



LatAm & CEEMEA SMid Cap Opportunities

JPMorgan, NY
July 2019

I. ILC at a Glance

II. ILC: Value Proposition

- a. Growth Opportunities
 - i. Proven expertise in realizing value
 - ii. Strong fundamentals per business
- b. Solid financial structure and focus on sustainability

III. Closing Remarks

IV. Appendix



I. ILC at a Glance

Mission:

We aim to **improve** the **quality** of **life** of our **clients**, by offering them efficient and accessible **services**, mainly in the **financial** and **health** sectors.

We favor **value creation**, **efficiency** and **sustainability**, guided by the values of our Controlling Shareholder, the Chilean Chamber of Construction (CChC).

Sectors where ILC participates

Financial & Health

ROE-Net Inc.
LTM March 2019

13.5%
CLP\$102.5 b.

Dividend Yield
LTM March 2019

4.9%
at closing price (March 2018)

Local Risk Rating

AA+

AuM as of March 2019⁽¹⁾

US\$73.4 b.
AFP Habitat Chile, AFP Habitat Peru,
Confuturo and Corpseguros

Consolidated Employees

~13,000
Chile and Peru

(1) FX: CLP\$650/US\$ PEN\$3.32/US\$

Source: ILC, CMF, Bolsa de Comercio de Santiago, Superintendencia de Pensiones Chile, Superintendencia de Banca, Seguros y AFP Peru, Asociación de Aseguradores de Chile

FINANCIAL SECTOR:



- **Pension Funds:** AFP Habitatat (since 1980/ associated with Prudential in 2016/ 40% stake)



#1 in AuM
#2 in Contributors
#3 in Affiliates

- **Life Insurance:** Confuturo (since 2013/ 100% stake)



#1 in Pensions Paid
#2 in AuM
#4 in Direct Premiums

- **Banking:** Banco Internacional (since 2015/ 67% stake)



#1 Loan Growth Rate (Last year)
#10 in commercial Loans

HEALTH SECTOR:



- **Healthcare Network:** Red Salud (since 2008/ 100% stake)



#2 in Beds
#3 in Boxes
#2 in Dental Boxes

- **Mandatory Health Insurance:** Consalud (since 1984/ 100% stake)



#2 in Beneficiaries
#2 in Contributors

- **Supplementary Health Insurance:** Vida Cámara (since 2011/ 100% stake)



#3 in Direct Premiums
#4 in Beneficiaries
#4 in Policies



II. ILC: Value Proposition



1.

Proven expertise in realizing value

2.

Businesses with strong fundamentals

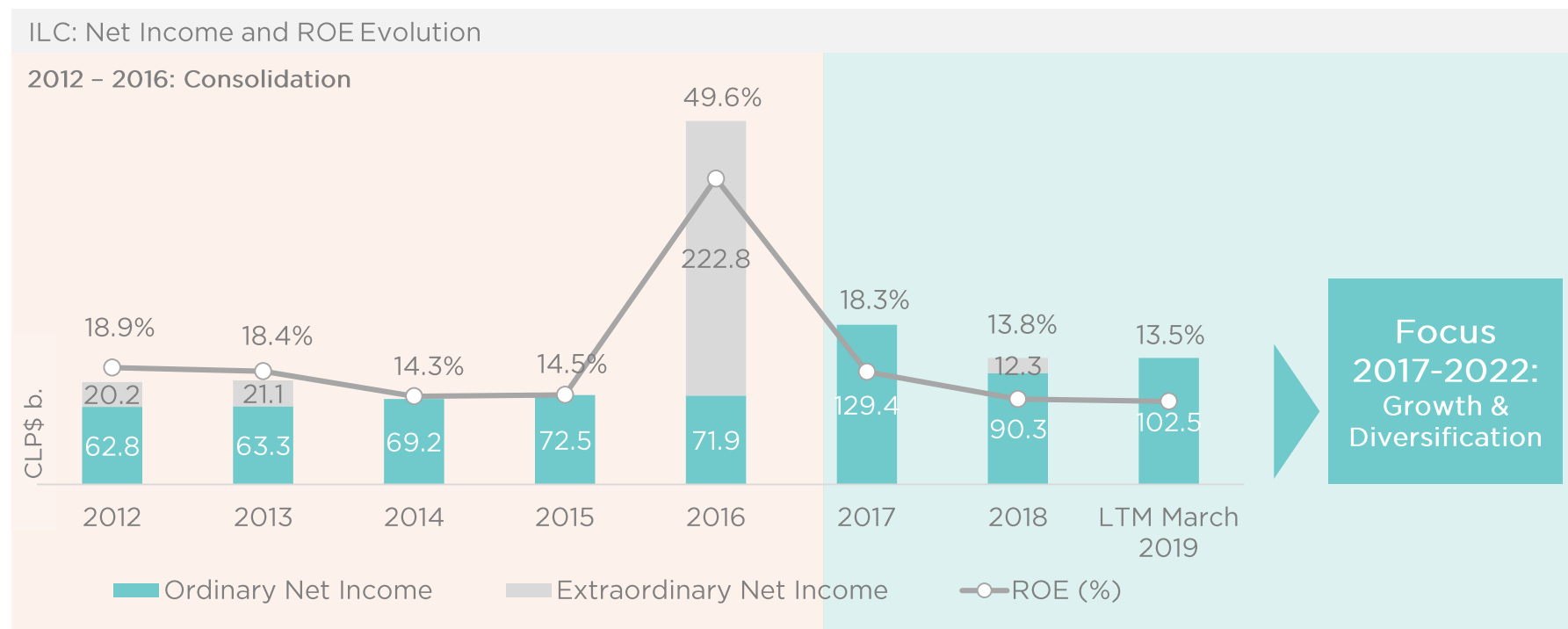
3.

Solid financial structure and focus on sustainability

CONSISTENT RETURN GENERATION



Average ROE (2012 – 1Q19 LTM)	20.2%	➔	Dividend Yield ⁽¹⁾ (2012 – 1Q19 LTM)	7.7% annual (average)
Ordinary Net Result CAGR (2012 – 1Q19 LTM)	8.1%		CAPEX (2012 – 1Q19 LTM)	US\$520 m.

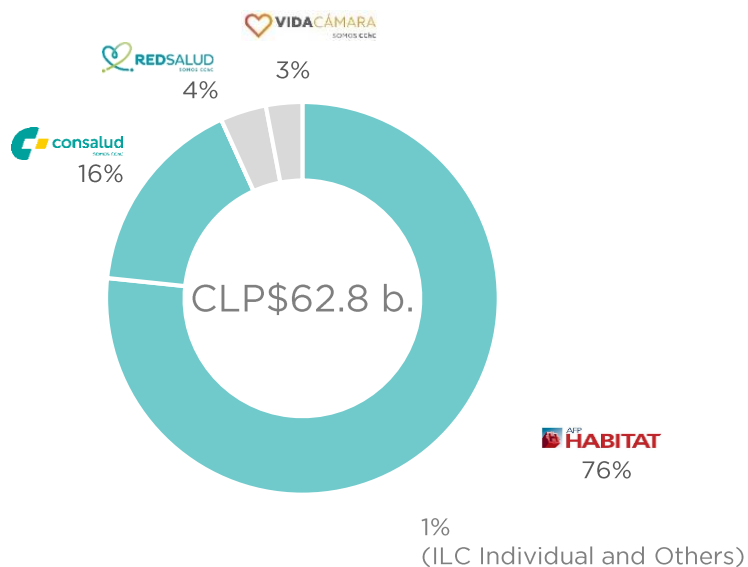


(1) Dividend yield at IPO's price
Source: ILC

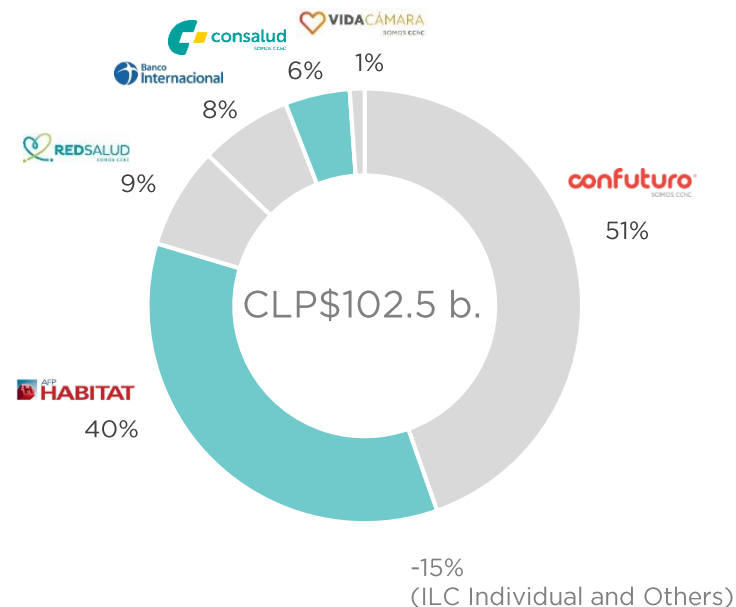
DIVERSIFICATION OF RESULTS



ILC: Ordinary Net Income 2012 (IPO)



ILC: Ordinary Net Income March 2019 (LTM)

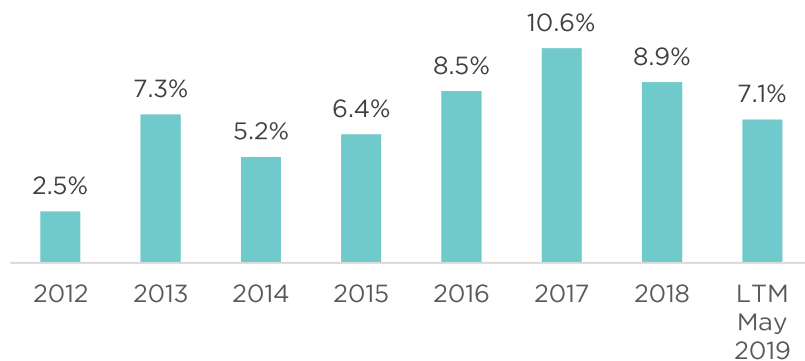


AFP Habitat and Isapre Consalud reduced their impact on net income from 92% in 2012 to 46% in March 2019 (LTM)

MARKET PERFORMANCE



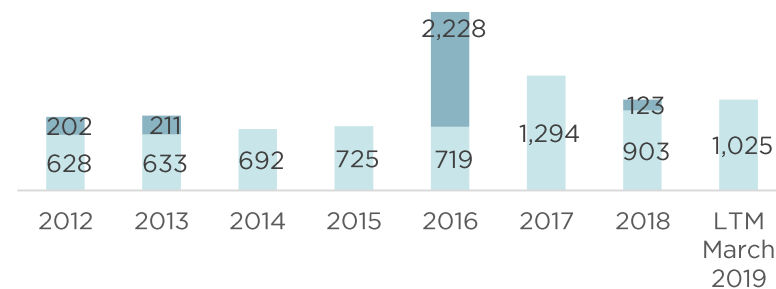
Dividend yield (IPO's Price)



EPS

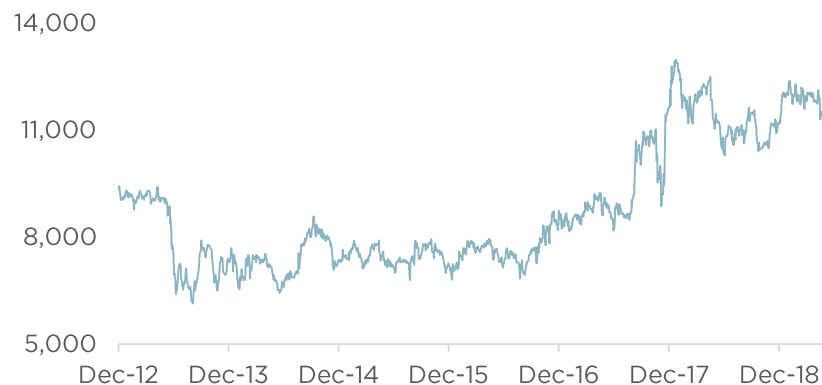
CLP

■ EPS (extraordinary) ■ EPS (ordinary)



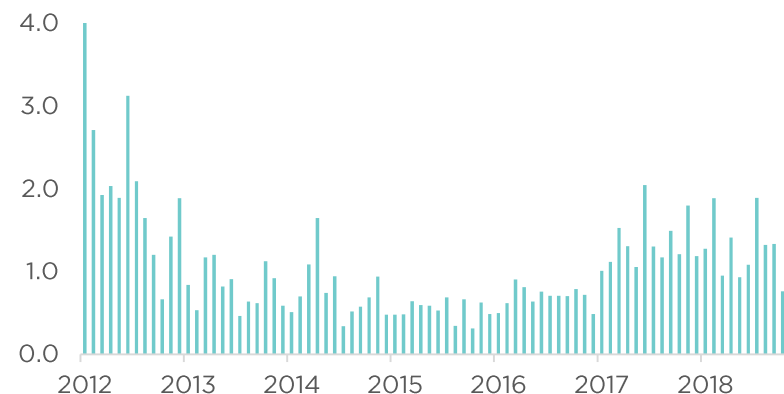
Stock Price

CLP



Average Daily Volume

US\$ m.





1.

Proven expertise in realizing value

2.

Businesses with strong fundamentals

3.

Solid financial structure and focus on sustainability

Life Insurance

confuturo
SOMOS CCBC

Pensions Funds

AEP **HABITAT**
Seguridad y Confianza

Banking

**Banco
Internacional**

Health

REDSALUD
CORPORATE PERÚ

consalud
SOMOS CCBC

VIDACÁMARA
SOMOS CCBC

BANCO INTERNACIONAL AT A GLANCE

Niche Bank Focused on Commercial Loans / SMEs

Total
Loans: US\$ 2.5 b.

0.9%
Market
Share

Commercial
Loans: US\$ 2.5 b.

1.6%
Market
Share

Number of
Branches: 12

0.6%
Market
Share

Total
Employees: 519

0.9%
Market
Share

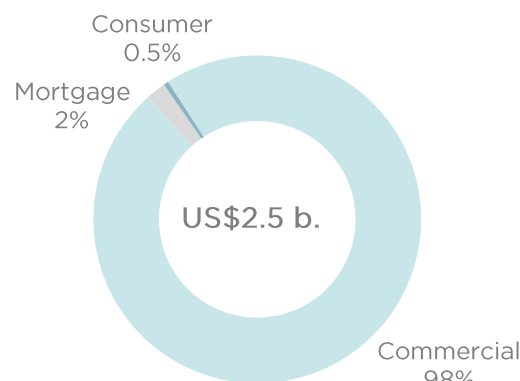
1.3x P/B

ILC acquired 50.6% of
Banco Internacional in
November 2015

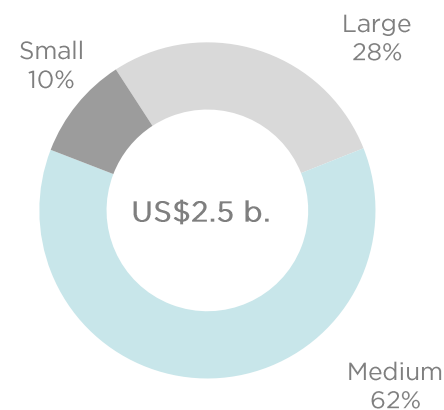
1.5x P/B

ILC reached 67.2% of
Banco Internacional in
April 2018

Total Loans

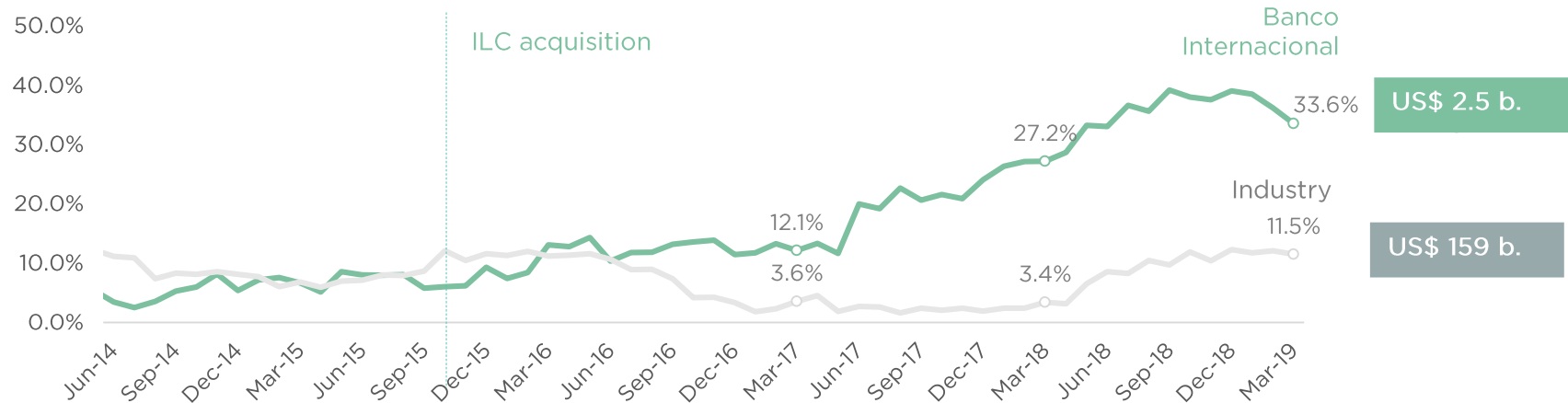


Commercial Loans by Amount of Debt



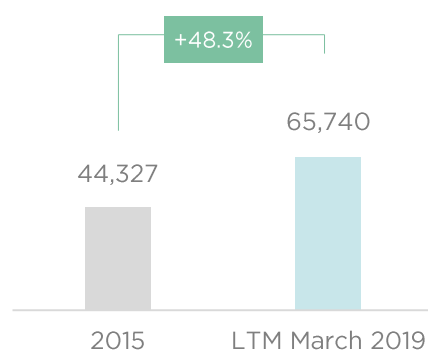
A GROWTH STORY

Commercial Loans Growth (LTM)

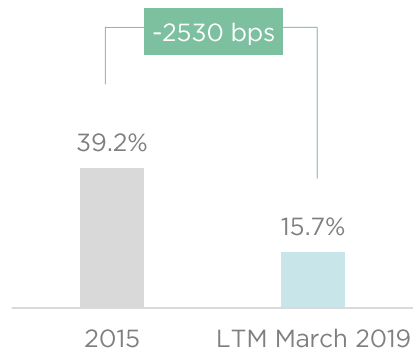


Gross Operating Result

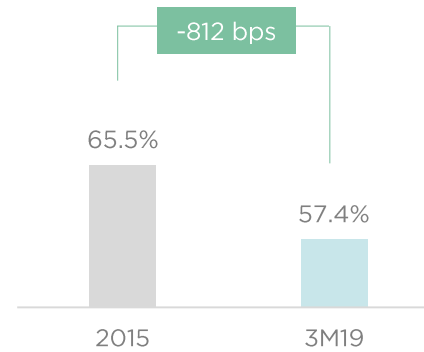
CLP\$ m.



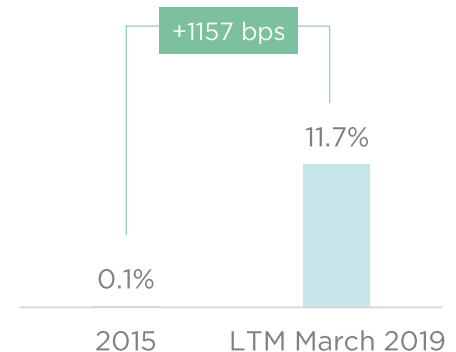
Risk Expenses / GOR (%)



Efficiency



ROE



2018-2022: STRATEGIC PLAN

	2018		2022
Commercial Loans	US\$ 2.4 b.	▶	~2.0x
Risk Expenses (% GOR)	17%	▶	~15%
Efficiency (% GOR)	54%	▶	<45%
Solvency	12%	▶	~12%

To support growth and improve solvency

➤ 70% earnings retention

➤ Capital Increase plan

- Execution Schedule:

\$10,000 m. (March 2018)

\$25,000 m. (November 2018)

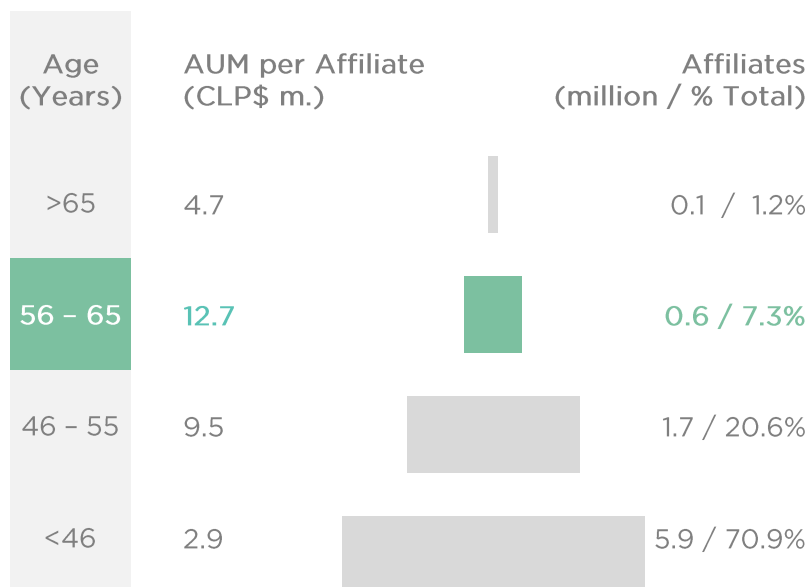
\$20,000 m. (to be executed)

confuturo

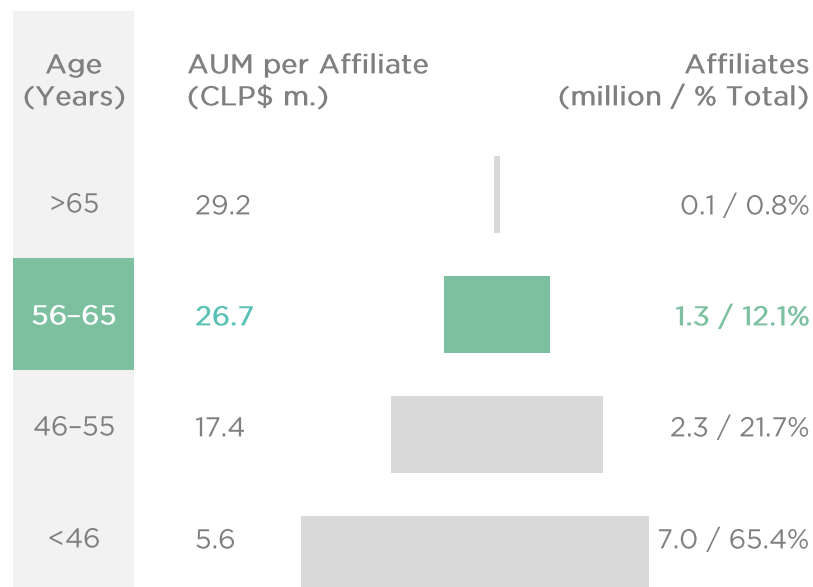
LIFE INSURANCE INDUSTRY: DEMOGRAPHIC AND ECONOMIC POTENTIAL

Chilean Pension Industry: Affiliates by Age and AUM

Affiliates (Dec. 2008): 8.4 m.



Affiliates (Dec. 2018): 10.7 m.

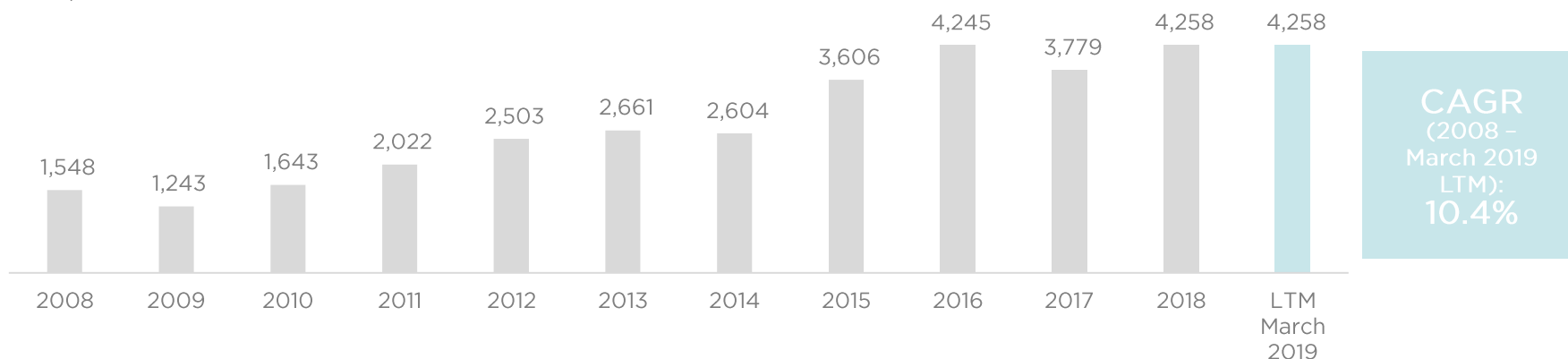


Segment 56 – 65 years: last decade growth
2.1x affiliates and **2.1x** AUM per affiliate

LIFE INSURANCE INDUSTRY: DEMOGRAPHIC AND ECONOMIC POTENTIAL

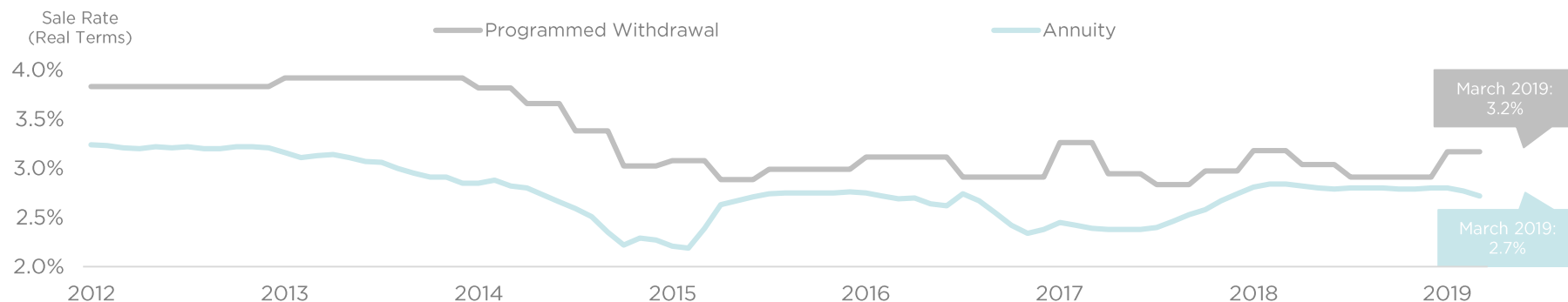
Chilean Annuity Industry: Direct Premiums

US \$ m.



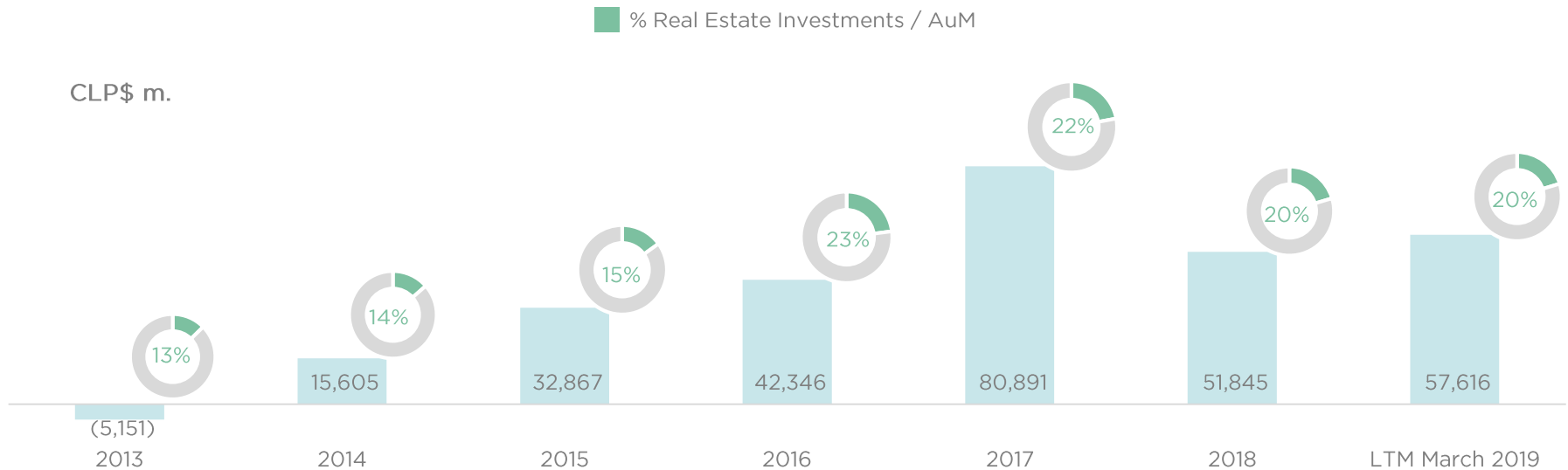
Confuturo (March 2019): **#4** Direct Premiums (US\$451 m.) **#2** AUM (US\$9.7 b.)

Annuity and Programmed Withdrawal Sales Rate

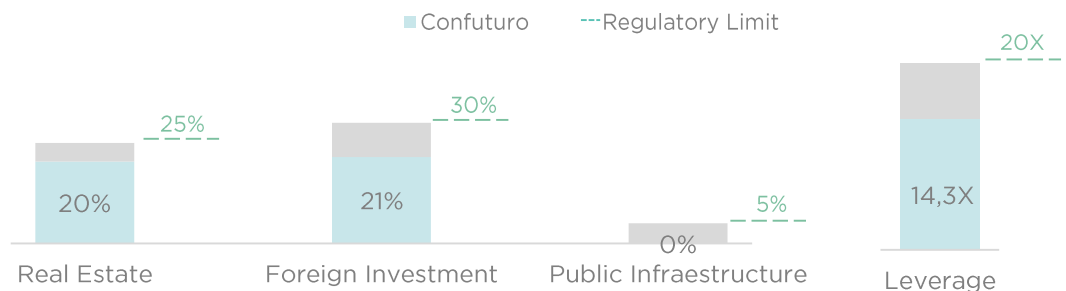


LONG-TERM ORIENTED INVESTMENT PORTFOLIO

Confuturo Net Income



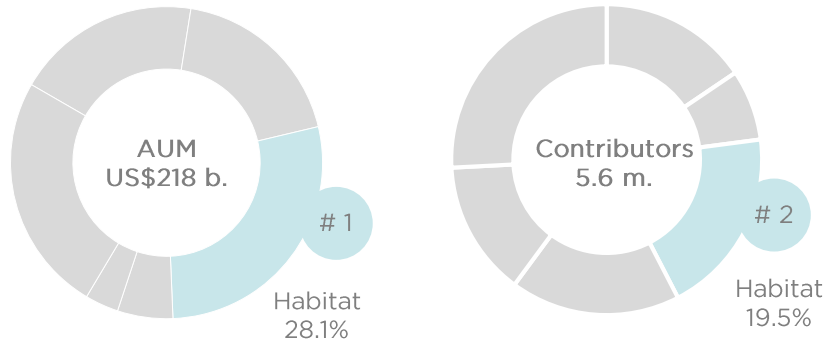
Investment Portfolio Breakdown



Increasing exposure to longer duration, higher return, and less volatile assets

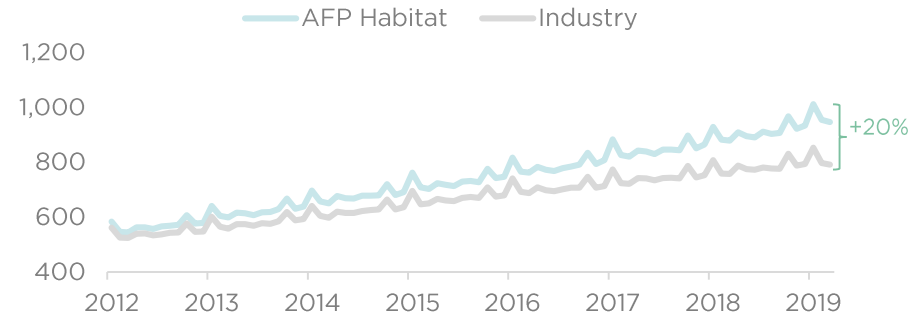
AFP HABITAT CHILE: TAXABLE INCOME FOCUS

Market Share: AUM and Contributors (March 2019)

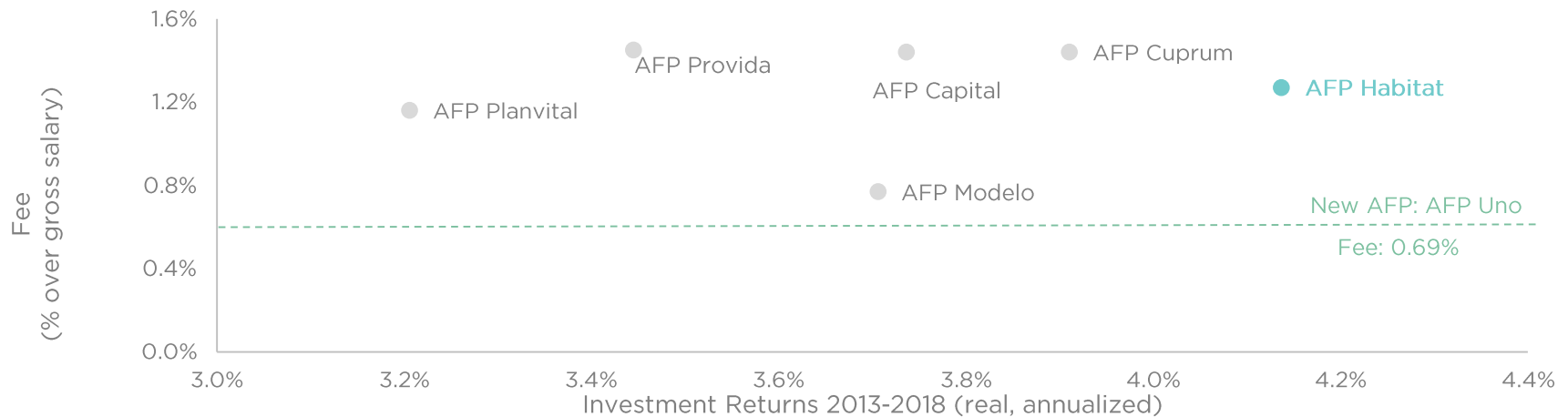


Average Taxable Income

CLP th.

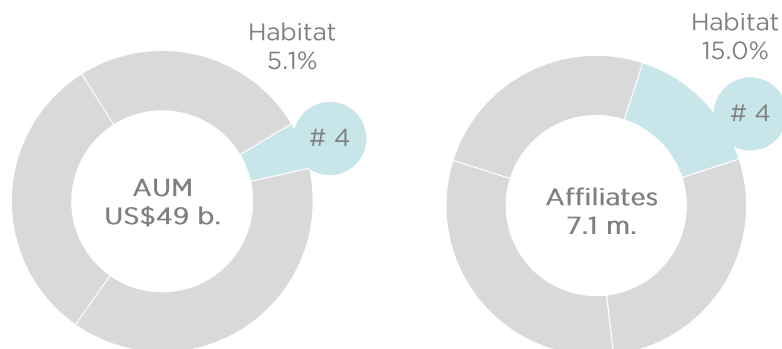


AFP Industry: Fee vs Investment Returns



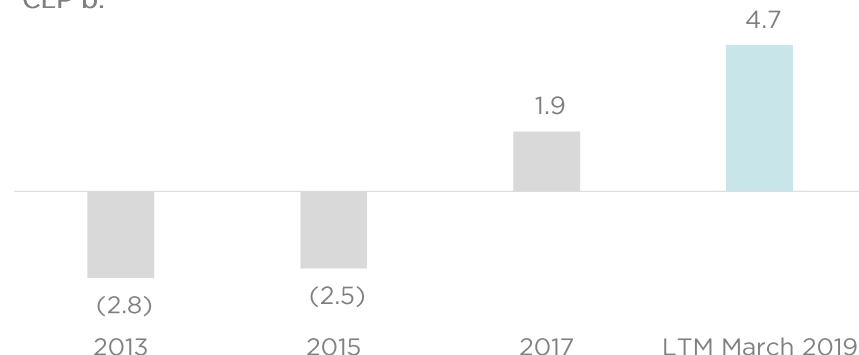
PERU: GROWING GREENFIELD COMPANY

Market Share: AUM and Affiliates (March 2019)



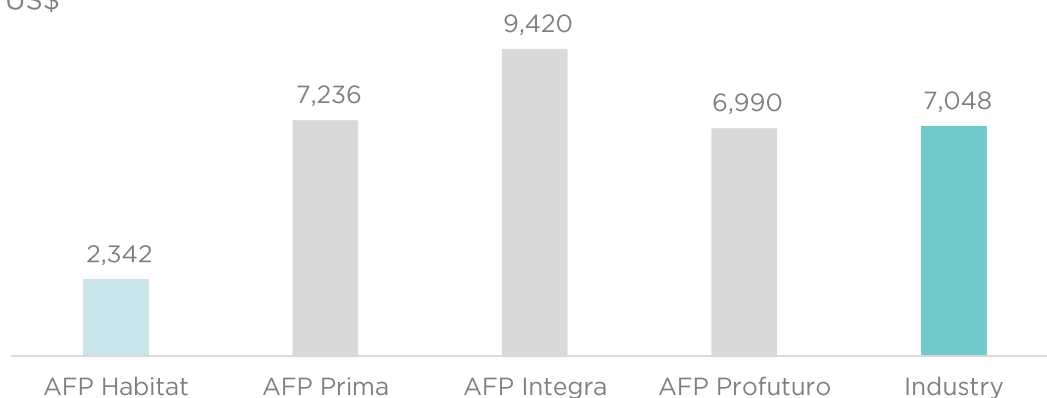
Net Result before Encaje

CLP b.



AUM per Affiliate (March 2019)

US\$



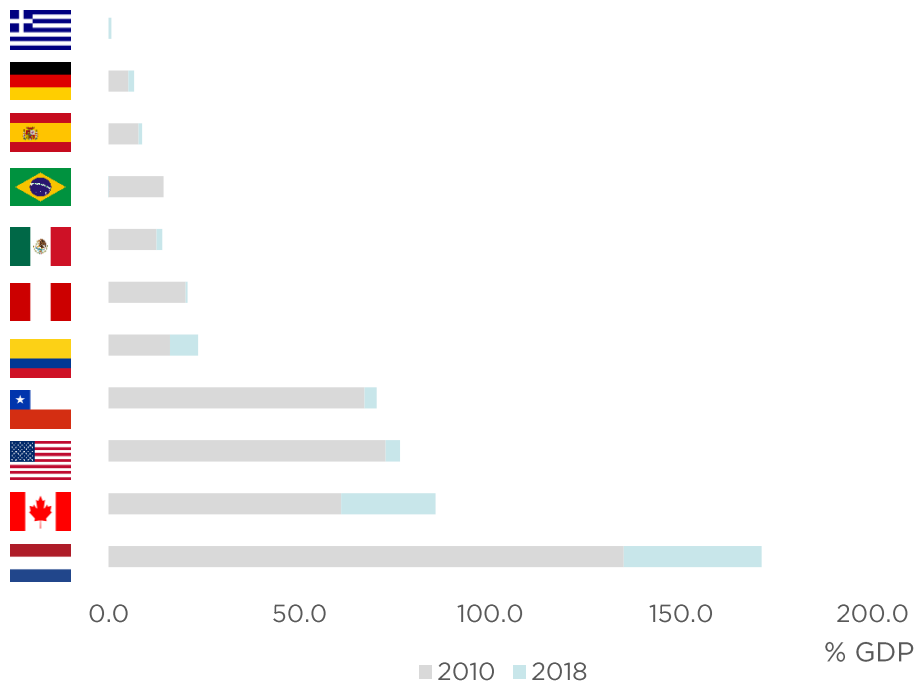
Favorable scenario driven by:

- Demography (2x Chilean population)
- Low labor formality (~30%)
- AUM per Affiliate (Gap compared with the industry)

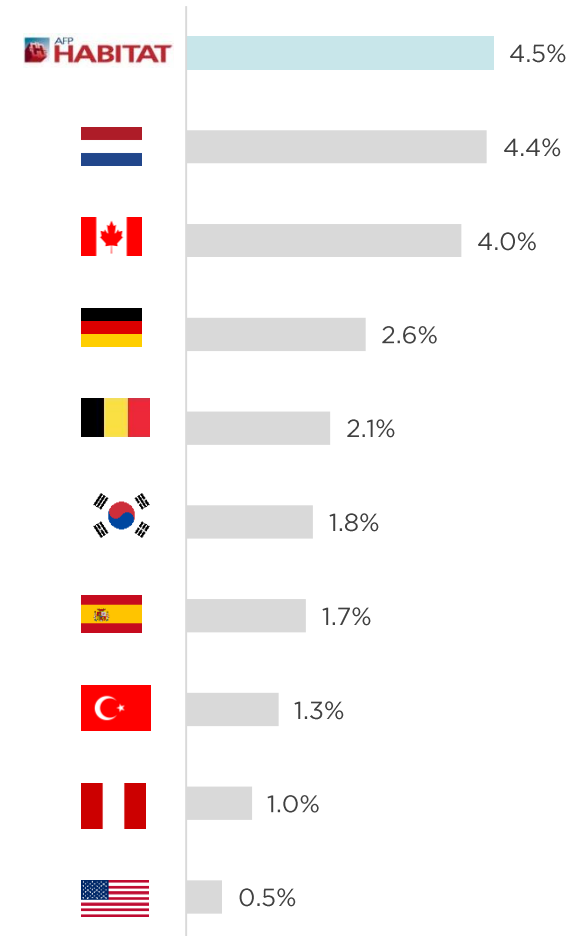
CONSOLIDATED FOOTPRINT IN LATAM & INVESTMENT TRACK-RECORD

- Latam Pension Industry is less penetrated compared to other developed countries
- In 2016 ILC partnered Prudential to expand Habitat's presence in Latam

Total Assets as % of GDP



Annual Investment Returns Pension Funds (10Y, Real)

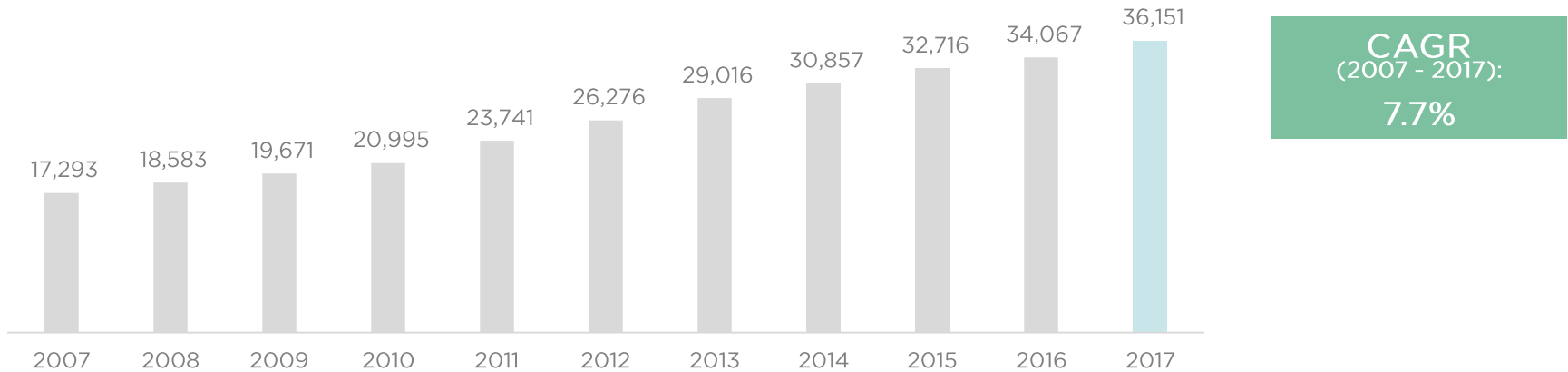




CHILEAN HEALTHCARE INDUSTRY: DEMOGRAPHIC AND ECONOMIC POTENTIAL

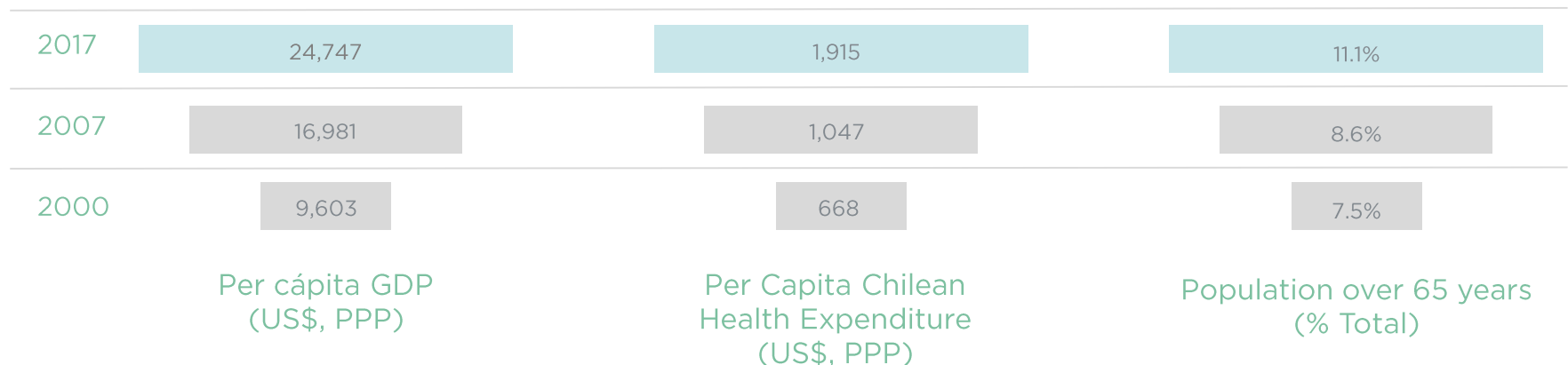
Chilean Health Expenditure (US\$ m., PPP)

US\$ m.




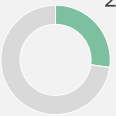
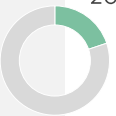

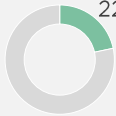
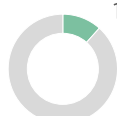


Ageing Population and Economic Development increased Demand for Health in Chile

Years



ILC HEALTH SECTOR COMPANIES

	Healthcare Provider			Health Insurances	
Industry					
Market Share	Outpatient	Inpatient		Mandatory	Supplementary
	 27%	 20%	 14%	 22%	 12%
Infrastructure	Consultations	Surgeries	Bed days	Contributors	Premiums
	Centers	33	Hospitals	9	
	Boxes	515	Beds / Boxes	1,006 / 438	
	Dental chairs	376	Operating rooms	72	
(CLP\$ m.)	EBITDA: 12,470		EBITDA: 32,054	Net Result: 6,295	Gross Margin: 7,918

2015-2021: CONSOLIDATING THE NETWORK IMPROVING EFFICIENCY

Red Salud Strategic Plan

I. Network
Excellence

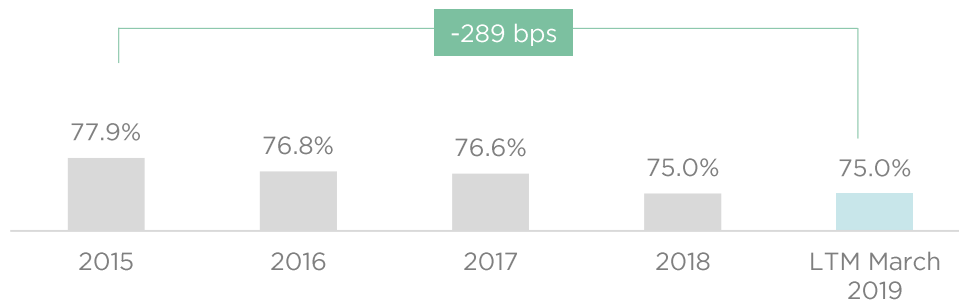
II. Operational
Excellence

III. Commercial
Dynamism

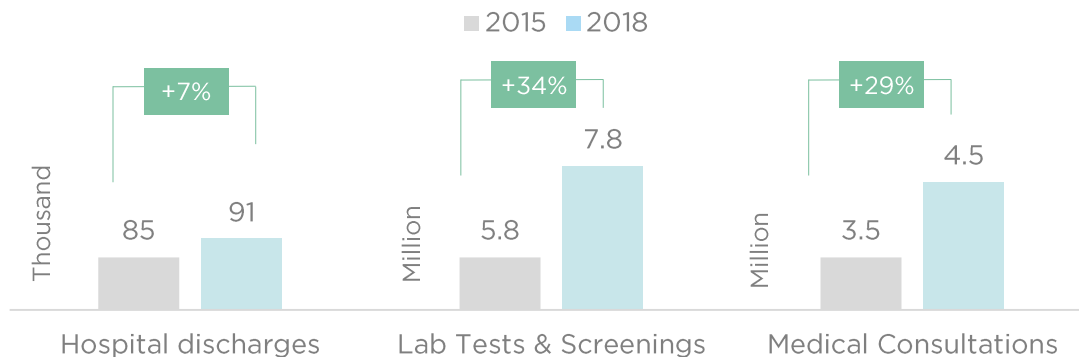
IV. Infrastructure
and Technology

V. Culture &
Employees

Cost of Sales / Revenues Red Salud



Red Salud Activity Indicators



Network Consolidation

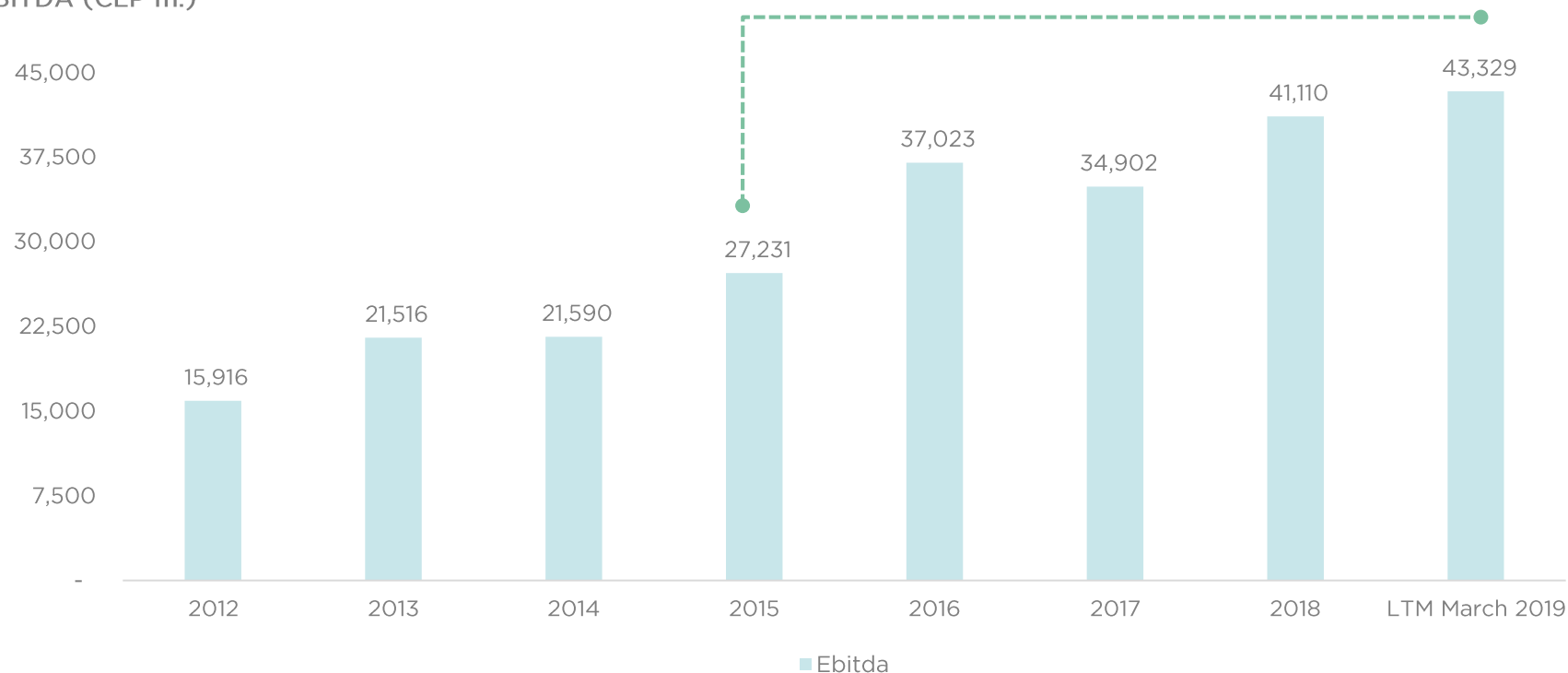
	Before	2019
Brands	10	1
Awareness	0%	15%
Agendas	10	1
Website Visits	~10,000	~600,000
Contact Numbers	19	1

59% EBITDA GROWTH WITH 9% OF ADDITIONAL NET FINANCIAL DEBT

Red Salud: EBITDA Evolution and Net Financial Debt

NFD ⁽¹⁾ 2015	CLP 183 m.	} $\Delta + 8.7\%$
NFD ⁽¹⁾ 1Q19	CLP 199 m.	

EBITDA (CLP m.)

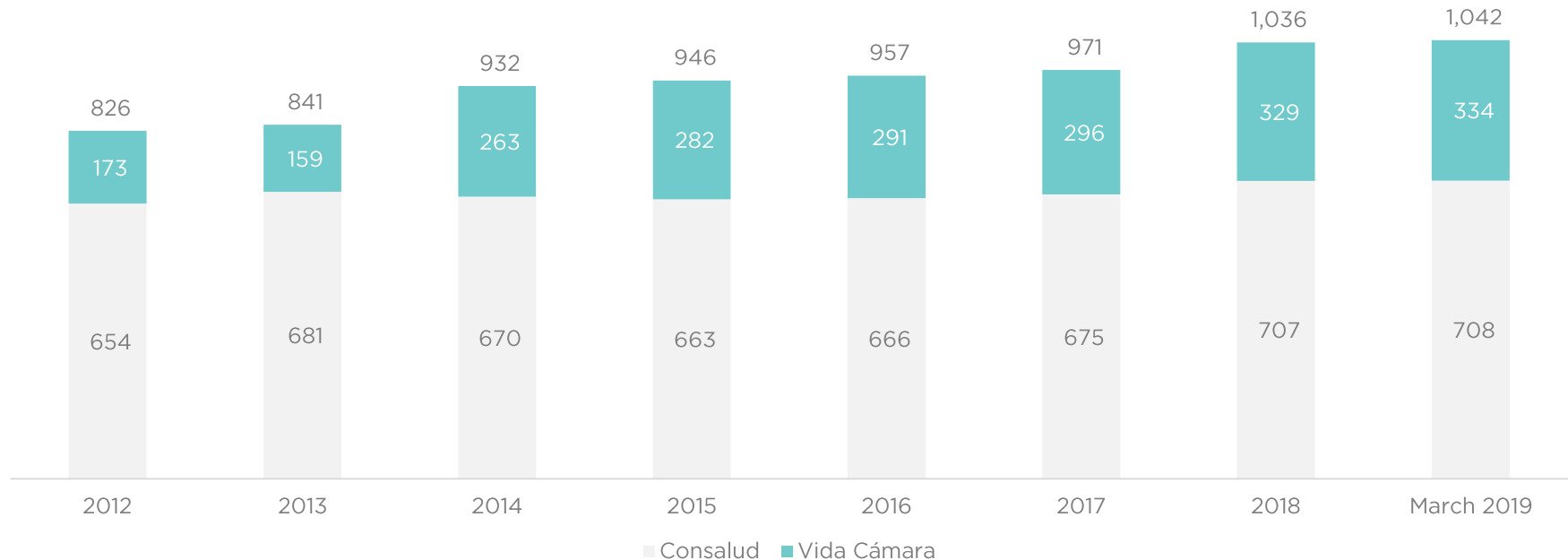




CONSALUD AND VIDA CAMARA: RELEVANT PLAYERS IN THE HEALTH INSURANCE INDUSTRY

Beneficiaries Consalud & Vida Cámara

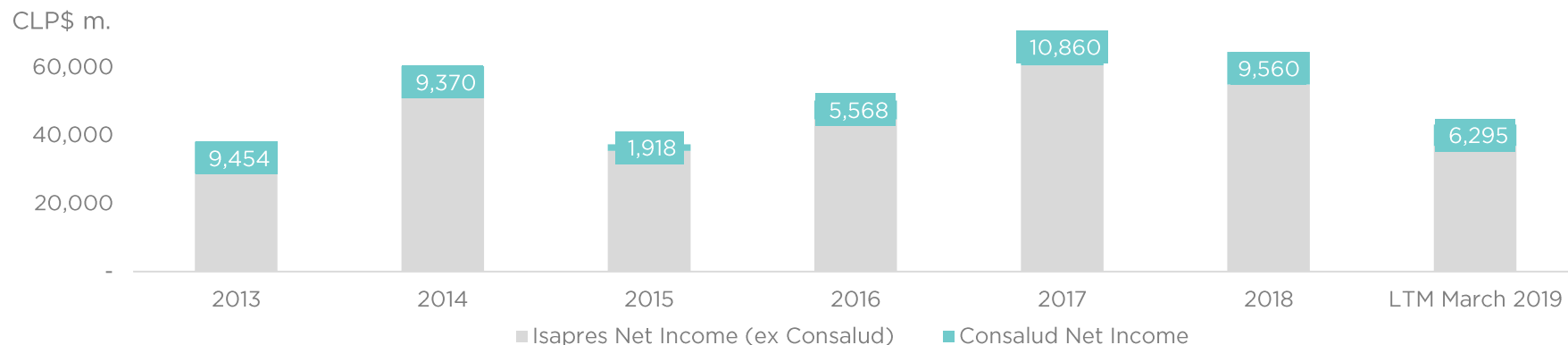
Thousand



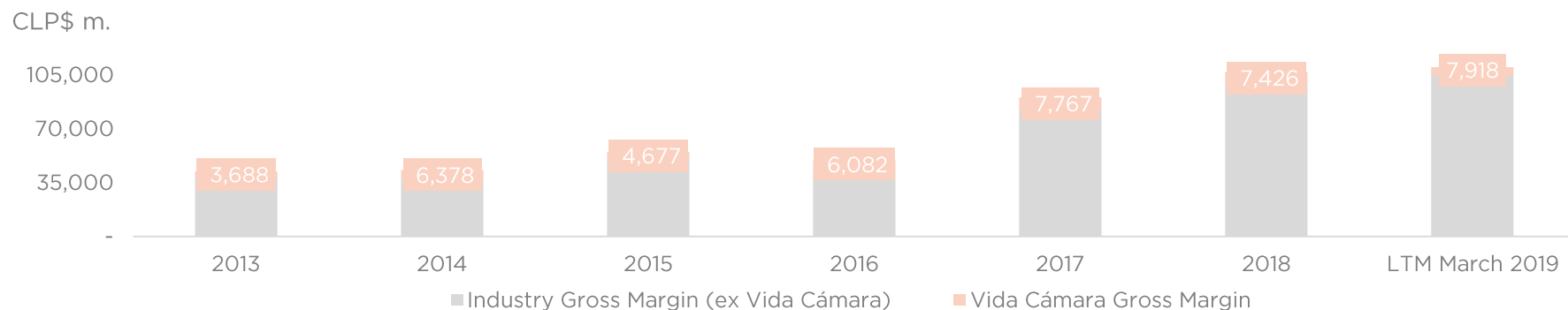
Beneficiaries (March 2019) : Consalud: #2 (Market Share: 21.3%), Vida Cámara: #4 (Market Share: 8.9%)

HEALTH INSURANCE INDUSTRY RESULTS

Isapre Industry & Consalud: Net Income⁽¹⁾ Evolution



Supplementary Health Insurance Industry & Vida Cámara: Gross Margin⁽²⁾ Evolution



(1) Corresponds to net result (SIS) reported by Superintendencia de Salud

(2) Gross Margin: Direct Premium – Reclaim cost

Source: CMF, AACH, Superintendencia de Salud



1.

Proven expertise in realizing value

2.

Businesses with strong fundamentals

3.

Solid financial structure and focus on sustainability

FINANCIAL STRUCTURE



ILC's Net Debt
CLP\$187,067 m.⁽¹⁾

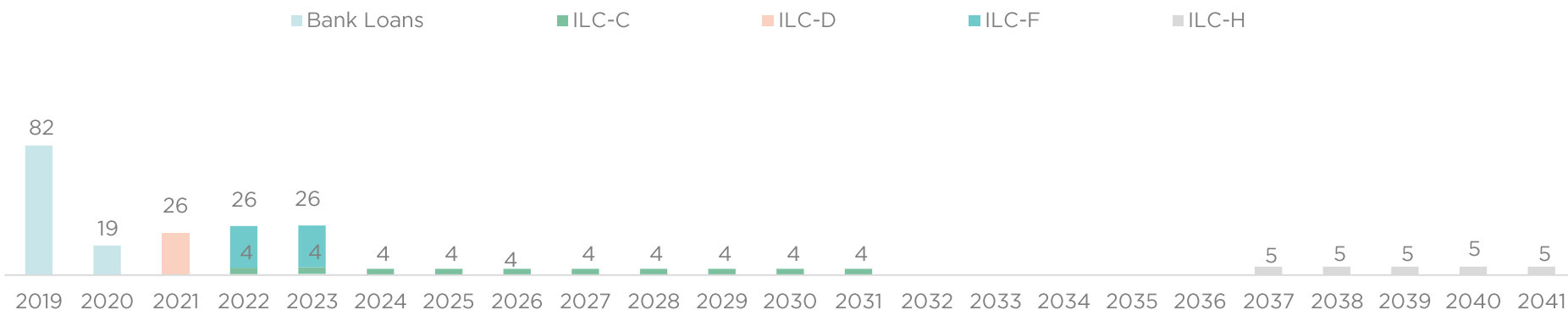
Cons. NFD / Equity
0.65x⁽¹⁾

ILC's cash
CLP\$62,165 m.⁽¹⁾

Debt: 60% Bonds
40% Banks⁽¹⁾

ILC Rating Risk
AA+ (Local)

Amortization Schedule ILC (March 2019, CLP\$ b.)



ILC's Dividend Policy

Distribute between 40% to 70% of:

- (+) ILC Net Income
- (-) Return on Legal Reserves AFP Habitat (@ 40.3%)
- (-) Net Purchases Legal Reserves AFP Habitat (@ 40.3%)

ILC's Distributable Net Income

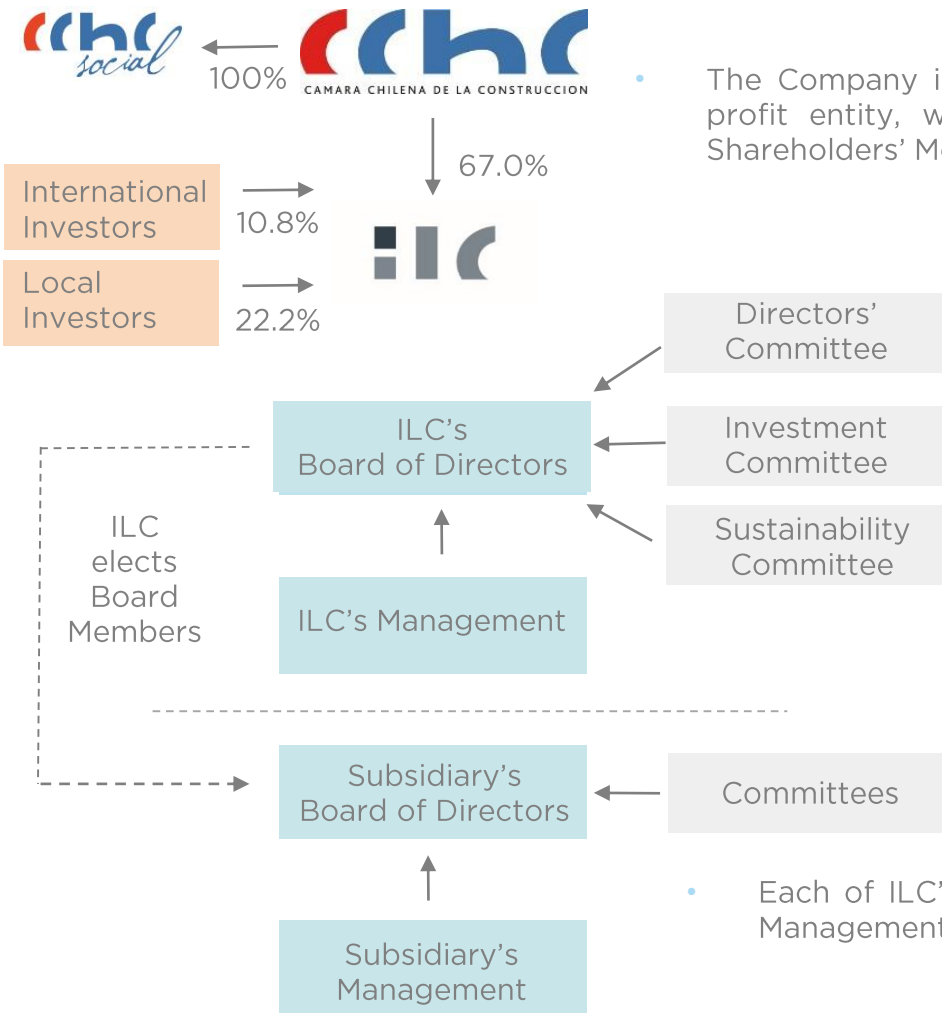
Dividend Policy by Subsidiary

	Dividend Policy (%)	Ownership (%)
Habitat	90% ⁽¹⁾	40.3%
Red Salud	100%	99.9%
Consalud	30% ⁽²⁾	99.9%
Vida Cámara Chile	30%	99.9%
Inversiones Confuturo	30%	99.9%
Banco Internacional	30%	67.2%

(1) According to its distributable net result

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

STRICT CORPORATE GOVERNANCE STANDARDS



- The Company is **controlled** by the **Chilean Chamber of Construction**, a non-profit entity, which elects annually five of seven directors of ILC at the Shareholders' Meeting

- ILC has a **Committee of Directors**, responsible for reviewing financial information and auditor's reports, related parties transactions, remuneration systems, internal auditing procedures, among others
- ILC has also an **Investment Committee** responsible for reviewing financial decisions undertaken by ILC and a **Sustainability Committee** responsible for define Corporate Sustainability Strategy, in addition to establish sustainability metrics.

- Each of ILC's **subsidiaries** has an **independent** Board of Directors and Management

- **Other initiatives to enhance ILC's Corporate Governance:** Corporate Governance Manual, Ethic Code, Crime Prevention Model, Ethic Hotline, Comptroller, Management Control Department and Investor Relations among others

Sustainability Performance Measures

- a Stakeholders Diagnosis**
ILC and its subsidiaries implement the **ESG Compass tool** to anticipate risks and improve sustainable performance in Environment, Social and Corporate Governance matters
- b Sustainability Index**
ILC is part of the **Dow Jones Sustainability Chile and Pacific Alliance indices** since 2018
- c Internal & External Analysis Materiality Matrix ILC and Subsidiaries**



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

ILC's 2019 main Actions

- a Sustainability Area:**
In May 2019 a **new Sustainability Committee** was established (with directors and executives). In addition, a **Sustainability Officer** was named, depending directly from the CEO
- b Sustainability Strategy:**
One of the responsibilities of the new Sustainability Committee **is to establish a Corporate Sustainability Strategy**, based on the different diagnosis tools

More information in
our 2018 Sustainability
Report⁽¹⁾

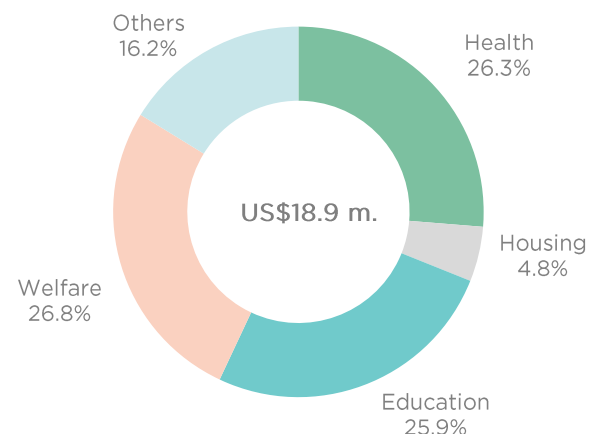


OUR CONTROLLING SHAREHOLDER: CChC

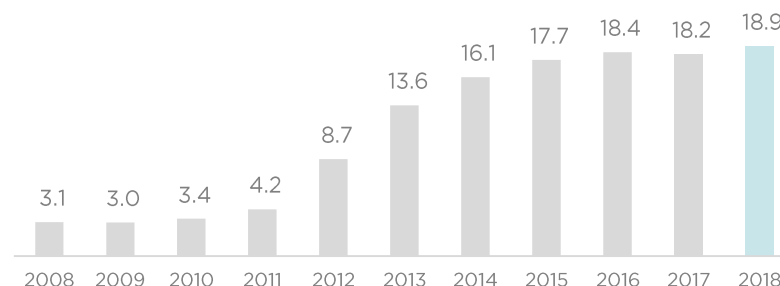


- The CChC is a **private trade association** founded in 1951
- Made up of 2,800 members in Chile
- Main objective: **promote the development of the construction industry** as a fundamental tool for national progress
- The CChC is our **founder** and **largest shareholder**. This entity owns **ILC** and **CChC Social**, a network focused on social actions mainly in the areas of education, training, health, housing, sports, culture and social welfare
- The CChC **receives 67% of the dividends generated by ILC**. A significant portion is invested by CChC Social in projects that benefit construction workers and their families

CChC Social Investment Breakdown by Area 2018



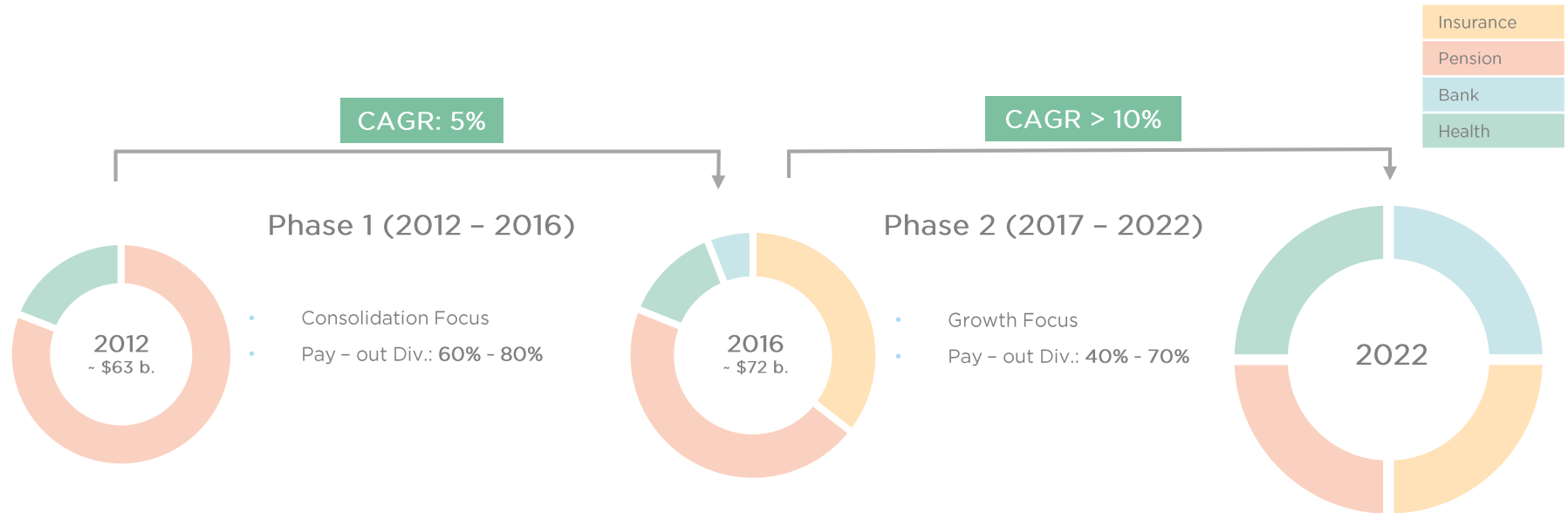
CChC Investment in Social Projects (US\$ m.)





IV. Closing Remarks

ILC Net Income Composition



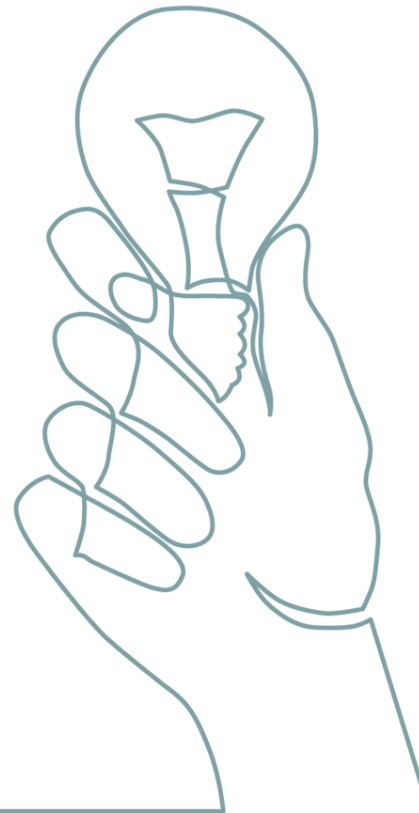
Industries with
strong
Fundamentals

Consistency

Capital
Deployment

Acquisitions and
successful
transformations

Adaptability to
regulatory changes



IV. Appendix

SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



Balance Sheet

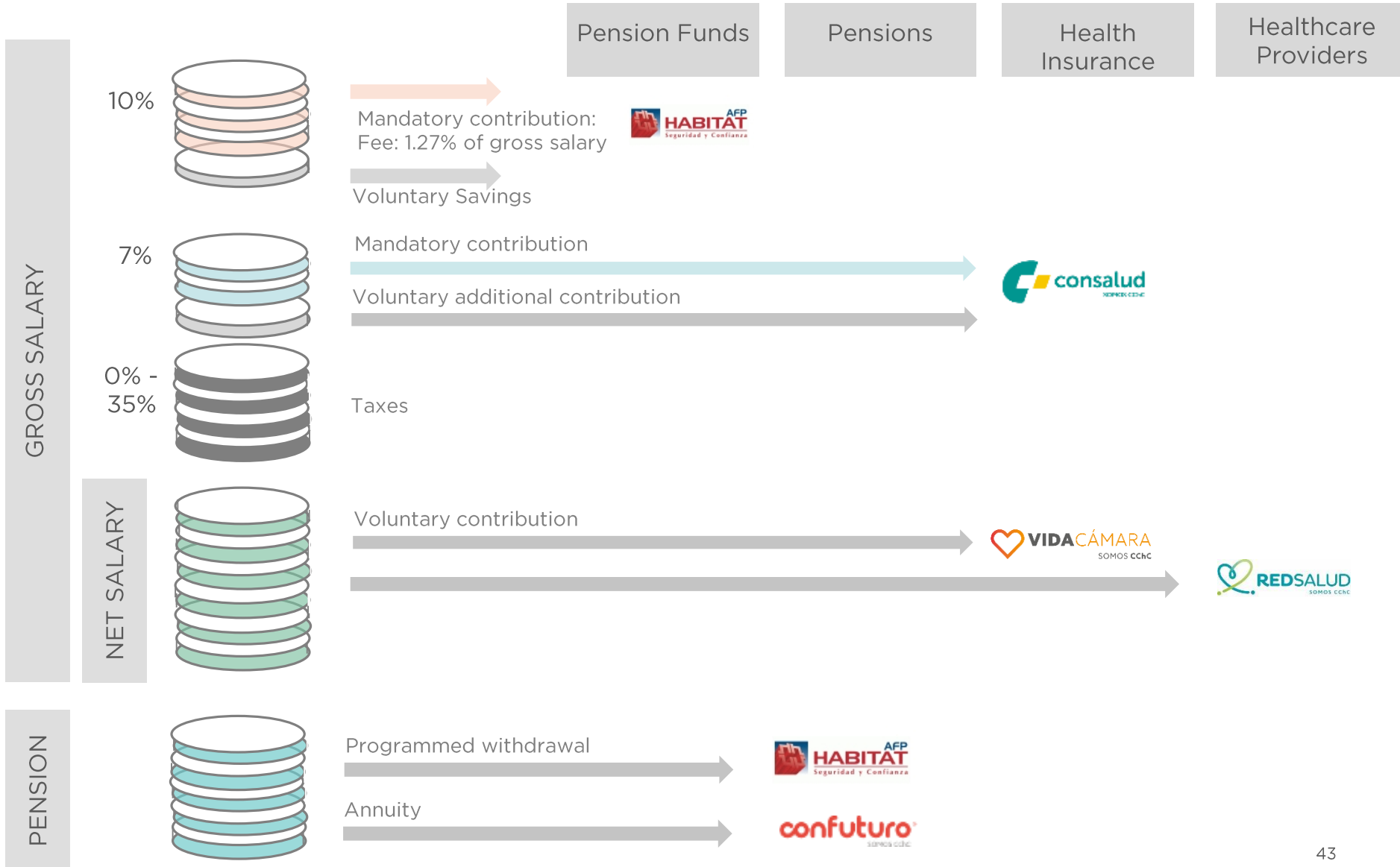
CLP\$ m.	March 2019	December 2018
NON INSURANCE ACTIVITY ASSETS	1,057,014	1,006,149
Total Current Assets	279,702	274,562
Total Non Current Assets	777,312	731,587
TOTAL INSURANCE ACTIVITY ASSETS	6,603,380	6,560,305
TOTAL BANKING ACTIVITY ASSETS	2,648,755	2,399,211
TOTAL ASSETS	10,309,149	9,965,665
NON-INSURANCE ACTIVITY LIABILITIES	831,330	784,706
Total Current Liabilities	377,100	339,784
Total Non Current Liabilities	454,230	444,923
INSURANCE ACTIVITY LIABILITIES	6,133,897	6,101,068
BANKING ACTIVITY LIABILITIES	2,480,313	2,238,715
TOTAL LIABILITIES	9,445,540	9,124,489
Equity Attributable to Owners of the Parent Company	767,223	747,114
Non-Controlling Interests	96,387	94,061
TOTAL EQUITY	863,609	841,175
TOTAL LIABILITIES + EQUITY	10,309,149	9,965,665

Income Statement

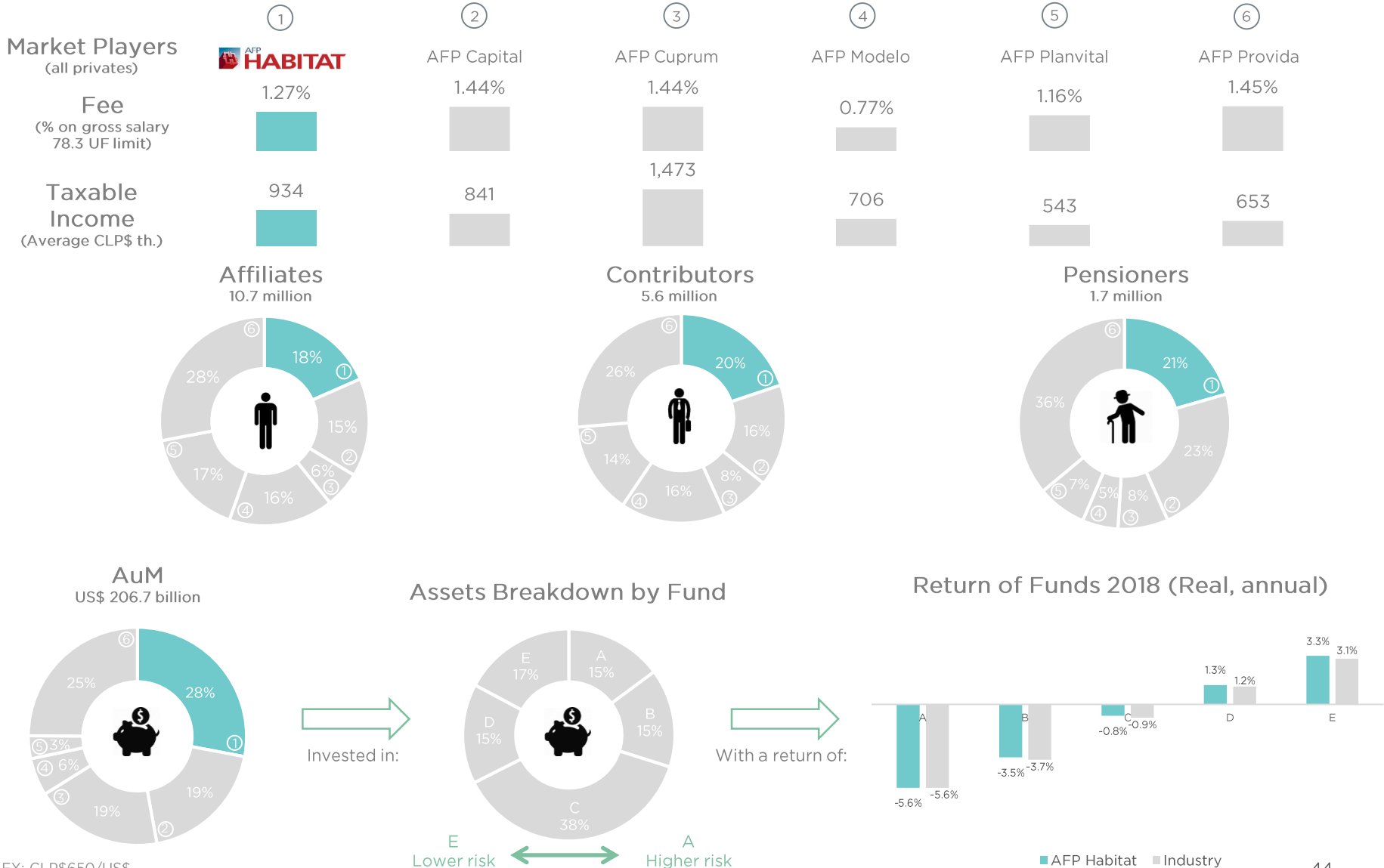
CLP\$ m.	3M19	3M18
NON-INSURANCE ACTIVITY		
Operating result	5,261	8,964
Non-operating result	10,561	19,995
Non-Insurance activity profit	14,702	21,516
INSURANCE ACTIVITY		
Operating result	24,517	16,556
Non-operating result	(1,334)	(1,310)
Insurance activity profit	19,122	12,472
BANKING ACTIVITY		
Operating result	5,185	4,990
Non-operating result	15	11
Banking activity profit	4,149	4,021
PROFIT (LOSS) FOR THE PERIOD		
Profit attributable to owners of the parent company	35,502	35,657
Profit attributable to non-controlling interest	2,471	2,352

Individual Results (LTM March 2019, CLP\$ b.)	AFP Habitat	Confuturo	Corpseguros	Banco Internacional	Red Salud	Consalud	Vida Cámara Chile
Industry	Pension Funds	Life Insurance	Life Insurance	Bank	Healthcare Provider	Mandatory health insurance	Voluntary health insurance
Revenues	201.8	561.4	133.2	66.1	396.9	503.9	54.6
EBITDA / EBITDAE	N.A.	N.A.	N.A.	N.A.	43.3	N.A.	N.A.
Net Income	112.0	38.4	19.3	15.1	8.9	5.7	1.4
Assets	529.6	4,129.9	2,350.4	2,629.2	445.0	151.1	47.7
Liabilities	117.2	3,882.0	2,158.8	2,482.1	307.5	123.9	23.6
Equity	412.4	248.0	191.6	147.0	126.6	27.1	24.0
Net Financial Debt	(56.4)	(49.8)	15.5	19.7	222.2	(15.1)	(1.9)
% ownership ILC	40.3%	99.9%	99.9%	67.2%	99.9%	99.9%	99.9%

SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



CHILEAN PENSION FUND INDUSTRY 2018 AT A GLANCE



PERUVIAN PENSION FUND INDUSTRY 2018 AT A GLANCE

Market Players

(all private, in addition to a state owned institution)



②
AFP Integra

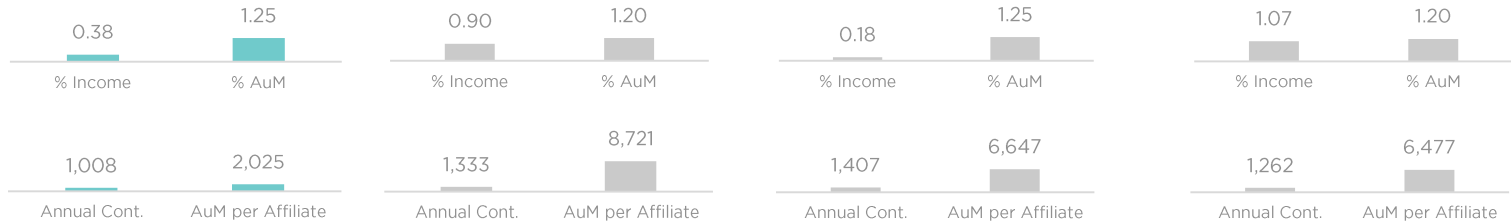
③
AFP Prima

④
AFP Profuturo

Fee

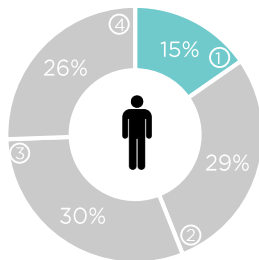
(% income / % over AuM)

Annual Contribution
per Contributor /
AuM per Affiliate
(US\$)



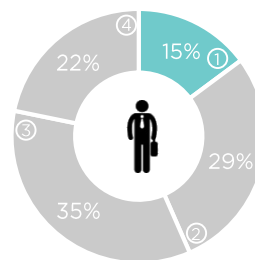
Affiliates

7 million



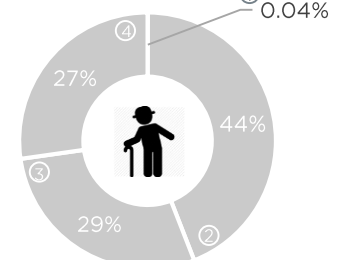
Contributors

3.1 million



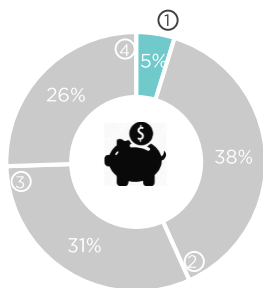
Pensioners

85 thousand

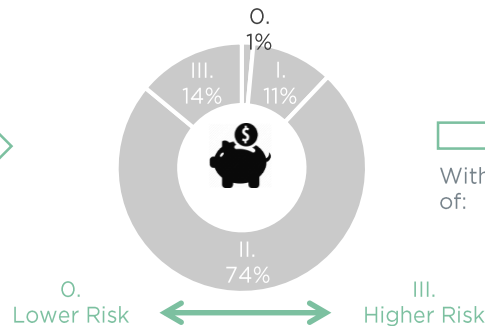


AuM

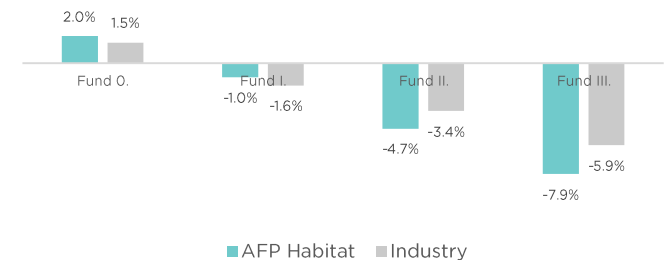
US\$45.5 billion



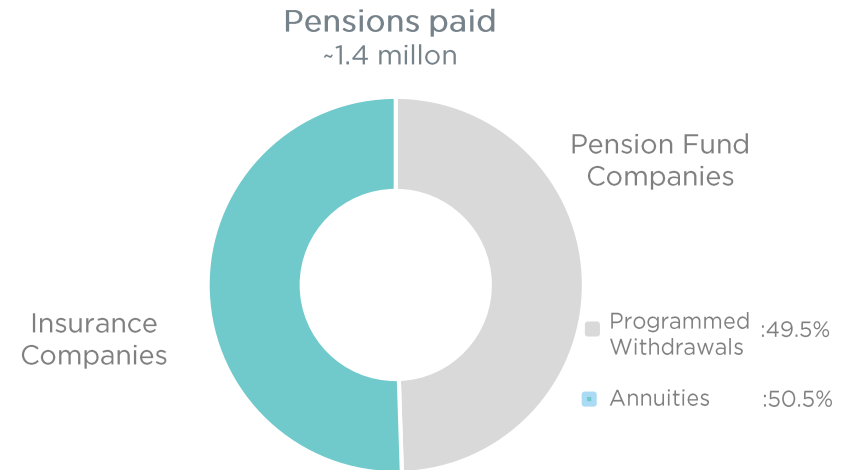
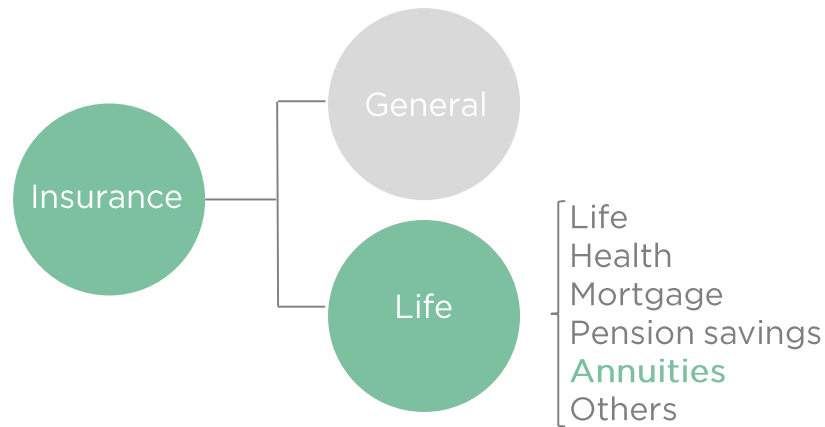
AuM Breakdown by Fund



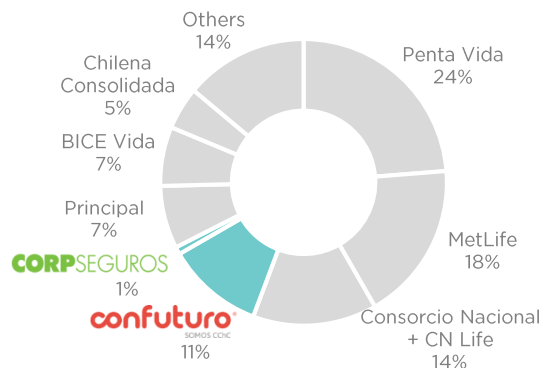
Return of Funds 2018 (real terms)



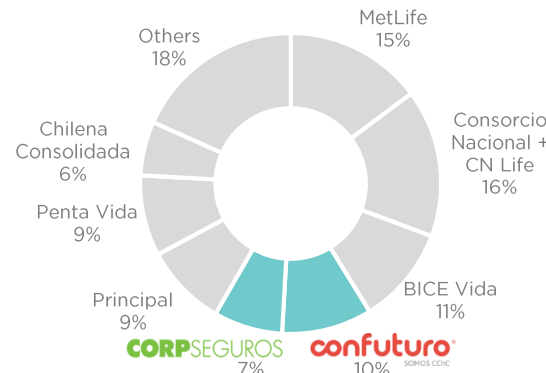
CHILEAN LIFE INSURANCE INDUSTRY 2018 AT A GLANCE



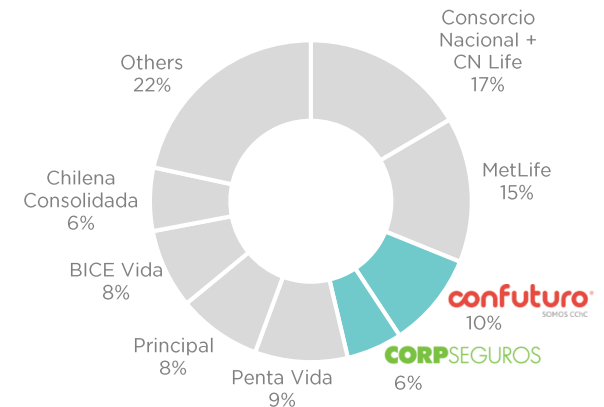
Annuity Premiums
US\$4.3 billion



Annuity Policies
627 thousand

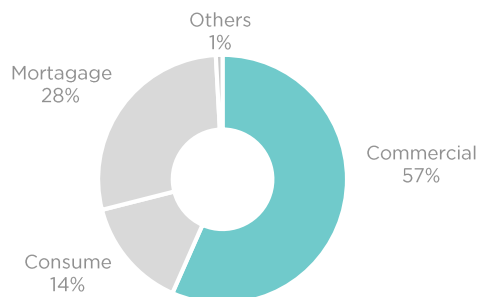


Assets under Management
US\$63.5 billion



CHILEAN BANKING INDUSTRY 2018 AT A GLANCE

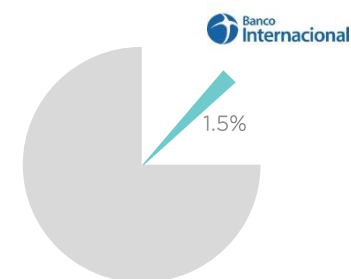
Total Loans
US\$ 275 billion



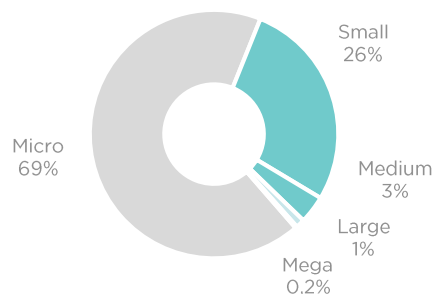
Market Share
Total Loans



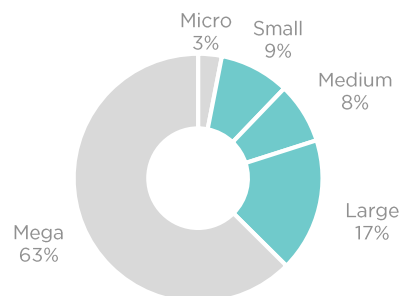
Market Share
Commercial Loans



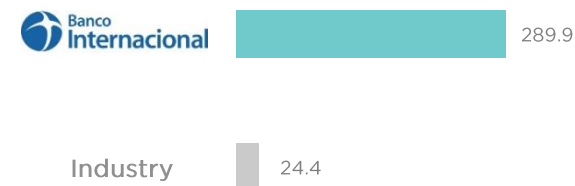
Commercial Loans
by Number of Clients



Commercial Loans
by Amount of Debt

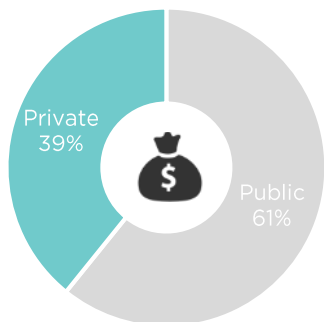


Average of Loans
(CLP\$ million)

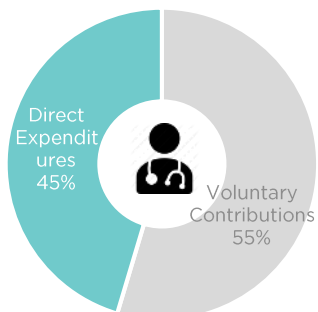


CHILEAN HEALTHCARE INDUSTRY 2018 AT A GLANCE

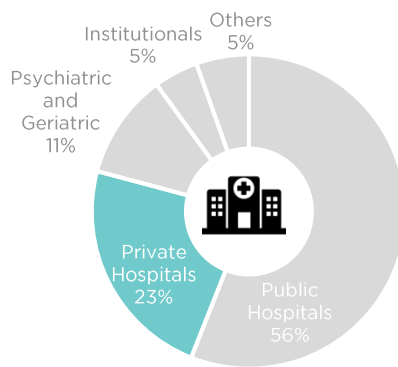
Total Health Expenditure
8.1% of GDP



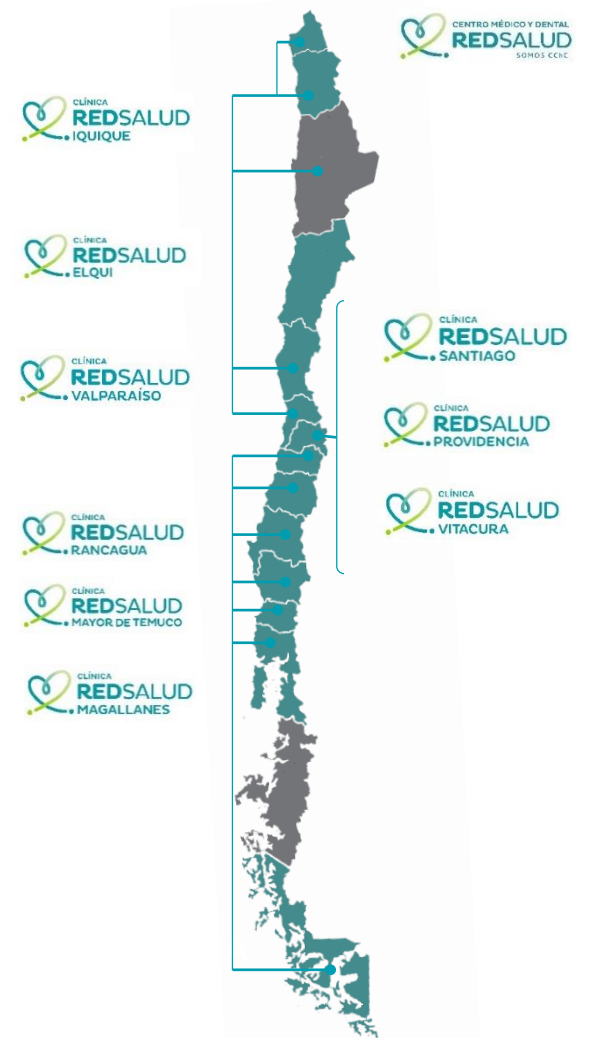
Private Expenditure



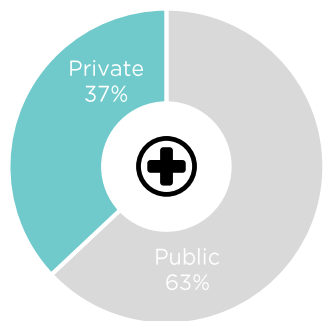
Hospitals and Clinics
350



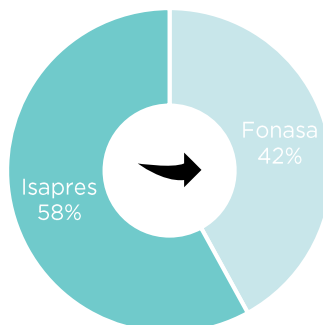
Red Salud



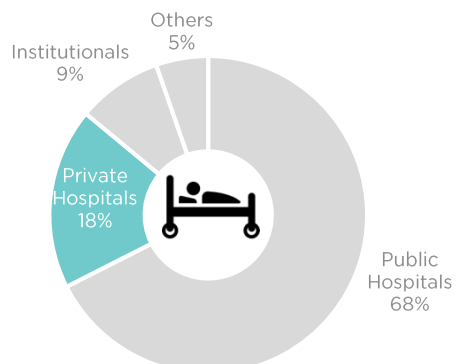
Procedures
339 million
(2017)



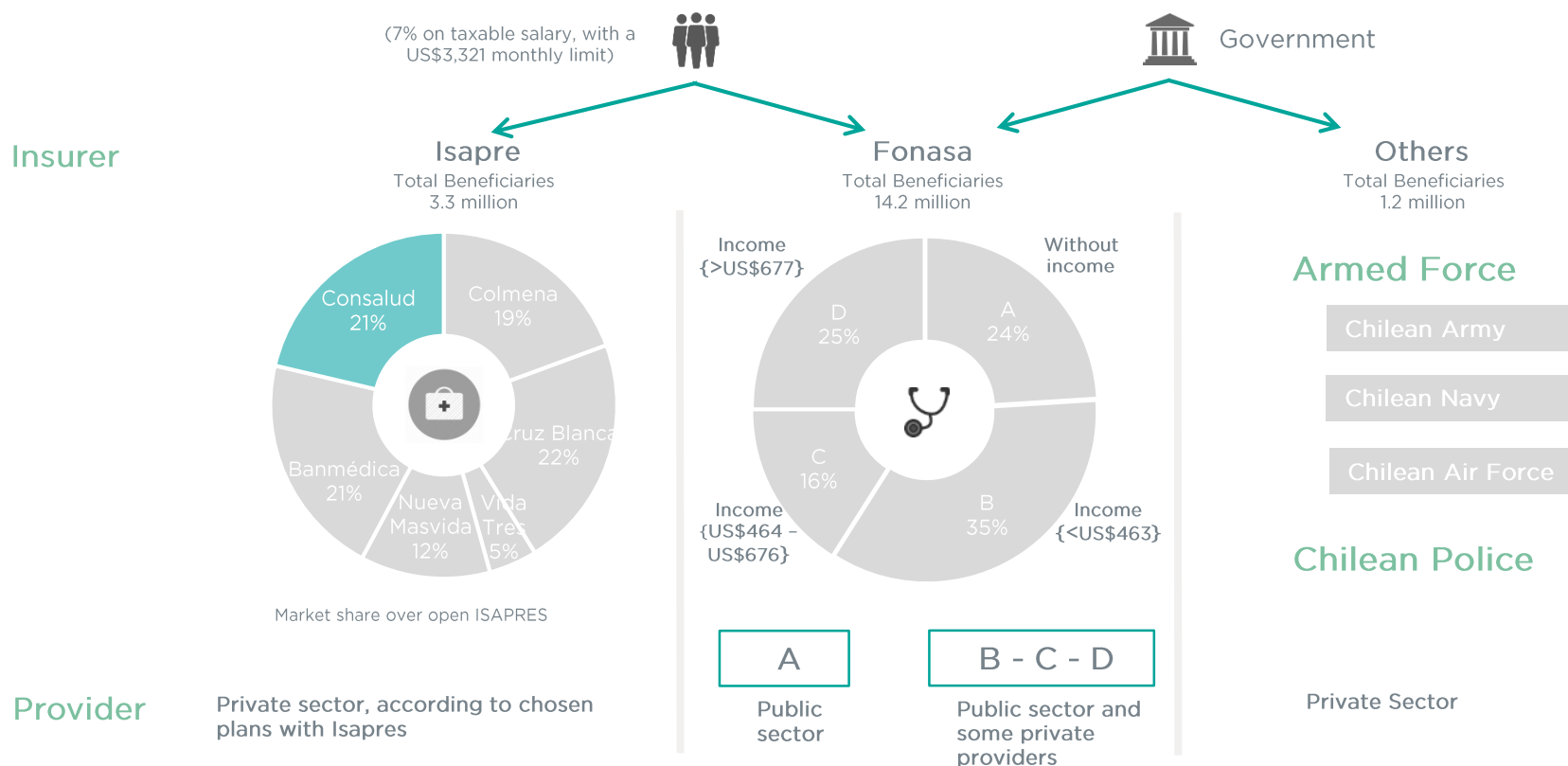
Private Health Procedures Coverage (2017)



Beds
38,793



CHILEAN MANDATORY HEALTH INDUSTRY 2018 AT A GLANCE



Market Players (Private and open)



Average Contribution (CLP\$)

Loss Ratio (Cost of Sales/ Revenues)

Colmena

Cruz Blanca

Vida Tres

Nueva Masvida

Banmédica

107,675

137,117

132,599

189,630

116,210

133,965

85.8%

86.4%

86.9%

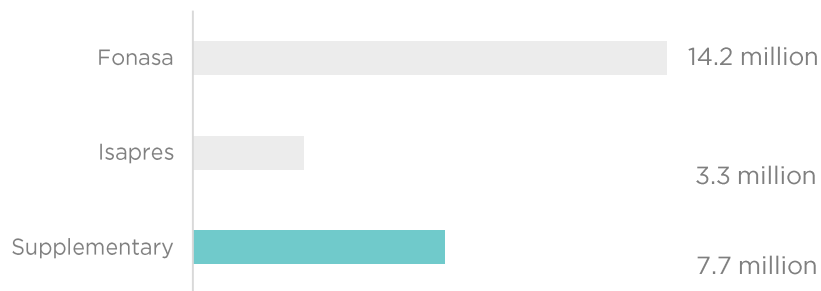
87.5%

84.2%

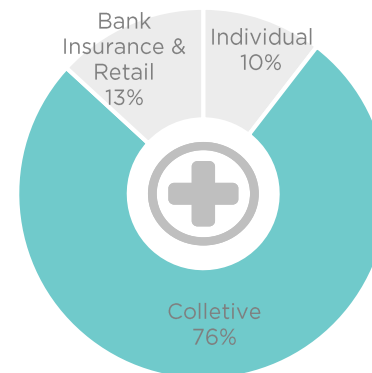
89.1%

CHILEAN SUPPLEMENTARY HEALTH INSURANCE INDUSTRY 2018 AT A GLANCE

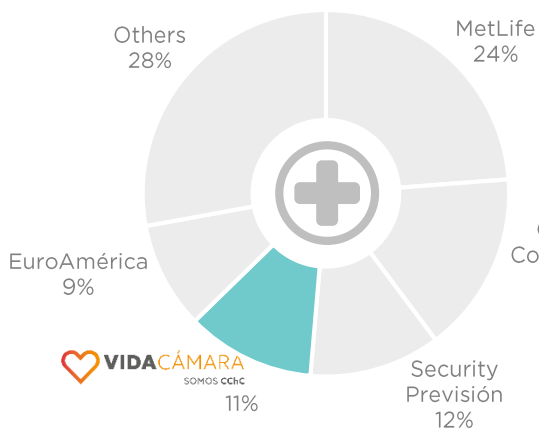
Health Insurance Beneficiaries



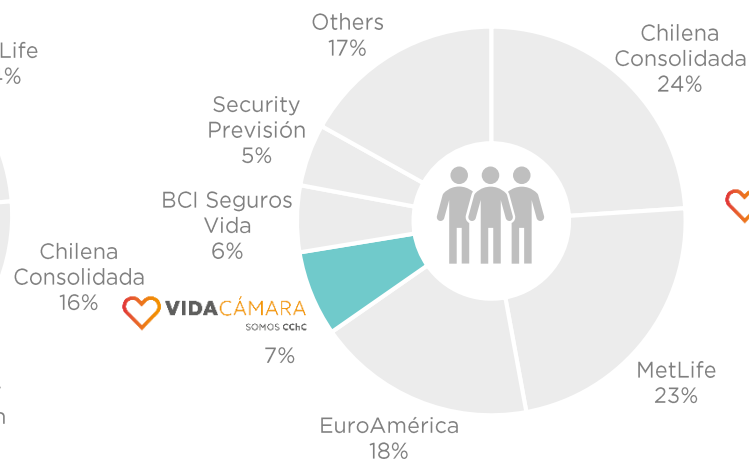
Supplemental Health Insurance US\$ 868 million



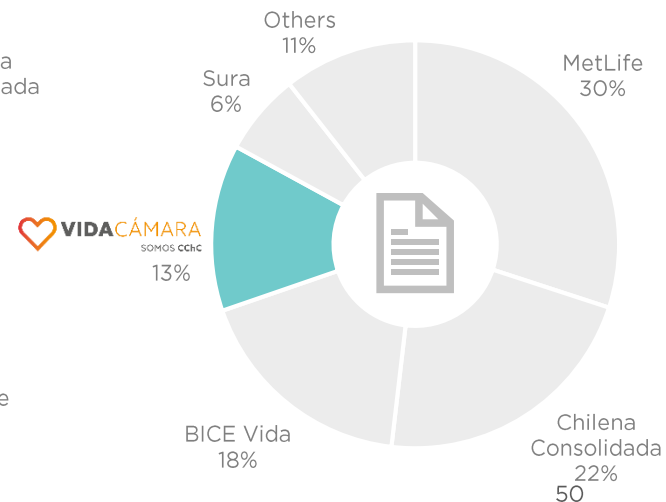
Collective Supplementary Health Insurance Premiums US\$663 million



Collective Supplementary Health Insurance Beneficiaries 4.6 million



Collective Supplementary Health Insurance Policies 17 thousand



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