

# Andean Conference Larraín Vial



September, 2021



# DISCLAIMER



Forward-looking statements are based on the beliefs and assumptions of ILC's management, and on information currently available. They involve risks and uncertainties because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that economic circumstances, industry conditions and other operating factors could also affect the future results of ILC and could cause results to differ materially from those expressed in such forward-looking statements.

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[www.ilcinversiones.cl](http://www.ilcinversiones.cl)

- 01 ILC at a Glance
- 02 Focuses by Division
- 03 Sustainability at ILC
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## 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.  
June 2021 (LTM)

14.7%  
CLP\$ 119.5 bn.

Dividend Yield  
June 2021

6.0%  
at closing price June 2020

Local Risk Rating

AA+

AUM as of June 2021

US\$82 bn.  
AFP Habitat Chile, AFP Habitat Peru,  
AFP Colfondos and Confuturo

Consolidated Employees

~15 th.  
Chile, Peru and Colombia

# LEADERSHIP IN FINANCIAL AND HEALTH SECTORS



## Financial Sector



40%

in association with Prudential



100%



67%



## Health Sector



100%



100%



100%



Figures as of June 2021

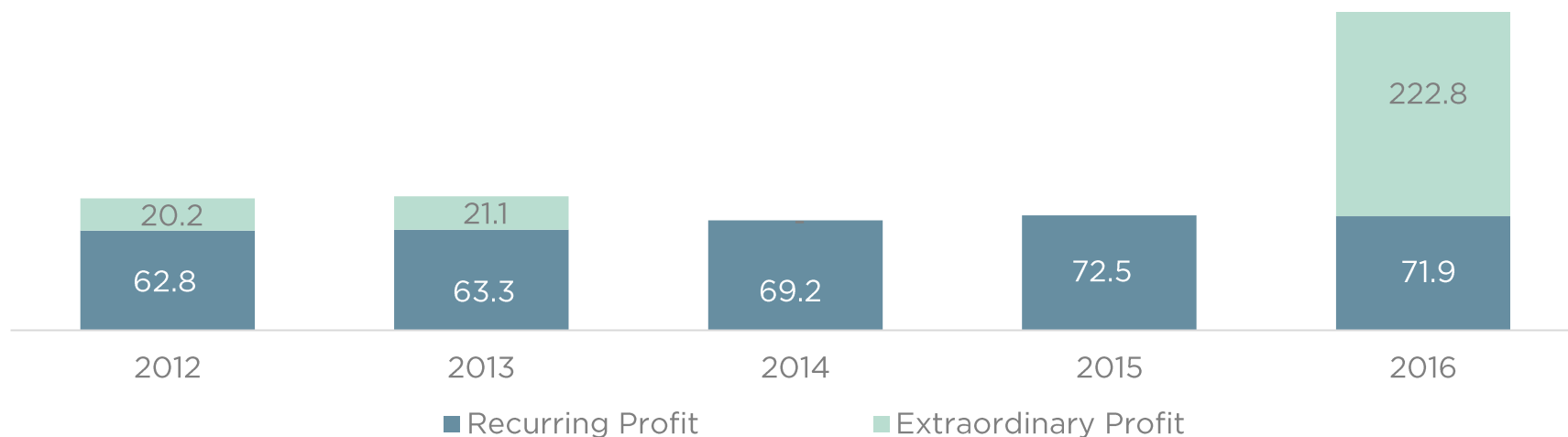
Source: ILC, CMF, Chilean Pensions Superintendency, Banking Superintendency, Insurance and AFP Peru (SBS Peru), Colombian Financial Superintendency, Chilean Health Superintendency, AACH, Annual Reports

# 2012 (IPO) – 2016: CONSOLIDATION



## ILC's Net Income Evolution

CLP\$ bn.



## Main Strategic Milestones

Strategic Partnerships



Geographical Diversification (greenfield)



Acquisitions



Divestments

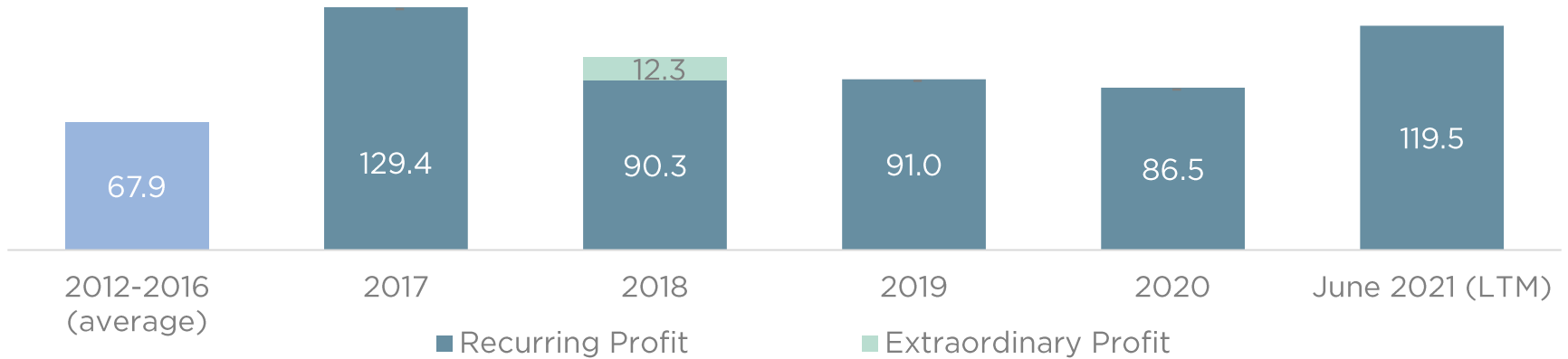


# 2017-2023: RECURRING PROFIT DIVERSIFICATION AND GROWTH



## ILC's Net Income Evolution

CLP\$ bn.



## Main Strategic Milestones

Increased Stake



Turnarounds



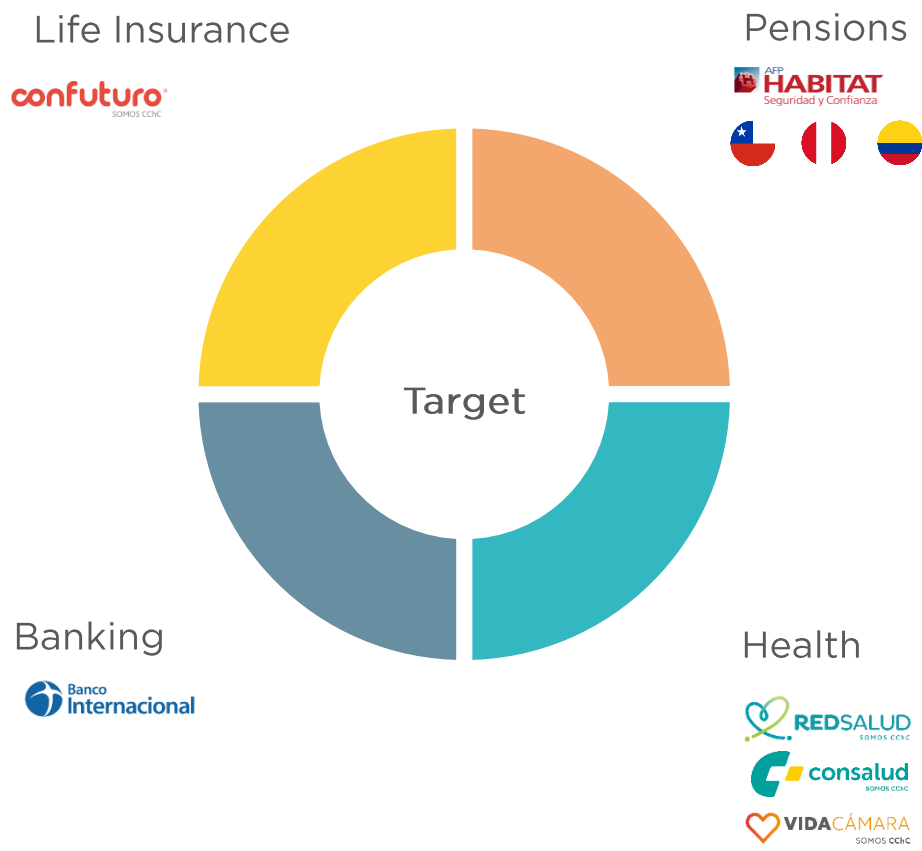
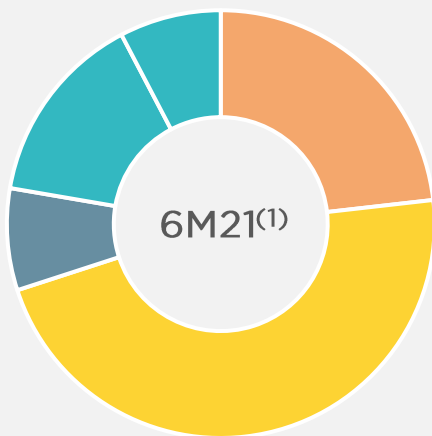
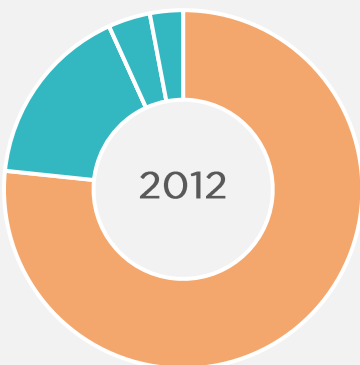
Geographic Expansions



Extraordinary Opportunities / Demographic and Economic Factors



## Diversification of ILC's Recurring Profit



(1) Consalud's loss is not considered  
 Source: ILC

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# HISTORY OF AFP HABITAT

1981



AFP Habitat begins in Chile, when the Individual Capitalization System was created

2013



AFP Habitat enters the Peruvian market as a greenfield project by winning the first two tenders for new members

2016



ILC forms a partnership with Prudential who takes a stake in AFP Habitat in order to expand its share of the Latin American market

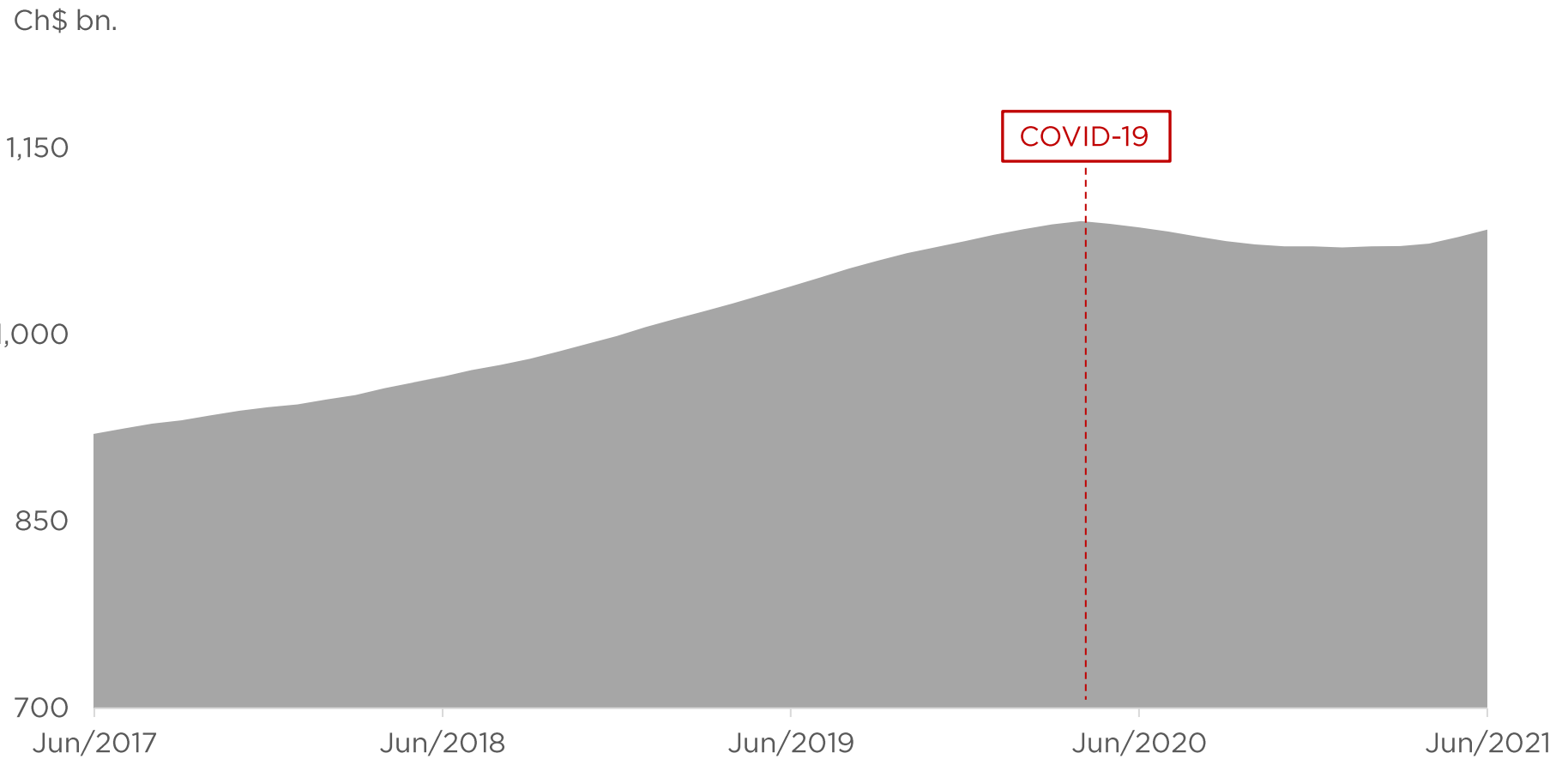
2019



AFP Habitat enters the Colombian market by acquiring AFP Colfondos

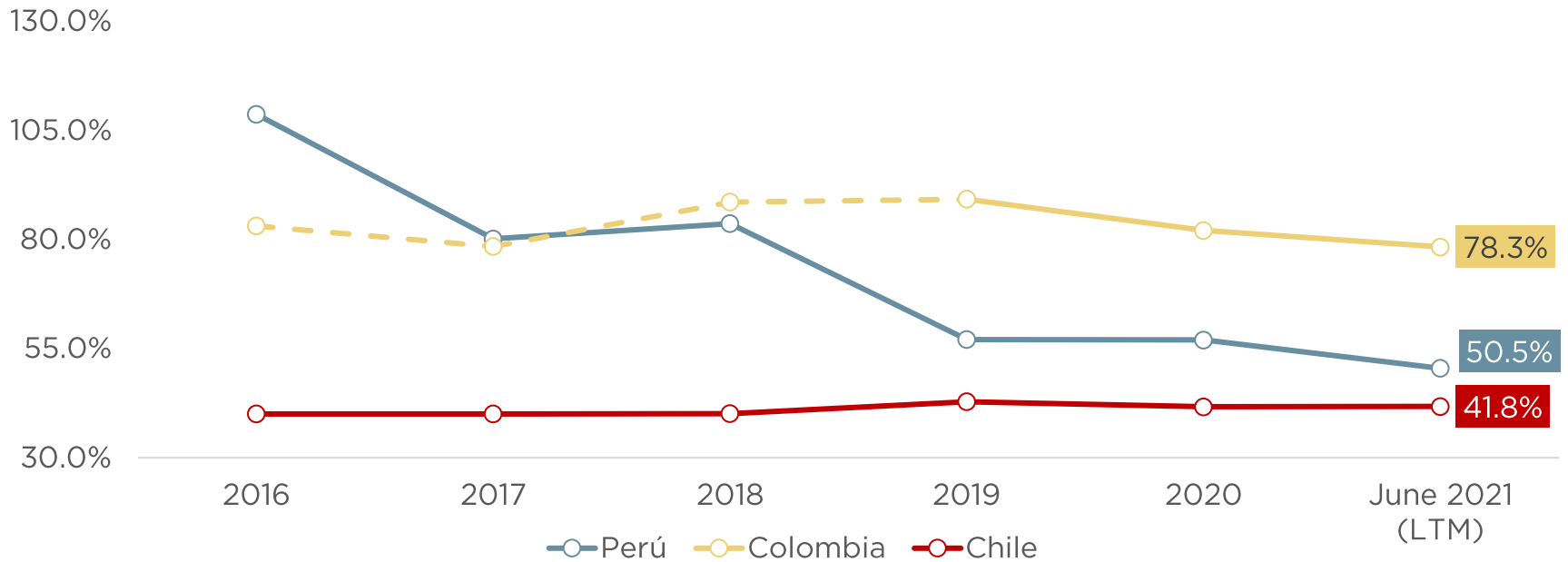
# RECOVERY OF FORMAL LABOR MARKET

## Salary Base - AFP Habitat Chile



# IMPROVEMENT IN EFFICIENCY

## Operating Expenses / Revenue: Chile, Peru, Colombia

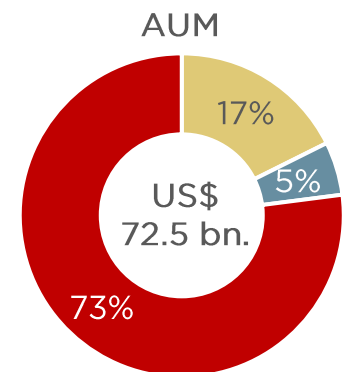
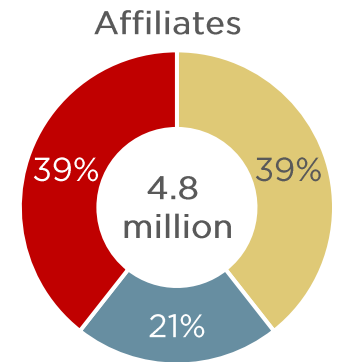
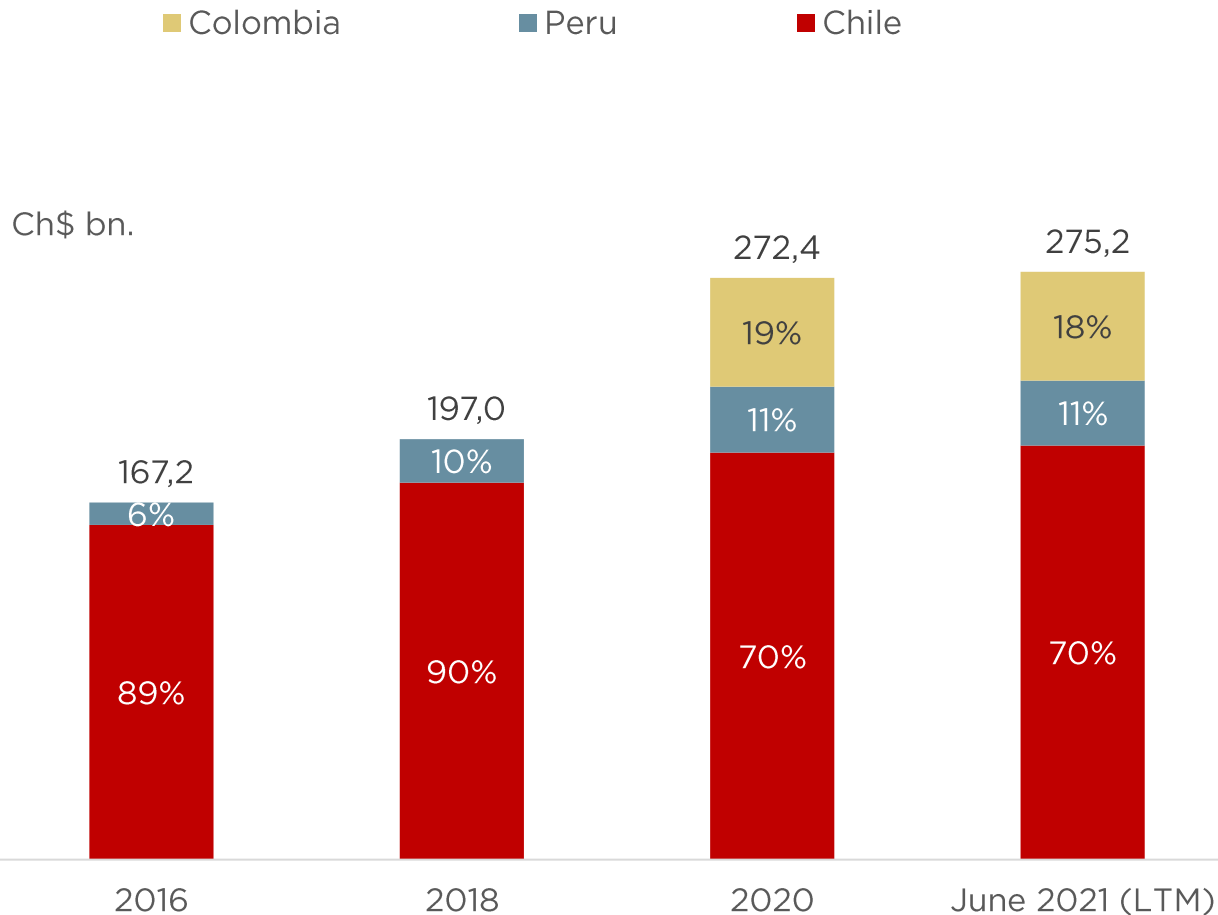


Sales Staff	2016	2017	2018	2019	2020	2021
Chile	569	670	778	769	730	620
Peru	103	104	120	139	120	121
Colombia	-	-	-	389	371	352

# GEOGRAPHIC DIVERSIFICATION

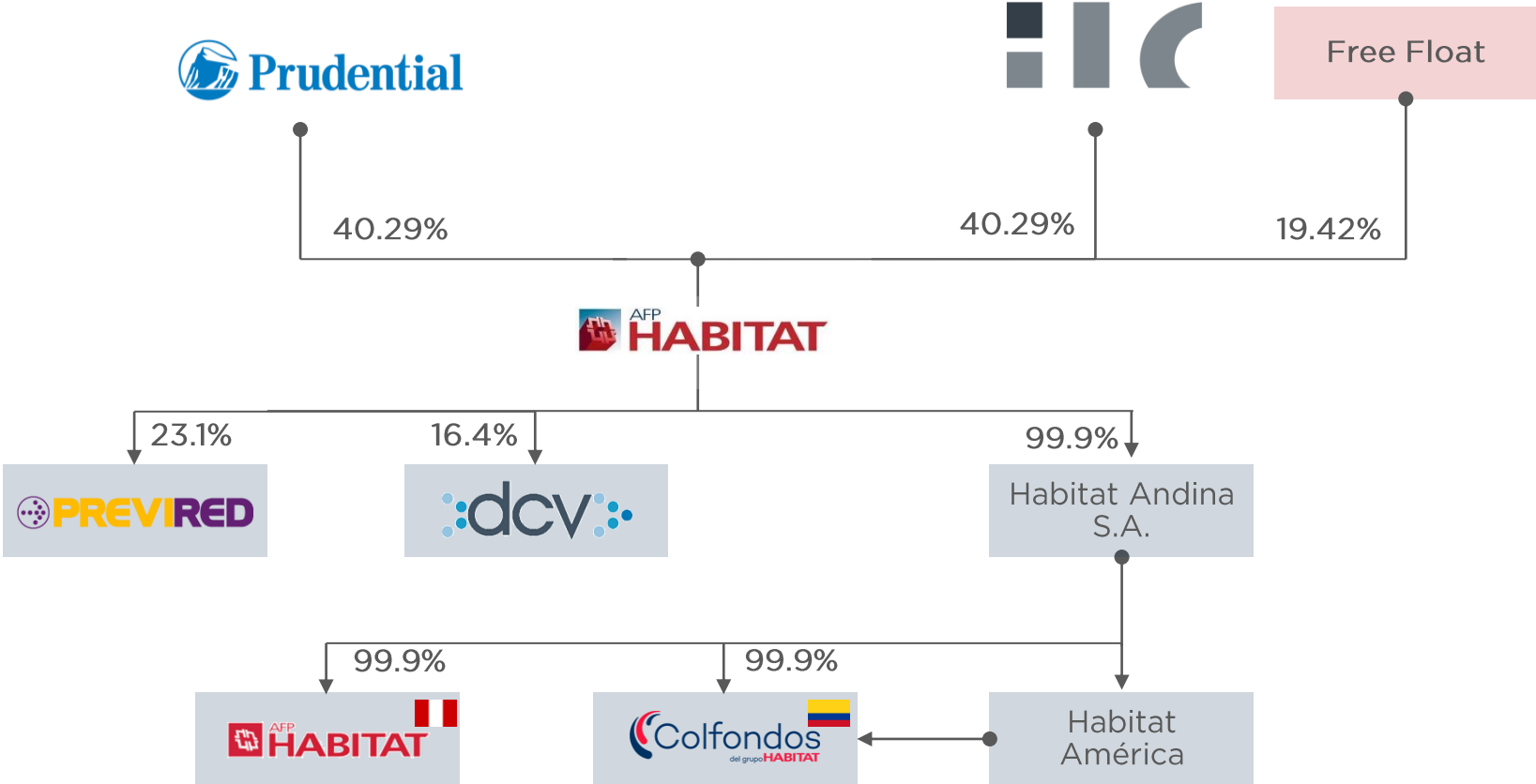
## Revenue Breakdown - AFP Habitat

## Main Figures - AFP Habitat



# AFP HABITAT RESTRUCTURING

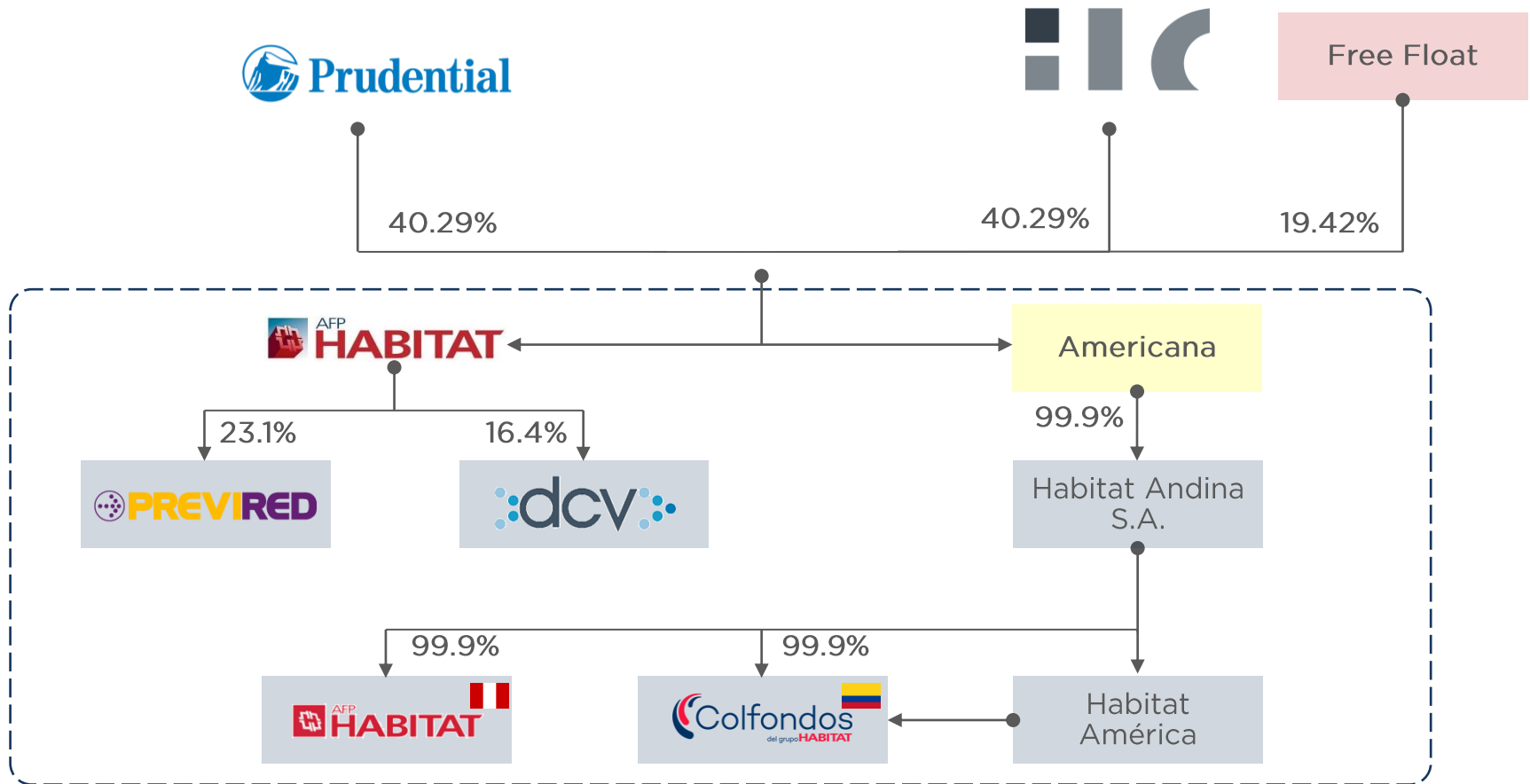
Today





# AFP HABITAT RESTRUCTURING

## Proposal<sup>(1)</sup>



(1) Structure to be proposed at the Extraordinary Shareholders' Meeting  
Source: AFP Habitat

Pensionate con una  
**Renta Vitalicia.**  
Asesórate aquí.

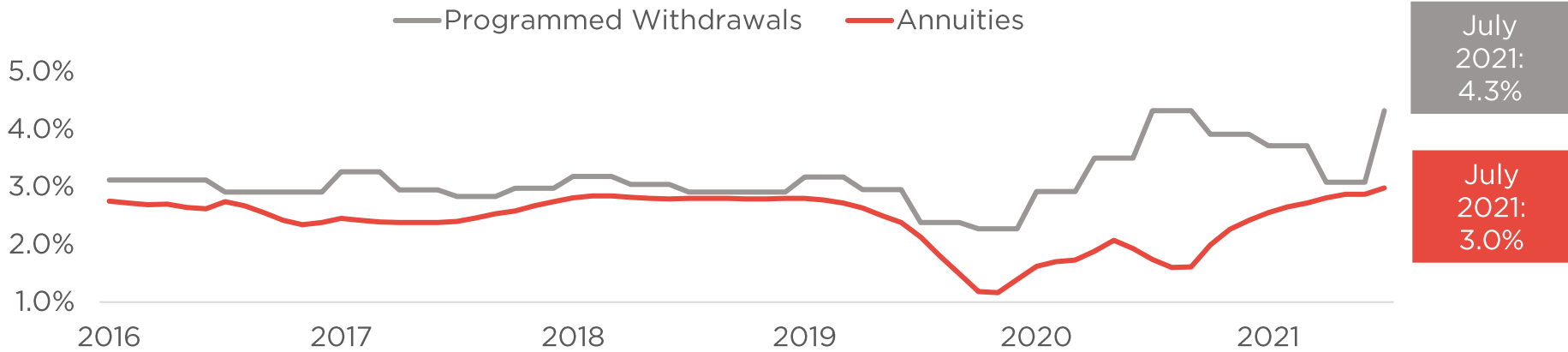
SOMOS  
**cchc**

Concepto de inversión  
**confuturo**  
UN CASO CON FUTURO

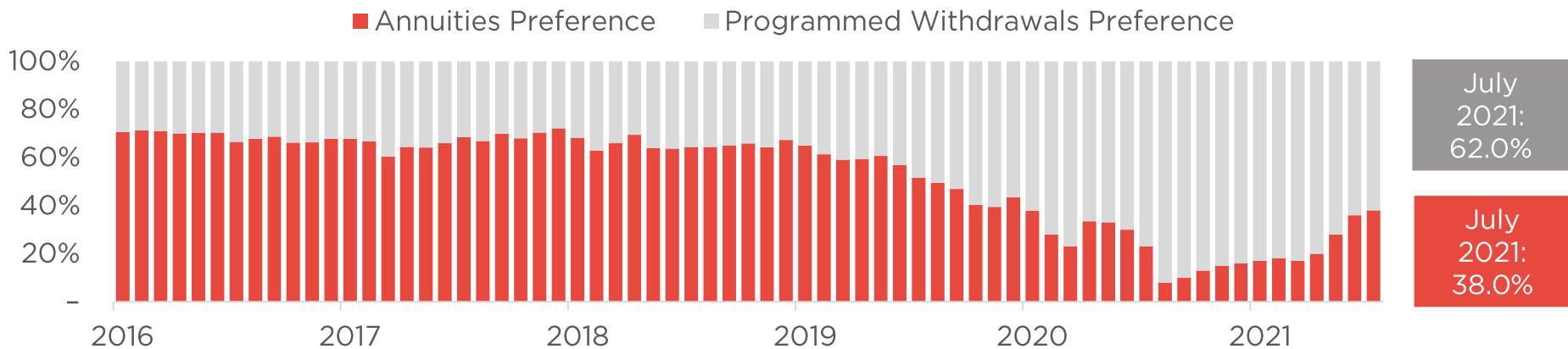


# NEW RETIREES: PROGRAMMED WITHDRAWAL VS ANNUITY

## Annuity Rate vs Programed Withdrawal Rate

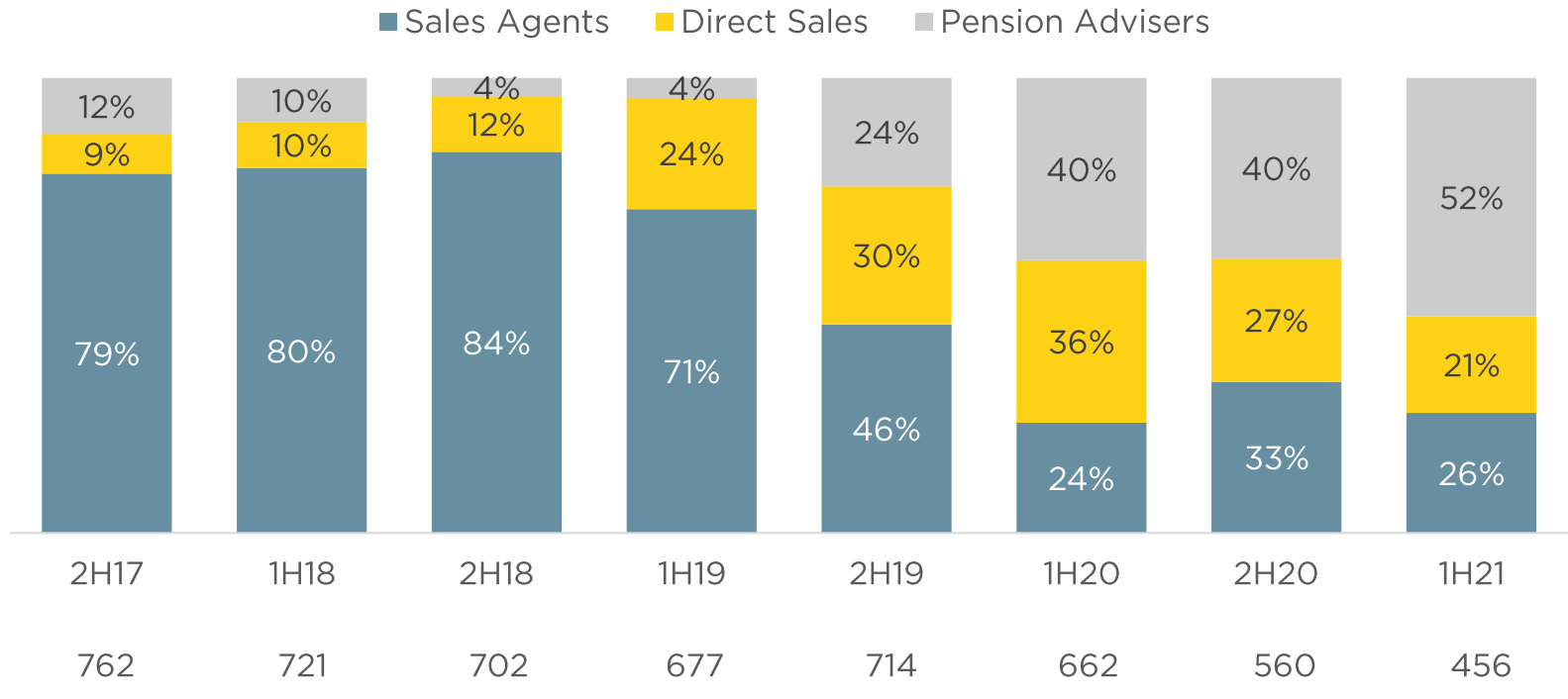


## New Retirees Annuity vs Programed Withdrawals



# BUSINESS FLEXIBILITY: TRENDS IN CHANNELS

## Annuities Sold by Channel



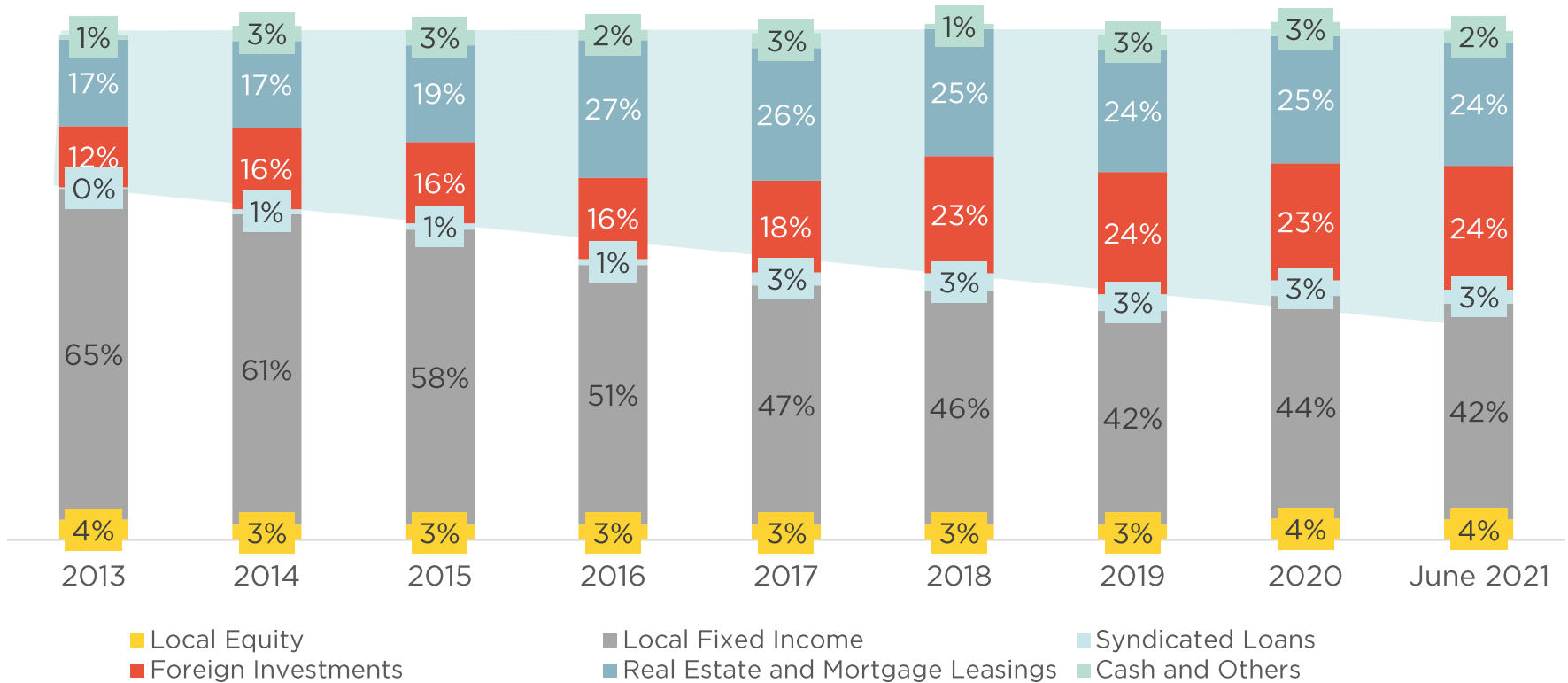
Number of Workers:

### Change in Channels

- Promote sales through direct channels and reduce sales staff
- Direct channels provide better pensions as there is no commission, which is important when yields are low

# INVESTMENT FLEXIBILITY: PORTFOLIO ASSET ALLOCATION

## Confuturo Investment Portfolio Composition



### Investment Portfolio Changes 2013 - 2021

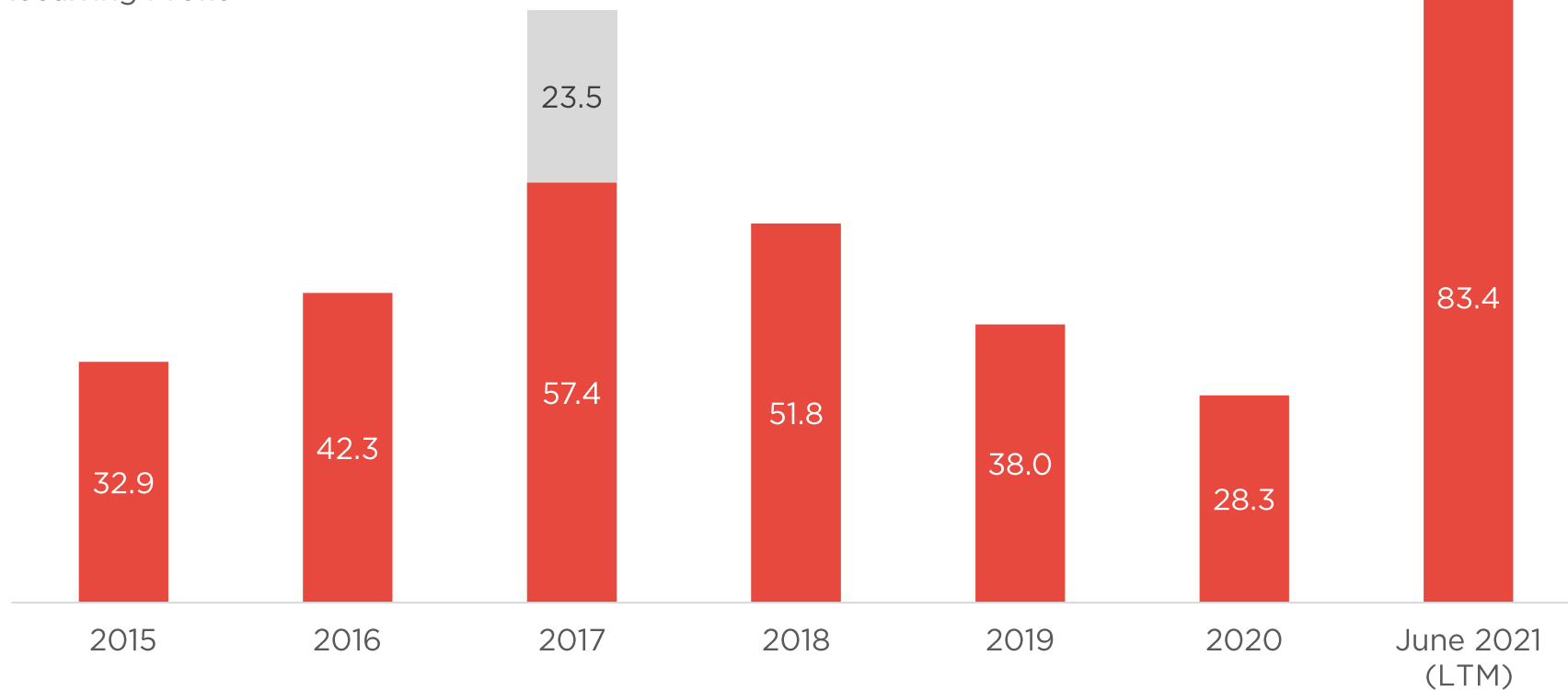
- Greater diversification, reducing liquidity risks
- More alternative assets, improving yield
- Investment risk profile has remained constant over time

# ASSET ALLOCATION DELIVERS RESULTS

## Profit Evolution - Confuturo

Ch\$ bn.

■ Recurring Profit

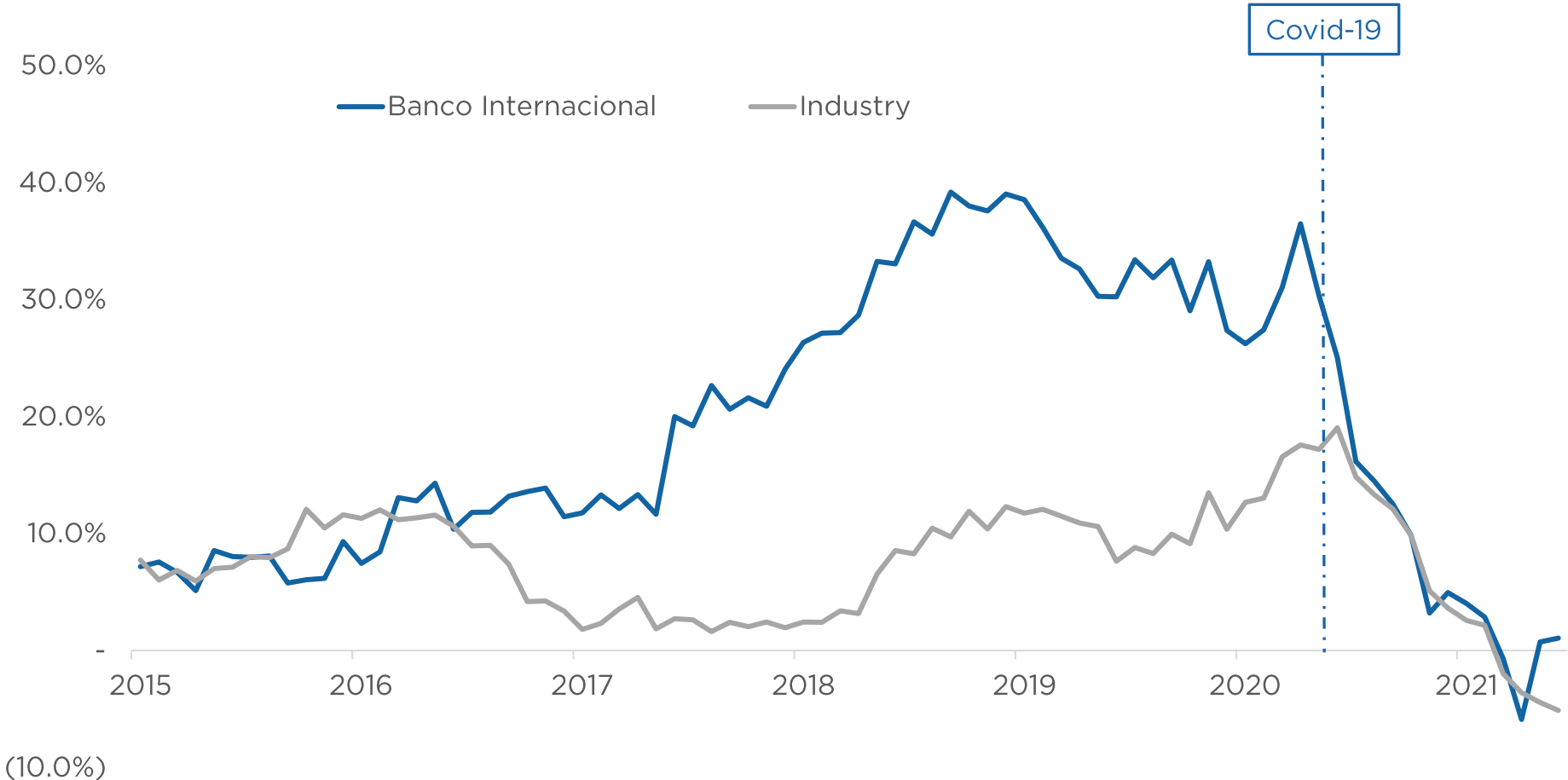




# FLEXIBILITY: FROM GROWTH TO RISK FOCUS



Annual Loan Growth (%)

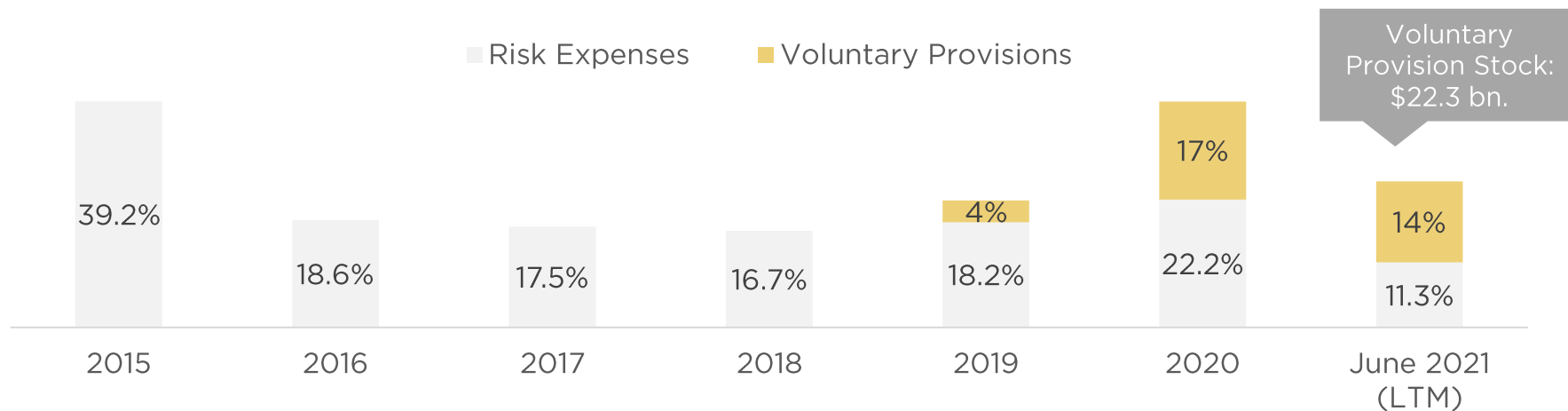


Source: CMF

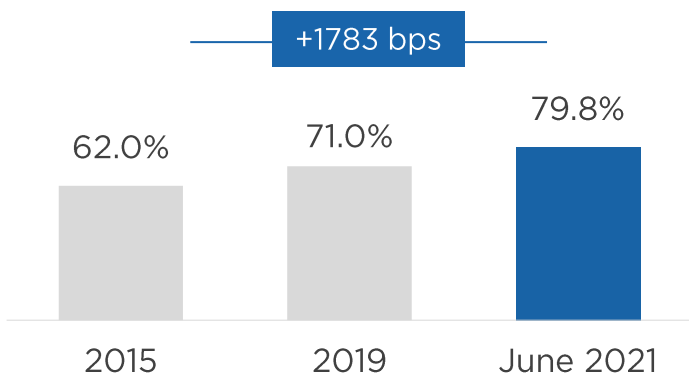


# STRENGTHENING THE BALANCE SHEET

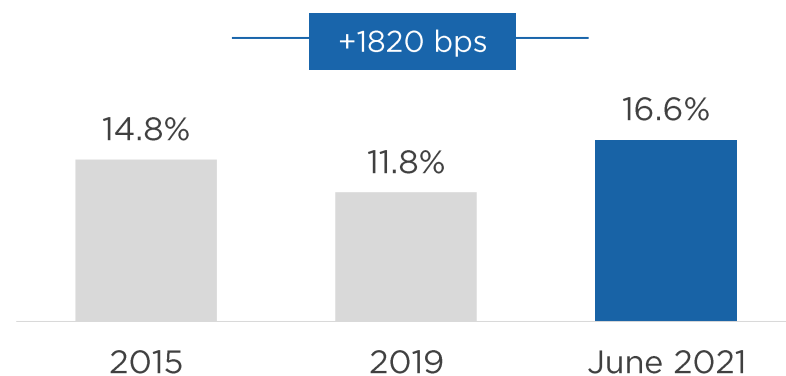
## Risk Expenses / Gross Operating Result (%)



## Collateral Coverage



## Basel Index



# THE FORMULA WORKS

2015 - 2021

I.

## Sustainable Results

- ROAE: 14-15%
- Solvency: 16.2%
- NPL: 1.7%
- NPS 85%

III.

## Efficiency

- From 67% in 2016 to 45-50% in 2020-2021
- Margin Efficiency: 10-20%

II.

## Revenue and risk diversification

- Growth
- Business Diversification
- New Business as Fund Manager, Factoring

IV.

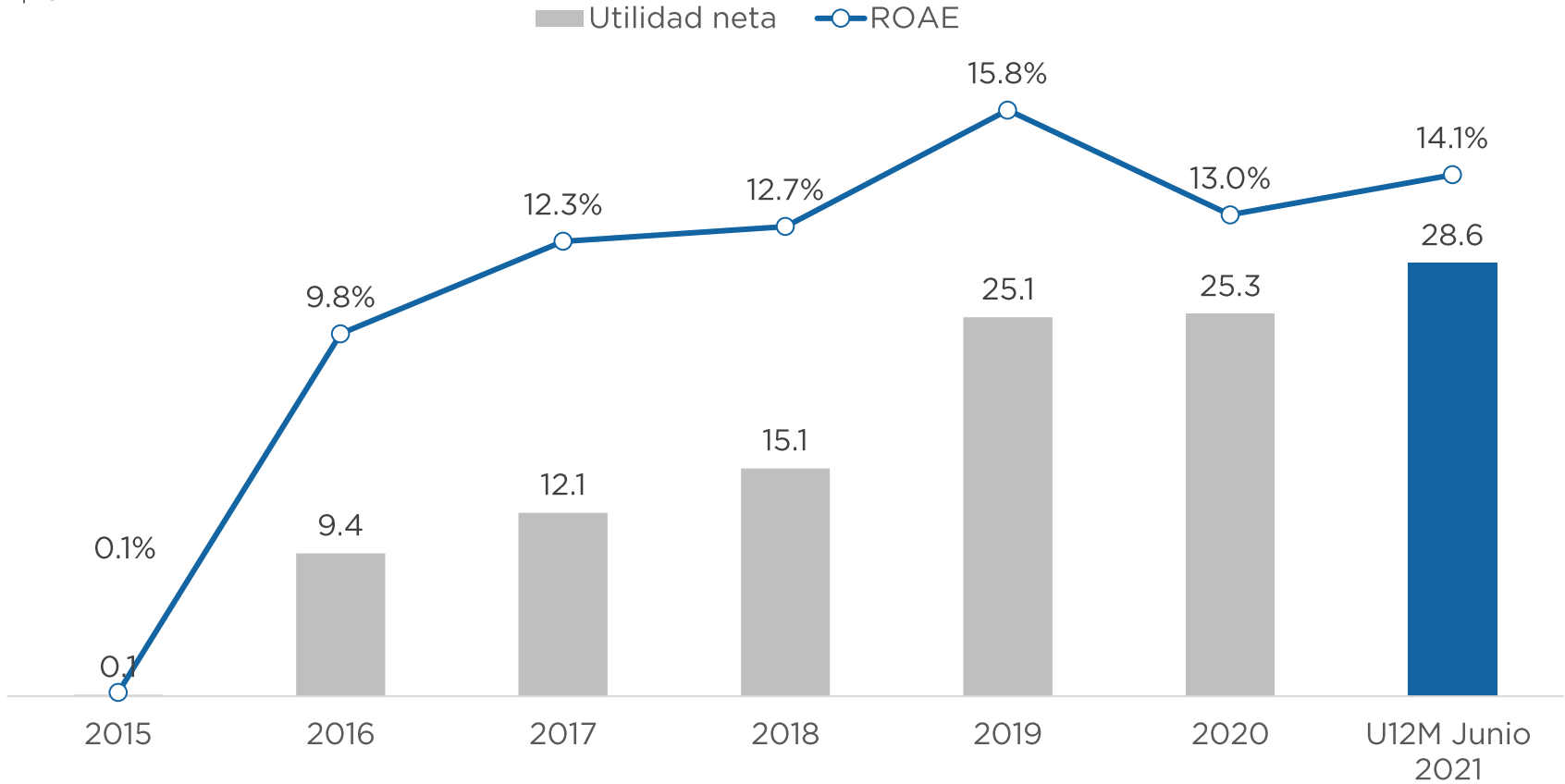
## Managing Risk

- Collateral Coverage: 80%
- Risk Rating Upgrade: AA-positive

# THE FORMULA WORKS

## Profit & ROAE Banco Internacional

Ch\$ bn.



# 2022: BUILDING THE FUTURE

## Fintech Bank

- Launch of new internet banking
- Launch of 3 products with full digital onboarding: time deposits, consumer and business loans
- 25% increase in digital time deposit customers
- Upcoming launch of self-managed online investments

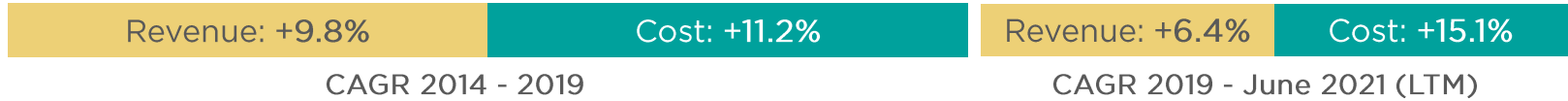




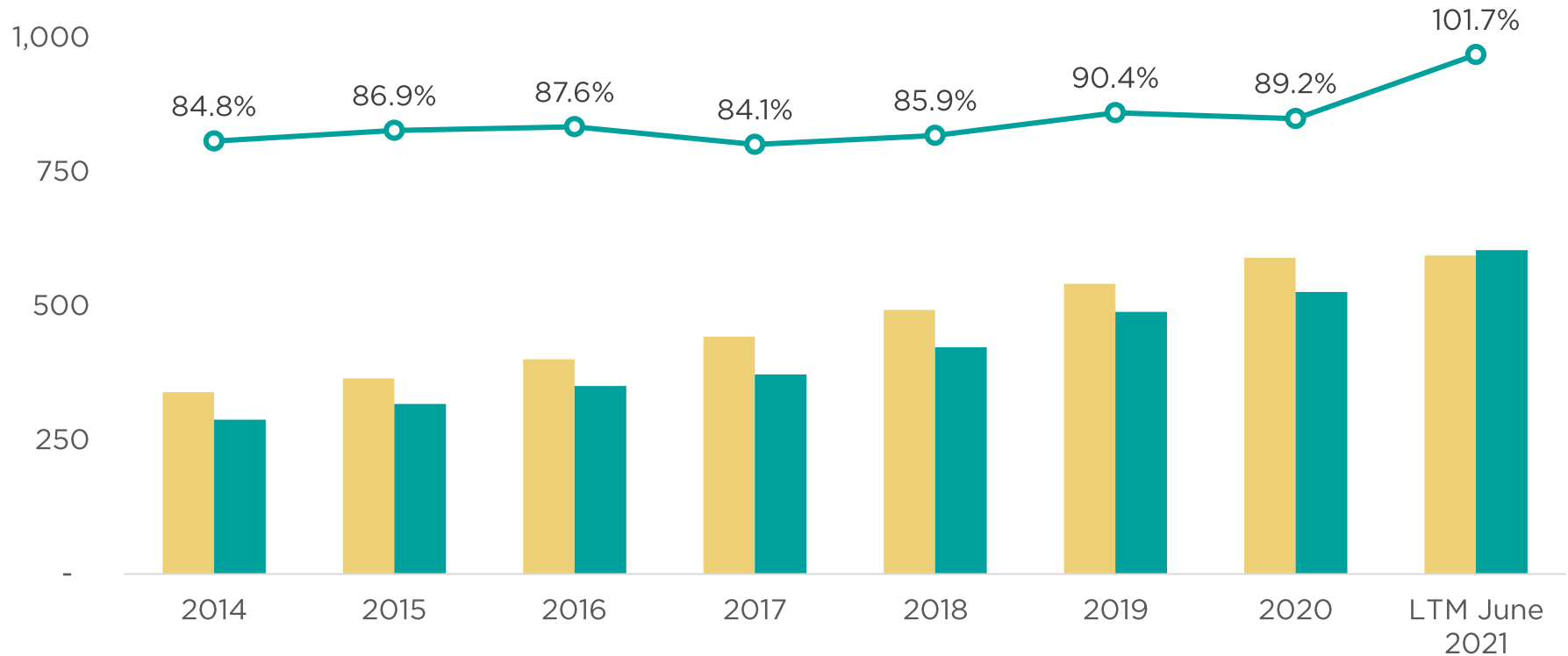
# COST ACCELERATION PRESSURES LOSS RATIO



## Evolution of Revenue, Cost and Loss Ratio

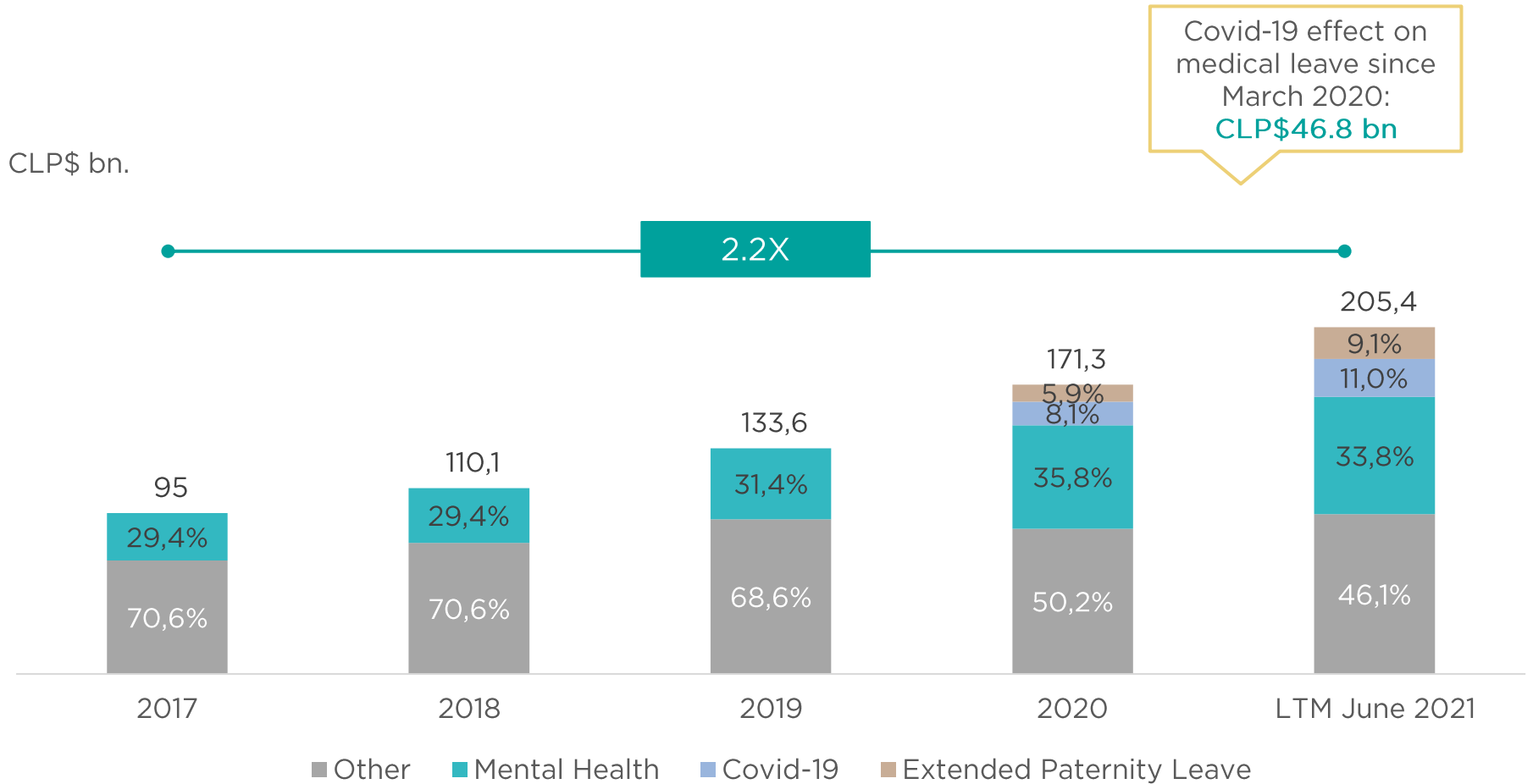


CLP\$ bn.



# MEDICAL LEAVE DOUBLED IN 4 YEARS

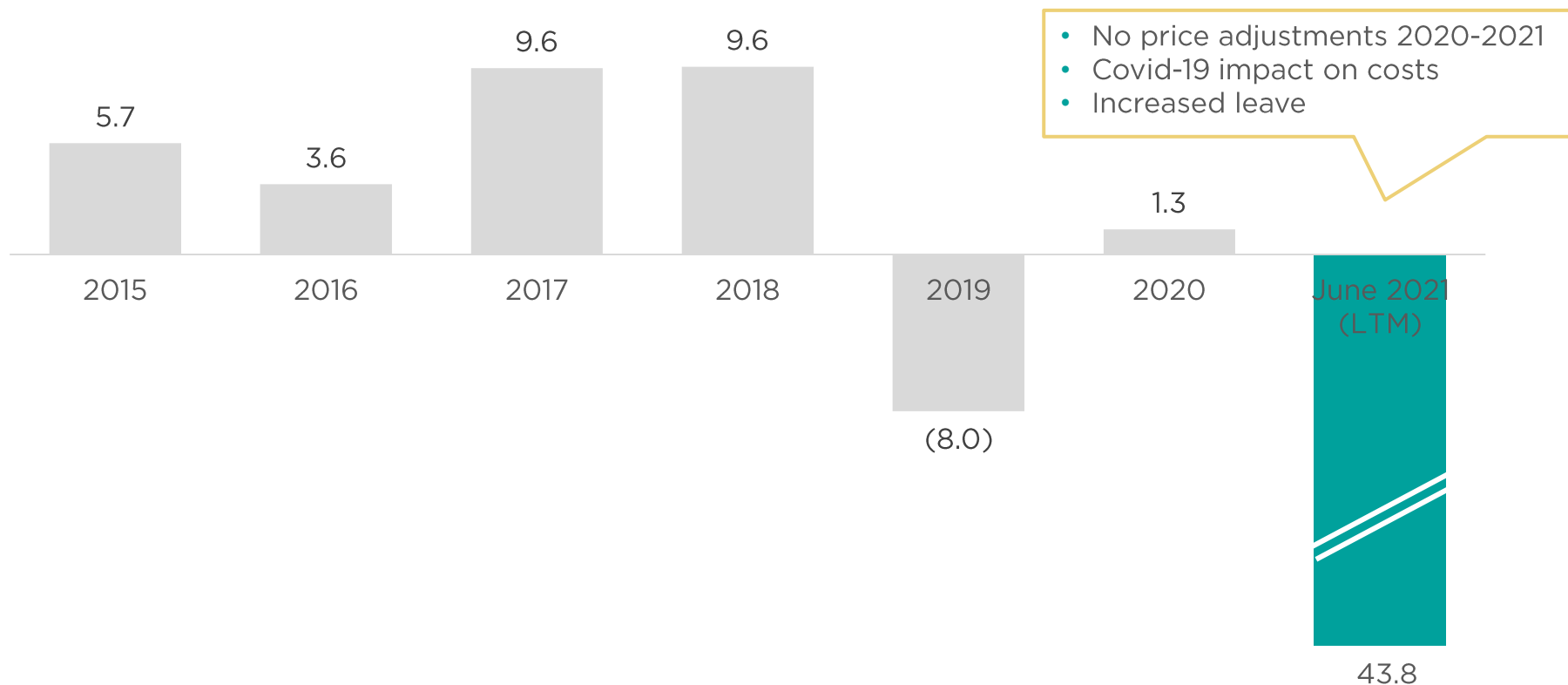
## Medical Leave - Consalud



# 2021: PERFECT STORM

## Net Result - Consalud (Under IFRS)

Ch\$ bn.





# HOWEVER, REGULATION IS MOVING FORWARD

2019

End of plans without coverage for pregnant women

2020

Homologation of base factor by gender

2021

Free mobility for policyholders with preexisting conditions when requirements are met

2022

New

Chilean congress **modified Law N°21.350** in June 2021 (with 140 votes in favor and 0 against in the Lower Chamber, and 36 votes in favor and 0 against in the Senate)

Project submitted by a diverse group of legislators

The modification includes:

- No price adjustments for Isapres in 2021 because of COVID-19
- The right of Isapres to review prices annually
- Price adjustments with a cap set by the Health Superintendency
- The cap will be calculated as: last three years IRCSA variation (*Índice Referencial de Costos de la Salud*), which may in no case be greater than the variation in the Health Ministry's budget

Others: GES premium adjustment in 2022

# BUILDING A SOLID STRATEGIC PLAN

## 2019 - 2020

Change in **Executive Committee**, with a focus on efficiency and customer service

## 2020

**New CEO (Rodrigo Medel):** former Latam executive, CEO of Centros Médicos y Dentales RedSalud and Clínica RedSalud Vitacura, among other positions

## 2020

Reached **100% customer services offered online**, 80% of employees working remotely

## CONSALUD STRATEGIC FRAMEWORK 2020-2022



## 2020

**17 million** medical services covered (US\$720 million)

## 2020

### Reputation

First Place among Isapres (Ipsos)

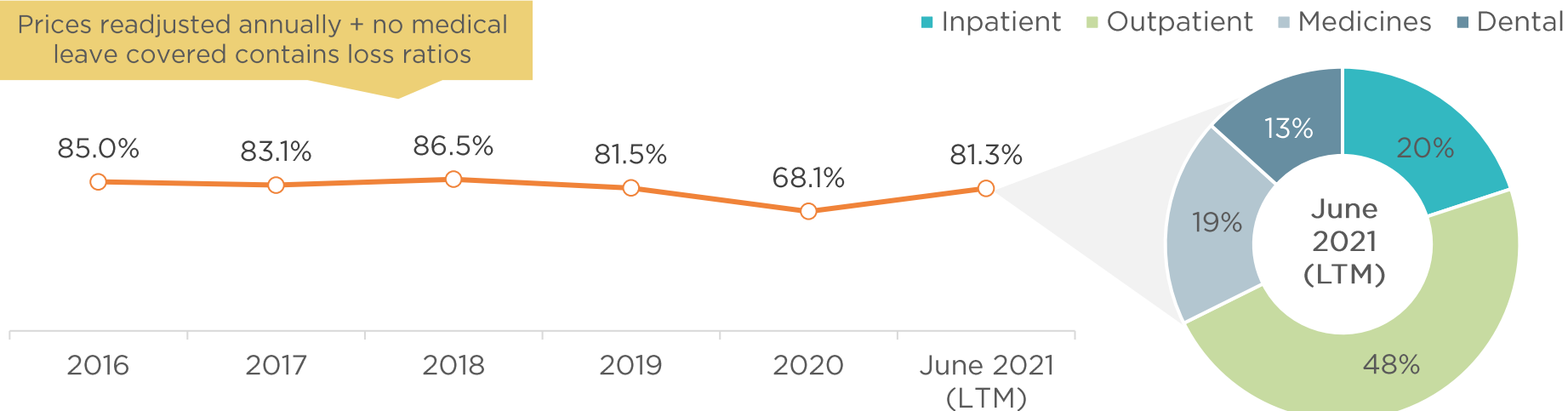
**More than 35 years offering individual health insurance**, with 700 thousand beneficiaries and 420 contributors (#1 in industry)



# LOSS RATIO UP AS HEALTH ACTIVITY REBOUNDED

## Loss Ratio - Vida Cámara

Prices readjusted annually + no medical leave covered contains loss ratios



## Beneficiaries - Vida Cámara

2020

Reached 100% customer services offered online, and 100% of employees working remotely

2020

4 million medical services covered

9 years offering group health insurance, with 380 thousand beneficiaries (#3 in industry)



# RED SALUD: LARGEST HEALTHCARE NETWORK IN CHILE



## Inpatient



## Outpatient



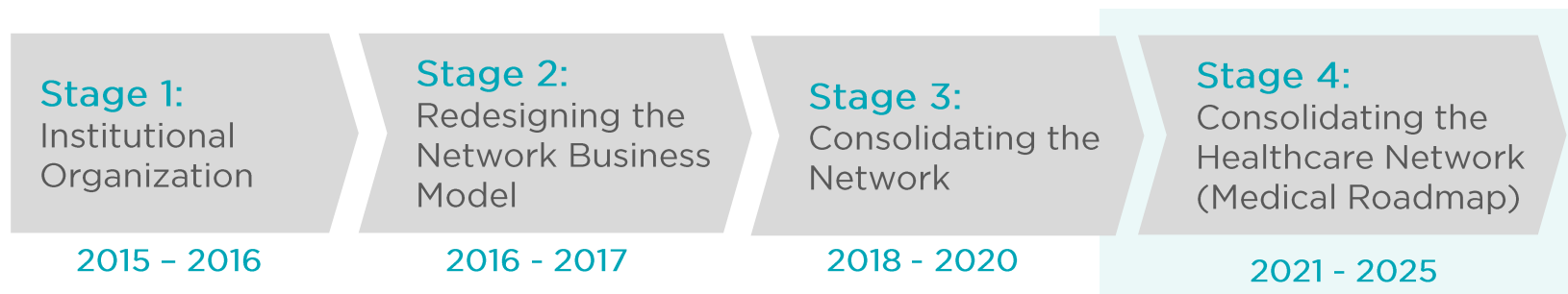
## Dental



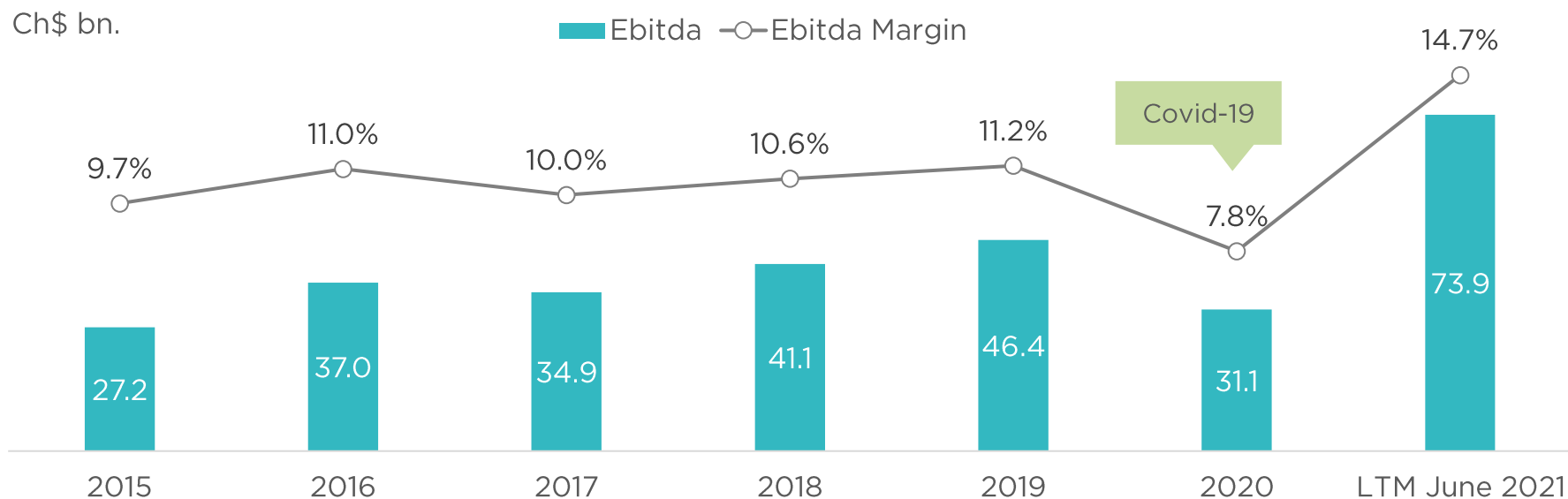
Region	Inpatient	Outpatient	Dental
Arica	1 icon		1 icon
Tarapacá		2 icons	2 icons
Antofagasta		2 icons	2 icons
Atacama			2 icons
Coquimbo	2 icons	2 icons	2 icons
Valparaíso	2 icons	3 icons	3 icons
Metropolitana	2 icons	2 icons	2 icons
O´Higgins		2 icons	2 icons
Maule			2 icons
Ñuble		2 icons	2 icons
Bío Bío		3 icons	3 icons
Araucanía	1 icon	2 icons	2 icons
Los Ríos		2 icons	2 icons
Los Lagos		2 icons	2 icons
Aysén			1 icon
Magallanes	1 icon	1 icon	1 icon
<b>Total</b>	<b>1,035 beds</b>	<b>1,150 Boxes</b>	<b>472 Dental Chairs</b>

# 2020 - 2021: NETWORK CONSOLIDATION APPROVED THE TEST

## RedSalud's Strategic Plan: Phases

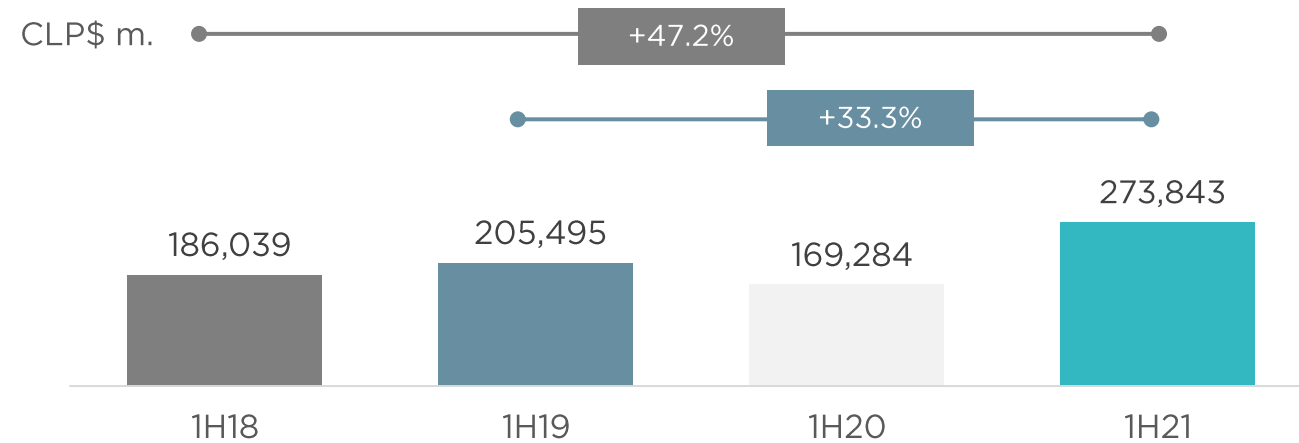


## Ebitda and Ebitda Margin Evolution



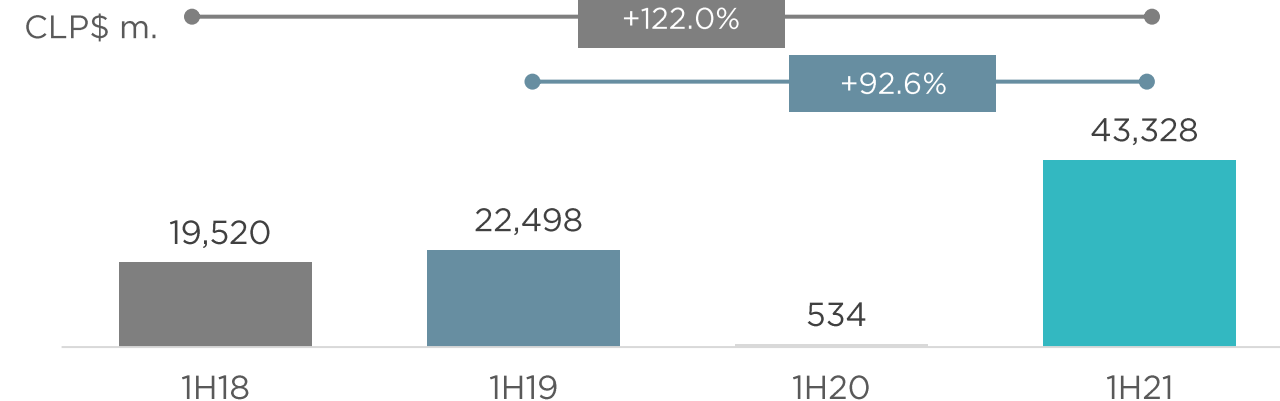
# HIGHER ACTIVITY BENEFFITED MARGINS

## Revenues RedSalud



- Revenue higher than pre-pandemic levels
- Revenue growth without significant CAPEX investments

## EBITDA RedSalud



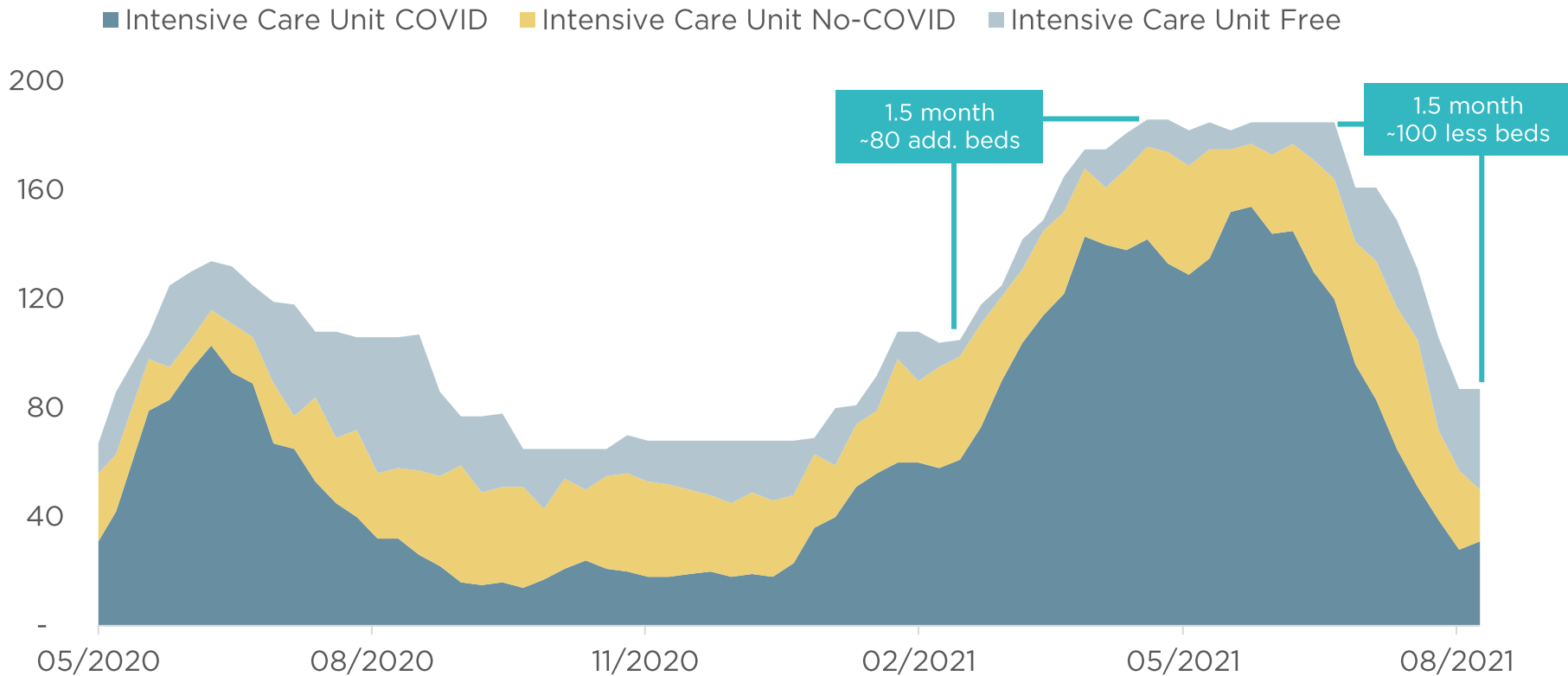
- Growth in EBITDA is higher than revenue, as marginal activity becomes more efficient with volumes



# FLEXIBILITY: STRUCTURAL ADVANCES & NEW SERVICE ALTERNATIVES

## Shift in Beds and Medical Staff to Respond Covid-19

Number of beds



# FLEXIBILITY: STRUCTURAL ADVANCES & NEW SERVICE ALTERNATIVES

## Advances in the Implementation of New Systems



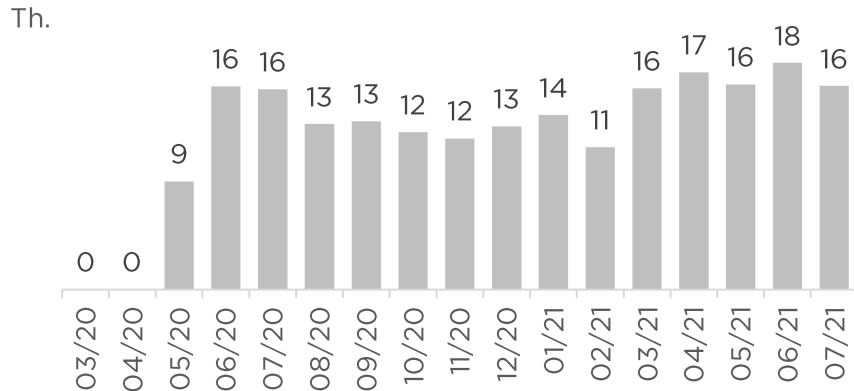
- ✓ Medical and Dental Centers
- ✓ Clinica RedSalud Vitacura (September 2021)



- ✓ Starting in Medical and Dental Centers

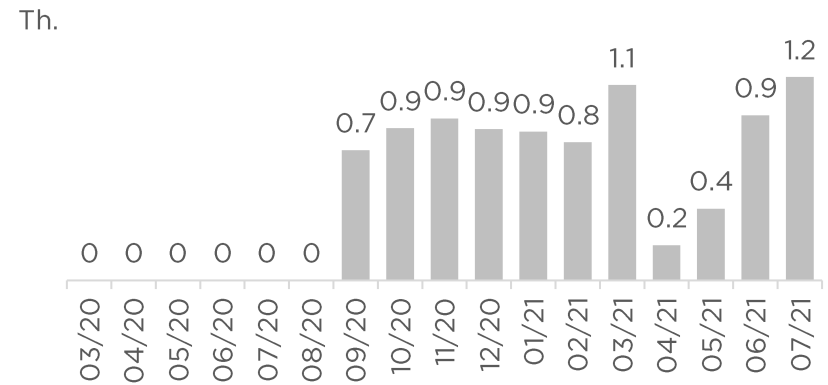


## Telemedicine - RedSalud



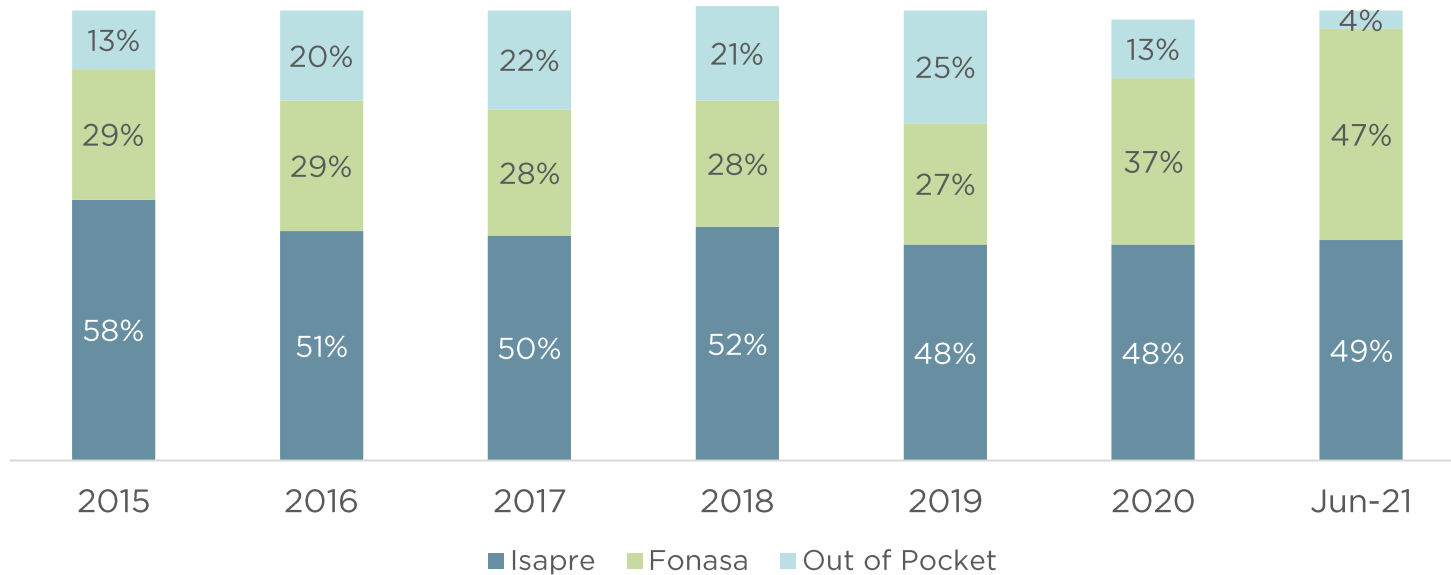
Source: RedSalud

## "Surgery in a Day" - RedSalud



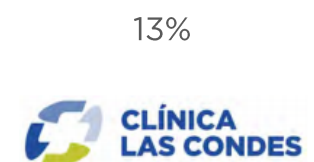
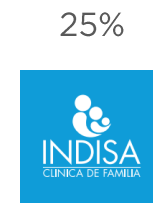
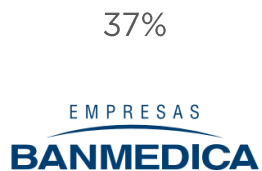
# FLEXIBILITY: STRUCTURAL ADVANCES & NEW SERVICE ALTERNATIVES

## RedSalud Revenue Breakdown by Insurer



• Fonasa has gained importance for RedSalud during the last years

## Fonasa Relevance in Other Healthcare Players (2020 Revenues)





# ACTIVE ROLE WITH THE PUBLIC SECTOR (FONASA)

- Know-how in group health insurance and relationship with companies
- Developing individual insurance
- **60% of beneficiaries in FONASA**



- Know-how in individual and supplementary health insurance
- Relationship developed with providers
- **60% of beneficiaries arrived from FONASA**



- Close relationship with the public insurer
- Largest private network in Chile
- Relevant size in inpatient, outpatient and dental
- **FONASA: 45% of revenue**

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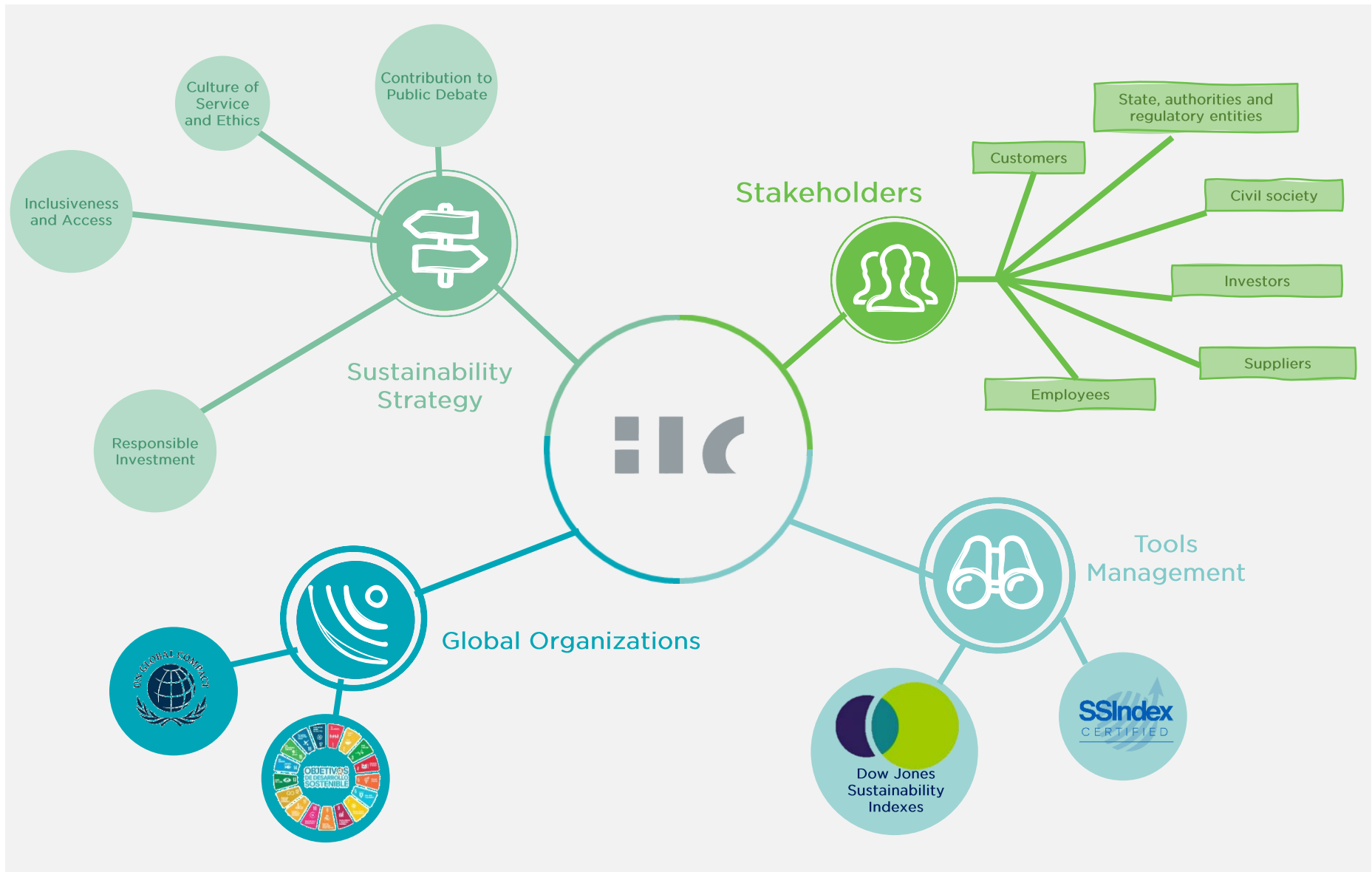
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# SUSTAINABILITY MODEL





# COMMITTED TO OUR STAKEHOLDERS AND OUR SOCIAL ROLE



CChC invested US\$ 21 million in 2020 in social projects for construction employees and their families



## Aging Observatory for a Chile with a Future - UC:

Research center that aims to publish significant information regarding the 60+ segment, in order to influence public opinion, by publishing social impact information regarding aging within Chilean society

www.observatorioenvejecimiento.uc.cl  
**SALUD Y MEDICINA PREVENTIVA**  
EN PERSONAS 60+  
EN TIEMPOS DE PANDEMIA

Observatorio del  
**Envejecimiento**  
Para un Chile con futuro

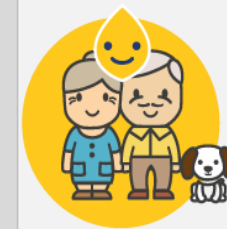


1. AFP Habitat CLP\$ 100 million competitive fund for innovative solutions for the elderly
2. Formalization of 16 Long-Term Elderly Care Facilities in Puente Alto

## Covid-19 Group Campaign

Public-private initiative providing 20,000 vulnerable senior citizens with bottled gas, covering 40% of the most vulnerable sector

70% women and 55% outside Santiago  
20% physically dependent



#RecarGas

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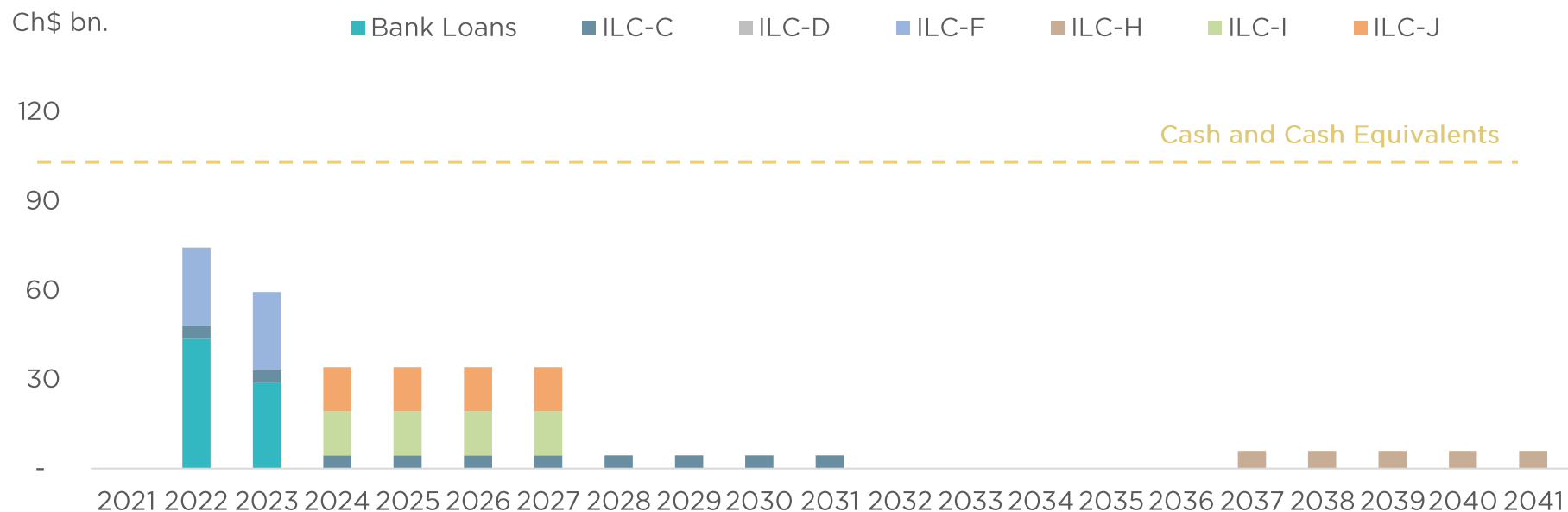
# SOLVENCY AND FINANCIAL POSITION



## Capitalized subsidiaries (2020-2021)



## Repayment Schedule - ILC (June 2021)



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# WRAP-UP AND CONCLUSIONS

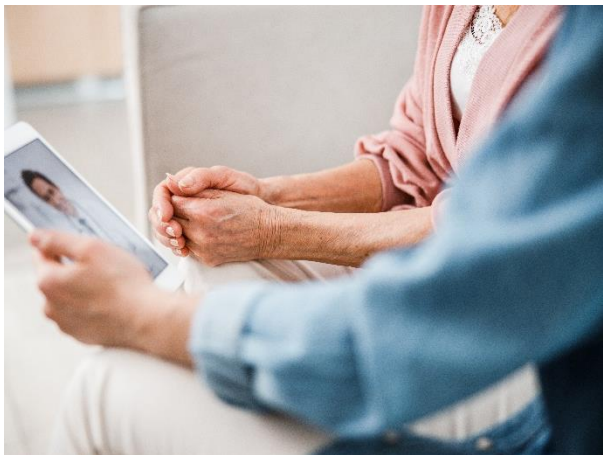


- Working to make companies more flexible allows us to be better prepared



- Preparing the organizational structure for the future...





# ILC

## CORPORATE PRESENTATION

September, 2021

