



Conference Call ILC 4Q19
March 25th, 2020

DISCLAIMER – CONFERENCE CALL INFORMATION



Forward-looking statements are based on the beliefs and assumptions of ILC's management, and on information currently available. They involve risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that economic scenario, industry conditions and other operating factors could also affect the future results of ILC and could cause results to differ materially from those expressed in such forward-looking statements.

- **Conference Call Information:**

Date: Wednesday, March 25th, 2020 @ 11:00 AM Sgto. / 10:00 AM ET

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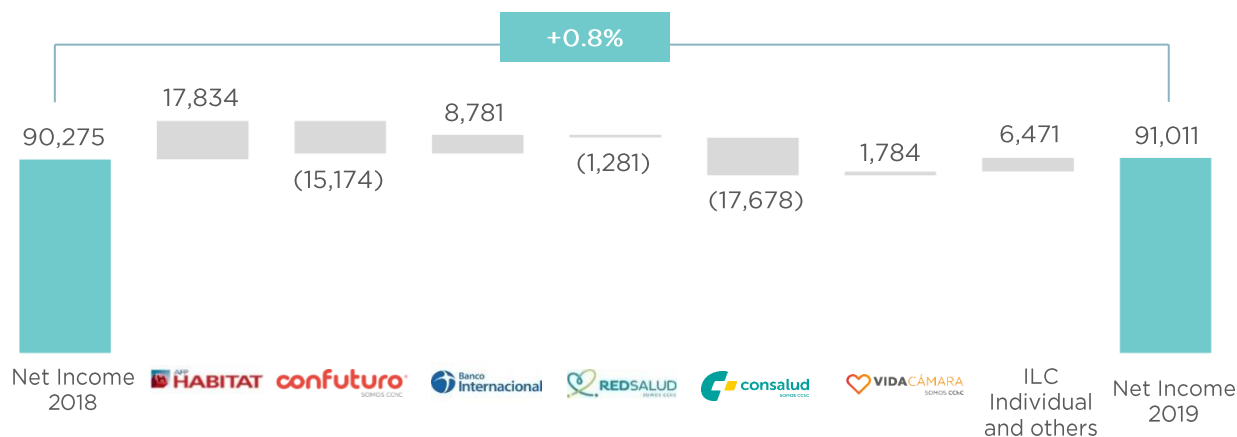
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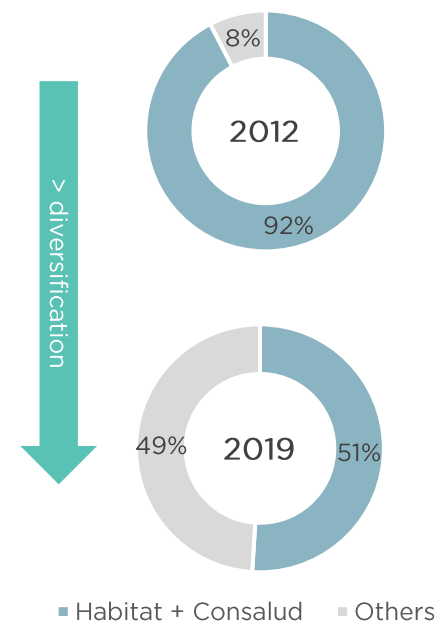
2019 AT A GLANCE



ILC's Recurrent Net Income Variation by Subsidiary



Source: ILC



Strategic milestones 2019

- Acquisition of AFP Colfondos in Colombia
- 67% stake in Banco Internacional, after the acquisition of 17% of its property
- Confuturo merged with Corpseguros
- 40% liabilities were refinanced in ILC
- Capital increases in Confuturo and Banco Internacional
- DJSI Chile and MILA for second year in a row, Global Compact, Social Bonds

Net Result of \$10.9 b. (+5.8% QoQ), mainly driven by:

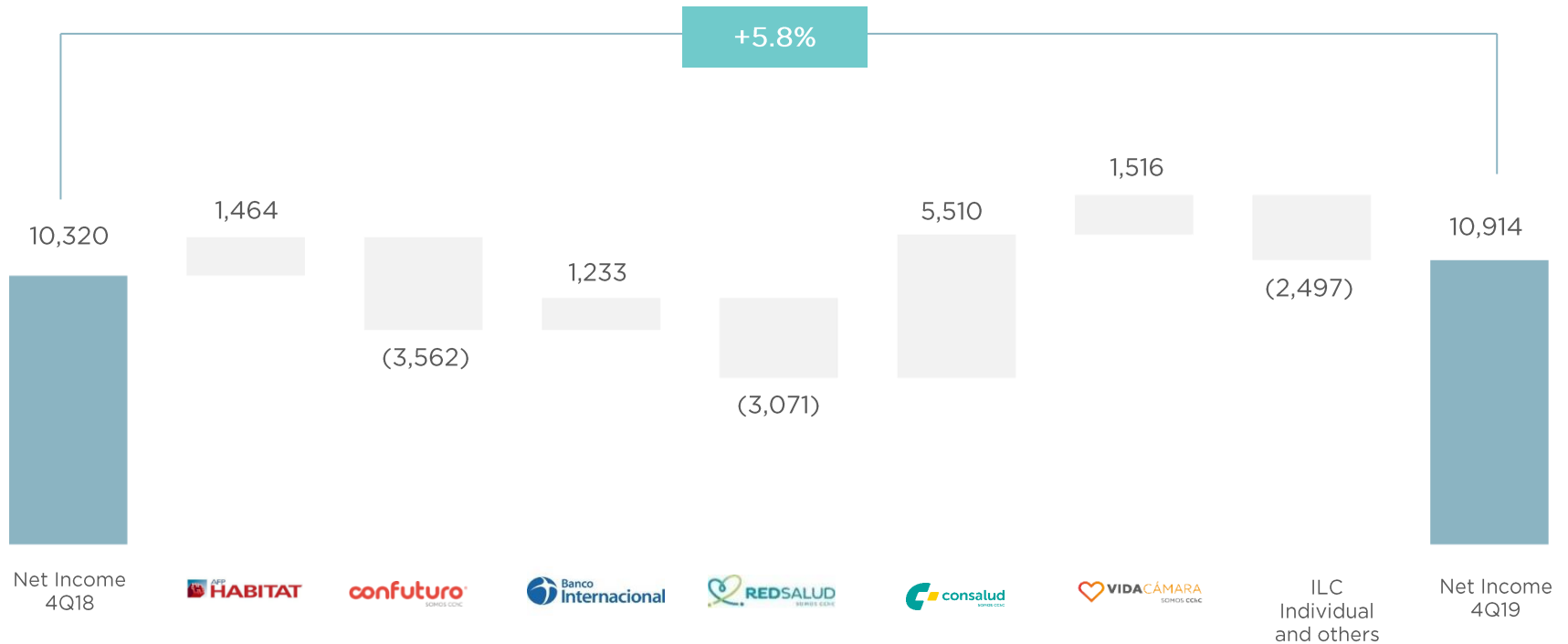
1. Lower loss ratio in Consalud (89% in 4Q18 vs. 84% in 4Q19) and Vida Cámara (88.9% in 4Q18 vs 71.0% in 4Q19)
2. Higher revenues of AFP Habitat Chile and Peru
 - Revenues up by 15%, 45% from income from fees in Chile, 35% from Peru and 20% from Colombia (Colfondos Consolidation)
3. Higher profitability of the encaje (+\$3,242 m. QoQ net of taxes at ILC level)
4. Growth in loans and operating results continues at Banco Internacional
 - 27% increase in commercial loans vs. 10% of the Chilean industry
 - 16% ROAE

ALL IN ALL...



ILC's Net Income Variation by Subsidiary

CLP\$ m.



- Better performance of AFP Habitat (revenues & encaje) + Banco Internacional (gross operating result) + Consalud & Vida Cámara (lower loss ratio)
- Lower contribution of Confuturo (decrease in annuity premiums) + Red Salud (lower activity)

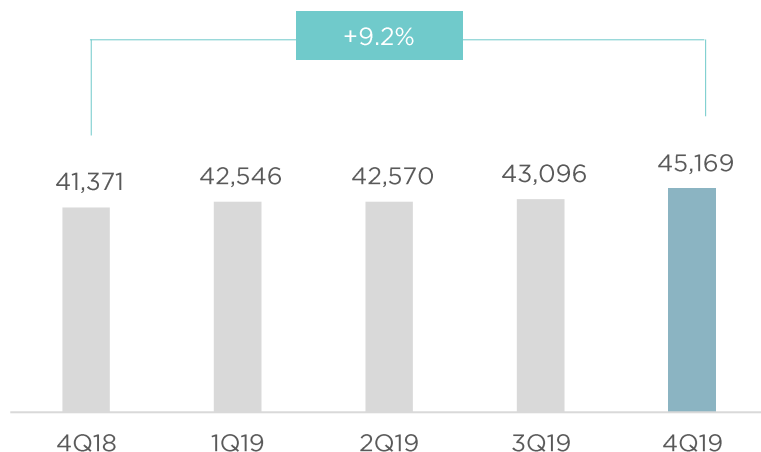
GROWTH POTENTIAL UNDER THREE DIFFERENT DYNAMICS

Financial Statements

| CLP\$ m. | 4Q19 | 4Q18 | % |
|--------------------------------|---------------|----------------|-----------------|
| Revenues: Chile | 48,753 | 45,387 | 7.4% |
| Revenues: Peru | 8,080 | 5,697 | 41.8% |
| Revenues: Colombia | 1,929 | - | - |
| SG&A | (31,542) | (23,050) | 36.8% |
| Operating Income | 27,220 | 28,034 | (2.9%) |
| Gain (Loss) of the Encaje | 4,945 | (4,262) | (216.0%) |
| Non Operating Income | 2,729 | (3,051) | (189.4%) |
| Profit Before Taxes | 29,949 | 24,983 | 19.9% |
| Net Profit | 21,911 | 18,277 | 19.9% |
| Profit Before Taxes and Encaje | 25,004 | 29,244 | (14.5%) |

Average Income per Contributor Habitat Chile

CLP\$

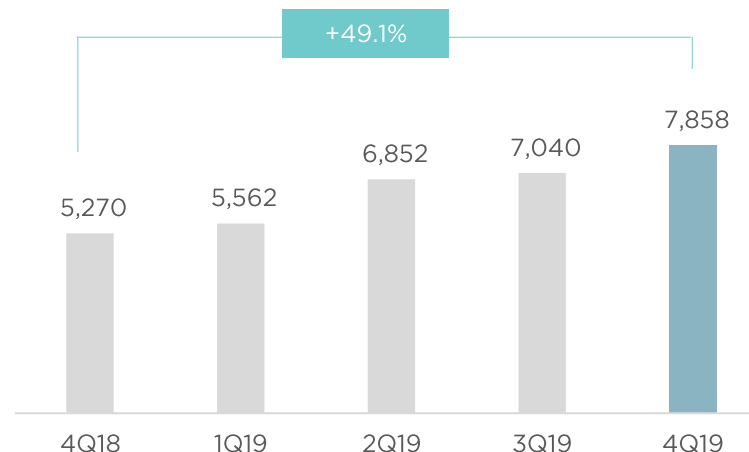


Highlights

- **Operating income decreased 2.9%** → Greater revenues in Chile, Peru and Colombia were offset by the expenses related to Colfondos's acquisition and consolidation in December 2019
- **International contribution (Peru & Colombia)** → represented 13% of AFP Habitat's net result 4Q19 (before taxes and *encaje*)
- **Higher non operating income** → \$9,206 million increment in the profitability of the *encaje*

Average Income per Affiliate Habitat Peru

CLP\$



LOWER PREMIUMS DUE TO REDUCED PREFERENCE

Financial Statements

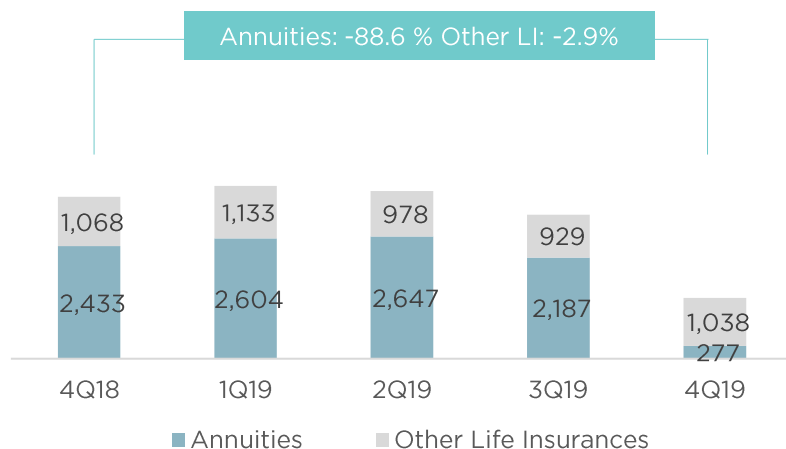
| CLP\$ m. | 4Q19 | 4Q18 | % |
|---------------------------|----------|-----------|----------|
| Net Premiums Income | 19,446 | 99,069 | (80.4%) |
| Net Investments Income | 73,008 | 58,537 | 24.7% |
| Cost of Sales | (84,772) | (147,918) | (42.7%) |
| SG&A | (8,963) | (6,270) | 42.9% |
| Operating Income | (1,280) | 3,417 | (137.5%) |
| Non Operating Income | (1,524) | 769 | (298.2%) |
| Net Profit Insurance Act. | 1,256 | 3,728 | (66.3%) |
| Net Profit Inv. Confuturo | (1,415) | 2,148 | (165.9%) |

Highlights

- **Net premiums income decreased by 80.4%** → annuity premiums fell 89% (49% decrement of the industry). Spread between programmed withdrawals and annuities increased by 91 basis points, reducing preference for annuities from 65% to 41%.
- **Investment result increased by 24.7%** → FX effect in foreign investments of life insurances, partially offset by lower results in equities, fixed income and real estate.
- **Cost of sales down by 42.9%** → less reserve constitution due to lower sales, partially offset by a raise in claim costs and pensions paid

Confuturo Life Insurance Premiums

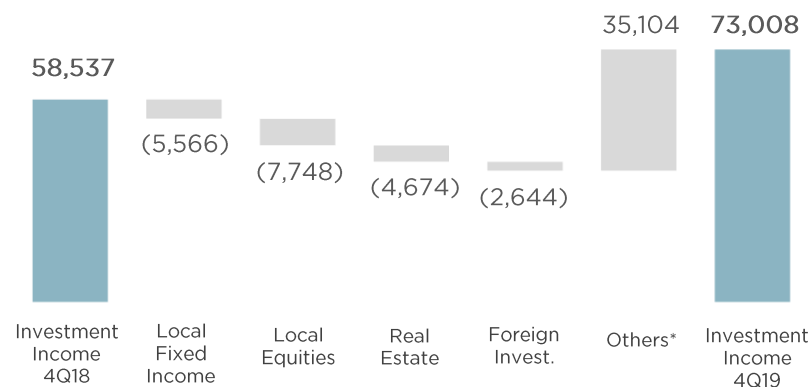
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Source: Confuturo, AACH, ILC

Net Investment Income

CLP\$ m.



* Includes investment result related to life insurance with savings (CUI)

GROWTH IN LOANS AND EFFICIENCY PARTIALLY OFFSET BY CONSTITUTION OF PROVISIONS

Financial Statements

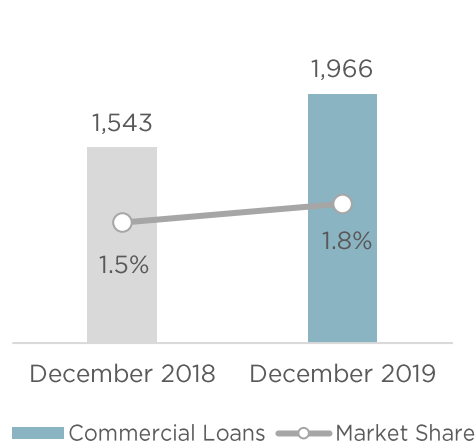
| CLP\$ m. | 4Q19 | 4Q18 | % |
|-------------------------------|---------------|---------------|--------------|
| Net Interest Margin | 18,156 | 13,429 | 35.2% |
| Net Income from Fees | (373) | 1,926 | (119.4%) |
| Other Operating Income | 7,171 | 1,465 | 389.5% |
| Gross Operating Result | 24,954 | 16,820 | 48.4% |
| Credit Risk Provisions | (5,519) | (898) | 514.6% |
| SG&A | (13,208) | (9,929) | 33.0% |
| Operating Income | 6,227 | 5,993 | 3.9% |
| Net Result | 4,895 | 4,618 | 6.0% |

Highlights

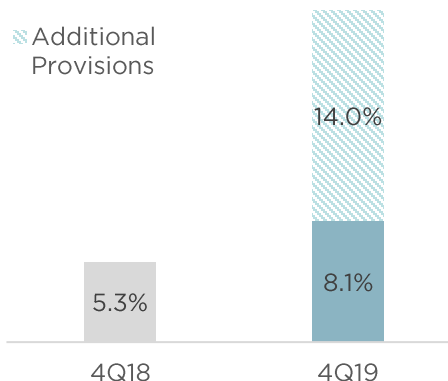
- **Net interest margin increased 35.2%** → larger interest income due to higher commercial loans
- **Credit risk provisions increased by \$4,621 million** → \$3,500 million in additional provisions were recognized during 4Q19 due to the country's scenario
- **Efficiency ratio improved from 53.8%** in 4Q18 to **43.8%** in 4Q19 → higher gross operating result, partially offset by higher SG&As

Commercial Loans

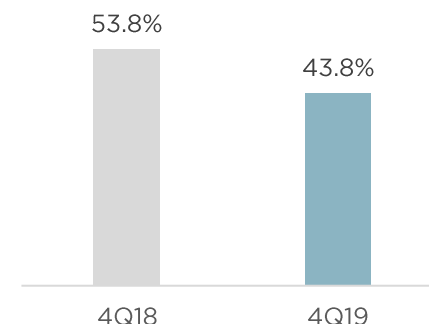
CLP\$ b.



Risk Expenses / Gross Operating Result



Efficiency



LOWER ACTIVITY DUE TO NATIONAL CONTINGENCY

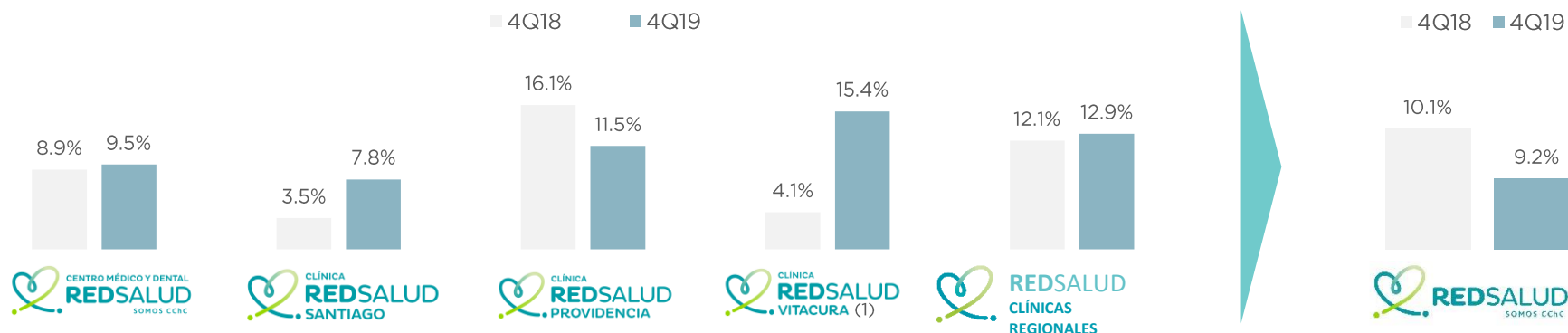
Financial Statements

| CLP\$ m. | 4Q19 | 4Q18 | % |
|--|----------|----------|----------|
| Revenues | 100,380 | 98,946 | 1.4% |
| Costs of Sales | (76,691) | (75,724) | 1.3% |
| SG&A | (20,247) | (17,868) | 13.3% |
| Operating Income | 5,171 | 6,029 | (14.2%) |
| Non Operating Income | (4,159) | (3,837) | 8.4% |
| Profit to Red Salud | (821) | 2,249 | (115.6%) |
| EBITDA | 9,263 | 9,982 | (7.2%) |
| EBITDA Margin | 9.2% | 10.1% | 86 bps |
| EBITDA Margin (excluding IFRS 16 effect) | 8.3% | 10.1% | 179 bps |

Highlights

- **Revenues up by 1.4% →** Geographic diversification allowed Red Salud to offset the lower activity in Santiago related to the national contingency
- **COGS and SG&As over revenues ratios (QoQ) →** COGS remained stable. SG&As increased by 211 bps due to higher D&A and impairment expenses
- **Consolidated EBITDA dropped by 7.2% →** \$782 million decrease in RS Providencia, whereas RS Santiago, RS Vitacura and RS Regional Hospitals showed the main advances

EBITDA Margin by Entity



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

CONSALUD AND VIDA CÁMARA BENEFITED BY A LOWER LOSS RATIO

Financial Statements Consalud (Under IFRS)

| CLP\$ m. | 4Q19 | 4Q18 | % |
|---------------------------|--------------|--------------|------------------|
| Revenues | 144,838 | 129,104 | 12.2% |
| Costs of Sales | (121,316) | (114,525) | 5.9% |
| Administrative Expenses | (18,509) | (17,055) | 8.5% |
| Operating Income | 6,629 | (589) | (1225.4%) |
| Non Operating Income | 431 | 579 | (25.5%) |
| Profit to Consalud | 6,382 | 872 | 631.9% |

Highlights Consalud

- **Revenues went up by 12.2%** → 4.0% increase in average beneficiaries, inflation and price adjustments in *GES*
- **495 bps decrement in loss ratio** → rise in revenues offset reimbursements of inpatient (+2.6%), outpatient (7.2%), and medical leaves (21.5%)
- **SG&As increased by 8.5%** → higher salaries and administrative expenses

Financial Statements Vida Cámara

| CLP\$ m. | 4Q19 | 4Q18 | % |
|--|--------------|--------------|-----------------|
| D&S Chile – Gross Profit | (735) | (239) | 208.2% |
| Health & Life Insurance – Gross Profit | 4,609 | 1,463 | 215.0% |
| Administrative Expenses | (2,282) | (1,894) | 20.5% |
| Operating Income | 1,620 | (507) | (419.4%) |
| Non Operating Income | (103) | (26) | 294.6% |
| Profit to Vida Cámara | 1,169 | (348) | (436.3%) |

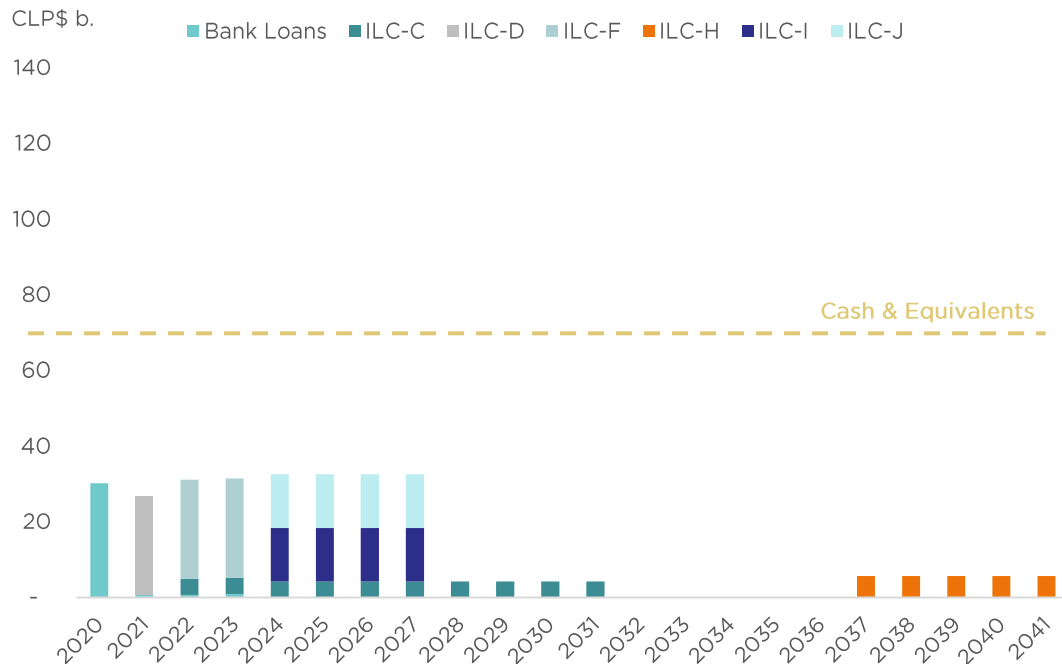
Highlights Vida Cámara

- **Gross profit increased by \$2.6 billion** → better performance of life and health insurance partially offset by D&S insurance
- **Decrease in loss ratio** from 88.9% in 4Q18 to 71.0% in 4Q19
- **5.5% rise in the beneficiaries of life and health insurances**, totaling 347 thousand people

BALANCED AMORTIZATION SCHEDULE AND CAPITALIZED SUBSIDIARIES



Amortization Schedule ILC Individual



- Confuturo and Banco Internacional were recently capitalized



UF 2 m. in September 2019



CLP\$ 18 b. in September 2019
(totaling CLP \$53 b. in 2018 – 2019)

- 40% of ILC' Liabilities Refinanced

Average Rate before bond issuances

Inflation + 2.7%

Average Rate after bond issuances

Inflation + 1.7%



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