



Conference Call ILC 2Q18

August 2018





Positives



1. Better operating performance at Red Salud

- Higher activity in both inpatient and outpatient services, even above the industry
- Consolidated EBITDA margin of 13.1%, 242 bps higher than 2Q17

2. Growth in loans continues at Banco Internacional

- 33% growth in commercial loans YoY, compared to 9% growth of the whole industry
- ROE of 13.5%

3. Recovery in annuity premiums

Negatives



1. Weaker equity returns worldwide

- Encaje return of AFP Habitat down by 65%
- Local equities of Confuturo and Corpseguros rented -79%

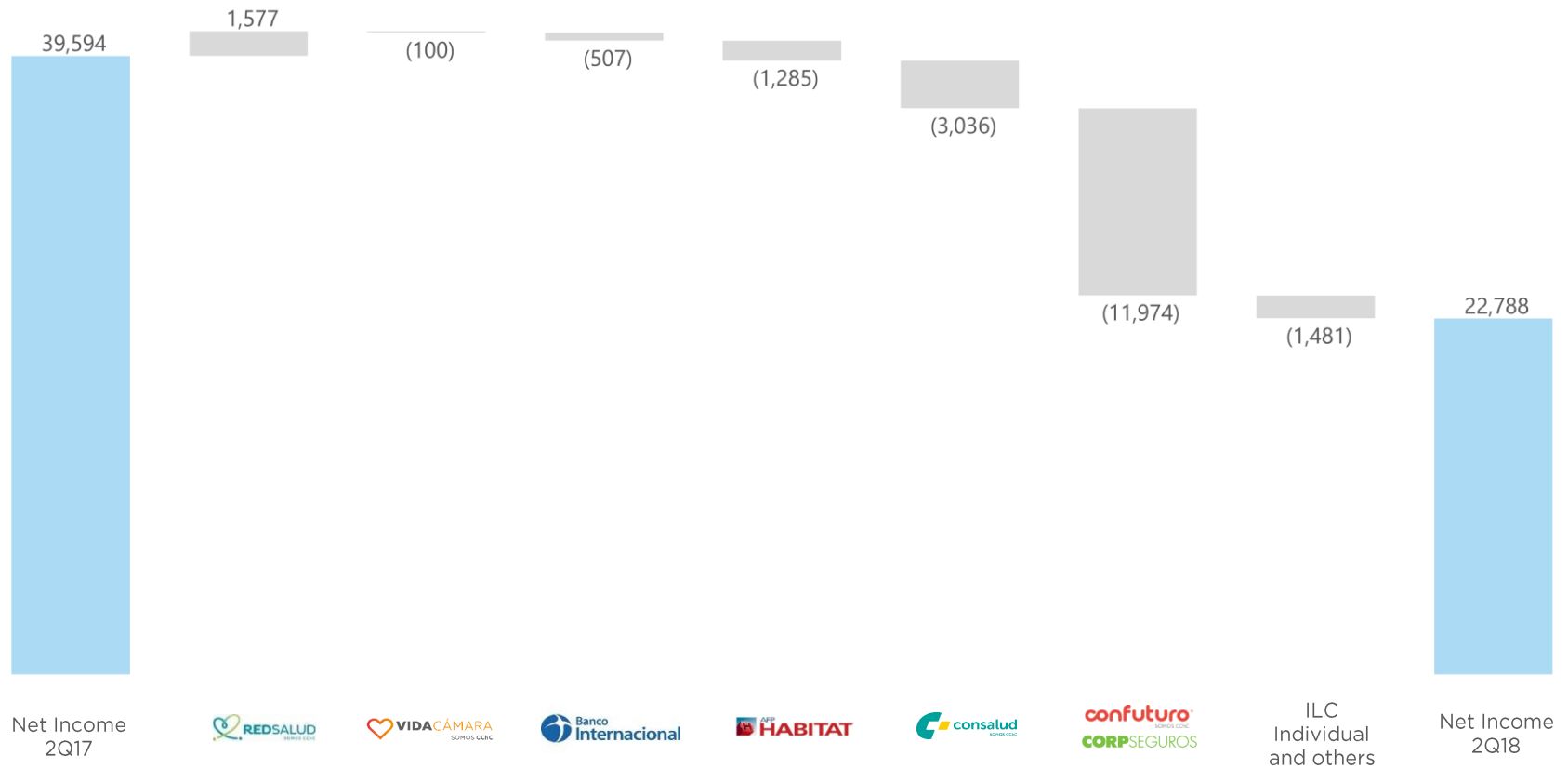
2. Office building sale in 2Q17 sets a high comparison base

- Profit of \$13,760 million was reflected by Confuturo and Corpseguros in 2Q17

ALL IN ALL...



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



- ILC's net income fell 42.2% QoQ
- The above was mainly driven by the weaker performance of stock markets, as well as by the real estate asset operation in 2Q17 explained before

OPERATING PERFORMANCE SUPPORTED BY HIGHER REVENUES IN CHILE AND PERU

Financial Statements

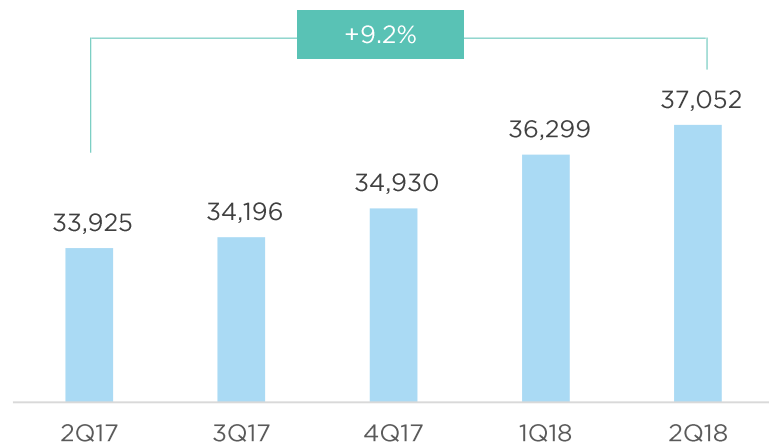
CLP\$ m.	2Q18	2Q17	%
Revenues: Chile	44,128	41,179	7.2%
Revenues: Peru	5,030	3,897	29.1%
SG&A	(21,495)	(18,904)	13.7%
Operating Income	27,663	26,172	5.7%
Gain (Loss) of the Encaje	2,005	5,748	-65.1%
Non Operating Income	3,228	7,160	-54.9%
Profit Before Encaje	20,810	20,257	2.7%
Net Profit	22,816	26,005	-12.3%

Highlights

- **Operating income increased 5.7%** → higher revenues from fees in Chile and Peru
- **Peru** recorded a result of CLP\$745 million with 1.1 million active affiliates
- **Inferior non operating income**, due to a lower return of the encaje

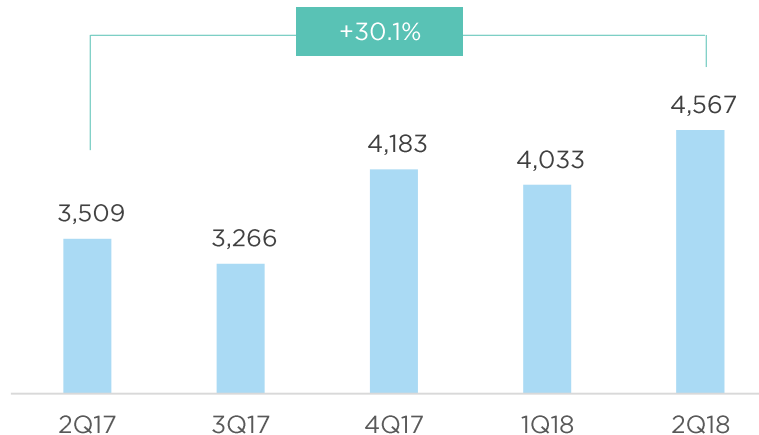
Average Income per Contributor Habitat Chile

CLP\$



Average Income per Affiliate Habitat Peru

CLP\$



RECOVERY IN PREMIUMS IMPACTED BY A HIGH BASE COMPARISON EFFECT IN INVESTMENTS IN 2Q17

Financial Statements

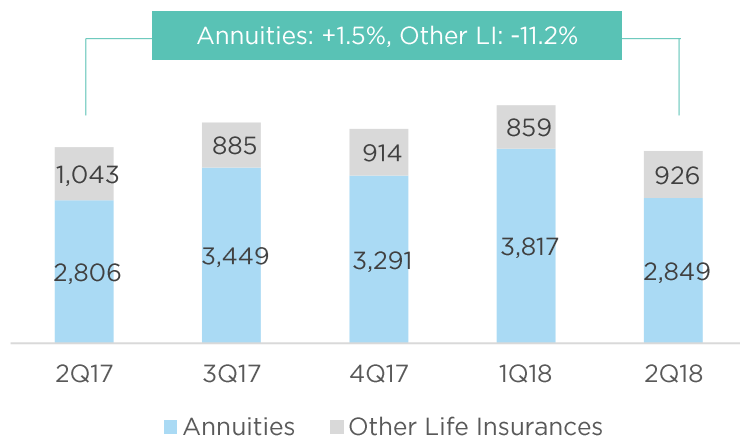
CLP\$ m.	2Q18	2Q17	%
Net Premiums Income	93,408	93,868	-0.5%
Net Investment Income	76,252	91,894	-17.0%
Cost of Sales	(151,476)	(144,925)	4.5%
SG&A	(4,347)	(5,853)	-25.7%
Operating Income	13,837	34,983	-60.4%
Non Operating Income	5,460	(952)	-673.6%
Net Profit Conf. + Corp	14,523	26,903	-46.0%

Highlights

- **Life insurance premiums decreased 0.5% (QoQ)** → annuity collection move up by 1.5% offset by lower other life insurance premiums
- **Investment result reduced by 17.0% (QoQ)** → if profit arising from the Nueva Las Condes 7 operation in 2Q17 is isolated, net investment result would have increased 4.1%
Better results in all investment portfolios except from equities

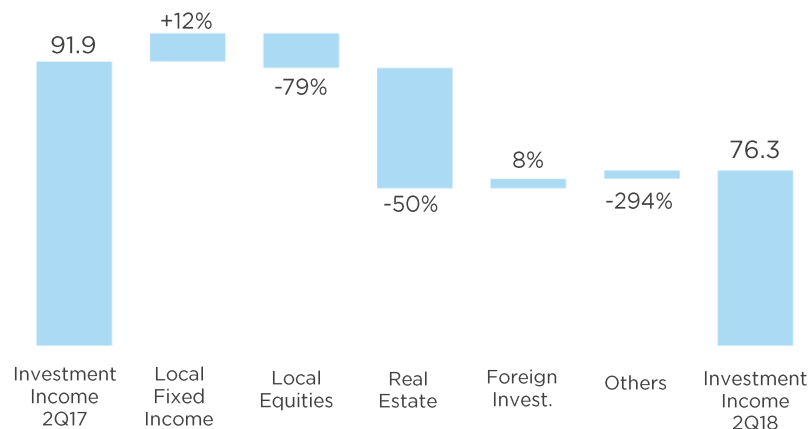
Confuturo and Corpseguros Life Insurance Premiums

UF Th.



Net Investment Income

CLP\$ b.



BANCO INTERNACIONAL: COMMERCIAL LOANS +33%; ROE UP TO 13.5%



Financial Statements

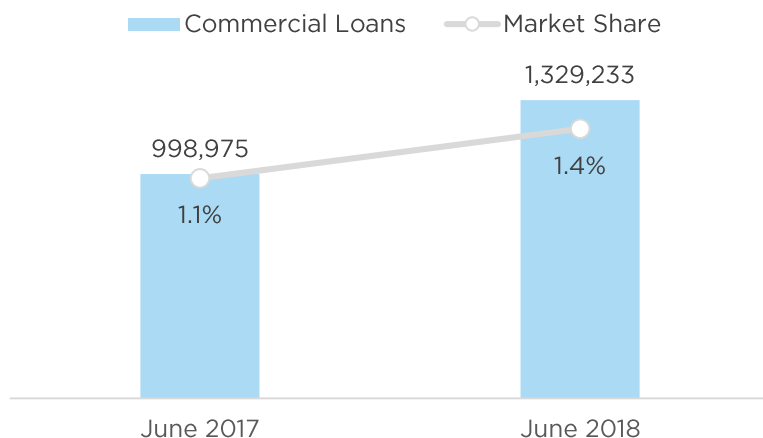
CLP\$ m.	2Q18	2Q17	%
Net Interest Margin	11,487	8,055	42.6%
Net Income from Fees	1,096	1,536	-28.6%
Other Operating Income	2,867	5,370	-46.6%
Gross Operating Result	15,450	14,961	3.3%
Credit Risk Provisions	(2,662)	(1,546)	72.2%
SG&A	(9,170)	(8,801)	4.2%
Operating Income	3,618	4,614	-21.6%
Net Result	2,886	3,888	-25.8%

Highlights

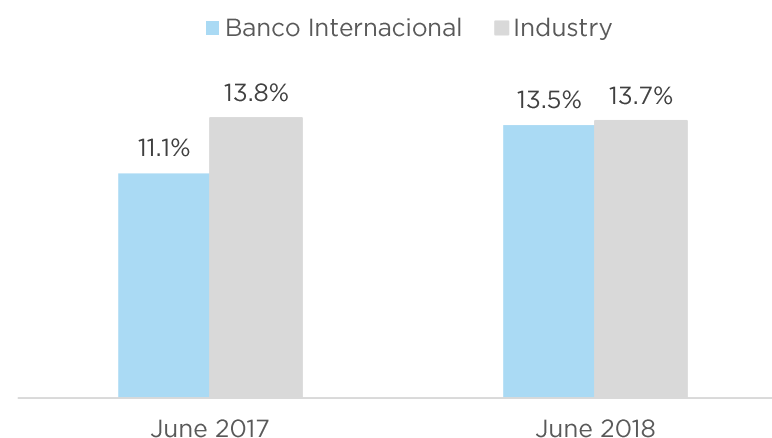
- **Net interest margin increased 42.6% (QoQ)** → mainly explained by higher loans. Cost of loans remained stable
- **Credit risk provisions up by 72.2% (QoQ)** → lag in the constitution of guarantees, reversed in 3Q18
- **SG&As up by 4.2% (QoQ)** → increased remunerations
- **Efficiency ratio improved** from **58.2%** at the end of June 2017 to **55.0%** in June 2018

Banco Internacional Commercial Loans

CLP\$ m.



ROE



EBITDA MARGIN BOOSTED BY HIGHER ACTIVITY AND COST CONTROL INITIATIVES

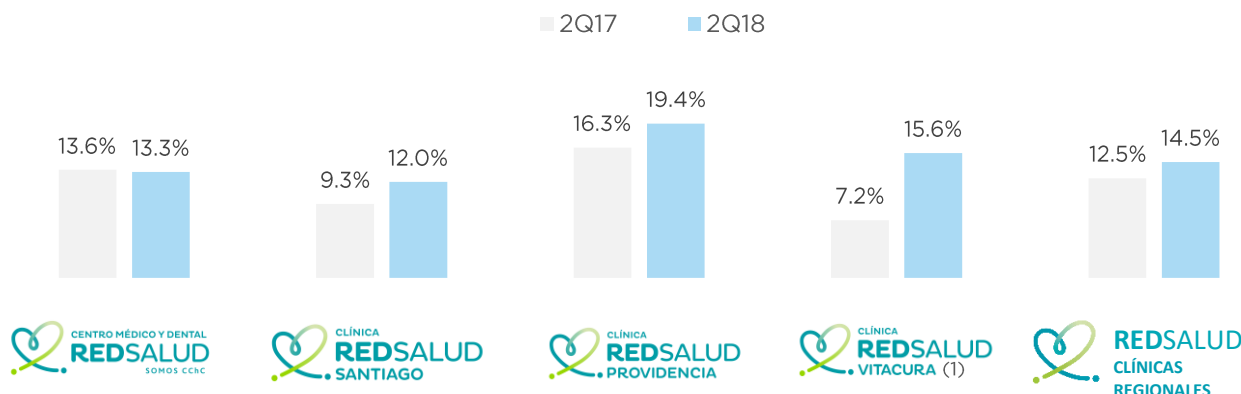
Financial Statements

CLP\$ m.	2Q18	2Q17	Var. %
Revenues	98,260	88,274	11.3%
Costs of Sales	(71,964)	(66,852)	7.6%
SG&A	(17,499)	(15,888)	10.1%
Operating Income	8,797	5,533	59.0%
Non Operating Income	(3,317)	(2,720)	21.9%
Profit to Red Salud	3,204	1,626	97.0%
EBITDA	12,872	9,431	36.5%
EBITDA Margin	13.1%	10.7%	2.42%

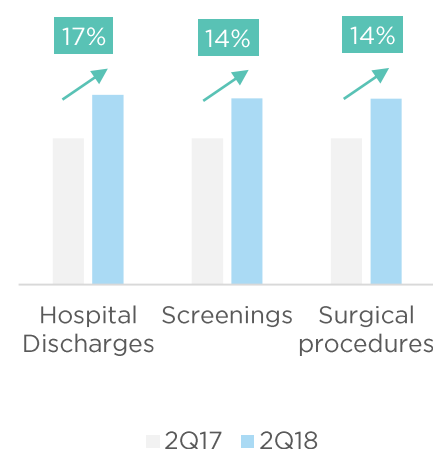
Highlights

- **Net revenues went up by +11% (QoQ)** → larger contributions in all facilities, highlighting Red Salud Providencia (+20%), Red Salud Santiago (+10%) and Centros Medicos y Dentales Red Salud (+9%)
- **Improvements in cost of sales and SG&A ratios (QoQ)** →
 - Cost of sales over revenues fell from 75.7% to 73.2%
 - SG&A over revenues fell from 18.3% to 17.9%
- **Consolidated EBITDA growth of 37% (QoQ)** → greater activity, increased internal derivation, costs and operating expenses cuts, lower deteriorations of accounts receivables through the Network, among others

EBITDA Margin by Entity



Activity



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

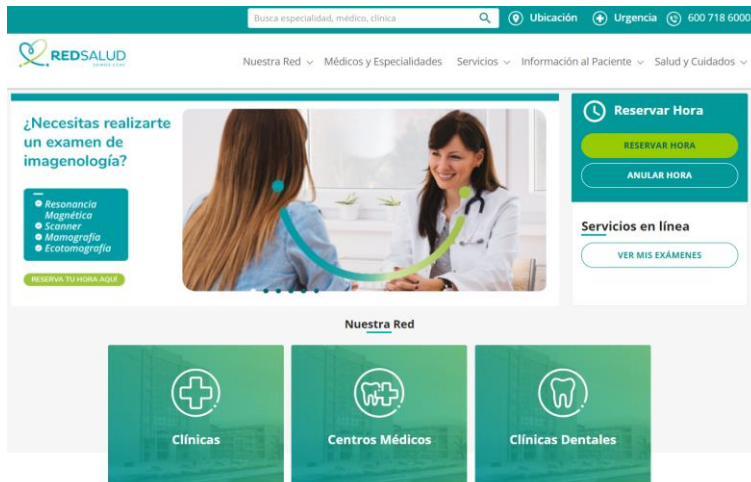
RED SALUD REBRANDING: WORKING AS A NETWORK



New Fronts



One Single Website



One Single Agenda



HIGHER PREMIUMS OFFSET BY LARGER COSTS, IN RESPONSE TO HEALTHCARE REACTIVATION

Financial Statements Consalud (Under IFRS)

CLP\$ m.	2Q18	2Q17	Var.%
Revenues	121,253	108,766	11.5%
Costs of Sales	(109,456)	(89,647)	22.1%
Administrative Expenses	(15,701)	(17,546)	-10.5%
Operating Income	(2,132)	2,497	-185.3%
Non Operating Income	588	494	19.1%
Profit to Consalud	(1,187)	1,848	-164.2%

Highlights Consalud

- **12% increment in revenues (QoQ)** → 3% increase in average beneficiaries, inflation and price adjustments for health plans
- **22% growth in cost of sales (QoQ):**
 - Reactivation of the healthcare industry
 - Outpatient costs up by 17%, inpatient costs increased by 18% and subsidies for medical leaves grew 19%
- **785 bps loss ratio increase (QoQ)**

Financial Statements Vida Cámara

CLP\$ m.	2Q18	2Q17	Var.%
D&S Chile – Gross Profit	118	543	-78.3%
Health & Life Insurance–Gross Profit	1,839	1,391	32.2%
Administrative Expenses	(1,684)	(1,512)	11.4%
Operating Income	388	658	-41.0%
Financial Income	129	(25)	-621.0%
Vida Cámara Peru	-	(296)	-100.0%
Non Operating Income	129	(321)	-140.2%
Profit to Vida Cámara	369	429	-14.0%

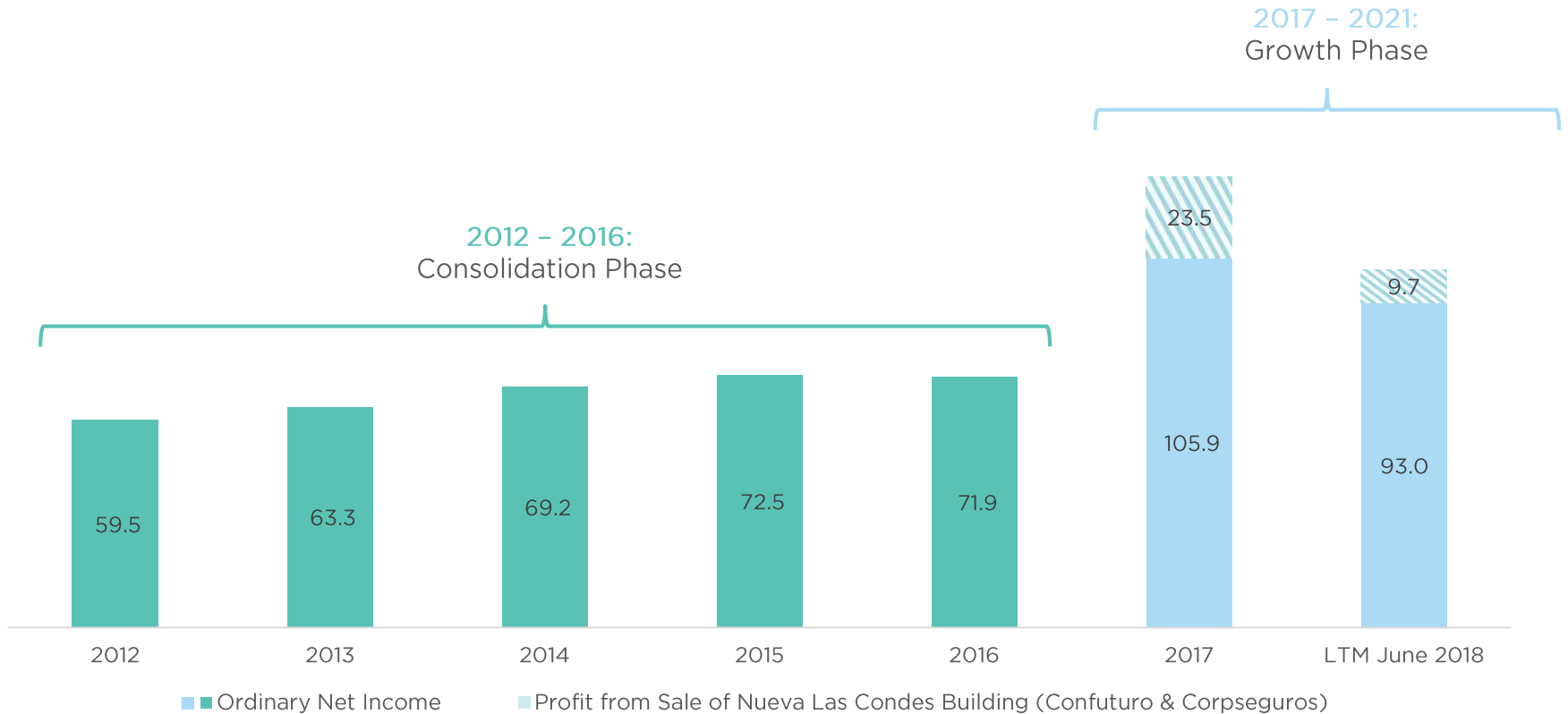
Highlights Vida Cámara

- **Consolidated gross profit increased by 1.2% (QoQ)** → better performance of life and health insurances partially offset by a lower result from D&S Chile
- **Health & Life insurance gross profit** → 6% rise in beneficiaries maintains loss ratio at ~ 80%

CLOSING REMARKS: 2017 OUR INFLEXION YEAR



ILC's Ordinary Income Evolution (CLP\$ m.)



Banco Internacional, Confuturo, Corpseguros and Red Salud should lead future growth



Conference Call ILC 2Q18

August 2018

