



INVESTOR MEETINGS - ITAU BBVA

Sao Paulo, Brazil

September 2018

I. ILC at a Glance

II. ILC: Value Proposition

a. Managing Growth

i. Proven expertise in realizing value

ii. Strong fundamentals per business

b. Solid financial structure and strict corporate governance practices

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 June 2018

15.9%
CLP\$115.2 b.

Dividend Yield LTM
June 2018

8.3%
at closing price (June 2017)

Local Risk Rating

AA+

AuM as of June 2018⁽¹⁾

US\$67.5 b.
AFP Habitat Chile, AFP Habitat Peru,
Confuturo and Corpseguros

Consolidated Employees

~12,500
Chile and Peru

(1) FX: CLP\$650/US\$ PEN\$3.24/US\$

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



II. ILC: Value Proposition



1.

Proven expertise in realizing value

2.

Business with strong fundamentals

3.

Solid financial structure and strict corporate governance practices

Corporate Structure 2012 (Pre-IPO)

FINANCIAL SECTOR:



- **Pension Funds:** AFP Habitat (since 1980, 67% stake)
- **Disability & Survivorship Insurance:** Vida Cámara (since 2009, 100% stake)

HEALTH SECTOR:



- **Healthcare Network:** Red Salud (since 2008, 90% stake)
- **Mandatory Health Insurance:** Isapre Consalud (since 1984, 100% stake)

EDUCATION SECTOR:



- **School Network:** Desarrollos Educativos (since 1997, 100% stake)

Divested in 2016

IT SECTOR:



- **IT platform:** iConstruye (since 2001, 33% stake)

Divested in 2016

Current Corporate Structure

FINANCIAL SECTOR:



- **Pension Funds:** AFP Habitat (since 1980, associated with Prudential in 2016, 40% stake)
- **Life Insurances:** Confuturo & Corpseguros (since 2013, 100% stake)
- **Banking:** Banco Internacional (since 2015, 51% stake)

Acquired in 2013

Acquired in 2015

HEALTH SECTOR:

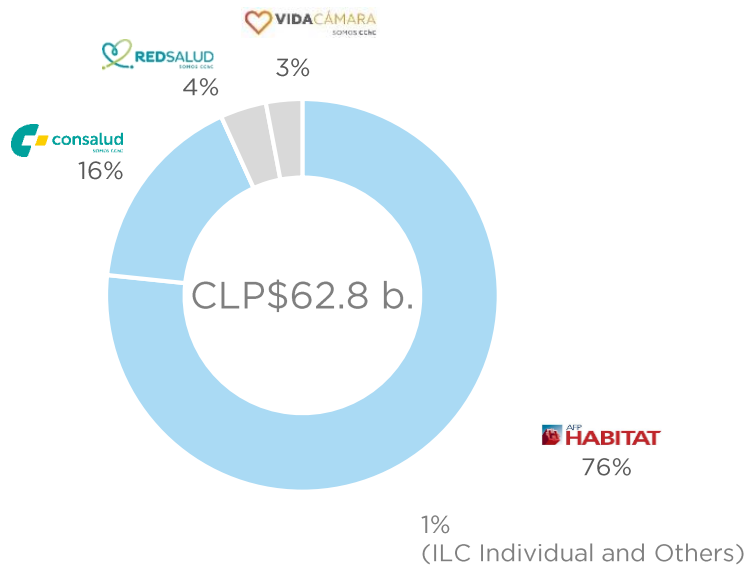


- **Healthcare Network:** Red Salud (since 2008, 100% stake)
- **Mandatory Health Insurance:** Isapre Consalud (since 1984, 100% stake)
- **Supplementary Health Insurance:** Vida Cámara (since 2011, 100% stake)

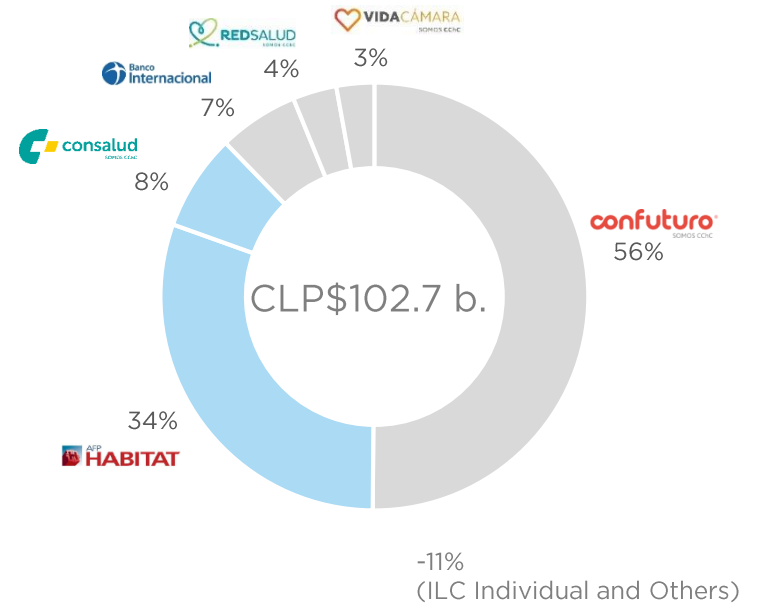
DIVERSIFICATION OF RESULTS



ILC: Ordinary Net Result 2012 (IPO)



ILC: Ordinary Net Result June 2018 (LTM)



AFP Habitat and Isapre Consalud reduced their impact on results from 92% in December 2012 to 42% in June 2018 (LTM)

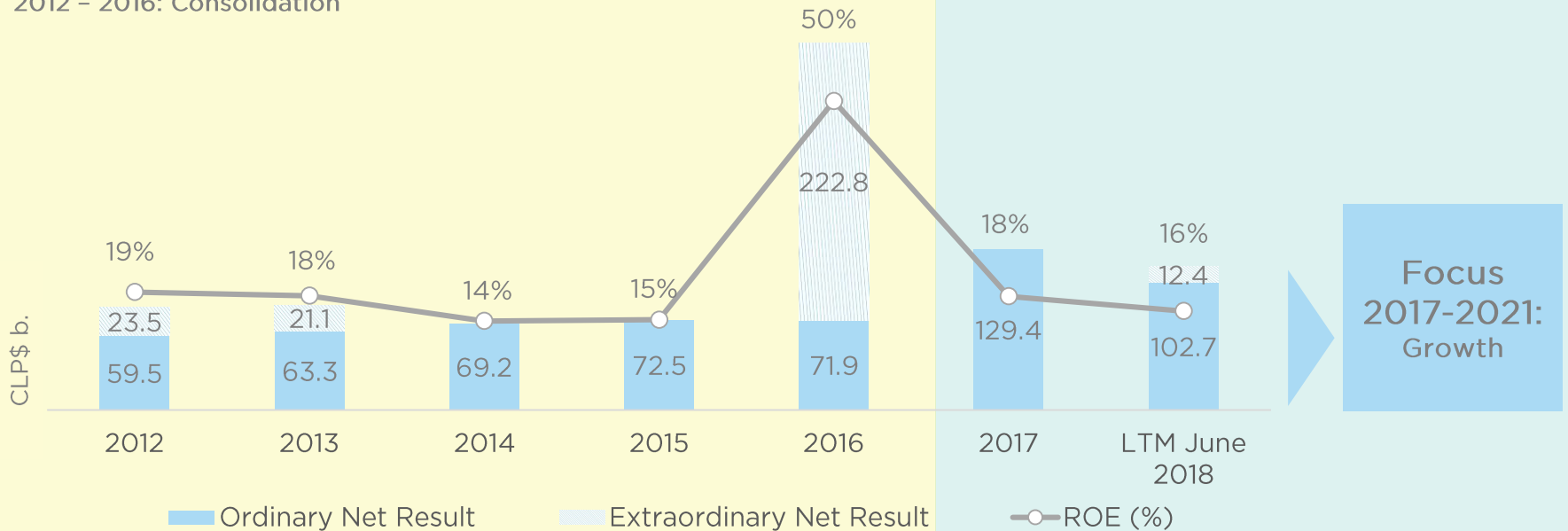
CONSISTENT RETURN GENERATION



Net Result CAGR (2012 - June 2018)	6.1%	Dividend Yield ⁽¹⁾ (2012 - June 2018)	7.2% annual (average)
Ordinary Net Result CAGR (2012 - June 2018)	9.4%	CAPEX (2012 - June 2018)	US\$500 m.

ILC: Net Result and ROE Evolution

2012 - 2016: Consolidation



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



1.

Proven expertise in realizing value

2.

Business with strong fundamentals

3.

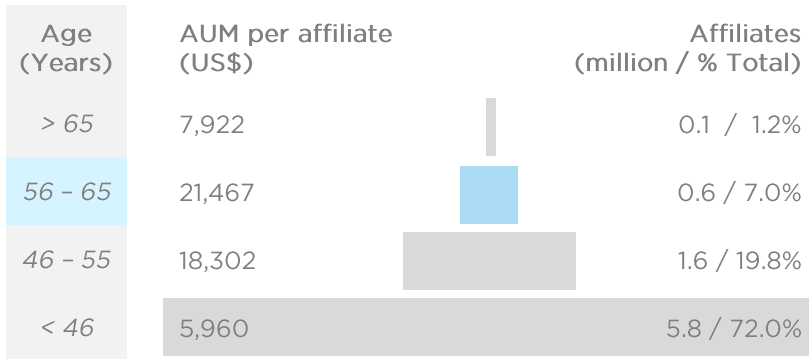
Solid financial structure and strict corporate governance practices

LIFE INSURANCE INDUSTRY: DEMOGRAPHIC AND ECONOMIC POTENTIAL

Chilean Pension Industry: Affiliates by Age and AUM

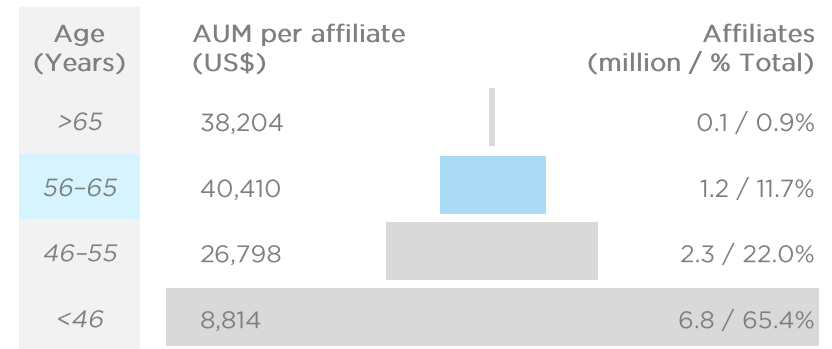
Affiliates: 8.0 million

December 2007



Affiliates: 10.4 million

December 2017

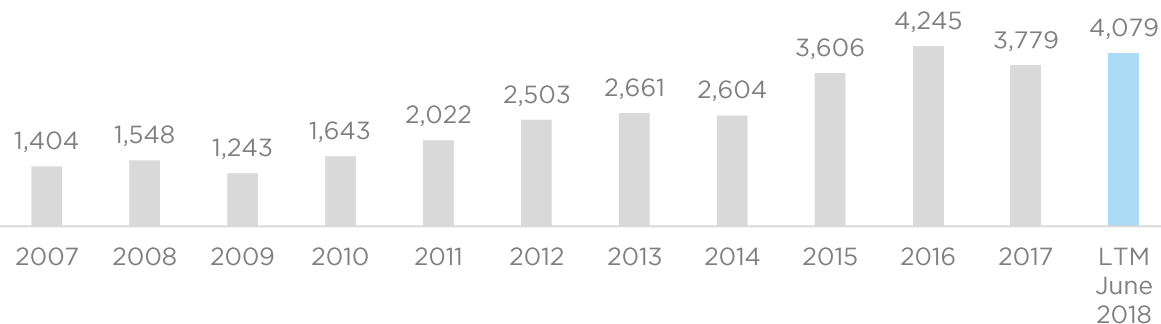


Segment 56 - 65 years: last decade growth

2.2x affiliates and 1.9x AUM per affiliate

Chilean Annuity Industry: Direct Premiums Evolution

US\$ m.

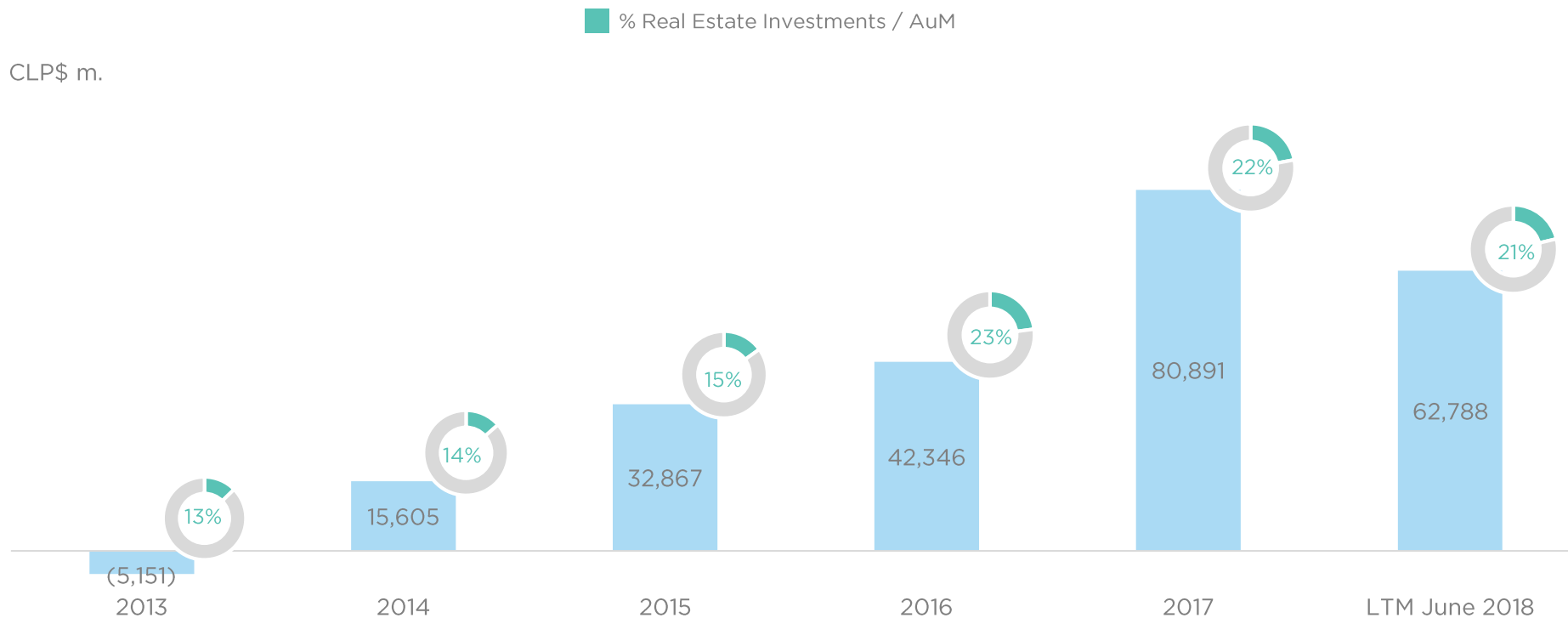


CAGR
(2007 - LTM June 2018):
10.7%

Confuturo & Corpseguros
(LTM June 2018):
#4 Direct Premiums (US\$558 m.)
#2 AuM (US\$9.4 b.)

CONFUTURO AND CORPSEGUROS: FOCUS ON INVESTMENT STRATEGY

Net Income & Investment Portfolio Breakdown by Product

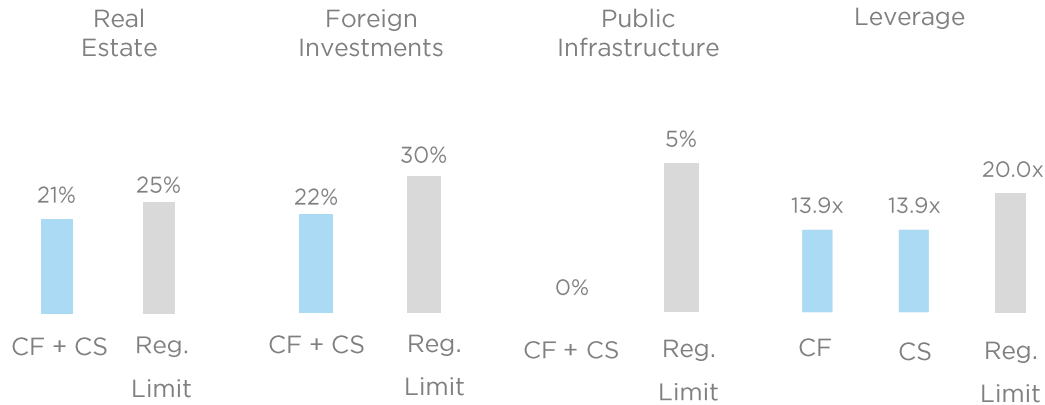


- ▶ **Better results** driven by **higher investment returns**
- ▶ Confuturo and Corpseguros **increasing exposure** to **longer duration, higher return, and less volatile assets**

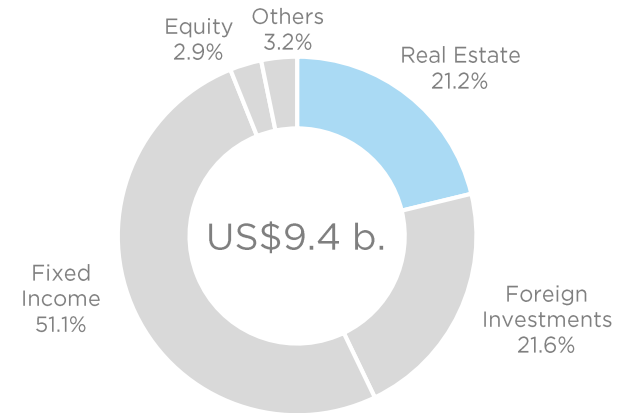
CONFUTURO AND CORPSEGUROS: INVESTMENT PORTFOLIO AND SALE RATE

Investment Portfolio

Investment Limits (June 2018)

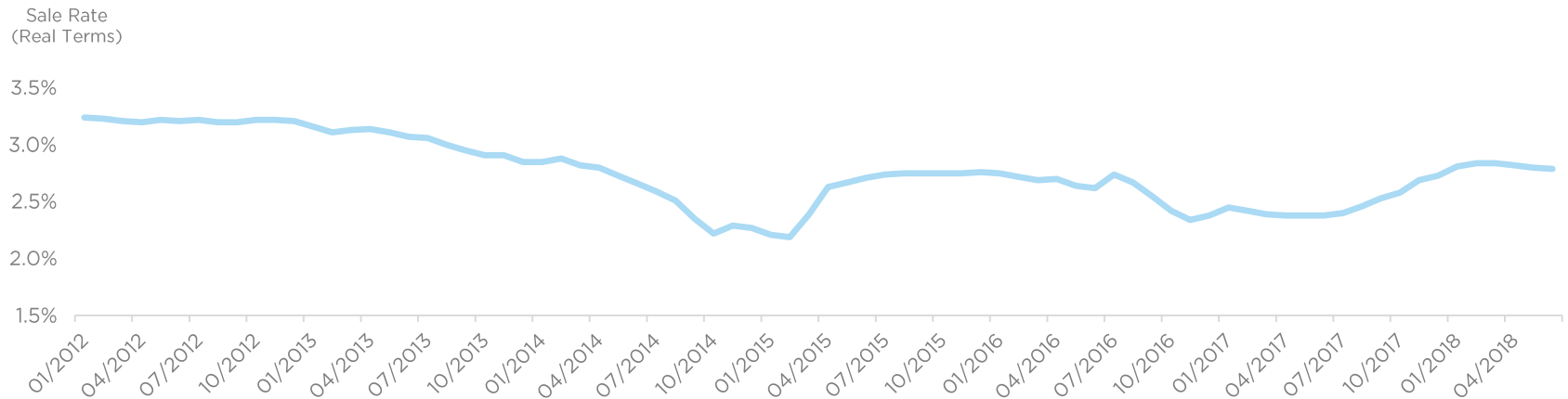


Invest. Portfolio Breakdown (June 2018)



Sale Rate

Annuity Sales Rate



BANCO INTERNACIONAL: TURNING AROUND SINCE 2015



ILC acquired 50.6% of Banco Internacional in November 2015

Niche Bank
Focused on SMEs

Average Ticket: CLP\$55 m.
Equity: CLP\$113,021 m.

0.8% Market Share
(Total Loans)

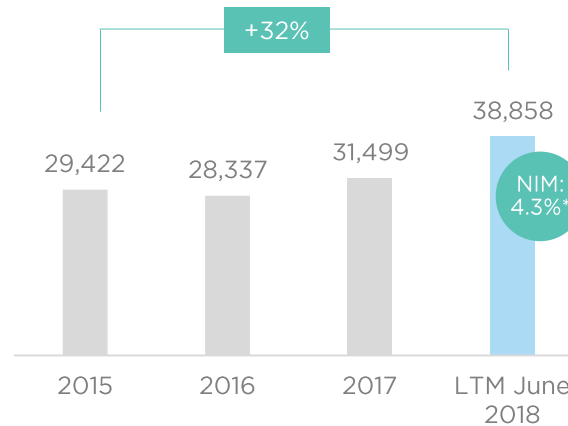
1.4% Market Share
(Commercial Loans)

12 Branches
3 Business Centers
507 Employees

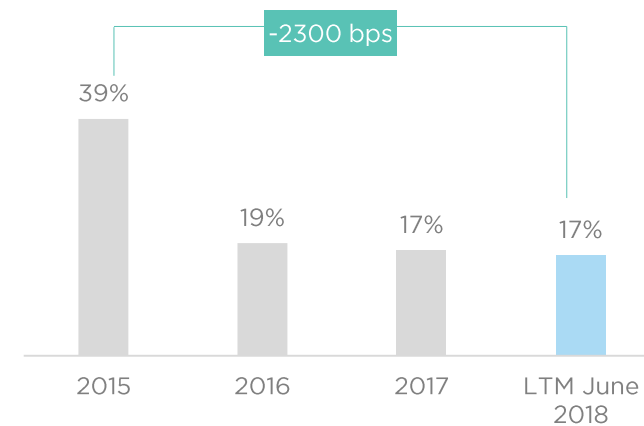
Net Income (LTM June 2018):
CLP\$13,954 m.

ROE (LTM June 2018):
13.5%

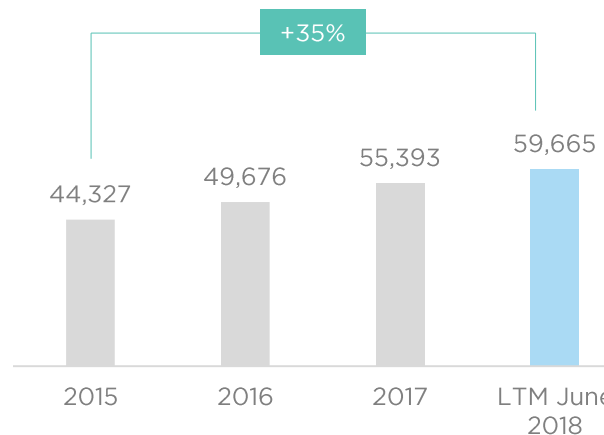
Net Interest Margin (CLP\$ m.)



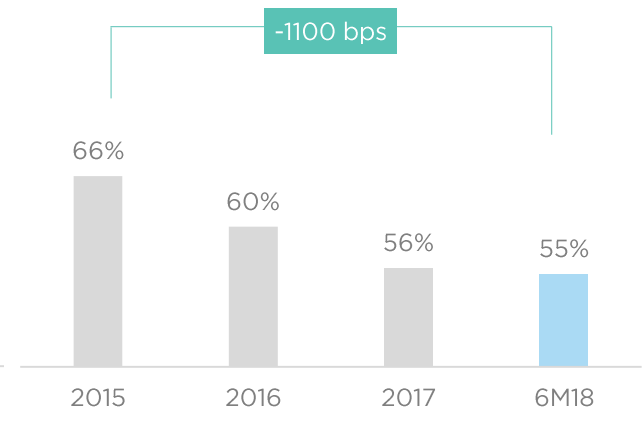
Risk Expenses / Gross Op. Result (%)



Gross Op. Result (CLP\$ m.)



Efficiency (% Gross Op. Result)



* NIM: (Net income from interest and adjustments + Net income from fees and services + Net financial operating income + Net income from FX) / Total Loans

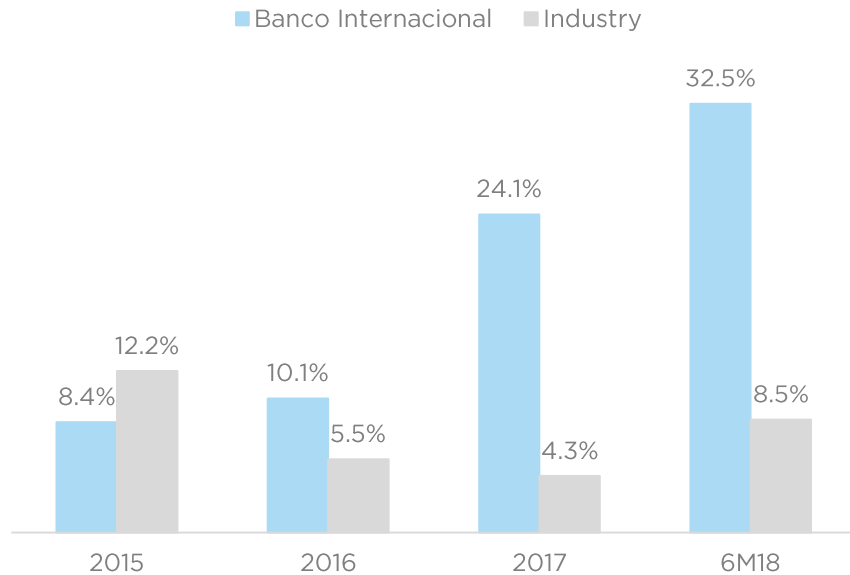
FX: CLP\$650/US\$

Source: Superintendencia de Bancos e Instituciones Financieras

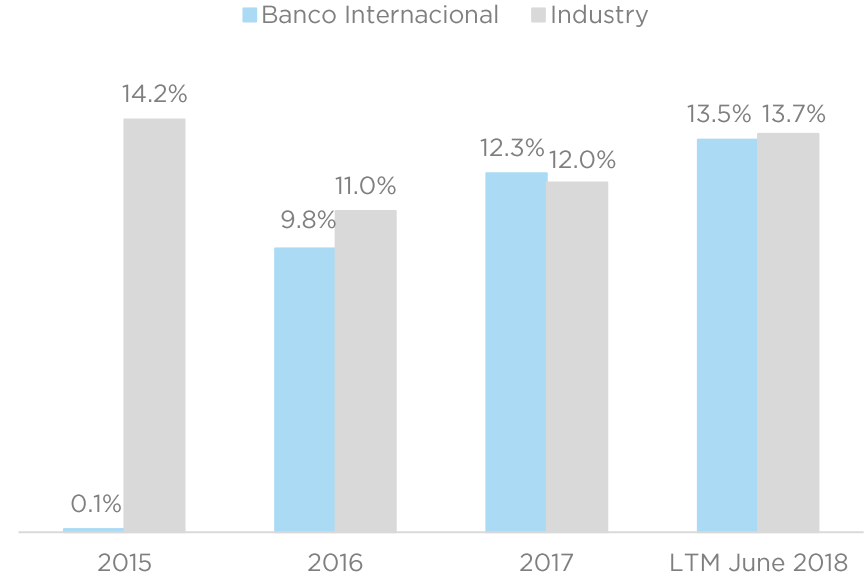
BANCO INTERNACIONAL: GROWING PROFITABLE



Loans Growth (%)



ROE (%)



Capital Increase Plan for Banco Internacional

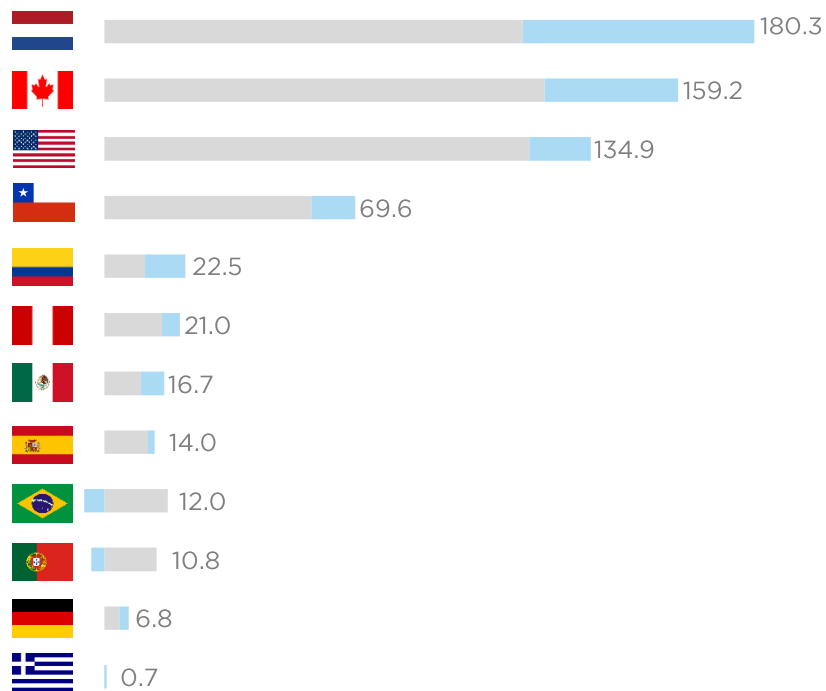
- Banco Internacional's Annual Shareholder's Meeting approved a total **capital increase** of **CLP\$60,000 m.** (of which **CLP\$10,000 m.** were executed in **March 2018**) to support growth and improve solvency
- **Basel I Index** as of June 2018: **11,4x**

Source: Superintendencia de Bancos e Instituciones Financieras

GROWTH POTENTIAL & INVESTMENT TRACK-RECORD

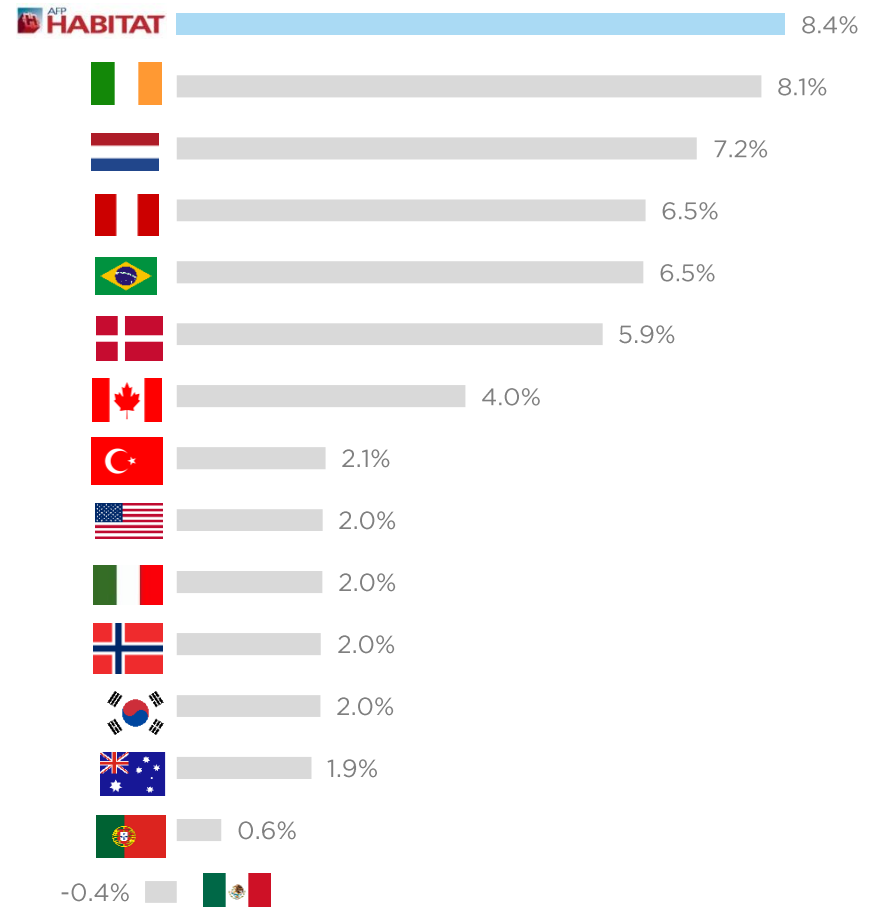
- Latam Pension Industry is less penetrated compared to other developed countries
- In 2016, ILC partnered Prudential to expand Habitat's presence in Latam

Total Assets as % of GDP



■ 2006 ■ 2016

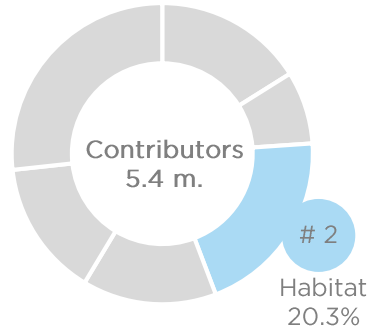
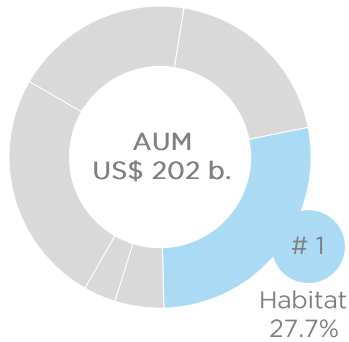
Annual Investment Return Pension Funds (10Y, Real)



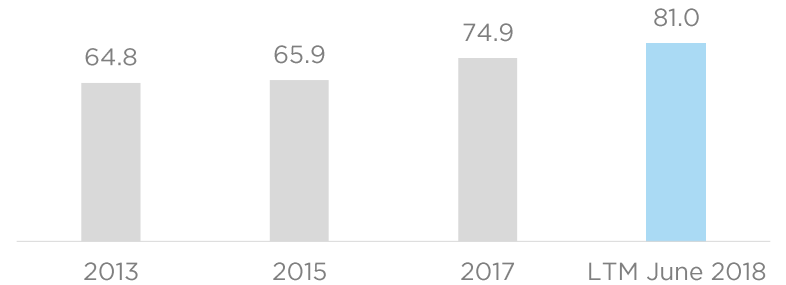
STRONG PRESENCE IN CHILE, INCREASING SCALE IN PERU



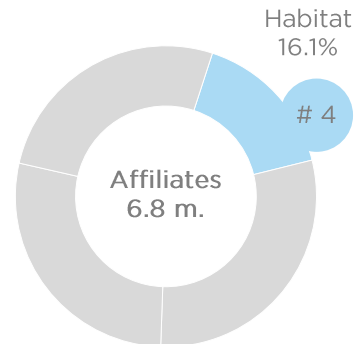
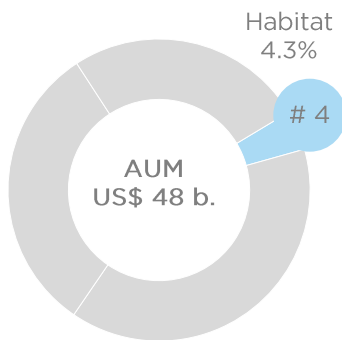
Market Share: AUM and Contributors (June 2018)



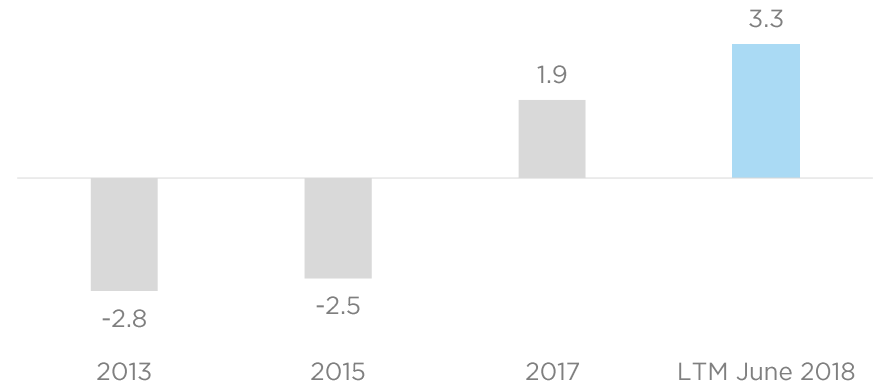
AFP Habitat⁽¹⁾ Net Result before Encaje (CLP\$ b.)



Market Share: AUM and Affiliates (June 2018)



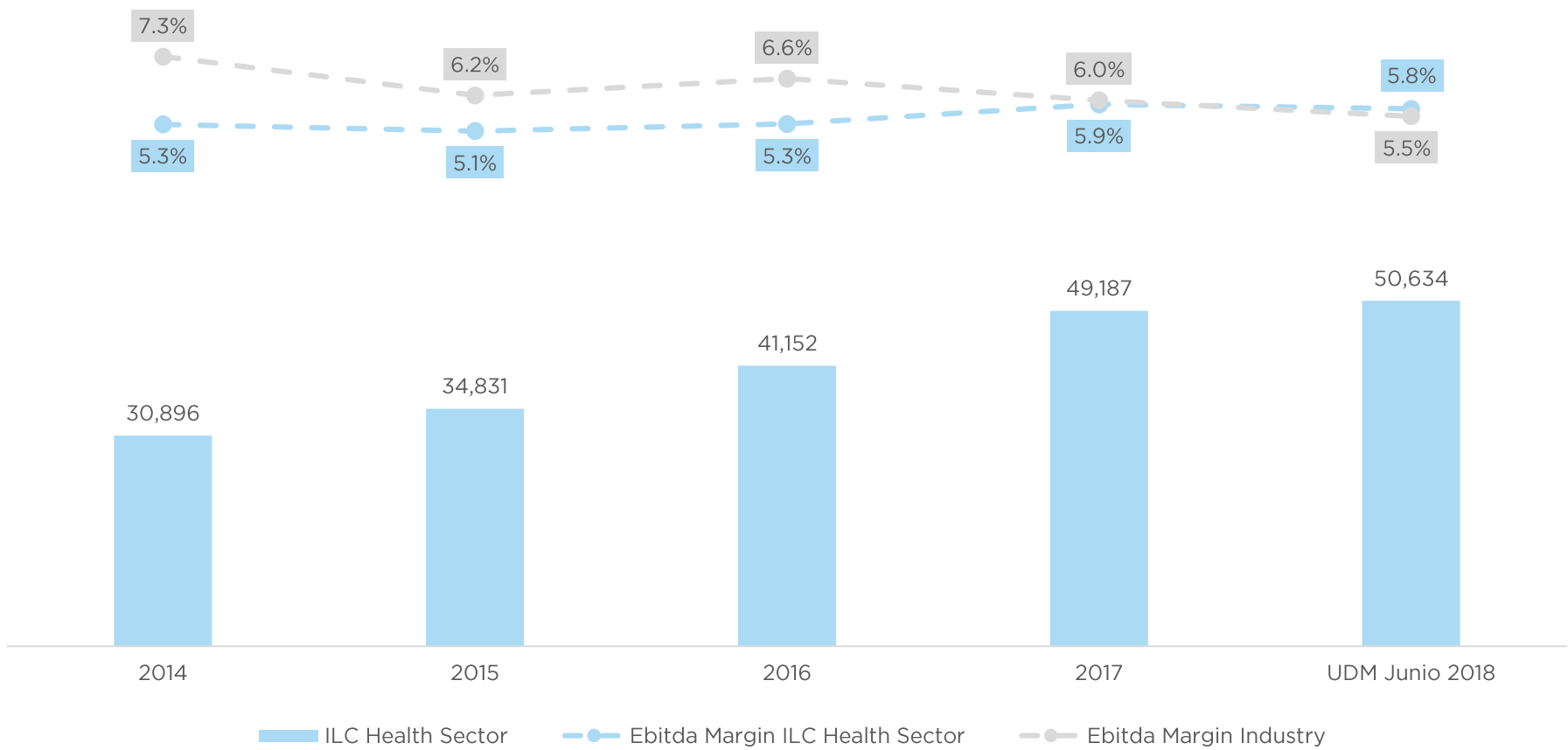
Habitat Andina: Net Result before Encaje (CLP\$ b.)



(1) Includes Habitat Andina net result
 FX: CLP\$650 / US\$ - PEN\$3.24 / US\$
 Source: Superintendencia de Pensiones Chile, CMF, Superintendencia de Banca, Seguros and AFP Perú

ILC HEALTH SECTOR: OPERATIONAL IMPROVEMENT

EBITDA (CLP\$ m.) & Ebitda Margin (%) ILC Health Sector⁽¹⁾ vs Industry⁽²⁾

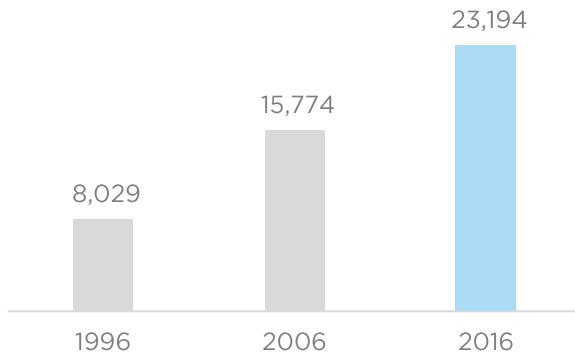


(1) Includes Red Salud EBITDA, Consalud (IFRS) EBITDA & Vida Cámara (Health sector) EBITDA
 (2) Ebitda Margin Industry: Weighted average of comparable companies with presence in the provider and insurance sectors in Chile (Banmédica Chile & Bupa)
 Source: CMF, ILC, Red Salud, Consalud, Vida Cámara

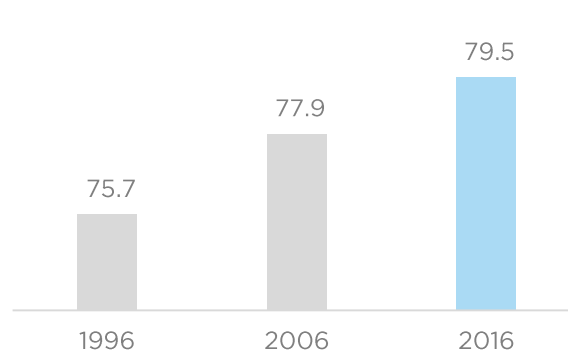
CHILEAN HEALTHCARE INDUSTRY: DEMOGRAPHIC AND ECONOMIC POTENTIAL

Ageing Population and Economic Development Increased Demand for Health in Chile

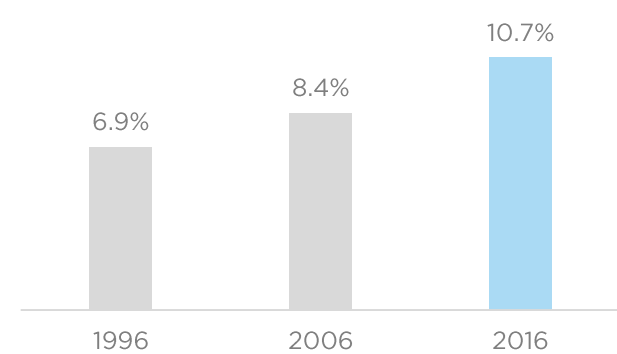
Per capita GDP
(US\$, PPP)



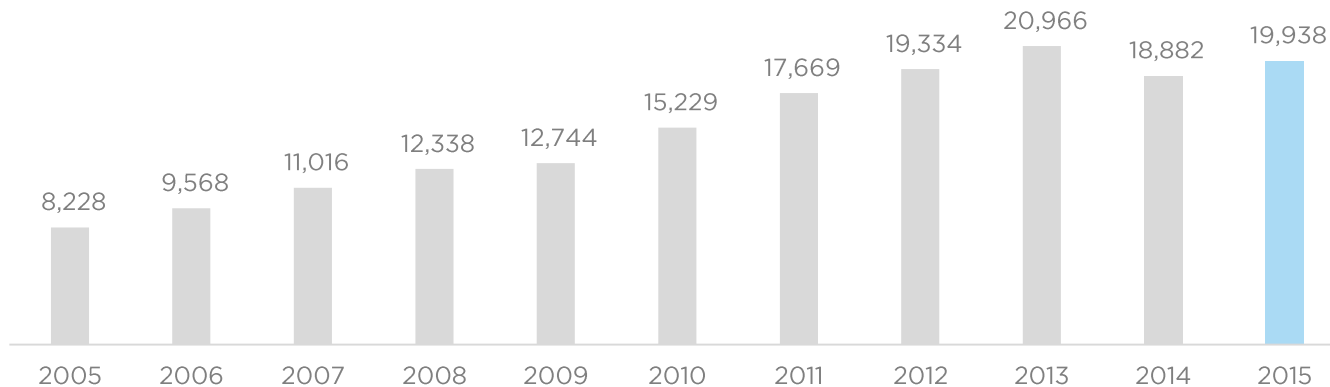
Life expectancy at birth
(years)



Population over 65 years
(% Total)



Chilean Health Expenditure (US\$ m.)



CAGR
(2004 - 2015):
9.3%

2016-2021: REACH OPERATIONAL EXCELLENCE

Phase 1 (2008-2015): Build a healthcare network

Red Salud is the second largest private healthcare network in Chile

Infrastructure

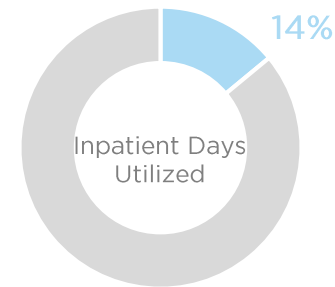
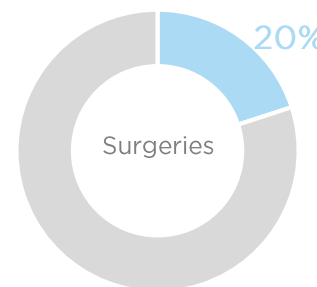
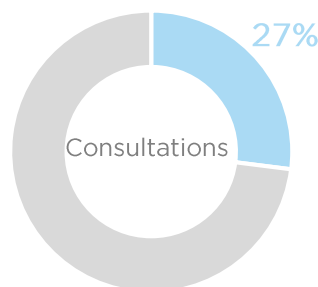
Market Shares (% Private Sector, December 2017)

Inpatient

- 9 hospitals
- 981 beds
- Built surface: 305,322 m²

Outpatient

- 31 medical and dental centers
- 1,032 consultancy boxes
- 365 dental boxes



CAPEX Program (US\$300 m.)



Consolidation Six Regional Hospitals

Phase 2 (2016-2021): Consolidate the network and reach operational excellence

Red Salud Strategic Program

I. Network Excellence

II. Operational Excellence

III. Commercial Dynamism

IV. Infrastructure and Technology

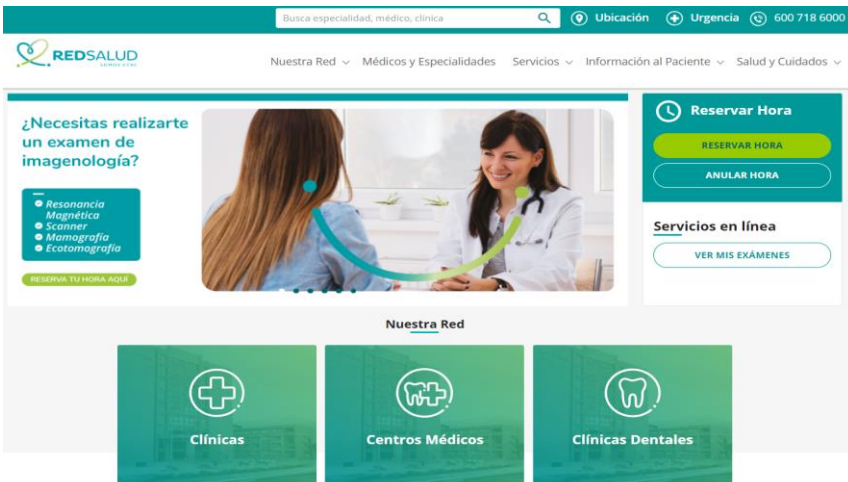
V. Culture & Employees

RED SALUD REBRANDING WORKING AS A NETWORK

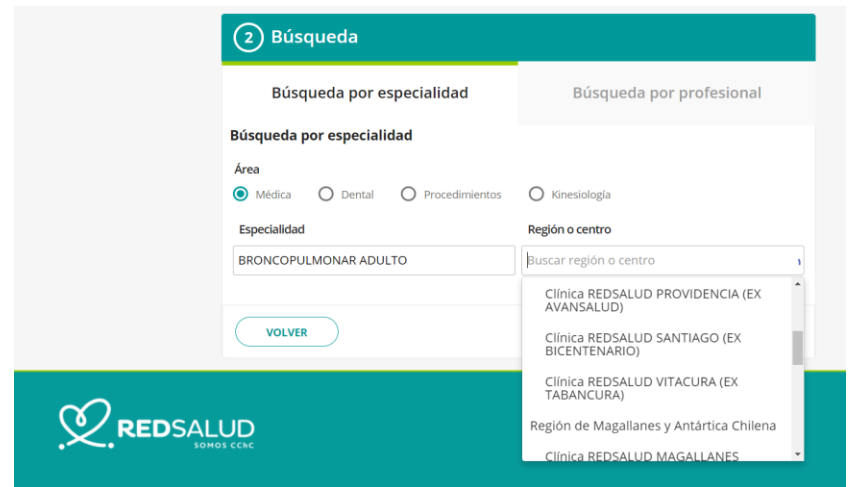
New Fronts



One Single Website



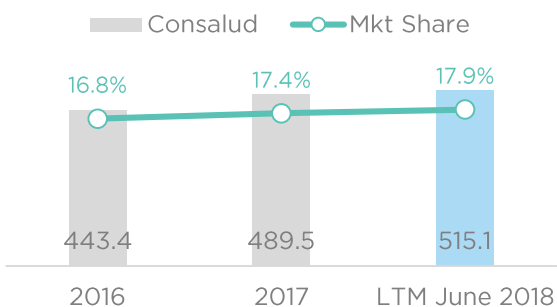
One Single Agenda



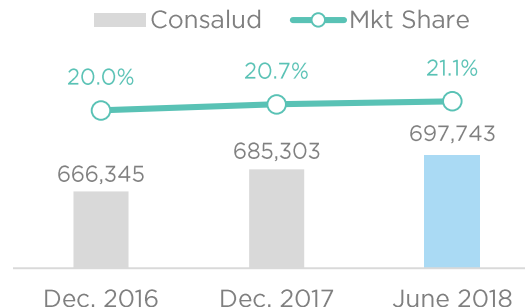
CONSALUD AND VIDA CAMARA: RELEVANT PLAYERS IN THE HEALTH INSURANCE INDUSTRY

Consalud: Mandatory Health Insurances

Health Insur. Premiums (CLP\$ b.)



Total Beneficiaries (N°)

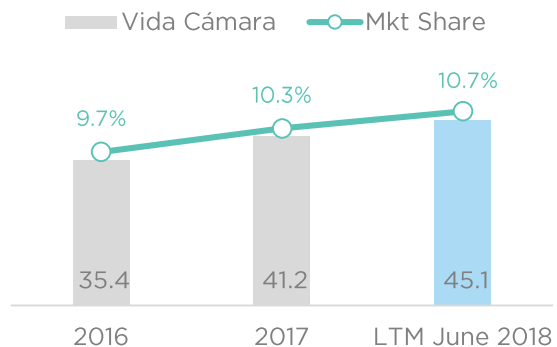


Net Income Consalud (CLP\$ b.)

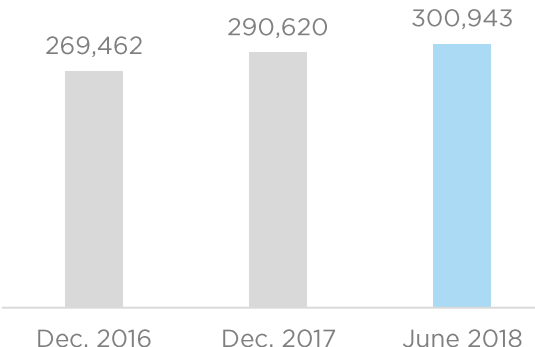


Vida Camara: Supplementary Health Insurances

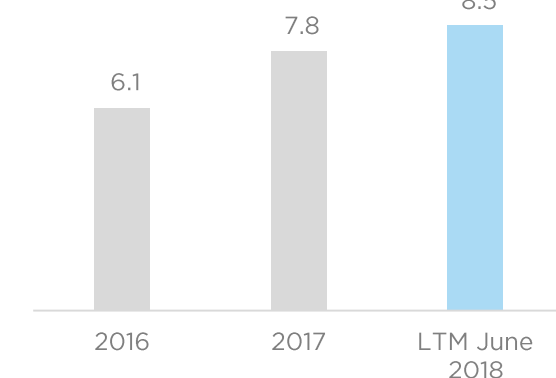
Direct Premiums (CLP\$ b.)



Total Beneficiaries (N°)



Gross Margin Health Ins. (CLP\$ b.)





1.

Proven expertise in realizing value

2.

Business with strong fundamentals

3.

Solid financial structure and strict corporate governance practices

SOLID FINANCIAL STRUCTURE



ILC's net debt
CLP\$164,999 m.⁽¹⁾

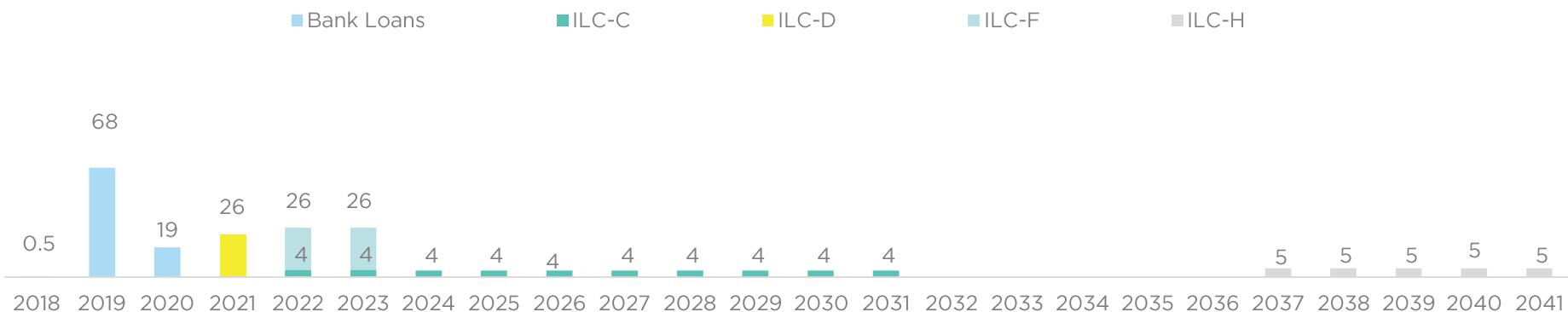
Cons. NFD / Equity
0.76x⁽¹⁾

ILC's cash
CLP\$67,732 m.⁽¹⁾

Debt: 60% Bonds
40% Banks⁽¹⁾

ILC Rating Risk
AA+ (Local)

Amortization Schedule ILC (June 2018, 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

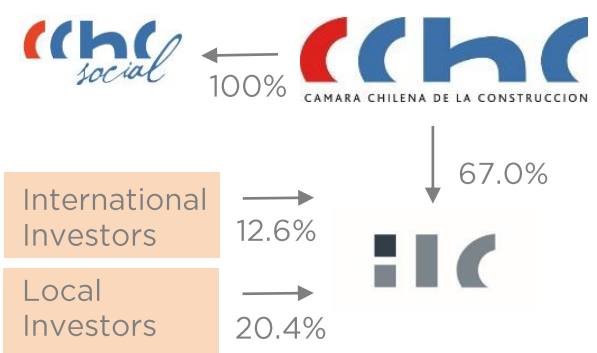
	Dividend Policy (%)	Ownership (%)
Habitat	90% ⁽¹⁾	40.3%
Red Salud	100%	99.9%
Consalud	30% ⁽²⁾	99.9%
Vida Cámara Chile	30%	99.9%
Inversiones Confuturo	30%	99.9%
Banco Internacional	30%	50.6%

(1) According to its distributable net result

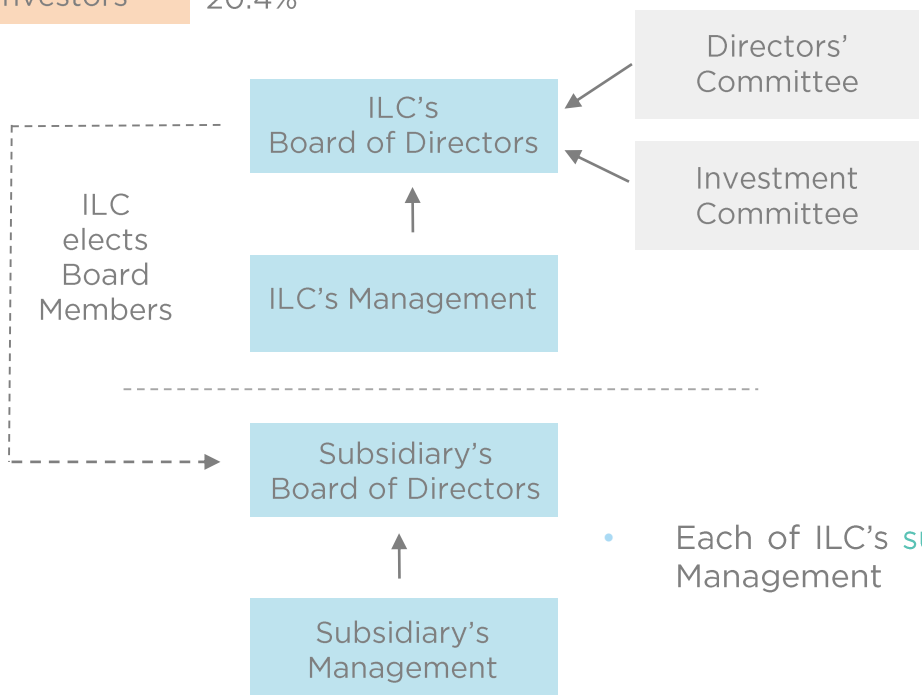
(2) If Consalud exceeds its regulatory limits, dividend policy could increase up to 100%

(1) ILC Financial data as of June 2018

STRICT CORPORATE GOVERNANCE STANDARDS



- The Company is **controlled** by the **Chilean Chamber of Construction**, a non-profit entity, which elects annually five of the 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

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

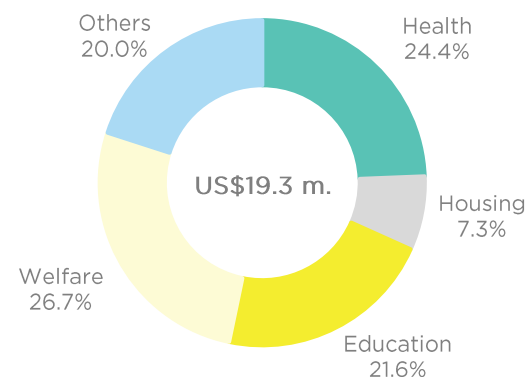
- Other initiatives to enhance ILC's Corporate Governance:** Corporate Governance Manual, Ethic Code, Crime Prevention Model, Ethic Hotline, Comptroller, Management Control Department, among others

OUR CONTROLLING SHAREHOLDER: CChC

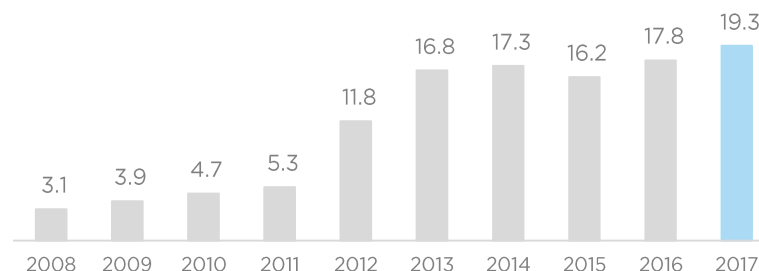


- The CChC is a **private trade association** founded in 1951
- Made up of 2,800 members in Chile
- Main objective: **promote the development of the construction industry** as a fundamental tool for national progress
- The CChC is our **founder** and **largest shareholder**. This entity owns **ILC** 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 2017



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





III. Closing Remarks





One of the largest
Asset Managers in
Latam

Second largest
healthcare network in
Chile

Demonstrated
EPS growth

Solid and stable
credit risk rating

Consolidated
controlling
shareholder

Attractive and
consistent
dividend yield



IV. Appendix

SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



Balance Sheet

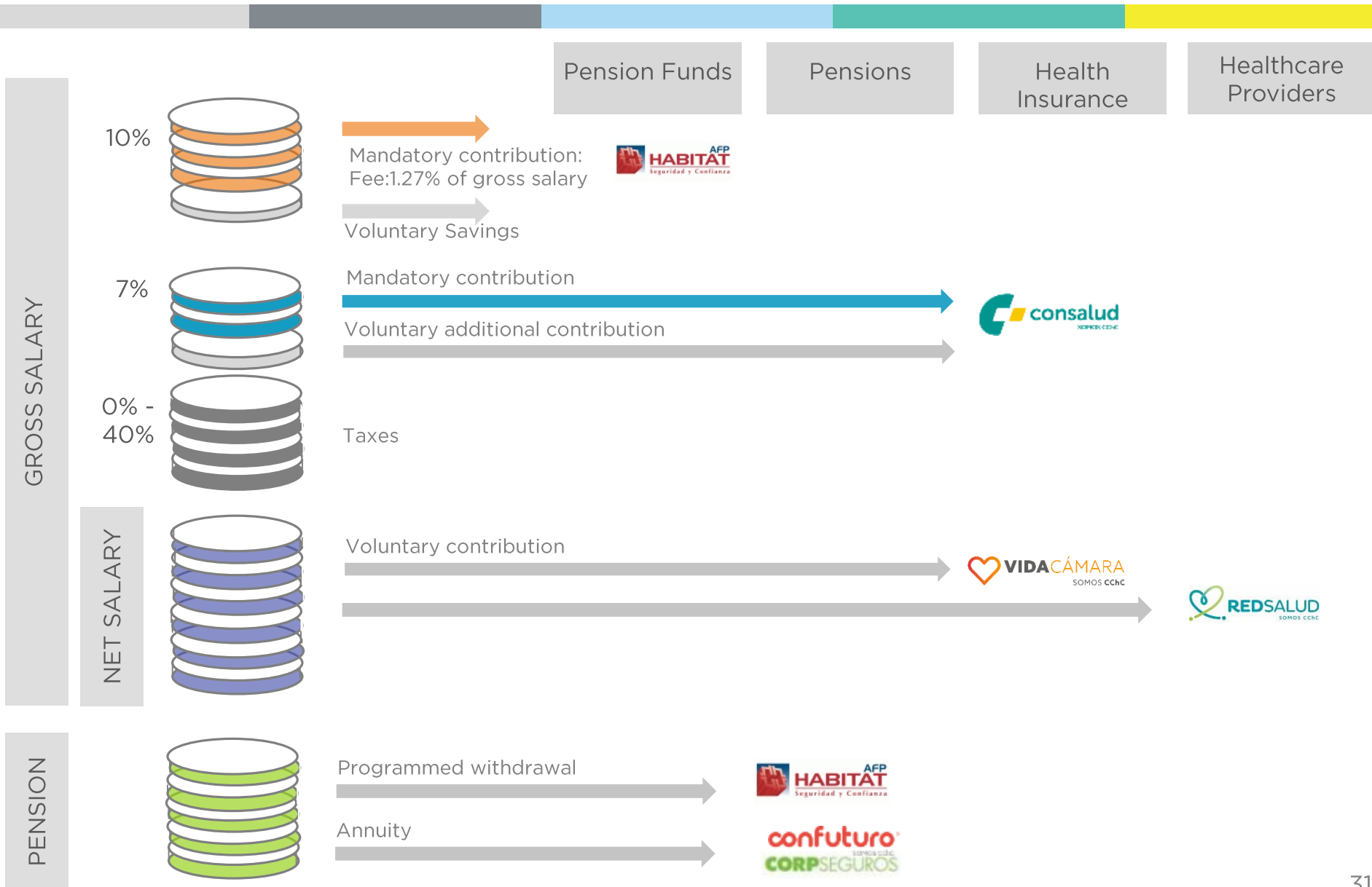
CLP\$ m.	June 2018	December 2017
NON INSURANCE ACTIVITY ASSETS	975,313	969,825
Total Current Assets	267,652	265,684
Total Non Current Assets	707,661	704,142
TOTAL INSURANCE ACTIVITY ASSETS	6,359,268	6,131,085
TOTAL BANKING ACTIVITY ASSETS	2,120,967	1,676,445
TOTAL ASSETS	9,455,547	8,777,355
NON-INSURANCE ACTIVITY LIABILITIES	750,076	757,728
Total Current Liabilities	281,988	270,698
Total Non Current Liabilities	468,088	487,030
INSURANCE ACTIVITY LIABILITIES	5,906,695	5,653,802
BANKING ACTIVITY LIABILITIES	1,985,980	1,554,446
TOTAL LIABILITIES	8,642,751	7,965,976
Equity Attributable to Owners of the Parent Company	730,080	735,560
Non-Controlling Interests	82,716	75,820
TOTAL EQUITY	812,796	811,380
TOTAL LIABILITIES + EQUITY	9,455,547	8,777,355

Income Statement

CLP\$ m.	6M18	6M17
NON-INSURANCE ACTIVITY		
Operating result	15,055	14,526
Non operating result	22,577	12,008
Non-Insurance activity profit	29,349	24,952
INSURANCE ACTIVITY		
Operating result	29,829	59,001
Non operating result	4,314	186
Insurance activity profit	26,446	47,831
BANKING ACTIVITY		
Operating result	8,595	1,533
Non operating result	0	(17)
Banking activity profit	6,958	1,703
PROFIT (LOSS) FOR THE PERIOD		
Profit attributable to owners of the parent company	58,445	72,666
Profit attributable to non-controlling interest	4,308	1,820

Individual Results (LTM June 2018, 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	189.1	594.8	152.1	58.6	364.7	466.7	49.1
EBITDA / EBITDAE	N.A.	N.A.	N.A.	N.A.	38.0	N.A.	N.A.
Net Income	90.0	43.3	19.5	14.0	16.2	8.3	3.3
Assets	444.8	3,852.3	2,390.8	2,096.4	402.9	130.8	50.6
Liabilities	91.2	3,621.9	2,201.7	1,983.4	268.9	109.5	27.1
Equity	353.6	230.4	189.0	113.0	133.9	21.3	23.4
Net Financial Debt	(37.1)	4.3	23.6	79.5	188.8	(10.4)	(1.0)
% ownership ILC	40,3%	99,9%	99,9%	50,6%	99,9%	99,9%	99,9%

SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



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