciliation	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Opening balance	21,616	19,731
Additional provisions	3,293	10,632
Increase (decrease in provisions)	(8,210)	(8,747)
Closing balance	16,699	21,616

Credit risk concentration

Credit risk concentration with respect to trade receivables is reduced due to the great number of entities in the Company's client base and their distribution throughout the world.

10.3

Hedging assets and liabilities

The balance represents derivative instruments measured at fair value which have been classified as hedges from exchange and interest rate risks related to the total obligations associated with bonds in Chilean pesos and UF . As of September 30, 2017, the notional amount of cash flows in Cross Currency Swap contracts agreed upon in US dollars amounted to ThUS\$266,335 and as of December 31, 2016 such contracts amounted to ThUS\$320,155.

Hedging assets with underlying debt	Derivative instruments (Fwds)	Effect on profit or loss for the period Derivative instruments	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
September 30, 2017	6,043	2,965	1,882	-	1,898
Hedging liabilities with underlying debt	Derivative instruments	Effect on profit or loss for the period	Hedging reserve in gross equity	Deferred tax hedging	Hedging reserve in

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	(CCS)	Derivative instruments		reserve in equity	equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
September 30, 2017	23,924	26,232	805	-	805
Hedging liabilities with underlying investments	Derivative instruments (CCS)	Effect on profit or loss for the period Derivative instruments	Hedging reserve in gross equity	Deferred tax hedging reserve in equity	Hedging reserve in equity
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
September 30, 2017	8.851	8.113	(737)	-	(813)

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)**10.3 Hedging assets and liabilities, continued**

Hedging assets with underlying debt	Derivative instruments (Fwds) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
December 31, 2016	830	789	41	(9)	32
Hedging liabilities with underlying debt	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
December 31, 2016	43,235	28,108	(29)	5	(24)
Hedging liabilities with underlying investments	Derivative instruments (CCS) ThUS\$	Effect on profit or loss for the period Derivative instruments ThUS\$	Hedging reserve in gross equity ThUS\$	Deferred tax hedging reserve in equity ThUS\$	Hedging reserve in equity ThUS\$
December 31, 2016	218	(294)	76	(19)	57

The balances in the “effect on profit or loss” column consider the interim effects of the contracts in force As of September 30, 2017 and December 31, 2016.

Derivative contract maturities are detailed as follows:

Contract amount			
Series	Currency	Maturity date	
	ThUS\$		
H	191,638	UF	01/05/2018
O	58,748	UF	02/01/2017

The Company uses cross currency swap derivative instruments to hedge the possible financial risk associated with the volatility of the exchange rate associated with Chilean pesos and UF. The objective is to hedge the exchange rate financial risks associated with bonds payable. Hedges are documented and tested to measure their effectiveness.

Based on a comparison of critical terms, hedging is highly effective, given that the hedged amount is consistent with obligations maintained for bonds denominated in Chilean pesos and UF. Likewise, hedging contracts are denominated in the same currencies and have the same expiration dates of bond principal and interest payments.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.3 Hedging assets and liabilities, continued

Hedge Accounting

The Company classifies derivative instruments as hedging that may include derivative or embedded derivatives either as fair value hedge derivative instruments, cash flow hedge derivative instruments, or hedge derivative instruments for net investment in a business abroad.

a) Fair value hedge

Changes in fair values of derivative instruments classified as fair value hedge derivative instruments are accounted for in gains and losses immediately along with any change in the fair value of the hedged item that is attributable to the risk being hedged.

The Company documents the relationship between hedge instruments and the hedged item along with the objectives of its risk management and strategy to carry out different hedging transactions. In addition, upon commencement of the period hedged and then on a quarterly basis, the Company documents whether hedge instruments have been efficient and met the objective of hedging market fluctuations. For this purpose, we use the effectiveness test. A hedge instrument is deemed effective if the effectiveness test result is between 80% and 125%.

The hedge instruments are classified as effective or not effective on the basis of the effectiveness test results. At present, hedges are classified as effective on the basis of the effectiveness tests. This note includes the detail of fair values of derivatives classified as hedging instruments.

b) Cash flow hedges

Cash flow hedges cover exposure to the cash flow variations attributable to a risk associated with a specific transaction that is very likely to be executed, which may have material effects on the results of the Company.

10.4 Financial liabilities

Other current and non-current financial liabilities

As of September 30, 2017 and December 31, 2016, the detail is as follows:

	9/30/2017			12/31/2016		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Bank borrowings	80,567	-	80,567	101,270	-	101,270
Obligations with the public (bonds)	13,961	1,021,168	1,035,129	58,973	1,059,706	1,118,679
Derivatives	4,562	-	4,562	1,920	-	1,920
Hedging liabilities	34,472	-	34,472	16,981	33,732	50,713
Total	133,562	1,021,168	1,154,730	179,144	1,093,438	1,272,582

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Current and non-current bank borrowings

As of September 30, 2017 and December 31, 2016, the detail is as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Long-term bank borrowings	-	-
Short-term bank borrowings	80,567	101.270
Short-term borrowings and current portion of long-term borrowings	80,567	101.270
Total bank borrowings	80,567	101.270

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

a) Bank borrowings, current:

As of September 30, 2017 and December 31, 2016, the detail of this caption is as follows:

Debtor			Creditor			Currency or adjustment		Effective	Nominal
Tax ID No	Company	Country	Tax ID No.	Financial institution	Country	Index	Repayment	rate	rate
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.63 %	1.63 %
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.73 %	1.74 %
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.73 %	1.74 %
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.34 %	1.34 %
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	1.47 %	1.47 %

Debtor	Creditor	9/30/2017 Nominal amounts			9/30/2017 Current amounts			Subtotal	Borrowing costs	Total
		Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year	Total			
Company	Financial institution	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	-	20,053	20,053	-	-	20,053
SQM.S.A.	Scotiabank Sud Americano	-	17,000	17,000	-	17,065	17,065	-	-	17,065
SQM.S.A.	Scotiabank Sud Americano	-	3,000	3,000	-	3,012	3,012	-	-	3,012
SQM Salar S.A.	Scotiabank Sud Americano	20,000	-	20,000	20,246	-	20,246	-	-	20,246
SQM Industrial S.A.	Banco Estado	20,000	-	20,000	20,191	-	20,191	-	-	20,191
Total		40,000	40,000	80,000	40,437	40,130	80,567	-	-	80,567

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued**

Debtor			Creditor			Currency or adjustment		Effective	Nominal
Tax ID No	Company	Country	Tax ID No.	Financial institution	Country	Index	Repayment	rate	rate
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.00 %	1.00 %
93.007.000-9	SQM.S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	4.3 %	4.3 %
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0.74 %	0.85 %
93.007.000-9	SQM.S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	0.74 %	0.84 %
79.626.800-K	SQM Salar S.A.	Chile	97.018.000-1	Scotiabank Sud Americano	Chile	US\$	Upon maturity	1.34 %	0.84 %
79.947.100-0	SQM Industrial S.A.	Chile	97.030.000-7	Banco Estado	Chile	US\$	Upon maturity	1.20 %	1.20 %

Debtor	Creditor	12/31/2016			1231/2016			Subtotal	Borrowing costs	Total
		Nominal amounts			Current amounts					
Company	Financial institution	Up to 90 days	90 days to 1 year	Total	Up to 90 days	90 days to 1 year				
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM.S.A.	Scotiabank Sud Americano	-	20,000	20,000	30	20,000	20,030	-	-	20,030
SQM.S.A.	Banco Estado	-	20,412	20,412	-	20,919	20,919	-	-	20,919
SQM.S.A.	Scotiabank Sud Americano	-	17,000	17,000	-	17,057	17,057	-	-	17,057
SQM.S.A.	Scotiabank Sud Americano	-	3,000	3,000	-	3,010	3,010	-	-	3,010
SQM Salar S.A.	Scotiabank Sud Americano	-	20,000	20,000	-	20,042	20,042	-	-	20,042
SQM Industrial S.A.	Banco Estado	20,000	-	20,000	20,212	-	20,212	-	-	20,212
Total		20,000	80,412	100,412	20,242	81,028	101,270	-	-	101,270

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

b) Unsecured obligations, current:

As of September 30, 2017 and December 31, 2016, the detail of current unsecured interest-bearing obligations is composed of promissory notes and bonds, as follows:

Bonds

Debtor			Number of registration or ID of the instrument		Series	Maturity date	Currency or adjustment index	Periodicity	Effective rate	Nominal rate
Tax ID No.	Company	País						Payment of interest	Repayment	
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	10/21/2017	US\$		Semiannual	Upon maturity	1.72 % 5.50 %
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	01/28/2018	US\$		Semiannual	Upon maturity	3.17 % 4.38 %
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	10/03/2017	US\$		Semiannual	Upon maturity	2.30 % 3.63 %
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2018	UF		Semiannual	Semiannual	2.18 % 4.90 %
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2018	UF		Semiannual	Upon maturity	2.80 % 3.80 %

			9/30/2017			9/30/2017				
			Nominal maturities			Current maturities				
Company	Country	Series	Up to 90 days	91 days to 1 year	Total	Up to 90 days	91 days to 1 year	Subtotal	Bond issuance costs	Total
			ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
SQM S,A, Chile		ThUS\$250,000	-	-	-	6,073	-	6,073	(385)	5,688
SQM S,A, Chile		ThUS\$250,000	-	-	-	-	1,884	1,884	(433)	1,451
SQM S,A, Chile		ThUS\$300,000	-	-	-	5,347	-	5,347	(615)	4,732
SQM S,A, Chile		H	-	-	-	-	1,910	1,910	(139)	1,771

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SQM S,A, Chile	O	-	-	-	-	386	386	(67)	319
Total		-	-	-	11,420	4,180	15,600	(1,639)	13,961

Effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows agreed in Cross Currency Swap Agreements.

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Note 10 Financial instruments (continued)**10.4 Financial liabilities, continued**

Debtor				Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity		Effective rate	Nomina rate
Tax ID No.	Company	País						Payment of interest	Repayment		
93.007.000-9	SQM S.A.	Chile	-	Th	US\$250,000	10/21/2016	US\$	Semiannual	Upon maturity	1.97 %	5.50 %
93.007.000-9	SQM S.A.	Chile	-	Th	US\$250,000	01/28/2017	US\$	Semiannual	Upon maturity	3.61 %	4.38 %
93.007.000-9	SQM S.A.	Chile	-	Th	US\$300,000	10/03/2016	US\$	Semiannual	Upon maturity	2.48 %	3.63 %
93.007.000-9	SQM S.A.	Chile	446	C		12/01/2016	UF	Semiannual	Semiannual	1.34 %	4.00 %
93.007.000-9	SQM S.A.	Chile	564	H		01/05/2017	UF	Semiannual	Semiannual	2.47 %	4.90 %
93.007.000-9	SQM S.A.	Chile	700	M		02/01/2017	UF	Semiannual	Upon maturity	0.69 %	3.30 %
93.007.000-9	SQM S.A.	Chile	699	O		02/01/2017	UF	Semiannual	Upon maturity	3.00 %	3.80 %

Company	Country	Series	12/31/2016 Nominal maturities			12/31/2016 Current maturities			Bond issuance costs	Total
			Up to 90 days ThUS\$	91 days to 1 year ThUS\$	Total ThUS\$	Up to 90 days ThUS\$	91 days to 1 year ThUS\$	Subtotal ThUS\$		
SQM S.A,	Chile	ThUS\$250,000	-	-	-	-	2,674	2,674	(386)	2,288
SQM S.A,	Chile	ThUS\$250,000	-	-	-	4,649	-	4,649	(433)	4,216
SQM S.A,	Chile	ThUS\$300,000	-	-	-	-	2,658	2,658	(615)	2,043
SQM S.A,	Chile	C	-	5,903	5,903	-	6,098	6,098	-	6,098
SQM S.A,	Chile	H	-	-	-	3,726	-	3,726	(139)	3,587
SQM S.A,	Chile	M	39,356	-	39,356	39,893	-	39,893	(11)	39,882
SQM S.A,	Chile	O	-	-	-	926	-	926	(67)	859
Total			39,356	5,903	45,259	49,194	11,430	60,624	(1,651)	58,973

Effective rates of bonds in Chilean pesos and UF are expressed and calculated in U.S. dollars based on the flows agreed in Cross Currency Swap Agreements.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

c) Non-current unsecured interest-bearing bonds

The breakdown of non-current unsecured interest-bearing bonds as of September 30, 2017 and December 31, 2016 is detailed as follows:

Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity	Payment of interest	Repayment	Effective rate	No rate
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.50 %	5.50 %	5.50 %
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	01/28/2025	US\$	Semiannual	Upon maturity	4.38 %	4.38 %	4.38 %
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.63 %	3.63 %	3.63 %
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	4.90 %	4.90 %	4.90 %
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.80 %	3.80 %	3.80 %

Nominal non-current maturities

9/30/2017

Series	Over 1 year to 2	Over 2 years to 3	Over 3 years to 4	Over 4 years to 5	Over 5 years	Total
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	250,000	-	-	-	-	250,000
MUS\$250	-	-	-	250,000	250,000	250,000
MUS\$300	-	-	-	300,000	300,000	300,000
H	-	-	-	167.145	167.145	167.145
O	-	-	-	62.680	62.680	62.680
Total	250,000	-	-	779,825	1,029,825	1,029,825

Non-current maturities

9/30/2017

Over 1 year to 2	Over 2 years to 3	Over 3 years to 4	Over 4 years to 5	Over 5 years	Subtotal	Bond issuance costs	Total
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
250,000	-	-	-	-	250,000	(614)	249.386
-	-	-	-	250,000	250,000	(2.744)	247.256
-	-	-	-	300,000	300,000	(2.772)	297.228
-	-	-	-	167.145	167.145	(1.566)	165.579
-	-	-	-	62.680	62.680	(961)	61.719
250,000	-	-	-	779,825	1,029,825	(8,657)	1,021,168

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

d) Non-current unsecured interest-bearing bonds, continued

As of September 30, 2017 and December 31, 2016, the breakdown of unsecured interest-bearing liabilities, non-current is as follows:

Tax ID No.	Company	Country	Number of registration or ID of the instrument	Series	Maturity date	Currency or adjustment index	Periodicity	Payment of interest	Repayment	Effect rate
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	04/21/2020	US\$	Semiannual	Upon maturity	5.94	
93.007.000-9	SQM S.A.	Chile	-	ThUS\$250,000	01/28/2025	US\$	Semiannual	Upon maturity	4.62	
93.007.000-9	SQM S.A.	Chile	-	ThUS\$300,000	04/03/2023	US\$	Semiannual	Upon maturity	3.95	
93.007.000-9	SQM S.A.	Chile	446	C	12/01/2026	UF	Semiannual	Semiannual	5.57	
93.007.000-9	SQM S.A.	Chile	564	H	01/05/2030	UF	Semiannual	Semiannual	5.22	
93.007.000-9	SQM S.A.	Chile	699	O	02/01/2033	UF	Semiannual	Upon maturity	3.97	

Nominal non-current maturities

12/31/2016

Series	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Total	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	-	250,000	-	-	-	250,000	-	250,000	-	-	-	250,000
MUS\$250	-	-	-	-	250,000	250,000	-	-	-	-	250,000	250,000
MUS\$300	-	-	-	-	300,000	300,000	-	-	-	-	300,000	300,000
C	5,903	5,903	5,903	5,903	29,519	53,131	5,903	5,903	5,903	5,903	29,519	53,131
H	-	-	-	-	157,426	157,426	-	-	-	-	157,426	157,426
O	-	-	-	-	59,035	59,035	-	-	-	-	59,035	59,035
Total	5,903	255,903	5,903	5,903	795,980	1,069,592	5,903	255,903	5,903	5,903	795,980	1,069,592

Non-current maturities

12/31/2016

Series	Over 1 year to 2	Over 2 years to 3	Over 3 Years to 4	Over 4 Years to 5	Over 5 years	Subtotal
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
MUS\$250	-	250,000	-	-	-	250,000
MUS\$250	-	-	-	-	250,000	250,000
MUS\$300	-	-	-	-	300,000	300,000
C	5,903	5,903	5,903	5,903	29,519	53,131
H	-	-	-	-	157,426	157,426
O	-	-	-	-	59,035	59,035
Total	5,903	255,903	5,903	5,903	795,980	1,069,592

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

e) Additional information

Bonds

On September 30, 2017 and December 31, 2016, short term bonds of ThUS\$13,961 and ThUS\$58,973 respectively were classified as short-term, consisting of the current portion due plus accrued interest to date; debt is presented net of bond issuance costs. The non-current portion consisted of ThUS\$1,021,167 on September 30, 2017 and ThUS\$1,059,706 on December 31, 2016, corresponding to the issuance series H bonds second issue single series bonds (ThUS\$250), series M bonds, series O bonds, third issue single series bonds (ThUS\$300) and fourth issue single series bonds (ThUS\$250) excluding debt issue costs.

As of September 30, 2017 and December 31, 2016, the details of each issuance are as follows:

Series “C” bonds

On January 24, 2006, the Company placed Series C bonds for UF 3,000,000 (ThUS\$101,918) at an annual rate of 4.00%.

On July 5, 2017, the Series C bond was prepaid.

As of September 30, 2017 and December 31, 2016, the Company has made the following payments with a charge to the Series C bonds:

Payments made	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Principal payment	57,290	5,729
Interest payment	1,515	3,275

Single series first issue ThUS\$200,000

On April 5, 2006, the Company placed Single Series bonds for ThUS\$200,000 at an annual rate of 6.125% under "Rule 144 and regulation S of the U.S. Securities Act of 1933."

As of September 30, 2017 and December 31, 2016, the Company has made the following payments with a charge to the Single series bonds:

	9/30/2017	12/31/2016
Payments made		
	ThUS\$	ThUS\$
Payments of principal owed	-	200,000
Payments of interest	-	6,125

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Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Series “G” and “H” bonds

On January 13, 2009, the Company placed two bond series in the domestic market. The first was Series H for UF 4,000,000 (ThUS\$139,216) at an annual interest rate of 4.9%, with a term of 21 years and payment of the principal beginning in 2019. The second was Series G for ThCh\$21,000,000 (ThUS\$34,146), which was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 7%.

As of September 30, 2017 and December 31, 2016, the Company has made the following payments with a charge to the Series H bonds:

	9/30/2017	12/31/2016
Payments made		
	ThUS\$	ThUS\$
Payments of interest, Series H bonds	7,691	7,289

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Single series bonds, second issue ThUS\$250,000

On April 21, 2010, the Company informed the Chilean Superintendence of Securities and Insurance of its placement in international markets of an unsecured bond of ThUS\$250,000 with a maturity of 10 years beginning on the aforementioned date with an annual interest rate of 5.5% and destined to refinance long-term liabilities.

As of September 30, 2017 and December 31, 2016, the detail of payments charged to the line of single series bonds, second issue is as follows:

	9/30/2017	12/31/2016
Payments made		
	ThUS\$	ThUS\$
Interest payment	6,875	13,750

Series “M” and “O” bonds

On April 4, 2012, the Company placed two bond series in the domestic market. Series M for UF 1,000,000 (ThUS\$46,601) was placed at a term of 5 years with a single payment at the maturity of the term and an annual interest rate of 3.3%. Series O for UF 1,500,000 (ThUS\$69,901) was placed at a term of 21 years with a single payment at the maturity of the term and an annual interest rate of 3.80%

As of September 30, 2017, and December 31, 2016 the Company has made the following payments with a charge to the Series M and O bonds:

	9/30/2017	12/31/2016
Payments made		
	ThUS\$	ThUS\$
Payment of interest, Series M bonds	667	1,242
Payment of interest, Series O bonds	2,301	2,142

Single series bonds, third issue ThUS\$300,000

On April 3, 2013, the Company issued a non-guaranteed bond in the United States with a value of US\$300 million. The bond is for a 10-year term with an annual coupon rate of 3.625% and an annual yield of 3.716%. This rate equates to a difference of 180 basis points to comparable US Treasury bonds. The funds raised will be used to refinance long term liabilities and finance general corporate objectives.

As of September 30, 2017 and December 31, 2016, the following payments have been made with a debit to the line of single-series bonds, third issue:

	9/30/2017	12/31/2016
Payments made	ThUS\$	ThUS\$
Payment of interest	5,438	10,875

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.4 Financial liabilities, continued

Single series bonds, fourth issuance ThUS\$250

On October 23, 2014, the Company informed the Chilean Superintendence of Securities and Insurance that Sociedad Química y Minera de Chile S.A. had agreed to issue and place unsecured bonds of ThUS\$250,000 in international markets. These mature in 2025 and have annual interest rate of 4.375%, equivalent to a spread of 215 basis points on comparable US Treasury bonds, which were offered to investors at a price of 99.410% with respect to capital. The aforementioned agreement was agreed on October 23, 2014 and the issuance and placement of such bonds was performed in conformity with the provisions of Rule 144A of the US Securities Act of 1933 and these bonds will not be publicly offered in Chile.

As of September 30, 2017 and December 31, 2016, the following payments have been made.

	9/30/2017	12/31/2016
Payments made		
	ThUS\$	ThUS\$
Payment of interest	10,938	10,938

10.5 Trade and other payables

	9/30/2017			12/31/2016		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Accounts payable	168,926	-	168,926	200,215	-	200,215
Other accounts payable	389	-	389	281	-	281
Total	169,315	-	169,315	200,496	-	200,496

Purchase commitments held by the Company are recognized as liabilities when the goods and services are received by the Company. As of September 30, 2017, the Company has purchase orders amounting to ThUS\$30,832 (ThUS\$19,959 as of December 31, 2016).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.6 Financial liabilities at fair value through profit or loss

This balance relates to derivative instruments measured at their fair value, which has generated balances against the Company. The detail of this type of instrument is as follows:

Financial liabilities at fair value through profit or loss	9/30/2017 ThUS\$	Effect on profit or loss as of 9/30/2017 ThUS\$	12/31/2016 ThUS\$	Effect on profit or loss as of 12/31/2016 ThUS\$
Current				
Derivative instruments (IRS)	-	-	-	(229)
	-	-	-	(229)

Balances in the “effect on profit or loss” column consider the effects of agreements which were in force as of September 30, 2017, including derivatives received during the year.

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Note 10 Financial instruments (continued)

10.7 Financial asset and liability categories

a) Financial Assets

Description of financial assets	Financial instruments	9/30/2017			12/31/2016		
		Current	Non-current	Total	Current	Non-current	Total
		Amount	Amount	Amount	Amount	Amount	Amount
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalent		520,561	-	520,561	514,669	-	514,669
Trade receivables due from related parties		62,855	-	62,855	82,259	-	82,259
Financial assets measured at amortized cost	Term deposits	378,774	45	378,819	284,160	44	284,204
Loans and receivables measured at amortized cost	Trade and other receivables	377,286	1,466	378,752	368,761	1,840	370,601
Total financial assets measured at amortized cost		1,339,476	1,511	1,340,987	1,249,849	1,884	1,251,733
Financial assets at fair value through profit or loss	Derivative instruments	5,458	6,043	11,501	5,029	7,156	12,185
Financial assets classified as available for sale at fair value through equity	Other investments	-	29,154	29,154	-	26,899	26,899
Total financial assets at fair value		5,458	35,197	40,655	5,029	34,055	39,084
Total financial assets		1,344,934	36,708	1,381,642	1,254,878	35,939	1,290,817

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)**10.7 Financial asset and liability categories (continued)**

b) Financial liabilities

Description of financial liabilities	Financial instruments	9/30/2017			12/31/2016		
		Current	Non-current	Total	Current	Non-current	Total
		Amount	Amount	Amount	Amount	Amount	Amount
		ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Trade payables due to related parties		1.052	-	1.052	7	-	7
Financial liabilities at fair value through profit or loss	Derivative instruments	39.034	-	39.034	18,901	33,732	52,633
Financial liabilities at fair value through profit or loss		40.086	-	40.086	18,908	33,732	52,640
Financial liabilities measured at amortized cost	Bank borrowings	80,567	-	80,567	101,270	-	101,270
Financial liabilities measured at amortized cost	Obligations with the public	13,961	1,021,168	1,035,129	58,973	1,059,706	1,118,679
Financial liabilities measured at amortized cost	Trade and other payables	169,315	-	169,315	200,496	-	200,496
Total financial liabilities measured at amortized cost		263,843	1,021,168	1,285,011	360,739	1,059,706	1,420,445
Total financial liabilities		303,929	1,021,168	1,325,097	379,647	1,093,438	1,473,085

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities

Financial assets and liabilities measured at fair value consist of Options and Forwards hedging the mismatch in the balance sheet and cash flows, Cross Currency Swaps (CCS) to hedge bonds issued in local currency (\$/UF), and Interest Rate Swaps (IRS) to hedge LIBOR rate debt issued.

The value of the Company's assets and liabilities recognized by CCS contracts is calculated as the difference between the present value of discounted cash flows of the asset (pesos/UF) and liability (US\$) parts of the derivative. In the case of the IRS, the asset value recognized is calculated as the difference between the discounted cash flows of the asset (variable rate) and liability (fixed rate) parts of the derivative. Forwards: Are calculated as the difference between the strike price of the contract and the spot price plus the forwards points at the date of the contract. Options: The value recognized is calculated using the Black-Scholes method.

In the case of CCS, the entry data used for the valuation models are UF, peso, and basis swap rates. In the case of fair value calculations for IRS, the FRA (Forward Rate Agreement) rate and ICVS 23 Curve (Bloomberg: cash/deposits rates, futures, swaps). In the case of forwards, the forwards curve for the currency in question is used. Finally, with options, the spot price, risk-free rate and volatility of exchange rate are used, all in accordance with the currencies used in each valuation. The financial information used as entry data for the Company's valuation models is obtained from Bloomberg, the well-known financial software company. Conversely, the fair value provided by the counterparties of derivatives contracts is used only as a control and not for valuation.

The effects on profit or loss of movements in these amounts may be recognized in the caption Finance costs, foreign currency translation gain (loss) or cash flow hedges in the statement of comprehensive income, depending on each particular case.

The fair value measurement of debt is only performed to determine the present market value of secured and unsecured long-term obligations; bonds denominated in local currency (Ch\$/UF) and foreign currency (US\$), credits denominated in foreign currency (US\$), which is classified under Level 2 in the fair value hierarchy established by IFRS.

The value of the Company's reported liabilities is calculated as the present value of discounted cash flows at market rates at the time of valuation, taking into account the maturity date and exchange rate. The entry data used for the model includes the UF and peso rates, which are obtained using Bloomberg, the well-known financial software

company and the 'Asociación de Bancos e Instituciones Financieras' (ABIF) (Association of Banks and Financial Institutions').

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities, continued

Fair value hierarchy

The fair value hierarchy is detailed as follows:

a) Level 1: using quoted prices (unadjusted) only in active markets.

b) Level 2: when in any phase in the valuation process inputs other than quoted prices have been used in Level 1 that are observable directly in markets.

c) Level 3: inputs for the asset or liability that are not based on observable market data.

The valuation technique used for determining fair value of our hedging instruments is that indicated in Level 2.

	Fair value	Measurement methodology		
	9/30/2017	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial assets				
Investment				
Shares	9,133	9,133	-	-
Non-hedging derivatives				
Forwards	1,539	-	1,539	-
Options	310	-	310	-
Swaps	1,912	-	1,912	-
Hedging derivatives				
Swaps	7,459	-	7,459	-
Other	399,121	-	399,121	-
Financial liabilities				
Non-hedging derivatives				
Forwards	1,242	-	1,242	-
Options	3,320	-	3,320	-
Hedging derivatives				
Swaps	34,192	-	34,192	-
Other	1,115,976	-	1,115,976	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.8 Fair value measurement of assets and liabilities, continued

	Fair value	Measurement methodology		
	12/31/2016	Level 1	Level 2	Level 3
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Financial assets				
Investment				
Shares	6,879	6,879	-	-
Non-hedging derivatives				
Forwards	924	-	924	-
Options	426	-	426	-
Swaps	2,745	-	2,745	-
Hedging derivatives				
Swaps	8,090	-	8,090	-
Other	64	-	64	-
Financial liabilities				
Non-hedging derivatives				
Forwards	1,557	-	1,557	-
Options	363	-	363	-
Hedging derivatives				
Swaps	50,713	-	50,713	-

10.9 Financial assets pledged as a guarantee

On November 4, 2004, Isapre Norte Grande maintains a guarantee equivalent to the total amount owed to its members and healthcare providers, which is managed and maintained by Banco de Chile.

As of September 30, 2017 and December 31, 2016, assets pledged as guarantees are as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Restricted cash		
Isapre Norte Grande Ltda.	739	685
Total	739	685

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.10 Estimated fair value of financial instruments and financial derivatives

As required by IFRS 7, the following information is presented for the disclosure of the estimated fair value of financial assets and liabilities.

Although inputs represent Management's best estimate, they are subjective and involve significant estimates related to the current economic and market conditions, as well as risk features.

Methodologies and assumptions used depend on the risk terms and characteristics of instruments and include the following as a summary:

-Cash equivalent approximates fair value due to the short-term maturities of these instruments.

-The fair value of trade receivables, current is considered to be equal to the carrying amount due to the maturity of such accounts at short-term.

-The fair value of other current financial liabilities is considered to be equal to their carrying values.

-For interest-bearing liabilities with original maturity of more than a year, fair values are calculated by discounting contractual cash flows at their original current market rates with similar terms.

-The fair value of debt is considered in Level 2.

-For forward and swap contracts, fair value is determined using quoted market prices of financial instruments with similar characteristics.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 10 Financial instruments (continued)

10.10 Estimated fair value of financial instruments and financial derivatives, continued

The detail of the Company's instruments at carrying value and estimated fair value is as follows:

	9/30/2017		12/31/2016	
	Carrying value	Fair value	Carrying value	Fair value
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Cash and cash equivalents	520,561	520,561	514,669	514,669
Current trade and other receivables	377,286	377,286	368,761	368,761
Receivables due from related parties, current	62,855	62,855	82,259	82,259
Other financial assets, current:				
- Time deposits	378,774	378,774	284,160	284,160
- Derivative instruments	5,458	5,458	4,095	4,095
- Hedging assets	-	-	934	934
Total other current financial assets	384,232	384,232	289,189	289,189
Non-Current Trade Receivables	1,466	1,466	1,840	1,840
Other non-current financial assets:			34,099	34,099
Total other non-current financial assets:	35,242	35,242	34,099	34,099
Other financial liabilities, current:				
- Bank loans	80,567	80,567	101,270	101,270
- Derivative instruments	4,562	4,562	1,920	1,920
- Hedging liabilities	34,472	34,472	16,981	16,981
- Unsecured obligations	13,961	13,961	58,973	58,973
Other financial liabilities, current	133,562	133,562	179,144	179,144
Current and non-current accounts payable	169,315	169,315	200,496	200,496
Payables due to related parties, non-current	1,052	1,052	7	7
Other non-current financial liabilities:				
- Bank loans	-	-	-	-
- Unsecured obligations	1,021,168	1,168,308	1,059,706	1,195,512
- Non-current hedging liabilities	-	-	33,732	33,732
Other non-current financial liabilities:	1,021,168	1,168,308	1,093,438	1,229,244

Note 10 Financial instruments (continued)

10.11 Nature and scope of risks arising from financing instruments

As indicated in paragraphs 33 to 42 of IFRS 7 the disclosure of information associated with the nature and scope of risks arising from financial instruments is presented in Note 4 - Financial Risk Management.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 11 Equity-accounted investees

11.1 Investments in associates recognized according to the equity method of accounting

As of September 30, 2017 and December 31, 2016, in accordance with criteria established in Note 3.19, investment in associates recognized according to the equity method of accounting and joint ventures are as follows:

Associates	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share in total other comprehensive income of associates and joint ventures accounted for using the equity method	
	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Abu Dhabi Fertilizer Industries WWL	13,979	13,343	773	1,482	(1)	-	772	1,482
Doktor Tarsa Tarim Sanayi AS	22,569	16,712	5,149	4,026	66	590	5,215	4,616
Ajay North America	14,051	13,457	2,892	2,794	-	-	2,892	2,794
Ajay Europe SARL	8,055	7,373	807	1,132	22	(7)	829	1,126
Charlee SQM Thailand Co. Ltd,	2,074	1,763	251	244	6	-	257	244
SQM Eastmed Turkey.	6	-	26	-	-	-	26	-
Total	60,734	52,648	9,898	9,678	93	583	9,991	10,262

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 11 Equity-accounted investees (continued)**11.1 Investments in associates recognized according to the equity method of accounting, continued**

Associate	Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership in associates		Dividends received	
						9/30/2017	9/30/2016
						ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	Distribution and commercialization of specialty plant nutrients in the Middle East.	PO Box 71871, Abu Dhabi	United Arab Emirates	37	%	-	-
Doktor Tarsa Tarim Sanayi AS	Distribution and commercialization of specialty plant nutrients in Turkey.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50	%	-	-
Ajay North America	Production and distribution of iodine derivatives.	1400 Industry RD Power Springs GA 30129	United States	49	%	842	2,605
Ajay Europe SARL	Production and commercialization of iodine derivatives.	Z.I. du Grand Verger BP 227 53602 Evron Cedex	France	50	%	927	1,338
SQM Eastmed Turkey	Production and commercialization of specialty products.	Organize Sanayi Bolgesi, Ikinci Kisim, 22 cadde TR07100 Antalya	Turkey	50	%	-	-
Charlee SQM Thailand Co. Ltd.	Distribution and commercialization of specialty plant nutrients.	31 Soi 138 (Meesuk) LLapdrawrd, Bangkok, 10240 Bangkok	Thailand	40	%	-	-

The companies described in the table below are related parties of the following associates:

- (1) Doktor Tarsa Tarim Sanayi AS
(2) Terra Tarsa B.V.

Description of the nature of the relationship	Domicile	Country of incorporation	Share of ownership	Dividends received
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					in associates			
Terra Tarsa B.V. (1)	Distribution and trading of specialty plant nutrients.	Herikerbergweg 238, Luna Arena, 1101CM Amsterdam PO Box 23393, 1100DW Amsterdam Zuidoost	Holland	50	%	-	-	
Plantacote N.V. (1) Doktolab Tarim	Sale of CRF and production and sales of WSNPK	Houtdok-Noordkaai 25a, 2030 Antwerpen, Belgium	Belgium	100	%	-	-	
Arastima San. Tic As (1)	Laboratory services	27. Cd. No:2, 07190 Aosg 2. Kısım/Döşemealtı, Antalya, Turkey	Turkey	100	%	-	-	
Terra Tarsa Ukraine LLC (2)	Distribution and trading of specialty plant nutrients.	74800 Ukraine, Kakhovka, 4 Yuzhnaya Str.	Ukraine	100	%	-	-	
Terra Tarsa Don LLC (2)	Distribution and sale of specialty fertilizers	Zorge Street, house 17, 344090, Rostov-on-Don	Russian Federation	100	%			

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Note 11 Equity-accounted investees (continued)

11.2 Assets, liabilities, revenue and expenses of associates

9/30/2017

	Assets		Liabilities			Gain	Other	
	Current	Non-current	Current	Non-current	Revenue	from	comprehensive	Comprehensive
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	operations	income	income
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	40,178	1,992	4,387	-	18,868	2,089	(3)	2,086
Doktor Tarsa Tarim Sanayi AS	82,241	7,499	41,698	2,906	65,418	10,297	133	10,430
Ajay North America	19,177	12,262	2,765	-	28,575	5,902	-	5,902
Ajay Europe SARL	20,711	1,304	5,904	-	24,232	1,615	44	1,659
Charlee SQM Thailand Co. Ltd.	8,666	667	3,906	243	9,807	628	15	643
SQM Eastmed Turkey	3,932	2,550	4,257	2,218	1,976	53	-	53
Total	174,905	26,274	62,917	5,367	148,876	20,584	189	20,773

12/31/2016

	Assets		Liabilities			Gain	Other	
	Current	Non-current	Current	Non-current	Revenue	from	comprehensive	Comprehensive
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	operations	income	income
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Abu Dhabi Fertilizer Industries WWL	37,801	2,104	3,843	-	41,442	4,005	-	4,005
Doktor Tarsa Tarim Sanayi AS	68,449	5,984	39,729	1,281	83,905	8,052	1,180	9,232
Ajay North America	18,844	11,633	3,015	-	35,715	5,702	-	5,702
Ajay Europe SARL	20,675	1,361	7,290	-	33,319	2,265	(13)	2,252
Charlee SQM Thailand Co. Ltd.	6,264	591	2,448	-	12,065	609	-	609
SQM Eastmed Turkey	727	2,265	719	2,362	833	(200)	-	(200)
Total	152,760	23,938	57,044	3,643	207,279	20,433	1,167	21,600

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 11 Investment in Associates (continued)

11.3 Other information

The Company has no participation in unrecognized losses in investments in associates.

The Company has no investments that are unaccounted for according to the equity method of accounting.

The equity method was applied to the Statement of Financial Position as of September 30, 2017 and December 31, 2016.

The basis of preparation of the financial information of associates corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

11.4 Disclosures on interest in associates

a) Transactions conducted in 2017:

As of September 30, 2017, there are no transactions conducted with associates.

b) Transactions conducted in 2016:

During December 2016, SQM Salar S.A. sold the interest it had in Sales de Magnesio Ltda. to Rockwood Litio Ltda. generating a gain of ThUS\$7,635.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 12 Joint Ventures

12.1 Policy for the accounting of equity accounted investment in joint ventures

The method for recognizing joint ventures is that in which participation is initially recorded at cost, and subsequently adjusted, considering changes after the acquisition in the portion of the entity's net assets that correspond to the investor. Profit or loss for the period will include the portion of the entity's entire profit or loss that correspond to the investor. For these joint ventures there is no quoted market price to measure these investments.

There are no significant restrictions on these joint ventures for the transfer of funds as payment of dividends or others.

At the date of issuance of these financial statements, SQM is not aware of the existence of any significant contingent liabilities associated with the partnerships in joint ventures.

12.2 Disclosures of interest in joint ventures

a) Operations conducted in 2017

On September 30, 2017, SQM Potasio S.A. recognizes the goodwill generated by the acquisition of 50% of the joint venture Minera Exar S.A. for ThUS\$ 6,205.

b) Operations conducted in 2016

On March 28, 2016, Sociedad Química y Minera de Chile S.A. agreed to enter into a joint venture with Lithium Americas Corp to develop the Cauchari-Olaroz lithium project in Argentina.

SQM Potasio S.A. made a capital contribution of ThUS\$25,000 in exchange for 50% of the ownership of Minera Exar S.A.

During May 2016, SQM Vitas Holland B.V. sold its interest in SQM Vitas Spain, to SQM Iberian S.A. This resulted in the latter entity gaining 100% interest in this transaction, generating a loss of ThUS\$104.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 12 Joint Ventures (continued)

12.3 Investment in joint ventures accounted for under the equity method of accounting

Joint venture	Description of the nature of the relationship	Domicile	Country of incorporation	Share of interest in ownership	Dividends received	9/30/2017	9/30/2016
						ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	Production and distribution of soluble fertilizers.	Huangjing Road, Dawan Town, Qingbaijiang District, Chengdu Municipality, Sichuan Province 1-2-10, Sardar Patel Road, Secunderabad – 500003 Andhra Pradesh	China	50 %	-	-	-
Coromandel SQM India	Production and distribution of potassium nitrate.	Jebel ALI Free Zone P.O. Box 18222, Dubai	India	50 %	-	-	-
SQM Vitas Fzco.	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Longquan Town, Jimo City, Qingdao Municipality, Shangdong Province	United Arab Emirates	50 %	-	-	-
SQM Star Qingdao Corp Nutrition. Co. Ltd.	Production and distribution of nutrient plant solutions with specialties NPK soluble	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	China	50 %	-	-	-
SQM Vitas Holland B.V (1)	Without information	Dr. Sabín 1082 Ciudad de Nieva – San Salvador de Jujuy- Jujuy- República Argentina	Holland	50 %	-	-	-
Minera Exar S.A.	Exploration and exploitation of minerals, processing and trading of such minerals		Argentina	50 %	-	-	-

- (1) During May 2016, SQM Vitas Holland B.V. sold its interest in SQM Vitas Spain, to SQM Iberian S.A. resulting in the latter obtaining 100% in this transaction generating a loss of ThUS\$ 104.

The companies described in the following table are related to the following joint ventures:

(1) (2)		SQM Vitas Fzco. SQM Vitas Holland B.V.					
		Domicile	Country of incorporation	Share of interest in ownership		Dividends received	
SQM Vitas Brazil Agroindustria (1)	Production and commercialization of specialty plant and animal nutrition and industrial hygiene.	Via Cndeias, Km. 01 Sem Numero, Lote 4, Bairro Cia Norte, Candeias, Bahia.	Brazil	49.99	%	-	-
SQM Vitas Peru S.A.C (1).	Production and commercialization of specialty plant and animal nutrition and industrial hygiene	Av. Juan de Arona 187, Torre B, Oficina 301-II, San Isidro, Lima	Peru	50	%	-	-
SQM Vitas Plantacote B.V.(2)	Production and commercialization of controlled-released fertilizers	Herikerbergweg 238, 1101 CM Amsterdam Zuidoost	Holland	50	%	-	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 12 Joint Ventures (continued)**12.3 Investment in joint ventures accounted for under the equity method of accounting, continued:**

Joint Venture	Final reporting period date		Accounting method					
Sichuan SQM Migao Chemical Fertilizers Co Ltda.	September 30, 2017		Equity method					
Coromandel SQM India	September 30, 2017		Equity method					
SQM Vitas Fzco.	September 30, 2017		Equity method					
SQM Star Qingdao Corp Nutrition Co., Ltd.	September 30, 2017		Equity method					
SQM Vitas Brazil Agroindustria	September 30, 2017		Equity method					
SQM Vitas Southern Africa Pty.	September 30, 2017		Equity method					
SQM Vitas Perú S.A.C.	September 30, 2017		Equity method					
SQM Vitas Holland B.V.	September 30, 2017		Equity method					
SQM Vitas Plantacote B.V.	September 30, 2017		Equity method					
Minera Exar S.A.	September 30, 2017		Equity method					

Joint Venture	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share in total other comprehensive income of associates and joint ventures accounted for using the equity method	
	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltd.	11,492	12,150	(487)	1,372	-	-	(487)	(1,372)
Coromandel SQM India	1,375	1,499	66	435	-	-	66	435
SQM Vitas Fzco,	18,128	17,956	1,100	3,458	173	449	1,273	3,907
SQM Star Qingdao Corp. Nutrition Co. Ltd.	2,872	2,618	252	163	-	-	253	163
SQM Vitas Holland	1,409	1,269	(12)	171	-	-	(13)	171
Minera Exar S.A.	15,368	25,000	(250)	-	-	-	(251)	-
Total	50,644	60,492	669	2,855	173	449	841	3,304

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Note 12 Joint Ventures (continued)**12.3 Investment in joint ventures accounted for under the equity method of accounting, continued:**

Joint Venture	Equity-accounted investees		Share in profit (loss) of associates and joint ventures accounted for using the equity method		Share in other comprehensive income of associates and joint ventures accounted for using the equity method, net of tax		Share in total other comprehensive income of associates and joint ventures accounted for using the equity method	
	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$	9/30/2017 ThUS\$	12/31/2016 ThUS\$
SQM Vitas Brazil Agroindustria(1)	11,245	9,343	1,719	4,570	57	2,845	914	5,130
SQM Vitas Peru S.A.C (1)	5,565	5,964	(566)	815	-	-	(283)	408
SQM Vitas Plantacote B.V. (2)	659	588	-	187	-	-	1	(80)
Total	17,469	15,895	1,153	5,572	57	2,845	632	5,458

The following companies are subsidiaries of

(1)
(2)SQM Vitas Fzco.
SQM Vitas Holland**SQM S.A.**

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 12 Joint Ventures (continued)

12.4 Assets, liabilities, revenue and expenses from joint ventures:

	9/30/2017							
	Assets		Liabilities			Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
Joint Venture	Current ThUS\$	Non-curren ThUS\$	Current ThUS\$	Non-curren ThUS\$	Revenue ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	32,705	6,841	16,561	-	12,522	(974)	-	(974)
Coromandel SQM India	7,126	842	5,163	56	7,871	131	-	131
SQM Vitas Fzco,	20,768	17,463	1,986	-	11,699	2,200	346	2,546
SQM Star Qingdao Corp. Nutrition Co. Ltd.	6,970	185	1,411	-	9,677	505	-	505
SQM Vitas Brazil Agroindustria	33,881	8,418	31,052	-	42,743	1,715	113	1,828
SQM Vitas Peru S.A.C	21,500	9,041	18,887	6,088	25,060	(565)	-	(565)
SQM Vitas Holland B.V	2,160	659	2	-	-	(25)	-	(25)
SQM Vitas Plantacote B.V.	669	-	10	-	-	1	-	1
Minera Exar S.A.	11,910	49,521	30,696	-	-	(501)	-	(501)
Total	137,689	92,970	105,768	6,144	109,572	2,487	459	2,946

	12/31/2016							
	Assets		Liabilities			Gain (loss) from continuing operations	Other comprehensive income	Comprehensive income
Joint Venture	Current ThUS\$	Non-current ThUS\$	Current ThUS\$	Non-current ThUS\$	Revenue ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	43,639	7,399	26,738	-	16,051	(2,744)	-	(2,744)
Coromandel SQM India	4,485	847	2,334	-	8,034	870	-	870
SQM Vitas Fzco.	20,896	16,395	1,380	-	16,210	6,916	897	7,813
SQM Star Qingdao Corp. Nutrition Co. Ltd.	5,733	203	697	-	7,553	325	-	325
	21,511	8,917	21,085	-	63,055	4,570	5,690	10,260

SQM Vitas Brazil

Agroindustria

SQM Vitas Peru S.A.C	23,598	8,931	20,333	6,231	36,926	815	-	815
SQM Vitas Holland B.V	1,961	588	11	-	-	342	-	342
SQM Vitas Plantacote B.V.	619	-	31	-	-	(159)	-	(159)
Total	122,442	43,280	72,609	6,231	147,829	10,935	6,587	17,522

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 12 Joint Ventures (continued)

12.5 Other Joint Venture disclosures:

	Cash and cash equivalents		Other current financial liabilities		Other non-current financial liabilities	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	93	4,097	-	-	-	-
Coromandel SQM India	1,182	15	-	478	-	-
SQM Vitas Fzco,	14,546	11,514	-	-	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	3,912	3,756	-	-	-	-
SQM Vitas Brazil Agroindustria	3,100	2,168	8,952	8,718	-	-
SQM Vitas Peru S.A.C.	716	958	3,885	3,834	1,458	1,781
SQM Vitas Holland B.V	2,160	1,961	-	-	-	-
SQM Vitas Plantacote B.V	669	615	-	-	-	-
Miera Exar S.A.	4,917	-	-	-	-	-
Total	31,295	25,084	12,837	13,030	1,458	1,781

	Depreciation and amortization expense		Interest expense		Income tax expense, continuing operations	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016	9/30/2017	12/31/2016
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Sichuan SQM Migao Chemical Fertilizers Co. Ltda.	(522)	(691)	(25)	(433)	245	200
Coromandel SQM India	-	-	(14)	(49)	(414)	(44)
SQM Vitas Fzco.	(434)	(717)	(16)	(16)	-	-
SQM Star Qingdao Corp. Nutrition Co. Ltd.	(50)	(64)	-	(1)	(135)	(195)
SQM Vitas Brazil Agroindustria	-	(438)	(985)	(2,127)	(112)	(337)
SQM Vitas Peru S.A.C.	(349)	(82)	(331)	(323)	(138)	(362)
SQM Vitas Holland B.V	-	-	-	-	-	-
SQM Vitas Plantacote B.V	-	-	(1)	(1)	-	-
Miera Exar S.A.	(349)	-	-	-	(292)	-
Total	(1,704)	(1,992)	(1,372)	(2,950)	(846)	(738)

The basis of preparation of the financial information of joint ventures corresponds to the amounts included in the financial statements in conformity with the entity's IFRS.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 13 Intangible assets and goodwill

13.1 Balances

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Intangible assets other than goodwill	108,166	109,439
Goodwill (1)	44,177	37,972
Total	152,343	147,411

(1) The recoverable amount of the cash-generating unit has been determined based on a calculation of the value in use which used cash flow projections for a 5-year period, plus perpetuity.

The present value of the future cash flows generated by these assets has been estimated given a variance in sales volumes, market prices and costs, discounted at weighted average cost of capital (WACC) of 8,04%.

13.2 Disclosures on intangible assets and goodwill

Intangible assets relate to goodwill, water rights, trademarks, industrial patents, rights of way, software, and mining claims which correspond to exploitation rights acquired from third-parties.

Balances and movements in the main classes of intangible assets as of September 30, 2017 and December 31, 2016 are detailed as follows:

		9/30/2017		
		Gross	Accumulated	Net Value
	Useful	amount	Amortization	
	life	ThUS\$	ThUS\$	ThUS\$
Intangible assets and goodwill				
Software	Finite	24,131	(18,154)	5,977
Intellectual property rights, patents and other industrial property rights, service	Finite	1,503	(1,052)	451
Intellectual property rights, patents and other industrial property rights, service	Indefinite	98,375	-	98,375
Other intangible assets	Indefinite	3,363	-	3,363

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Intangible assets other than goodwill		127,372	(19,206)	108,166
Goodwill	Indefinite	44,177	-		44,177
Total intangible assets and goodwill		171,549	(19,206)	152,343

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Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

Intangible assets and goodwill	Useful life	12/31/2016		Net Value ThUS\$
		Gross amount ThUS\$	Accumulated Amortization ThUS\$	
Software	Finite	23,280	(16,234)	7,046
Intellectual property rights, patents and other industrial property rights, service	Finite	1,483	(1,023)	460
Intellectual property rights, patents and other industrial property rights, service	Indefinite	98,596	-	98,596
Other intangible assets	Indefinite	3,337	-	3,337
Intangible assets other than goodwill		126,696	(17,257)	109,439
Goodwill	Indefinite	37,972	-	37,972
Total intangible assets and goodwill		164,668	(17,257)	147,411

a) Estimated useful lives or amortization rates used for finite identifiable intangible assets

Finite useful life measures the lifetime or the number of productive units or other similar variables which constitute its useful life.

The estimated useful life for software is 3 and 6 years. For other finite useful life assets, the period in which they are amortized relates to periods defined by contracts or the rights which generate them.

Intellectual property rights, patents and other industrial property rights, service and exploitation rights, mainly relate to water rights and have a finite useful life to the extent to which they are subject to a fixed-term contract or otherwise they are considered to be indefinite.

b) Method used to express the amortization of identifiable intangible assets (life or rate)

The method used to express the amortization is useful life, and estimated tons to be extracted in the case of mining claims.

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Note 13 Intangible assets and goodwill (continued)

13.2 Disclosures on intangible assets and goodwill, continued

c) Minimum and maximum amortization lives or rates of intangible assets:

Estimated useful lives or amortization rate	Minimum life or rate	Maximum life or rate
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	Indefinite	Indefinite
Intangible assets other than goodwill	Indefinite	Indefinite
Intellectual property rights, patents and other industrial property rights, service and exploitation rights	1 year	16 years
Trademarks	1 year	5 years
Software	2 years	6 years

d) Information to be disclosed on assets generated internally

The Company has no intangible assets generated internally.

e) Other information to be disclosed on intangible assets

SQM has property rights and mining concessions from the Chilean Government that are intended for the exploration and exploitation of saltpeter and brine. Such rights incur no initial cost other than registration costs, which are insignificant.

Also, SQM has acquired mining concessions from third-parties other than the Chilean Government, which have been recognized at acquisition cost and are amortized as the corresponding area is exploited based on the tons estimated to be extracted.

Expenses prior to obtaining the mining concessions are recognized in profit or loss for the year as incurred.

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Note 13 Intangible assets and goodwill (continued)**13.2 Disclosures on intangible assets and goodwill, continued****f) Movements in identifiable intangible assets as of September 30, 2017:**

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	23,280	1,483	98,596	3,337	37,972	164,668
Additions	-	1,009	8	-	25	6,205	7,247
Other increases (decreases)	-	(158)	12	(221)	1	-	(366)
Final balance	-	24,131	1,503	98,375	3,363	44,177	171,549

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(16,234)	(1,023)	-	-	-	(17,257)
Additions	-	-	-	-	-	-	-
Amortization	-	(2,028)	(29)	-	-	-	(2,057)
Other increases (decreases)	-	108	-	-	-	-	108
Final balance	-	(18,154)	(1,052)	-	-	-	(19,206)

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Note 13 Intangible assets and goodwill (continued)**13.2 Disclosures on intangible assets and goodwill, continued****f) Movements in identifiable intangible assets as of September 30, 2017, continued**

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	7,046	460	98,596	3,337	37,972	147,411
Additions	-	1,009	8	-	25	6,205	7,247
Amortization	-	(2,028)	(29)	-	-	-	(2,057)
Other increases (decreases)	-	(50)	12	(221)	1	-	(258)
Final balance	-	5,977	451	98,375	3,363	44,177	152,343

g) Movements in identifiable intangible assets as of December 31, 2016:

Movements in identifiable intangible assets, gross	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	3,821	23,251	1,448	96,500	3,651	38,388	167,059

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Additions	-	160	25	2,100	-	-	2,285
Other increases (decreases)	(3,821)	(131)	10	(4)	(314)	(416)	(4,676)
Final balance	-	23,280	1,483	98,596	3,337	37,972	164,668

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Note 13 Intangible assets and goodwill (continued)**13.2 Disclosures on intangible assets and goodwill, continued****g) Movements in identifiable intangible assets as of December 31, 2016:**

Movements in identifiable intangible assets, accumulated amortization	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service, rights of way	Intellectual property rights, patents and other industrial property rights, service, rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	(3,821)	(13,438)	(984)	-	-	-	(18,243)
Additions	-	-	-	-	-	-	-
Amortization	-	(2,796)	(38)	-	-	-	(2,834)
Other increases (decreases)	3,821	-	(1)	-	-	-	3,820
Final balance		(16,234)	(1,023)	-	-	-	(17,257)

Movements in identifiable intangible assets, net	Trademarks	Software	Intellectual property rights, patents and other industrial property rights, service rights of way	Intellectual property rights, patents and other industrial property rights, service rights of way	Other intangible assets	Goodwill	Identifiable intangible assets
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	9,813	464	96,500	3,651	38,388	148,816
Additions	-	160	25	2,100	-	-	2,285
Amortization	-	(2,796)	(38)	-	-	-	(2,834)
Other increases (decreases)	-	(131)	9	(4)	(314)	(416)	(856)

Final balance	-	7,046	460	98,596	3,337	37,972	147,411
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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment

As of September 30, 2017 and December 31, 2016, the detail of property, plant and equipment is as follows:

14.1 Types of property, plant and equipment

Description of types of property, plant and equipment	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Property, plant and equipment, net		
Land	32,719	32,702
Buildings	226,618	237,585
Other property, plant and equipment	66,801	26,417
Transport equipment	2,817	3,355
Supplies and accessories	1,256	1,773
Office equipment	541	3,642
Network and communication equipment	1,145	1,686
Mining assets	18,076	24,643
IT equipment	3,531	366
Energy generating assets	6,712	8,191
Constructions in progress	217,374	170,710
Machinery, plant and equipment (1)	857,444	1,021,640
Total	1,435,034	1,532,710
Property, plant and equipment, gross		
Land	32,719	32,702
Buildings	598,281	582,082
Other property, plant and equipment	288,416	253,555
Transport equipment	10,500	10,819
Supplies and accessories	18,488	18,259
Office equipment	10,778	17,731
	7,299	7,522

Network and communication equipment		
Mining assets	158,790	158,514
IT equipment	26,502	20,316
Energy generating assets	34,890	34,812
Constructions in progress	217,374	170,710
Machinery, plant and equipment	2,811,943	2,833,819
Total	4,215,980	4,140,841

Accumulated depreciation and value impairment of property, plant and equipment, total

Accumulated depreciation and impairment of buildings	371,663	344,497
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Accumulated depreciation and impairment of other property, plant and equipment	221,615	227,138
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Accumulated depreciation and impairment of transport equipment	7,683	7,464
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Accumulated depreciation and impairment of supplies and accessories	17,232	16,486
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Accumulated depreciation and impairment of office equipment	10,237	14,089
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Accumulated depreciation and impairment of network and communication equipment	6,154	5,836
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Accumulated depreciation and impairment of mining assets	140,714	133,871
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Accumulated depreciation and impairment of IT equipment	22,971	19,950
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Accumulated depreciation and impairment of energy generating assets	28,178	26,621
Accumulated depreciation and impairment of machinery, plant and equipment	1,954,499	1,812,179
Total	2,780,946	2,608,131

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment, (continued)

14.1 Types of property, plant and equipment, continued

(1) The detail of machinery, plant and equipment is as follows:

	9/30/2017	31/12/2016
	ThUS\$	ThUS\$
Description of classes of property, plant and equipment		
Property, plant and equipment, net		
Pumps	29.465	40.306
Conveyor belt	25.146	28.307
Crystallizer	16.035	17.585
Plant equipment	182.849	208.137
Water tanks	9.125	10.614
Filter	18.919	21.484
Facilities/electrical equipment	100.579	111.876
Other machinery, plant and equipment	47.533	108.029
Piping	108.407	124.699
Pond	275.628	299.956
Well	43.758	50.647
Total	857.444	1.021.640

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment (continued)**14.2 Reconciliation of changes in property, plant and equipment by type:**

Reconciliation of changes in property, plant and equipment by class as of September 30, 2017 and December 31, 2016:

Reconciliation of changes in property, plant and equipment by class as of September 30, 2017, gross amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment and office	Network and communication equipment	Mining assets	IT equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	32,702	582,082	253,555	10,819	18,259	17,731	7,522	158,514	20,313
Changes									
Additions	-	62	66	-	-	781	12	-	-
Disposals	-	(59)	(7,479)	(238)	-	-	-	-	(20)
Increase (decrease) in foreign currency translation difference	25	55	2	2	-	-	-	-	3
Reclassifications	-	11,339	3,164	-	151	133	66	276	216
Other increases (decreases) (*)	-	4,747	39,108	(83)	78	(7,867)	(301)	-	5,987
Decreases for classification as held for sale (1)	(8)	55	-	-	-	-	-	-	-
Total changes	17	16,199	34,861	(319)	229	(6,953)	(223)	276	6,180
Closing balance	32,719	598,281	288,416	10,500	18,488	10,778	7,299	158,790	26,503

Reconciliation of changes in property, plant and equipment by class as of September 30, 2017, accumulated depreciation	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment and office	Network and communication equipment	Mining assets	IT equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(344,497)	(227,138)	(7,464)	(16,486)	(14,089)	(5,836)	(133,871)	(133,871)
Changes									
Disposals	-	57	7,478	224	-	-	-	-	-
Depreciation expense	-	(25,060)	(4,571)	(481)	(733)	(235)	(518)	(8,480)	(8,480)
Impairment	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	(15)	(2)	-	-	-	-	-	-
Reclassifications	-	(76)	(1)	(21)	(9)	(50)	(23)	-	-
Other increases (decreases) (*)	-	(2,071)	2,619	59	(4)	4,137	223	1,637	1,637
Decreases for classification as held for sale (1)	-	(1)	-	-	-	-	-	-	-

Total changes	-	(27,166)	5,523	(219)	(746)	3,852	(318)	(6,843
Closing balance	-	(371,663)	(221,615)	(7,683)	(17,232)	(10,237)	(6,154)	(140,714

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment (continued)**14.2 Reconciliation of changes in property, plant and equipment by type, continued:**

Reconciliation of changes in property, plant and equipment by class as of September 30, 2017, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment	En ge as
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	Th
Opening balance	32,702	237,585	26,417	3,355	1,773	3,642	1,686	24,643	366	8
Changes										
Additions	-	62	66	-	-	781	12	-	-	-
Disposals	-	(2)	(1)	(14)	-	-	-	-	-	-
Depreciation expense	-	(25,060)	(4,571)	(481)	(733)	(235)	(518)	(8,480)	(665)	(3
Impairment	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	25	40	-	2	-	-	-	-	1	-
Reclassifications	-	11,263	3,163	(21)	142	83	43	276	184	1
Other increases (decreases) (*)	-	2,676	41,727	(24)	74	(3,730)	(78)	1,637	3,645	(3
Decreases for classification as held for sale (1)	(8)	54	-	-	-	-	-	-	-	-
Total changes	17	(10,967)	40,384	(538)	(517)	(3,101)	(541)	(6,567)	3,165	(3
Closing balance	32,719	226,618	66,801	2,817	1,256	541	1,145	18,076	3,531	6

(*) The net balance of other increases (decreases) corresponds to: 1) Work in progress, which are expensed to profit or loss (forming part of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts, 3) reclassifications to other captions for the sale of property, plant and equipment and 4) projects which correspond to prospecting and the development of small deposits.

(1) The Company classifies as non-current assets held-for-sale the property, plant and equipment (asset groups held-for-sale) whose date has been committed at the date of the consolidated financial statements or negotiations have started for such sale and the sale is estimated to occur within twelve months following such date.

These assets or asset groups held for sale are measured at the lower of carrying amount or the estimated sales value less costs to sell, and their amortization stops at the time they are classified as non-current assets held for sale.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment (continued)**14.2 Reconciliation of changes in property, plant and equipment by type, continued:**

Reconciliation of changes in property, plant and equipment by class as of December 31, 2016, gross amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	34,589	564,708	248,493	16,170	17,877	18,858	7,323	157,481	19,731
Changes									
Additions	-	-	545	49	-	753	-	-	-
Disposals	-	-	(753)	(5,540)	(28)	(1)	-	-	-
Increase (decrease) in foreign currency translation difference	28	1	65	8	-	52	-	-	-
Reclassifications	-	17,373	5,809	277	410	51	199	1,033	584
Other increases (decreases) (*)	(24)	-	(410)	(145)	-	(1,982)	-	-	-
Decreases for classification as held for sale (1)	(1,891)	-	(194)	-	-	-	-	-	-
Total changes	(1,887)	17,374	5,062	(5,351)	382	(1,127)	199	1,033	584
Closing balance	32,702	582,082	253,555	10,819	18,259	17,731	7,522	158,514	20,315

Reconciliation of changes in property, plant and equipment by class as of December 31, 2016, accumulated depreciation	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment office	Network and communication equipment	Mining assets	IT equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	-	(310,676)	(196,262)	(12,355)	(13,870)	(15,393)	(5,041)	(122,034)	-
Changes									
Disposals	-	-	-	5,540	28	-	-	-	-
Depreciation expense	-	(33,808)	(31,149)	(764)	(2,644)	(846)	(795)	(11,837)	-
Impairment	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	-	(13)	(14)	(14)	-	(28)	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Other increases (decreases) (*)	-	-	258	129	-	2,178	-	-	-
Decreases for classification as held for sale (1)	-	-	29	-	-	-	-	-	-
Total changes	-	(33,821)	(30,876)	4,891	(2,616)	1,304	(795)	(11,837)	-
Closing balance	-	(344,497)	(227,138)	(7,464)	(16,486)	(14,089)	(5,836)	(133,871)	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment (continued)**14.2 Reconciliation of changes in property, plant and equipment by type, continued:**

Reconciliation of changes in property, plant and equipment by class as of December 31, 2016, net amount	Land	Buildings	Other property, plant and equipment	Transport equipment	Supplies and accessories	Equipment and office	Network and communication equipment	Mining assets	IT equipment
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	34,589	254,032	52,231	3,815	4,007	3,465	2,282	35,447	962
Changes									
Additions	-	-	545	49	-	753	-	-	-
Disposals	-	-	(753)	-	-	(1)	-	-	-
Depreciation expense	-	(33,808)	(31,149)	(764)	(2,644)	(846)	(795)	(11,837)	(1,180)
Impairment	-	-	-	-	-	-	-	-	-
Increase (decrease) in foreign currency translation difference	28	(12)	51	(6)	-	24	-	-	-
Reclassifications	-	17,373	5,809	277	410	51	199	1,033	584
Other increases (decreases) (*)	(24)	-	(152)	(16)	-	196	-	-	-
Decreases for classification as held for sale (1)	(1,891)	-	(165)	-	-	-	-	-	-
Total changes	(1,887)	(16,447)	(25,814)	(460)	(2,234)	177	(596)	(10,804)	(596)
Closing balance	32,702	237,585	26,417	3,355	1,773	3,642	1,686	24,643	366

(*) The net balance of other increases (decreases) corresponds to: 1) Work in progress which are expensed to profit or loss (forming part of cost of sales and other expenses per function, as appropriate), 2) the variation representing the purchase and use of materials and spare parts, and 3) projects corresponding mainly to exploration expenditures and ground studies.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment (continued)

14.3 Detail of property, plant and equipment pledged as guarantee

There are no restrictions in title or guarantees for compliance with obligations that affect property, plant and equipment.

14.4 Impairment of assets

As indicated in Note 3.28 to the financial statements, the recoverable amount of property, plant and equipment is measured provided that there is an indication that the asset could be impaired. As of September 30, 2017, there were no impairment adjustments and as of December 31, 2016 there were impairment adjustments associated with the closure of railway facilities for the transportation of products.

Railway for transportation of products from the Coya Sur location and the Port of Tocopilla

As a result of the rain storms that affected the Tocopilla Zone at the beginning of August 2015, SQM S.A. confirmed damages to several sections of the railway between the Coya Sur and Tocopilla sites. As of that date, the Company has used trucks to replace rail transportation. SQM has carried out several internal and external studies with the purpose of determining what would be necessary to repair the damage to the railway.

These reports revealed that repairing the damage would entail high long-term costs, and it is therefore not convenient to repair the railway in the short- to medium-term. This decision does not affect the production process or imply additional employee reductions.

Consequently, SQM has adjusted the value of the assets associated with the railway (fixed equipment, facilities and rolling stock), which has translated into a charge of approximately US\$32 million, which is reflected in the line other expenses by function in the consolidated statement of income for the period. This amount represents around 0.8% of SQM's total assets and 11% of revenue reported at the end of December 2016.

14.5 Additional information

Interest capitalized in construction-in-progress:

The amount capitalized for this concept amounted to ThUS\$3,259 as of September 30, 2017 and ThUS\$ 5,406 as of December 31, 2016.

Financing costs are not capitalized for periods which exceed the normal term of acquisition, construction or installation of the asset, such as occur with delays, interruptions or a temporary suspension of the project due to technical, financial or other issues, which prevent the asset from being maintained in good condition for its use.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 14 Property, plant and equipment (continued)

14.5 Additional information, continued

Available for sale assets

Non-current assets held for sale and the components of groups classified as held for sale are recorded in the Consolidated Statement of Financial Position in a single line under the following concept: "Non-current assets or asset groups for disposal classified as held for sale."

The main classes of assets of non-current assets held for sale are shown below.

Available for sale assets	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Land	1,785	1,891
Facilities and fixtures	109	165
Total	1,894	2,056

Note 15 Employee benefits

15.1 Provisions for employee benefits

Classes of benefits and expenses by employee	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Current		
Profit sharing and bonuses	15,675	20,998
Total	15,675	20,998
Non-current		
Profit sharing and bonuses	4,823	-
Severance indemnity payments	24,883	22,532
Total	29,706	22,532

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 15 Employee benefits (continued)

15.2 Policies on defined benefit plan

This policy is applied to all benefits received for services provided by the Company's employees.

Short-term benefits for active employees are represented by salaries, social welfare benefits, paid time off, sickness and other types of leave, profit sharing and incentives and non-monetary benefits; e.g., healthcare service, housing, subsidized or free goods or services. These will be paid in a term which does not exceed twelve months.

The Company only provides compensation and benefits to active employees, with the exemption of SQM North America, which applies the definitions under 15.4 below.

SQM maintains incentive programs for its employees based on their personal performance, the Company's performance and other short-term and long-term indicators.

For each incentive bonus delivered to the Company's employees, there will be a disbursement in the first quarter of the following year and this will be calculated based on profit for the period at the end of each period applying a factor obtained subsequent to each employee's appraisal process.

Employee benefits include retention bonuses for the Company's executives, which are linked to the Company's share price and are paid in cash. The short-term portion is presented as a provision for current employee benefits and the long-term portion as non-current.

Staff severance indemnities are agreed and payable based on the final salary, calculated in accordance with each year of service to the Company, with certain maximum limits in respect of either the number of years or in monetary terms. In general, this benefit is payable when the employee or worker ceases to provide his/her services to the Company and there are a number of different circumstances through which a person can be eligible for it, as indicated in the respective agreements; e.g., retirement, dismissal, voluntary retirement, incapacity or disability, death, etc.

Law No. 19,728 published on May 14, 2001 which became effective on October 1, 2002 required "Compulsory Unemployment Insurance" in favor of all dependent employees regulated by the Chilean Labor Code. Article 5 of this

law established that this insurance is paid through monthly contribution payments by both the employee and the employer.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 15 Employee benefits (continued)

15.3

Other long-term benefits

The other long-term benefits relate to staff severance indemnities and are recorded at their actuarial value.

Staff severance indemnities at actuarial value	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Staff severance indemnities, Chile	23,360	21,384
Other obligations in companies elsewhere	1,523	1,148
Total other non-current liabilities	24,883	22,532

The actuarial assessment method has been used to calculate the Company's obligations with respect to staff severance indemnities, which relate to defined benefit plans consisting of days of remuneration per year served at the time of retirement under conditions agreed in the respective agreements established between the Company and its employees.

Under this benefit plan, the Company retains the obligation to pay staff severance indemnities related to retirement, without establishing a separate fund with specific assets, which is referred to as not funded. The discount interest rate of expected flows to be used was 4.89%.

Benefit payment conditions

The staff severance indemnity benefit relates to remuneration days for years worked for the Company without a limit being imposed in regard of amount of salary or years of service. It applies when employees cease to work for the Company because they are made redundant or in the event of their death. This benefit is applicable up to a maximum age of 65 for men and 60 for women, which are the usual retirement ages according to the Chilean pensions system as established in Decree Law 3,500 of 1,980.

Methodology

The Company's benefits obligation under IAS 19 Projected Benefit Obligation (PBO) is determined as follows:

To determine the Company's total liability, we used computer software to develop a mathematical simulation model using the data for each individual employee.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 15 Employee benefits (continued)

15.3 Other long-term benefits, continued

This model considered months as discrete time; i.e., the Company determined the age of each person and his/her salary on a monthly basis according to the growth rate. Thus, information on each person was simulated from the beginning of his/her employment contract or when he/she started earning benefits up to the month in which he/she reaches normal retirement age, generating in each period the possible retirement according to the Company's turnover rate and the mortality rate according to the age reached. When he/she reaches the retirement age, the employee finishes his/her service for the Company and receives a retirement indemnity.

The methodology followed to determine the accrual for all the employees covered by agreements took account of the turnover rates and the mortality rate RV-2009 established by the Chilean Superintendence of Securities and Insurance to calculate pension-related life insurance reserves in Chile according to the Accumulated Benefit Valuation or Accrued Cost of Benefit Method. This methodology is established in IAS 19 on Retirement Benefit Costs.

15.4 Post-employment benefit obligations

Our subsidiary SQM North America, together with its employees established a pension plan until 2002 called the "SQM North America Retirement Income Plan". This obligation is calculated measuring the expected future forecast staff severance indemnity obligation using a net salary gradual rate of restatements for inflation, mortality and turnover assumptions, discounting the resulting amounts at present value using the interest rate defined by the authorities.

Since 2003, SQM North America offers to its employees benefits related to pension plans based on the 401-K system, which do not generate obligations for the Company.

15.5 Staff severance indemnities

As of September 30, 2017 and December 31, 2016, severance indemnities calculated at the actuarial value are as follows:

9/30/2017	12/31/2016
ThUS\$	ThUS\$

Opening balance	(22,532)	(21,995)
Current cost of service	(983)	(1,333)
Interest cost	(1,075)	(1,407)
Actuarial gain/loss	289	(2,253)
Exchange rate difference	(1,123)	(1,215)
Benefits paid during the year	541	5,671
Balance	(24,883)	(22,532)

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 15 Employee benefits (continued)

15.5 Staff severance indemnities, continued

a) Actuarial assumptions

The liability recorded for staff severance indemnity is valued at the actuarial value method, using the following actuarial assumptions:

	9/30/2017		12/31/2016	
Mortality rate	RV - 2014		RV - 2009	
Actual annual interest rate	4.89	%	4.522	%
Voluntary retirement rate:				
Men	6.49	%	7.16	% annual
Women	6.49	%	7.16	% annual
Salary increase	3.58	%	3.60	% annual
Retirement age:				
Men	65		65	years
Women	60		60	years

b) Sensitivity analysis of assumptions

As of September 30, 2017 and December 31, 2016, the Company has conducted a sensitivity analysis of the main assumptions of the actuarial calculation, determining the following:

Sensitivity analysis 9/30/2017	Effect + 100 basis points ThUS\$		Effect - 100 basis points ThUS\$
Discount rate	(1,836)	2,246
Employee turnover rate	(232)	259
Sensitivity analysis 12/31/2016	Effect + 100 basis points ThUS\$		Effect - 100 basis points ThUS\$
Discount rate	(1,576)	1,773
Employee turnover rate	(207)	231

Sensitivity relates to an increase/decrease of 100 basis points.

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Note 16 Executive compensation plan

The Company currently has a compensation plan with the purpose of motivating the Company's executives and encouraging them to remain with the Company, by granting payments based on the change in the price of SQM's shares.

Average Share Price Spread

Plan characteristics

This compensation plan is related to the Company's performance through the SQM Series B share price (Santiago Stock Exchange).

Plan participants

A total of 39 Company executives are entitled to this plan, provided that they continue to work for the Company through to the end of 2020. The payment dates, if applicable, will be during the first quarter of 2021.

Compensation

The compensation payable to each executive is calculated by multiplying a) by b):

- a) The average price of Series B shares on the Santiago Stock Exchange during the fourth quarter of 2020, at its equivalent amount in United States dollars (with a maximum amount or limit amount of US\$54 per share),
- b) By a number equal to the quantity of shares that have been individually assigned to each executive included in the plan.

This compensation plan was approved by the Company's Board of Directors and its application started on January 1, 2017.

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Note 17 Disclosures on equity

The detail and movements in the funds of equity accounts are shown in the consolidated statement of changes in equity.

17.1 Capital management

The main object of capital management relative to the administration of the Company's financial debt and equity is to ensure the regular conduct of operations and business continuity in the long term, with the constant intention of maintaining an adequate level of liquidity and in compliance with the financial safeguards established in the debt contracts in force. Within this framework, decisions are made in order to maximize the value of SQM.

Capital management must comply with, among others, the limits contemplated in the Financing Policy approved by the Shareholders' Meeting, which establish a maximum consolidated indebtedness level of 1.5 times the debt to equity ratio. This limit can be exceeded only if the Company's management has first obtained express approval at an Extraordinary Shareholders' Meeting.

In addition, capital management must comply with the external capital requirements (or covenants) imposed in its financial obligations, which regulate the indebtedness level to 1.2 times, its strictest level.

In conjunction with the level of indebtedness, it is also important for the Company to maintain a comfortable profile of maturities for its financial obligations, in order to oversee the relation between its short-term financial obligations and the long-term maturities, and the relation they have with the Company's asset distribution. Consequently, the Company has maintained a liquidity level of 3 times during the last periods.

The Company's management controls capital management based on the following ratios:

CAPITAL MANAGEMENT	9/30/2017	12/31/2016	Description (1)	Calculation (1)
Net Financial Debt ThUS\$	243,894	461,569	Financial Debt – Financial Resources	Other current Financial Liabilities + Other Non-Current Financial Liabilities – Cash and Cash Equivalents – Other Current Financial Assets – Hedging Assets, non-current

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Liquidity	3.79	4.02	Current Asset divided by Current Liability	Total Current Assets / Total Current Liabilities
Net Debt / Capitalization	0.10	0.17	Net Financial Debt divided by Total Equity	Net financial debt / (Net financial debt + Total Equity)
ROE	17.7	% 12.25	% Income divided by Total Equity	Total Income / Equity (UH 12 months)
ROA	21.1	% 16.0	% EBITDA – Depreciation divided by Net Total Assets of financial resources less related parties' investments	(Gross Income – Administrative Expenses)/ (Total Assets – Cash and Cash Equivalents – Other Current Financial Assets – Other Non-Current Financial Assets – Equity-accounted Investees) (UH 12 months)
Indebtedness	0.84	0.83	Total Liability on Equity	Total Liabilities / Total Equity

(1) Assumes the absolute value of the accounting records

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Note 17 Disclosures on equity (continued)

17.1 Capital management, continued

The Company's capital requirements change according to variables such as working capital needs, new investment financing and dividends, among others. The Company manages its capital structure and makes adjustments on the basis of the predominant economic conditions so as to mitigate the risks associated with adverse market conditions and take advantage of the opportunities there may be to improve the liquidity position.

There have been no changes in the capital management objectives or policy within the years reported in this document. No breaches of external requirements of capital imposed (or covenants) have been recorded.

17.2 Disclosures on preferred share capital

Issued share capital is divided into 263,196,524 fully paid and subscribed shares composed of 142,819,552 Series "A" shares and 120,376,972 Series "B" shares, where both series are preferred shares.

The preferential voting rights for each series are detailed as follows:

Series "A":

If the election of the Company's President results in a tie vote, the Company's directors may vote once again, without the vote of the director elected by the Series B shareholders.

Series "B":

1) A general or extraordinary shareholders' meeting may be called at the request of shareholders representing 5% of the Company's Series B shares.

2)

An extraordinary meeting of the Board of Directors may be called with or without the agreement of the Company's President, at the request of the director elected by Series B shareholders.

As of September 30, 2017 and December 31, 2016, the Group does not maintain shares in the parent either directly or through those companies in which it has investments.

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Note 17 Disclosures on equity (continued)

17.2 Disclosures on preferred share capital, continued

Detail of types of capital in preference shares:

Type of capital in preferred shares	9/30/2017		12/31/2016	
Description of type of capital in preferred shares	Series A	Series B	Series A	Series B
Number of authorized shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of fully subscribed and paid shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of subscribed, partially paid shares	-	-	-	-
Par value of shares in ThUS\$	0.9435	2.8464	0.9435	2.8464
Increase (decrease) in the number of current shares	-	-	-	-
Number of current shares	142,819,552	120,376,972	142,819,552	120,376,972
Number of shares owned by the entity or its subsidiaries or associates	-	-	-	-
Number of shares whose issuance is reserved due to the existence of options or agreements to dispose shares	-	-	-	-
Capital amount in shares ThUS\$	134,750	342,636	134,750	342,636
Amount of premium issuance ThUS\$	-	-	-	-
Amount of reserves ThUS\$	-	-	-	-
Total number of subscribed shares, total	142,819,552	120,376,972	142,819,552	120,376,972

As of September 30, 2017 and December 31, 2016, the Company has not placed any new issuances of shares on the market.

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Note 17 Disclosures on equity (continued)

17.3 Disclosures on reserves in equity

As of September 30, 2017 and December 31, 2016, this caption comprises the following:

	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Reserve for currency exchange conversion	(21,164)	(19,463)
Reserve for cash flow hedges	1,890	64
Reserve for gains and losses from financial assets measured at fair value through other comprehensive income	2,913	3,513
Reserve for actuarial gains or losses in defined benefit plans	(4,838)	(4,834)
Other reserves	11,332	7,832
Total other reserves	(9,867)	(12,888)

Reserves for foreign currency translation differences

This balance reflects retained earnings for changes in the exchange rate when converting the financial statements of subsidiaries whose functional currency is that of each company's origin country and the presentation currency is the US dollar.

Reserve for cash flow hedges

The Company maintains, as hedge instruments, financial derivatives related to obligations with the public issued in UF and Chilean pesos. Changes from the fair value of derivatives designated and classified as hedges are recognized under this classification.

Reserve for gains and losses from financial assets measured at fair value through other comprehensive income

This caption includes investments in shares where the Company has no significant influence and these have accordingly been measured at fair value through equity. In the event that such equity instruments are fully or partially

disposed of, the proportional accumulated effect of accumulated fair value will be transferred to profit or loss.

Reserve for actuarial gains or losses in defined benefit plans

For domestic subsidiaries the effects of changes in assumptions are considered, mainly changes in the discount rate.

The subsidiary SQM North America has established pension plans for its retired employees that are calculated by measuring the projected obligation of staff severance indemnities using a net salary progressive rate net of adjustments to inflation, mortality and turnover assumptions, deducting the resulting amounts at present value using a 5.5% interest rate for 2016 and 2015.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 17 Disclosures on equity (continued)**17.3 Disclosures on reserves in equity, continued**

Movements in other reserves and changes in interest were as follows:

Movements	Foreign currency translation difference	Reserve for cash flow hedges	Tax	Reserve for actuarial gains and losses from defined benefit plans	Deferred taxes	Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	Deferred taxes	Other reserves	Total reserves	Deferred taxes	Total reserves
	Before taxes ThUS\$	Before taxes ThUS\$	ThUS\$	Before taxes ThUS\$	ThUS\$	Before taxes ThUS\$	ThUS\$	Before taxes ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 1/1/2016	(14,035)	(2,144)	445	(2,077)	(309)	-	-	(1,677)	(19,933)	136	(19,797)
Increase (decrease) in reserves	(5,428)	3,626	-	(3,397)	-	4,813	-	9,509	9,123	-	9,123
Deferred taxes	-	-	(470)	-	921	-	(1,300)	-	-	(849)	(849)
Reclassification of loss in reserves	-	(1,393)	-	28	-	-	-	-	(1,365)	-	(1,365)
Closing balance as of 12/31/2016	(19,463)	89	(25)	(5,446)	612	4,813	(1,300)	7,832	(12,175)	(713)	(12,888)
Increase (decrease) in reserves	(1,701)	1,801	-	75	-	(57)	-	3,500	3,618	-	3,618
Deferred taxes	-	-	25	-	(79)	-	(543)	-	-	(597)	(597)
Reclassification of loss in reserves	-	-	-	-	-	-	-	-	-	-	-

Closing

balance as of (21,164) 1,890 - (5,371) 533 4,756 (1,843) 11,332 (8,557) (1,310) (9,867)
9/30/2017

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Note 17 Disclosures on equity (continued)

17.3 Disclosures on reserves in equity, continued

Other reserves

This caption corresponds to the legal reserves reported in the individual financial statements of the subsidiaries that are mentioned below and that have been recognized in the SQM's equity through the application of the equity method.

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Subsidiary - Associate		
SQM Iberian S,A,	9.464	5.963
SQM Europe NV	1.957	1.958
Soquimich European holding B.V.	828	833
Abu Dhabi Fertilizer Industries WWL	455	455
Doktor Tarsa Tarim Sanayi AS	305	305
Total	13.009	9.514
2. Corresponds to the acquisition of the subsidiary SQM Iberian S.A., which was already under Company ownership at the acquisition date (IAS 27 R).	(1.677)	(1,677)
Total Other reserves	11.332	7,837

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Note 17 - Disclosures on equity (continued)

17.4 Dividend policies

As required by Article 79 of the Chilean Companies Act, unless otherwise decided by unanimous vote of the holders of issued and subscribed shares, we must distribute a cash dividend in an amount equal to at least 30% of our consolidated profit for the year ended as of December 31, unless and except to the extent it has a deficit in retained earnings (losses not absorbed in prior years).

At an extraordinary meeting held on April 11, 2017, the Company's Board of Directors made a recommendation for discussion at the Ordinary Shareholders' Meeting (the Meeting), which was held on April 28, 2017, that the Company should distribute and pay dividends based on 100% of the Company's net profit for distribution for the financial year 2016. This recommendation was accepted by the Meeting.

For 2017, the Company has defined the following dividend policy: (a) To distribute and pay a dividend to the respective shareholders a percentage of the profits to be determined as follows:

(i) 100% of the profit for 2017 if all the following financial parameters are met: (a) that the total of cash and cash equivalents and other current financial assets ("Cash") divided by the addition of other current financial liabilities (the "Short-term Financial Liabilities") is equal to or more than 2.5 times, and (b) the total of current liabilities and non-current liabilities ("Total Liabilities") divided by total equity ("Equity") is equal to or less than 1.1 times.

(ii) 80% of profit for 2017 if all the following financial parameters are met: (a) that Cash divided by Short-term Financial Liabilities is equal to or more than 2.0 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.2 times.

(iii) 60% of profit for 2017 if all the following financial parameters are met: (a) that Cash divided by Short-term Financial Liabilities is equal to or more than 1.5 times, and (b) Total Liabilities divided by Total Equity is equal to or less than 1.3 times. Should none of these parameters be met, the Company will distribute and pay as dividend 50% of the profit for 2017 to the respective shareholders.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 17 Disclosures on equity (continued)

17.5 Interim and provisional dividends

On August 23, 2017, the Company's Board of Directors agreed to pay a provisional dividend equivalent to US\$0.38432 per share with a charge to profit for 2017. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to the observed U.S. dollar exchange rate published in the Official Gazette on August 31, 2017.

On May 17, 2017, the Board of Directors unanimously agreed to pay a provisional dividend equivalent to US\$0.39222 per share with a debit to the profit for 2017. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to observed U.S. dollar exchange rate published in the Official Gazette on May 31, 2017.

At the General Ordinary Shareholders' Meeting of April 28, 2017, the shareholders agreed to the payment of a dividend of US\$1.05735 per share from the net profit for distribution obtained during the 2016 fiscal year, from which must be discounted the sum of US\$0.85487 per share, which was already paid as a provisional dividend, resulting in a remaining balance of US\$0.20248 per share.

On November 23, 2016, the Board of Directors of Sociedad Química y Minera de Chile S.A approved the payment of a provisional dividend of US\$225 million, equivalent to US\$0.85487 per share with a charge to profit for 2016. This amount would be paid at its equivalent in Chilean pesos using the observed U.S. dollar exchange rate published in the Official Gazette on December 13, 2016.

This dividend payment would be made in favor of the shareholders personally or through their duly authorized representatives from 9:00 am on December 20, 2016. The shareholders who are registered with the Shareholders' Registry five business days prior to December 20, 2016 will be entitled to the dividend.

Change in 2016 Dividend Policy

On November 23, 2016, the provisional dividend described above and the Dividend Policy for the 2016 fiscal year were approved as communicated at the Ordinary Shareholders' Meeting of April 26, 2016 (the "Dividend Policy"), was amended as follows:

- (i) not to distribute more provisional dividends during 2016 except for the dividend approved on that date, to be paid during the last quarter of 2016.
- (ii) the remaining amount of net profit for 2016, if any, to be retained and used for the financing of own operations or activities associated with one or more of the Company's investment projects, without prejudice, however, to the possible future capitalization of all or a portion of this or its distribution as a dividend as determined by the shareholders at the Company's Ordinary Shareholders' Meeting.
- (iii) The Dividend Policy described above relates to the intent or expectation of the Board of Directors with respect to such matter. Consequently, compliance with this Dividend Policy is necessarily dependent on the net profits that are finally obtained and the profit or loss indicated by the Company's regular forecasts.

If the Dividend Policy is subject to substantive change, the Board of Directors will communicate and inform its shareholders about any such change in a timely manner in the form of an essential event.

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Note 17 - Disclosures on equity (continued)

17.5 Interim and provisional dividends, continued

On March 22, 2016, the Company communicated that the Directors of Sociedad Química y Minera de Chile S.A. (SQM), at the Ordinary Meeting had unanimously agreed the following:

To partially amend “SQM S.A.’s Dividend Policy for the 2015 fiscal year with the main purpose of including in such “Policy” the payment of an interim dividend of US\$150,000,000, equivalent to US\$0.56992 per share, to be paid with a charge to retained earnings of SQM S.A. ”. This was reported to the Ordinary Shareholders’ Meeting of April 24, 2015.

The dividends presented as deducted from equity are as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Dividends attributable to owners of the parent	54,991	3,014
Provisional dividend	204,383	225,000
Interim dividend	-	150,000
Dividend payable	112,857	-
Total	372,231	378,014

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 18 Provisions and other non-financial liabilities

18.1 Types of provisions

	9/30/2017			12/31/2016		
	Current	Non-current	Total	Current	Non-current	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Provision for legal complaints (*)	20,421	3,000	23,421	20,867	3,000	23,867
Provision for dismantling, restoration and rehabilitation cost (**)	-	12,390	12,390	-	5,890	5,890
Other provisions(***)	26,549	1,174	27,723	21,045	44	21,089
Total	46,970	16,564	63,534	41,912	8,934	50,846

(*) Provisions for legal complaints relate to legal expenses for lawsuits whose resolution are pending, and correspond to funds estimated necessary to make the disbursement of expenses incurred for this purpose. This provision relates mainly to the litigation of its subsidiaries located in Chile, Brazil and the United States (see note 19.1). **Legal expenses:** Such provision depends on the pending resolution of a legal lawsuit to pay the associated expenses and expenses incurred during such lawsuit (mainly incurred in Brazil, Chile and the United States). **Provision for taxes in tax litigation:** This provision relates to litigation pending resolution related to tax in Brazil for two of our subsidiaries, SQM Brasil and NNC.

(**) Such provision is calculated considering the instructions issued by the regulating agency (Servicio Nacional de Geología y Minería de Chile, Sernageomin (The Chilean National Geology and Mining Service)).

(***) **Rent for the lease contract with CORFO:** This relates to the lease of mining properties that SQM Salar S.A. pays to CORFO on a quarterly basis. The amount payable is calculated based on the sales of products extracted from the Atacama Saltpeter Deposit.

These amounts are determined on a quarterly basis.

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Note 18 Provisions and other non-financial liabilities (continued)

18.2 Description of other provisions

Current provisions, other short-term provisions	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Provision for tax loss in fiscal litigation	772	750
Rent under Lease contract with CORFO	12,453	11,452
Provision for additional tax related to foreign loans	554	450
End of agreement bonus	3,944	5,365
Directors' per diem allowance	2,319	1,918
Provision for subsidiary restructuring	6,000	-
Miscellaneous provisions	507	1,110
Total	26,549	21,045
Other long-term provisions		
Miscellaneous	1,174	44
Total	1,174	44

18.3

Other liabilities current

Description of other liabilities	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Tax withholdings	6,268	14,340
VAT payable	3,122	3,949
Guarantees received	2,638	2,638
Accrual for dividend	112,858	1,189
Monthly tax provisional payments	16,285	9,545
Deferred income	15,548	6,507
Withholdings from employees and salaries payable	5,929	5,552
Accrued vacations (*)	16,547	15,841
Other current liabilities	2,365	2,359
Total	181,560	61,920

(*) Vacation benefit (short-term benefits to employees, current) is in line with the provisions established in Chile's Labor Code, which indicates that employees with more than a year of service will be entitled to annual vacation for a period of at least fifteen paid business days. The Company provides the benefit of two additional vacation days

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 18 Provisions and other non-financial liabilities (continued)

18.4 Changes in provisions

9/30/2017

Description of items that gave rise to variations	Guarantee	Restructuring	Legal complaints	Onerous contracts	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	-	-	23,867	-	5,890	21,089	52,846
Changes in provisions:							
Additional provisions	-	-	2,779	-	6,500	73,167	82,446
Provision used	-	-	(3,225)	-	-	(66,230)	(69,455)
Increase(decrease) in foreign currency exchange others	-	-	-	-	-	(140)	(140)
	-	-	-	-	-	(163)	(163)
Total provisions, final balance	-	-	23,421	-	12,390	27,723	63,534

12/31/2016

Description of items that gave rise to variations	Guarantee	Restructuring	Legal complaints	Onerous contracts	Provision for dismantling, restoration and rehabilitation cost	Other provisions	Total
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Total provisions, initial balance	-	-	21,067	-	5,890	13,445	40,402
Changes in provisions:							
Additional provisions	-	-	2,800	-	-	54,310	57,110
Provision used	-	-	-	-	-	(47,261)	(47,261)
Increase(decrease) in foreign currency exchange	-	-	-	-	-	128	128
Others	-	-	-	-	-	467	467
Total provisions, final balance	-	-	23,867	-	5,890	21,089	50,846

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 18 Provisions and other non-financial liabilities (continued)

18.5 Detail of main types of provisions

Legal expenses: This provision depends on the pending resolution of a legal lawsuit, to pay the expenses associated with and incurred during such lawsuit (incurred mainly in Brazil, Chile and the United States).

Tax accrual in tax litigation: This accrual relates to lawsuits pending resolution related to taxes in Brazil for two of our subsidiaries, SQM Brazil and NNC.

Rent under lease contract with CORFO: Relates to the commercialization of mining properties that SQM Salar S.A. pays to the Economic Development Agency on a quarterly basis. The amount of the lease payable is calculated based on the sales of products extracted from the Atacama Saltpeter deposit.

The settlement of the aforementioned amounts is performed on a quarterly basis.

To date, the Company and its subsidiaries have no significant uncertainties about the timing and amount of a class of provision.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 19 Contingencies and restrictions

In accordance with note 18.1, the Company has only registered a provision for those lawsuits in which there is a probability that the judgments will be unfavorable to the Company. The Company is party to the following lawsuits and other relevant legal actions:

19.1 Lawsuits and other relevant events

1. Plaintiff : Nancy Erika Urrea Muñoz.
 Defendants : Fresia Flores Zamorano, Duratec-Vinilit S.A. and the Company and their Insurers.
 Date : December 2008.
 Court : 1st Civil Court of Santiago.
 Reason : Labor Accident.
 Status : Judgment favorable for the Company. Appeal filed by the plaintiff.
 Nominal value : ThUS\$550.

2. Plaintiff : City of Pomona, California USA.
 Defendant : SQM North America Corporation.
 Date : December 2010.
 Court : United States District Court Central District of California.
 Reason : Payment of expenses and other amounts related to the treatment of groundwater to allow for its consumption by removing the existing perchlorate in such groundwater that allegedly comes from Chilean fertilizers.
 Status : On August 7, 2017, the United States Court of Appeals for the Ninth Circuit ordered the beginning of a new trial.
 Nominal value : ThUS\$32,000.

3. Plaintiff : City of Lindsay, California USA.
 Defendant : SQM North America Corporation and the Company (still not noticed)
 Date : December 2010.
 Court : United States District Court Eastern District of California.
 Reason : Payment of expenses and other amounts related to the treatment of groundwater to allow for its consumption by removing the existing perchlorate in such groundwater that allegedly comes from Chilean fertilizers.
 Status : Filing of the case. Processing suspended.
 Nominal value : Not possible to determine.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 19 **Contingencies and restrictions**
(continued)

19.1 Lawsuits and other relevant events, continued

4. Plaintiff : H&V Van Mele N.V.
Defendant : SQM Europe N.V. and its insurance companies.
Date : July 2013.
Court : Commercial Court of Dendermonde.
Reason : Alleged indirect responsibility for the absence of adequate specifications for the SOP-WS by the Belgian distributor.
Status : Judgment stage.
Nominal value : ThUS\$430.

5. Plaintiff : Carlos Aravena Carrizo et al.
Defendant : SQM Nitratos S.A. and its insurers.
Date : May 2014.
Court : 18th Civil Court of Santiago.
Reason : Lawsuit seeking compensation for damages for alleged civil liability under tort as a result of an explosion that occurred during 2010 near Baquedano, causing the death of 6 employees.
Status : Evidence.
Nominal value : ThUS\$1,235.

6. Plaintiff : Corporación de Fomento de la Producción (“Corfo”).
Defendant : SQM Salar S.A. (“SQM Salar”); SQM Potasio S.A. and the Company
Date : May 2014.
Court : Arbitration court. Arbitrator Mr. Héctor Humeres
(a) Lease Contract (“the “Lease”) early termination action filed on November 12, 1993 by Corfo for (i) alleged failure to fully pay the quarterly lease payments associated with certain products during 2009-2013; and (ii) alleged absence of boundary demarcation of mining properties seeking compensation for damages for other related contracts among other matters involving compensation for damages. (b) Request filed by Corfo for early Project Contract termination associated with the contract entered into on November 12, 1993 and other related contracts, among other matters involving compensation for damages; and (c) Request filed by SQM Salar and the Company to state whether lease payments made by SQM Salar under the Lease comply with the agreement entered into by the parties and whether the rent formula applied has been useful for Corfo.
Reason : damages. (b) Request filed by Corfo for early Project Contract termination associated with the contract entered into on November 12, 1993 and other related contracts, among other matters involving compensation for damages; and (c) Request filed by SQM Salar and the Company to state whether lease payments made by SQM Salar under the Lease comply with the agreement entered into by the parties and whether the rent formula applied has been useful for Corfo.
Status : Evidence stage.
Nominal value : Not determined.

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Note 19 **Contingencies and restrictions**
(continued)

19.1 Lawsuits and other relevant events, continued

7. Plaintiff : Evt Consulting SpA.
 Defendant : SQM Nitratos S.A.
 Date : October 2014.
 Court : 23th Civil Court of Santiago.
 Reason : Lawsuit seeking compensation for damages related to the termination of the purchase and sale agreement for metallic structures.
 Status : On November 13, 2017, the Santiago Appeals Court sentenced SQM Nitratos S.A. to pay US\$304,620. The filing of appeals is pending.
8. Plaintiff : Hugo Gutiérrez Gálvez
 Defendants : Senators Jaime Orpis B. and Fulvio Rossi C., the Company et al.
 Date : July 2015
 Court : 8th Supervisory Court in Preliminary Proceedings of Santiago, Chile
 Reason : With respect to the Company the investigation of alleged liability under Law No. 20.393
 Instance : Investigation stage
 Nominal value : None
9. Plaintiff : State Defense Council
 Defendant : The Company
 Date : December 2016
 Court : 8th Supervisory Court in Preliminary Proceedings of Santiago, Chile
 Reason : With respect to the Company the investigation of alleged liability under Law No. 20.393
 Instance : Investigation stage
 Valor nominal : None

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Notes to the Consolidated Financial Statements as of September 30, 2017.

**Note 19 Contingencies and restrictions
(continued)**

19.1 Lawsuits and other relevant events, continued

- | | | |
|-----|---------------|---|
| 10. | Plaintiff | : SQM Salar and the Company. |
| | Defendant | : Seguros Generales Suramericana S.A. (formerly - RSA Seguros Chile S.A.) |
| | Date | : August 29, 2016 |
| | Court | : Arbitration Court – Arbitrator Mr. Gonzalo Fernández. |
| | Reason | : Complaint for forced compliance and collection of indemnification for insurance claim of February 7 and 8, 2013. |
| | Status | : Evidence stage |
| | Nominal value | : MUS\$20,658. |
| | | |
| 11. | Plaintiff | : Tyne and Wear Pension Fund as represented by the Council of the Borough of South Tyneside acting as Lead Plaintiff. |
| | Defendant | : The Company |
| | Date | : January 2016. |
| | Court | : United States District Court – Southern District of New York. |
| | Reason | : Alleged damage to ADS holders of the Company resulting from alleged noncompliance with the securities regulations in the United States by the Company. |
| | Status | : Initial stage of disclosure of background information. |
| | Nominal value | : Not determined. |
| | | |
| 12. | Plaintiff | : Ernesto Saldaña González et al. |
| | Defendant | : SQM Salar S.A., SQM Industrial S.A. (“SQM Industrial”) and their insurance companies |
| | Date | : May 2016. |
| | Court | : 13 th Civil Court of Santiago. |
| | Reason | : Lawsuit seeking compensation for damages for alleged civil liability under tort law arising from the accident that occurred in July 2014 in the María Elena location. |
| | Status | : Evidence stage |
| | Nominal value | : ThUS\$515. |

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Note 19 **Contingencies and restrictions**
(continued)

19.1 Lawsuits and other relevant events, continued

- | | | |
|-----|---------------|---|
| 13. | Plaintiff | : María Yolanda Achiardi Tapia et al. |
| | Defendant | : SQM Salar and its insurance companies and other 5 defendants |
| | Date | : February 2015. |
| | Court | : 1 st Civil Court of Antofagasta. |
| | Reason | : Lawsuit seeking compensation for damages for alleged civil liability under tort law arising from a traffic accident that occurred in April 2011 in the city of Antofagasta. |
| | Status | : Lawsuit pending notice to one of the defendants. |
| | Nominal value | : ThUS\$1,265. |
| | | |
| 14. | Plaintiff | : The Company |
| | Defendants | : AES Gener S.A. and Empresa Eléctrica Cochrane SpA. |
| | Date | : May 11, 2017 |
| | Court | : Arbitration award in accordance with the arbitration rules established by the Center for Arbitration and Mediation of the Santiago Chamber of Commerce. |
| | Reason | : Request for the interpretation of an electricity supply agreement alleging the right by the plaintiff to receive a collection in conformity with such agreement. |
| | Instance | : Conciliation stage |
| | Nominal value | : Not determined |
| | | |
| 15. | Plaintiff | : AES Gener S.A. and Empresa Eléctrica Cochrane SpA. |
| | Defendant | : The Company |
| | Date | : May 2017 |
| | Court | : Arbitration award in accordance with the Arbitration Rules established by the Center for Arbitration and Mediation of the Santiago Chamber of Commerce |
| | Reason | : Discrepancy with respect to the amount of an alleged right by the plaintiff to receive a collection in conformity with the agreement entered into by the parties. |
| | Instance | : Deliberation stage |
| | Nominal value | : Not determined |

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**Note 19 Contingencies and restrictions
(continued)**

19.1 Lawsuits and other relevant events, continued

16. Plaintiffs : Araya Oses, Antonio et al.
 Defendants : Transportes Buen Destino S.A. and SQM Salar.
 Date : February 17, 2017
 Court : 1st Civil Court of Santiago
 Reason : Lawsuit for several or subsidiary liability for unfair dismissal, seeking the voidance of the dismissal and collection of labor benefits.
 Instance : An appeal seeking voidance of the first instance judgment is pending.
 Nominal value : ThUS\$235.
17. Plaintiffs : Employee Union No. 2 of SQN Nitratos Nueva Victoria.
 Defendant : SQM Nitratos S.A.
 Date : November 23, 2016.
 Court : Labor Court of Iquique.
 Reason : Lawsuit alleging differences in the calculation of the bonus payable under the Collective Bargaining Agreement.
 Instance : At the evidence stage
 Nominal value : ThUS\$385
- 18 Plaintiff : TBD
 Reason : Voluntary Winding up Statement (Law No. 20.720)
 Court : Civil Court of Colina
 Instance : On January 4, 2017 the voluntary winding up process began. On March 8, 2017, SQM Industrial verified credits in ordinary period associated with the sale of fuel of Ch\$217,193,666 with express reserve as to the legal compensation applicable.
 Nominal value : Ch\$217,193,666

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**Note 19 Contingencies and restrictions
(continued)**

19.1 Lawsuits and other relevant events, continued

19	Plaintiffs	: TBD
	Defendant	: SQM Salar.
	Date	: None
	Court	: Arbitration Court Arbitrator Mr. Jaime Martínez Tejada.
	Reason	: Discrepancies generated in the performance of the (i) lithium brine transportation agreement; and (ii) salt transportation agreement entered into between TBD and SQM Salar.
	Instance	: The case has not been presented yet.
	Nominal value	: Not determined
20	Plaintiffs	: Castillo, Hernán et al.
	Defendants	: Servicios Integrales de Tránsitos y Transferencias S.A. and SQM Industrial S.A.
	Date	: September 15, 2017.
	Court	: 1st Labor Court of Santiago.
	Reason	: Lawsuit to assert labor rights, seeking collection of wages owed and other amounts.
	Instance	: Preparatory hearing pending.
	Nominal value	: ThUS\$1,940

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Note 19 **Contingencies and restrictions**
(continued)

19.1 Lawsuits and other relevant events, continued

The Company and its subsidiaries have been involved and will probably continue to be involved either as plaintiffs or defendants in certain judicial proceedings that have been and will be heard by the arbitration or ordinary courts of justice that will make the final decision. Those proceedings that are regulated by the appropriate legal regulations are intended to exercise or oppose certain actions or exceptions related to certain mining claims either granted or to be granted and that do not or will not affect in an essential manner the development of the Company and its subsidiaries.

Soquimich Comercial S.A. has been involved and will probably continue being involved either as plaintiff or defendant in certain judicial proceedings through which it intends to collect and receive the amounts owed, the total nominal value of which is approximately US\$1.2 millions.

The Company has made efforts and continues making efforts to obtain payment of certain amounts that are still owed it on occasion of their activities. Such amounts will continue to be required using judicial or non-judicial means by the plaintiffs, and the actions and exercise related to these are currently in full force and effect.

The Company and its subsidiaries have received no legal notice on lawsuits other than those indicated above, which exceed US\$0,2 millions.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

**Note 19 Contingencies and restrictions
(continued)**

19.2 Restrictions to management or financial limits

Credit contracts subscribed by the SQM Group with domestic and foreign banks and the issuance of bonuses in the local and international market require the Company to comply with the following level of consolidated financial indicators, calculated for a moving period that considers the last twelve months:

-To maintain a minimum equity of ThUS\$1,000,000.

- To maintain a Net Financial Debt and EBITDA ratio not higher than 3 times. (For the EBITDA calculation, see Note 17.1).

- To maintain a Total Indebtedness Ratio not higher than 1.2 times at its strictest level. The total Indebtedness level is defined as the Total Liabilities divided by Total Equity.

- To maintain a ratio of not more than 0.3 times between the sum of the financial debt of the operating subsidiaries -SQM Industrial S.A. and SQM Salar S.A., or their respective legal successors, and the total Issuer's consolidated current assets.

As of September 30, 2017, the aforementioned financial indicators are as follows:

Indicator	9/30/2017	12/31/2016
Equity ThUS\$	2,251,496	2,307,272
Net Financial Debt/ EBITDA	0.26	0.58
Indebtedness	0.84	0.83
SQM Industrial and SQM Salar debt / Current assets	0.02	0.02

Bond issue agreements issued abroad require the Company to neither merge or dispose of the whole or a substantial part of its assets, unless all the following conditions are met: (i) the legal successor company is an entity subject to either Chilean or United States law, and assumes SQM S.A.'s obligations under a complimentary contract, (ii) the Issuer does not fail to comply immediately after the merger or disposal, and (iii) the Issuer delivers a legal opinion stating that the merger or disposal and the complimentary contract meet the requirements described in the original contract.

In addition, SQM S.A. is committed to disclosing financial information on quarterly basis.

The Company and its subsidiaries have complied and are fully complying with all the aforementioned limitations, restrictions and obligations.

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Note 19 **Contingencies and restrictions**
(continued)

19.3 Arbitration proceedings with CORFO

SQM Salar S.A. has signed a lease that establishes that it must pay annual rent for the commercialization of certain mining properties owned by Corfo. The amount of such rent is calculated on the basis of sales of each type of product. The lease is in force until 2030, and rent began being paid in 1996, reflecting an expense amount of ThUS\$34,226 as of September 30, 2017 (ThUS\$ 41,962 as of December 31, 2016).

On 15 November 2013, Corfo sent a letter to SQM Salar S.A. stating its intention to (i) collect from SQM Salar the amount of Ch\$2,530,298,919 (ThUS\$4,823) that in Corfo's opinion, SQM Salar owes it for the calculation and payment of the lease; and (ii) require the initiation of arbitration proceedings, as established in the lease, so that the arbitrator can determine the existence of any other alleged lease payment obligations that SQM Salar might owe to Corfo under the lease.

During May 2014, Corfo filed a lawsuit against SQM Salar requesting the early termination of the lease and other requests explained in Note 19.1.

SQM Salar differs completely from Corfo's view. In fact, the lease has been in force for more than 20 years, during which time SQM Salar has paid to Corfo more than 80 quarterly payments in their entirety and on a timely basis, and Corfo has received these payments in conformity and to its satisfaction.

In our legal advisors' opinion, there are no legal grounds to early terminate the lease agreement as the lawsuit is based on noncompliances that do not exist and, even if they had, they are not gross or essential and nor do they hinder the purpose of the lease. In addition, the Company has never had the intention of deceiving and has always been fully transparent in providing the information delivered. The conflict rather corresponds to a discussion about the right formula for calculating the rent amount.

The total amount finally requested by Corfo was at least US\$8,940,829 – plus interests and costs – and the arbitration proceeding is close to the beginning of the evidence stage. Corfo and SQM Salar waived all recourses against the judgment provided by the arbitrator. However, it is not possible to discard the filing of appeals that are allowed by law.

On August 17, 2016, Corfo notified a new arbitration proceeding filed against SQM Potasios S.A., the Company and SQM Salar, by virtue of which it requests the early termination of the project agreement entered into in November 1993 and other related contracts, among other matters.

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Note 19 **Contingencies and restrictions**
(continued)

19.3 Commitments, continued

Meanwhile, on September 28, 2016, the Company and SQM Salar S.A. started the process for a third arbitration proceeding with Corfo through which they expect to obtain a declaratory judgment which determines that in the payment of rent payments made under the lease contract for the elapsed period of the contract there has been no damage to Corfo. The deliberation stage of this arbitration proceeding has been completed.

During the period ended September 30, 2017, revenue related to products from the Atacama saltpeter deposit represented 48.47% of the Company's total consolidated revenue for the same period. This corresponds to revenue considered in the potassium, lithium and by-product business lines.

Additionally, during the same period, SQM Salar sold potassium salts (sylvinite) and other potassium products for a total of US\$66.9 million to SQM Industrial S.A., to be used as supplies in the production of potassium nitrate.

19.4

Environmental contingencies

On June 6, 2016, the Superintendence of the Environment (the "SMA") filed charges against the Company with respect to the Pampa Hermosa project for possible noncompliance with RCA 890/2010.

This relates to charges regarding certain variables in the follow-up plan and through the implementation of a mitigation measure contemplated in the related environmental impact assessment. The Company submitted a Compliance Program to the SMA for its approval. This program details the actions and commitments that the Company will perform to overcome the objections filed by the environmental authority. On June 29, 2017, the SMA rejected the Compliance Program submitted by the Company. On July 10, the Company presented the defense against the charges filed by the SMA.

Through a ruling dated November 28, 2016, which was modified by a ruling dated December 23, 2016, the SMA filed charges against SQM Salar for extracting brine in excess of authorized amounts, progressively impacting the vitality of algarrobo trees, delivering incomplete information, modifying variables and other matters.

SQM Salar has presented a compliance program detailing the actions and commitments it will carry out to address the SMA's objections. The SMA is reviewing the compliance program.

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Note 19 **Contingencies and restrictions
(continued)**

19.5

Tax contingency

During 2015, the Company, SQM Salar and SQM Industrial submitted to the Chilean IRS four tax amendments (two by the Company, one by SQM Salar and one by SQM Industrial).

The first two (one for SQM and one for SQM Salar), after being approved by the SII, generated payments for taxes, interests and other charges for US\$8.1 million. A provision for such amount was made in the profit or loss for the first quarter of 2015.

Additionally, during August 2015, the Chilean IRS was provided, for its review and approval, with the documentation necessary for amending the annual tax returns of the Company and SQM Industrial. As a result of such amendments, the Company paid an approximate sum of US\$1.4 million for taxes, interests and other charges. This amount was recorded in a provision in the profit or loss for the second quarter of 2015.

Finally, during 2016, the last 12 invoices were amended with a payment of approximately US\$50,000.

Accordingly, the SQM Group understands the internal analysis they have been performing has ended, the purpose of which was the identification of the expenses incurred by them during the fiscal years 2008 to 2014 and which could be a matter of tax amendment.

Because of the aforementioned amendments, the Company, SQM Salar and SQM Industrial might be affected by additional penalties established in the first subparagraph, No. 4 of Article 97 of the Tax Code, for an amount ranging between 50% and 300% of the taxes paid. The Company has not considered it necessary to make any provisions related to this possible additional penalty.

On August 26, 2016, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessments Nos. 169, 170, 171 and 172, which seek to expand the application of the specific tax on mining activities for the exploitation of lithium. The amount involved is approximately ThUS\$17,809. This claim is at the deliberation stage.

On March 24, 2017, SQM Salar filed with the Third Tax and Customs Court of the Metropolitan Region a tax claim against tax assessment No. 207 of 2016 and ruling No. 156 of 2016, both issued by the Chilean IRS, which seek to expand application of the specific tax on mining activities to include lithium exploitation for tax years 2015 and 2016. The amount involved is approximately US\$14.4 million. This claim is at the deliberation stage.

The aforementioned amounts are classified as current tax assets, non-current as of September 30, 2017.

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Note 19 **Contingencies and restrictions**
(continued)

19.5 Tax contingency, continued

Of the US\$32.2 million under dispute, approximately US\$25.2 million correspond to the potential specific tax on mining activities related to lithium and US\$7.0 million correspond to an excess charge levied by the Chilean IRS.

The Chilean IRS has not issued an assessment claiming differences in the specific tax on mining activities filed for the years 2016 and 2017. As of the date of these financial statements, SQM has not made any provisions for these possible differences.

If the Chilean IRS uses criteria similar to that used in previous years, it may issue an assessment in the future for commercial year 2016 and the first nine months of 2017. It is reasonable to expect that should these assessments (for the year 2016 and the first nine months of 2017) be issued, the value would be approximately US\$25.4 million (without considering potential interest and fines).

19.6 Restricted or pledged cash

The subsidiary Isapre Norte Grande Ltda., in compliance with the provisions established by the Chilean Superintendence of Healthcare, which regulates the running of pension-related health institutions, maintains a guarantee in financial instruments delivered in deposits, custody and administration to Banco de Chile.

This guarantee, according to the regulations issued by the Chilean Superintendence of Healthcare is equivalent to the total sum owed to its members and medical providers. Banco de Chile reports the present value of the guarantee to the Chilean Superintendence of Healthcare and Isapre Norte Grande Ltda. on a daily basis. As of September 30, 2017, the guarantee amounts to ThUS\$739.

The Company maintains funds with Morgan Stanley for the concept of margin calls, which provide collateral for the Bank's exposure towards the Company.

Such collateral hedges the fair value of the Cross Currency Swap that SQM S.A. has to hedge a portion of the Series H Bond.

As of September 30, 2017, the Company. had delivered ThUS\$ 610 to Morgan Stanley, which will be released when any of the following conditions occur:

1. The market value of the Cross Currency Swap is lower than the sum of the ThUS\$610 provided and the collateral threshold of ThUS\$5,000.
2. The Cross Currency Swap associated with the H Series Bond expires on January 5, 2018.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 19 **Contingencies and restrictions**
(continued)

Restricted or pledged cash, continued

The Company maintains funds with BCI for the concept of margin call, which provide collateral for the Bank's exposure towards the Company.

Such collateral hedges the fair value of the Cross Currency Swap that SQM S.A. has to hedge the Series H Bond.

To date, SQM S.A. has delivered ThUS\$0 to BCI, which will be released when any of the following conditions occur:

1. The market value of the Cross Currency Swap of the last business day of the month is lower than the sum of the ThUS\$0 delivered and the collateral threshold of ThUS\$10,000.
2. The Cross Currency Swap associated with the H Series Bond expires on January 5, 2018.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

**Note 19 Contingencies and restrictions
(continued)**

19.7 Securities obtained from third parties

The main security received (exceeding ThUS\$100) from third parties to guarantee Soquimich Comercial S.A.'s compliance with obligations in contracts of commercial mandates for the distribution and sale of fertilizers amounted to ThUS\$11,620 and ThUS\$7,386 on September 30, 2017 and December 31, 2016 respectively; which is detailed as follows:

Grantor	Relationship	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Ferosor Agrícola S.A.	Unrelated third party	3,919	-
Tattersall Agroinsumos S.A.	Unrelated third party	2,000	2,000
Contador Frutos S.A.	Unrelated third party	1,671	1,574
Agrícola Lobert Ltda.	Unrelated third party	1,212	1,141
Covepa SPA	Unrelated third party	784	747
Johannes Epple Davanzo	Unrelated third party	350	333
Hortofrutícola La Serena	Unrelated third party	309	291
Juan Luis Gaete Chesta	Unrelated third party	253	241
Arena Fertilizantes y Semillas	Unrelated third party	235	224
Vicente Oyarce Castro	Unrelated third party	234	220
Soc. Agrocom. Julio Polanco	Unrelated third party	157	149
Bernardo Guzmán Schmidt	Unrelated third party	133	125
Gilberto Rivas Y Cia. Ltda.	Unrelated third party	133	125
Lemp Martin Julian	Unrelated third party	119	111
Comercial Agrosal Ltda.	Unrelated third party	111	105
Total		11,620	7,386

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 19 **Contingencies and restrictions**
(continued)

19.8 Indirect guarantees

Guarantees in which there is no pending balance indirectly reflect that the respective guarantees are in force, have been approved by the Company's Board of Directors and have not been used by the respective subsidiary.

The bonds which disclose a balance as of September 30, 2017 and December 31, 2016 are detailed below:

Creditor of the guarantee	Debtor Name	Relationship	Type of guarantee	Balances as of the closing date of the financial statements	
				9/30/2017 ThUS\$	12/31/2016 ThUS\$
Australian and New Zealand Bank	SQM North America Corp	Subsidiary	Bond	-	-
Australian and New Zealand Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Generale Bank	SQM North America Corp	Subsidiary	Bond	-	-
Generale Bank	SQM Europe N.V.	Subsidiary	Bond	-	-
Kredietbank	SQM North America Corp	Subsidiary	Bond	-	-
Kredietbank	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Europe N.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM North America Corp	Subsidiary	Bond	-	-
Banks and financial institutions	Nitratos Naturais do Chile Ltda.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM México S.A. de C.V.	Subsidiary	Bond	-	-
Banks and financial institutions	SQM Brasil Ltda.	Subsidiary	Bond	-	-
"BNP"	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Sociedad Nacional de Minería A.G.	SQM Potasio S.A.	Subsidiary	Bond	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
Scotiabank & Trust (Cayman) Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
Bank of America	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
Export Development Canada	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	Royal Seed Trading A.V.V.	Subsidiary	Bond	-	-
JP Morgan Chase Bank	SQM Industrial S.A.	Subsidiary	Bond	-	-
The Bank of Nova Scotia	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-

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Note 19 **Contingencies and restrictions**
(continued)

19.8 Indirect guarantees, continued

Creditor of the guarantee	Debtor Name	Relationship	Type of guarantee	Pending balances as of the closing date of the financial statements	
				9/30/2017 ThUS\$	12/31/2016 ThUS\$
Credit Suisse International	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Morgan Stanley Capital Services	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
The Bank of Tokyo-Mitsubishi UFJ Ltd.	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
HSBC	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-
Deutsche Bank AG	SQM Investment Corp. N.V.	Subsidiary	Bond	-	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 20 Earnings per share

Basic earnings per share are calculated by dividing net income attributable to the Company's shareholders by the weighted average of the number of shares in circulation during that period.

As expressed, earnings per share are detailed as follows:

	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Basic earnings per share		
Earnings (losses) attributable to owners of the parent	316.930	199.390

	9/30/2017	12/31/2016
	Units	Units
Number of common shares in circulation	263,196,524	263,196,524

	9/30/2017	9/30/2016
Basic earnings per share (US\$ per share)	1.2053	0.7501

The Company has not made any operations with a potential dilutive effect that assumes diluted earnings per share are different from the basic earnings per share.

Note 21 Borrowing costs

The cost of interest is recognized as an expense in the year in which it is incurred, except for interest that is directly related to the acquisition and construction of tangible property, plant and equipment assets and that complies with the requirements of IAS 23. As of September 30, 2017, total interest expenses incurred amount to ThUS\$37,811 (ThUS\$45,203 as of September 30, 2016).

The Company capitalizes all interest costs directly related to the construction or to the acquisition of property, plant and equipment, which require a substantial time to be suitable for use.

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Note 21 Borrowing costs (continued)

21.1 Costs of capitalized interest, property, plant and equipment

The cost of capitalized interest is determined by applying the average or weighted average of all financing costs incurred by the Company to the monthly end balances of works-in-progress meeting the requirements of IAS 23.

The rates and costs for capitalized interest of property, plant and equipment are detailed as follows:

	9/30/2017		9/30/2016
Capitalization rate of costs for capitalized interest, property, plant and equipment	4	%	5
Amount of costs for interest capitalized in ThUS\$	3,259		4,056

Note 22 Effect of fluctuations in foreign currency exchange rates

a) Foreign currency exchange differences recognized in profit or loss except for financial instruments measured at fair value through profit or loss:

	9/30/2017		9/30/2016
	ThUS\$		ThUS\$
Conversion foreign exchange gains (losses) recognized in the result of the year.	(4,707)		(575)
Conversion foreign exchange reserves attributable to the owners of the controlling entity	(1,701)		(83)
Conversion foreign exchange reserves attributable to the non-controlling entity	-		1,023

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 22 Effect of fluctuations in foreign currency exchange rates (continued)

b) Reserves for foreign currency exchange differences:

As of September 30, 2017, and December 31, 2016, foreign currency exchange differences are detailed as follows:

Detail	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Changes in equity generated by conversion of equity value:		
Comercial Hydro S.A.	1,004	1,004
SQMC Internacional Ltda.	(7)	(13)
Proinsa Ltda.	(8)	(10)
Comercial Agrorama Ltda.	(51)	(69)
Isapre Norte Grande Ltda.	(97)	(124)
Almacenes y Depósitos Ltda.	68	47
Sales de Magnesio Ltda.	-	(29)
Sociedad Prestadora de Servicios de Salud Cruz del Norte S.A.	(3)	(6)
Agrorama S.A.	(92)	(49)
Doktor Tarsa	(12,388)	(12,264)
SQM Vitas Fzco	(1,651)	(1,801)
Ajay Europe	(995)	(1,935)
SQM Eastmed Turkey	(95)	(95)
Charlee SQM (Thailand) Co. Ltd.	(328)	(460)
Coromandel SQM India	(220)	(282)
SQM Italia SRL	(158)	(287)
SQM Oceania Pty Ltd.	(634)	(634)
SQM Indonesia S.A.	(124)	(124)
Abu Dhabi Fertilizers Industries WWL.	(462)	(434)
SQM Vitas Holland	(128)	(280)
SQM Thailand Limited	(68)	(68)
SQM Europe N.V.	(1,550)	(1,550)
Minera Exar S.A.	(3,177)	-
Total	(21,164)	(19,463)

c) Functional and presentation currency

The functional currency of these companies corresponds to the currency of the country of origin of each entity, and its presentation currency is the U.S. dollar.

d) Reasons to use one presentation currency and a different functional currency

- The total revenues of these subsidiaries are associated with the local currency.
- The commercialization cost structure of these companies is affected by the local currency.
- The equities of these companies are expressed in local currency (Chilean peso).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 23 Environment

23.1

Disclosures of disbursements related to the environment

The Company is continuously concerned with protecting the environment both in its production processes and with respect to products manufactured. This commitment is supported by the principles indicated in the Company's Sustainable Development Policy. The Company is currently operating under an Environmental Management System (EMS) that has allowed it to strengthen its environmental performance through the effective application of the Company's Sustainable Development Policy.

Operations that use caliche as a raw material are carried out in desert areas with climatic conditions that are favorable for drying solids and evaporating liquids using solar energy. Operations involving the open-pit extraction of minerals, due to their low waste-to-mineral ratio, generate remaining deposits that slightly alter the environment. A portion of the ore extracted is crushed, a process in which particle emissions occur. Currently this operation is conducted only at the Pedro de Valdivia worksite and no ore crushing process is conducted in the María Elena sector.

Many of the Company's products are shipped in bulk at the Port of Tocopilla. In 2007, the city of Tocopilla was declared a zone saturated with MP10 Particles mainly due to the emissions from the electric power plants that operate in that city. In October 2010, the Decontamination Plan for Tocopilla was put in place. Accordingly, the Company has committed to taking several measures to mitigate the effects derived from bulk product movements in the port. These measures have been successfully implemented since 2007.

The Company carries out environmental follow-up and monitoring plans based on specialized scientific studies. Within this context, the Company entered into a contract with the National Forestry Corporation (CONAF) aimed at researching the activities of flamingo groups that live in the Salar de Atacama (Atacama Saltpeter Deposit) lagoons. Such research includes a population count of the birds, as well as breeding research. Environmental monitoring activities carried out by the Company at the Salar de Atacama and other systems in which it operates are supported by a number of studies that have integrated diverse scientific efforts from prestigious research centers, including Dictuc from the Pontificia Universidad Católica in Santiago and the School of Agricultural Science of the Universidad de Chile.

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Note 23 Environment (continued)

23.1 Disclosures of disbursements related to the environment, continued

Furthermore, within the framework of the environmental studies which the Company is conducting, the Company performs significant activities in relation to the recording of Pre-Columbian and historical cultural heritage, as well as the protection of heritage sites, in accordance with current Chilean laws. These activities have been especially performed in the areas surrounding Maria Elena and the Nueva Victoria plants. This effort is being accompanied by cultural initiatives within the community and the organization of exhibits in local and regional museums.

As emphasized in its Sustainable Development Policy, the Company strives to maintain positive relationships with the communities surrounding the locations in which it carries out its operations, as well as to participate in communities' development by supporting joint projects and activities which help to improve the quality of life for residents. For this purpose, the Company has focused its efforts on activities involving the rescue of historical heritage, education and culture, as well as development.

In order to do so, it acts both individually and in conjunction with private and public entities.

23.2 Detail of information on disbursements related to the environment

The cumulative disbursements which the Company had incurred as of September 30, 2017 for the concept of investments in production processes, verification and control of compliance with ordinances and laws relative to industrial processes and facilities, including prior year disbursements related to these projects amounted to ThUS\$8,622 and are detailed as follows:

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 23 Environment (continued)**23.3 Detail of information on disbursements related to the environment, continued****Accumulated expenses as of 9/30/2017**

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made or will be made	Asset / Expense	
Miscellaneous	Environment - Operating Area	Not classified	Expense	
SQM Industrial S.A.	04-IQWZ00 - Normalization TK NV liquid fuels	Environmental processing	Assets	
SQM Industrial S.A.	04-PPZU00 - Standardize and Certify Plant Fuel Tanks	Environmental processing	Assets	
SQM Industrial S.A.	04-J007000 - Environmental Impact Statement	Environmental processing	Expense	
SQM Industrial S.A.	04-P003600 - Opening of NPT IV Project (NK engineering studies)	Sustainability: Environment and Risk Prevention	Assets	
SQM Industrial S.A.	04-I012400 - Acquisition of Power Generator to Back up the Injection System at Puquios in Salar de Llamara	Sustainability: Environment and Risk Prevention	Assets	
SQM Industrial S.A.	04-J004300 - Energy efficiency study	Sustainability: Environment and Risk Prevention	Expense	
SQM S.A.	01-I005500 - Standardization of SO2 plants	Environmental processing	Assets	
SQM S.A.	01-I007100 - Environmental Follow-up Plan for Pampa del Tamarugal for 2015-2016	Environmental processing	Expense	
SQM S.A.	01-I007200 - Environmental Follow-up Plan for Salar de Llamara for 2015-2016	Sustainability: Environment and Risk Prevention	Expense	
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	
SQM S.A.	01-I007300 - Compliance with Iodine Gas Exposure Standard	Environmental processing	Assets	
SQM S.A.	01-I012200 - Repair or replacement of well	Sustainability: Environment and Risk Prevention	Assets	
SQM Salar S.A.	19-L008100 - EIS Salar 2015	Environmental processing	Expense	
SQM Salar S.A.	19-L012200 - Installation of flow meters per environmental standard	Sustainability: Environment and Risk Prevention	Assets	
SQM Salar S.A.	19-C002300 - Extension of LIOH 7,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	
SIT S.A.	03-T003400 - 2016 Port maintenance Capex	Sustainability: Environment and Risk Prevention	Assets	
SIT S.A.	03-T001900 - Storage Warehouse Cover		Assets	

		Sustainability: Environment and Risk Prevention		
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	M
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	M
Total				

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 23 Environment (continued)**23.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 9/30/2017**

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made or will be made	Asset / Expense	D th e
Miscellaneous	Environment - Operating Area	Not classified	Expense	N
SQM Industrial S.A.	04-IQWZ00 - Normalization TK NV liquid fuels	Environmental processing	Assets	N
SQM Industrial S.A.	04-PPZU00 - Standardize and Certify Plant Fuel Tanks	Environmental processing	Assets	N
SQM Industrial S.A.	04-J007000 - Environmental Impact Statement	Environmental processing	Expense	N
SQM Industrial S.A.	04-P003600 - Opening of NPT IV Project (NK engineering studies)	Sustainability: Environment and Risk Prevention	Assets	N
SQM Industrial S.A.	04-I015600 - Recovery of Reject Water from Osmosis Plant, NV Iodine Plant	Sustainability: Environment and Risk Prevention	Assets	N
SQM S.A.	01-I005500 - Standardization of SO2 plants	Environmental processing	Assets	N
SQM S.A.	01-I007300 - Compliance with Iodine Gas Exposure Standard	Environmental processing	Assets	N
SQM S.A.	01-I012200 - Repair or replacement of well	Sustainability: Environment and Risk Prevention	Assets	N
SQM S.A.	01-I013800 - Increase height of Absorber Tower	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T003000 - Archeological Salvage for Northern Access, Port of Tocopilla	Sustainability: Environment and Risk Prevention	Expense	N
SIT S.A.	03-T003400 - 2016 Port maintenance Capex	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T003600 - Improved P bulk storage WHAT IS P?	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T001900 - Storage Warehouse Cover	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T001800 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T003200 - Mechanization of Shipment from Ca	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T004200 - Encapsulation and Collectors Yards 8 and 9	Sustainability: Environment and Risk Prevention	Assets	N
SIT S.A.	03-T004500 - Belt 5 Extension and Overhaul	Environmental processing	Assets	N

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SQM Salar S.A.	19-L012100 – Regularization of weather station	Sustainability: Environment and Risk Prevention	Assets	N
SQM Salar S.A.	19-L012200 - Installation of flow meters per environmental standard	Sustainability: Environment and Risk Prevention	Assets	N
SQM Salar S.A.	19-L008100 - EIS Salar 2015	Environmental processing	Expense	N
SQM Salar S.A.	19-C002300 - Extension of LIOH 7,000 TPA Plant	Sustainability: Environment and Risk Prevention	Assets	N
SQM Nitratos S.A	12-I012700 - Mine Site Workshop Water Recovery Plant	Sustainability: Environment and Risk Prevention	Assets	N
Total				

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Note 23 Environment (continued)**23.2 Detail of information on disbursements related to the environment, continued****Accumulated expenses as of 12/31/2016**

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made	Asset / Expense
Miscellaneous	Environmental - Operating Area	Not classified	Expense
SQM S.A.	01-I003200 – Standardization of hazardous materials	Sustainability: Environment and Risk Prevention	Assets
SQM S.A.	01-I005500 – Standardization of SO2 plants	Sustainability	Assets
SQM S.A.	01-I007300 – Compliance with Iodine Gas Exposure Standard	Sustainability: Environment and Risk Prevention	Assets
SQM S.A.	01-I006700 – Enablement of CPC wells	Sustainability: Environment and Risk Prevention	Expense
SQM S.A.	01-I007100 – 2015-2016 Environmental Follow-up Plan for Pampa del Tamarugal	Sustainability	Expense
SQM S.A.	01-I007200– 2015-2016 Salar de Llamara Environmental Follow-up Plan	Sustainability: Environment and Risk Prevention	Assets
SQM S.A.	01-P003500 – Tur Development Master Plan	Sustainability: Environment and Risk Prevention	Expense
SQM S.A.	01-P003000 – Plant 1 Scrubber and Plant 3 Scrubber	Sustainability: Environment and Risk Prevention	Assets
SQM Industrial S.A.	04-I007600– NV evaporation ponds	Sustainability: Environment and Risk Prevention	Expense
SQM Industrial S.A.	04-J004100 – Coya Sur Field Disposal DIA	Sustainability: Environment and Risk Prevention	Expense
SQM Industrial S.A.	04-J004300 - Energy efficiency study	Sustainability: Environment and Risk Prevention	Expense
SQM Industrial S.A.	04-J007000 – Environmental Impact Statement	Sustainability: Environment and Risk Prevention	Expense
SQM Industrial S.A.	04-J003300 – Improvements to water distribution	Sustainability: Environment and Risk Prevention	Expense
SQM Industrial S.A.	04-P003600 - NK PV Project	Sustainability: Environment and Risk Prevention	Expense
SIT S.A.	03-T003000 – Archeological salvage for northern access, Port of Tocopilla	Sustainability	Expense
SQM Salar S.A.	19-L008100 - EIS Salar 2015	Sustainability: Environment and Risk Prevention	Expense
SQM Salar S.A.	19-C001500 - 2016 Waste ponds		Expense

Total

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Note 23 Environment (continued)**23.2 Detail of information on disbursements related to the environment, continued****Future expenses as of 12/31/2016**

Identification of the Parent or subsidiary	Name of the project with which expenditure is associated	Concept for which the expenditure was made	Asset / Expense	D th e
SQM S.A.	01-I003200 – Standardization of hazardous materials	Sustainability: Environment and Risk Prevention	Assets	N
SQM S.A.	01-I005500 – Standardization of SO2 plants	Sustainability	Assets	N
SQM S.A.	01-I006700 – Enablement of CPC wells	Sustainability: Environment and Risk Prevention	Expense	N
SQM S.A.	01-I007100 – 2015-2016 Environmental Follow-up Plan for Pampa del Tamarugal	Sustainability	Expense	N
SQM S.A.	01-I007200– 2015-2016 Salar de Llamara Environmental Follow-up Plan	Sustainability: Environment and Risk Prevention	Assets	N
SQM S.A.	01-P003000 – Plant 1 Scrubber and Plant 3 Scrubber	Sustainability: Environment and Risk Prevention	Assets	N
SQM S.A.	01-P003500 – Tur Development Master Plan	Sustainability: Environment and Risk Prevention	Expense	N
SQM S.A.	01-I007300 – Compliance with Iodine Gas Exposure Standard	Sustainability: Environment and Risk Prevention	Assets	N
SQM Industrial S.A.	04-I007600– NV evaporation ponds	Sustainability: Environment and Risk Prevention	Expense	N
SQM Industrial S.A.	04-J003300 – Improvements to water distribution	Sustainability: Environment and Risk Prevention	Expense	N
SQM Industrial S.A.	04-J004300 - Energy efficiency study	Sustainability: Environment and Risk Prevention	Expense	N
SQM Industrial S.A.	04-J007000 – Environmental Impact Statement	Sustainability: Environment and Risk Prevention	Expense	N
SQM Industrial S.A.	04-I012400 - Acquisition of Power Generator to Back up the Injection System at Puquios in Salar of Salar de Llamara	Sustainability: Environment and Risk Prevention	Assets	N
SQM Industrial S.A.	04-P003600 - NK PV Project	Sustainability: Environment and Risk Prevention	Expense	N
SQM Salar S.A.	19-L012100 – Regularization of weather station	Sustainability: Environment and Risk Prevention	Expense	N
SQM Salar S.A.	19-C001500 - 2016 Waste ponds	Sustainability: Environment and Risk Prevention	Expense	N
SIT S.A.		Sustainability	Expense	N

03-T003000 – Archeological salvage for
northern access, Port of Tocopilla

Total

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished

SQM Industrial S.A.

IQWZ: The plant fuel tanks are being brought up to standard. This implies repairing, amending, replacing or eliminating tanks according to their current condition. This project is in progress.

PPZU: The plant fuel tanks are being brought up to standard. This implies repairing, amending, replacing or eliminating tanks according to their current condition. This project is in progress.

I0076: SQM and Mitsubishi are together developing an iodine extraction project called Sumo to the north of Iquique, which will be opened by the SQM Industrial subsidiary. The scope of the first phase of the project, which is being financed by Mitsubishi, includes a study of the permits needed and the basic engineering. This phase does not include the evaporation ponds, leaching piles and neutralization areas, as these correspond to the production of nitrates, which is the exclusive area of SQM, so they will continue to be for the exclusive use of SQM Industrial. Current legislation requires that projects that are subject to environmental impact assessments must include every part of the project in the EIA. If they do not, the authorities could apply the principle of project sub-division to annul the environmental assessment process. As the project must be developed as a whole, SQM must implement and finance the basic engineering for the areas for which it is exclusively responsible.

I0124: The project consists of the acquisition of a power generator to ensure that when there is a power outage, water will continue to be injected, by operating an extraction pond to directly feed the injection pipe.

J0033: This project involves improving the reliability and sustainability of the industrial and potable water supplies, mitigating uncontrolled water losses and investing in changes to the distribution line to the processing plants, in technological equipment and engineering research. It also involves improving facilities for water intake from the Loa and San Salvador rivers. Finally, the project also involves compliance with the ongoing controls by the government authorities (General Directorate of Water Resources (DGA) and the Regional Health Authority).

J0041: Preparation and processing of the Environmental Impact Statement

1.New areas: 137.1 ha

2.Area to be regularized: 7.7 ha

3.Extension of authorized area: 11.2 ha

J0043: To form a strategic partnership with a company linked to new technologies and energy efficiency. Search for new and alternative technologies. Carry out engineering studies for alternatives.

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Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM Industrial S.A.

J0070: This project relates to the preparation and processing of an Environmental Impact Statement (EIS), with the purpose of obtaining the environmental authorization (RCA) of the yards. The information to be presented includes the air quality baseline, so a PM 2.5 and gas monitoring station has been installed to complement the existing stations at ME. This project is in progress.

P0036: The objective of this project is for the Company to build on the basic engineering that was completed in December 2015 and develop the detailed engineering to allow the acquisition of equipment that is critical (long-term or key for the project). This project is in progress.

SQM S.A.

I0032: To present deviations to the current standards regarding the storage of hazardous substances and the provisions of Supreme Decree No. 78/2010.

I0055: This project consists of changing the gas extractors to increase air flows, changing SO₂ absorption towers for prilling and extending the diameter of ducts. This will ensure that the gas/liquid ratio is increased and sustained. In order to decrease SO₂ emissions, a scrubber unit (tower, pump, gas extractor and piping) needs to be installed following the same concept as was developed at the ME Iodine SO₂ plant. This project is in progress.

I0067: This stage of the project will enable a survey to be made of heritage findings and other environmental commitments, in addition to the implementation of the basic engineering for the impulsion, power line and crossing of Route 5 North.

I0071: This project consists of implementing mitigation and compensation measures in line with the commitments in the Environmental Assessment of the Pampa Hermosa Environmental Impact Assessment (EIA). The measures to be implemented are those included in the Salar de Llamara Environmental Management Plan for the native trees known

as tamarugos (Environmental Education Program, planting tamarugos, ex situ conservation of tamarugos, tamarugo production, and support for the phytosanitary control of tamarugos). This project is in progress.

I0072: This project consists of implementing mitigation and compensation measures in line with the commitments in the Environmental Assessment of the Pampa Hermosa Environmental Impact Assessment (EIA). The measures to be implemented are those included in the Salar de Llamara Environmental Management Plan for the native trees known as tamarugos (Environmental Education Program, planting tamarugos, ex situ conservation of tamarugos, tamarugo production, and support for the phytosanitary control of tamarugos).

I0073: The system for capturing iodine gases is operating very inefficiently. The iodine steam levels are between 150% and 4,900% above the levels allowed for jobs at iodine plants and warehouses as established in Article 61 of Supreme Decree 594/1999 approving Basic Sanitary and Environmental Conditions in Workplaces. This project is in progress.

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Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM S.A.

I0122: The project consists of repairing and/or replacing the environmental follow-up wells that need to be deepened. It also includes implementing improvements in mine shaft type wells to avoid risk conditions. The priority wells are Nos. 8 and 10-S-1 in Pampa del Tamarugal and PO-5 in Salar de Llamara. This project is in progress.

I0138: This project is to increase the height of each SO₂ absorber tower (regular and stand-by towers) by 2.5 meters. The towers' additional height will allow the height of the packing to be increased by 2.5, thereby improving the efficiency of the SO₂ absorption. The main activities are basic and detailed engineering; supply of the bodies of the absorber towers (frp), liquid distributors, tower brine pump pad, tri-pack packing type, polyethylene pipes and fitting; gas measurement service; metallic structure manufacturing and installation services; and project start-up.

P0030: The iodine plant does not currently comply with Supreme Decree No. 594 with regard to the engineering mitigation of SO₂ gas emissions in order to avoid people being exposed to them. The health service has indicated that the mitigation measure used at the María Elena iodide plant should be replicated.

P0035: With regard to the partial closure of the works at Pedro de Valdivia, the María Elena municipality and local social organizations - particularly those of a local and heritage nature - are deeply concerned about what will happen to the facilities and their development. CHECK There are significant aspirations and concerns about local development that are currently focused on mining and associated services and these organizations are seeking to boost other economic activities to make the local economy more dynamic.

SIT S.A.

T0018: The project consists of the installation of an underground conveyor belt running outside of the storage boxes in yards Nos. 8 and 9, connected to belt 5 and subsequently to the shipment system. While this is an operating improvement, the project has an environmental component in the form of an emissions mitigation measure, because it involves the implementation and acquisition of belt covers (to control internal emissions), in order to improve compliance with the Tocopilla EDP. This project is in progress.

T0019: This project consists of the installation of covers (ceiling and side cover) in the 4 new storage boxes, which will be built in the zone of current yards Nos. 8 and 9. While this is an operating improvement, the project has an environmental component as the project involves the building of a warehouse as an emissions control measure to improve compliance with the Tocopilla EDP and reduce dust emissions. This project is in progress.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

SIT S.A.

T0030: Archeological salvage needs to be undertaken through stratigraphically controlled excavations with the aim of recovering the remains from at least four burial sites detected in the profiles of trenches 9 and 11. Stratigraphically controlled excavations should also be used to assess and potentially recover other bio-anthropological remains and cultural materials that can be seen in the trench profiles, as well as the skeletal remains of individual Nos.1 and 3 (and possibly others) that have fallen as a result of gravity as a result of erosion in the profiles and the deterioration of the skeletons themselves. The sediment from the trenches that contain human remains must be sifted in order to recover bio-anthropological or cultural remains that are part of the burial sites that have been affected. Meanwhile, it is also necessary to collect the bone remains that have been disturbed and which - we do not know why - are now on the surface of the land where the trenches are located.

T0032: The project consists of the installation of an underground conveyor belt running outside of the storage boxes in Yard No. 6, with feeding points of access directly connected to belt 6 and subsequently to the shipment system. While this is an operating improvement, the project has an environmental component as it includes the implementation of conveyor belt No. 6 from Yard No. 6, which is an action to control emissions as per the commitments within the Tocopilla EDP. This project is at the start-up stage.

T0034: The project seeks to make all the investments associated with maintaining the port's operating capacity, guaranteeing high equipment availability for shipment purposes. While this is an operating improvement, the project also has an environmental component. The project consists of the replenishment and/or replacement of the impaired wind barrier membranes in Yard No. 3, which is an action to control emissions, as committed to in the Tocopilla EDP. This project has been completed.

T0042: In order to comply with Article 13 of Supreme Decree No. 70/2010 Tocopilla EDP must incorporate dust collectors on the TV-1 and TV-2 hoppers in yard Nos.8 and 9.

T0045: The conveyor belts in yard numbers 8 and 9 will be completed by being connected to conveyor belt no. 5 and thus forming part of the shipment system. This involves the extension, connection and overhaul of conveyor belt no. 5, together with the connection to pan feeder 3 and the corresponding improvements to become an integral part of the shipment system. This will be done in compliance with the environmental regulations established in the Tocopilla Decontamination Plan. Atmospheric Decontamination Plan for the City of Tocopilla and surrounding area Supreme

Decree No. 70/2010, Art.13 II.3.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 23 Environment (continued)

23.3 Description of each project, indicating whether these are in process or have been finished, continued

SQM Nitratos S.A.

I0127: By installing a reverse osmosis system or a process that enables the recovery of industrial water and that reduces the hardness of the water for cleaning the equipment, there will be less damage to the electrical systems of the equipment as a result of corrosion.

SQM Salar S.A.

C0015: The project consists of the acquisition of a power generator to ensure that when there is a power outage, water will continue to be injected, by operating an extraction pond to directly feed the injection pipe.

C0023: A new plant extension is to be built with the capacity for 7,000 TPA of product. This project is in progress.

L0081: The authorities require several different environmental impact studies to be carried out, for the exploration or the construction of new wells and also to support current production. This project is in progress. This project is in progress.

L0121: The weather station in the KCL sector does not have the certification to comply with the environmental standard RCA 226/2006. Buy and change the weather station equipment.

L0122: The project considers the change in flow meters to the new standard in addition to adding standby flow meters. This project is in progress.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 24 Other current and non-current non-financial assets

As of September 30, 2017, and December 31, 2016, the detail of other current and non-current assets is as follows:

Other non-financial assets, current	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Domestic Value Added Tax	11,357	13,999
Foreign Value Added Tax	1,659	2,537
Prepaid mining licenses	3,010	1,136
Prepaid insurance	1,956	6,323
Other prepayments	1,368	408
Refund of Value Added Tax to exporters	10,518	855
Other taxes	4,593	4,660
Other assets	397	355
Total	34,858	30,273

Other non-financial assets, non-current	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Stain development expenses and prospecting expenses (1)	17,967	23,008
Guarantee deposits	739	685
Prepayments associated with investment plans	8,927	-
Other assets	77	997
Total	27,710	24,690

1) Reconciliation of changes in assets for exploration and mineral resource evaluation, by type

Movements in assets for the exploration and evaluation of mineral resources as of September 30, 2017, and December 31, 2016:

Reconciliation	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Opening balance	23,008	31,911
Changes		
Additions, other than business combinations	-	-
Depreciation and amortization	(4,708)	(9,498)
Increase (decrease) due to transfers and other charges	(333)	595
Total changes	(5,041)	(8,903)
Total	17,967	23,008

As of the presentation date, no reevaluations of assets for exploration and assessment of mineral resources have been conducted.

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Note 25 Reportable segments

25.1 Reportable segments

General information:

The amount of each item presented in each operating segment is equal to that reported to the maximum authority that makes decisions regarding the operation, in order to decide on the allocation of resources to the defined segments and to assess its performance.

These operating segments mentioned are consistent with the way the Company is managed and how results will be reported by the Company. These segments reflect separate operating results that are regularly reviewed by the person responsible for operational decisions in order to make decisions about the resources to be allocated to the segment and assess its performance (See Note 24.2).

The performance of each segment is measured based on net income and revenues. Sales between segments are conducted using terms and conditions at current market rates.

Factors used to identify segments on which a report should be presented:

The segments covered in the report are strategic business units that offer different products and services. These are managed separately because each business requires different technology and marketing strategies.

Description of the types of products and services from which each reportable segment obtains its income from ordinary activities

The operating segments, which obtain income from ordinary activities, generate expenses and whose operating results are reviewed on a regular basis by the maximum authority who makes decisions regarding operations, relate to the following groups of products:

- 1.Specialty plant nutrients
- 2.Iodine and its derivatives
- 3.Lithium and its derivatives
- 4.Industrial chemicals
- 5.Potassium
- 6.Other products and services

Description of income sources for all the other segments

Information regarding assets, liabilities, profits and expenses that cannot be assigned to the segments indicated above, due to the nature of production processes, is included under the "Unassigned amounts" category of the disclosed information.

Basis of accounting for transactions between reportable segments

Sales between segments are made under the same conditions as those made to third parties, and how they are presented in the income statement is constantly monitored.

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Note 25 Reportable segments (continued)

25.1 Reportable segments, continued

Description of the nature of the differences between measurements of results of reportable segments and the result of the entity before the expense or income tax expense of incomes and discontinued operations.

The information reported in the segments is extracted from the Company's consolidated financial statements and therefore there is no need to prepare reconciliations between the data mentioned above and those reported in the respective segments, according to what is stated in paragraph 28 of IFRS 8, "Operating Segments".

For the process of cost allocation in inventory valuation, we identify the direct costs (can be assigned directly to a product) and the common costs (belong to processes of co-production, for example costs of common leaching for the production of iodine and nitrates). The direct costs are directly associated with the product and the common costs are allocated using percentages of sales, prices and inventory rotation.

The allocation of other common costs that are not included in the inventory valuation process, but go straight to the cost of sales, use similar criteria: the costs associated with a product or sales in particular are assigned to that particular product or sales, and the common costs associated with different products or business lines are allocated according to the sales.

Description of the nature of the differences between measurements of assets of reportable segments and the Company's assets

Assets are not shown classified by segments, as this information is not readily available, Some of these assets are not separable by the type of activity by which they are affected since this information is not used by management in decision-making with respect to resources to be allocated to each defined segment, All assets are disclosed in the "unallocated amounts" category.

Description of the nature of the differences between measurements of liabilities of reportable segments and the Company's liabilities

Liabilities are not shown classified by segments, as this information is not readily available, Some of these liabilities are not separable by the type of activity by which they are affected, since this information is not used by management in decision-making regarding resources to be allocated to each defined segment. All liabilities are disclosed in the "unallocated amounts" category.

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Note 25 Reportable segments (continued)

25.2 Reportable segment disclosures:

9/30/2017

Operating segment items	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Reportable segments ThUS\$	Operating segments ThUS\$	Elimination of inter-segment amounts ThUS\$
Revenue	511,387	191,328	465,201	80,946	300,961	32,726	1,582,549	1,582,549	-
Revenues from transactions with other operating segments of the same entity	268,397	225,939	404,265	110,691	203,985	146,803	1,360,080	1,360,080	(1,360,080)
Revenues from external customers and transactions with other operating segments of the same entity	779,784	417,267	869,466	191,637	504,946	179,529	2,942,629	2,942,629	(1,360,080)
Costs of sales	(415,849)	(153,366)	(131,949)	(55,293)	(249,936)	(29,769)	(1,036,162)	(1,036,162)	-
Administrative expenses	-	-	-	-	-	-	-	-	4,200
Interest expense	-	-	-	-	-	-	-	-	630
Depreciation and amortization expense	(74,374)	(28,944)	(23,168)	(10,192)	(43,003)	(5,086)	(184,767)	(184,767)	-
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	(1,000)
Other items other than significant cash	95,539	37,962	333,252	25,653	51,025	2,957	546,388	546,388	(546,388)
Income (loss) before taxes	95,539	37,962	333,252	25,653	51,025	2,957	546,388	546,388	(546,388)
Net income (loss) from continuing operations	95,539	37,962	333,252	25,653	51,025	2,957	546,388	546,388	(546,388)
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	(7,000)
Net income (loss)	-	-	-	-	-	-	-	-	(7,000)

Assets	-	-	-	-	-	-	-	-	(3,
Equity-accounted investees	-	-	-	-	-	-	-	-	-
Increase of non-current assets	-	-	-	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-	-	-	(3,
Impairment loss recognized in profit or loss	(9,572) 270	874	(2,382) 164	(261) (10,907) (10,907) -
Reversal of impairment losses recognized in profit or loss for the period	-	-	-	-	-	-	-	-	-
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	-
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	-
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-

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Note 25 Reportable segments (continued)**25.2 Reportable segment disclosures, continued**

9/30/2016

Operating segment items	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Reportable segments ThUS\$	Operating segments ThUS\$	Elimination of inter-segment amounts ThUS\$
Revenue	487,079	175,085	337,851	43,287	296,055	46,150	1,385,507	1,385,507	-
Revenues from transactions with other operating segments of the same entity	77,649	229,965	269,717	286,812	259,551	132,468	1,256,162	1,256,162	(1,256,162)
Revenues from external customers and transactions with other operating segments of the same entity	564,728	405,050	607,568	330,099	555,606	178,618	2,641,669	2,641,669	(1,256,162)
Costs of sales	(370,831)	(145,706)	(121,716)	(31,206)	(266,523)	(43,317)	(979,299)	(979,299)	-
Administrative expenses	-	-	-	-	-	-	-	-	4,288
Interest expense	-	-	-	-	-	-	-	-	69,800
Depreciation and amortization expense	(70,722)	(27,788)	(23,213)	(5,952)	(50,830)	(8,260)	(186,765)	(186,765)	-
The entity's interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	-	-	-
Income tax expense, continuing operations	-	-	-	-	-	-	-	-	-
Other items other than significant cash	-	-	-	-	-	-	-	-	-
Income (loss) before taxes	116,248	29,379	216,135	12,081	29,532	2,833	406,208	406,208	(297,000)
Net income (loss) from continuing operations	116,248	29,379	216,135	12,081	29,532	2,833	406,208	406,208	(297,000)
Net income (loss) from discontinued operations	-	-	-	-	-	-	-	-	-
Net income (loss)	116,248	29,379	216,135	12,081	29,532	2,833	406,208	406,208	(297,000)
Assets	-	-	-	-	-	-	-	-	(6,600)

Equity-accounted investees	-	-	-	-	-	-	-	-	(3,2						
Increase of non-current assets	-	-	-	-	-	-	-	-							
Liabilities	-	-	-	-	-	-	-	-	(3,1						
Impairment loss recognized in profit or loss	-	(92)	(120)	-	(236)	(864)	(1,312)	(1,312)	-
Reversal of impairment losses recognized in profit or loss for the period	769	-	-	278	-	-	1,047	1,047	-						
Cash flows from (used in) operating activities	-	-	-	-	-	-	-	-	-						
Cash flows from (used in) investing activities	-	-	-	-	-	-	-	-	-						
Cash flows from (used in) financing activities	-	-	-	-	-	-	-	-	-						

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Note 25 Reportable segments (continued)

25.3 Statement of comprehensive income classified by reportable segments based on groups of products

Items in the statement of comprehensive income	9/30/2017							Total Unit Corp ThUS\$
	Specialty plant nutrients ThUS\$	Food and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Corporate ThUS\$	
Revenue	511,387	191,328	465,201	80,946	300,961	32,726	-	1,583,549
Cost of sales	(415,849)	(153,366)	(131,949)	(55,293)	(249,936)	(29,769)	-	(1,036,252)
Gross profit	95,538	37,962	333,252	25,653	51,025	2,957	-	546,995
Other incomes by function	-	-	-	-	-	-	12,098	12,098
Administrative expenses	-	-	-	-	-	-	(72,605)	(72,605)
Other expenses by function	-	-	-	-	-	-	(26,872)	(26,872)
Other gains (losses)	-	-	-	-	-	-	(868)	(868)
Financial income	-	-	-	-	-	-	8,809	8,809
Financial costs	-	-	-	-	-	-	(37,811)	(37,811)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	10,566	10,566
Exchange differences	-	-	-	-	-	-	602	602
Profit (loss) before taxes	95,538	37,962	333,252	25,653	51,025	2,957	(106,081)	440,304
Income tax expense	-	-	-	-	-	-	(123,376)	(123,376)
Profit (loss) from continuing operations	95,538	37,962	333,252	25,653	51,025	2,957	(229,457)	316,945
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	95,538	37,962	333,252	25,653	51,025	2,957	(229,457)	316,945
Profit (loss), attributable to the controller's owners	-	-	-	-	-	-	-	317,000
Profit (loss) attributable to the non-controllers	-	-	-	-	-	-	-	(31,000)
Profit (loss)	-	-	-	-	-	-	-	316,945

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Note 25 Reportable segments (continued)**25.3 Statement of comprehensive income classified by reportable segments based on groups of products, continued**

Items in the statement of comprehensive income	9/30/2016							Total Unit Corp ThUS\$
	Specialty plant nutrients ThUS\$	Induline and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Corporate ThUS\$	
Revenue	487,079	175,085	337,851	43,287	296,055	46,150	-	1,335,407
Cost of sales	(370,831)	(145,706)	(121,716)	(31,206)	(266,523)	(43,317)	-	(978,399)
Gross profit	116,248	29,379	216,135	12,081	29,532	2,833	-	406,008
Other incomes by function	-	-	-	-	-	-	10,824	10,824
Administrative expenses	-	-	-	-	-	-	(62,641)	(62,641)
Other expenses by function	-	-	-	-	-	-	(46,727)	(46,727)
Other gains (losses)	-	-	-	-	-	-	(1,800)	(1,800)
Financial income	-	-	-	-	-	-	7,979	7,979
Financial costs	-	-	-	-	-	-	(45,203)	(45,203)
interest in the profit or loss of associates and joint ventures accounted for by the equity method	-	-	-	-	-	-	12,441	12,441
Exchange differences	-	-	-	-	-	-	(575)	(575)
Profit (loss) before taxes	116,248	29,379	216,135	12,081	29,532	2,833	(125,702)	280,424
Income tax expense	-	-	-	-	-	-	(81,116)	(81,116)
Profit (loss) from continuing operations	116,248	29,379	216,135	12,081	29,532	2,833	(206,818)	199,309
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-
Profit (loss)	116,248	29,379	216,135	12,081	29,532	2,833	(206,818)	199,309
Profit (loss), attributable to controller's owners	-	-	-	-	-	-	-	197,476
Profit (loss) attributable to the non-controlling interests	-	-	-	-	-	-	-	1,900
Profit (loss)	-	-	-	-	-	-	-	199,309

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Note 25 Reportable segments (continued)

25.4 Revenue from transactions with other Company's operating segments

9/30/2017

Items in the statement of comprehensive income	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	511,387	191,328	465,201	80,946	300,961	32,726	1,582,549

9/30/2016

Items in the statement of comprehensive income	Specialty plant nutrients ThUS\$	Iodine and its derivatives ThUS\$	Lithium and its derivatives ThUS\$	Industrial chemicals ThUS\$	Potassium ThUS\$	Other products and services ThUS\$	Total segments and Corporate unit ThUS\$
Revenue	487,079	175,085	337,851	43,287	296,055	46,150	1,385,507

25.5 Disclosures on geographical areas

As indicated in paragraph 33 of IFRS 8, the entity discloses geographical information on its revenue from operating activities with external customers and from non-current assets that are not financial instruments, deferred income tax assets, assets related to post-employment benefits or rights derived from insurance contracts.

25.6 Disclosures on main customers

With respect to the degree of dependency of the Company on its customers, in accordance with paragraph N° 34 of IFRS N° 8, the Company has no external customers who individually represent 10% or more of its revenue, Credit risk concentrations with respect to trade and other accounts receivable are limited due to the significant number of entities in the Company's portfolio and its worldwide distribution, The Company's policy requires guarantees (such as letters of credit, guarantee clauses and others) and/or to maintain insurance policies for certain accounts as deemed necessary by the Company's Management.

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Note 25 Reportable segments (continued)

25.7 Segments by geographical areas as of September 30, 2017 and 2016

Items	9/30/2017					
	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Total ThUS\$
Revenue	97,645	194,251	745,586	337,393	207,674	1,582,549
Investment accounted for under the equity method	(6,324)	15,368	33,603	14,689	54,042	111,378
Intangible assets other than goodwill	107,492	-	484	190	-	108,166
Goodwill	23,732	6,290	11,373	724	2,058	44,177
Property, plant and equipment, net	1,427,133	217	3,511	2,534	1,639	1,435,034
Investment property	-	-	-	-	-	-
Other non-current assets	27,682	28	-	-	-	27,710
Non-current assets that are not financial instruments	1,579,715	21,903	48,971	18,137	57,739	1,726,465

Items	9/30/2016					
	Chile ThUS\$	Latin America and the Caribbean ThUS\$	Europe ThUS\$	North America ThUS\$	Asia and others ThUS\$	Total ThUS\$
Revenue	116,812	193,941	307,742	321,226	445,786	1,385,507
Investment accounted for under the equity method	1,713	25,000	29,964	13,555	44,237	114,469
Intangible assets other than goodwill	110,176	-	-	219	1	110,396
Goodwill	26,629	86	11,373	-	-	38,088
Property, plant and equipment, net	1,542,714	241	3,245	2,422	1,339	1,549,961
Investment property	-	-	-	-	-	-
Other non-current assets	24,192	140	-	-	-	24,332
Non-current assets that are not financial instruments	1,705,424	25,467	44,582	16,196	45,577	1,837,246

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Note 25 Reportable segments (continued)

25.8 Property, plant and equipment classified by geographical areas

The company's main production facilities are located near their mines and extraction facilities in northern Chile. The following table presents the main production facilities as of September 30, 2017 and December 31, 2016:

Location	Products
- Pedro de Valdivia	: Production of iodine and nitrate salts
- María Elena	: Production of iodine and nitrate salts
- Coya Sur	: Production of nitrate salts
- Nueva Victoria	: Production of iodine and nitrate salts
- Salar de Atacama	: Potassium chloride, lithium chloride, boric acid and potassium sulfate
- Salar del Carmen	: Production of lithium carbonate and lithium hydroxide
- Tocopilla	: Port facilities

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature

26.1 Revenue

	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Products	1,578,047	1,379,464
Services	4,502	6,043
Total	1,582,549	1,385,507

26.2 Cost of sales

	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Raw material and supplies	(401,473)	(356,193)
Types of employee benefits expenses		
Salaries and wages	(102,413)	(75,827)
Other short-term employee benefits	(40,283)	(55,347)
Termination benefit expenses	(5,924)	(2,330)
Total employee benefits expenses	(148,620)	(133,504)
Depreciation expense	(179,511)	(177,777)
Amortization expense	(2,057)	(2,183)
Small deposit amortization expense	(3,199)	(6,804)
Impairment losses (reversals of impairment losses) recognized in profit or loss for the period	(10,907)	(265)
Operating leases	(86,843)	(78,450)
Investment plan expenses	(6,919)	(11,095)
Maintenance and repair	(4,787)	(5,606)
Provision for mine closure	(4,607)	-
Contractors	(51,417)	(45,920)
Mining concessions	(7,493)	-
Operations transport	(49,137)	(39,290)
Freight and product transport costs	(18,535)	(31,759)
Packaging costs	(1,056)	(1,104)
Sales commissions	(2,428)	(8,111)
Insurance policies	(8,969)	-
Port costs	(9,036)	(14,936)
CORFO right costs	(34,226)	(30,182)
Adjustment of customer prices	(636)	(8,380)
Other expenses, by nature	(4,306)	(27,740)
Total	(1,036,162)	(979,299)

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Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature, (continued)

26.3 Other income

	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Discounts obtained from suppliers	253	579
Indemnities received	-	205
Fines charged to suppliers	115	91
Taxes recovered	-	19
Amounts recovered from insurance	154	4,655
Overestimate of provisions for third-party obligations	567	551
Overestimate of doubtful accounts	3	5
Sale of property, plant and equipment	687	31
Sale of materials, spare parts and supplies	275	419
Sale of scrap materials	-	1
Overestimate of inventory provision	43	-
Options on mining claims	1,343	2,302
Interest charged to direct customers	-	20
Easements, pipelines and roads	4,656	1
Non-conventional renewable energy	-	439
Reimbursement mining licenses and notary expenses	891	1,169
Miscellaneous services	139	20
Shares obtained in junior mining companies	2,263	-
Other operating income	709	317
Total	12,098	10,824

26.4 Administrative expenses

	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Employee benefit expenses by nature		
Salaries and wages	(34,509)	(31,128)
Other short-term benefits to employees	(3,209)	(2,889)
Total employee benefit expenses	(37,718)	(34,017)
Other expenses, by nature	(34,887)	(28,624)
Total	(72,605)	(62,641)

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Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

26.5 Other expenses by function

	9/30//2017	9/30/2016
	ThUS\$	ThUS\$
Classes of Employee Benefit Expenses		
Depreciation and amortization expense		
Depreciation of assets not in use	(67)	(83)
Sub total	(67)	(83)
Impairment losses (reversals of impairment losses) recognized in profit (loss) for the year		
Impairment of doubtful accounts	(4,469)	(220)
Sub total	(4,469)	(220)
Other expenses, by nature		
Legal expenses	(6,546)	(2,775)
Plant suspension expenses	-	(32,013)
VAT and other unrecoverable taxes	(1,046)	(728)
Fines, interest and VAT	(1,055)	(1,061)
Advisory services	(52)	(35)
Investment plan expenses	(4,284)	(4,581)
Donations not accepted as tax credit	(1,676)	(850)
Provision for inventory of materials, spare parts and supplies	(470)	(3,315)
Termination benefits paid	(153)	-
Restructuring of joint ventures	(6,000)	-
Other operating expenses	(1,054)	(1,066)
Sub total	(22,336)	(46,424)
Total	(26,872)	(46,727)

26.6 Other income (expenses)

	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Employee termination process costs	192	-
Prior year adjustment, application of equity method of accounting	(941)	1,711
Sale of investments in associates	-	(3,500)
Other gains (losses)	(119)	(11)
Total	(868)	(1,800)

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Note 26 Gains (losses) from operating activities in the statement of income by function of expenses, included according to their nature (continued)

This table corresponds to the summary required by the Chilean Superintendence of Securities and Insurance (SVS) and considers notes 26.2, 26.4 and 26.5.

26.7 Summary of expenses by nature

	January to September	
	2017	2016
	ThUS\$	ThUS\$
Raw materials and consumables	(401,473)	(356,193)
Classes of Employee Benefit Expenses		
Wages and salaries	(136,922)	(106,955)
Other short-term employee benefits	(43,492)	(58,236)
Employee termination benefits	(5,924)	(2,330)
Total employee benefit expenses	(186,338)	(167,521)
Depreciation and amortization expense		
Depreciation expense	(179,578)	(177,860)
Amortization expense	(2,057)	(2,183)
Ground study amortization expense	(3,199)	(6,804)
Impairment losses (reversals of impairment losses) recognized in profit (loss) for the year	(15,846)	(3,800)
Operating leases	(86,843)	(78,450)
Fines paid	(1,055)	(1,061)
Investment plan expenses	(11,203)	(15,676)
Maintenance and repair	(4,787)	(5,606)
Plant suspension expenses	(4,607)	(35,146)
Contractors	(51,417)	(45,920)
Mining concessions	(7,493)	(5,501)
Operations transport	(49,137)	(39,290)
Freight and product transport costs	(18,535)	(31,759)
Packaging costs	(1,056)	(1,104)
Sales commissions	(2,428)	(8,111)
Insurance	(8,969)	(7,263)
Port costs	(9,036)	(14,936)
CORFO rights	(34,226)	(30,182)
Customer price adjustments	(636)	(8,380)
Other expenses, by nature	(55,720)	(45,921)
Other expenses by nature	(1,135,639)	(1,088,667)

26.8 Finance expenses

	January to September	
	2017	2016
	ThUS\$	ThUS\$
Interest expense from bank borrowings and overdrafts	(1,240)	(1,550)
Interest expense from bonds	(37,363)	(42,804)
Interest expense from loans	(1,508)	(4,085)
Capitalized interest expenses	3,259	4,056
Other finance costs	(959)	(820)
Total	(37,811)	(45,203)

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Note 27 Income tax and deferred taxes

Accounts receivable from taxes as of September 30, 2017 and December 31, 2016, are as follows:

27.1 Current and non-current tax assets

a) Current tax assets

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Monthly provisional income tax payments, Chilean companies	37,498	45,955
Monthly provisional payment Royalty	406	3,542
Monthly provisional income tax payments, foreign companies	1,669	1,323
Corporate tax credits (1)	651	748
Corporate tax absorbed by tax losses (2)	-	64
Taxes in recovery process	11,180	-
Total	51,404	51,632

b) Non-current tax assets

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Monthly provisional income tax payments, Chilean companies	6,398	6,398
Specific tax on mining activities paid (on consignment)	25,781	25,781
Total	32,179	32,179

These credits are available to companies and relate to the corporate tax payment in April of the following year.

- (1) These credits include, amongst other items, training expense credits (SENCE) and property, plant and equipment acquisition credits that are equivalent to 4% of the property, plant and equipment purchases made during the year, In addition, some credits relate to the donations the Group has made during 2017 and 2016.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)

27.1 Current and non-current tax assets, continued

27.2 Current tax liabilities

Current tax liabilities	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
1st Category income tax	43,421	50,174
Foreign company income tax	27,641	25,276
Article 21 single tax	695	422
Total	71,757	75,872

Income tax is calculated based on the profit or loss for tax purposes that is applied to the effective tax rate applicable in Chile. As established by Law No.20,780, an income tax rate of 21% was set starting from 2014, a rate of 22.5% for 2015, a rate of 24% for 2016, a rate of 25.5% for 2017, and a rate of 27% starting from 2018.

The provision for royalty is determined by applying the tax rate determined for the net operating income (NOI). Currently, the Company pays 5% for the application of the Tax Invariability Contract established with the Ministry of Economy in 2010.

In conclusion, both concepts represent the estimated amount the Company will have to pay for income tax and tax on mining.

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Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes

Assets and liabilities recognized in the statement of financial position are offset if and only if:

¹ The Company has legally recognized before the right of the tax authority to offset the amounts recognized in these entries; and

² Deferred income tax assets and liabilities are derived from income tax related to the same tax authority on:

(i) the same entity or tax subject; or

(ii) different entities or tax subjects who intend either to settle current fiscal assets and liabilities for their net amount, or to realize assets and pay liabilities simultaneously in each of the future periods in which the Company expects to settle or recover significant amounts of deferred tax assets or liabilities.

Recognized deferred income tax assets are the income taxes that are to be recovered in future periods, related to:

a) deductible temporary differences.

b) the offsetting of losses obtained in prior periods and not yet subject to tax deduction; and

c) the offsetting of unused credits from prior periods.

The Company recognizes a deferred tax asset when there is certainty that these can be offset with tax income from subsequent periods, losses or fiscal credits not yet used, but solely as long as it is more likely than not that there will be tax earnings in the future against which to charge these losses or unused fiscal credits.

Recognized deferred tax liabilities refer to the amounts of income taxes payable in future periods related to taxable temporary differences.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.1 Income tax assets and liabilities as of September 30, 2017 are detailed as follows:

Description of deferred tax assets and liabilities	Net liability position	
	Assets ThUS\$	Liabilities ThUS\$
Unrealized loss	-	(75,802)
Property, plant and equipment and capitalized interest	213,067	-
Facility closure provision	-	(3,345)
Manufacturing expenses	102,574	-
Staff severance indemnities ,unemployment insurance	6,214	-
Vacation accrual	-	(4,257)
Inventory provision	-	(23,114)
Materials provision	-	(7,594)
Forwards	-	(527)
Employee benefits	-	(1,704)
Research and development expenses	3,847	-
Accounts receivable	-	(4,307)
Provision for legal complaints and expenses	-	(6,324)
Loan approval expenses	2,780	-
Junior mining companies (valued based on stock price)	2,466	-
Royalty	4,019	-
Tax loss benefit	-	(1,865)
Other	332	-
Foreign items (other)	-	(457)
Balances to date	335,299	(129,296)
Net balance	206,003	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.2 Income tax assets and liabilities as of December 31, 2016 are detailed as follows

Description of deferred tax assets and liabilities	Net liability position	
	Assets ThUS\$	Liabilities ThUS\$
Unrealized loss	-	(86,156)
Property, plant and equipment and capitalized interest	225,124	-
Facility closure provision	-	(1,590)
Manufacturing expenses	110,630	-
Staff severance indemnities ,unemployment	5,214	-
Vacation accrual	-	(4,061)
Inventory provision	-	(20,608)
Materials provision	-	(7,776)
Forwards	-	(10,206)
Employee benefits	-	(6,783)
Research and development expenses	4,641	-
Accounts receivable	-	(4,273)
Provision for legal complaints and expenses	-	(7,686)
Loan approval expenses	3,115	-
Junior mining companies (valued based on stock price)	1,300	-
Royalty	6,457	-
Tax loss benefit	-	(1,302)
Other	79	-
Foreign items (other)	-	(664)
Balances to date	356,560	(151,105)
Net balance	205,455	-

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)**27.3 Income tax and deferred taxes, continued****d.3 Reconciliation of changes in deferred tax liabilities (assets) as of September 30, 2017**

	Deferred tax liability (asset) at beginning of period	Deferred tax expense (benefit) recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(86,156)	10,354	-	10,354	(75,802)
Property, plant and equipment and capitalized interest	225,124	(12,057)	-	(12,057)	213,067
Facility closure provision	(1,590)	(1,755)	-	(1,755)	(3,345)
Manufacturing expenses	110,630	(8,056)	-	(8,056)	102,574
Individual savings plans, unemployment insurance CHECK PIAS	5,214	921	79	1,000	6,214
Vacation accrual	(4,061)	(196)	-	(196)	(4,257)
Inventory provision	(20,608)	(2,506)	-	(2,506)	(23,114)
Materials provision	(7,776)	182	-	182	(7,594)
Forwards	(10,206)	9,679	-	9,679	(527)
Employee benefits	(6,783)	5,079	-	5,079	(1,704)
Research and development expenses	4,641	(794)	-	(794)	3,847
Accounts receivable	(4,273)	(34)	-	(34)	(4,307)
Provision for legal complaints and expenses	(7,686)	1,362	-	1,362	(6,324)
Loan approval expenses	3,115	(335)	-	(335)	2,780
Junior mining companies (valued based on stock price)	1,300	624	543	1,167	2,467
Royalty	6,457	(2,439)	-	(2,439)	4,018
Tax loss benefit	(1,302)	(563)	-	(563)	(1,865)
Other	79	253	-	253	332
Foreign items (other)	(664)	207	-	207	(457)
Total temporary differences, unused losses and unused tax credits	205,455	(74)	622	549	206,003

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Note 27 Income tax and deferred taxes (continued)**27.3 Income tax and deferred taxes, continued****d.4 Reconciliation of changes in deferred tax liabilities (assets) as of December 31, 2016**

	Deferred tax liability (asset) at beginning of period	Deferred tax expense (benefit) recognized in profit (loss) for the year	Deferred taxes related to items credited (charged) directly to equity	Total increases (decreases) in deferred tax liabilities (assets)	Deferred tax liability (asset) at end of period
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Unrealized loss	(87,440)	1,284	-	1,284	(86,156)
Property, plant and equipment and capitalized interest	236,094	(10,970)	-	(10,970)	225,124
Facility closure provision	-	(1,590)	-	(1,590)	(1,590)
Manufacturing expenses	109,134	1,496	-	1,496	110,630
Individual savings plans, unemployment insurance CHECK PIAS	4,155	1,980	(921)	1,059	5,214
Vacation accrual	(3,372)	(689)	-	(689)	(4,061)
Inventory provision	(29,428)	8,820	-	8,820	(20,608)
Materials provision	-	(7,776)	-	(7,776)	(7,776)
Forwards	(12,322)	1,646	470	2,116	(10,206)
Employee benefits	(1,956)	(4,827)	-	(4,827)	(6,783)
Research and development expenses	8,247	(3,606)	-	(3,606)	4,641
Accounts receivable	(5,076)	803	-	803	(4,273)
Provision for legal complaints and expenses	(7,357)	(329)	-	(329)	(7,686)
Loan approval expenses	3,651	(536)	-	(536)	3,115
Junior mining companies (valued based on stock price)	-	-	1,300	1,300	1,300
Royalty	6,410	47	-	47	6,457
Tax loss benefit	(1,525)	223	-	223	(1,302)
Other	97	(18)	-	(18)	79
Foreign items (other)	(82)	(582)	-	(582)	(664)
Total temporary differences, unused losses and unused tax credits	219,230	(14,624)	849	(13,775)	205,455

During the period ended September 30, 2017 and December 31, 2016, the Company calculated and accounted for taxable income considering a rate of 24% and 22.5% respectively, in conformity with Law No. 20,780, Tax Reform, published in the Official Gazette on September 29, 2014.

The main amendments include a gradual increase in the corporate income tax rate up to 27% starting from 2018.

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Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.5 Deferred taxes related to benefits for tax losses

The Company's tax loss carryforwards (NOL carryforwards) were mainly generated by losses in Chile, which in accordance with current Chilean tax regulations have no expiration date.

As of September 30, 2017 and December 31, 2016, tax loss carryforwards (NOL carryforwards) are detailed as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
Chile	1,865	1,302
Total	1,865	1,302

Tax losses as of September 30, 2017 correspond mainly to SQM S.A., Exploraciones Mineras S.A. and Agrorama S.A.

d.6 Unrecognized deferred income tax assets and liabilities

Unrecognized deferred tax assets and liabilities as of September 30, 2017 and December 31, 2016 are as follows:

	9/30/2017	12/31/2016
	ThUS\$	ThUS\$
	Assets (liabilities)	Assets (liabilities)
Tax losses (NOL's)	56	56
Doubtful accounts impairment	79	79
Inventory impairment	2,871	2,871
Pensions plan	297	297
Accrued vacations	29	29
Depreciation	(245)	(245)

Other	(45)	(45)
Balances to date	3,042		3,042	

Tax losses mainly relate to the United States, and they expire in 20 years.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.7 Movements in deferred tax assets and liabilities

Movements in deferred tax assets and liabilities as of September 30, 2017 and December 31, 2016 are detailed as follows:

	9/30/2017 ThUS\$ Liabilities (assets)	12/31/2016 ThUS\$ Liabilities (assets)
Deferred tax assets and liabilities, net opening balance	205,455	219,230
Increase (decrease) in deferred taxes in profit or loss	(74)	(14,624)
Increase (decrease) in deferred taxes in equity	622	849
Balances to date	206,003	205,455

d.8 Disclosures on income tax expense (income)

The Company recognizes current and deferred taxes as income or expenses, and they are included in profit or loss, unless they arise from:

(a) a transaction or event recognized in the same period or in a different period, outside profit or loss either in other comprehensive income or directly in equity; or

(b) a business combination

Current and deferred tax expenses (income) are detailed as follows:

9/30/2017 ThUS\$ Income (expenses)	9/30/2016 ThUS\$ Income (expenses)
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Current income tax expense			
Current income tax expense	(128,514)	(110.075
Adjustments to prior year current income tax	5,064		2.079
Current income tax expense, net, total	(123,450)	(107.996
Deferred tax expense			
Deferred tax expense (income) relating to the creation and reversal of temporary differences	74		26.880
Deferred tax expense, net, total	74		26.880
Tax expense (income)	(123.376)	(81.116

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

Tax expenses (income) for foreign and domestic parties are detailed as follows:

	9/30/2017		9/30/2016	
	ThUS\$		ThUS\$	
	Income (expenses)		Income (expenses)	
Current income tax expense by foreign and domestic parties, net				
Current income tax expense, foreign parties, net	(4,794)	(1,548)
Current income tax expense, domestic, net	(118,656)	(106,448)
Current income tax expense, net, total	(123,450)	(107,996)
Deferred tax expense by foreign and domestic parties, net				
Deferred tax expense, foreign parties, net	(207)	485	
Deferred tax expense, domestic, net	281		26,395	
Deferred tax expense, net, total	74		26,880	
Income tax expense	(123,376)	(81,116)

d.9 Equity interest in taxation attributable to equity-accounted investees

The Company does not recognize any deferred tax liability in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associated companies or interest in joint ventures, because as indicated in the standard, the following two conditions are jointly met:

- (a) the parent, investor or interest holder is able to control the time for reversal of the temporary difference; and
- (b) It is more likely than not that the temporary difference will not be reversed in the foreseeable future.

In addition, the Company does not recognize deferred income tax assets for all deductible temporary differences from investments in subsidiaries, branches and associated companies or interests in joint ventures because it is unlikely that they will meet the following requirements:

- (a) Temporary differences are reversed in a foreseeable future; and

(b)The Company has tax earnings, against which temporary differences can be used.

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Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

d.10 Disclosures on the tax effects of other comprehensive income components:

Income tax related to other income and expense components with a charge or credit to net equity	Amount before taxes (expense) gain 9/30/2017 ThUS\$	((Expense) income for income taxes 9/30/2017 ThUS\$	Amount after taxes 9/30/2017 ThUS\$
Gain (loss) from defined benefit plans	79	(79)	-
Cash flow hedge	1,826	-	1,826
Reserve for gains (losses) from financial assets measured at fair value through other comprehensive income	(57)	(544)	(601)
Total	1,848	(623)	1,225

Income tax related to components of other income and expense with a charge or credit to net equity	Amount before taxes (expense) gain 9/30/2016 ThUS\$	((Expense) income for income taxes 9/30/2016 ThUS\$	Amount after taxes 9/30/2016 ThUS\$
Gain (loss) from defined benefit plans	(2,955)	778	(2,177)
Cash flow hedge	48	18	66
Total	(2,907)	796	(2,111)

d.11 Explanation of the relationship between expense (income) for tax purposes and accounting income.

In accordance with paragraph No 81, letter c) of IAS 12, the Company considers that the method that discloses most significant information for the users of its financial statements is the reconciliation of tax expense (income) to the result of multiplying income for accounting purposes by the tax rate in force in Chile. This option is based on the fact that the Parent and its subsidiaries incorporated in Chile generate almost the total amount of tax expense (income) and the fact that the amounts contributed by subsidiaries incorporated in foreign countries have no relevant significance within the context of the total amount of tax expense (income).

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

Reconciliation of numbers in income tax expenses (income) and the result of multiplying financial gain by the rate prevailing in Chile,

	Income (expense)	
	9/30/2017	9/30/2016
	ThUS\$	ThUS\$
Consolidated income before taxes	440,306	280,506
Income tax rate in force in Chile	25,5 %	24 %
Tax expense using the legal rate	(112,278)	(67,321)
Effect of royalty tax expense and passive income	(2,775)	(5,703)
Tax effect of non-taxable revenue	2,454	3,420
Effect of taxable rate of non-deductible expenses for determination of taxable income (loss)	(4,406)	2,767
Tax effect of tax rates supported abroad	(7,023)	2,600
Other tax effects from the reconciliation between the accounting income and tax expense	652	(14,021)
Effect of changes in tax rate		
Tax expense using the effective rate	(123,376)	(81,116)

d.12 Tax periods potentially subject to verification:

The Group's Companies are potentially subject to income tax audits by tax authorities in each country, These audits are limited to a number of interim tax periods, which, in general, when they elapse, give rise to the expiration of these inspections,

Tax audits, due to their nature, are often complex and may require several years, Below, we provide a summary of tax periods that are potentially subject to verification, in accordance with the tax regulations in force in the country of origin:

Chile

According to article 200 of Decree Law No 830, the taxes will be reviewed for any deficiencies in terms of payment and to generate any taxes that might arise. There is a 3 year prescriptive period for such review, dating from the

expiration of the legal deadline when payment should have been made, This prescriptive period can be extended to 6 years for the revision of taxes subject to declaration, when such declaration has not been filed or has been presented with maliciously false information.

United States

In the United States, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return, In the event that an omission or error is detected in the tax return of sales or cost of sales, the review can be extended for a period of up to 6 years.

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Note 27 Income tax and deferred taxes (continued)

27.3 Income tax and deferred taxes, continued

Mexico:

In Mexico, the tax authority can review tax returns up to 5 years from the expiration date of the tax return.

Spain:

In Spain, the tax authority can review tax returns up to 4 years from the expiration date of the tax return.

Belgium:

In Belgium, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return if no tax losses exist, In the event of detecting an omission or error in the tax return, the review can be extended for a period of up to 5 years.

South Africa:

In South Africa, the tax authority may review tax returns for up to 3 years from the expiration date of the tax return, In the event that an omission or error in the tax return is detected, the review can be extended for a period of up to 5 years.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates

Assets held in foreign currency subject to fluctuations in exchange rates are detailed as follows:

Class of assets	Currency	9/30/2017 ThUS	12/31/2016 ThUS\$
Current assets:			
Cash and cash equivalents	ARS	4	4
Cash and cash equivalents	BRL	32	60
Cash and cash equivalents	CLP	2,244	6,044
Cash and cash equivalents	CNY	648	400
Cash and cash equivalents	EUR	17,667	11,386
Cash and cash equivalents	GBP	1	71
Cash and cash equivalents	AUD	7,000	-
Cash and cash equivalents	INR	8	12
Cash and cash equivalents	MXN	650	310
Cash and cash equivalents	PEN	8	3
Cash and cash equivalents	YEN	8,747	2,150
Cash and cash equivalents	ZAR	3,699	3,250
Cash and cash equivalents		40,708	23,690
Subtotal cash and cash equivalents		336,111	50,740
Other current financial assets	CLP	336,111	50,740
Subtotal other current financial assets		-	5
Other current non-financial assets	ARS	-	45
Other current non-financial assets	AUD	15	-
Other current non-financial assets	COP	55	47
Other current non-financial assets	CLF	18,394	14,554
Other current non-financial assets	CLP	14	10
Other current non-financial assets	CNY	100	822
Other current non-financial assets	EUR	959	1,734
Other current non-financial assets	MXN	16	21
Other current non-financial assets	THB	16	-
Other current non-financial assets	PEN	99	53
Other current non-financial assets	YEN	-	18
Other current non-financial assets	ZAR	19,668	17,309
Subtotal other current non-financial assets			
Trade and other receivables	ARS	6	-
Trade and other receivables	BRL	395	23
Trade and other receivables	CLF	440	545
Trade and other receivables	CLP	74,571	71,908
Trade and other receivables	CNY	5,194	48
Trade and other receivables	EUR	43,796	30,941
Trade and other receivables	GBP	614	152
Trade and other receivables	MXN	246	423

Trade and other receivables	AED	3,074	-
Trade and other receivables	THB	2,312	2,777
Trade and other receivables	YEN	37,737	209
Trade and other receivables	ZAR	18,547	25,835
Subtotal trade and other receivables		186,932	132,861
Receivables from related parties	PEN	-	40
Receivables from related parties	CLP	-	41
Receivables from related parties	EUR	599	476
Receivables from related parties	THB	904	705
Receivables from related parties	CNY	-	48
Subtotal receivables from related parties			

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of assets	Currency	9/30/2017 ThUS\$	12/31/2016 ThUS\$
Current tax assets	ARS	1	5
Current tax assets	CLP	1,673	1,640
Current tax assets	EUR	342	118
Current tax assets	BRL	-	3
Current tax assets	ZAR	391	386
Current tax assets	MXN	-	202
Current tax assets	PEN	199	203
Subtotal current tax assets		2,606	2,557
Non-current assets			
Other non-current financial assets	CLP	20	20
Other non-current financial assets	YEN	42	41
Subtotal other non-current financial assets		62	61
Other non-current non-financial assets	BRL	-	139
Other non-current non-financial assets	CLP	788	729
Subtotal other non-current non-financial assets		788	868
Non-current right receivable	CLF	406	344
Non-current right receivable	CLP	945	1,382
Subtotal non-current rights receivable		1,351	1,726
Equity-accounted investees	AED	32,102	31,297
Equity-accounted investees	EUR	8,055	7,373
Equity-accounted investees	INR	1,375	1,499
Equity-accounted investees	THB	2,306	1,932
Equity-accounted investees	TRY	22,571	16,712
Subtotal equity-accounted investees		66,409	58,813
Intangible assets other than goodwill	CLP	302	294
Intangible assets other than goodwill	CNY	-	1
Subtotal intangible assets other than goodwill		302	295
Property, plant and equipment	CLP	4,026	3,810
Subtotal property, plant and equipment		4,026	3,810
Total non-current assets		72,938	65,573
Total assets		660,466	294,040

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Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Liabilities held in foreign currencies are detailed as follows:

Class of liability	Currency	9/30/2017		Total ThUS\$	12/31/2016		Total ThUS\$
		91 days to year ThUS\$	91 days to 1 year ThUS\$		Up to 90 days ThUS\$	91 days to 1 year ThUS\$	
Current liabilities							
Other current financial liabilities	CLF	-	2,092	2,092	44,327	6,098	50,425
Other current financial liabilities	CLP	-	-	-	-	20,919	20,919
Subtotal other current financial liabilities		-	2,092	2,092	44,327	27,017	71,344
Trade and other payables	BRL	38	-	38	38	-	38
Trade and other payables	THB	41	-	41	131	-	131
Trade and other payables	CLP	69,598	3,438	73,036	40,604	2,808	43,412
Trade and other payables	EUR	10,431	-	10,431	30,545	-	30,545
Trade and other payables	GBP	11	-	11	6	-	6
Trade and other payables	INR	1	-	1	1	-	1
Trade and other payables	MXN	1,031	-	1,031	67	-	67
Trade and other payables	PEN	4	-	4	4	-	4
Trade and other payables	ZAR	1,564	-	1,564	3,054	-	3,054
Subtotal trade and other payables		82,719	3,438	86,157	74,450	2808	77,258
Other current provisions	ARS	-	14	14	-	-	-
Other current provisions	BRL	772	-	772	-	-	-
Other current provisions	CLP	87	-	87	-	70	70
Other current provisions	EUR	243	-	243	5	-	5
Subtotal other current provisions		1,102	14	1,116	5	70	75
Current tax liabilities	CLP	-	36	36	-	131	131
Current tax liabilities	CNY	-	-	-	-	36	36
Current tax liabilities	EUR	-	4,487	4,487	-	3,987	3,987
Current tax liabilities	ZAR	-	-	-	27	-	27
Current tax liabilities	MXN	28	2,349	2,377	-	56	56
Subtotal current tax liabilities		28	6,873	6,901	27	4,210	4,237

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Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	Currency	9/30/2017		Total ThUS\$	12/31/2016		Total ThUS\$
		Up to 90 days ThUS\$	over 90 days to 1 year ThUS\$		Up to 90 days ThUS\$	Over 90 days to 1 year ThUS\$	
Other current non-financial liabilities	BRL	14	3	17	4	-	4
Other current non-financial liabilities	CLP	8,112	1,434	9,546	7,481	2,820	10,301
Other current non-financial liabilities	CNY	32	-	32	78	-	78
Other current non-financial liabilities	EUR	4,265	18	4,283	958	-	958
Other current non-financial liabilities	MXN	840	58	898	1,284	35	1,319
Other current non-financial liabilities	YEN	-	15	15	-	-	-
Other current non-financial liabilities	PEN	70	-	70	70	-	70
Other current non-financial liabilities	ZAR	48	-	48	866	-	866
Subtotal other current non-financial liabilities		13,381	1,528	14,909	10,741	2,855	13,596
Total current liabilities		97,230	13,945	111,175	129,550	36,960	166,510

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Note 28 Disclosures on the effects of fluctuations in foreign currency exchange rates (continued)

Class of liability	9/30/2017						Total ThUS\$
	Currency	1 to 2	2 to 3	3 to 4	4 to 5	Over 5	
		years ThUS\$	years ThUS\$	years ThUS\$	years ThUS\$	years ThUS\$	
Non-current liabilities							
Other non-current financial liabilities	CLF	-	-	-	-	227,297	227,297
Subtotal other non-current financial liabilities		-	-	-	-	227,297	227,297
Non-current provisions for employee benefits	CLP	-	-	-	-	574	574
Non-current provisions for employee benefits	MXN	-	-	-	-	78	78
Non-current provisions for employee benefits	YEN	-	-	-	-	572	576
Subtotal non-current provisions for employee benefits		-	-	-	-	1,224	1,224
Total non-current liabilities		-	-	-	-	228,521	228,521

Class of liability	12/31/2016						Total ThUS\$
	Currency	1 to 2	2 to 3	3 to 4	4 to 5	Over 5	
		years ThUS\$	years ThUS\$	years ThUS\$	years ThUS\$	years ThUS\$	
Non-current liabilities							
Other non-current financial liabilities	CLF	5,903	5,903	5,903	5,903	243,297	266,909
Subtotal other non-current financial liabilities		5,903	5,903	5,903	5,903	243,297	266,909
Non-current provisions for employee benefits	CLP	-	-	-	-	494	494
Non-current provisions for employee benefits	MXN	-	-	-	-	61	61
Non-current provisions for employee benefits	YEN	-	-	-	-	561	561
Subtotal non-current provisions for employee benefits		-	-	-	-	1,116	1,116
Total non-current liabilities		5,903	5,903	5,903	5,903	244,413	268,025

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 29 Mineral resource exploration and evaluation expenditure

Because of the nature of the operations of Sociedad Química y Minera de Chile S.A. and its subsidiaries and the type of exploration they conduct (which is different from other mining businesses, where the exploration process takes a significant amount of time), the exploration process and the definition of economic feasibility normally occur within the year. Accordingly, although expenditure is initially capitalized, it could be recognized in profit or loss for the same year should it not be technically and commercially feasible. This means that there is no significant expenditure that lacks a feasibility study at the end of the year.

Prospecting expenditure can be found in 4 different stages: execution, economically feasible, not economically feasible and under exploitation:

1. Execution: prospecting expenditures that are under execution and where the economic feasibility is not yet known are classified in the caption property, plant and equipment. As of September 30, 2017 and December 31, 2016, the balance amounted to ThUS\$19,879 and ThUS\$ 12,163, respectively,
2. Economically feasible: prospecting expenditure, which upon completion, has been determined to be economically feasible is classified in the caption non-current assets in other non-current non-financial assets. As of September 30, 2017 and December 31, 2016, this totaled ThUS\$17,967 and ThUS\$ 23,008 respectively,
3. Not economically feasible: Prospecting expenditure, which upon completion, has been determined to not be economically feasible is recorded in profit or loss. As of September 30, 2017 and December 31, 2016 there is no expenditure for such concept.
4. Under exploitation: Prospecting expenditure under exploitation is classified in the caption current assets in current inventories. These are amortized considering the exploited material. As of September 30, 2017 and December 31, 2016, the balance amounted to ThUS\$1,007 and ThUS\$ 674 respectively.

For the amount of capitalized expenditure, the total amount disbursed in exploration and evaluation of mineral resources as of September 30, 2017 was ThUS\$4,890, and corresponded to non-metallic projects, Such expenditure mainly corresponds to research, including topographical, geological, exploratory drilling and sampling studies.

With respect to this expenditure, the Company classifies it in accordance with IFRS 6.9:

Exploration expenditure where the mineral has low ore grade that is not economically exploitable is debited directly to profit or loss.

If studies determine that the ore grade is economically exploitable, it is classified in other non-current assets in the caption ground studies and prospecting expenses. At the time of making the decision to exploit the zone, it is classified in the caption inventories as part of the cost of raw materials required for production purposes.

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Note 30 Lawsuits and complaints

Lawsuits and complaints

During 2015, the Chilean IRS has filed several lawsuits and complaints against a number of individuals related to the so-called “SQM Case”, which are associated with the irregular financing of politicians. Amongst those affected by these legal claims are the legal representatives of the Company: the CEO, Patricio de Sominihac T. and the Vice President of Corporate Services, Ricardo Ramos R. Basically, those lawsuits and complaints relate to alleged tax crimes associated with a possible undue decrease in the taxable net income of the Company and two of its subsidiaries over the last seven years by recording as expenses in their accounting records invoices and fee receipts, which could be considered to be ideologically false. Such legal actions are also filed against the taxpayers who provided the tax documents that allowed the alleged performance of the related illicit acts.

In addition, in 2015 within the context of the “SQM Case”, the congressman for the Tarapacá Region, Mr. Hugo Gutiérrez G., filed a claim alleging the crimes of bribery of a public official, bribery in general and asset laundering referred to in Law No. 20,393 on the Criminal Liability of Legal Entities against SQM and its legal representative Patricio de Sominihac T. and the senators for the Tarapacá Region, Jaime Orpis B. and Fulvio Rossi C. On November 21, 2017, the Public Ministry requested that the 8th Criminal Court set a date for (i) the arraignment of Sociedad Química y Minera de Chile S.A., SQM Salar S.A. and SQM Nitratos S.A. and (ii) to explore an alternative solution to the proceedings in case number RUC 600245171-2, where the criminal liability of those companies is being investigated under Law No. 20,393.

Actions performed by the Authority

The Public Ministry and the Chilean IRS (Servicio de Impuestos Internos (SII)) have performed a number of actions within the framework of the so-called “SQM Case”, where the Company and its executives have provided their cooperation. Several of the Company’s executives have granted access to their computers and made several statements at the request of the Prosecutors responsible for the investigation. Additionally, SQM has provided physical and digital copies of its accounting records and its subsidiaries’ accounting records. In addition, SQM has also provided the Public Ministry with its email files and all the documentation that has been required by the related authority.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 30 Lawsuits and complaints, (continued)

Shearman & Sterling and Ad-Hoc Committee

On February 26, 2015, the Board of Directors of SQM established an ad-hoc committee comprised of three directors (the “Ad-hoc Committee”), which was authorized to conduct an investigation on the matters described in the preceding paragraph and to request any external advisory services it deemed necessary. The original members of the Ad-hoc Committee were José María Eyzaguirre B., Juan Antonio Guzmán M. and Wolf von Appen B.

The Ad-hoc Committee hired its own legal counsel in Chile and the United States as well as forensic accountants in the United States to support its internal investigation. The U.S. attorneys hired by the Ad-hoc Committee were mainly charged with reviewing the important facts and analyzing them in the context of the United States Foreign Corrupt Practices Act (“FCPA”). However, the Ad-hoc Committee’s factual conclusions were shared with both Chilean authorities and U.S. authorities.

On December 15, 2015, the Ad-hoc Committee presented the conclusions of its investigation to the Board of Directors of SQM. In addition to discussing the facts related to the referenced payments, the Ad-hoc Committee concluded that, for the purposes of the FCPA:

- a. payments were identified that had been authorized by the former CEO of SQM for which the Company did not find sufficient supporting documentation;
- b. no evidence was identified that demonstrated that such payments were made in order to prompt a public official to act or abstain from acting in order to help SQM obtain economic benefits;
- c. in relation to the cost centers managed by the former CEO of SQM, it was concluded that the Company's books did not accurately reflect the transactions in question but that these transactions were determined to be quantitatively immaterial in comparison to SQM's equity, sales, expenses and profits during that period; and that
- d. SQM's internal controls were insufficient to supervise the expenses within the cost center managed by the former CEO of SQM and relied on the proper use of resources by Patricio Contesse G. himself.

After the Ad-hoc Committee presented its conclusions to the Board of Directors, the Company voluntarily shared these conclusions with the Chilean and U.S. Authorities (including the SEC and the U.S. Department of Justice (“DOJ”)) and has since collaborated by handing over documents and additional information requested by these

authorities regarding this investigation.”

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 30 Lawsuits and complaints, (continued)

Investigation by the Department of Justice and the Securities Exchange Commission

SQM informed the US regulating entities (Department of Justice and Securities and Exchange Commission) about the investigation being performed by Shearman & Sterling, in conformity with the standards effective in the United States of America. The outcome of the investigation was delivered to these regulating entities, which have started investigations to determine the existence of possible noncompliance with FCPA (Foreign Corruption Practices Act) or internal control standards.

On January 13, 2017, the Company entered into agreements with the Department of Justice (the “DOJ”) and the Securities and Exchange Commission (the “SEC”), both based in the United States of America (the “United States”), with respect to the investigations that those agencies had conducted as a result of payments to suppliers and entities that might have been related to politically exposed persons during the years from 2008 through 2015, which resulted in the performance of an internal investigation at the Company through an Ad-hoc Committee from its Board of Directors and which was led by the law firm Shearman & Sterling (the “Investigated Facts”). Because the Company’s securities are traded in the United States, the Company is subject to U.S. legislation. The Company has voluntarily provided the results of its internal investigation and supporting documentation to the DOJ, the SEC and the relevant Chilean authorities.

In conformity with the terms of the agreement entered into with the DOJ, referred to as Deferred Prosecution Agreement (the “DPA”), the Company has accepted that the DOJ presents (i) a charge for the infractions referred to the absence of implementation of effective internal accounting systems and internal accounting controls and (ii) a charge for infractions related to failure to properly maintain accounting ledgers, records and sections with respect to the Investigated Facts. By virtue of the DPA, the DOJ has agreed not to prosecute those charges against the Company for a period of 3 years, releasing the Company from such responsibility after such period to the extent that within such term the Company complies with the terms in the DPA, which include the payment of a fine of US\$15,487,500 (“U.S. dollars”) and the acceptance of an external monitor for a term of 24 months (the “Monitor”) who will evaluate the Company’s compliance program and a subsequent independent report by the Company for an additional year.

With respect to the agreement entered into with the SEC, the Company has agreed to (i) pay a fine of US\$15 million and (ii) maintain the Monitor for the aforementioned term.

The SEC has issued a Cease and Desist Order which does not identify any other events of noncompliance with the standards applicable in the United States.

The aforementioned amounts of approximately US\$30.5 million were reflected in the profit or loss of SQM during the fourth quarter of 2016 in the line item Other expenses by function.

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Note 31 Sanction proceedings

On April 1, 2015, the SVS started an administrative proceeding against five Directors of the Company for allegedly not having provided to the market on a timely and truthful basis information which could be significant for making investment decisions. Such information mainly relates to the preliminary estimate of the impact on the Company's financial statements of certain expenses paid by the Company between 2008 and 2014 and which might not qualify as expenses under current Chilean tax regulations because of the absence of supporting documentation.

On December 31, 2015, Sociedad Química y Minera de Chile S.A. Informed the Superintendency of Securities and Insurance that it had decided to penalize Patricio Contesse Fica, Julio Ponce Lerou, Juan Antonio Guzmán Molinari and Wolf von Appen Berhmann, all former directors of the Company, and Hernan Büchi Buc – a current director – for not having informed the market in a timely manner in March 2015 in the form of an essential event as directors of the Company at that time regarding the expenses SQM incurred during certain years for which the Company did not have sufficient supporting documentation or that could be considered expenses not necessary for producing income. This penalty, consisting of a fine of UF 1,000 for each person, can be appealed by the affected parties before the Superintendency of Securities and Insurance or the courts of law.

Note 32 Railway for transportation of products between the site Coya Sur and the Port of Tocopilla

As a result of the rain storms that affected the Tocopilla Zone at the beginning of August 2015, SQM S.A. confirmed damages to several sections of the railway between the Coya Sur and Tocopilla sites. As of that date, the Company has used trucks to replace rail transportation. SQM has carried out several internal and external studies with the purpose of determining what would be necessary to repair the damage to the railway.

These reports revealed that repairing the damage would entail high long-term costs, and it is therefore not convenient to repair the railway in the short- to medium-term. This decision does not affect the production process or imply additional employee reductions.

Consequently, SQM has adjusted the value of the assets associated with the railway (fixed equipment, facilities and rolling stock), which has translated into a charge of approximately US\$32 million, which is reflected in the line other expenses by function in the consolidated statement of income for the period. This amount represents around 0.7% of SQM's total assets reported at the end of September 2016.

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Notes to the Consolidated Financial Statements as of September 30, 2017.

Note 33 Events occurred after the reporting date

33.1 Authorization of the financial statements

The consolidated financial statements of Sociedad Química y Minera de Chile S.A. and subsidiaries, prepared in accordance with International Financial Reporting Standards for the period ended September 30, 2017, were approved and authorized for issuance by the Board of Directors at their meeting held on November 22, 2017.

33.2 Disclosures on events occurring after the reporting date

Except for the situation described below, management is not aware of any significant events that occurred between September 30, 2017 and the date of issuance of these consolidated financial statements that may significantly affect them. On November 21, 2017, the Public Ministry requested that the 8th Criminal Court set a date for (i) the arraignment of Sociedad Química y Minera de Chile S.A., SQM Salar S.A. and SQM Nitratos S.A. and (ii) to explore an alternative solution to the proceedings in case number RUC 600245171-2, where the criminal liability of those companies is being investigated under Law No. 20,393.

33.3 Detail of dividends declared after the reporting date

On November 22, 2017, the Company's Board of Directors agreed to pay a provisional dividend equivalent to US\$0.38432 per share with a charge to profit for 2017. Such amount will be paid in its equivalent in Chilean pesos, the domestic currency, according to the observed U.S. dollar exchange rate published in the Official Gazette on November 30, 2017.

This dividend will be paid to shareholders, in person or through their duly authorized representatives, starting at 9:00 a.m. on December 14, 2017. The shareholders who are registered in the Shareholders' Registry five business days prior to the date of payment will be entitled to the dividend.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHEMICAL AND MINING COMPANY OF CHILE INC.
(Registrant)

Date: January 04, 2018 /s/ Ricardo Ramos
By: Ricardo Ramos
CFO & Vice-President of Development

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