



Conference Call ILC 3Q18

November 2018



3Q18: AT A GLANCE



1. Growth in the revenues of AFP Habitat and its subsidiary in Peru

- Greater revenues by 8.7% (QoQ), close to 40% of this advance was explained by larger income from fees in Peru

2. Growth in loans continues at Banco Internacional

- 39.2% growth in commercial loans (YoY), compared to 9.7% growth of the whole industry
- ROE of 13.9%

3. Better operating performance at Red Salud

- Consolidated EBITDA margin of 11.5%, 104 bps higher than 3Q17
- Higher activity in both inpatient and outpatient services

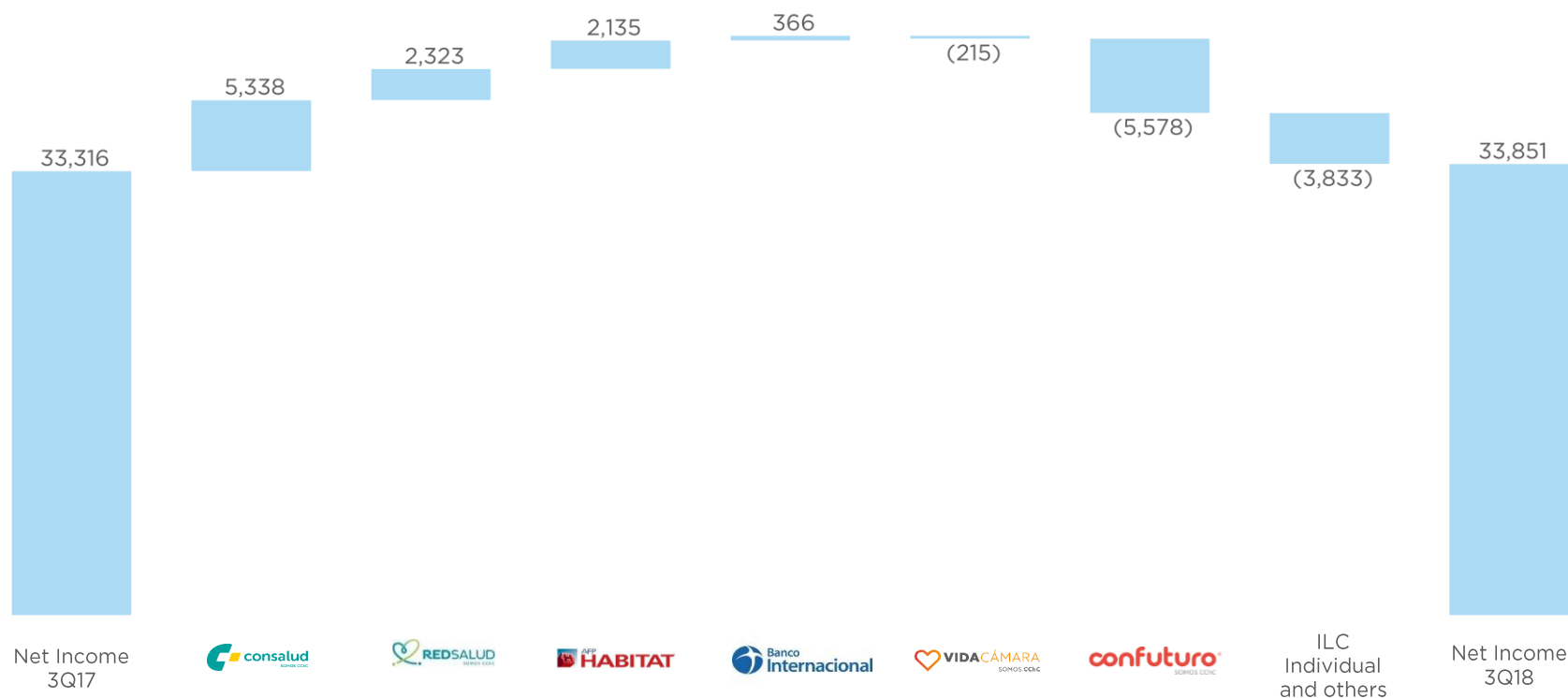
4. Consalud improved its loss ratio by 491 basis points (QoQ)

- Larger revenues offset additional cost during the period

ALL IN ALL...



ILC's Net Income Variation by Subsidiary (CLP\$ m.)



- ILC's net income remaining stable (+1.6%) QoQ
- The above was mainly driven by a lower loss ratio of Consalud, greater inpatient and outpatient activity levels in Red Salud, and higher revenues of Habitat. This was partially offset by lower premiums in Confuturo.

OPERATING PERFORMANCE SUPPORTED BY HIGHER REVENUES IN CHILE AND PERU

Financial Statements

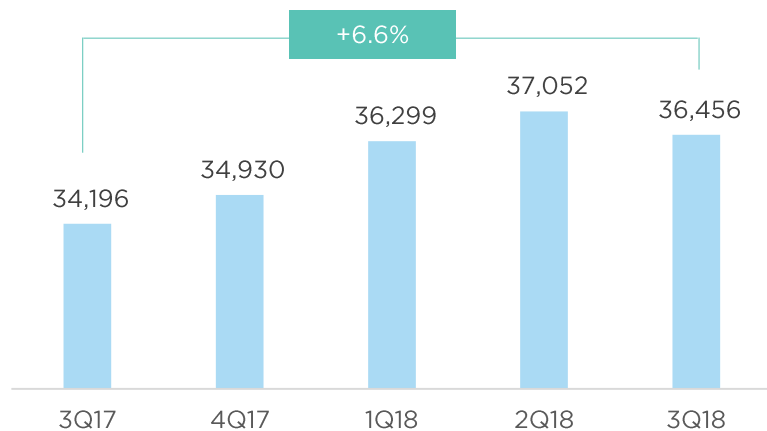
CLP\$ m.	3Q18	3Q17	%
Revenues: Chile	43,349	41,109	5.4%
Revenues: Peru	5,436	3,770	44.2%
SG&A	(20,345)	(20,120)	1.1%
Operating Income	28,439	24,759	14.9%
Gain (Loss) of the Encaje	7,360	3,823	92.5%
Non Operating Income	8,584	4,958	73.1%
Profit Before Encaje	20,064	18,776	6.9%
Net Profit	27,424	22,599	21.3%

Highlights

- **Operating income increased 14.9% → higher revenues** from fees in Chile and Peru
- **Peru** recorded a result of CLP\$1,543 million with 1.1 million active affiliates
- **Higher non operating income**, due to an increase in the profitability of reserve requirement (encaje)

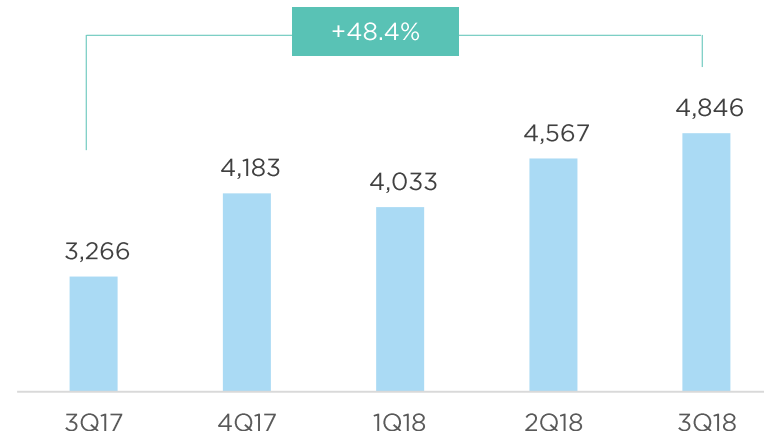
Average Income per Contributor Habitat Chile

CLP\$



Average Income per Affiliate Habitat Peru

CLP\$



ACTIVE MANAGEMENT OF THE INVESTMENT PORTFOLIO

Financial Statements

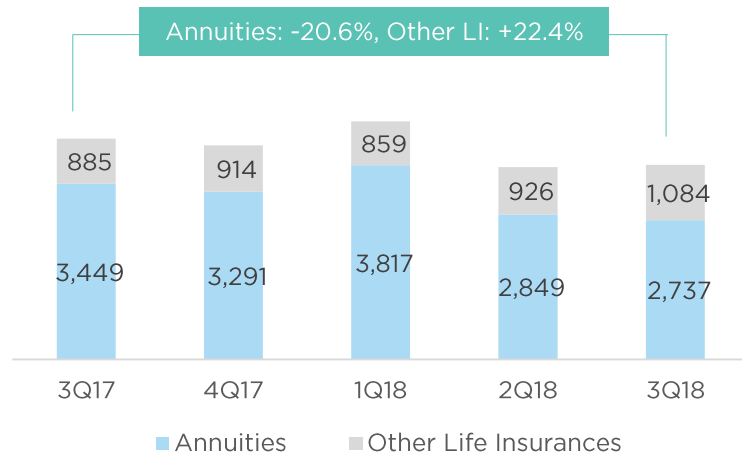
CLP\$ m.	3Q18	3Q17	%
Net Premiums Income	90,219	105,035	-14.1%
Net Investment Income	100,860	97,476	3.5%
Cost of Sales	(157,034)	(160,653)	-2.3%
SG&A	(4,347)	(5,853)	-25.7%
Operating Income	30,995	35,938	-13.8%
Non Operating Income	(1,947)	(1,718)	13.3%
Net Profit Conf. + Corp	20,932	26,510	-21.0%

Highlights

- Net premiums income decreased 14.1% (QoQ)** → annuity collection decreased by 20.6%, partially offset by higher other life insurance premiums
- Investment result increased by 3.5% (QoQ)** → mainly driven by the sale of 18 real estate assets within \$17,497 result, offset by a high base comparison effect (Nueva Las Condes building sale) and lower local fixed income and equity performance

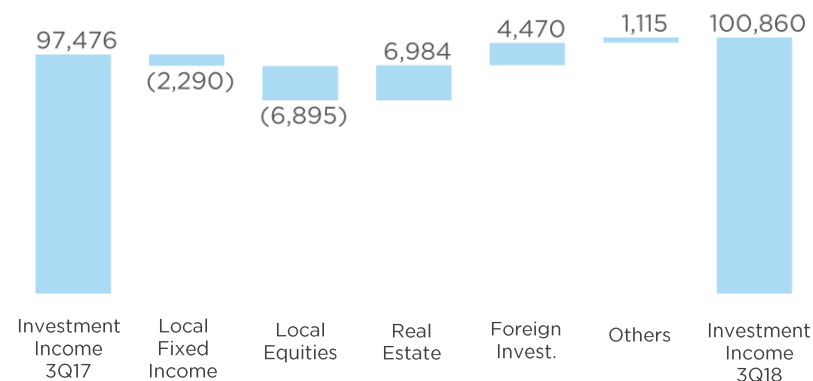
Confuturo Life Insurance Premiums

UF Th.



Net Investment Income

CLP\$ b.



BANCO INTERNACIONAL: COMMERCIAL LOANS +39%, ROE UP TO 13.9%



Financial Statements

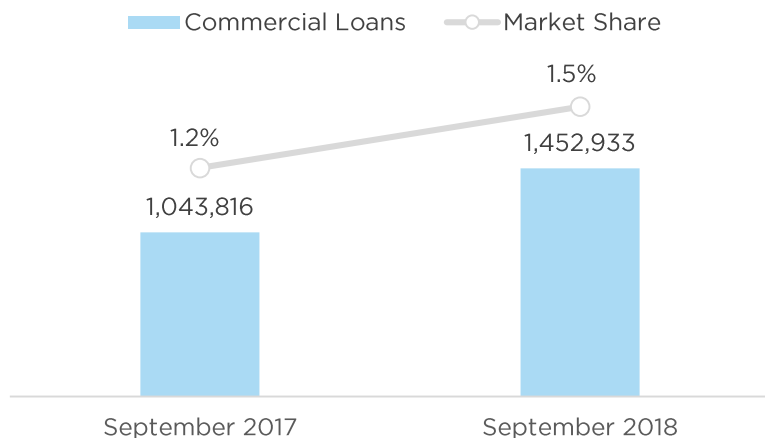
CLP\$ m.	3Q18	3Q17	%
Net Interest Margin	13,839	7,058	96.1%
Net Income from Fees	2,049	603	240.0%
Other Operating Income	800	5,520	-85.5%
Gross Operating Result	16,688	13,181	26.6%
Credit Risk Provisions	(2,918)	(63)	4547.6%
SG&A	(9,315)	(9,573)	-2.7%
Operating Income	4,455	3,545	25.7%
Net Result	3,608	2,885	25.1%

Highlights

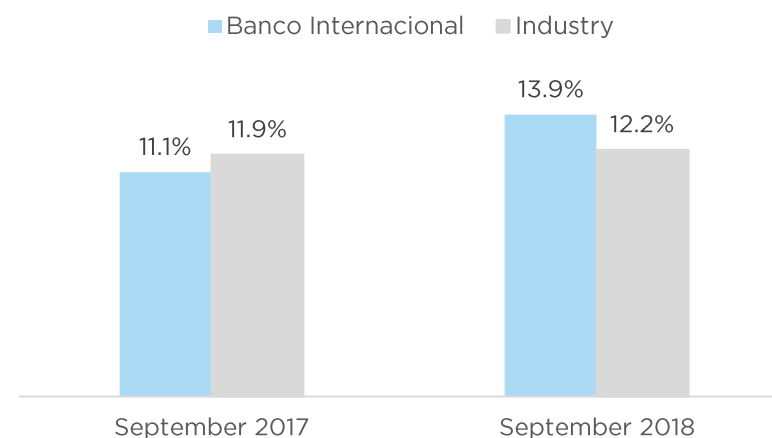
- **Net interest margin increased 96.1% (QoQ)** → mainly explained by higher loans and lower cost of loans
- **Credit risk provisions up by \$2,855 million (QoQ)** → growth in loans and higher impairments
- **Efficiency ratio improved** from **60.5%** at the end of September 2017 to **54.0%** in September 2018

Banco Internacional Commercial Loans

CLP\$ m.



ROE



EBITDA MARGIN BOOSTED BY HIGHER ACTIVITY AND COST CONTROL INITIATIVES

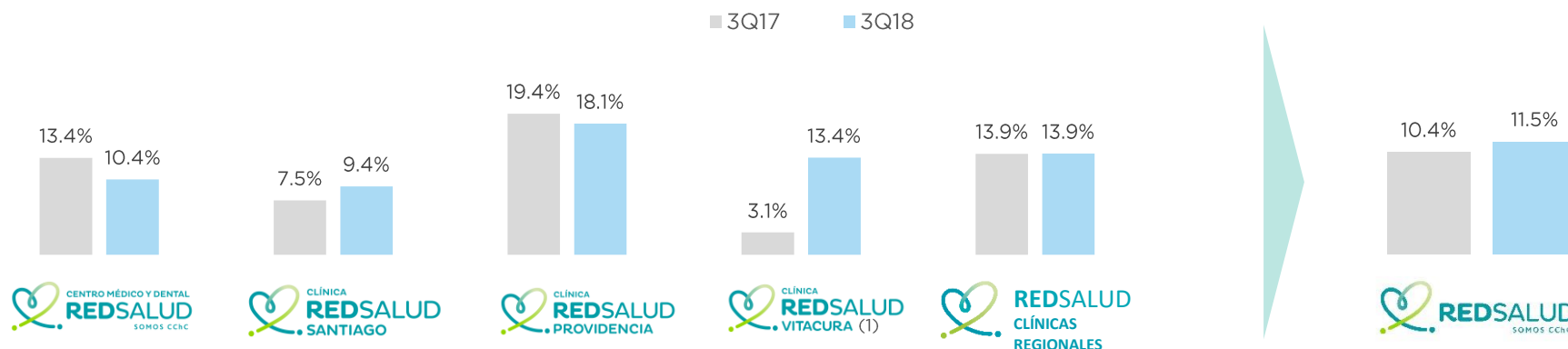
Financial Statements

CLP\$ m.	3Q18	3Q17	Var. %
Revenues	101,260	89,586	13.0%
Costs of Sales	(74,579)	(68,607)	8.7%
SG&A	(19,387)	(16,086)	20.5%
Operating Income	7,801	5,590	39.6%
Non Operating Income	(2,983)	(2,034)	46.7%
Profit to Red Salud	3,836	1,447	165.1%
EBITDA	11,608	9,342	24.3%
EBITDA Margin	11.5%	10.4%	1.04%

Highlights

- **Net revenues went up by +13% (QoQ)** → larger contributions in all facilities, highlighting Red Salud Vitacura (+19%), Red Salud Santiago (+19%) and Red Salud Regional Hospitals (+15%)
- **Improvements in cost of sales ratio (QoQ)** → Cost of sales over revenues fell from 76.6% to 73.7%
- **Consolidated EBITDA growth of 24% (QoQ)** → greater activity, increased internal derivation and cost operating expenses cuts

EBITDA Margin by Entity



(1) Includes Inmobiliaria Clínica Vitacura
Regional Hospitals: Iquique, Elqui, Valparaíso, Rancagua, Temuco and Magallanes
Source: CMF, Red Salud, ILC

MORE THAN 1 MILLION OF BENEFICIARIES BETWEEN CONSALUD AND VIDA CÁMARA

Financial Statements Consalud (Under IFRS)

CLP\$ m.	3Q18	3Q17	Var. %
Revenues	123,728	112,182	10.3%
Costs of Sales	(103,604)	(99,448)	4.2%
Administrative Expenses	(16,435)	(15,284)	7.5%
Operating Income	5,416	(1,950)	-377.8%
Non Operating Income	497	336	48.0%
Profit to Consalud	3,981	(1,357)	-393.5%

Highlights Consalud

- **10% larger revenues (QoQ)** → 3% increase in average beneficiaries, inflation and price adjustments for health plans
- **491 bps loss ratio decrease (QoQ)**
- **704,595 beneficiaries** as of September 2018

Financial Statements Vida Cámara

CLP\$ m.	3Q18	3Q17	Var. %
D&S Chile – Gross Profit	34	(298)	-111.3%
Health & Life Insurance–Gross Profit	1,516	2,182	-30.5%
Administrative Expenses	(1,734)	(1,728)	0.4%
Operating Income	(81)	201	-140.6%
Non Operating Income	71	94	-25.0%
Profit to Vida Cámara	33	227	-85.6%

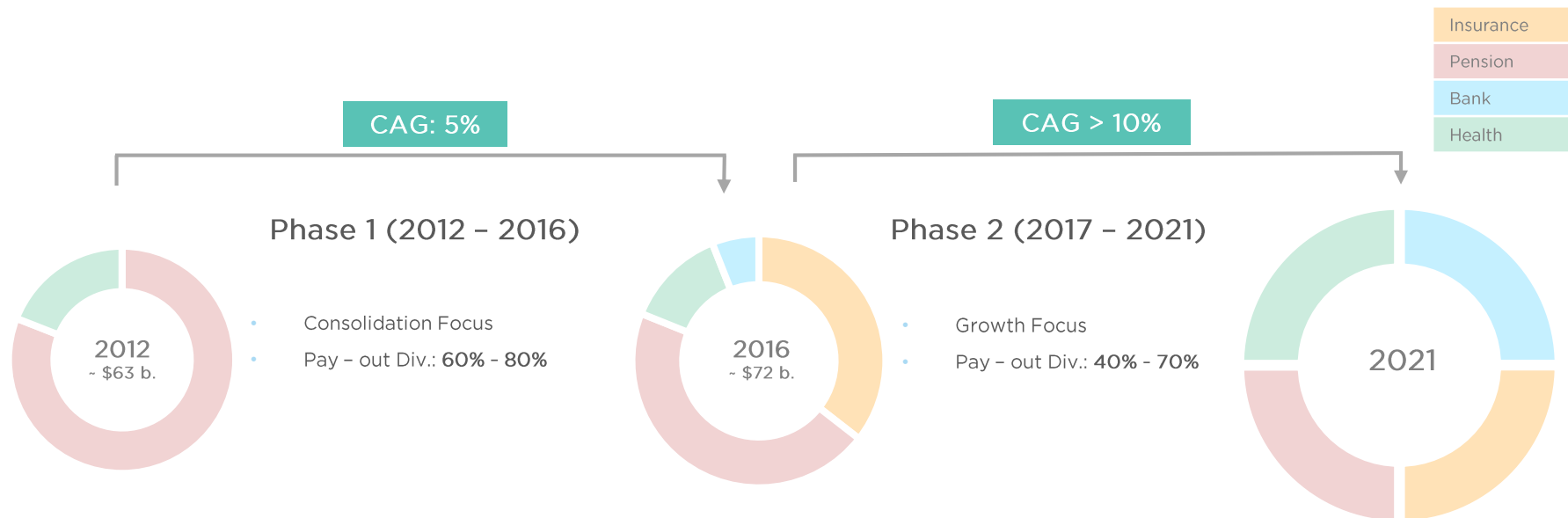
Highlights Vida Cámara

- **Consolidated gross profit decreased by 17.7% (QoQ)** → lower result of life and health insurances partially offset by a greater performance from D&S Chile
- **Increase in loss ratio** from 81.3% in 3Q17 to 88.8% in 3Q18
- **14.9% rise in beneficiaries** totaling in 325,580

ILC: NEW PHASE



ILC Net Income Composition



Fundamentals

Consistency

Capital
Deployment

Acquisitions and
successful
transformations

Adaptability to
regulatory changes



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November 2018

