



Conference Call ILC 2Q19
August 27th, 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, August 27th, 2019 @ 11:00 AM Sgto. / 11:00 AM ET

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Webcast: <http://webcastlite.mziq.com/cover.html?webcastId=b7f55a94-1113-497d-8c84-616b28714e63>

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1. Growth in loans and operating results continues at Banco Internacional

- 30% increase in commercial loans, compared to 8% of the Chilean industry
- Trailing year net income of CLP\$19 billion, 15% ROE

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

- Revenues up by 11%, ~50% from fees in Chile and ~30% from fees in Peru

3. Mandatory health insurance scenario: Consalud

- Higher medical coverages and medical leaves by 11% and 19% respectively
- Increment in total litigation cases by 2.1x

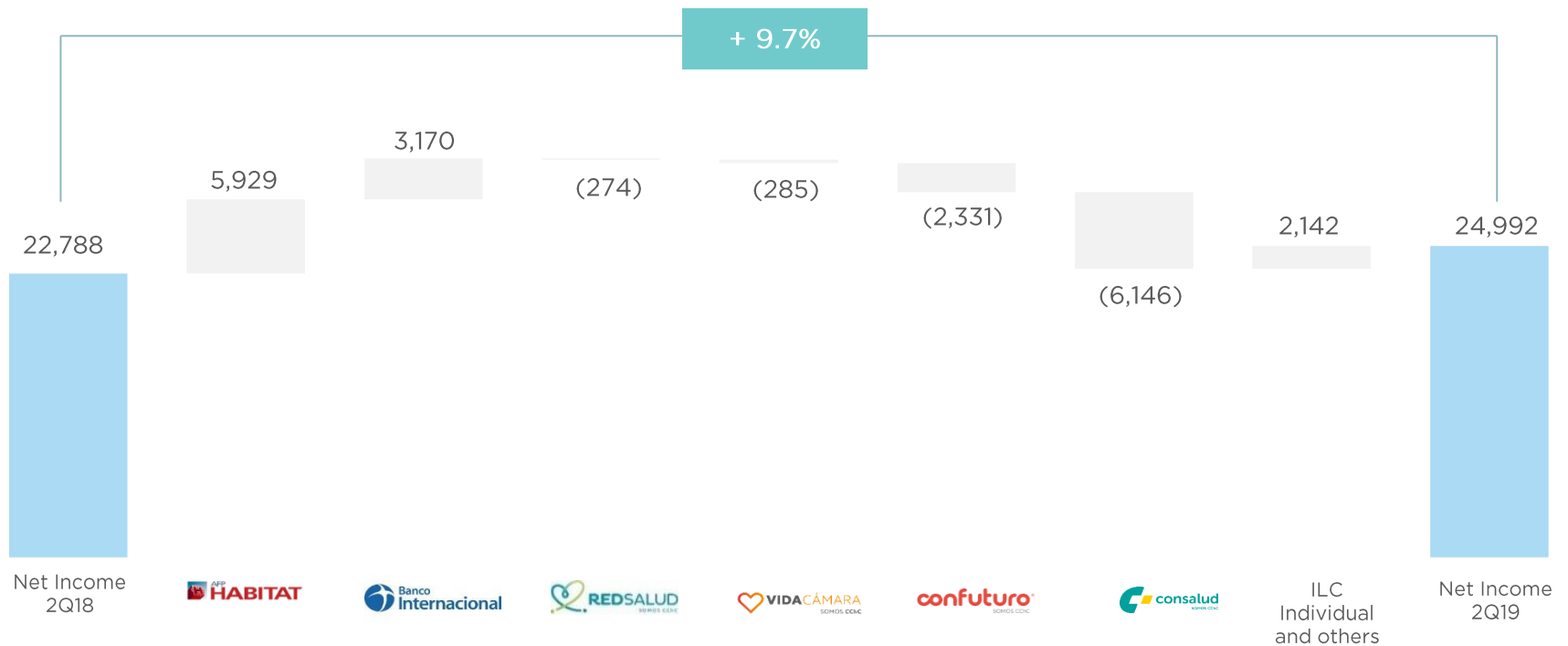
4. Strategic milestones: 17% stake acquisition of Banco Internacional / AFP Habitat's agreement for the acquisition of AFP Colfondos in Colombia / Merger of Confuturo and Corpseguros

ALL IN ALL...



ILC's Net Income Variation by Subsidiary

CLP\$ m.



- Better performance of AFP Habitat (revenues & encaje) + Banco Internacional (gross operating result & efficiency) + Vida Cámara Peru (release of reserves) improved consolidated results
- Higher health reimbursements, medical leaves and legal expenses eroded the results of Consalud

OPERATING PERFORMANCE SUPPORTED BY HIGHER REVENUES IN CHILE AND PERU

Financial Statements

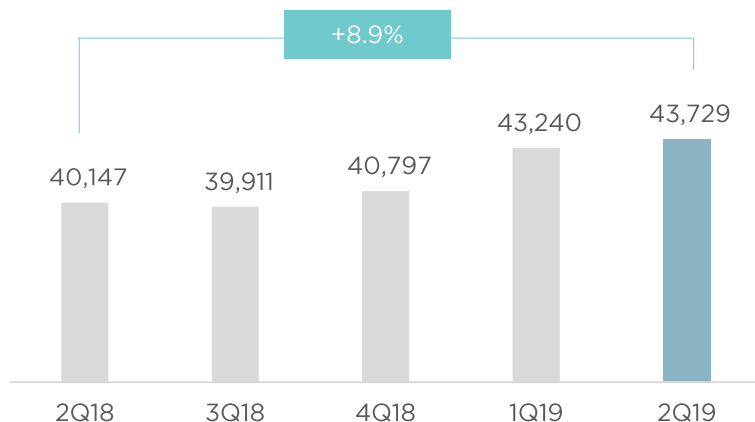
CLP\$ m.	2Q19	2Q18	%
Revenues: Chile	47,866	44,128	8.5%
Revenues: Peru	6,623	5,030	31.7%
SG&A	(22,374)	(21,495)	4.1%
Operating Income	32,116	27,663	16.1%
Gain (Loss) of the Encaje	17,112	2,005	753.3%
Non Operating Income	18,267	3,228	465.9%
Profit Before Encaje	20,440	20,810	-1.8%
Net Profit	37,552	22,816	64.6%

Highlights

- **Operating income increased 16.1%** → higher revenues from fees in Chile (8.9%) and Peru (36.9%)
- **Peru** recorded a net profit of \$2,367 million. As of the end of June 2019, Habitat Peru had more than 1.1 million active affiliates and managed US\$ 2.7 billion in AUM
- **Higher non operating income**, due to a \$15,107 million increment in the profitability of the encaje

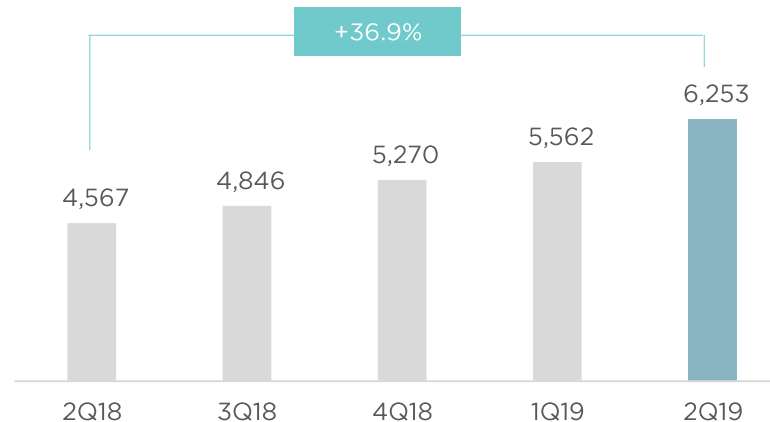
Average Income per Contributor Habitat Chile

CLP\$



Average Income per Affiliate Habitat Peru

CLP\$



RESULTS AFFECTED BY LARGER PENSIONS PAID, IMPAIRMENTS AND FX VARIATION

Financial Statements

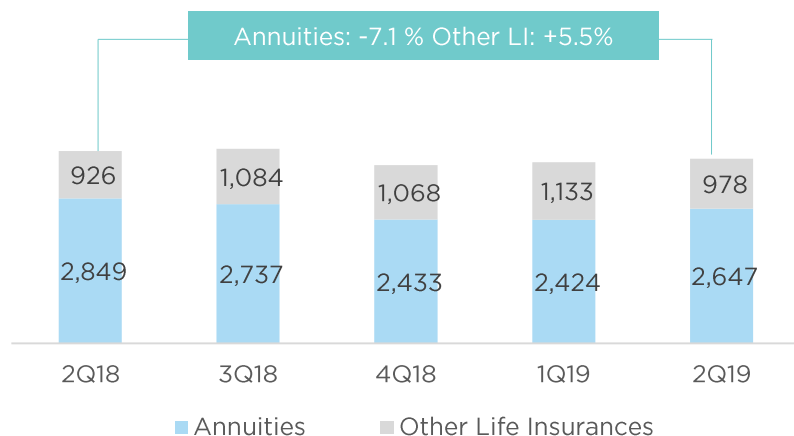
CLP\$ m.	2Q19	2Q18	%
Net Premiums Income	95,746	93,408	2.5%
Net Investments Income	86,330	76,252	13.2%
Cost of Sales	(160,132)	(151,476)	5.7%
SG&A	(7,294)	(4,347)	67.8%
Operating Income	14,649	13,837	5.9%
Non Operating Income	(2,607)	5,460	-147.8%
Net Profit Insurance Act.	13,011	14,523	-10.4%
Net Profit Inv. Confuturo	10,673	13,004	-17.9%

Highlights

- **Net premiums income increased by 2.5%** → larger life insurance premiums + lower expenses related to premiums reversed decreased annuity collection
- **Investment result increased by 13.2%** → better investment returns abroad + higher results in derivatives
- **Cost of sales up by 5.7%** → larger pensions paid + higher loss ratio in life insurances, partially compensated by lower constitution of annuity reserves
- **SG&A up by 67.8%** → mainly due to impairments related to syndicated loans
- **Non operating result down by \$8,067 million** → mainly driven by QoQ FX variation on investments abroad

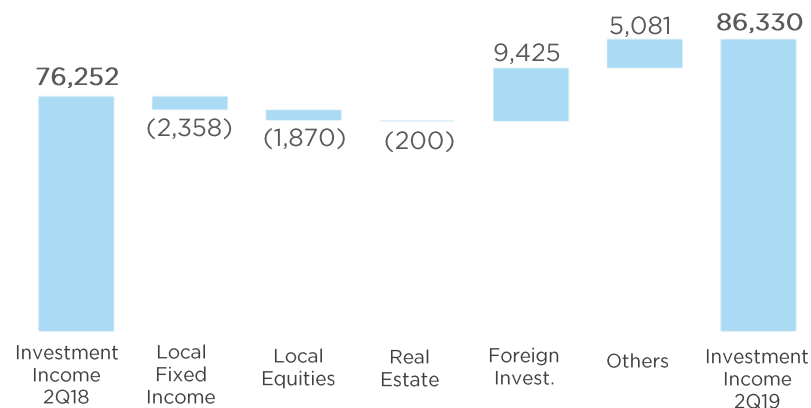
Confuturo Life Insurance Premiums

UF Th.



Net Investment Income

CLP\$ m.



RESULTS BOOSTED BY A 30% GROWTH IN COMMERCIAL LOANS + EFFICIENCY IMPROVEMENT

Financial Statements

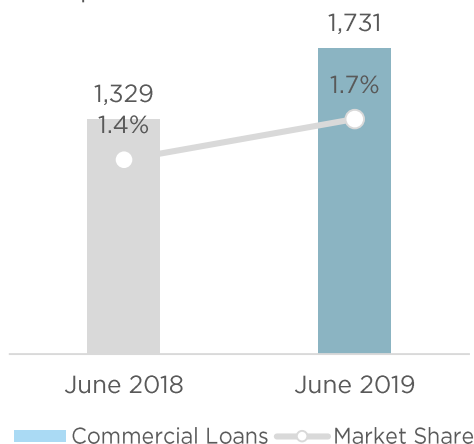
CLP\$ m.	2Q19	2Q18	%
Net Interest Margin	14,435	11,487	25.7%
Net Income from Fees	1,475	1,096	34.6%
Other Operating Income	8,131	2,867	183.6%
Gross Operating Result	24,041	15,450	55.6%
Credit Risk Provisions	(5,116)	(2,662)	92.2%
SG&A	(10,754)	(9,170)	17.3%
Operating Income	8,171	3,618	125.8%
Net Result	7,056	2,886	144.5%

Highlights

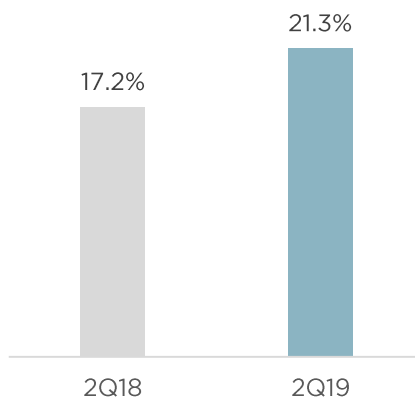
- **Net interest margin increased 25.7%** → higher interest income due to growth in loans, as well as greater inflation adjustments. This was partially offset by the 33.9% growth in the liabilities of the Bank
- **Credit risk provisions up 92.2%** → affected by growth in loans + recovery in risk provisions (low 1Q19 risk expenses)
- **Efficiency ratio improved from 59.4%** at the end of June 2018 to **44.7%** in June 2019 → greater gross operating result offset higher operating expenses

Commercial Loans

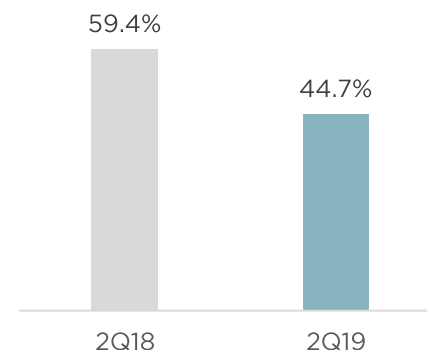
CLP\$ b.



Risk Expenses / Gross Operating Result



Efficiency



OUTPATIENT ACTIVITY BENEFITED EBITDA

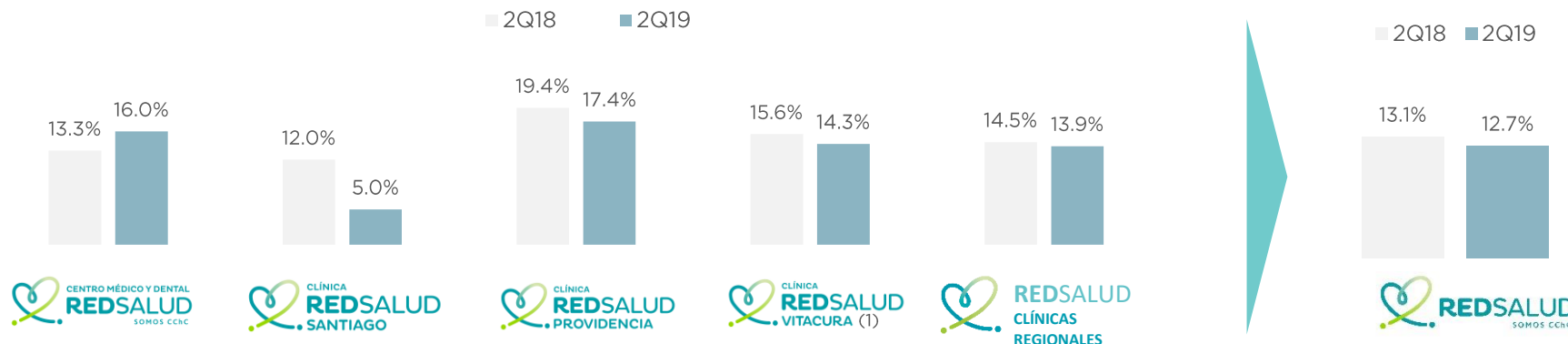
Financial Statements

CLP\$ m.	2Q19	2Q18	%
Revenues	107,093	98,260	9.0%
Costs of Sales	(79,306)	(71,964)	10.2%
SG&A	(19,463)	(17,613)	10.5%
Operating Income	8,464	(11,333)	-174.7%
Non Operating Income	(4,156)	(3,339)	24.5%
Profit to Red Salud	2,929	3,203	-8.6%
EBITDA	13,631	12,872	5.9%
EBITDA Margin	12.7%	13.1%	-0.4%

Highlights

- **Revenues went up by 9.0% →** larger contributions in all facilities (except Vitacura), boosted by higher outpatient activity
- **Higher cost of sales and SG&As →** Labor expenses affected operating performance, as well as medical materials and depreciation. Lower impairments in accounts receivables during the quarter
- **Consolidated EBITDA growth of 5.9% →** led by Centros Médicos y Dentales and Clínicas Regionales, as well as by the effect arising from the IFRS16 adoption

EBITDA Margin by Entity



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

DETERIORATION OF LOSS RATIOS OF CONSALUD AND VIDA CÁMARA

Financial Statements Consalud (Under IFRS)

CLP\$ m.	2Q19	2Q18	%
Revenues	131,237	121,253	8.2%
Costs of Sales	(121,687)	(109,456)	11.2%
Administrative Expenses	(18,968)	(15,701)	20.8%
Operating Income	(7,943)	5,051	-257.3%
Non Operating Income	484	588	-17.7%
Profit to Consalud	(7,334)	(1,187)	517.9%

Highlights Consalud

- **8.2% larger revenues** → 4.3% increase in average beneficiaries, inflation and price adjustments in health plans
- **245 bps increase in loss ratio** → higher reimbursements of inpatient and outpatient medical services, as well as medical licenses
- **SG&A expenses increased by 20.8%** → increase in administrative expenses and 2.1x number of trials against Consalud QoQ

Financial Statements Vida Cámara

CLP\$ m.	2Q19	2Q18	%
D&S Chile – Gross Profit	326	118	176.9%
Health & Life Insurance – Gross Profit	1,506	1,839	-18.1%
Administrative Expenses	(1,988)	(1,684)	18.1%
Operating Income	142	388	-63.4%
Non Operating Income	83	129	-35.6%
Profit to Vida Cámara	233	369	-36.8%

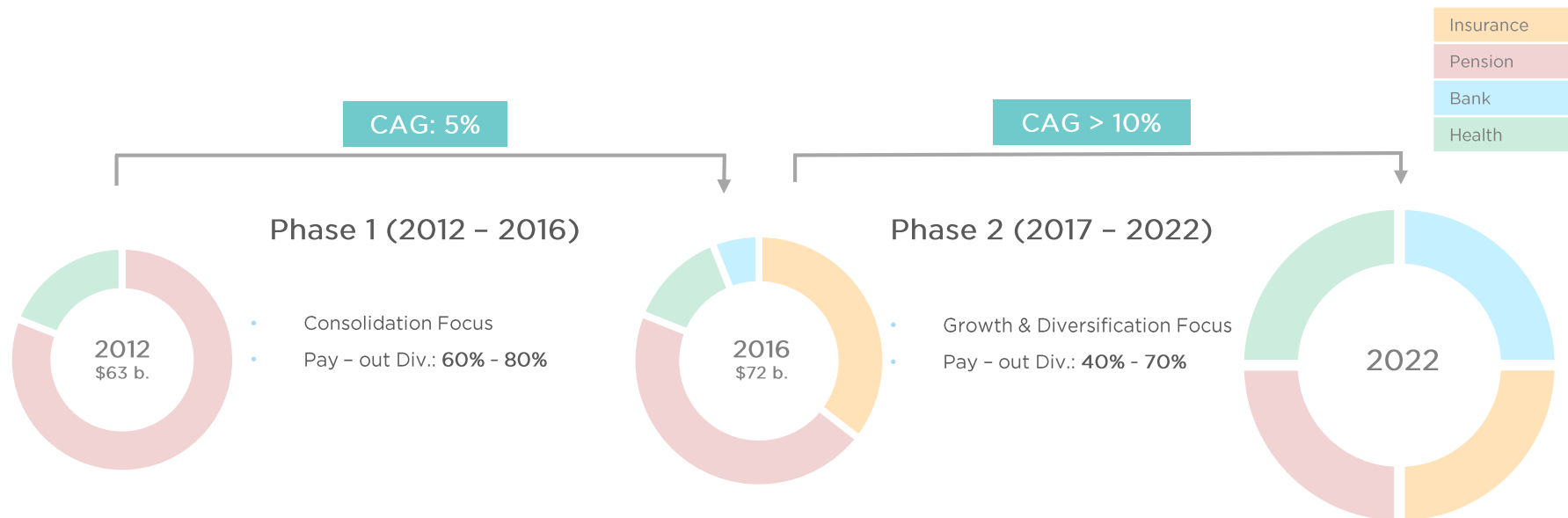
Highlights Vida Cámara

- **Consolidated gross profit decreased by 6.4%** → lower result of the of life and health insurances, partially offset by the D&S Chile
- **235 bps increase in loss ratio of health insurances**
- **14% rise in beneficiaries** totaling 343 thousand

ILC: NEW PHASE



ILC Net Income Composition



Fundamentals

Consistency

Capital
Deployment

Acquisitions
and successful
transformations

Adaptability to
regulatory
changes

Focus on
Sustainability



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