



# EARNINGS REPORT JUNE 2019



August 27<sup>th</sup>, 2019

# NET RESULTS 6M19



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## Management Comment

During the first quarter of 2019, ILC recorded a profit of \$60,493 million, 3.5% higher when compared to the same period of the previous year. It is important to note that in January 2018 the company recognized \$12,341 million on sales profits regarding the sale of the 25% of the health technological platform i-Med. The recurring result of ILC grew by 31.2% compared with the second semester of 2018, boosted by higher results of all its subsidiaries, except for the health insurance companies.

In line with its strategic growth plan, **Banco Internacional** recorded a YoY increase of 30% growth in its commercial loans, which allowed it to reach 1% of the total loans market share. In addition, in line with the improvement of its efficiency, the Bank ended June with \$11,140 million of net result, reaching an ROE of 15%.

**AFP Habitat** increased its operating result by 14%, given the higher collection of fees in both Chile and Peru. Moreover, its returns on reserve requirements were up by \$32,835 million in the second semester of 2019, driven by the financial market's results. It is relevant to mention the growth experimented by AFP Habitat Peru, which moved from representing 5% of Habitat's consolidated result (net of encaje) in June 2018, to represent 9% in June 2019.

Regarding **Confuturo**, in spite of the 18% decrease in its premiums collection, its long-term investment strategy allowed the Company to achieve the expected returns and a higher operating result during the first semester of 2019.

**Healthcare sector, Red Salud** increased its consolidated revenues by 10%, aligned with the higher activity levels registered in the outpatient sector. The previous, in addition to the operational excellence plan, improved its consolidated EBITDA by \$2,978 million <sup>(1)</sup> during the first semester of 2019 when compared with the same period of 2018.

Finally, Consalud and Vida Cámara continued dealing with a scenario characterized by high costs and expenses. Particularly, Isapre Consalud has been affected by an increase in its costs of health services and medical leaves of 14% and 20% respectively. All this, together with an increase of 77% in the number of legal cases, has lead Consalud to a loss of \$4.788 million, as of June 2019.

(1) \$1,691 million of this advance correspond to the positive effect due to the implementation of the new accounting norm IFRS 16

## Conference Call

Date: May 27<sup>th</sup>, 2019  
11:00 AM Stgo. / 11:00 AM ET

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# EXECUTIVE SUMMARY



- During the first half of 2019, **ILC recorded a net profit of \$60,493 million**, 3.5% higher compared to the same period of the previous year. Net profit for 2Q19 amounted \$24,992 million, compared to the \$22,788 million reached in 2Q18. It is important to mention that in January 2018 ILC recorded an extraordinary profit of \$12,341 million related to the sale of a 25% stake in the health technology platform i-Med.
- ILC reached an ROE<sup>(1)</sup> of 14.0%** as of the end of June 2019.
- AFP Habitat** increased its operating result by 13.8% (YoY) and 16.1% (QoQ), mainly driven by higher revenues in both Chile and Peru.
- Net premiums of **Confuturo** decreased 17.5% (YoY) and grew 2.5% (QoQ). On the other hand, investment result increased by 22.1% (YoY) and 13.2% (QoQ).
- Banco Internacional** reached a ROE of 14.6% as of the end of June 2019. In addition, commercial loans grew 30.2%.
- Red Salud's** EBITDA increased by \$3,362 million (YoY) and \$758 million (QoQ) mainly attributable to a higher inpatient activity, as well as by a positive effect of \$1,687 million (YoY) and \$910 million (QoQ) due to the adoption of the new countable norm IFRS 16.
- Consalud's** profit had a loss of \$10,123 million (YoY) and \$6,146 million (QoQ) due to a rise on the costs of health services and medical leaves and expenses on legal cases.
- Vida Cámara Peru** increased its result by \$3,642 million (QoQ) and \$2,529 million (QoQ). The increase is related with the release of reserves in its disability and survivorship insurance contracts (SISCO).
- ILC distributed one **interim dividend of \$50** per share in January 2019 and a **definitive dividend of \$350** per share on May 20, 2019, both related to ILC's 2018 profit.

## Main Figures

CLP\$ million	6M19	6M18	Var. %	2Q19	2Q18	Var. %
Operating Income	59,373	53,468	11.0%	24,411	22,958	6.3%
Non Operating Income	14,235	26,901	-47.1%	4,994	8,205	-39.1%
Taxes	(7,623)	(17,617)	-56.7%	(1,392)	(6,420)	-78.3%
Minority Interest	(5,492)	(4,308)	27.5%	(3,021)	(1,955)	54.5%
Profit to ILC	60,493	58,445	3.5%	24,992	22,788	9.7%
Market Capitalization	1,183,418	1,185,845	-0.2%	1,172,189	1,165,660	0.6%

CLP\$ million	6M19	12M18	Var. %	6M19	12M18	Var. %
Assets	10,530,637	9,962,311	5.7%	10,530,637	9,962,311	5.7%
Financial Debt	1,234,687	1,048,229	17.8%	1,234,687	1,048,229	17.8%
Equity Attributable to the Owners of the Parent Company	759,854	747,114	1.7%	759,854	747,114	1.7%
Net Financial Debt / Total Equity	0.68x	0.77x	-12.1%	0.68x	0.77x	-12.1%
Individual Net Financial Debt / Total Equity	0.28x	0.24x	16.7%	0.28x	0.24x	16.7%
ROE <sup>(1)</sup>	14.0%	13.8%	21 bps	14.0%	13.8%	21 bps

<sup>(1)</sup> LTM net income / average equity

## Forward-Looking Statements

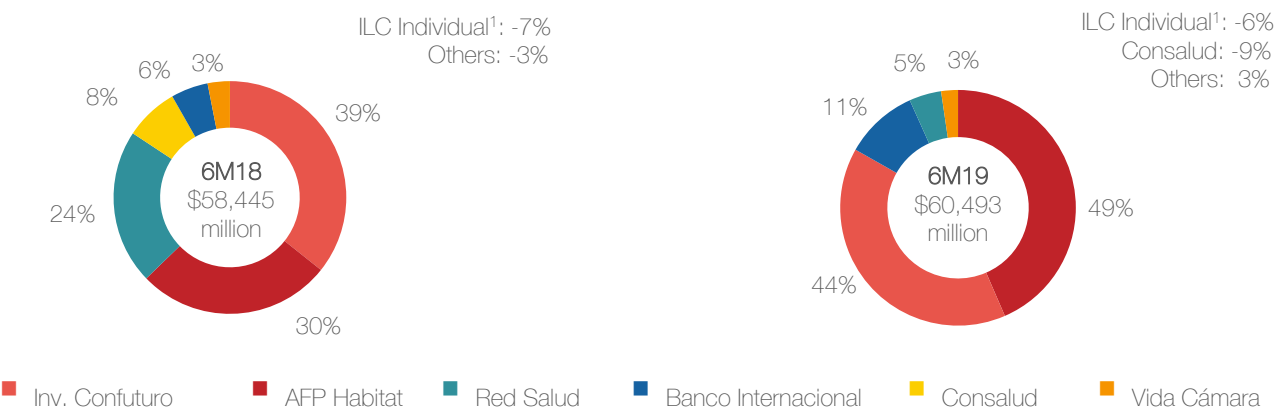
This earnings release may contain forward-looking statements. Such statements are subject to risks and uncertainties that could cause ILC current results to differ materially from those set forth in the forward-looking statements. These risks include: regulatory, market, operational and financial risks. All of them are described in ILC's Financial Statements, Note 5 ("Administración de Riesgos").

In compliance with the applicable rules, ILC publishes this document on its web site ([www.ilcinversiones.cl](http://www.ilcinversiones.cl)) and sends to the Comision para el Mercado Financiero the Financial Statements of the Company and its corresponding notes, which are available for consultation and review on its website ([www.cmfchile.cl](http://www.cmfchile.cl)).

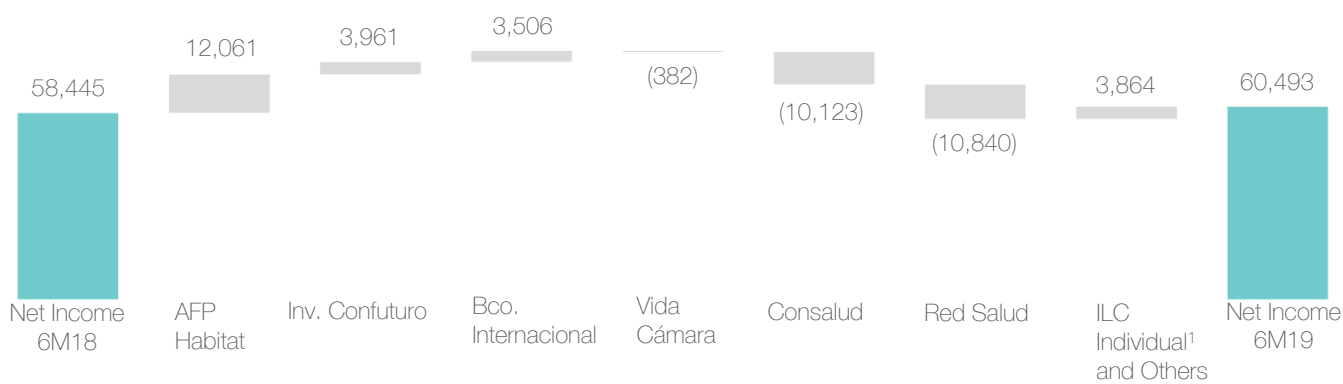
# NET RESULTS ANALYSIS 6M19



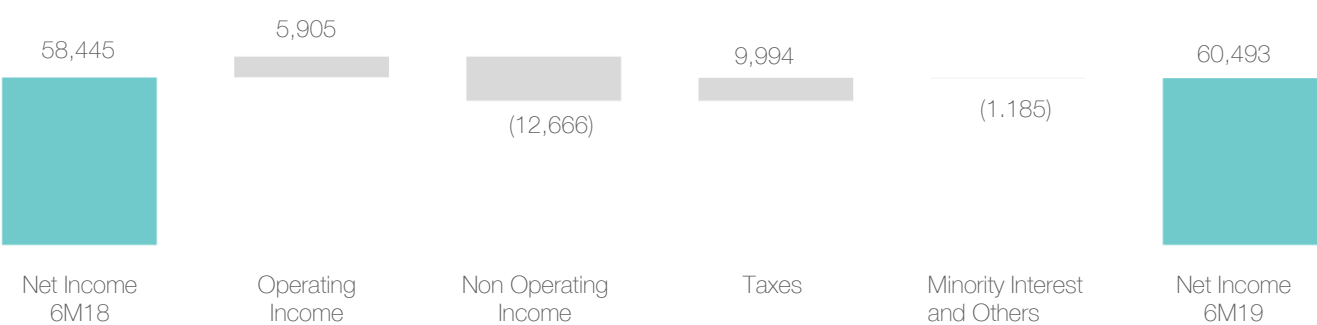
- ILC's net income contribution by company



- Variation of ILC's net income by company (CLP\$ million)



- Variation of ILC's net income (CLP\$ million)

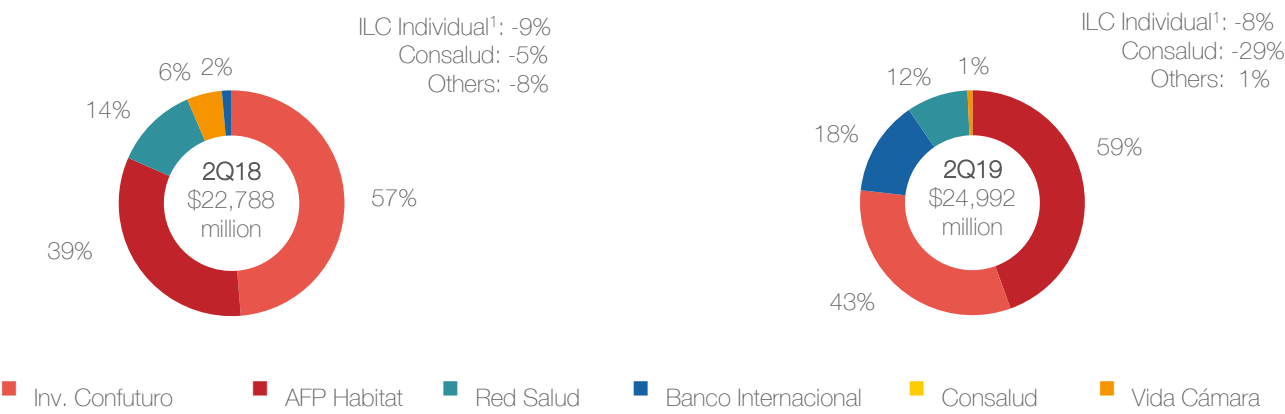


<sup>1</sup> Includes financial and administrative expenses

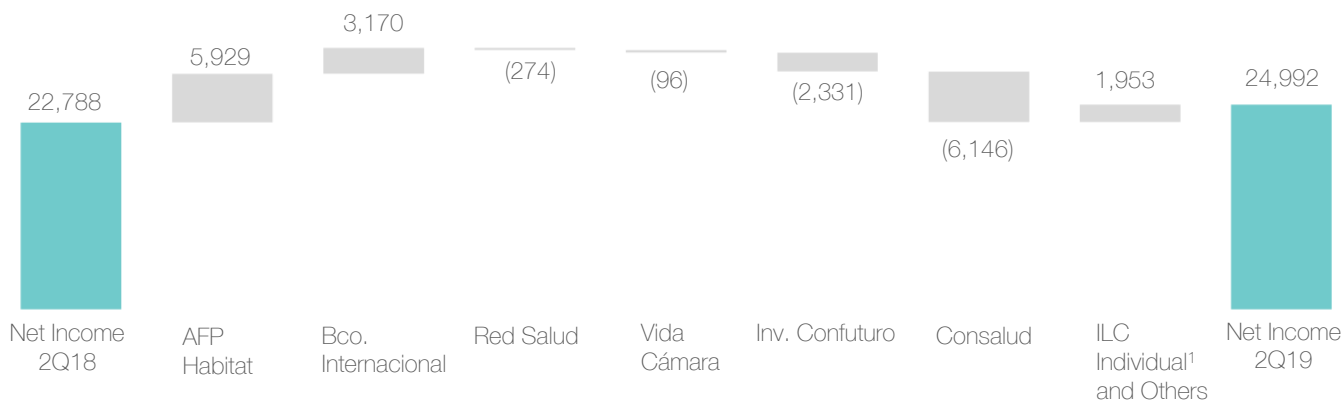
# NET RESULTS ANALYSIS 2Q19



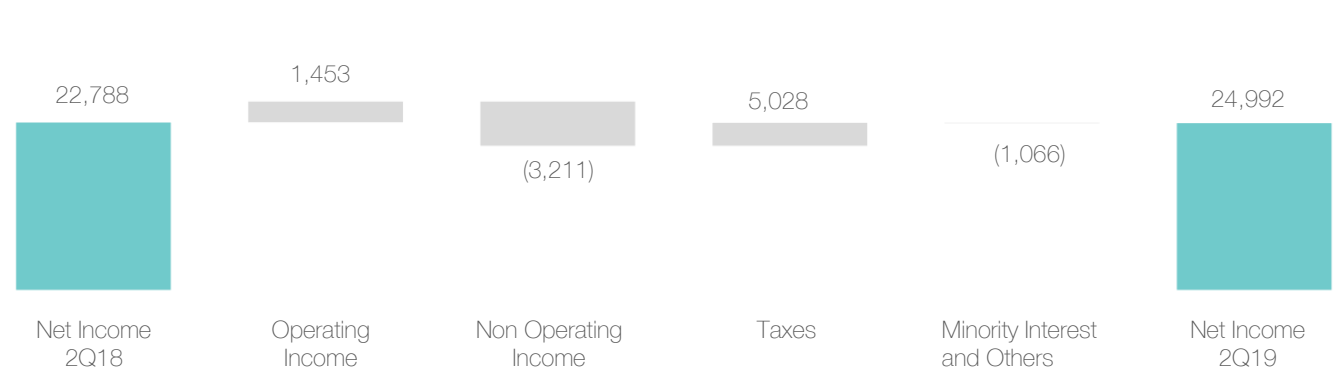
• ILC's net income contribution by company



• Variation of ILC's net income by company (CLP\$ million)



• Variation of ILC's net income (CLP\$ million)



<sup>1</sup> Includes financial and administrative expenses

- Accumulated analysis (6M19 – 6M18)

ILC's reached a profit of \$60,493 million in the first semester of 2019, 3.5% higher than the one reported in the same period of 2018. It is important to mention that in 1Q18 the result of the company was boosted by a non-recurrent effect from the sale of the participation of Red Salud in i-Med (ATESA), which meant a profit of \$12,341 million after taxes.

Regarding the 11.0% increase in the operating result of ILC, \$10,945 million are due to a higher result in the Insurance Activity. Despite the 17.5% fall in the premiums of Confuturo, the increase in the investment result of 18.6% and the decrease of the sales costs on 4.3%, allowed to end the period with an operating growth of 27.3%. In addition, due to an increase in the release of reserves on its disability and survivorship insurance contracts (SISCO), Vida Cámara Peru presented an advance of \$3,714 million. On the other hand, Non-Insurance Activity decreased by \$9,746 million in its operating result, explained by a higher loss ratio on Consalud, partially offset by a better operating performance of \$1,080 million in Red Salud. Finally, as a consequence of the better performance of Banco Internacional in 2019, the Banking Activity presented an advance of \$4,706 million.

In relation to the \$12,666 million decrease of the non-operating result of ILC, mostly is explained from Red Salud's sale of i-Med (ATESA) in January 2018, which had an effect before taxes of \$17,019 million. On the other hand, the Insurance Activity had a lower non-operating result of \$7,019 million due to the higher depreciation of the chilean against the US dollar in foreign investments of life insurances with savings. This was partially offset by a higher return of AFP Habitat's legal reserves.

- Accumulated analysis (2Q19 – 2Q18)

The net result of ILC during the second quarter of 2019, reached \$24,992 million, 9.7% higher than the one registered in the same period of the previous year. This due to a higher operating result, partially offset by a lower non operating result.

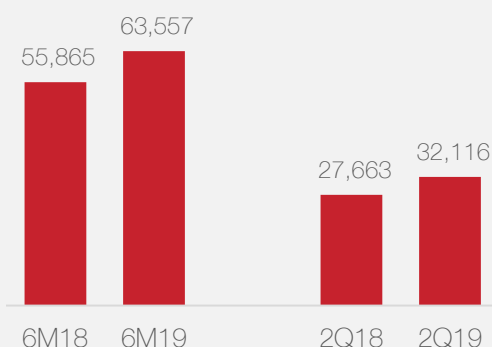
Regarding the 6.3% increase of the operating result, \$4,511 comes from the Banking Activity, due to the better operating performance of Banco Internacional. On the other hand, the Insurance Activity increased its results in \$2,984 million due to a higher release of reserves on its disability and survivorship insurance contracts (SISCO) at Vida Cámara Peru. All this was partially offset by a decrease of \$6,043 million in the Non-Insurance Activity, mainly explained by a higher loss ratio of Consalud.

The non-operating result's decrease by \$3,211 million, is mainly due because of a lower Insurance Activity result, due to a lower appreciation of the US dollar against the chilean peso in foreign investments of life insurances with savings. All this was partially offset by a higher return of AFP Habitat's legal reserves.

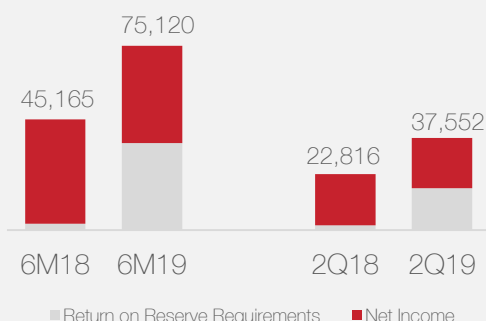


# AFP HABITAT

## Operating Result (CLP\$ million)



## Net Income (CLP\$ million)



## Pension Funds Returns

Fund A	6M18	6M19
Habitat	-2.6%	7.3%
Industry	-2.7%	7.4%
Fund B	6M18	6M19
Habitat	-1.4%	7.5%
Industry	-1.7%	7.5%
Fund C	6M18	6M19
Habitat	-0.5%	8.7%
Industry	-0.8%	8.7%
Fund D	6M18	6M19
Habitat	0.3%	9.1%
Industry	0.0%	9.2%
Fund E	6M18	6M19
Habitat	1.7%	7.3%
Industry	1.5%	7.3%

**Operating revenues** increased by 10.8% the second quarter of 2019 compared to the same period of the previous year. This advance was mainly explained by larger income from fees in Chile and Peru, representing 50% and 30% of the total variation, respectively. The increase of income from fees recorded in Chile was mainly due to the 5.8% increase in real terms of the salary quoted by AFP Habitat. This responds to the strategy followed by the company to position itself in the high-income segment. Moreover, by the end of June 2019, the salary quoted by AFP Habitat overperformed the industry average by 19.3%, being the first AFP in terms of salaries between \$1.1 and \$2.2 million per month.

Revenues from fees in Peru increased by 31.7%, totaling \$6,623 million in the second quarter of 2019. As of June 2019, AFP Habitat Peru reached 1,058,088 active affiliates, achieving 14.6% of market share and US\$2,744 million in AuM. AFP Habitat Peru reached a quarterly profit of \$2,367 million compared to the \$744 million recorded in 2Q18.

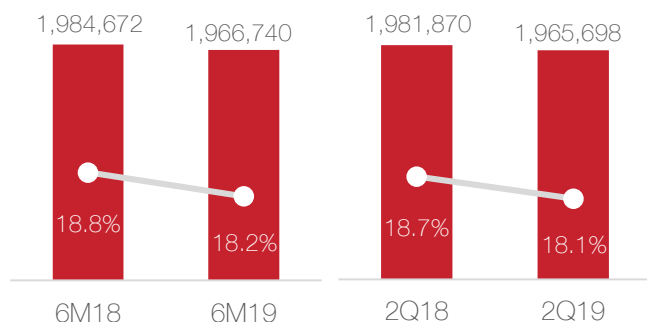
**Selling, general and administrative expenses** for the second quarter of 2019 reached \$22,374 million, 4.1% higher than the compared period. This was mainly explained by a larger asset's depreciation of \$764 million due to the new IFRS 16 norm.

**Non operating income** for the second quarter of 2019 increased by \$15,037 million when compared to the same period of 2018. This was mainly explained by an increase of \$15,107 million in the profitability of the reserve requirement, because of the better investment returns.

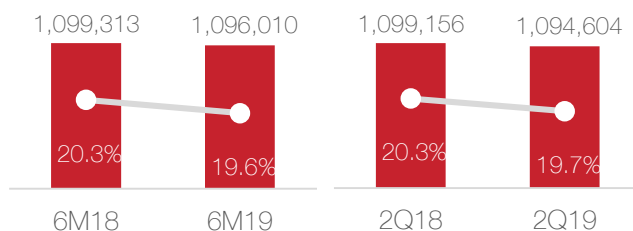
As of the end of the second quarter of 2019, AFP Habitat maintained a **strong positioning in the Chilean market**, being the first AFP in terms of assets under management, the second regarding contributors and the third in terms of affiliates.

Reserve Requirements ("Encaje"): 1% of managed AuM, invested by pension fund companies with own resources.

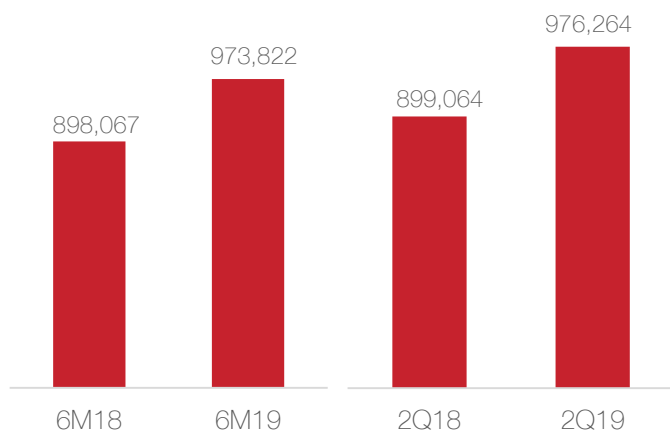
### Average Number of Affiliates & Market Share AFP Habitat Chile



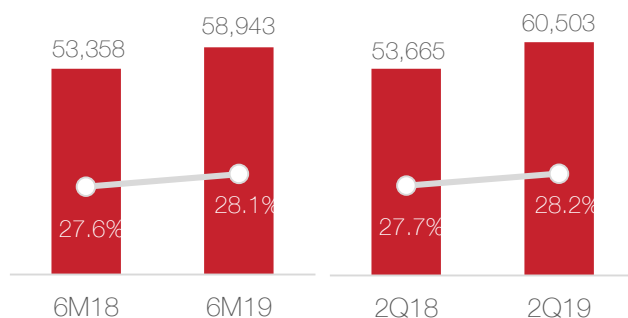
### Average Number of Contributors & Market Share Share AFP Habitat Chile



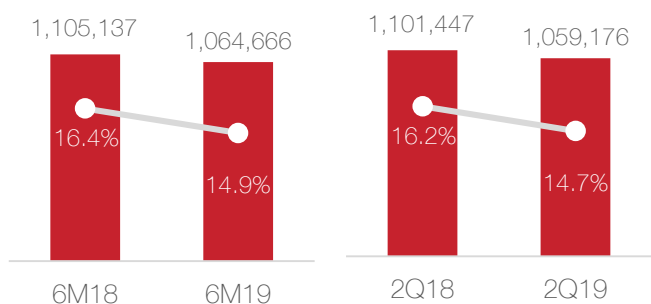
### Average Salary quoted by AFP Habitat Chile (CLP\$ thousand)



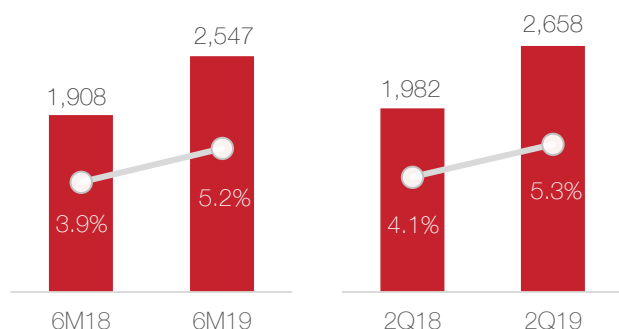
### Assets under Management & Market Share AFP Habitat Chile (US\$ million, Average)<sup>(1)</sup>



### Average Number of Affiliates and Market Share AFP Habitat Peru



### Assets under Management & Market Share AFP Habitat Peru (US\$ million, Average)<sup>(2)</sup>



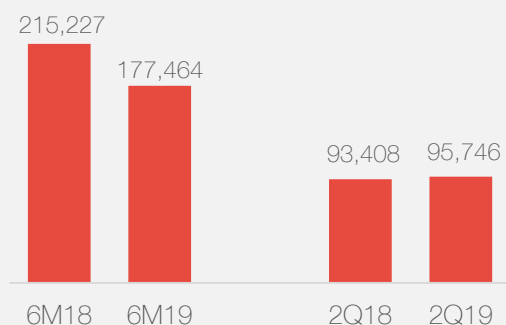
(1) Fx: CLP 679.15/ US\$

(2) Fx: PEN \$3.29/ US\$



# INV. CONFUTURO

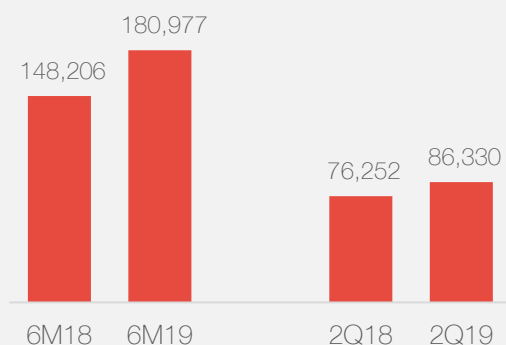
## Net Premiums Income (CLP\$ million)



During 2Q19, **Net Premiums Income** reached \$95,746 million, 2.5% higher than 2Q18. Life insurance premiums and voluntary pension savings increased by 58.6% and 9.4% respectively, while annuity premiums decreased by 7.1% QoQ. The last, consequence of the permanent strategy followed by the company focused on relate sales with the existence of attractive investment alternatives at a defined risk. Confuturo decreased its sales rate by 30 basis points, reaching 2.4%, 60 basis points below programmed withdrawal rate as to June of 2019. The premiums industry grew by 4.9% QoQ, while Confuturo kept the fourth place, reaching 10,3% LTM of market share.

On the other hand, **Net Investment Income** of the second quarter increased by 13.2% QoQ reaching \$86,330 million. This was mainly due to higher foreign investment results by \$9,425 million, partially offset by a \$4,228 million decrease in the results coming from fixed income and equity investment at local level.

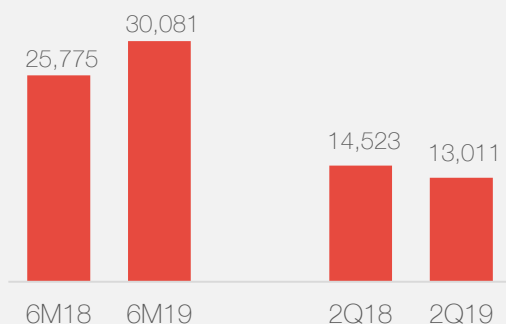
## Net Investment Income (CLP\$ million)



**Cost of sales** raised by 5.7% in 2Q19 when compared to the same period in 2018, mainly driven by an 8.3% increment in the amount of pensions paid and 24.3% in loss costs. This was partially offset by a 7.7% decrement in the reserve constitution, as consequence of fewer sales. It is important to mention that in 2Q19, the difference between the sales rate and the reserve rates vector grew by 47 basis points QoQ, which means a higher accountant loss when the sale is quantified.

**Administrative expenses** increased by 67.8% in 2Q19 when compared to the same period in 2018, mainly due to a higher impairment loss in syndicated loans.

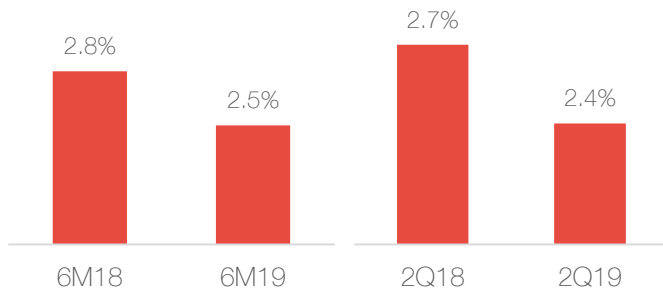
## Net Income Confuturo and Corpseguros (CLP\$ million)



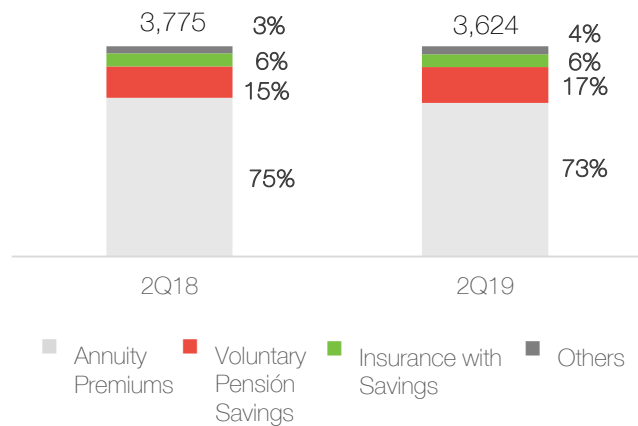
**Non operating income** decreased by \$8,067 QoQ. This was mainly due to lower inflation of the period reflected in a lower adjustment result.

All the above meant that Confuturo reached \$14,523 million of **net income** during the quarter, compared with \$13,011 million presented the same period last year.

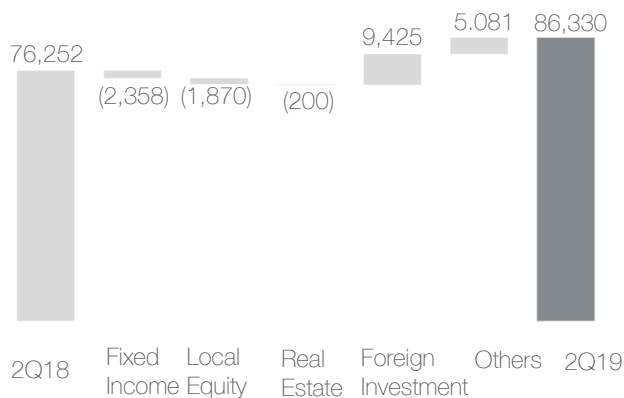
### Annuities Average Sale Rate (real terms, %) <sup>(1)</sup>



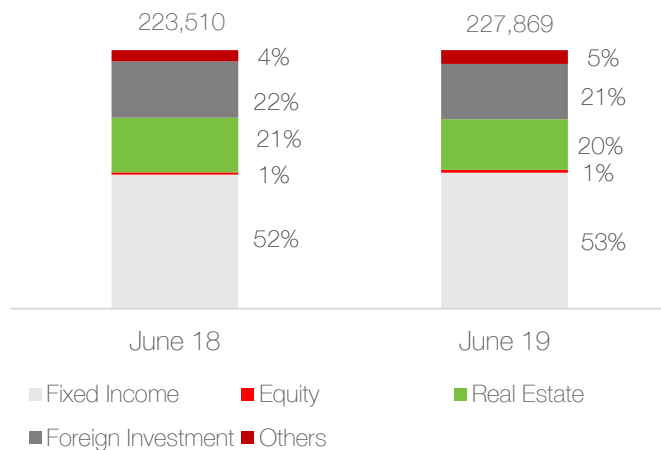
### Direct Premiums life insurances (UF th.)



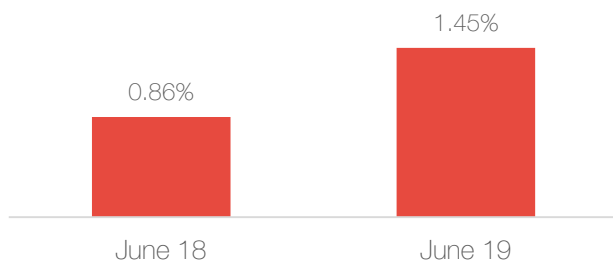
### Investment Result Breakdown (CLP million)



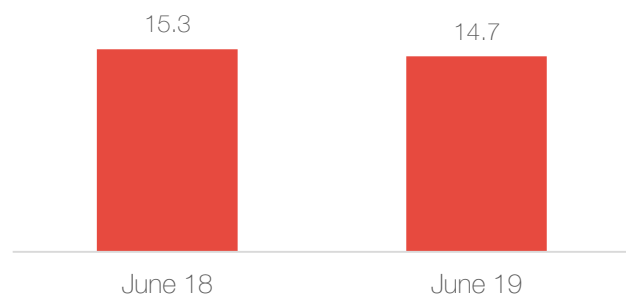
### Assets under Management Breakdown by Instrument (UF th.)



### Sufficiency Assets Rate (TSA) <sup>(2)</sup>



### Leverage <sup>(2)</sup>

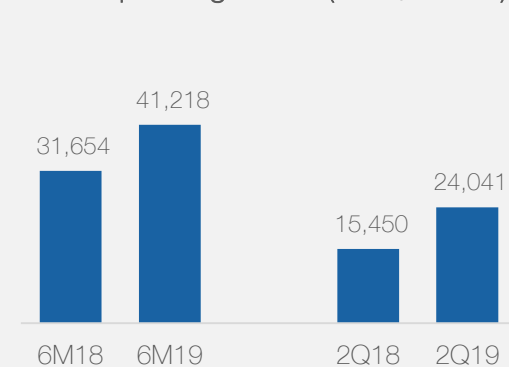


(1) Rates corresponding to Confuturo, not considering Corpseguros, after the merge of the companies in June 2019  
(2) 2018 corresponding to Confuturo, not considering Corpseguros, 2019 corresponding to merged companies

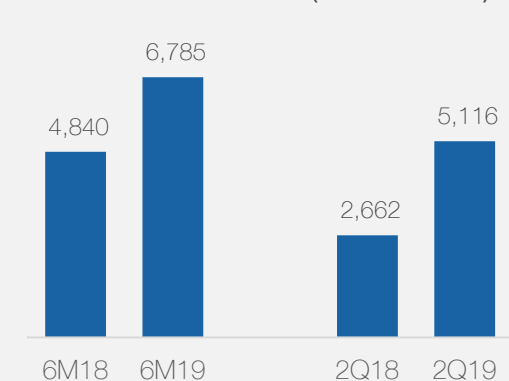


# BANCO INTERNACIONAL

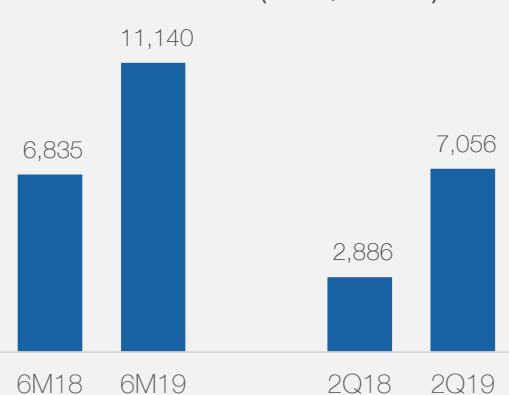
## Gross Operating Result (CLP\$ million)



## Credit Risk Provisions (CLP\$ million)



## Net Income (CLP\$ million)



As of June 2019, **commercial loans** of Banco Internacional increased by 30.2% compared to the first semester of 2018, above the 7.6% recorded by the Chilean banking industry.

**Net income from interests and adjustments** reached \$14,435 million in 2Q19, 25.7% higher than the same period of 2018. Income from interests increased by 12.0%, mainly explained by the \$3,792 million growth in interest from commercial loans, most of them coming from large and medium size companies. Expenses from interests increased by 26.4%, which is explained by an increase of 33.9% in the liabilities of the Bank. On the other hand, the income from adjustments increased in \$10,680 million due to the growth of commercial loans and to higher inflation of the period.

**Net income from fees and services** totaled \$1,475 million, 34.6% higher than 2Q18. This was mainly due to an income reclassification related to collection commission and to an increase in commissions for financial advice.

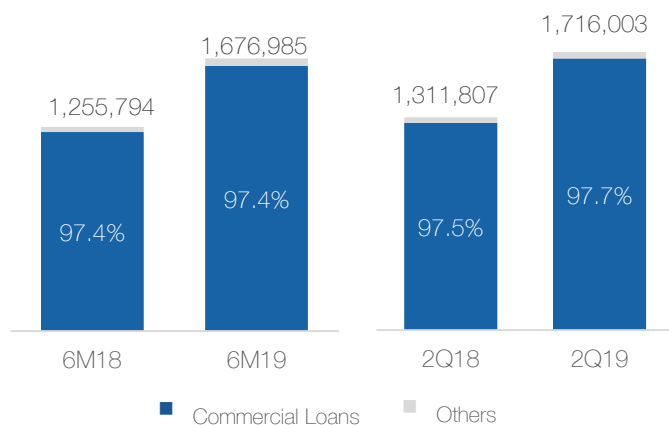
**Credit risk provisions** increased by \$2,454 million. This was mainly related to the growth in loans experimented by Banco Internacional during the period. In addition, it is important to mention that there was also a low risk provision during 1H19, so there was a recognition effect during the current period.

**Operating expenses** reached \$10,754 million the second quarter of 2019, 17.3% higher than the same period of the previous year. This was mainly explained by higher levels of depreciation and amortization, other operational expenses and payments.

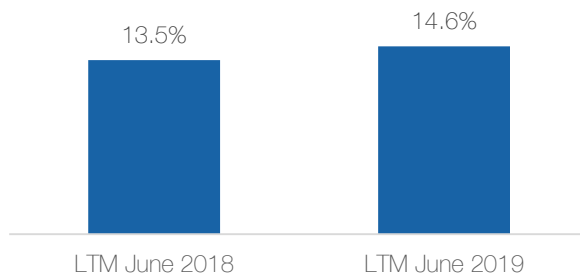
Banco Internacional **efficiency ratio** improved by 402 bps YoY as of the end of June 2019, reaching 47.9%. This difference was mainly boosted by a larger gross operational result, partially offset by larger expenses already mentioned.

All above meant a stable **net result** of \$7,056 million during the second quarter of 2019, \$4,170 million higher when compared to the same quarter of 2018. As of the end of June 2019, Banco Internacional reached an average **return over equity** of 14.6%, 112 bps higher compared to the one registered in June 2018. The **net result** corresponding to the mobile year ended in June, 2019 reached the \$19,366 million.

### Average Total Loans (CLP\$ million)

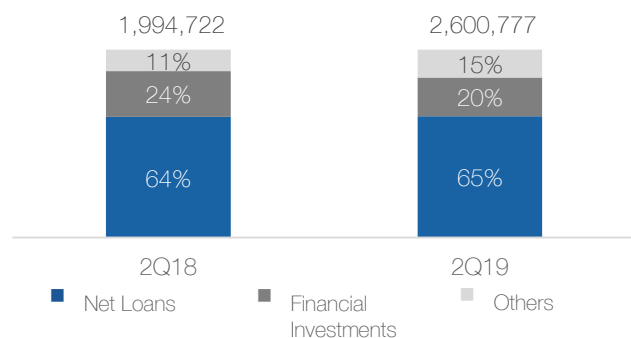


### Return on Equity<sup>(1)</sup>

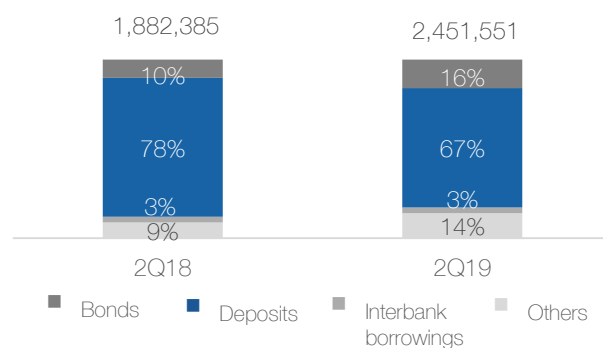


(1) ROE: Last twelve months net result / average equity

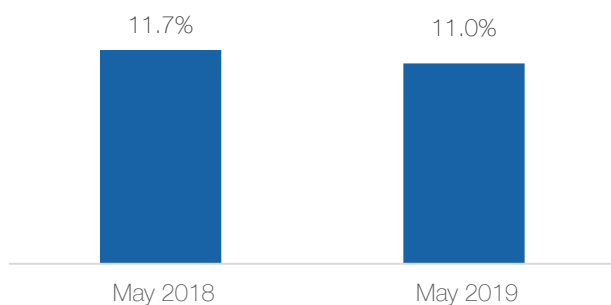
### Asset Breakdown (CLP\$ million)



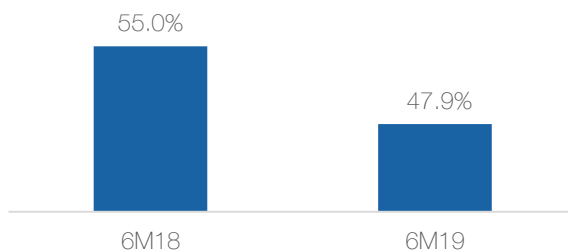
### Liability Breakdown (CLP\$ million)



### Basel I

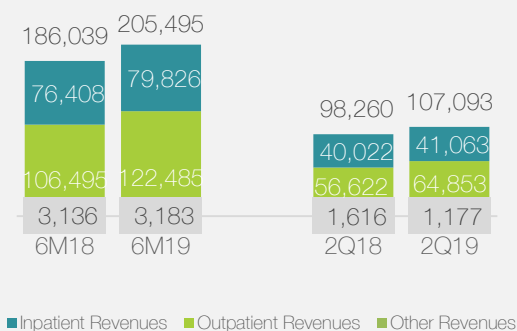


### Efficiency Index

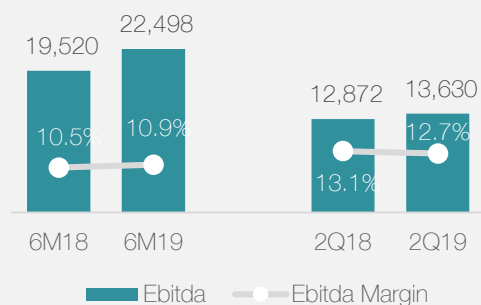


# RED SALUD

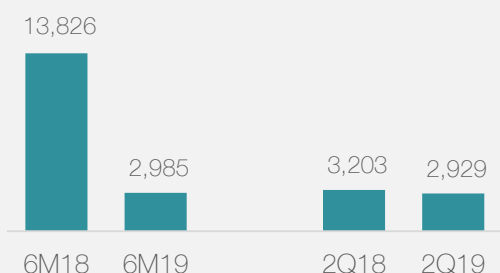
## Revenues (CLP\$ million)



## EBITDA (CLP\$ million)



## Net Income (CLP\$ million)



Red Salud recorded **revenues** of \$107,093 million in the second quarter of 2019, 9.0% higher compared to the same quarter of the previous year. This is mainly due an increase on outpatient activity, specially in medical consultations, imaging and laboratory. This boosted the increases of Centros Médicos y Dentales (14.5%), and Regional Hospitals (16.1%). The growth of Centros Médicos y Dentales was mainly due to greater dental incomes and medical consultations. Regarding Regional Hospitals, stand out Magallanes, Temuco and Valparaíso with greater inpatient and outpatient activity.

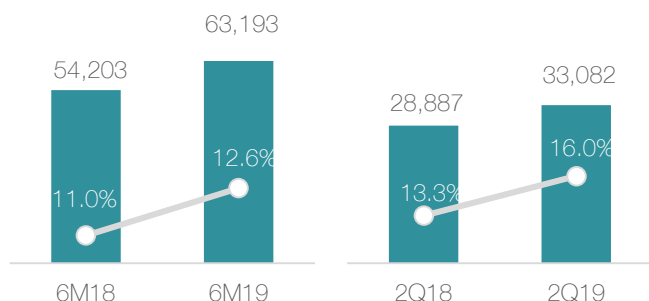
**Cost of sales** increased by 10.2% in 2Q19 compared to the same quarter of 2018. Costs over revenues increased from 73.2% in 2Q18 to 74.1% in 2Q19. The increment in costs was fundamentally explained by higher personnel expenses for \$3,024 million, medical participations for \$2,077 million, and medical materials for \$982 million, mainly in Centros Médicos y Dentales, Red Salud Santiago and Red Salud Providencia.

Red Salud's **sales and administrative expenses** increased by 10.5% in 2Q19 compared to 2Q18. This was mainly driven by an increase on personnel expenses by \$758 million as well as by larger depreciation expenses of \$890 million, all this partially offset by lower impairments in accounts receivable by \$584 million.

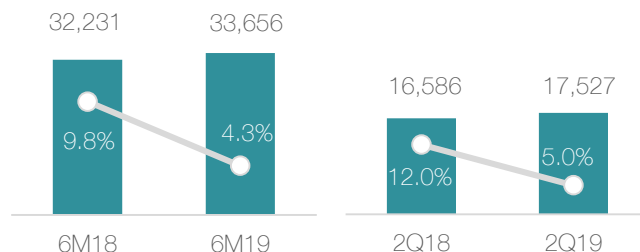
**Consolidated EBITDA** increased by \$758 million QoQ, reaching \$13,630 million this quarter. EBITDA main improvements were registered in Centros Médicos y Dentales and in Regional Hospitals, with a variation of \$1,463 million and \$367 million QoQ, respectively. This derives from greater outpatient and inpatient activity, higher efficiency and the positive effect of the adoption of the new accounting norm IFRS 16. All this was partially offset by a decrease on Red Salud's Santiago EBITDA of \$1,121 million, mainly explained by larger personnel expenses.

All the above meant that **Red Salud's net result** in 2Q19 reached \$2,929 million compared to a profit of \$3,203 registered in 1Q18.

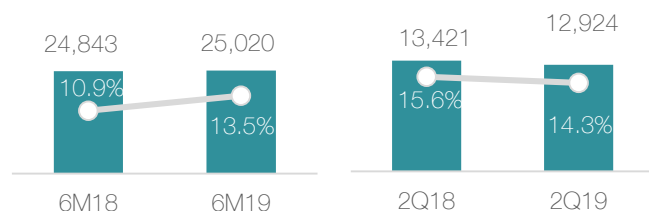
Centros Médicos y Dentales (Ex Megasalud):  
Revenues (CLP\$ m.) and EBITDA Margin (%)



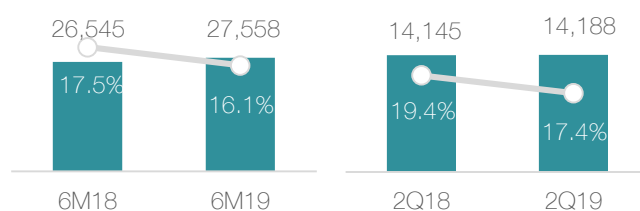
Red Salud Santiago (Ex Bicentenario):  
Revenues (CLP\$ m.) and EBITDA Margin (%)



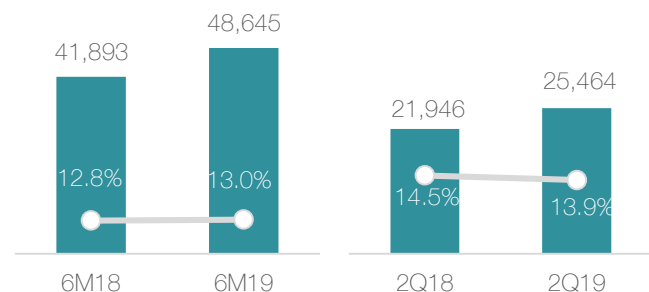
Red Salud Vitacura<sup>(1)</sup> (Ex Tabancura):  
Revenues (CLP\$ m.) and EBITDA Margin (%)



Red Salud Providencia (Ex Avansalud):  
Revenues (CLP\$ m.) and EBITDA Margin (%)



Regional Hospitals:  
Revenues (CLP\$ m.) and EBITDA Margin (%)



<sup>(1)</sup> Incluye Inmobiliaria



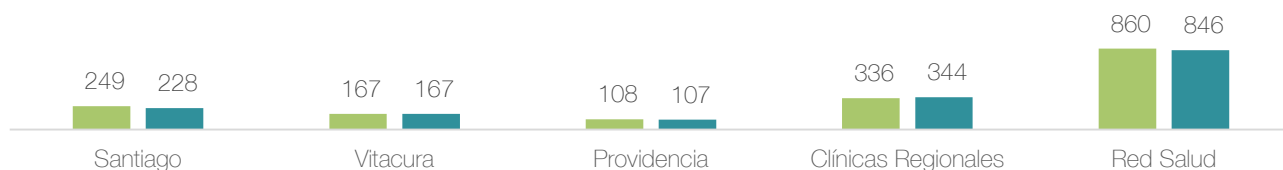
## Installed beds

■ June 2018 ■ June 2019



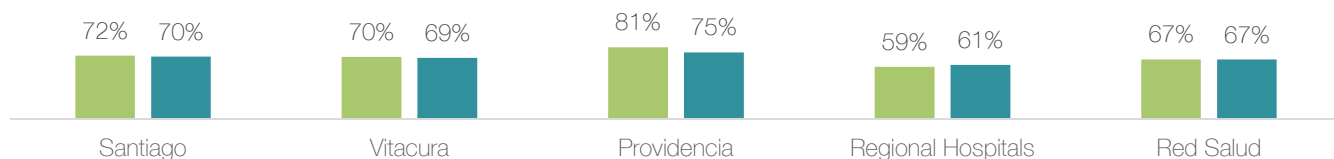
## Available beds

■ June 2018 ■ June 2019



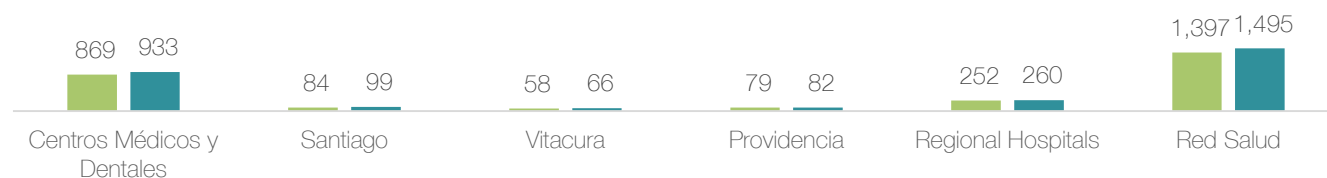
## Occupancy rate<sup>(1)</sup>

■ June 2018 ■ June 2019



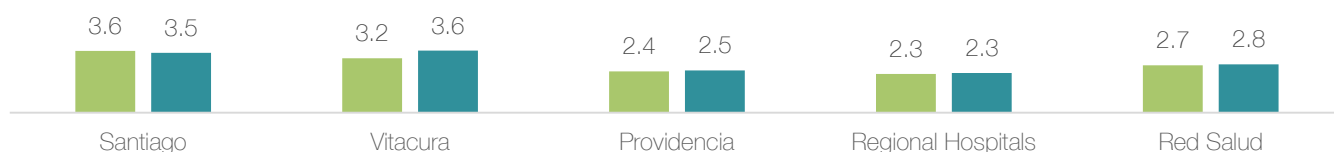
## Number of boxes

■ June 2018 ■ June 2019



## Average Length of Stay<sup>(2)</sup>

■ June 2018 ■ June 2019



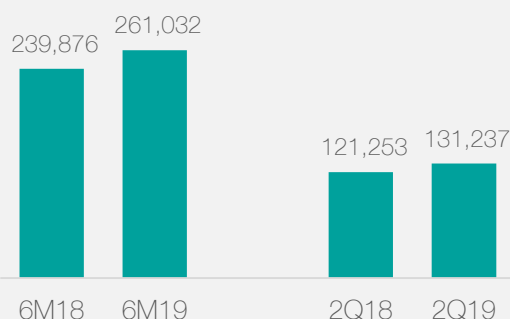
(1) Occupancy rate: utilized bed days/available bed days

(2) Average Length of Stay: Total utilized bed days / Hospital discharges

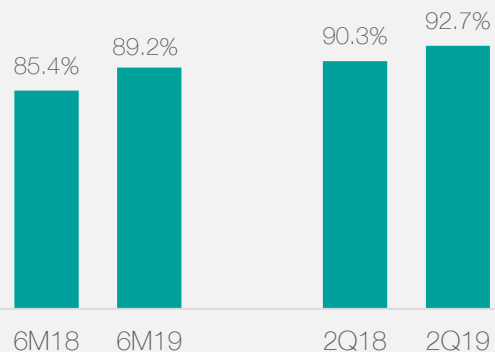
(3) Includes 365 dental boxes in June 2018 and 407 dental boxes in June 2019

# CONSALUD

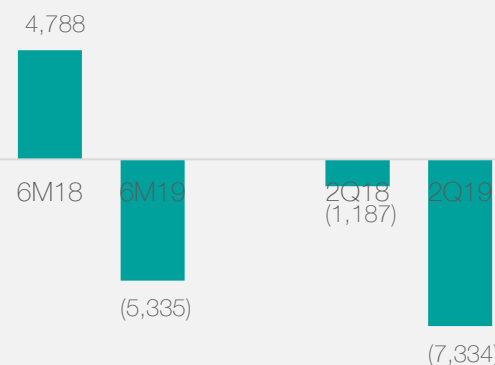
Revenues<sup>(1)</sup> (CLP\$ million)



Loss Ratio<sup>(1)</sup>  
(Cost of Sales/ Revenues)



Net Income <sup>(1)</sup> (CLP\$ million)



(1) Accounted under IFRS

During the second quarter of 2019, **revenues** increased by 8.2% compared to those of 2Q18. This was mainly explained by price adjustments, as well as by the 4.3% increase in the number of contributing members, reaching 423,520 at the end of May.

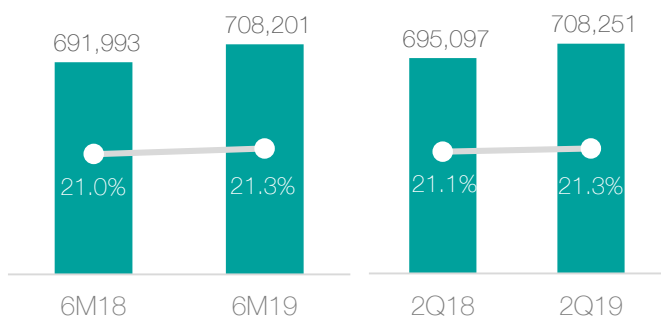
**Cost of sales** during 2Q19 amounted to \$121,687 million, 11.2% higher than the same quarter of 2018. This increment was mainly attributable to the 9.1%, 12.0% and 19.2% rise in the total cost of inpatient, outpatient and medical leaves coverages, respectively. It is important to note that during this quarter there was a greater frequency in outpatient and medical leaves coverages, whereas the inpatient coverages decreased by 13.6%. However, the average inpatient service cost had an increase of 26.3%

Consalud's 2Q19 **loss ratio** increased 245 basis points compared to the same quarter of 2018, totaling 92.7%. The increase in costs of hospital services and of medical leaves was higher than the increases in incomes, having as a result a lower operating margin, which was partially offset by a reversal of provisions.

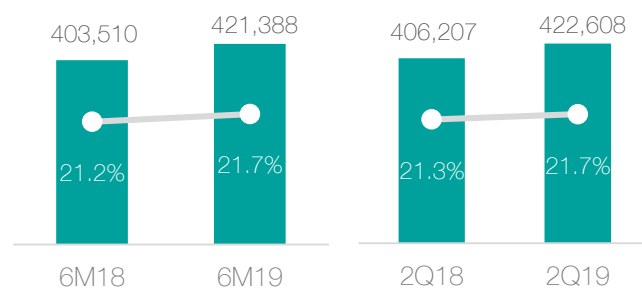
Consalud's **sales and administrative expenses** corresponding to the second quarter of 2019 increased by 20.8% compared to 2Q18. This increment was mainly due to a 24.7% rise in administrative expenses and a \$993 million increment in legal expenses. It is important to mention that the number of trials against Consalud reached 11,672 in comparison with 5,456 during the 2Q18.

All above resulted in a \$7,334 million loss as **net result** during the second quarter of 2019, compared to a loss of \$1,187 million the same quarter of 2018.

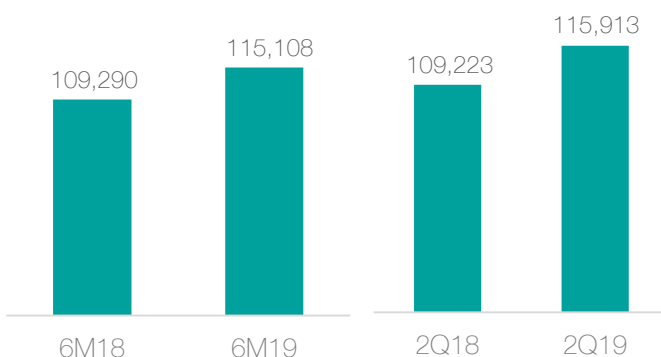
### Average Number of Beneficiaries & Market Share (%)



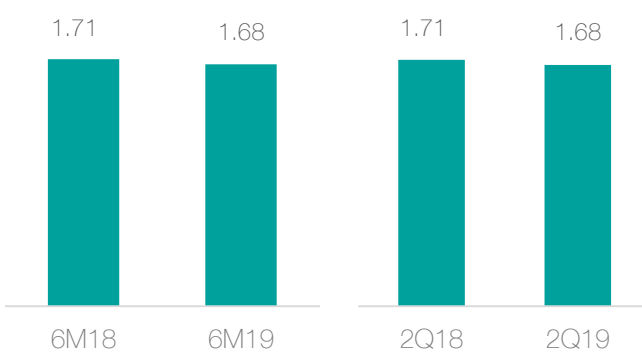
### Average Number of Contributors & Market Share (%)



### Average Monthly Contribution (CLP\$)



### Beneficiaries / Contributors

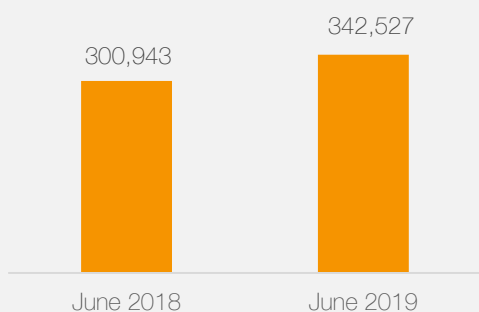


### Cost Breakdown

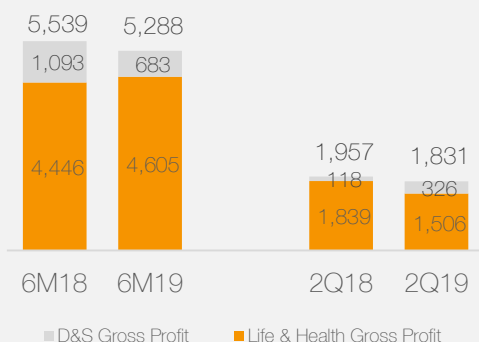
		6M19	6M18	Var. %	2Q19	2Q18	Var. %
Inpatient Costs	N° Inpatient Services	1,409,367	1,567,553	-10.1%	704,967	816,057	-13.6%
	Average Cost per Inpatient Service (CLP\$ Th.)	\$ 62,997	\$ 49,046	28.4%	\$ 62,508	\$ 49,499	26.3%
	Total Inpatient Cost (CLP\$ Th.)	\$ 88,786	\$ 76,882	15.5%	\$ 44,066	\$ 40,394	9.1%
Outpatient Costs	N° Outpatient Services	7,970,041	7,152,723	11.4%	4,142,917	3,754,787	10.3%
	Average Cost per Outpatient Service (CLP\$)	\$ 10,277	\$ 10,102	1.7%	\$ 10,423	\$ 10,272	1.5%
	Total Outpatient Cost (CLP\$ Th.)	\$ 81,911	\$ 72,258	13.4%	\$ 43,183	\$ 38,568	12.0%
Medical Leaves	N° Temporary Disability Insurances	176,385	157,816	11.8%	102,263	89,416	14.4%
	Average Temporary Disability Insurance CLP\$)	\$ 349,168	\$ 326,703	6.9%	\$ 327,851	\$ 314,619	4.2%
	Total Temporary Disability Insurance (CLP\$ Th.)	\$ 61,588	\$ 51,559	19.5%	\$ 33,527	\$ 28,132	19.2%

# VIDA CÁMARA

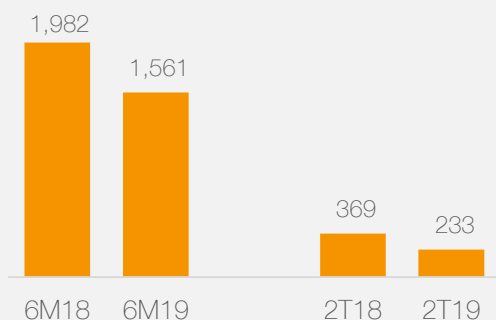
## Beneficiaries Supplemental Health Insurances



## Gross Profit (CLP\$ million)



## Net Result (CLP\$ million)



**Gross profit** during the first quarter of 2019 reached \$1,831 million, 6.4% lower compared to 2Q18. This was mainly due to a lower result coming from life and health insurances, partially offset by the better performance presented by the SIS.

Regarding supplemental health and life insurances, **contribution margin** during the quarter decreased by \$333 million compared to the same period of 2018. This was explained by the increase in the loss costs, partially offset by rising premiums given the 13.8% increment in beneficiaries, according to the experimented growth in the past periods. The above meant an increase of Vida Cámara's loss ratio from 92.2% in 2Q18 to 86.7% in 2Q19.

**Sales and administrative expenses** amounted \$1,988 million during the second quarter of 2019, 18.1% higher compared to the same period of 2018. This responds to higher remuneration expenses, partially offset by lower operative and other administrative expenses.

All the above resulted in a \$233 million **net result** for 2Q19, compared to a \$369 million net profit for the same period in 2018.

Given that **Vida Cámara Peru** was acquired directly by ILC in June 2017, Vida Cámara Chile does not consolidate its results since 3Q17. The result of Peru corresponds to a profit of \$1,651 million in 2Q19, compared to a quarterly loss of \$878 million in 2Q18, explained by higher release of reserves in its disability and survivorship insurance contracts (SISCO).

# BALANCE SHEET REVIEW



CLP\$m.	June 2019	December 2018	Var.	Var. %
Total non-insurance activity current assets	289,221	274,562	14,659	5.3%
Total non-insurance activity non current assets	766,225	728,923	37,303	5.1%
Total insurance activity assets	6,648,475	6,559,615	88,860	1.4%
Total banking activity assets	2,826,715	2,399,211	427,505	17.8%
<b>Total Assets</b>	<b>10,530,637</b>	<b>9,962,311</b>	<b>568,327</b>	<b>5.7%</b>
Total non-insurance current liabilities	414,964	339,784	75,180	22.1%
Total non-insurance non current liabilities	448,381	441,568	6,813	1.5%
Total insurance activity liabilities	6,184,821	6,101,068	83,753	1.4%
Total banking activity liabilities	2,649,489	2,238,715	410,774	18.3%
<b>Total Liabilities</b>	<b>9,697,655</b>	<b>9,121,135</b>	<b>576,520</b>	<b>6.3%</b>
Equity attributable to owners of the parent company	759,854	747,114	12,740	1.7%
Non-controlling interests	73,128	94,061	(20,933)	-22.3%
<b>Total Equity</b>	<b>832,982</b>	<b>841,175</b>	<b>(8,194)</b>	<b>-1.0%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>10,530,637</b>	<b>9,962,311</b>	<b>568,327</b>	<b>5.7%</b>

- As of the end of June 2019, total **assets increased by 5.7%** when compared to those as of the end of 2018. This variation was mainly due to the \$427,505 million increment in the assets of the Banking Activity, specifically in commercial loans of Banco Internacional. Moreover, the Non-insurance Activity also increased its assets by 5.2%, mainly explained by an increment of \$28,105 million in properties, plant and equipment, associated with the adoption of the new norm IFRS 16.
- Total **liabilities increased by 6.3%** during the period. This was mainly explained by the \$410,774 million increase in the Banking Activity liabilities, mostly driven by the \$136,591 million increase in the issuance of debt during the period (current and subordinated bonds) and the increase of \$77,527 million in the in deposits and term deposits.
- Finally, **consolidated equity increased by 1.7%**, due to the result of the period, which was partially offset by \$40,000 million payment in dividends executed during the period, as well as the effect of extending mortality tables of the life insurance companies.
- The composition of ILC's and its subsidiaries cash and cash equivalents as of the end of June 2019 was:

CLP\$ million	ILC Individual <sup>(1)</sup>	Inversiones Confuturo	Confuturo	Banco Internacional	Red Salud	Consalud	Vida Cámara
Cash and cash equivalents	68,738	1,240	138,206	291,075	8,999	8,327	2,167

- ILC's Individual Real Estate Assets**, such as its corporate offices and land, had a book value of \$23,808 million as of the end of June 2019.

- Financial debt breakdown of ILC (individual), Red Salud and Inversiones Confuturo as of June 30th, 2019 was:

CLP\$ mm.	Short Term				Long Plazo				Total
	Bonds	Banks Loans	Leasing	IFRS 16	Bonds	Banks Loans	Leasing	IFRS 16	
ILC	256	113,329	-	-	145,458	19,804	-	-	278,847
Red Salud	-	49,624	6,163	2,911	61,568	54,518	45,765	20,248	240,797
Inv. Confuturo	1,172	15,329	-	-	88,611	-	-	-	105,112

- Amortization schedule of ILC (individual) in CLP\$ billion as of June 30th, 2019:



- Dividend policy from ILC's main subsidiaries regarding their results at June 2019 are:

3M19	Net Income (CLP\$ million)	Dividend Pol. % <sup>(1)</sup>	Ownership (%)
AFP Habitat	75,120 <sup>(2)</sup>	90%	40.3%
Red Salud	2,984	100%	99.9%
Consalud	(3,759) <sup>(3)</sup>	30% <sup>(4)</sup>	99.9%
Vida Cámara Chile	1,561	30%	99.9%
Inversiones Confuturo	26,883	30%	99.9%
Banco Internacional	11,140	30%	67.2%
<b>Total</b>	<b>113,939</b>		

(1) According to the dividend policy of each subsidiary as of June 2019

(2) Dividend should be calculated from Distributable Net Income

(3) According to the regulation of the Superintendencia de Salud, (FEFI Consalud June 2019).

(4) If Consalud exceeds regulatory limits, dividend policy could increase up to 100%

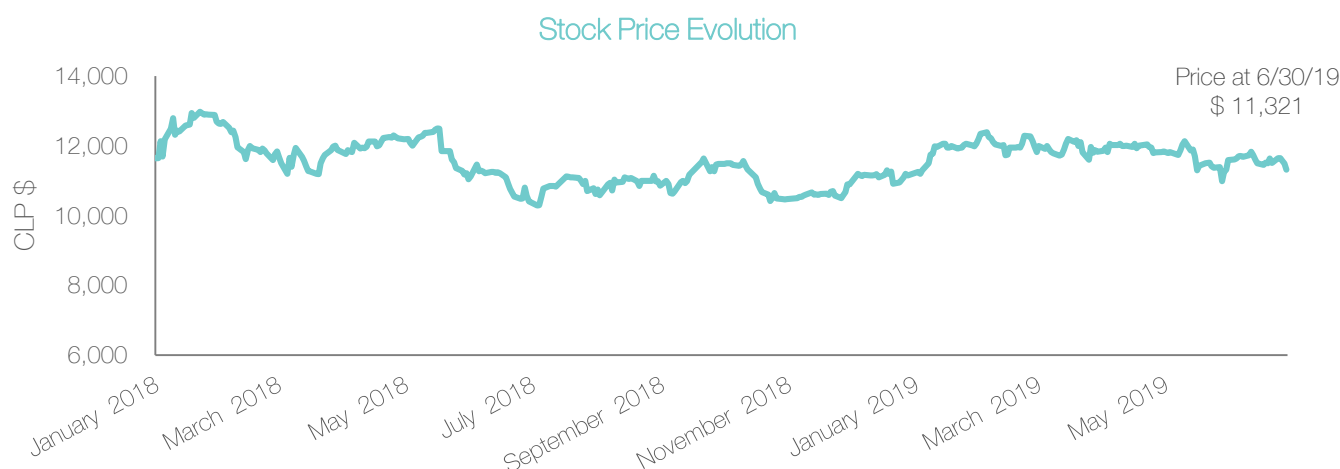


- **ILC celebrated its ordinary shareholders' meeting:** on April 25<sup>th</sup> 2019, the shareholders' meeting of ILC agreed to:
  - a. Approve ILC's Balance Sheet, Financial Statements and Annual Report for the year 2018
  - b. Distribute a final dividend of \$350 per share, related to 2018's Net Income
  - c. Approve ILC's dividend policy for the year 2019, which consists on a total dividend between 40%-70% of ILC's distributable profit
  - d. Designate KPMG as external auditor firm
  - e. Appoint Feller Rate and ICR as rating agencies for 2019
  - f. Appoint ILC's Board of Directors for 2019: Sergio Torreti C., Jorge Mas F., Iñaki Otegui M., Varsovia Valenzuela A., Patricio Donoso A., René Cortázar S. and Fernando Coloma C. The last two members assumed as independent directors. The meeting also established the compensation policy for the Board, the Board's Committee, the Investments Committee and the Sustainability Committee.
- **ILC distributed a definite dividend of \$350 per share:** a dividend of CLP\$350 per outstanding share was approved by the Shareholders' Meeting of ILC, being paid on May 20<sup>th</sup>. As a consequence, the Company disbursed a total dividend of CLP\$450 related to the net profit of the year 2018.
- **ILC increases its participation in Banco Internacional:** on April 5, 2019, ILC reached 67% ownership in Banco Internacional and Factoring Baninter through a Public Offering of Acquisition of Shares (OPA). This involved an investment of \$ 31,826 million.
- **ILC and Prudential announced Habitat agreement for the purchase of Colombia's AFP Colfondos:** through this acquisition, AFP Habitat will take a significant step in its expansion strategy in Latin America, consolidating its leadership position in the administration of pension savings industry.
- **Confuturo and Corpseguros merge:** Confuturo and Corpseguros shareholders' meetings approved the merger of both companies. This rule started on June 28<sup>th</sup>, 2019 after the approval of the Financial Market Commission.
- **Adherence to the Global Compact:** according to the new sustainable objectives of the company, in August ILC adhered to the Global Compact. This implies assuming the commitment to integrate the concept of sustainability into the Corporate Strategy, through the implementation of Ten Principles, which are focused on four areas: Human Rights, Labor Rights, Environment and Anti-Corruption.
- **Sustainability at ILC:** according to the new sustainable objectives of the company, in March 2019 a new Sustainability Committee, at a directors and executives level, was created. Among their many functions, there are: defining and reviewing our Corporate Sustainability Strategy, monitoring key objectives and metrics, approve sustainability documentation, review application to world sustainability indexes and certifications, among others.

# STOCK INFORMATION

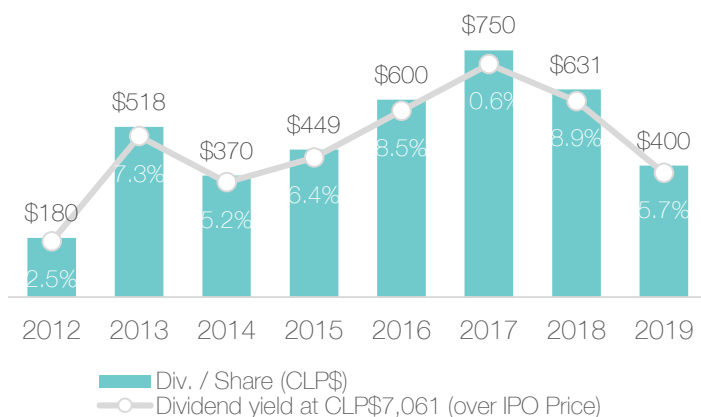


- **Average price of ILC's stock** in 6M19 was \$11,834, compared to the \$11,858 recorded in 6M18. During the second quarter of 2019 ILC's price averaged \$11,722, compared to the \$11,657 recorded in the same period of 2018.
- **Average daily traded volume of ILC's stock** in 6M19, was approximately US\$1.2 million, compared to US\$1.4 million in 6M18. The daily amount traded of ILC's stock in 2Q19 was US\$ 0.9 million, compared to US\$ 1.4 million in 2Q18.

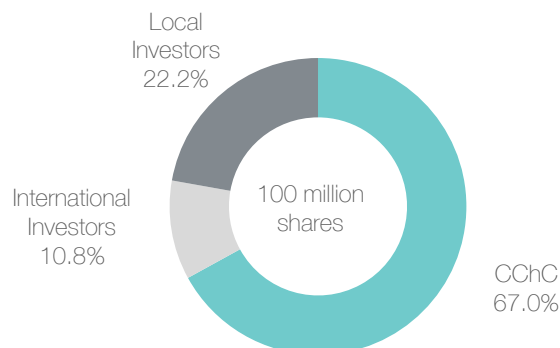


Source: Bloomberg

**Dividends paid by ILC (CLP\$/per share)**



**Shareholders' Structure (June 30<sup>th</sup>, 2019)**



# BALANCE SHEET



CLP\$m.	June 2019	December 2018	Variation
<b>Non-Insurance Activity</b>			
Cash and cash equivalents	30,431	28,799	5.7%
Other financial current assets	64,886	61,209	6.0%
Trade and other receivables, net	139,151	141,999	-2.0%
Other current assets	54,753	42,555	28.7%
<b>Total Current Assets</b>	<b>289,221</b>	<b>274,562</b>	<b>5.3%</b>
Investments accounted under the equity method	308,789	303,562	1.7%
Property, plant and equipment	335,183	307,077	9.2%
Other non current assets	122,254	118,284	3.4%
<b>Total Non current assets</b>	<b>766,225</b>	<b>728,923</b>	<b>5.1%</b>
<b>Insurance activity</b>			
Cash and bank deposits	143,825	49,467	190.7%
Financial Investments	4,707,335	4,707,245	0.0%
Real estate investments	1,236,111	1,265,465	-2.3%
Single Investment Account (SIA) Investments	314,704	282,948	11.2%
Other assets	246,500	254,489	-3.1%
<b>Total insurance activity assets</b>	<b>6,648,475</b>	<b>6,559,615</b>	<b>1.4%</b>
<b>Banking Activity</b>			
Cash and deposits in banks	291,075	187,577	55.2%
Loans and account receivables from customers, net	1,735,810	1,544,557	12.4%
Other assets	799,830	667,077	19.9%
<b>Total banking activity assets</b>	<b>2,826,715</b>	<b>2,399,211</b>	<b>17.8%</b>
<b>Total Assets</b>	<b>10,530,637</b>	<b>9,962,311</b>	<b>5.7%</b>
<b>Non-Insurance Activity</b>			
Other current financial liabilities	213,385	138,218	54.4%
Trade and other accounts payables	139,755	136,245	2.6%
Other current liabilities	61,824	65,320	-5.4%
<b>Total current liabilities</b>	<b>414,964</b>	<b>339,784</b>	<b>22.1%</b>
Other non current financial liabilities	443,501	437,561	1.4%
Other non current liabilities	4,880	4,007	21.8%
<b>Total non current liabilities</b>	<b>448,381</b>	<b>441,568</b>	<b>1.5%</b>
<b>Insurance activity</b>			
Pension insurance reserves	5,655,115	5,530,742	2.2%
Banks liabilities	60,689	111,549	-45.6%
Other liabilities	469,017	458,777	2.2%
<b>Total insurance activity liabilities</b>	<b>6,184,821</b>	<b>6,101,068</b>	<b>1.4%</b>
<b>Banking Activity</b>			
Time deposits and other time liabilities	1,499,822	1,422,296	5.5%
Other liabilities	1,149,666	816,419	40.8%
<b>Total banking activity liabilities</b>	<b>2,649,489</b>	<b>2,238,715</b>	<b>18.3%</b>
<b>Total Liabilities</b>	<b>9,697,655</b>	<b>9,121,135</b>	<b>6.3%</b>
Paid-in capital	239,852	239,852	0.0%
Accumulated profit/loss & Gain (loss) for the period	451,864	376,337	20.1%
Others	68,138	130,925	-48.0%
<b>Equity attributable to owners of the parent company</b>	<b>759,854</b>	<b>747,114</b>	<b>1.7%</b>
Non-controlling interests	73,128	94,061	-22.3%
<b>Total Equity</b>	<b>832,982</b>	<b>841,175</b>	<b>-1.0%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>10,530,637</b>	<b>9,962,311</b>	<b>5.7%</b>

# INCOME STATEMENT



CLP\$m.	6M19	6M18	Variation	2Q19	2Q18	Variation
<b>Non Insurance aActivity</b>						
Revenue	469,722	428,751	9.6%	240,007	220,952	8.6%
Cost of sales	(388,077)	(344,949)	12.5%	(201,286)	(181,701)	10.8%
Other income	3,083	2,452	25.7%	1,482	1,773	-16.4%
Operating expenses	(79,430)	(71,209)	11.5%	(40,166)	(34,943)	14.9%
<b>Operating result</b>	<b>5,298</b>	<b>15,045</b>	<b>-64.8%</b>	<b>38</b>	<b>6,080</b>	<b>-99.4%</b>
Financial income	5,311	4,900	8.4%	3,201	2,782	15.1%
Financial costs	(13,449)	(13,304)	1.1%	(7,095)	(7,421)	-4.4%
Others	26,040	30,991	-16.0%	11,235	7,231	55.4%
<b>Non operating result</b>	<b>17,902</b>	<b>22,587</b>	<b>-20.7%</b>	<b>7,341</b>	<b>2,592</b>	<b>183.2%</b>
			-			-
<b>Profit (loss) before tax</b>	<b>23,201</b>	<b>37,632</b>	<b>-38.3%</b>	<b>7,379</b>	<b>8,673</b>	<b>-14.9%</b>
Income tax expense	(2,436)	(8,283)	-70.6%	(1,316)	(840)	56.8%
<b>Profit (loss) from continuing operations</b>	<b>20,765</b>	<b>29,349</b>	<b>-29.2%</b>	<b>6,063</b>	<b>7,833</b>	<b>-22.6%</b>
(Loss) from discontinued operations	-	-	-	-	-	-
<b>Non-Insurance activity profit</b>	<b>20,765</b>	<b>29,349</b>	<b>-29.2%</b>	<b>6,063</b>	<b>7,833</b>	<b>-22.6%</b>
<b>Insurance Activity</b>						
Net income from interests and adjustments	184,933	150,316	23.0%	88,835	77,085	15.2%
Net premiums income	215,332	251,555	-14.4%	115,175	112,456	2.4%
Costs of sales	(340,923)	(355,975)	-4.2%	(177,150)	(169,447)	4.5%
Operating expenses	(18,569)	(16,067)	15.6%	(10,604)	(6,822)	55.4%
<b>Operating result</b>	<b>40,774</b>	<b>29,829</b>	<b>36.7%</b>	<b>16,257</b>	<b>13,273</b>	<b>22.5%</b>
<b>Non operating result</b>	<b>(3,684)</b>	<b>4,314</b>	<b>-185.4%</b>	<b>(2,349)</b>	<b>5,623</b>	<b>-141.8%</b>
<b>Profit (loss) before tax</b>	<b>37,090</b>	<b>34,143</b>	<b>8.6%</b>	<b>13,908</b>	<b>18,896</b>	<b>-26.4%</b>
Income tax expense	(3,083)	(7,697)	-59.9%	978	(4,922)	-119.9%
<b>Insurance activity profit (loss)</b>	<b>34,007</b>	<b>26,446</b>	<b>28.6%</b>	<b>14,885</b>	<b>13,974</b>	<b>6.5%</b>
<b>Banking Activity</b>						
Net interest income	24,769	21,898	13.1%	14,455	11,437	26.4%
Net fee and commission income	3,409	2,425	40.6%	1,475	1,096	34.7%
Other operating income	12,927	7,209	79.3%	8,088	2,834	185.3%
Provision for loan losses	(6,785)	(4,840)	40.2%	(5,116)	(2,661)	92.2%
<b>Net operating income</b>	<b>34,320</b>	<b>26,693</b>	<b>28.6%</b>	<b>18,903</b>	<b>12,706</b>	<b>48.8%</b>
Operating expenses	(21,019)	(18,098)	16.1%	(10,786)	(9,101)	18.5%
<b>Operating result</b>	<b>13,301</b>	<b>8,595</b>	<b>54.8%</b>	<b>8,116</b>	<b>3,605</b>	<b>125.1%</b>
<b>Non operating result</b>	<b>16</b>	<b>0</b>	<b>-</b>	<b>1</b>	<b>(11)</b>	<b>-112.9%</b>
<b>Profit (loss) before tax</b>	<b>13,317</b>	<b>8,595</b>	<b>54.9%</b>	<b>8,118</b>	<b>3,594</b>	<b>125.8%</b>
Income tax expense	(2,104)	(1,638)	28.5%	(1,053)	(658)	60.1%
<b>Banking activity profit (loss)</b>	<b>11,213</b>	<b>6,958</b>	<b>61.2%</b>	<b>7,065</b>	<b>2,936</b>	<b>140.6%</b>
<b>Profit (loss) for the period</b>	<b>65,986</b>	<b>62,753</b>	<b>5.2%</b>	<b>28,013</b>	<b>24,743</b>	<b>13.2%</b>
Profit attributable to owners of the parent company	60,493	58,445	3.5%	24,992	22,788	9.7%
Profit attributable to non-controlling interest	5,492	4,308	27.5%	3,021	1,955	54.5%

# STATEMENT OF CASH FLOW



CLP\$m.	6M19	6M18	Variation	2Q19	2Q18	Variation
<b>Non Insurance Activity</b>						
Proceeds from sale of services	591,174	536,581	10.2%	294,339	267,917	9.9%
Payments to suppliers related to the provision of goods and services	(176,292)	(146,661)	20.2%	(84,134)	(77,767)	8.2%
Payments to and on behalf of employees	(85,232)	(84,197)	1.2%	(40,935)	(38,584)	6.1%
Other cash inflows (outflows)	(279,113)	(257,730)	8.3%	(131,063)	(124,810)	5.0%
<b>Net cash from (used in) operating activities (Non-Insurance Activity)</b>	<b>50,537</b>	<b>47,992</b>	<b>5.3%</b>	<b>38,208</b>	<b>26,756</b>	<b>42.8%</b>
<b>Insurance Activity</b>						
Income from insurance and coinsurance premiums	250,909	278,919	-10.0%	123,778	130,697	-5.3%
Income from financial assets at fair value	166,578	(16,917)	-	59,365	(8,847)	-
Income from financial assets at amortization cost	(20,264)	90,595	-122.4%	5,791	53,698	-89.2%
Annuity and claims payments	(264,332)	(245,429)	7.7%	(134,089)	(124,906)	7.4%
Other cash inflows (outflows)	(42,827)	(49,079)	-12.7%	(32,346)	(24,353)	32.8%
<b>Net cash from (used in) operating activities (Insurance Activity)</b>	<b>90,064</b>	<b>58,089</b>	<b>55.0%</b>	<b>22,499</b>	<b>26,288</b>	<b>-14.4%</b>
<b>Banking Activity</b>						
(Increase) decrease in loans and account receivables	(186,972)	(216,935)	-13.8%	(129,066)	48,118	-368.2%
Increase (decrease) in deposits and other term deposits	77,527	(31,874)	-343.2%	(39,307)	(371,202)	-89.4%
Other cash inflows (outflows)	188,203	366,176	-48.6%	207,211	376,458	-45.0%
<b>Net cash from (used in) operating activities (Banking Activity)</b>	<b>78,758</b>	<b>117,368</b>	<b>-32.9%</b>	<b>38,839</b>	<b>53,374</b>	<b>-27.2%</b>
<b>Total net cash from (used in) operating activities</b>	<b>219,359</b>	<b>223,449</b>	<b>-1.8%</b>	<b>99,546</b>	<b>106,419</b>	<b>-6.5%</b>
<b>Non Insurance Activity</b>						
Cash flows from the loss of control of subsidiaries or other businesses	-	-	-	-	-	-
Cash flows used to obtain control of subsidiaries or other businesses	(33,380)	-	-	(29,220)	-	-
Payments to acquire other entities' equity and other financial instruments	(11,523)	(12,408)	-7.1%	(6,157)	(6,919)	-11.0%
Other cash inflows (outflows)	(1,995)	12,005	-116.6%	(562)	3,298	-117.0%
<b>Net cash from (used in) investing activities (Non-Insurance Activity)</b>	<b>(46,898)</b>	<b>(403)</b>	<b>-</b>	<b>(35,939)</b>	<b>(3,620)</b>	<b>-</b>
<b>Insurance Activity</b>						
Proceeds from investment properties	11,205	43,432	-74.2%	350	28,639	-98.8%
Payments from investment properties	(5,306)	(19,860)	-73.3%	(3,025)	(1,656)	82.6%
Other cash inflows (outflows)	(90)	(339)	-76.5%	237	(31)	-
<b>Net cash from (used in) investing activities (Insurance Activity)</b>	<b>5,819</b>	<b>23,234</b>	<b>-75.0%</b>	<b>(2,438)</b>	<b>26,952</b>	<b>-109.0%</b>
<b>Banking Activity</b>						
Investments in fixed assets	(91)	(152)	-40.5%	(27)	(111)	-75.4%
Divestments in fixed assets	-	1	-100.0%	(4)	1	-
Other cash inflows (outflows)	1,195	(15,704)	-107.6%	16,789	(22,622)	-174.2%
<b>Net cash from (used in) investing activities Banking Activity)</b>	<b>1,104</b>	<b>(15,856)</b>	<b>-107.0%</b>	<b>16,757</b>	<b>(22,732)</b>	<b>-173.7%</b>
<b>Total net cash from (used in) investing activities</b>	<b>(39,975)</b>	<b>6,975</b>	<b>-673.1%</b>	<b>(21,620)</b>	<b>600</b>	<b>-</b>
<b>Non Insurance Activity</b>						
Total proceeds from loans	94,411	47,874	97.2%	66,548	17,005	291.4%
Proceeds from capital issuances	-	-	-	-	-	-
Payment of loans	(47,922)	(66,474)	-27.9%	(30,987)	(34,657)	-10.6%
Dividends paid	(40,075)	(58,666)	-31.7%	(35,141)	(49,012)	-28.3%
Interests paid	(13,193)	(12,512)	5.4%	(11,156)	(6,764)	64.9%
Other cash inflows (outflows)	(11,445)	4,569	-350.5%	(9,550)	4,961	-292.5%
<b>Net cash from (used in) financing activities (Non-Insurance Activity)</b>	<b>(18,223)</b>	<b>(85,210)</b>	<b>-78.6%</b>	<b>(20,287)</b>	<b>(68,466)</b>	<b>-70.4%</b>
<b>Insurance Activity</b>						
Bank Loans	15,003	-	-	15,003	-	-
Dividends paid	(0)	-	-	(0)	-	-
Interests paid	(169)	(186)	-9.3%	(169)	-	-
Other cash inflows (outflows)	(97)	(14,883)	-99.3%	72	(14,883)	-100.5%
<b>Net cash from (used in) financing activities (Insurance Activity)</b>	<b>14,737</b>	<b>(15,069)</b>	<b>-197.8%</b>	<b>14,905</b>	<b>(14,883)</b>	<b>-200.1%</b>
<b>Banking Activity</b>						
Emisión de bonos	118,718	-	-	40,714	-	-
Bonds payments	(19,684)	-	-	(15,686)	-	-
Other long term financing	-	-	-	-	-	-
Dividends paid	(1,481)	(1,800)	-17.7%	(1,481)	(1,800)	-17.7%
Other cash inflows (outflows)	(2,803)	1,693	-265.5%	(5,963)	(7,087)	-15.9%
<b>Net cash from (used in) financing activities Banking Activity)</b>	<b>94,751</b>	<b>(107)</b>	<b>-</b>	<b>17,585</b>	<b>(8,887)</b>	<b>-297.9%</b>
<b>Total net cash from (used in) financing activities</b>	<b>91,264</b>	<b>(100,388)</b>	<b>-190.9%</b>	<b>12,203</b>	<b>(92,236)</b>	<b>-113.2%</b>
<b>Net Increase (decrease) In cash and cash equivalents before the effect of changes in the exchange rate</b>	<b>270,648</b>	<b>130,039</b>	<b>108.1%</b>	<b>90,129</b>	<b>14,782</b>	<b>-</b>
Effect of exchange rate fluctuations on cash and cash equivalents	(208)	(4,277)	-95.1%	2,724	(1,334)	-304.3%
<b>Net Increase (decrease) on cash and cash equivalents</b>	<b>270,440</b>	<b>125,762</b>	<b>115.0%</b>	<b>92,853</b>	<b>13,449</b>	<b>-</b>
Cash and cash equivalent at the beginning of the period	400,351	191,963	108.6%	577,939	304,276	89.9%
<b>Cash and cash equivalent at the end of the period</b>	<b>670,792</b>	<b>317,725</b>	<b>111.1%</b>	<b>670,792</b>	<b>317,725</b>	<b>111.1%</b>

# SUBSIDIARIES AND ASSOCIATES INCOME STATEMENT



Income Statement (US\$ Th)	6M19	6M18	Var %	2Q19	2Q18	Var %
Revenues	107,893	97,108	11.1%	54,489	49,158	10.8%
Cost of Sales	-	-	-	-	-	-
<b>Gross Profit</b>	<b>107,893</b>	<b>97,108</b>	<b>11.1%</b>	<b>54,489</b>	<b>49,158</b>	<b>10.8%</b>
Other Income (Expenses)	-	-	-	-	-	-
Administrative Expenses	(44,336)	(41,243)	7.5%	(22,374)	(21,495)	4.1%
<b>Operating Income</b>	<b>63,557</b>	<b>55,865</b>	<b>13.8%</b>	<b>32,116</b>	<b>27,663</b>	<b>16.1%</b>
Financial Income	983	618	59.0%	515	277	85.9%
Financial Costs	(268)	(49)	441.5%	(132)	(26)	398.6%
Gain (Loss) of the Encaje	35,529	2,694	1,218.9%	17,112	2,005	753.3%
Share of Profit (Loss) of Affiliates Accounted for Using the Equity Method	1,491	1,405	6.2%	766	704	8.8%
Others	297	475	-37.5%	5	268	-98.1%
<b>Non Operating Income</b>	<b>38,033</b>	<b>5,143</b>	<b>639.5%</b>	<b>18,267</b>	<b>3,228</b>	<b>465.9%</b>
Profit before Taxes	101,590	61,008	66.5%	50,383	30,892	63.1%
Income Tax Expenses	(26,465)	(15,841)	67.1%	(12,828)	(8,075)	58.9%
<b>Net Profit</b>	<b>75,125</b>	<b>45,167</b>	<b>66.3%</b>	<b>37,555</b>	<b>22,816</b>	<b>64.6%</b>
Minority Interest	(6)	(2)	149.9%	(3)	(1)	207.9%
<b>Profit to Habitat</b>	<b>75,120</b>	<b>45,165</b>	<b>66.3%</b>	<b>37,552</b>	<b>22,816</b>	<b>64.6%</b>



Income Statement (CLP\$ million)	6M19	6M18	Var %	2Q19	2Q18	Var %
<b>Non Insurance Activity</b>						
Operating Income	(74)	(59)	24.6%	(35)	(30)	17.6%
Non Operating Income	(3,320)	(3,271)	1.5%	(2,192)	(1,742)	25.8%
<b>Profit before Tax</b>	<b>(3,394)</b>	<b>(3,330)</b>	<b>1.9%</b>	<b>(2,227)</b>	<b>(1,772)</b>	<b>25.7%</b>
Income Tax Expenses	203	482	-57.9%	(109)	256	-142.6%
<b>Profit of Non-Insurance Activity</b>	<b>(3,191)</b>	<b>(2,848)</b>	<b>12.1%</b>	<b>(2,336)</b>	<b>(1,516)</b>	<b>54.1%</b>
<b>Insurance Activity</b>						
Net Premiums Income	177,464	215,227	-17.5%	95,746	93,408	2.5%
Net Investments Income	180,977	148,206	22.1%	86,330	76,252	13.2%
Cost of Sales	(309,286)	(323,336)	-4.3%	(160,132)	(151,476)	5.7%
<b>Gross Profit</b>	<b>49,155</b>	<b>40,096</b>	<b>22.6%</b>	<b>21,944</b>	<b>18,184</b>	<b>20.7%</b>
Administrative Expenses	(12,545)	(11,327)	10.8%	(7,294)	(4,347)	67.8%
<b>Operating Income</b>	<b>36,610</b>	<b>28,769</b>	<b>27.3%</b>	<b>14,649</b>	<b>13,837</b>	<b>5.9%</b>
Share of Profit (Loss) of Equity Investees	-	(26)	-100.0%	-	(0)	-100.0%
Gain (Loss) from Inflation Indexed Unit	(3,924)	4,122	-195.2%	(2,607)	5,460	-147.8%
Foreign Currency Exchange Gain (Loss)	-	-	-	-	-	-
<b>Non Operating Income</b>	<b>(3,924)</b>	<b>4,096</b>	<b>-195.8%</b>	<b>(2,607)</b>	<b>5,460</b>	<b>-147.8%</b>
Profit Before Tax	32,686	32,865	-0.5%	12,042	19,297	-37.6%
Income Tax Expenses	(2,606)	(7,090)	-63.2%	969	(4,774)	-120.3%
<b>Profit of Insurance Activity</b>	<b>30,081</b>	<b>25,775</b>	<b>16.7%</b>	<b>13,011</b>	<b>14,523</b>	<b>-10.4%</b>
<b>Profit (Loss)</b>	<b>26,889</b>	<b>22,927</b>	<b>17.3%</b>	<b>10,675</b>	<b>13,007</b>	<b>-17.9%</b>
Minority Interest	(6)	(5)	16.9%	(2)	(3)	-14.0%
<b>Profit to Inversiones Confuturo</b>	<b>26,883</b>	<b>22,922</b>	<b>17.3%</b>	<b>10,673</b>	<b>13,004</b>	<b>-17.9%</b>



# SUBSIDIARIES AND ASSOCIATES INCOME STATEMENT



Income Statement (CLP\$ million)	6M19	6M18	Var %	2Q19	2Q18	Var %
Income from interest and adjustment	61.151	48.653	25,7%	35.615	22.521	58,1%
Expenses from interest and adjustment	(36.345)	(26.667)	36,3%	(21.180)	(11.034)	91,9%
<b>Net income from interest and adjustments</b>	<b>24.806</b>	<b>21.986</b>	<b>12,8%</b>	<b>14.435</b>	<b>11.487</b>	<b>25,7%</b>
Net income from fees and services	3.409	2.426	40,5%	1.475	1.096	34,6%
Net financial operating income	12.376	9.523	30,0%	8.317	5.612	48,2%
Other operating income	627	(2.281)	-127,5%	(187)	(2.745)	-93,2%
<b>Gross operating result</b>	<b>41.218</b>	<b>31.654</b>	<b>30,2%</b>	<b>24.041</b>	<b>15.450</b>	<b>55,6%</b>
Credit risk provisions	(6.785)	(4.840)	40,2%	(5.116)	(2.662)	92,2%
<b>Net operating income</b>	<b>34.433</b>	<b>26.814</b>	<b>28,4%</b>	<b>18.925</b>	<b>12.788</b>	<b>48,0%</b>
Remuneraciones y gastos de personal	(12.610)	(11.507)	9,6%	(6.562)	(5.812)	12,9%
Other Operating expenses	(8.469)	(6.708)	26,2%	(4.192)	(3.358)	24,8%
<b>Operating result</b>	<b>13.354</b>	<b>8.599</b>	<b>55,3%</b>	<b>8.171</b>	<b>3.618</b>	<b>125,9%</b>
<b>Non operating result</b>	<b>16</b>	<b>0</b>	<b>-</b>	<b>1</b>	<b>(11)</b>	<b>-108,3%</b>
Profit before taxes	13.370	8.599	55,5%	8.172	3.607	126,5%
Income tax expenses	(2.230)	(1.764)	26,5%	(1.116)	(721)	54,9%
<b>Income from continuing operations</b>	<b>11.140</b>	<b>6.835</b>	<b>63,0%</b>	<b>7.056</b>	<b>2.886</b>	<b>144,5%</b>
Minority Interest	1	-	-	-	-	-
<b>Profit to Banco Internacional</b>	<b>11.139</b>	<b>6.835</b>	<b>63,0%</b>	<b>7.056</b>	<b>2.886</b>	<b>144,5%</b>

# SUBSIDIARIES AND ASSOCIATES INCOME STATEMENT



Income Statement* (CLP\$ million)	6M19	6M18	Var %	2Q19	2Q18	Var %
Revenues	261,032	239,876	8.8%	131,237	121,253	8.2%
Cost of Sales	(232,793)	(204,939)	13.6%	(121,687)	(109,456)	11.2%
<b>Gross Profit</b>	<b>28,240</b>	<b>34,937</b>	<b>-19.2%</b>	<b>9,550</b>	<b>11,797</b>	<b>-19.0%</b>
Other Income (Expenses)	3,073	2,447	25.6%	1,474	1,773	-16.8%
Administrative Expenses	(37,183)	(31,706)	17.3%	(18,968)	(15,701)	20.8%
<b>Operating Income</b>	<b>(5,870)</b>	<b>5,678</b>	<b>-203.4%</b>	<b>(7,943)</b>	<b>(2,132)</b>	<b>272.7%</b>
Financial Income	1,552	1,521	2.0%	764	771	-0.9%
Financial Costs	(598)	(302)	98.0%	(375)	(181)	107.5%
Share of Profit (Loss) of Affiliates Accounted for Using the Equity Method	-	-	-	-	-	-
Others	89	(4)	-	95	(2)	-
<b>Non Operating Income</b>	<b>1,044</b>	<b>1,215</b>	<b>-14.1%</b>	<b>484</b>	<b>588</b>	<b>-17.7%</b>
Profit before Taxes	(4,827)	6,894	-170.0%	(7,460)	(1,543)	383.3%
Income Tax Expenses	(508)	(2,105)	-75.8%	125	356	-64.9%
<b>Income from Continuing Operations</b>	<b>(5,335)</b>	<b>4,789</b>	<b>-211.4%</b>	<b>(7,335)</b>	<b>(1,188)</b>	<b>-</b>
Minority Interest	1	(0)	-211.5%	1	0	-
<b>Profit to Consalud</b>	<b>(5,335)</b>	<b>4,788</b>	<b>-211.4%</b>	<b>(7,334)</b>	<b>(1,187)</b>	<b>-</b>

(\*) Accounted under IFRS



Income Statement (CLP\$ million)	6M19	6M18	Var %	2Q19	2Q18	Var %
Revenues	205,495	186,039	10.5%	107,093	98,260	9.0%
Cost of Sales	(154,730)	(139,465)	10.9%	(79,306)	(71,964)	10.2%
<b>Gross Profit</b>	<b>50,765</b>	<b>46,574</b>	<b>9.0%</b>	<b>27,788</b>	<b>26,296</b>	<b>5.7%</b>
Other Income	270	17,126	0.98	140	114	23.3%
Administrative Expenses	(38,696)	(35,422)	9.2%	(19,463)	(17,613)	10.5%
<b>Operating Income</b>	<b>12,339</b>	<b>28,278</b>	<b>-56.4%</b>	<b>8,464</b>	<b>8,797</b>	<b>-3.8%</b>
Financial Income	169	134	25.7%	128	63	103.7%
Financial Costs	(5,028)	(4,743)	6.0%	(2,636)	(2,612)	0.9%
Share of Profit (Loss) of Affiliates Accounted for Using the Equity Method	139	73	91.2%	56	106	-47.3%
Others	(1,686)	(1,848)	-8.8%	(1,704)	(874)	95.0%
<b>Non Operating Result</b>	<b>(6,406)</b>	<b>(6,384)</b>	<b>0.3%</b>	<b>(4,156)</b>	<b>(3,317)</b>	<b>25.3%</b>
Profit Before Taxes	5,933	21,894	-72.9%	4,308	5,479	-21.4%
Income Tax Expenses	(1,990)	(7,213)	-72.4%	(824)	(1,807)	-54.4%
<b>Income from Continuing Operations</b>	<b>3,943</b>	<b>14,681</b>	<b>-73.1%</b>	<b>3,485</b>	<b>3,672</b>	<b>-5.1%</b>
Minority Interest	(959)	(857)	11.9%	(556)	(470)	18.5%
<b>Profit to Red Salud</b>	<b>2,984</b>	<b>13,826</b>	<b>-78.4%</b>	<b>2,928</b>	<b>3,203</b>	<b>-8.6%</b>
<b>EBITDA (*) Red Salud</b>	<b>22,498</b>	<b>19,520</b>	<b>15.3%</b>	<b>13,631</b>	<b>12,872</b>	<b>5.9%</b>

(\*) EBITDA is calculated as profit before taxes minus depreciation, financial costs, other non operational costs and financial income

# SUBSIDIARIES AND ASSOCIATES INCOME STATEMENT



Income Statement (CLP\$ mm.)	6M19	6M18	2Q19	2Q18
Revenues	63,193	54,203	33,082	28,887
Cost of Sales	(46,934)	(40,928)	(23,720)	(21,315)
Gross Profit	16,260	13,275	9,362	7,571
SG&A	(11,871)	(9,502)	(5,906)	(4,824)
Operating Income	4,388	3,773	3,457	2,747
Net Income	2,623	2,554	2,428	1,901
EBITDA (*)	7,963	5,941	5,305	3,842
EBITDA Margin	12.6%	11.0%	16.0%	13.3%

(\*) EBITDA is calculated as profit before taxes minus depreciation, financial costs, other non operational costs and financial income



	6M19	6M18	2Q19	2Q18
Revenues	27,558	26,545	14,188	14,145
Cost of Sales	(20,449)	(19,422)	(10,356)	(10,111)
Gross Profit	7,108	7,123	3,833	4,033
SG&A	(3,913)	(3,720)	(1,972)	(1,896)
Operating Income	3,195	3,403	1,860	2,137
Net Income	1,707	1,984	1,105	1,331
EBITDA (*)	4,430	4,638	2,475	2,738
EBITDA Margin	16.1%	17.5%	17.4%	19.4%



Income Statement (CLP\$ m.)	6M19	6M18	2Q19	2Q18
Revenues	25,020	24,843	12,924	13,421
Cost of Sales	(19,222)	(19,465)	(9,816)	(9,965)
Gross Profit	5,798	5,378	3,108	3,456
SG&A	(6,203)	(5,325)	(3,163)	(2,674)
Operating Income	(405)	54	548	1,368
Net Income	(273)	(521)	(109)	570
EBITDA (*)	3,380	2,704	1,844	2,100
EBITDA Margin	13.5%	10.9%	14.3%	15.6%

(\*) EBITDA is calculated as profit before taxes minus depreciation, financial costs, other non operational costs and financial income



	6M19	6M18	2Q19	2Q18
Revenues	33,656	32,231	17,527	16,586
Cost of Sales	(27,073)	(24,844)	(14,031)	(12,586)
Gross Profit	6,583	7,387	3,495	4,001
SG&A	(6,426)	(5,433)	(3,255)	(2,605)
Operating Income	158	1,954	241	1,395
Net Income	(663)	12,637	(145)	416
EBITDA (*)	1,432	3,163	876	1,997
EBITDA Margin	4.3%	9.8%	5.0%	12.0%



Income Statement (CLP\$ m.)	6M19	6M18	2Q19	2Q18
Revenues	48,645	41,893	25,464	21,946
Cost of Sales	(34,292)	(30,274)	(17,867)	(15,652)
Gross Profit	14,352	11,619	7,597	6,294
SG&A	(9,837)	(8,023)	(4,972)	(4,019)
Operating Income	4,515	3,596	2,625	2,275
Net Income	1,151	503	824	567
EBITDA (*)	6,322	5,379	3,550	3,183
EBITDA Margin	13.0%	12.8%	13.9%	14.5%

(\*) EBITDA is calculated as profit before taxes minus depreciation, financial costs, other non operational costs and financial income

# SUBSIDIARIES AND ASSOCIATES INCOME STATEMENT



Income Statement (CLP\$ million)	6M19	6M18	Var %	2Q19	2Q18	Var %
D&C Chile - Gross Profit	683	1,093	-37.5%	326	118	176.9%
Health & Life Insurance - Gross Profit	4,605	4,446	3.6%	1,506	1,839	-18.1%
<b>Gross Profit</b>	<b>5,288</b>	<b>5,539</b>	<b>-4.5%</b>	<b>1,831</b>	<b>1,957</b>	<b>-6.4%</b>
Other Income	306	192	59.6%	299	115	158.9%
Administrative Expenses	(3,770)	(3,322)	13.5%	(1,988)	(1,684)	18.1%
<b>Operating Income</b>	<b>1,824</b>	<b>2,409</b>	<b>-24.3%</b>	<b>142</b>	<b>388</b>	<b>-63.4%</b>
Financial Income	214	180	19.3%	83	129	-35.6%
<b>Non Operating Income</b>	<b>214</b>	<b>180</b>	<b>19.3%</b>	<b>83</b>	<b>129</b>	<b>-35.6%</b>
Profit before Taxes	2,038	2,588	-21.3%	225	517	-56.5%
Income Tax Expenses	(477)	(606)	-21.3%	8	(148)	-105.5%
Income from continuing operations	1,561	1,982	-21%	233	369	-37%
Minority Interest	-	-	-	0	0	(0)
<b>Profit to Vida Cámara</b>	<b>1,561</b>	<b>1,982</b>	<b>-21.2%</b>	<b>233</b>	<b>369</b>	<b>-36.8%</b>