



# Conference Call ILC 1Q18

May 2018



# 1Q18: RELEVANT EVENTS

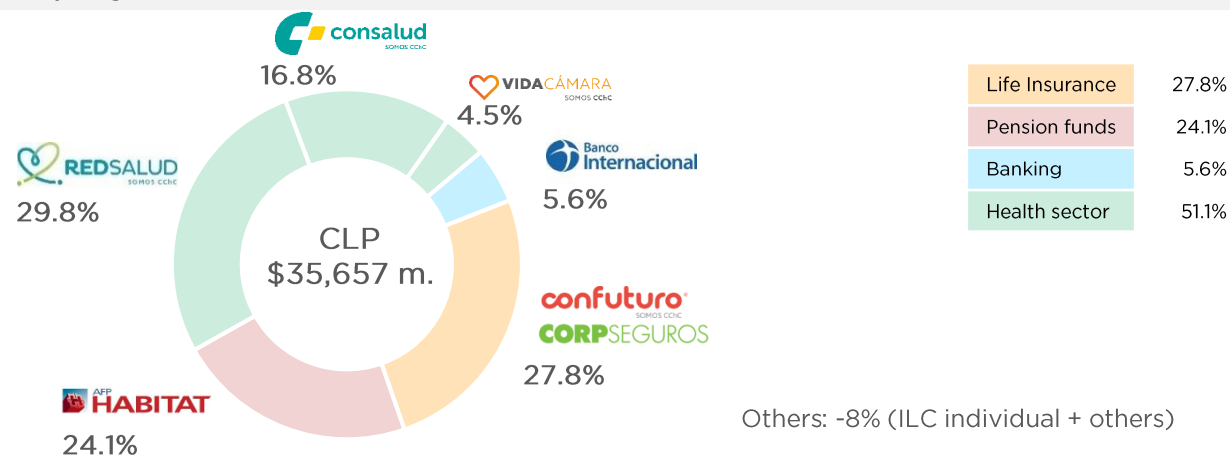


- Operating improvements Banco Internacional
  - 27% growth in commercial loans QoQ
  - Reduced risk expenses + improved efficiency → ROE of 14.3%
  - Capital increase → plan approved to support growth and solvency indicators → up to CLP\$ 60 billion, of which CLP\$10 billion were executed in March
- Red Salud sold the IT health company i-Med
  - Divestment generated a profit after taxes of CLP\$12.4 billion
- AFP Habitat celebrated its second Public Account

# 1Q18: NET RESULTS ANALYSIS



## ILC's net income contribution by company



## ILC's net income variation by company

CLP\$ m.

+7.8 %



\*Includes CLP\$ 12.4 billion corresponding to i-Med's divestment

# OPERATING PERFORMANCE SUPPORTED BY HIGHER REVENUES IN CHILE AND PERU

## Financial Statements

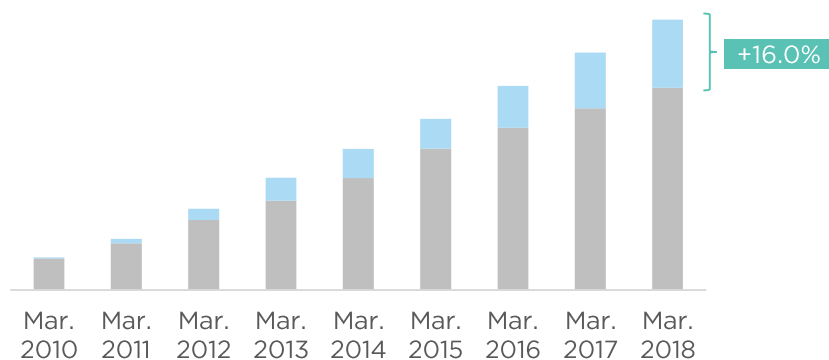
CLP\$ m.	1Q18	1Q17	Var. %
Revenues	47,950	44,868	6.9%
SG&A	(19,748)	(18,572)	6.3%
Operating Income	28,202	26,296	7.2%
Gain (Loss) of the Encaje	688	17,069	-96.0%
Non Operating Income	1,915	18,237	-89.5%
Profit before Encaje	21,661	16,157	34.1%
Profit to AFP Habitat	22,349	33,227	-32.7%

## Relevant Events

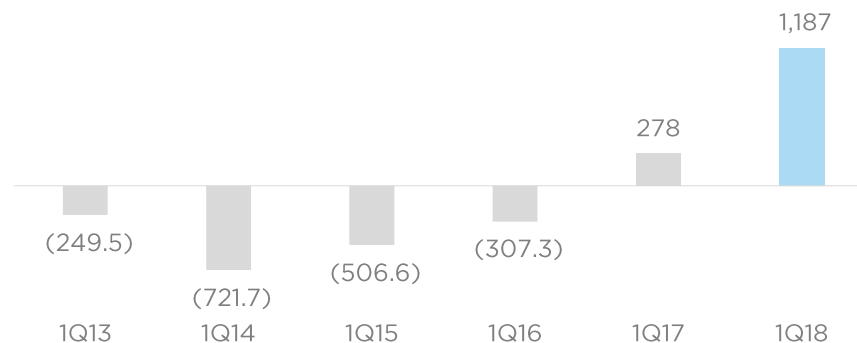
- **Operating income** increased by **7.2%** → **higher revenues** from fees in Chile and Perú
- **Peru** recorded a result of CLP\$1.2 billion with 1,106,897 active affiliates
- **Lower non operating income**, consequence of a lower return of legal requirements

## Chilean Taxable Income average (CLP\$)

- Additional Taxable Income AFP Habitat
- Taxable Income Industry



## Net Profit AFP Habitat Peru (CLP\$ m.)





# INCREASE IN PREMIUMS OFFSET BY LOWER INVESTMENT RESULT AND LARGER RESERVES

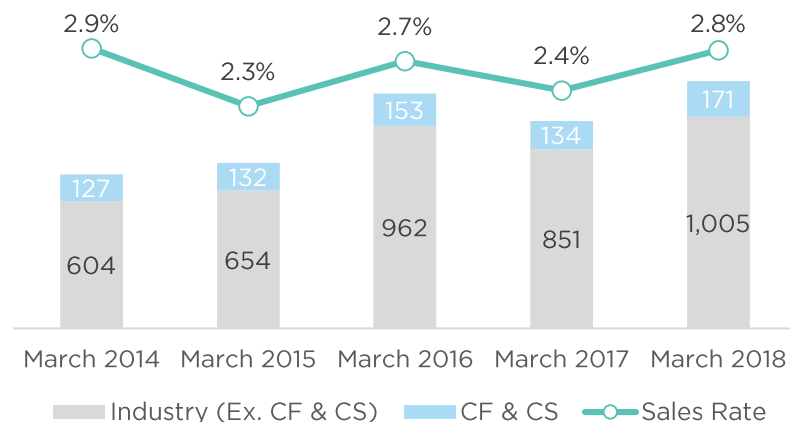
## Financial Statements

CLP\$ m.	1Q18	1Q17	Var. %
Net Premiums Income	121,819	89,270	36.5%
Net Investments Income	71,953	82,751	-13.0%
Cost of Sales	(171,860)	(147,880)	16.2%
SG&A	(6,980)	(5,464)	27.7%
<b>Operating Income</b>	<b>14,932</b>	<b>18,678</b>	<b>-20.1%</b>
Non Operating Income	(1,364)	1,079	-226.4%
<b>Net Income Conf + Corp</b>	<b>11,253</b>	<b>16,982</b>	<b>-33.7%</b>

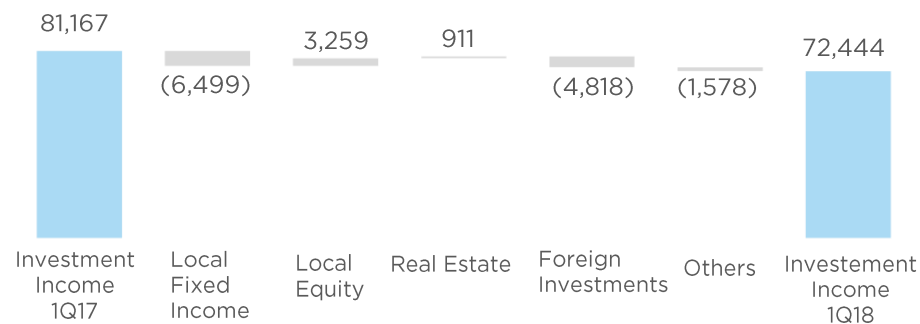
## Relevant Events

- Annuity premiums of Confuturo and Corpseguros increased by 37% (QoQ)** → higher sales rate increased the preference for annuities over programmed withdrawals
- Decrease in investment result** → lower return of fixed income (-17% QoQ) and foreign investments (-21% QoQ), offset by local equities and real estate (5%)

## Direct Premiums and Sales Rate (US\$ mm.)



## CF + CS Income Investment result (CLP\$ m.)



# BANCO INTERNACIONAL: ROE UP TO 14%

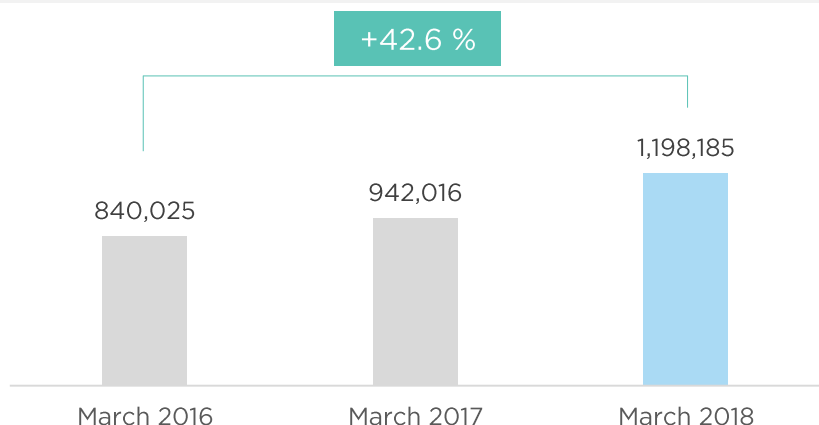
## Financial Statements

CLP\$ m.	1Q18	1Q17	Var. %
Net interest margin	10,500	6,571	59.8%
Net income from fees	1,330	1,213	9.6%
Net financial operating income	3,911	2,799	39.7%
Credit risk provisions	(2,178)	(3,342)	-34.8%
<b>Gross operating result</b>	<b>16,204</b>	<b>12,808</b>	<b>26.5%</b>
SG&A's	(5,695)	(4,858)	17.2%
<b>Net result</b>	<b>3,949</b>	<b>1,114</b>	<b>254.4%</b>

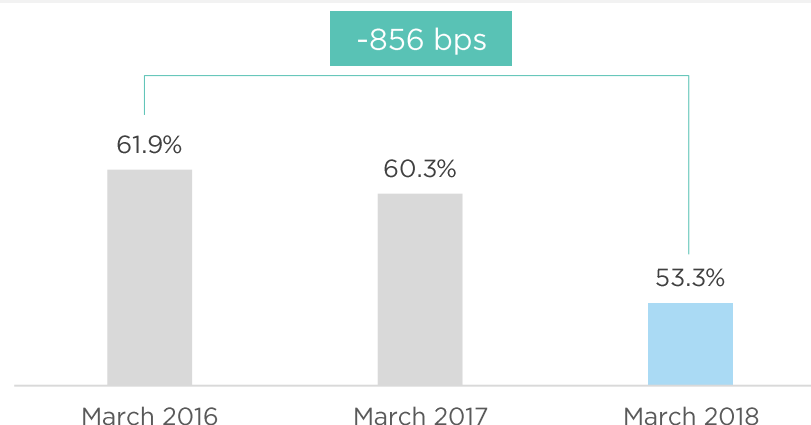
## Relevant Events

- **Net interest margin increased** 60% QoQ. mainly explained by higher loans (27%) and inflation
- **Credit risk provisions** decreased 35% QoQ stronger client profile + higher constitution of guarantees
- Banco Internacional improved its **efficiency ratio** from **60%** at the end of March 2017 to **53%** in March 2018
- Banco Internacional increased its **ROE** from **9.1%** in 1Q17 to **14.3%** in 1Q18

## Commercial Loans (CLP\$ m.)



## Efficiency Rate



# RED SALUD: INCREASED REVENUES OFFSET BY HIGHER SG&AS AND OTHER NON OPERATING ITEMS

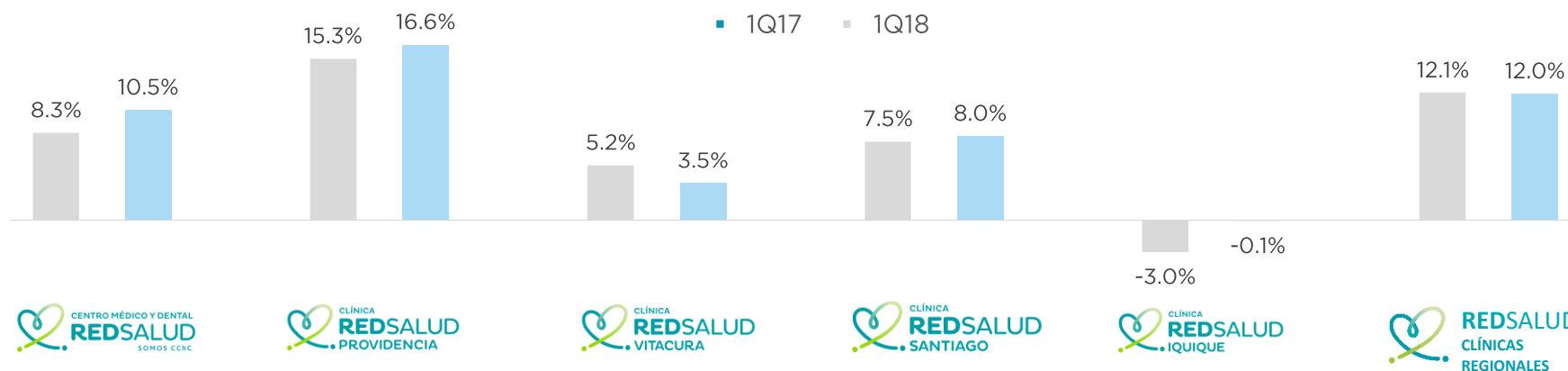
## Financial Statements

CLP\$ m.	1Q18	1Q17	Var. %
Revenues	87,779	81,873	7.2%
Costs of Sales	(67,501)	(63,246)	6.7%
Other revenues	17,012	60	
SG&A	(17,809)	(15,686)	13.5%
Operating Income	19,481	3,001	549.2%
Non Operating Income	(3,067)	(2,706)	13.3%
Profit to Red Salud	10,622	(426)	-2594.8%
Ebitda	6,648	6,950	-4.3%

## Relevant Events

- **Net revenues went up by +7% (QoQ)** → larger contributions from Red Salud Providencia, Santiago and Centros Medicos y Dentales Red Salud
- **Lower consolidated Ebitda of -4% (QoQ)** → weaker dental activity, expenses related to dental expansion plan and corporate higher expenses
- **Red Salud's net result reached CLP\$10.6 billion** → mainly explained by the divestment in the health IT company i-Med

## EBITDA Margin by Hospital



# LARGER REVENUES AND LOWER LOSS RATIOS

## Consalud's Financial Statements

CLP\$ m.	1Q18	1Q17	Var. %
Revenues	118,623	107,048	10.8%
Costs of Sales	(95,483)	(88,040)	8.5%
Administrative Expenses	(16,005)	(51,758)	-69.1%
<b>Operating Income</b>	<b>7,810</b>	<b>5,220</b>	<b>49.6%</b>
Non Operating Income	627	448	39.9%
<b>Profit to Consalud</b>	<b>5,975</b>	<b>4,198</b>	<b>42.3%</b>

## Consalud's Relevant events

- **Net income growth driven by:**
  - **Revenues (11% QoQ):**
    - 3.7% increase in average beneficiaries
    - Price and Inflation adjustments
  - **175 bps loss ratio decrement (QoQ)**

## Vida Cámara's Financial Statements

CLP\$ m.	1Q18	1Q17	Var. %
D&C Chile – Gross Profit	975	17	5527.3%
Health & Life Insurance – Gross Profit	2,607	2,278	14.5%
Administrative expenses	(1,638)	(1,372)	19.4%
<b>Operating Income</b>	<b>2,021</b>	<b>1,069</b>	<b>89.0%</b>
Financial Income	51	42	19.8%
Vida Cámara Peru	-	1,516	-96.7%
Non Operating Income	51	1,559	-96.7%
<b>Profit to Vida Cámara</b>	<b>1,613</b>	<b>2,457</b>	<b>-34.3%</b>

## Vida Cámara's Relevant events

- **Gross profit increased by 56% (QoQ) →** better performance of the life and health insurance segment
- **Higher contribution margin →** driven by 6% rise in the number of beneficiaries and 32 bps reduction in loss ratio



- **Confuturo**

- Continue growing in net premiums, over the growth faced by the industry
- Focus on the investment portfolio, looking for longer, more stable and higher return assets
- Capital self-generation for supporting further growth

- **Banco Internacional**

- Important growth of 27,2% in commercial loans QoQ
- ROE improved from 9.1% in 1Q17 to 14.3% in 1Q18
- Capital increase program of up to CLP\$60 billion

- **Red Salud**

- Slight recovery in the demand within the Chilean healthcare industry
- Looking for further efficiencies, internal demand generation and network efficiencies



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