



Conference Call ILC 1Q19
May 28th, 2019

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: Tuesday, May 28th, 2019 @ 12:00 PM Sgto. / 12:00 PM ET
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1. Better performance of financial markets worldwide

- AFP Habitat increased the profitability of its encaje by \$17,728
- Confuturo local and foreign equity investment result increased by \$7,626 million

2. Growth in loans continues at Banco Internacional

- 34% increase in commercial loans (QoQ), compared to 12% of the industry
- Banco Internacional Asset Management starts operations

3. Growth in revenues of AFP Habitat in Chile and Peru

- Revenues up by 12% QoQ, ~60% from Chile and ~30% from Peru

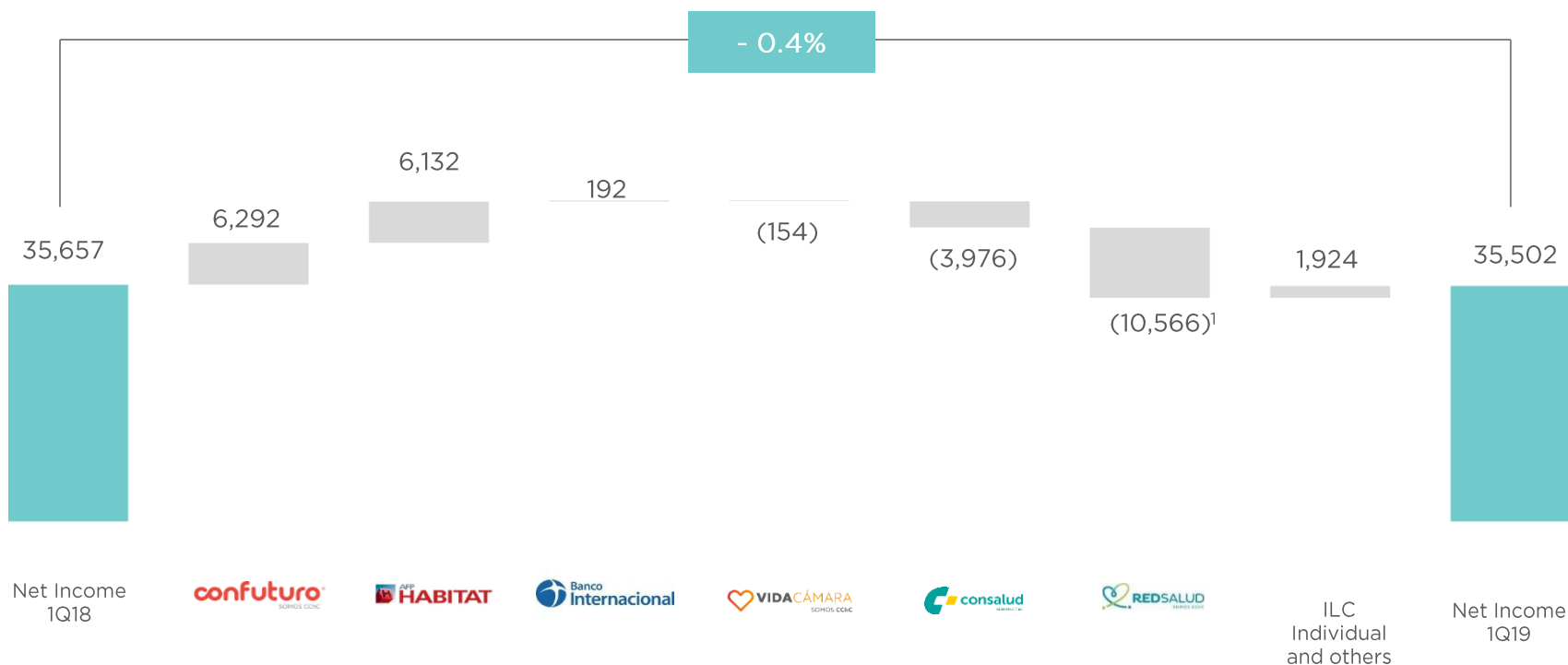
4. Higher operational result in Red Salud

- Consolidated EBITDA increased by \$2,219 million (QoQ), of which \$777 million are related to IFRS 16
- Higher activity in outpatient services through all the network

5. Mandatory health insurance scenario: Consalud

- Higher medical coverages and medical leaves by 19% and 20% (QoQ), respectively
- Increment in total litigation cases by 40% (QoQ)

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



- Better global investment returns, improvement in operating performance of Red Salud, Banco Internacional and AFP Habitat
- Higher operating costs and legal expenses in Consalud

⁽¹⁾ Divestment in i-Med meant a profit after taxes of CLP\$12.3 billion in 1Q18
Source: ILC

OPERATING PERFORMANCE SUPPORTED BY HIGHER REVENUES IN CHILE AND PERU

Financial Statements

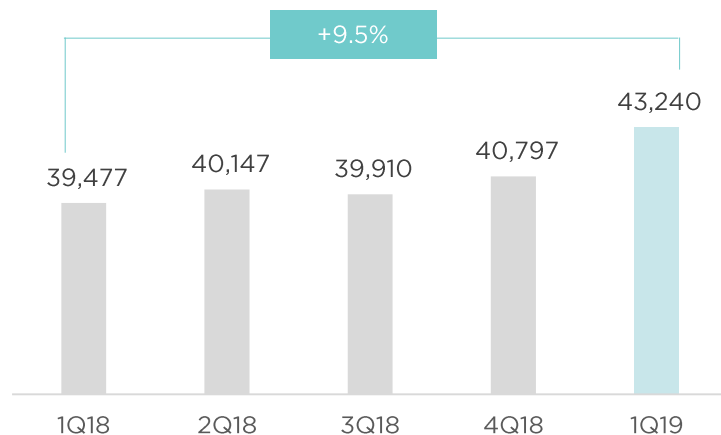
CLP\$ m.	1Q19	1Q18	%
Revenues: Chile	46,691	43,404	7.6%
Revenues: Peru ⁽¹⁾	6,713	4,546	47.7%
SG&A	(21,962)	(19,748)	11.2%
Operating Income	31,442	28,202	11.5%
Gain (Loss) of the Encaje	18,417	688	2575.2%
Non Operating Income	19,763	1,913	932.9%
Profit Before Encaje	19,148	21,660	-11.6%
Net Profit	37,564	22,348	68.1%

Highlights

- **Operating income increased 11.5% QoQ** → higher revenues from fees in Chile (7.6%) and Peru (33.1%).
- **Peru** recorded a net profit of \$2,483 million. As of the end of March 2019, Habitat Peru had more than 1.1 million active affiliates and managed US\$ 2.5 billion in AUM
- **Higher non operating income**, due to a \$17,728 million increment in the profitability of the encaje

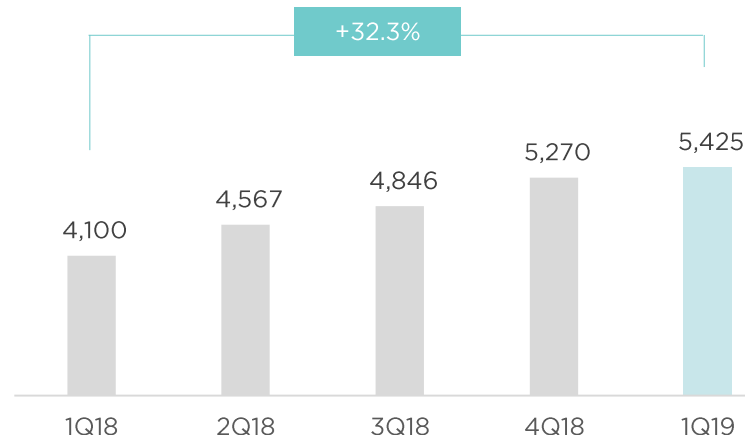
Average Income per Contributor Habitat Chile

CLP\$



Average Income per Affiliate Habitat Peru

CLP\$



⁽¹⁾Includes reserve requirements

Source: AFP Habitat, Superintendencia de Pensiones Chile, Superintendencia de Banca, Seguros y AFP Perú

LOWER PREMIUMS OFFSET BY A HIGHER INVESTMENT RESULT

Financial Statements

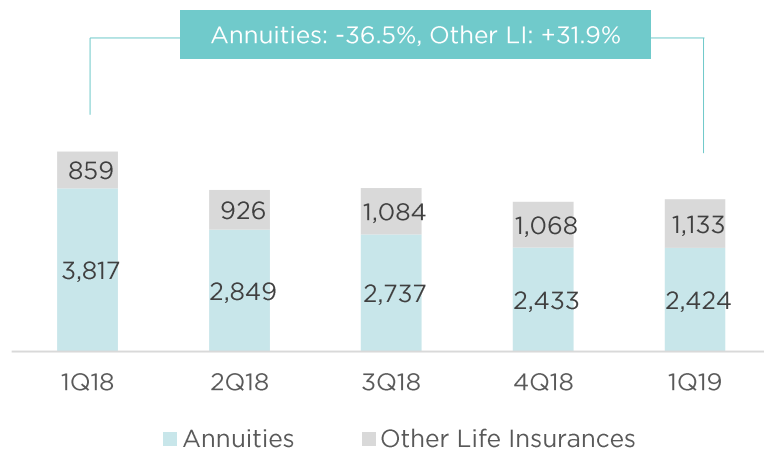
CLP\$ m.	1Q19	1Q18	%
Net Premiums Income	81,718	121,819	-32.9%
Net Investments Income	94,647	71,953	31.5%
Cost of Sales	(149,154)	(171,860)	-13.2%
SG&A	(5,251)	(6,980)	-24.8%
Operating Income	21,961	14,932	47.1%
Non Operating Income	(1,316)	(1,364)	-3.5%
Net Profit Conf. + Corp	17,069	11,253	51.7%

Highlights

- **Net premiums income decreased by 32.9% (QoQ)** → in order to correlate annuities with investment opportunities at a given level of risk
- **Investment result increased by 31.5% (QoQ)** → driven by higher equity returns (local and international) and real estate results
- **Cost of sales down 13.2% (QoQ)** → driven by lower sales, partially compensated by larger pensions paid and a higher accounting sale loss

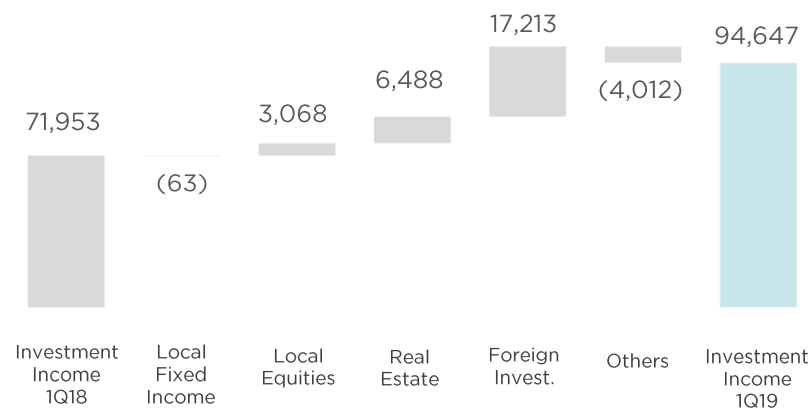
Confuturo Life Insurance Premiums

UF Th.



Net Investment Income

CLP\$ m.



BANCO INTERNACIONAL: 33% GROWTH IN COMMERCIAL LOANS



Financial Statements

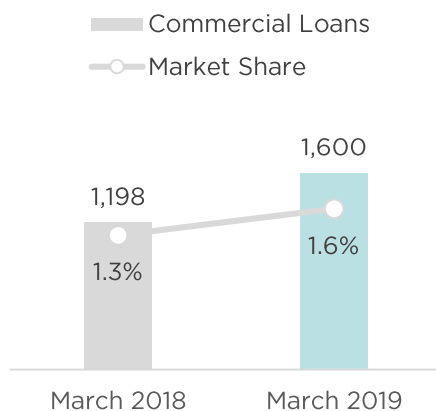
CLP\$ m.	1Q19	1Q18	%
Net Interest Margin	10,371	10,499	-1.2%
Net Income from Fees	1,934	1,330	45.4%
Other Operating Income	4,872	4,375	11.4%
Gross Operating Result	17,177	16,204	6.0%
Credit Risk Provisions	(1,669)	(2,178)	-23.4%
SG&A	(10,325)	(9,045)	14.2%
Operating Income	5,183	4,981	4.1%
Net Result	4,084	3,949	3.4%

Highlights

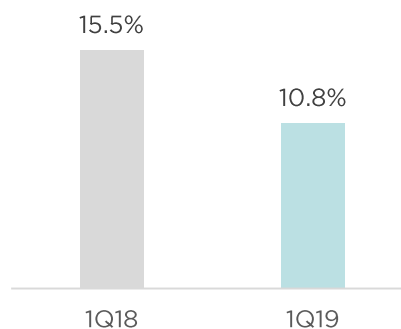
- **Net interest margin decreased 1.2% (QoQ)** → higher interests from loans offset by a lower inflation and higher cost of funds
- **Credit risk provisions down 23.4% (QoQ)** → guarantee constitutions and a better risk portfolio
- **Efficiency ratio increased from 53.3%** at the end of March 2018 to **57.4%** in March 2019 → Larger administrative, personnel and legal expenses

Commercial Loans

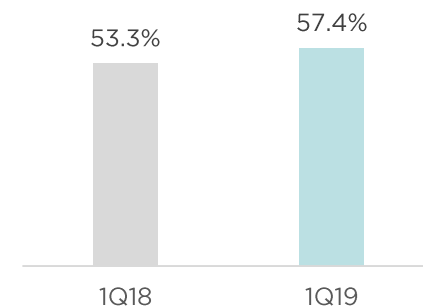
CLP\$ b.



Risk Expenses / Gross Operating Result



Efficiency



EBITDA BOOSTED BY HIGHER REVENUES FROM OUTPATIENT ACTIVITY

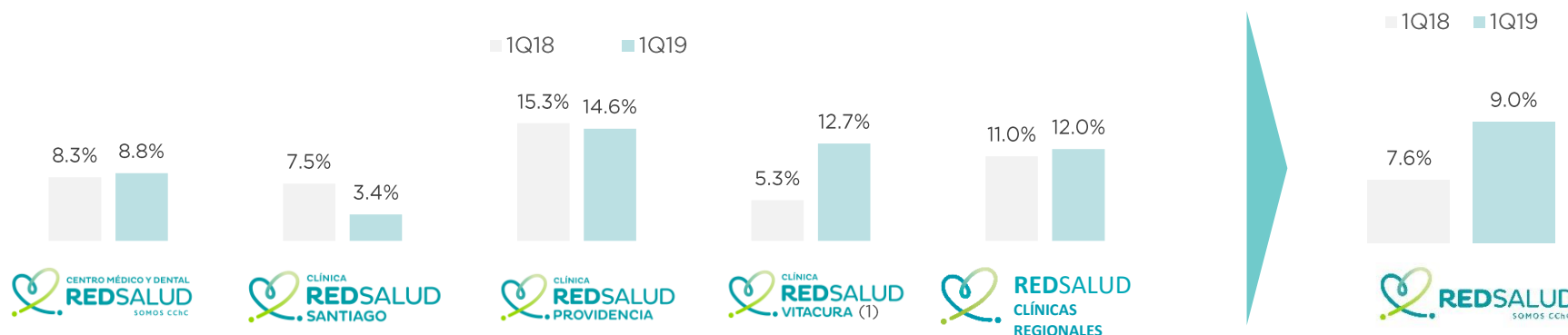
Financial Statements

CLP\$ m.	1Q19	1Q18	Var. %
Revenues	98,401	87,779	12.1%
Costs of Sales	(75,424)	(67,501)	11.7%
SG&A	(19,233)	(17,809)	8.0%
Operating Income	3,875	2,462	57.4%
i-Med divestment	-	17,019	-100.0%
Non Operating Income	(2,250)	(3,067)	-26.6%
Profit to Red Salud	2,249	10,622	-78.8%
EBITDA	8,867	6,648	33.4%
EBITDA Margin	9.0%	7.6%	144 bps

Highlights

- Net revenues went up by +12.1% (QoQ) → larger contributions in all facilities due to higher outpatient activity
- Improvement in cost of sales and SG&As ratios (QoQ) → Cost of sales and SG&As over revenues fell 25 and 74 bps respectively
- Consolidated EBITDA growth of 33.4% (QoQ) → greater activity, increased internal derivation, operating costs cuts and a \$777 million effect due to IFRS 16

EBITDA Margin by Entity



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

GREATER HEALTHCARE COST IMPACTED LOSS RATIOS OF CONSALUD

Financial Statements Consalud (Under IFRS)

CLP\$ m.	1Q19	1Q18	Var. %
Revenues	129,795	118,623	9.4%
Costs of Sales	(111,105)	(95,483)	16.4%
Administrative Expenses	(18,215)	(16,005)	13.8%
Operating Income	2,073	7,810	-73.5%
Non Operating Income	560	627	-10.7%
Profit to Consalud	1,999	5,975	-66.5%

Highlights Consalud

- **9.4% larger revenues (QoQ)** → 4.8% increase in average beneficiaries, inflation and price adjustments in health plans
- **511 bps increase in loss ratio (QoQ)** → higher reimbursements of inpatient and outpatient medical services, as well as medical licenses
- **SG&A expenses increased by 13.8% (QoQ)** → 23.0% increase in sales commissions and 40.2% increase in the number of trials against Consalud

Financial Statements Vida Cámara

CLP\$ m.	1Q19	1Q18	Var. %
D&C Chile – Gross Profit	357	975	-63.4%
Health & Life Insurance – Gross Profit	3,099	2,607	18.9%
Administrative expenses	(1,782)	(1,638)	8.8%
Operating Income	1,682	2,021	-16.8%
Non Operating Income	131	51	158.6%
Profit to Vida Cámara	1,328	1,613	-17.7%

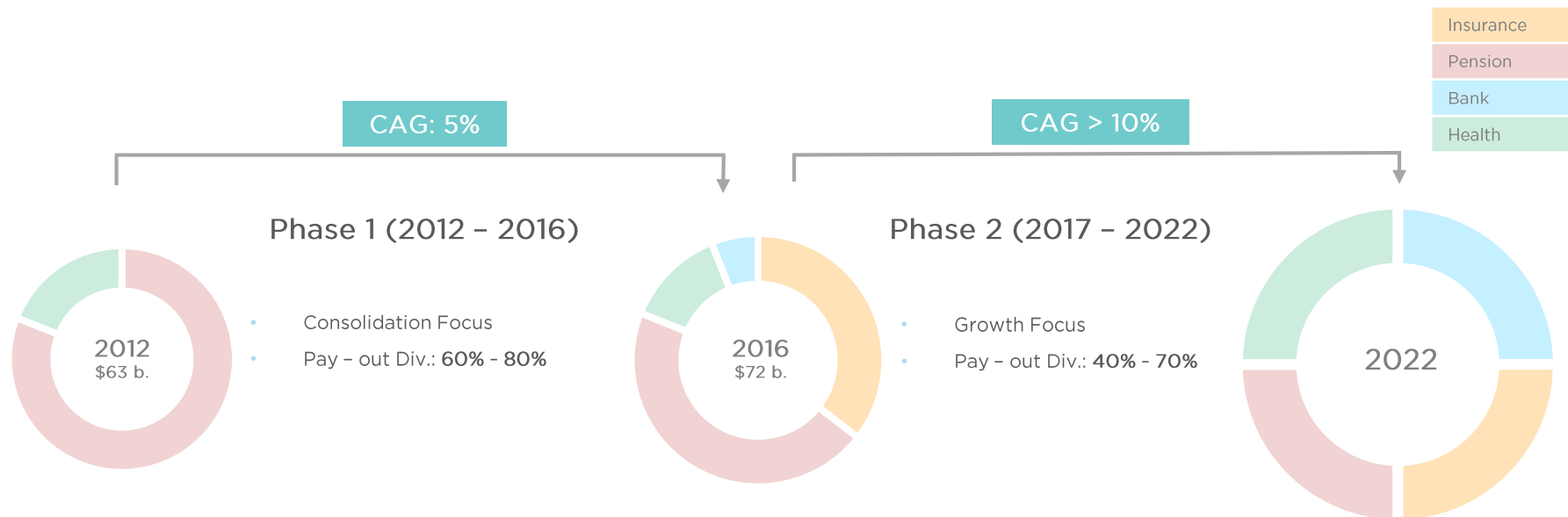
Highlights Vida Cámara

- **Consolidated gross profit decreased by 3.5% (QoQ)** → lower result of D&S Chile partially offset by higher performance of life and health insurances
- **Decrease in loss ratio** from 81.2% in 1Q18 to 80.7% in 1Q19
- **13% rise in beneficiaries** totaling 334 thousand

ILC: NEW PHASE



ILC Net Income Composition



Fundamentals

Consistency

Capital
Deployment

Acquisitions and
successful
transformations

Adaptability to
regulatory changes



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