



Conference Call ILC 3Q19
November 26th, 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, November 26th, 2019 @ 11:00 AM Sgto. / 9:00 AM ET

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1. Net result of \$19.6 b (-\$14.2 b. QoQ), mainly driven by:

- High comparison base effect in Confuturo (real estate sale profit of \$12.8 b. in 3Q18 + impairment provision of \$6.8 b. in 3Q19)
- Higher loss ratio in Consalud (84% in 3Q18 vs. 100% in 3Q19)

2. Higher revenues of AFP Habitat Chile and Peru

- Revenues up by 12%, ~60% from income from fees in Chile and ~30% from Peru

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

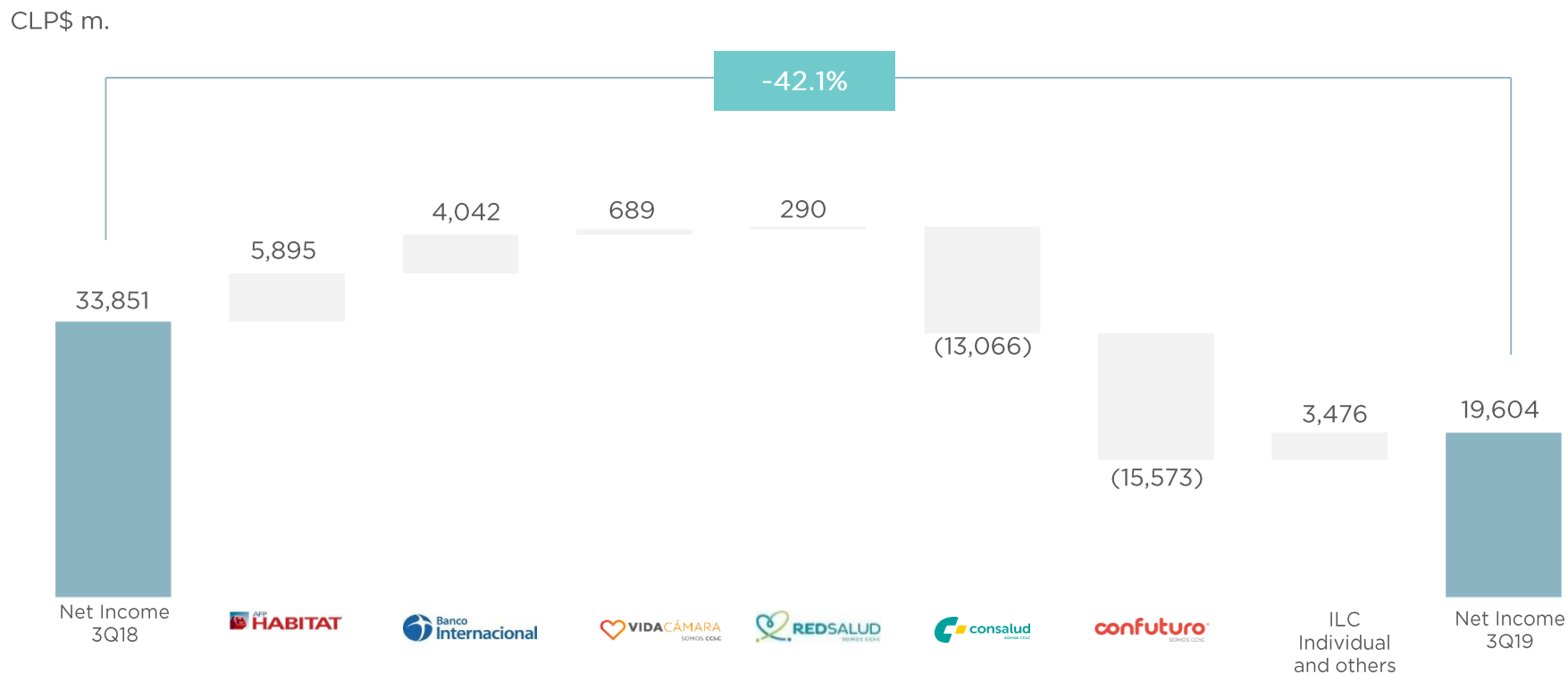
- 33% increase in commercial loans vs. 10% of the Chilean industry
- Trailing net income of CLP\$25 billion, 17% ROAE

4. EBITDA Margin of 13% in Red Salud, up 104 bps QoQ (185 bps including the effect of IFRS16)

- Outpatient activity grew 12% (medical consultations), 15% (urgency consultations), 12% (lab tests) and 14% (images)
- Margins benefited by improvements in Centros Médicos y Dentales, Regional Hospitals and Clínica Red Salud Providencia

5. Strategic milestones: AFP Habitat's agreement for the acquisition of AFP Colfondos in Colombia / 40% liabilities refinanced in ILC through bond issuances / capital increases in Confuturo and Banco Internacional

ILC's Net Income Variation by Subsidiary



- Lower contribution of Confuturo (high base comparison effect + impairment provision) + Consalud (larger health reimbursements, medical leaves and legal expenses)
- Better performance of AFP Habitat (revenues & encaje) + Banco Internacional (gross operating result & efficiency) + Vida Cámara (operating performance) + Red Salud (operating performance) + Vida Cámara Perú (reserves releases)

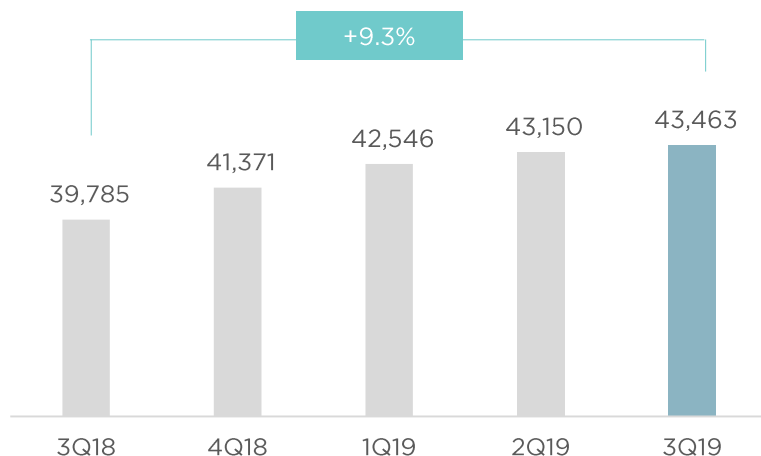
OPERATING PERFORMANCE SUPPORTED BY HIGHER AVERAGE TAXABLE INCOME IN CHILE AND AUM IN PERU

Financial Statements

CLP\$ m.	3Q19	3Q18	%
Revenues: Chile	47,228	43,350	8.9%
Revenues: Perú	6,944	5,298	31.1%
<i>Encaje</i> Perú	399	137	190.4%
SG&A	(25,690)	(20,345)	26.3%
Operating Income	28,881	28,302	1.6%
Gain (Loss) of the <i>Encaje</i> Chile	21,627	7,360	193.9%
Non Operating Income	23,227	8,722	166.3%
Profit Before Taxes	51,709	37,024	39.7%
Net Profit	38,086	27,423	38.9%
Profit Before Taxes and <i>Encaje</i>	29,682	29,526	0.5%

Average Income per Contributor Habitat Chile

CLP\$

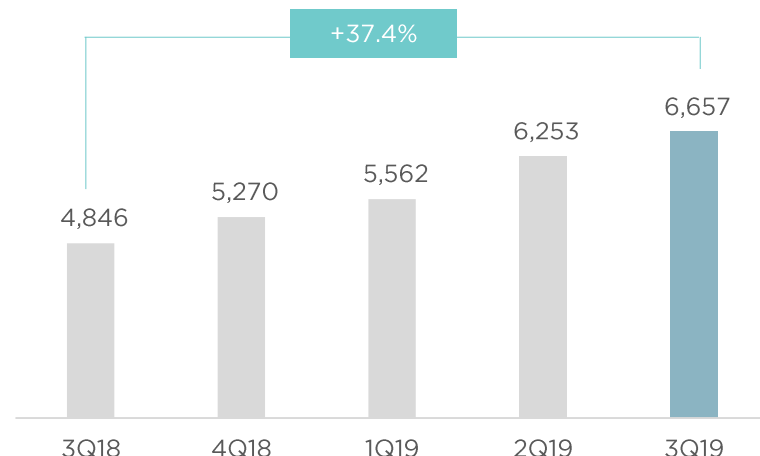


Highlights

- **Operating income increased 1.6%** → higher revenues from fees in Chile (8.9%) and Peru (31.1%), offset larger SG&As
- **Peru** recorded a net profit of \$1,874 million. As of the end of September 2019, Habitat Peru had more than 1 million active affiliates, managing US\$3.0 billion in AUM
- **Higher non operating income**, due to a \$14,267 million increment in the profitability of the *encaje* in Chile

Average Income per Affiliate Habitat Peru

CLP\$



LOWER PREMIUMS, HIGH BASE COMPARISON EFFECT ON INVESTMENTS, AND IMPAIRMENTS AFFECTED RESULTS

Financial Statements

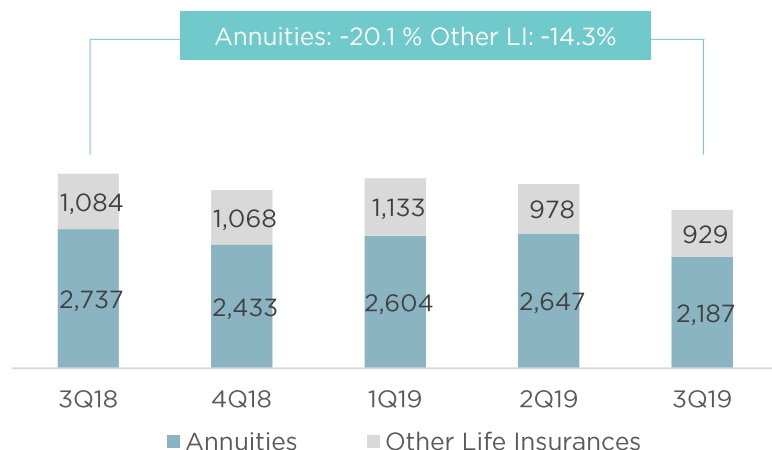
CLP\$ m.	3Q19	3Q18	%
Net Premiums Income	80,938	90,219	-10.3%
Net Investments Income	86,356	100,860	-14.4%
Cost of Sales	(146,693)	(157,034)	-6.6%
SG&A	(15,092)	(3,051)	394.7%
Operating Income	5,509	30,995	-82.2%
Non Operating Income	3,454	(1,947)	-277.4%
Net Profit Insurance Act.	6,774	22,475	-69.9%
Net Profit Inv. Confuturo	5,359	20,932	-74.4%

Highlights

- **Net premiums income decreased by 10.3%** → annuity premiums fell 20% due to fewer attractive investment opportunities at a certain level of risk
- **Investment result decreased by 14.4%** → high comparison base effect as in 3Q18 there was a \$17 b. profit related to a real estate divestment
- **Cost of sales down by 6.6%** → lower premiums, partially compensated by higher pensions paid and greater accounting losses per new premium
- **SG&A up by \$12,041 million** → mainly due to a \$6,828 million impairment provision related to a syndicated loan

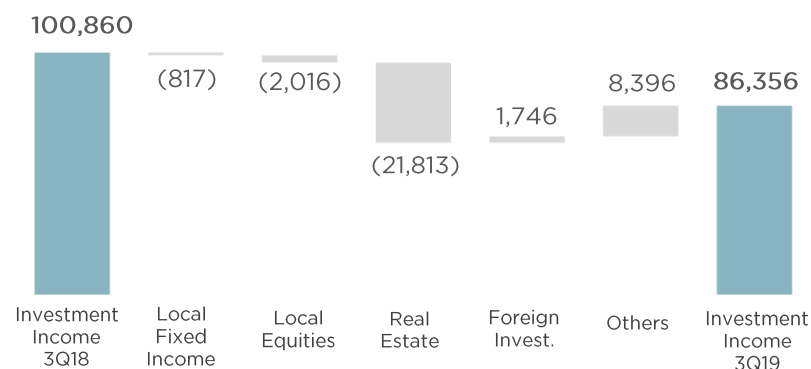
Confuturo Life Insurance Premiums

UF Th.



Net Investment Income

CLP\$ m.



RESULTS BOOSTED BY A 33% GROWTH IN COMMERCIAL LOANS, AS WELL AS BY EFFICIENCY IMPROVEMENTS

Financial Statements

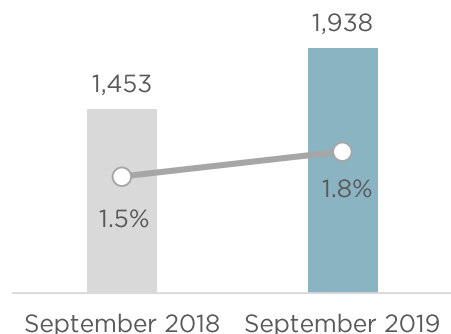
CLP\$ m.	3Q19	3Q18	%
Net Interest Margin	13,455	13,839	-2.8%
Net Income from Fees	1,381	2,049	-32.6%
Other Operating Income	14,601	800	1725.1%
Gross Operating Result	29,437	16,688	76.4%
Credit Risk Provisions	(6,166)	(2,918)	111.3%
SG&A	(11,590)	(9,315)	24.4%
Operating Income	11,680	4,455	162.2%
Net Result	9,017	3,608	149.9%

Highlights

- **Net interest margin decreased 2.8%** → larger interest income due to higher commercial loans, offset by increased interest expenses, as total liabilities grew 44.0%
- **Credit risk provisions increased by \$3,248 million** → growth in commercial loans
- **Efficiency ratio improved from 55.8% in 3Q18 to 39.4% in 3Q19** → higher gross operating result, partially offset by higher SG&As

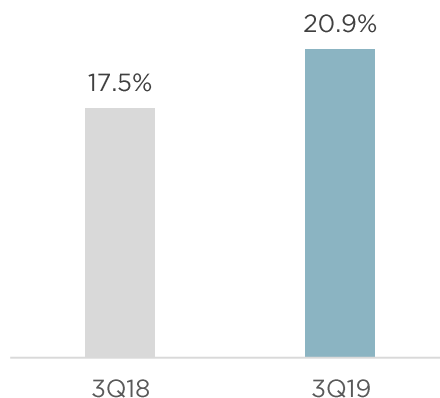
Commercial Loans

CLP\$ b.

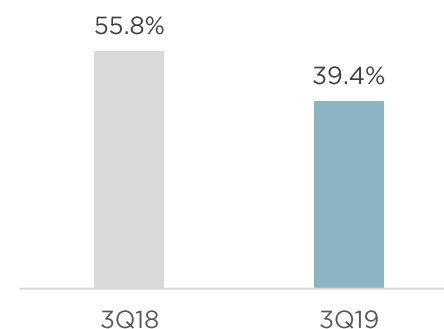


Commercial Loans — Market Share

Risk Expenses / Gross Operating Result



Efficiency



OUTPATIENT ACTIVITY BENEFITED EBITDA

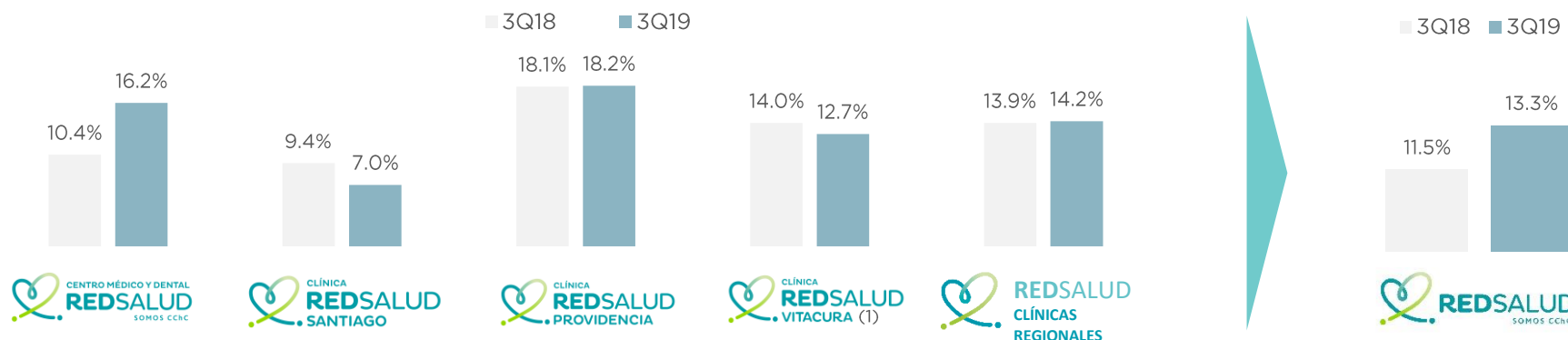
Financial Statements

CLP\$ m.	3Q19	3Q18	%
Revenues	110,168	101,260	8.8%
Costs of Sales	(80,602)	(74,579)	8.1%
SG&A	(20,350)	(19,387)	5.0%
Operating Income	9,165	7,801	17.5%
Non Operating Income	(3,220)	(2,983)	8.0%
Profit to Red Salud	3,632	3,342	8.7%
EBITDA	14,642	11,608	26.1%
EBITDA Margin	13.3%	11.5%	184 bps
EBITDA Margin (excluding IFRS 16 effect)	12.5%	11.5%	104 bps

Highlights

- **Revenues up by 8.8%** → higher outpatient activity, specially in medical consultations, images and laboratory
- **Improvement in COGS and SG&As ratios (QoQ)** → COGS and SG&As over revenues ratios fell 49 and 67 bps respectively
- **Consolidated EBITDA growth of 26.2%** → leaded by the improvements recorded in Centros Médicos y Dentales and Regional Hospitals

EBITDA Margin by Entity



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

GREATER HEALTHCARE COST IMPACTED LOSS RATIOS OF CONSALUD

Financial Statements Consalud (Under IFRS)

CLP\$ m.	3Q19	3Q18	%
Revenues	135,382	123,728	9.4%
Costs of Sales	(134,919)	(103,604)	30.2%
Administrative Expenses	(16,018)	(16,435)	-2.5%
Operating Income	(13,695)	5,416	-352.8%
Non Operating Income	406	497	-18.4%
Profit to Consalud	(9,084)	3,981	-328.2%

Highlights Consalud

- **Revenues up by 9.4%** → 3.7% increase in average beneficiaries, inflation and price adjustments in health plans
- **1.592 bps increment in loss ratio** → higher reimbursements of inpatient (+33%), outpatient (15%), and medical leaves (25%)
- **SG&As decreased by 2.5%** → lower administrative expenses, partially offset by a \$1.0 billion raise in legal expenses

Financial Statements Vida Cámara

CLP\$ m.	3Q19	3Q18	%
D&S Chile – Gross Profit	206	34	510.6%
Health & Life Insurance – Gross Profit	2,816	1,516	85.7%
Administrative Expenses	(2,162)	(1,734)	24.7%
Operating Income	830	(81)	-1119.0%
Non Operating Income	115	71	62.9%
Profit to Vida Cámara	722	33	2103.3%

Highlights Vida Cámara

- **Gross profit increased by 17.2%** → better performance of life and health insurances and D&S
- **Decrease in loss ratio** from 88.8% in 3Q18 to 83.4% in 3Q19
- **5% rise in the beneficiaries of life and health insurances**, totaling 341 thousand people

ILC: NEW PHASE



Consolidation in
Latam

Find Long Term
Investment
Opportunities and
Sales Flexibilization

Growth & Turnaround

Efficiency,
Consolidation and
Focus on Outpatient
Services





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