



Conference Call ILC 3Q20
November 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 scenarios, 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, November 25th, 2020 @ 11:00 AM Santiago / 9:00 AM ET
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1. Net result of \$20.9 bn. (+6.5% QoQ), mainly driven by:

- Lower loss ratio in Consalud (92.0% in 3Q20 vs. 99.7% in 3Q19) and Vida Cámara (64.3% in 3Q20 vs 83.4% in 3Q19)
- Award of three fractions (Vida Camara) and one fraction (Confuturo) of the Disability and Survivorship insurance in July 2020
- Consolidation of AFP Colfondos in December 2019

2. Weaker financial markets impacted results of Confuturo and AFP Habitat

- Greater uncertainty in global financial markets dropped investment returns, specially during September
- AFP Habitat's legal reserves decreased by CLP\$15 billion, whereas Confuturo's stock portfolio went down by CLP\$14 billion

3. Codiv-19 continued affecting demand for medical services; however, the worse is left behind

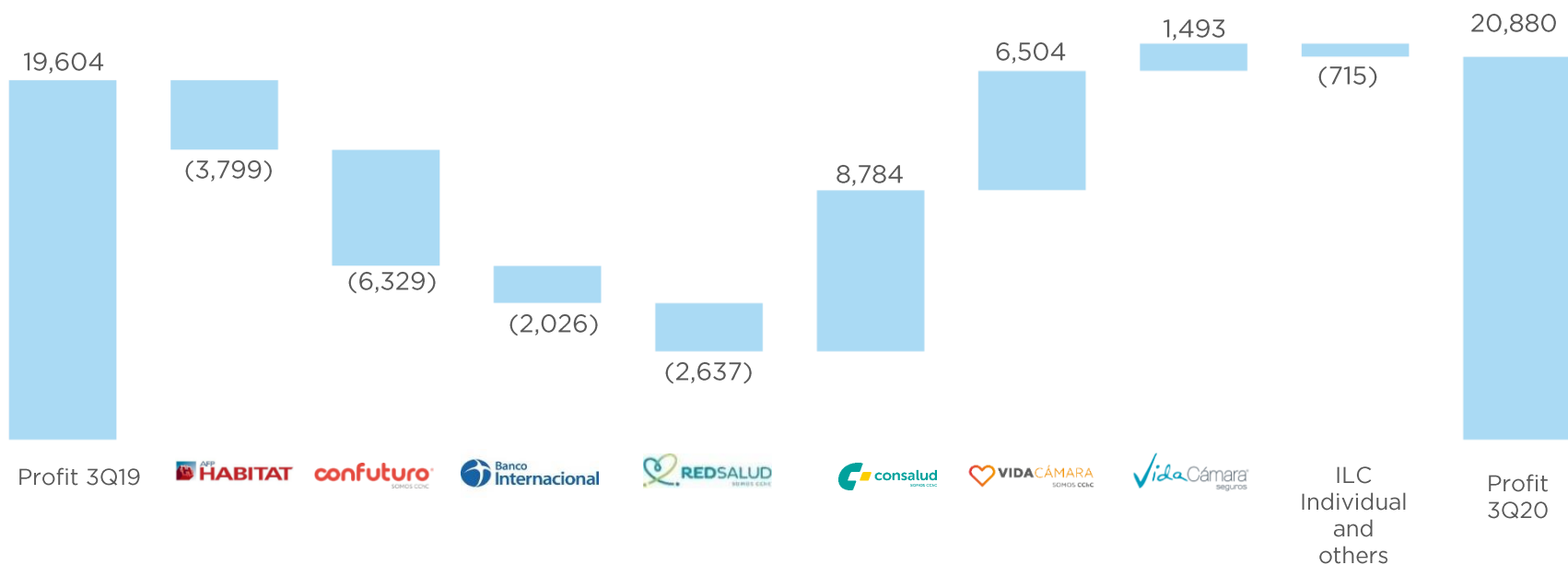
- Activity at Red Salud continued to be affected by Covid-19 restrictions. However, September was a strong month in outpatient and dental activity. Inpatient services with some lag

4. ILC and its subsidiaries have remained operative

- All subsidiaries 100% operative
- ILC has CLP\$100 billion in cash and a comfortable liability structure
- Capital additions in RedSalud and Banco Internacional in 2020

ILC Profit Variation by Subsidiary

CLP\$ m.



- (+) Isapre Consalud and Vida Camara's loss ratios came down, whereas Vida Camara Peru released less reserves QoQ
- (-) Weaker returns in financial markets affected AFP Habitat and Confuturo, lower demand in Red Salud due to Covid-19, as well as voluntary provisions in Banco Internacional

IMPROVEMENT IN OPERATING FIGURES DRIVEN BY COLFONDOS

Financial Statements

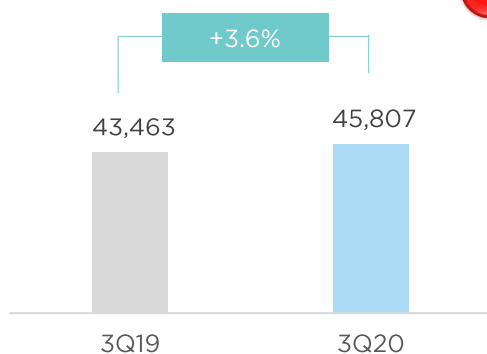
CLP\$ m.	3Q20	3Q19	%
Revenues: Chile	45,866	47,228	-2.9%
Revenues: Peru	7,157	6,944	3.1%
Revenues: Colombia	10,916	-	-
Total Revenues	63,940	54,172	18.0%
SG&A	(33,690)	(25,690)	31.1%
Operating Income	30,250	28,482	6.2%
Gain (Loss) of the Encaje	7,459	22,026	-66.1%
Non Operating Income	8,688	23,227	-62.6%
Profit Before Taxes	38,939	51,709	-24.7%
Net Profit	28,680	38,086	-24.7%
Profit Before Taxes and Encaje	31,480	29,682	6.1%

Highlights

- **Revenues increased 18.0%** → consolidation of Colfondos contributed with \$10,916 m. in revenues, whereas Perú showed a 3.1% increment, partially offset by a 2.9% reduction in Chilean revenues as contributors fell 7.9% QoQ
- **SG&A** → 31.1% increment in SG&As (more than 95% explained by the consolidation of Colfondos)
- **Operating income grew 6.2% QoQ**
- **62.6% reduction in non-operating income** → \$14,567 m. decrement in returns on legal reserves in Chile and Peru
- **International contribution (Peru & Colombia)** → represented 18.4% of AFP Habitat's net result in 3Q20 (before taxes and legal reserves)

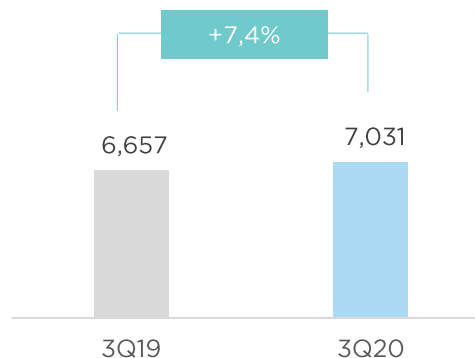
Average Income per Contributor

CLP\$



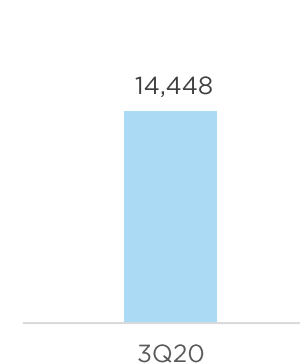
Average Income per Affiliate

CLP\$



Average Income per Contributor

CLP\$



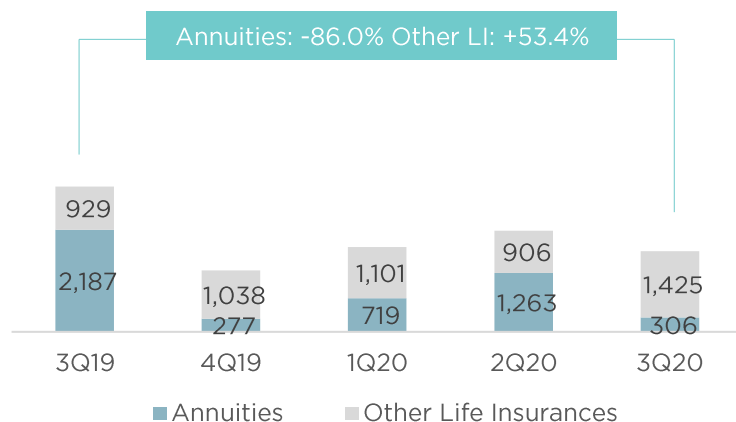
RESULTS AFFECTED BY LOWER PREFERENCE FOR ANNUITIES AND FINANCIAL MARKETS' PERFORMANCE

Financial Statements

CLP\$ m.	3Q20	3Q19	%
Net Premiums Income	33,103	80,938	-59.1%
Net Investments Income	50,484	86,356	-41.5%
Cost of Sales	(83,760)	(146,693)	-42.9%
SG&A	(9,396)	(15,092)	-37.7%
Operating Income	40,914	91,864	-55.5%
Non Operating Income	13,649	3,454	295.2%
Net Profit Insurance Act.	373	6,774	-94.5%
Net Profit Inv. Confuturo	(971)	5,359	-118.1%

Confuturo Life Insurance Premiums

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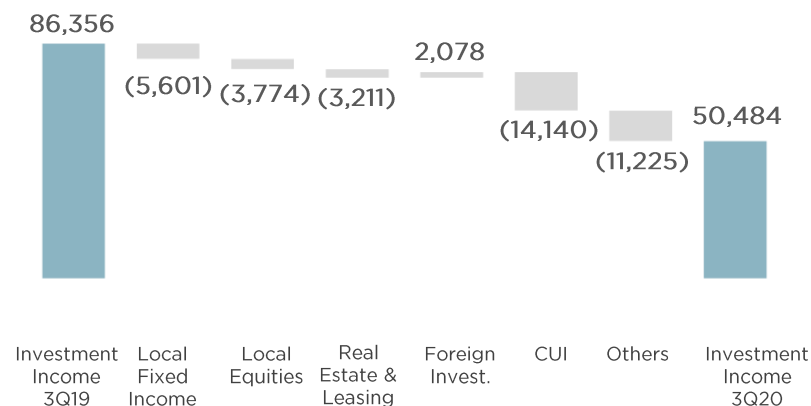


Highlights

- **Net premium income decreased by 59.1%** → annuity premiums fell 86.0% (vs. 68.0% industry). Spread between scheduled withdrawals and annuities increased 210 bps, reducing preference from 46% to 13%. People retiring with scheduled withdrawals: +11% / annuities: -80% QoQ
- **Investment returns fell 41.5%** → greater uncertainty affected financial markets' performance, especially in stock instruments during September
- **Cost of sales went down by 42.9%** → lower revenues and accounting losses as VTD formula was updated (discount rate for accounting new reserves, set by regulator)
- **SG&As fell by 37.7%** → lower impairment provisions as there was a high base comparison effect (approx.. \$6,800 million recorded in 3Q19 for El Águila loan)

Net Investment Income*

CLP\$ m.



ANOTHER QUARTER FOCUSED ON RISK MANAGEMENT AND SOLVENCY

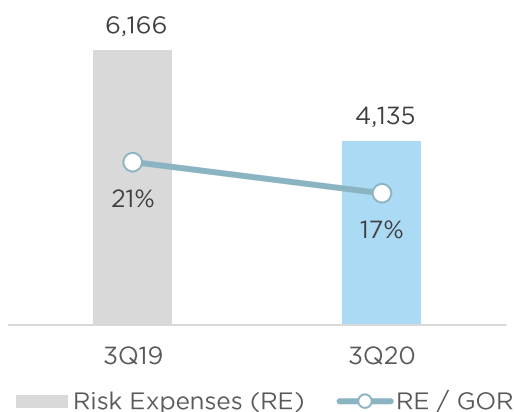
Financial Statements

CLP\$ m.	3Q20	3Q19	%
Net Interest Margin	17,095	13,455	27.1%
Net Income from Fees	(69)	1,381	-105.0%
Other Operating Income	7,375	14,600	-49.5%
Gross Operating Result	24,401	29,436	-17.1%
Credit Risk Provisions	(4,135)	(6,166)	-32.9%
SG&A	(12,211)	(11,590)	5.4%
Operating Income	8,055	11,680	-31.0%
Net Result	6,137	9,018	-31.9%

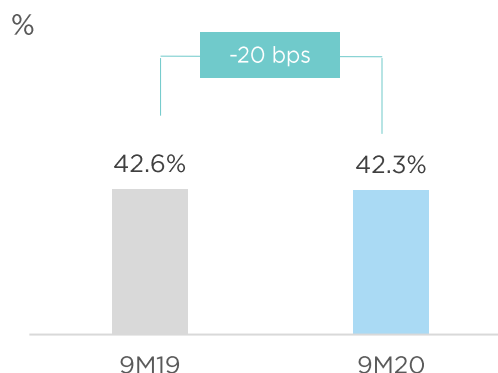
Highlights

- **Net interest margin increased 27.1% → 13% loan growth + lower cost of funds as rates and inflation came down**
- **Credit risk provisions decreased by 32.9% → provision concentration in 1H20 + improvement in payment behavior. \$1,688 million of voluntary provisions in July 2020**
- **Efficiency ratio improved marginally from 42.6% in 9M19 to 42.3% in 9M20 → higher gross operating income diluted greater SG&As**
- **Other operating income decreased 49.5% → lower result from inflation coverages**

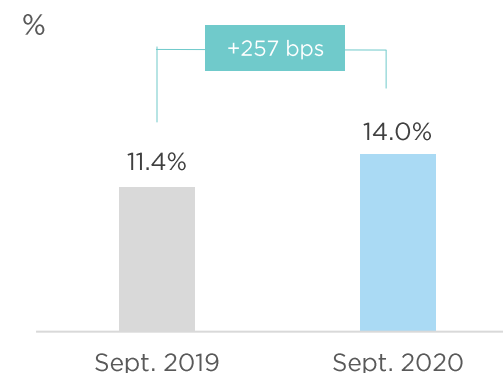
Risk Expenses



Efficiency



Solvency Ratio (Basel I)



THE WORSE WAS LEFT BEHIND

Financial Statements

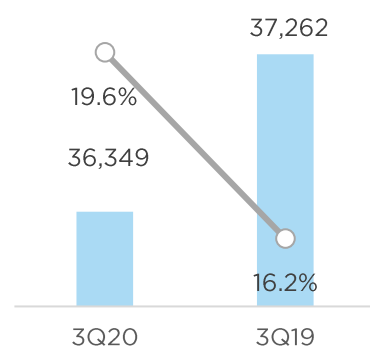
CLP\$ m.	3Q20	3Q19	%
Revenues	101,849	110,168	-7.6%
Costs of Sales	(80,234)	(80,602)	-0.5%
SG&A	(16,537)	(20,350)	-18.7%
Operating Income	5,078	9,216	-44.9%
Non Operating Income	(2,518)	(3,272)	-23.0%
Profit to Red Salud	996	3,633	-72.6%
EBITDA	11,378	14,642	-22.3%
EBITDA Margin	11.2%	13.3%	-2.12%

Highlights

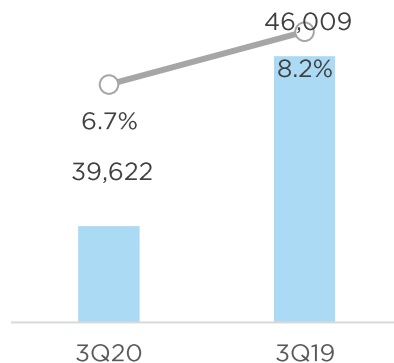
- **Revenue decreased by 7.6%** → slowdown in activity due to Covid-19, specially in inpatient services. Outpatient activity recovering gradually since April 2020. Dental activity normalized at the end of 3Q20
- **COGS & SG&As fell 0.5% and 18.7% respectively (QoQ)** → lower activity and cost control plan to face Covid-19
- **Consolidated EBITDA dropped 22.3%** → mainly at Regional and Metropolitan Hospitals. Medical and Dental centers recorded a better quarter supported by a greater outpatient activity

Revenue (CLP\$ m.) and EBITDA Margin (%) by Entity

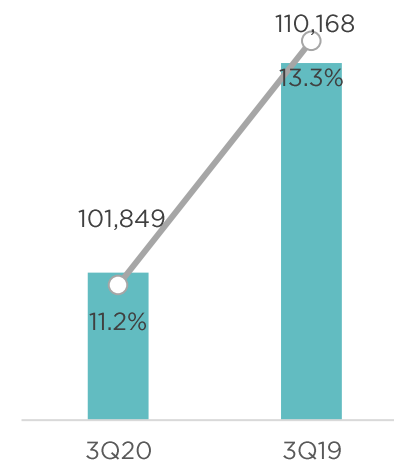
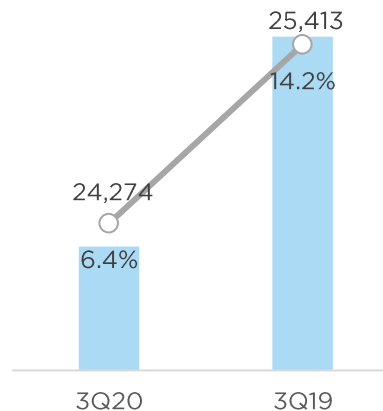
Medical and Dental Centers:



Metropolitan Region Hospitals:



Regional Hospitals:



LOWER LOSS RATIO CONTINUE BOOSTING RESULTS

Financial Statements Consalud (Under IFRS)

CLP\$ m.	3Q20	3Q19	%
Revenues	146,140	135,382	7.9%
Costs of Sales	(134,406)	(134,919)	-0.4%
Administrative Expenses	(13,709)	(16,018)	-14.4%
Operating Income	(330)	(13,695)	-97.6%
Non Operating Income	(100)	406	-124.7%
Profit to Consalud	(301)	(9,084)	-96.7%

Highlights

- **Revenue went up by 7.9%** → 1.0% increase in average contributors, price adjustment of GES premium in October 2019 and inflation QoQ
- **771 bps fall in loss ratio** → higher revenues and lower reimbursements for outpatient and inpatient care due to Covid-19 (-25.0% and 1.2% respectively), partially offset by greater costs of medical leaves
- **SG&As decreased by 14.4%** → savings in marketing, rental and other expenses

Financial Statements

CLP\$ m.	3Q20	3Q19	%
Gross Result Life & Health Insurance	6,139	2,816	118.0%
Gross Result SIS	6,026	206	2819.0%
Profit to Vida Cámara	7,230	722	901.5%

Highlights

- **Gross profit increased by \$9,142 million** → lower loss ratio from life and health insurance due to Covid-19 + D&S insurance awarded in July 2020 (three fractions)
- **Improvement in loss ratio from 83.4% in 3Q19 to 64.3% in 3Q20** → +6.1% premiums + lower healthcare activity due to pandemic
- **No changes in the number of life and health insurance beneficiaries**, totaling 341 thousand people and UF505 thousand in premiums, ranking 3rd in the industry

FLEXIBILITY: MAIN LESSON FOR THE FUTURE





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