



# ILC 2020 RESULTS PRESENTATION

March 24, 2021

# DISCLAIMER



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 circumstances, 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.

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01 2020 Consolidated  
Results and  
Achievements

02 Results by Division

03 Wrap-Up and  
Conclusions



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1. Active Role in  
Covid Contingency



2. Adaptation and  
Flexibility

## 2020

3. Technology



4. Resilient Results  
/ Strong Financial  
Position





# 1. ACTIVE ROLE IN COVID CONTINGENCY



+1,800 Covid-19 patients



Increase from 55 to 134 critical care beds

231,000 CRP tests



+18,000 patients in Covid Monitoring Program



Voluntary inclusion of Covid-19 coverage in premiums



Postponement of base plan price adjustment  
\$0 copay for Covid-19 testing



Remote annuity sales



Covid-19 lines, state-backed guarantees (Fogape) and deferred loan payments



## 2. ADAPTATION AND FLEXIBILITY



Deepening the  
Social Role



Immediately  
Adapted to the  
Pandemic



From Growth to  
Risk Focus



Geographical  
and Business  
Diversification

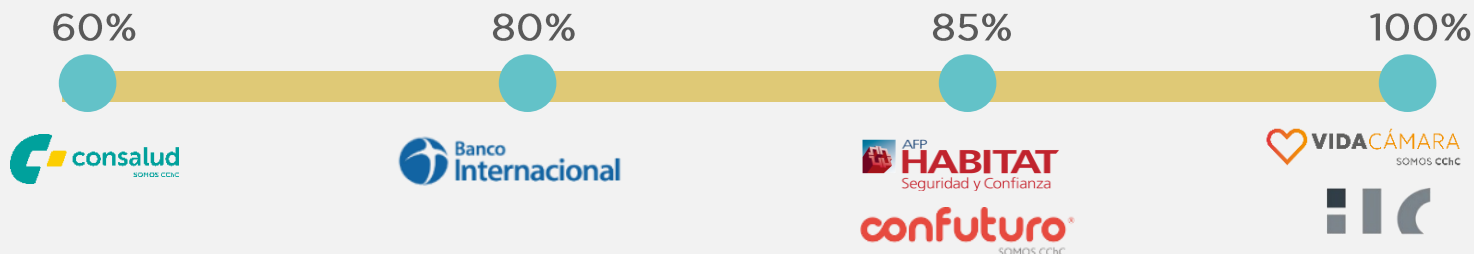


Premiums Based on  
Investment  
Opportunities

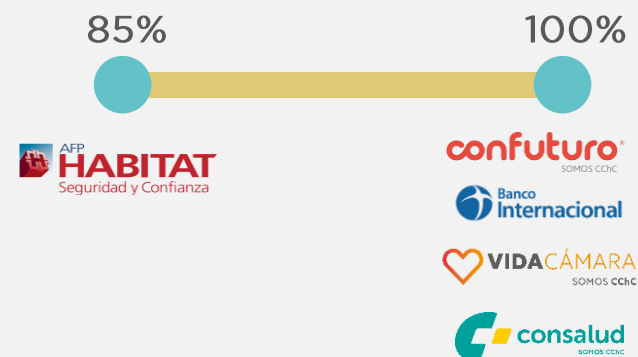
### 3. ADVANCES IN TECHNOLOGY ENABLED OPERATING CONTINUITY



#### Remote Work



#### Online Services



+ Strict safety measures in facilities, branches and offices

+ Launch of new services & process digitization

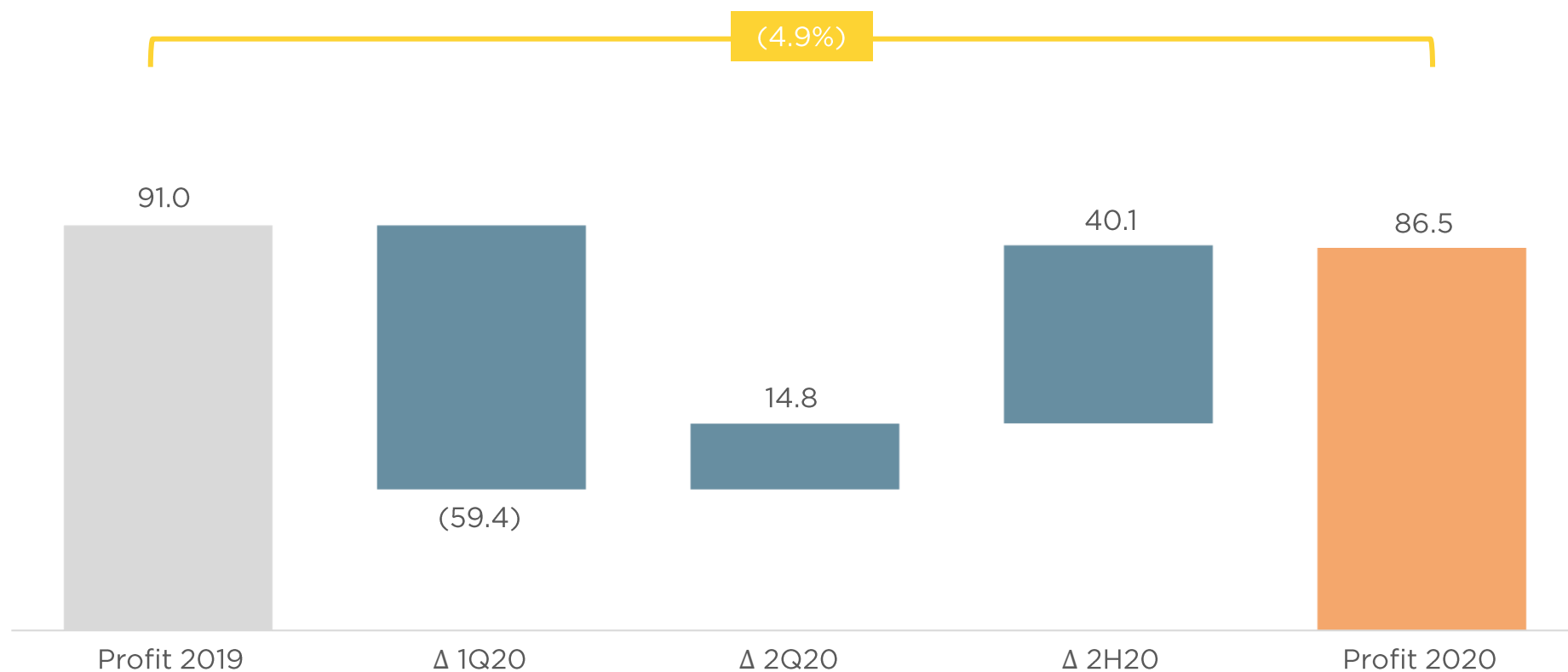


## 4. RESILIENT RESULTS



### Evolution of ILC's 2020 Results

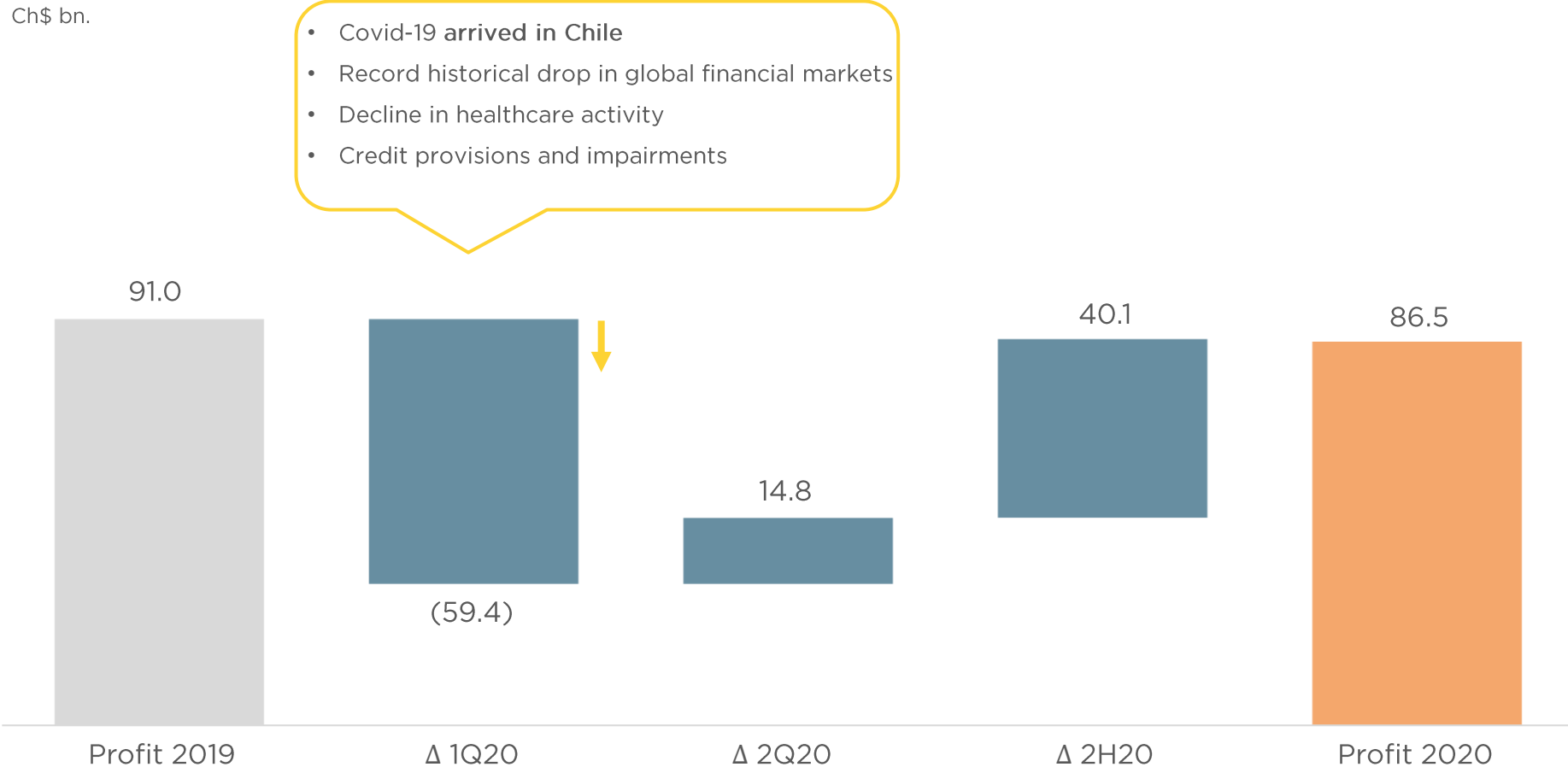
Ch\$ bn.



## 4. RESILIENT RESULTS



### Evolution of ILC's 2020 Results

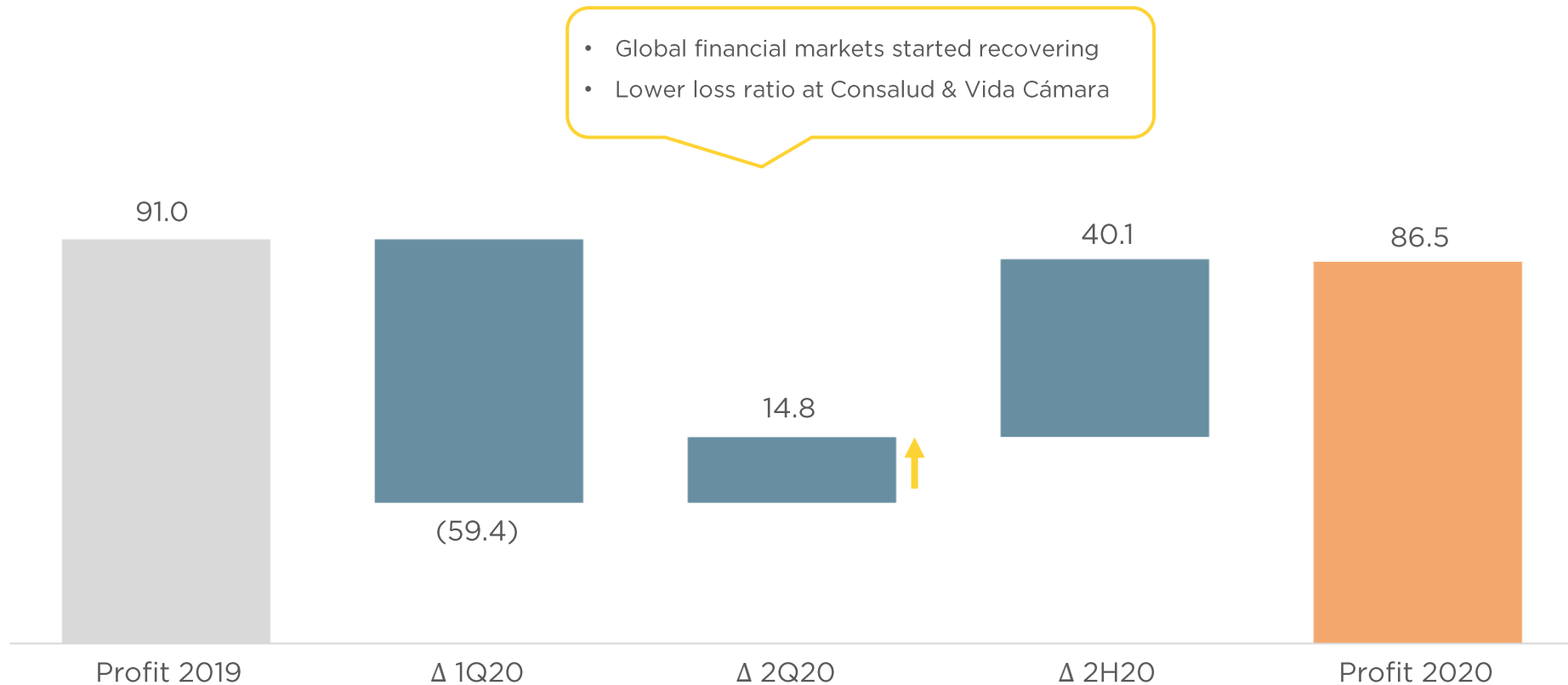


## 4. RESILIENT RESULTS



### Evolution of ILC's 2020 Results

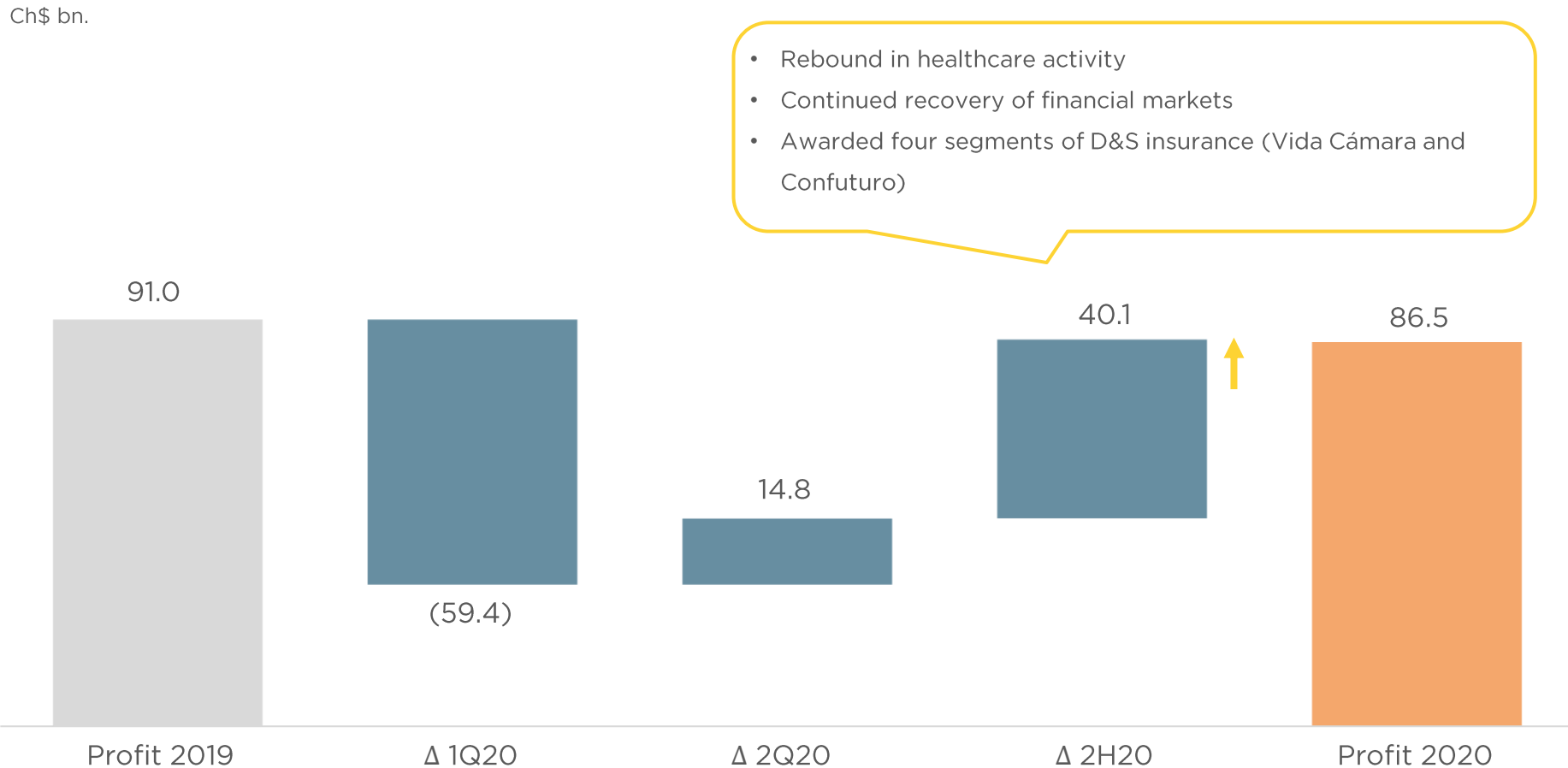
Ch\$ bn.



## 4. RESILIENT RESULTS: RECOVERY IN RESULTS AFTER 1Q20



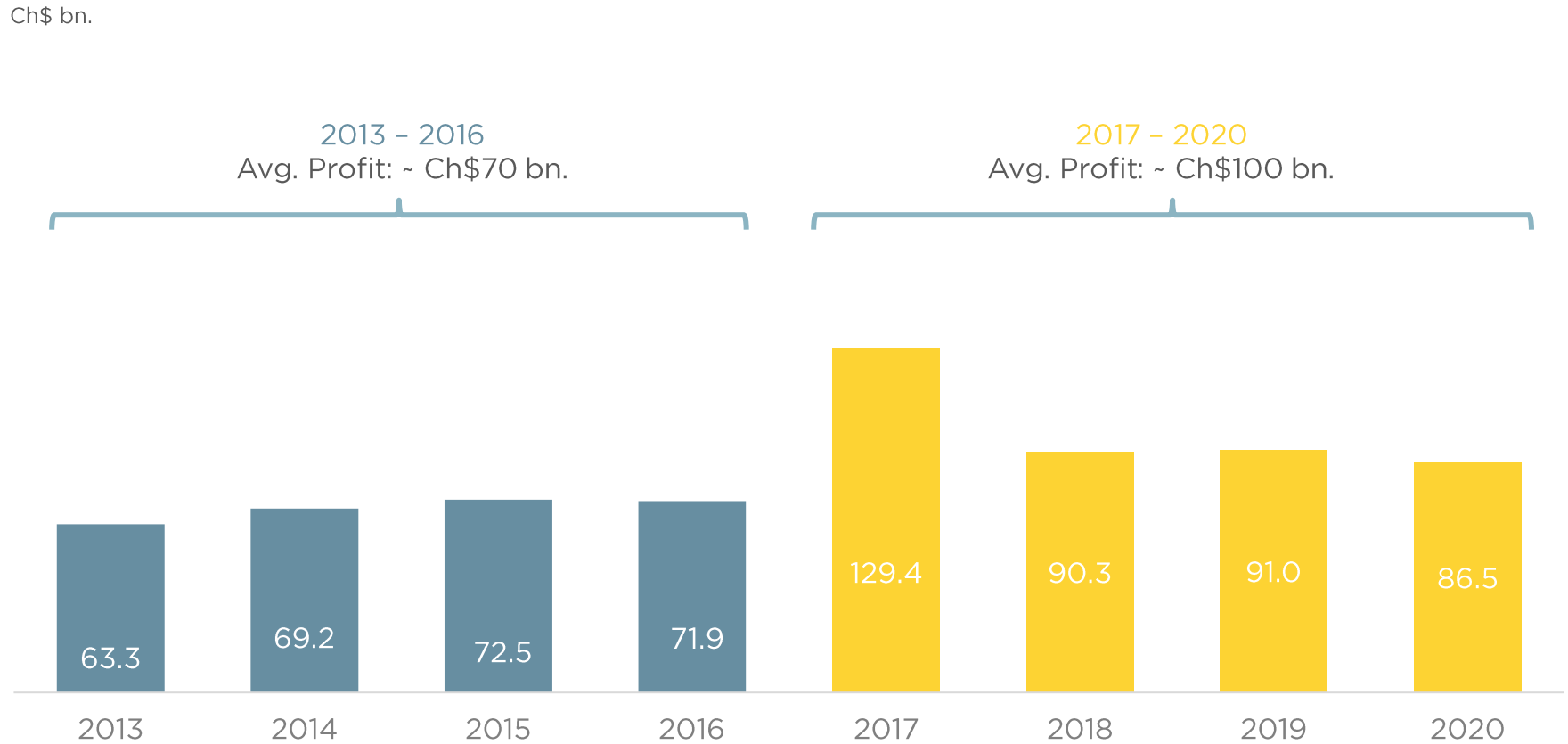
### Evolution of ILC's 2020 Results



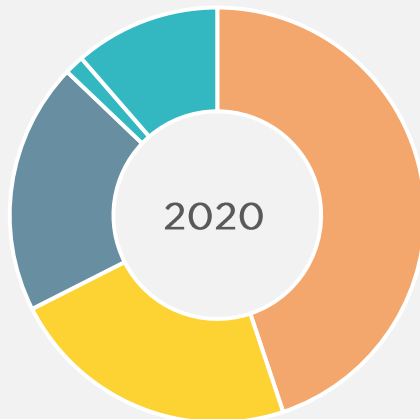
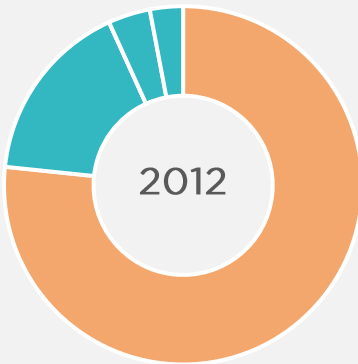
## 4. RESILIENT RESULTS



### Evolution of ILC's Ordinary Profit



## Diversification of ILC's Recurring Profit<sup>(1)</sup>



Life Insurance

**confuturo**  
SOMOS CCBC

Pensions



2023

Banking

**Banco Internacional**

Health



(1) Profit from legal cash reserves is not considered  
Source: ILC



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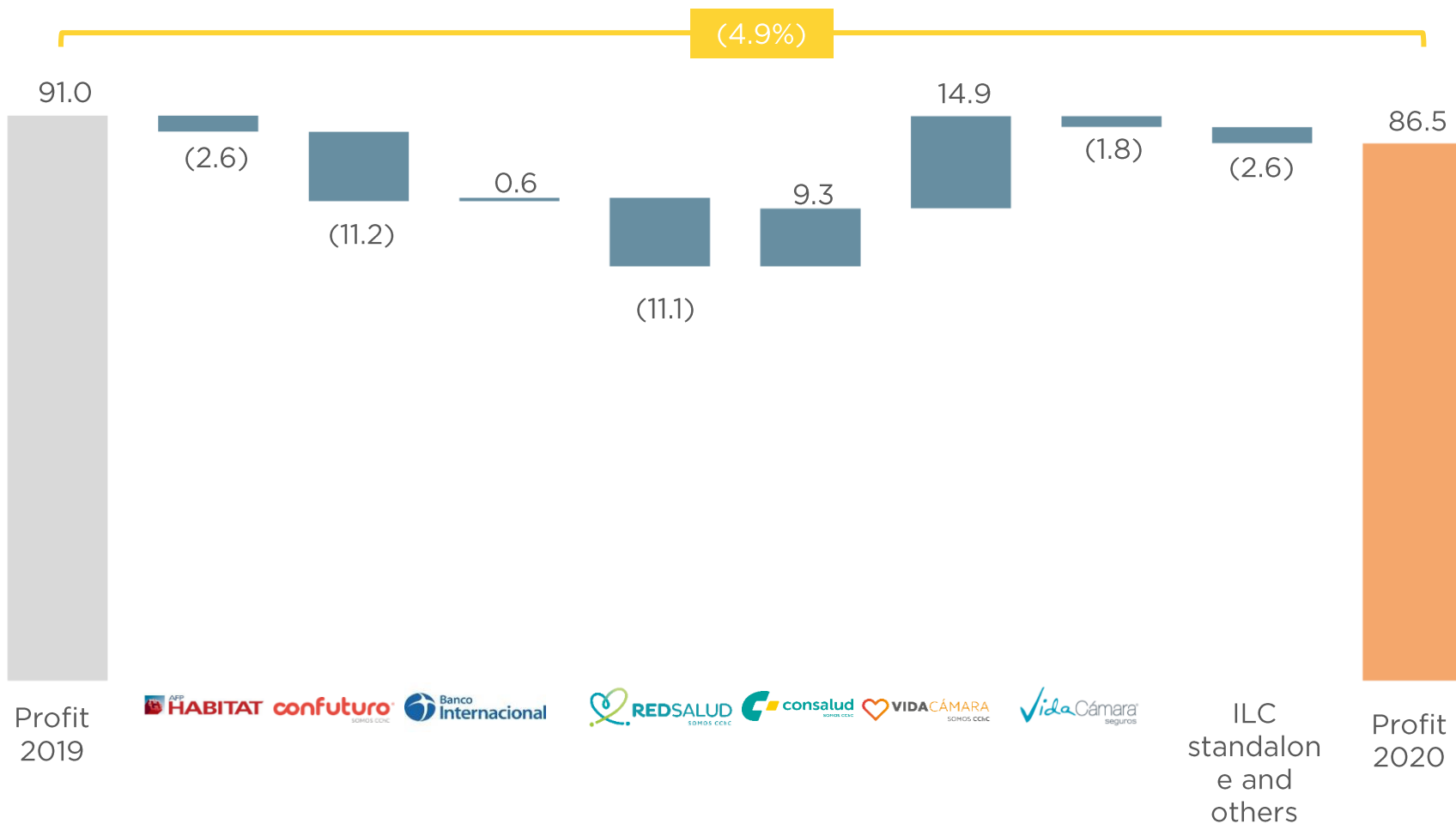


# ALL IN ALL...



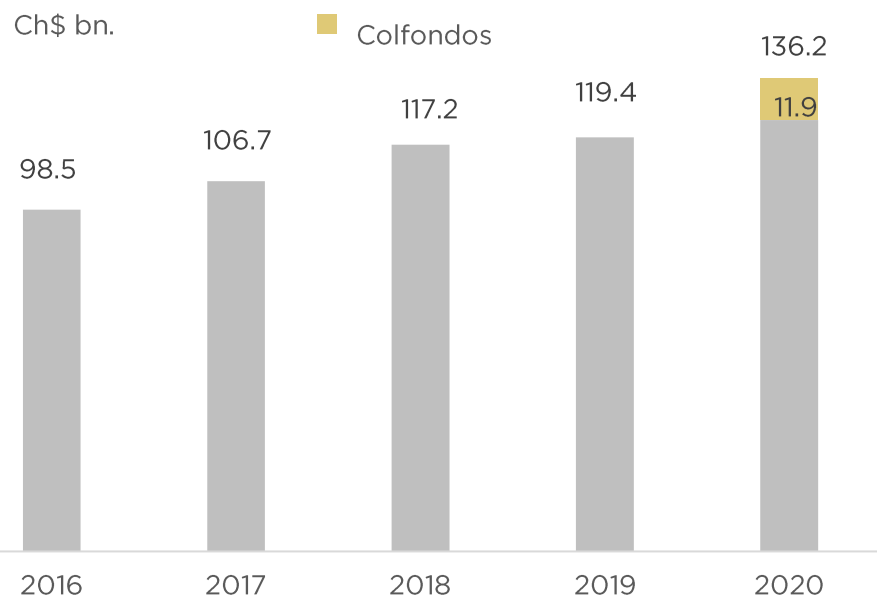
## ILC Profit Variation by Subsidiary

Ch\$ bn.

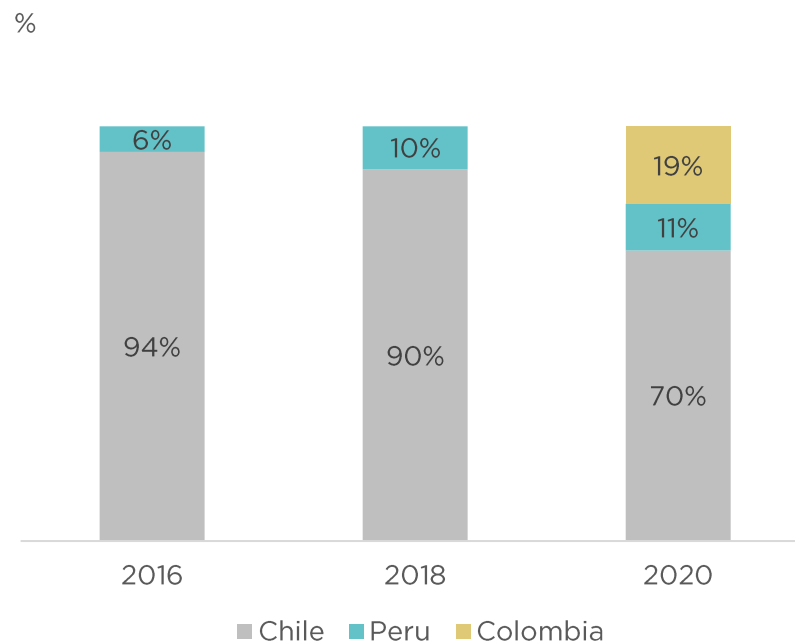


- 2020 Profit before taxes and legal cash reserves increased by 4% (excluding the Colfondos acquisition) and 14% YoY including Colfondos

## Profit before Taxes and Legal Cash Reserves



## AFP Habitat Revenue Breakdown



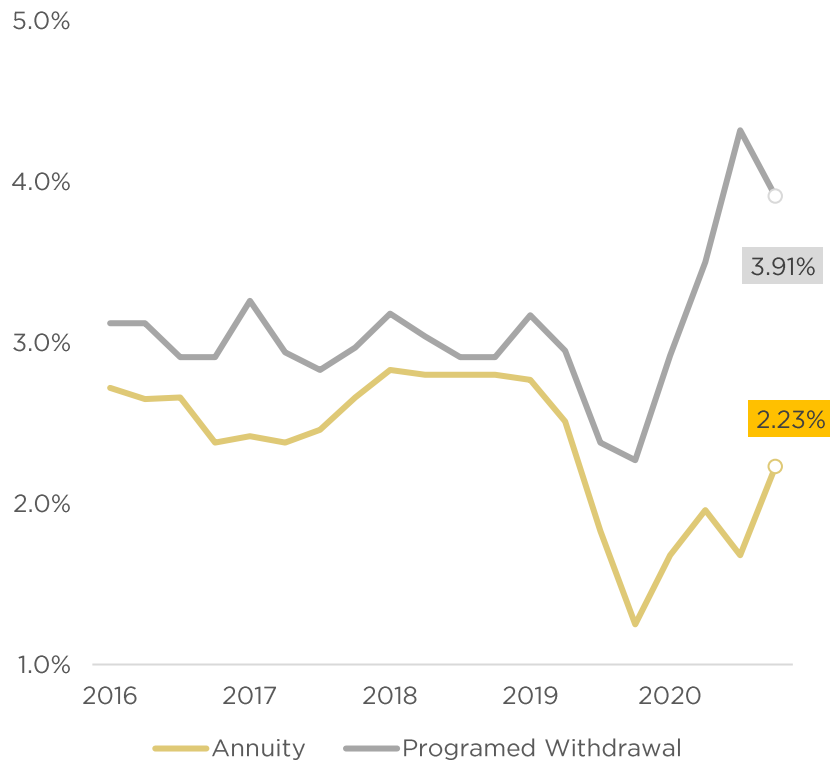
Advances in pension reform (Chile): Δ+ basic pensions approved in January 2020

Withdrawals increased perception of fund ownership

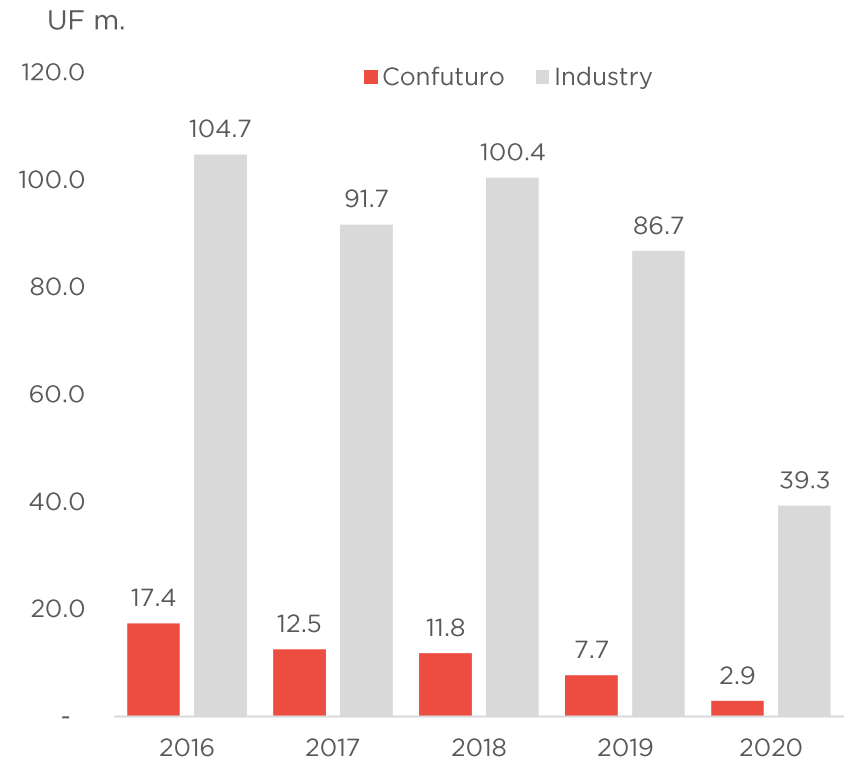
Colfondos acquisition: new board and CEO

- In 2020 the industry was affected by a higher spread between programmed withdrawals and annuities, as well as by the two savings withdrawal bills

## Programmed Withdrawal vs. Annuity Sales Rate



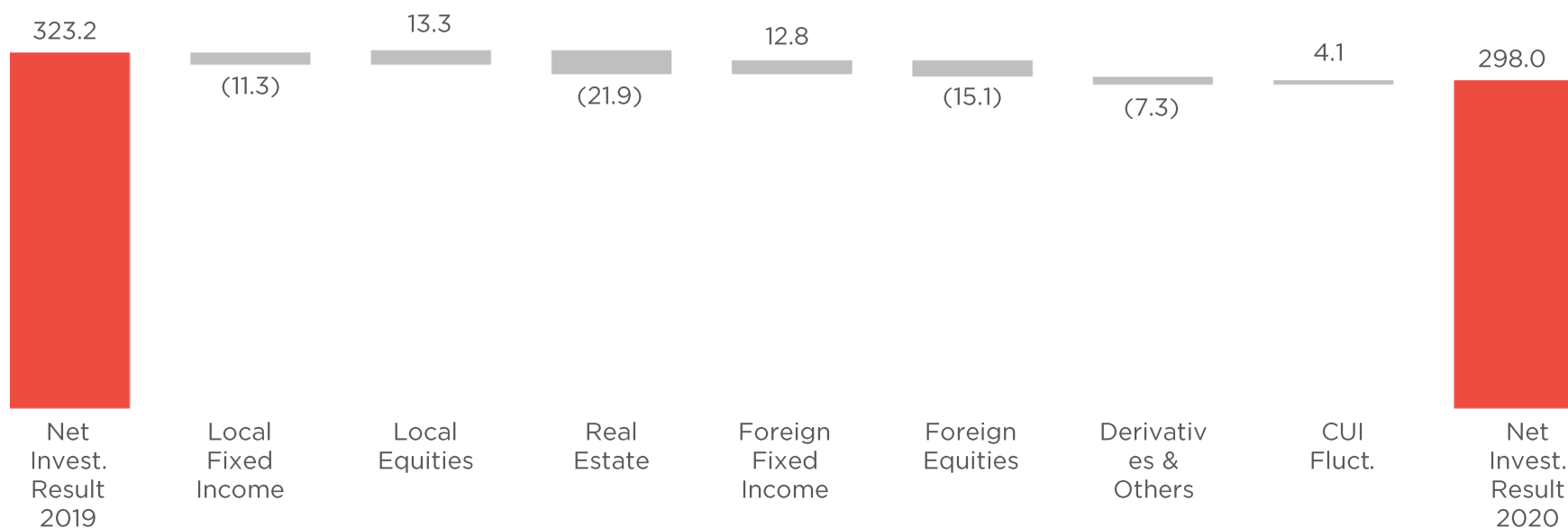
## Confuturo Net Premiums



- In 2020 investment results were mixed, showing a recovery at the end of the year
- Ch\$21 bn. was recognized in impairments (~60% concentrated in 7 issuers)

## Net Investment Result

Ch\$ bn.



Investment spread remained at ~1% (YoY) despite lower sales

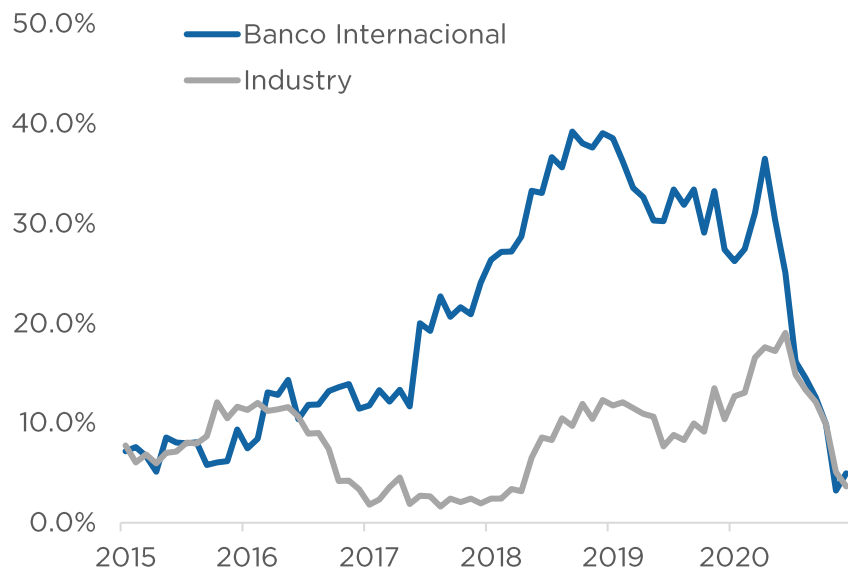
1/3 of revenues through sales agents (x3 compared to 2018)

Awarded with 1 segment of D&S insurance

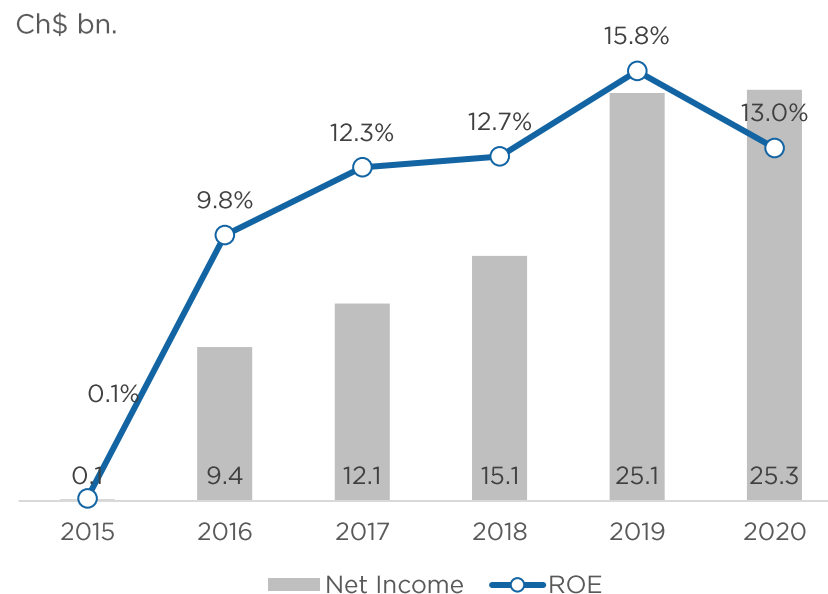
Rejection of 10% withdrawal bill for annuities

- In 2020 the Bank reduced its growth pace as the macro scenario deteriorated
- Focus on risk, solvency and liquidity

## Commercial Loans - Annual Growth Rate (%)



## Profit and ROE (%) Banco Internacional



Voluntary provisions of  
Ch\$19 bn. in 2020  
(Ch\$22 bn. in stock)

Record-high Basel Index:  
15.1x

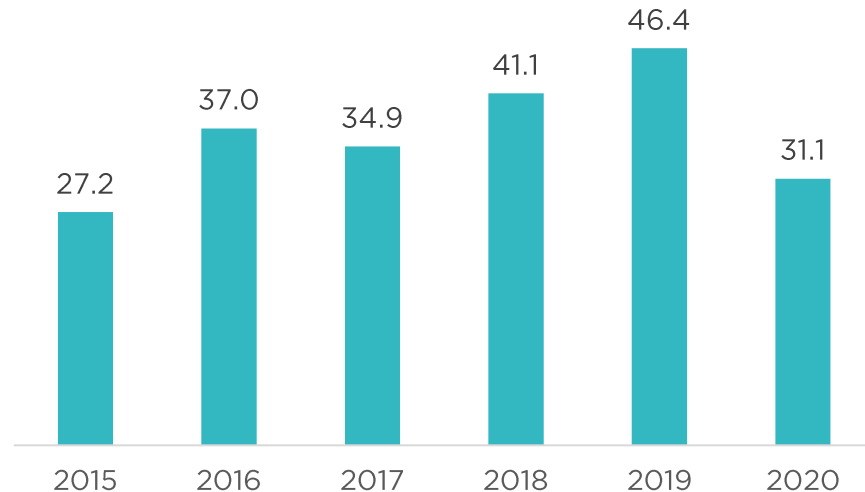
Ch\$15 bn. capital increase  
(out of a Ch\$60 bn. capital  
program approved in Jan '18)



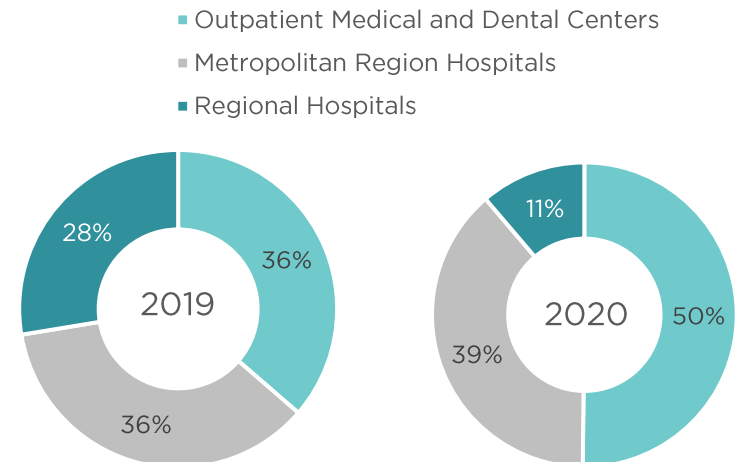
- The arrival of Covid-19 impacted healthcare providers, bottoming out in April. Since then, activity began recovering, even surpassing 2019 levels in 4Q20

## Ebitda Evolution

Ch\$ bn.



## Ebitda Breakdown by Center Type



Geographic diversification enabled the organization to better handle the pandemic

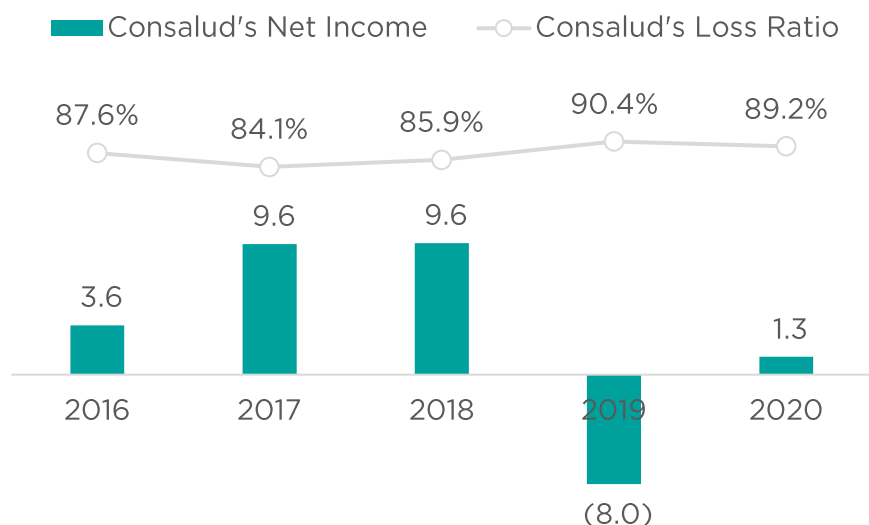
Cost and S&A savings, higher collections and a Ch\$15 bn. capital increase

Healthcare workers were vaccinated by the end of the year

- 2020 profit was affected by a larger loss ratio beginning in September 2020, given the rise in activity levels for healthcare providers and sustained growth in medical leave, as well as extended maternity leave due to the pandemic

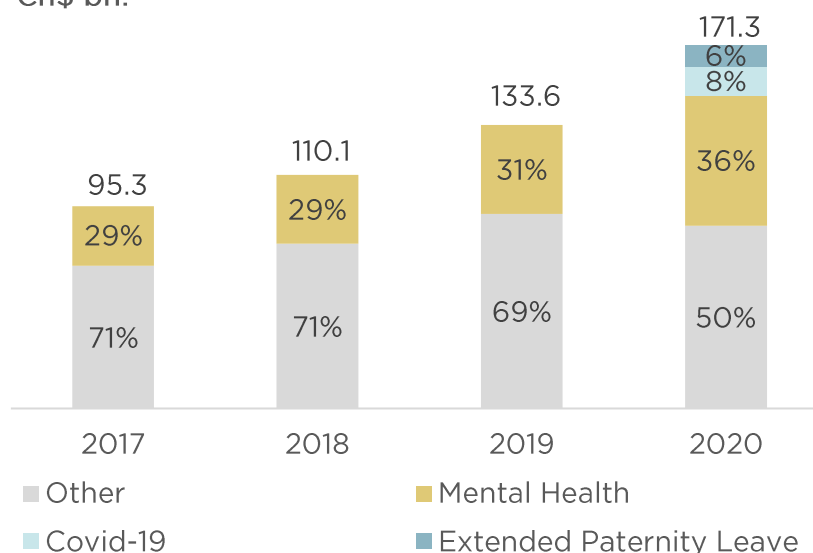
## Evolution of Profit & Loss Ratio (IFRS)

Ch\$ bn.



## Evolution of Medical Leave

Ch\$ bn.



Latest changes through mandates from health regulator

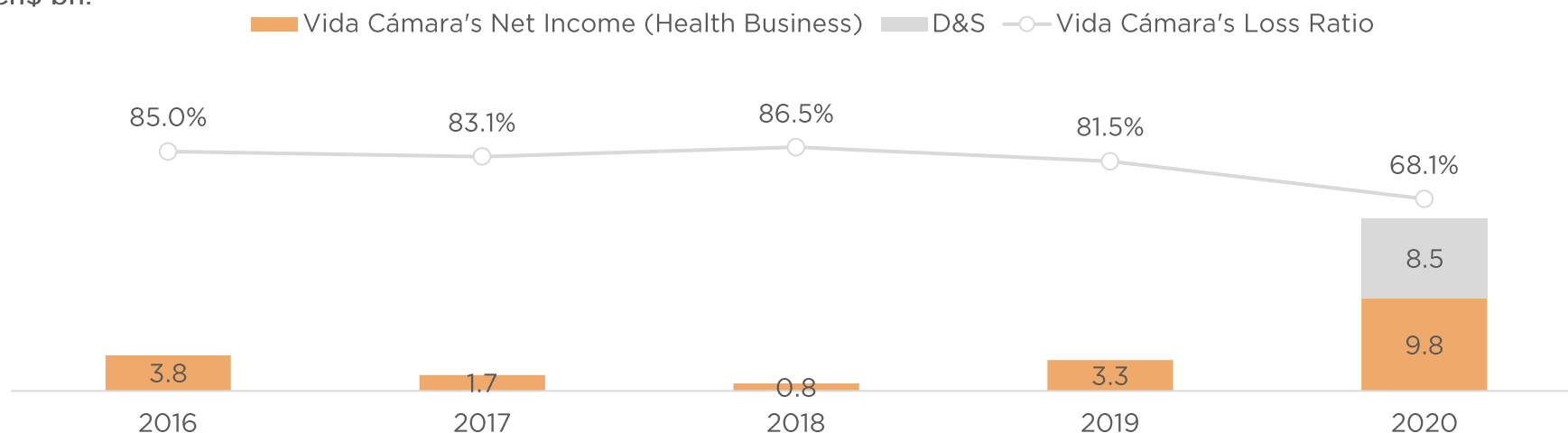
Pressure on costs and medical expenses

2020 price adjustments were postponed

- 2020 profit increased by Ch\$14.9 bn YoY driven by a lower loss ratio and the D&S policies awarded in July 2020

## Evolution of Profit & Loss Ratio

Ch\$ bn.



D&S: Three segments awarded in the July 2020-2021 tender process

~350,000 beneficiaries (stable YoY)

>90% customers retained

# FINANCIAL POSITION



## ILC Payout Ratio

Distribute between **30%** of profit and **70%** of ILC's distributable profit

Ch\$ mn.



## Recently Capitalized Subsidiaries (2019-2020)

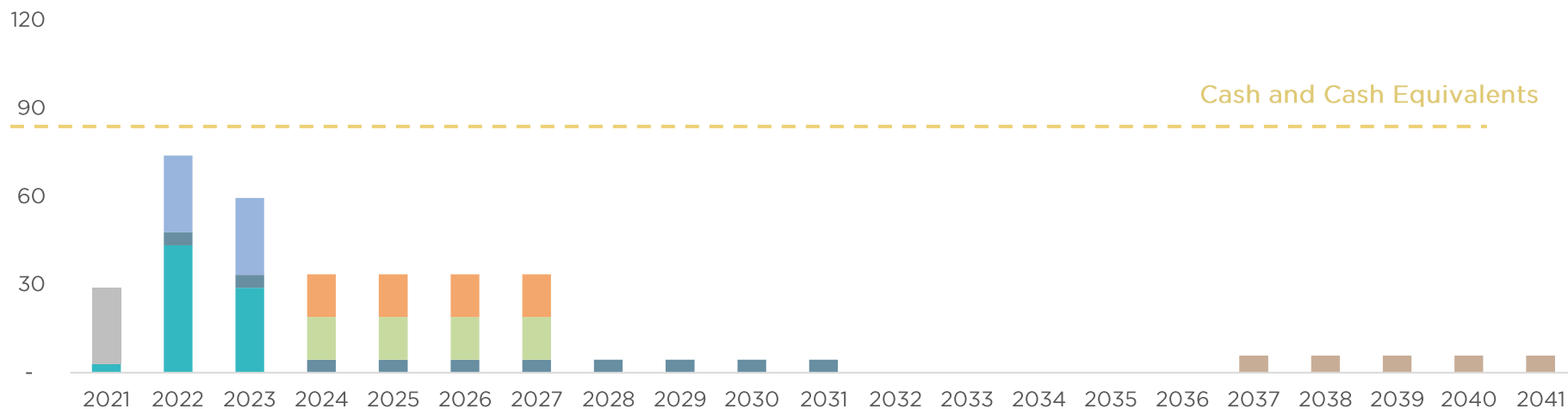


## Payment Schedule - ILC (December 2020)

Ch\$ bn.

■ Bank Loans ■ ILC-C ■ ILC-D ■ ILC-F ■ ILC-H ■ ILC-I ■ ILC-J

**Risk Rating AA+**



(1) Includes \$50 per share paid in January 2021  
Source: ILC

# 2020: MAIN SUSTAINABILITY ACHIEVEMENTS



**Sustainability committees** at ILC and all subsidiaries



**Commitment** to Global Compact, its principles and the SDGs: starting our first due diligence process



**Sustainability strategy** at ILC and all subsidiaries, based on:

- Inclusiveness and Access
- Responsible Investment
- Culture of Service and Ethics
- Contribution to Public Debate



**Improvement in ESG measurement tools**

- + 7 points in SSIindex (YoY)
- + 1 point in DJSI
- + 8 percentage points in DJSI



**First public – private** aid initiative focused on the elderly and Covid-19



**Deepened our social role**, especially focused on the pandemic

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- **Strong fundamentals:** market share leadership, returns, resilience, solvency, liquidity, dividends and ability to adapt to regulatory changes
- **Recovery in 2020 results** as markets improved, the Company adapted to the “new Covid reality”, and found new services such as D&S
- **Main 2020 lesson:** importance of flexible business models
- Just **capitalized** Confuturo, Banco Internacional and RedSalud. ILC has room to add more liquidity to other subsidiaries, if needed
- **Active role in Covid-19 contingency** as part of our social DNA



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