

# INVESTOR MEETINGS – ITAU BBA

Sao Paulo, Brazil

September 2016







# AGENDA

- ILC at a Glance
- ILC: Value Proposal
- Closing Remarks
- Appendix

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

Consolidated Net Income LTM\*

US\$99 million

AuM as of June 2016

US\$52 billion

in AFP Habitat and Inversiones Confuturo

Risk Rating:

AA+

Equity as of June 30<sup>th</sup> 2016

US\$1.1 billion

ROE\*

13.0%

LTM June 2016

Consolidated Employees

12,900

approximately in Chile and Peru

\* Excluding the accounting extraordinary effect related to the association of ILC with Prudential in AFP Habitat for US\$336,967 thousand

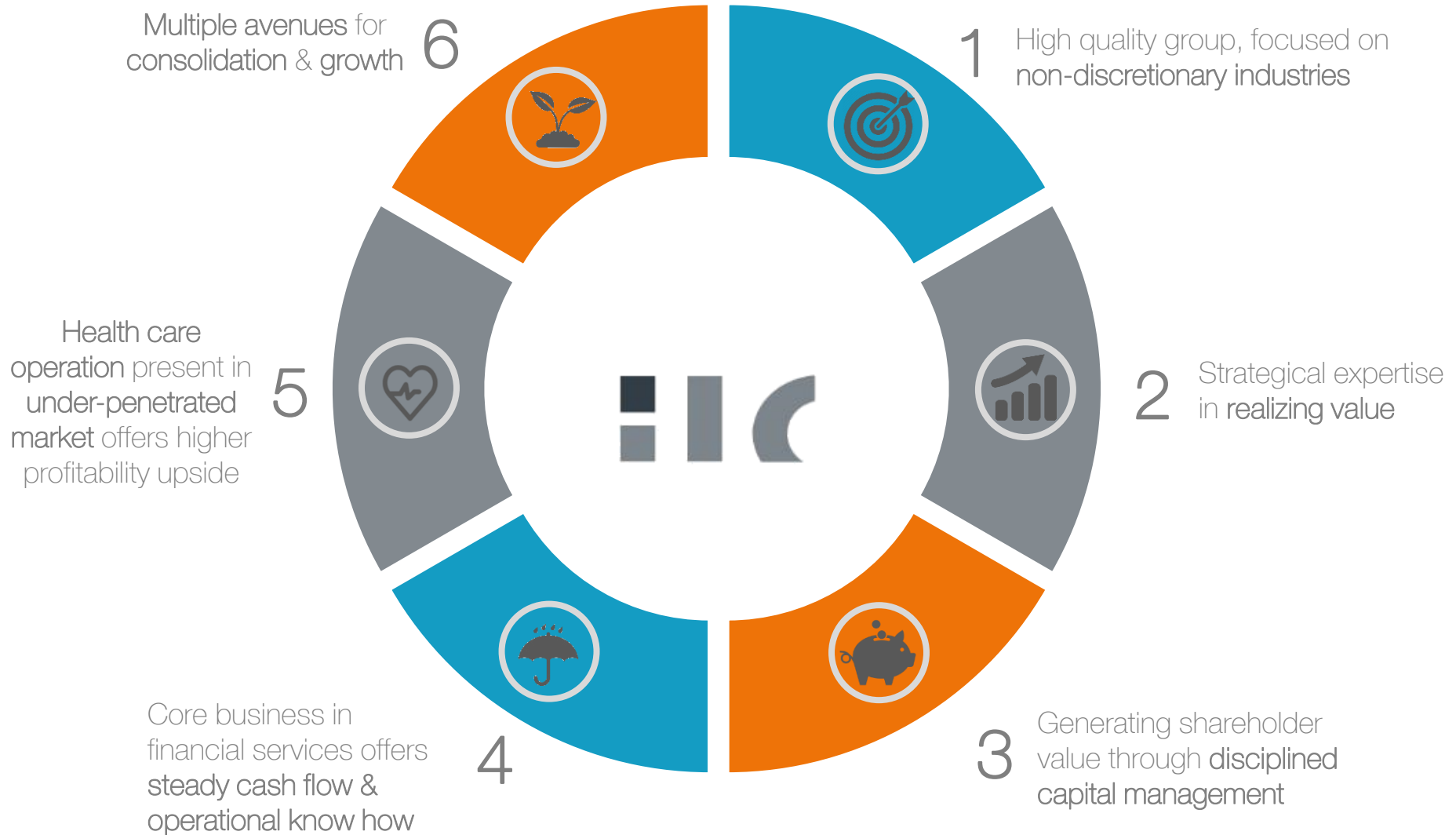




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# ILC: VALUE PROPOSAL



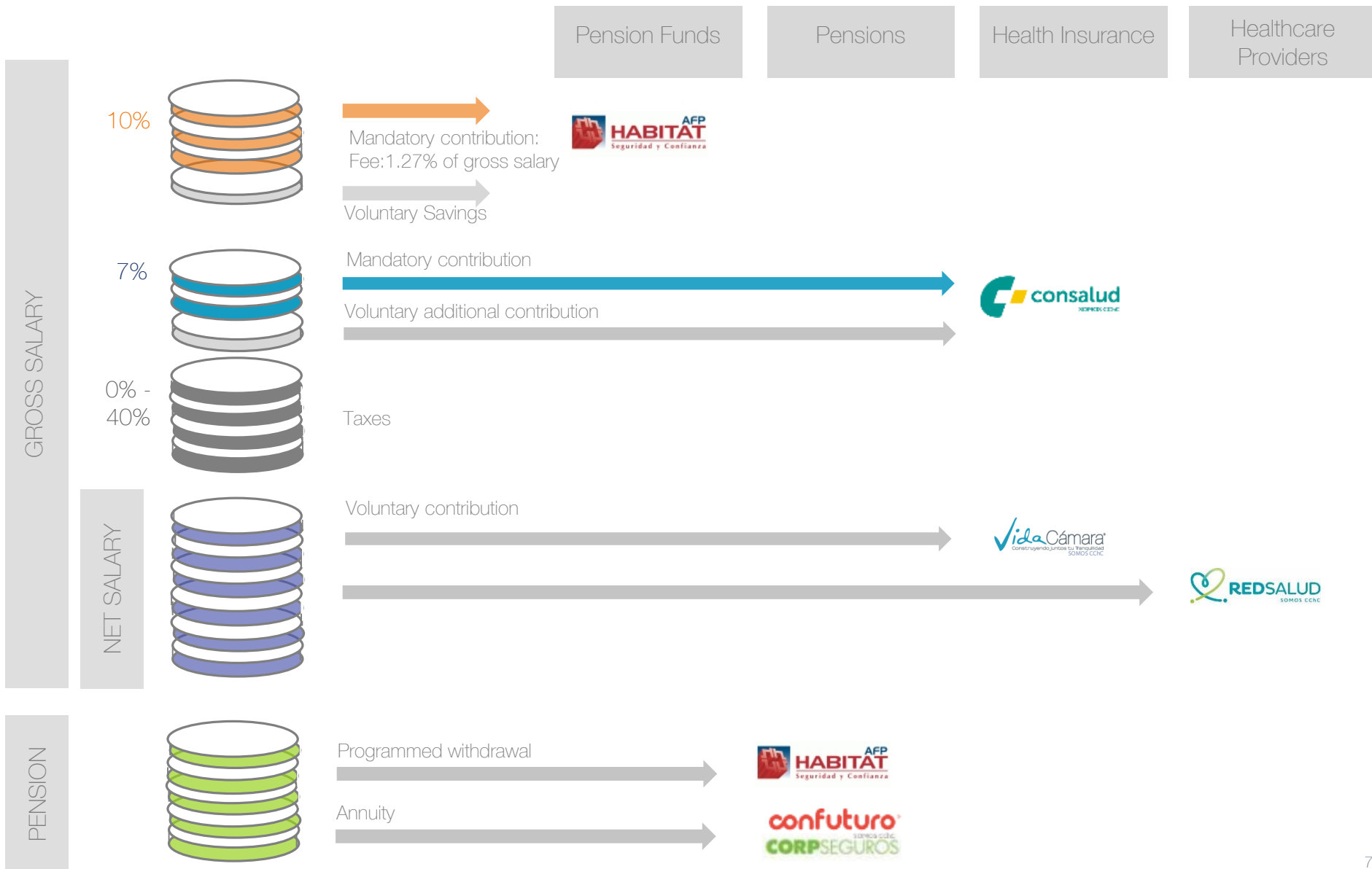




1. High quality group, focused on non-discretionary industries



# ILC IS FOCUSED ON NON-DISCRETIONARY INDUSTRIES



# ILC'S TRACK-RECORD IS SUPPORTED BY A SOLID COMPETITIVE POSITION IN THE SECTORS WHERE IT PARTICIPATES



## FINANCIAL



- AFP Habitat: **#2** Pension fund company in Chile in terms of contributors, affiliates, AuM and voluntary products
- Inversiones Confuturo: **#2** Life insurance company in Chile in terms of AuM and **#3** in terms of direct premiums

- Consalud: **#2** Mandatory health insurance in Chile in terms of contributors and **#3** in terms of beneficiaries

- Red Salud: **#2** largest inpatient and outpatient network in Chile **#1** dental network in Chile



HEALTH

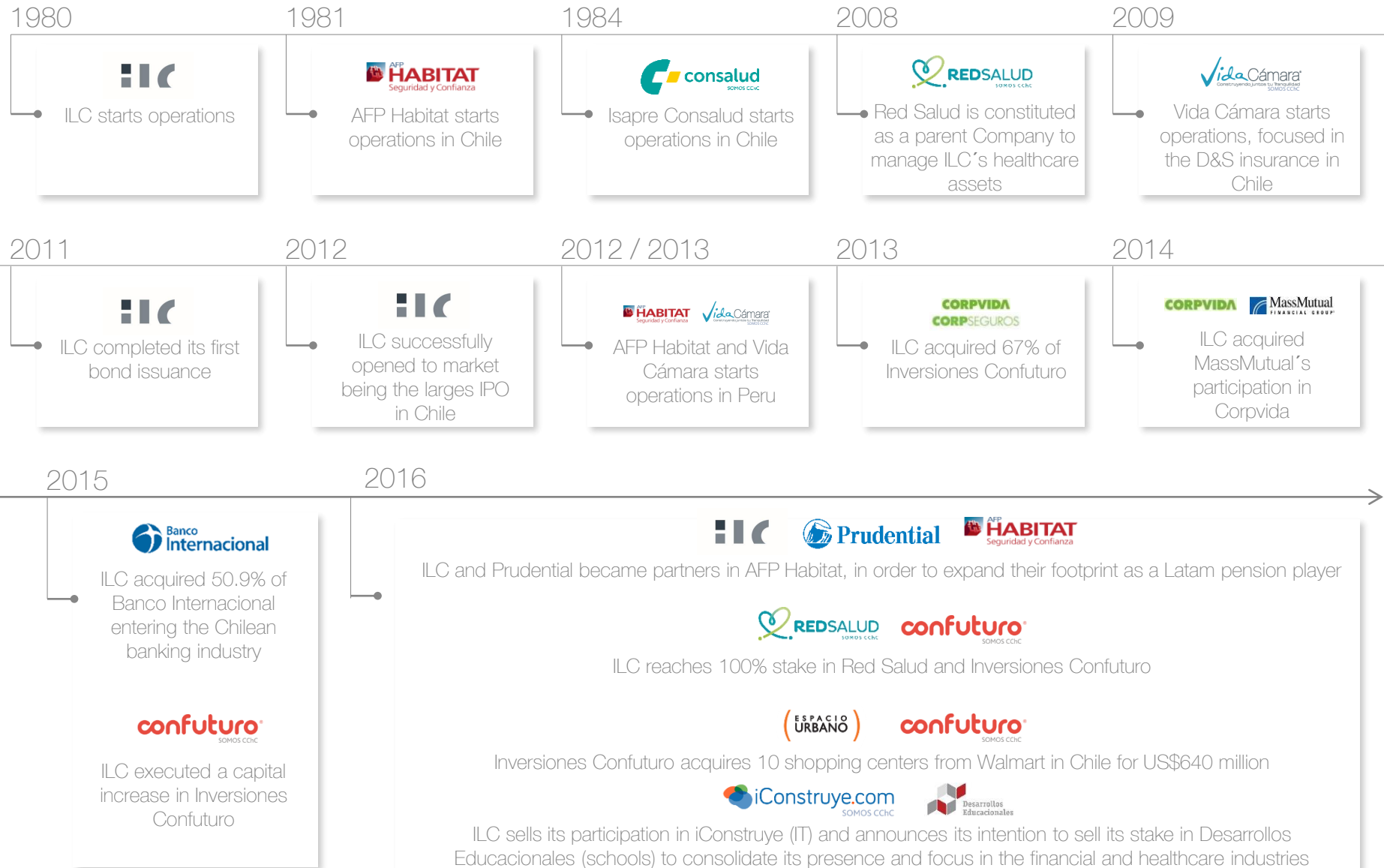




## 2. Strategical expertise in realizing value



# ILC ACTIVELY MANAGES ITS ASSETS TO INCREASE THEIR VALUE, ALWAYS ORIENTED TO ITS LONG TERM VISION



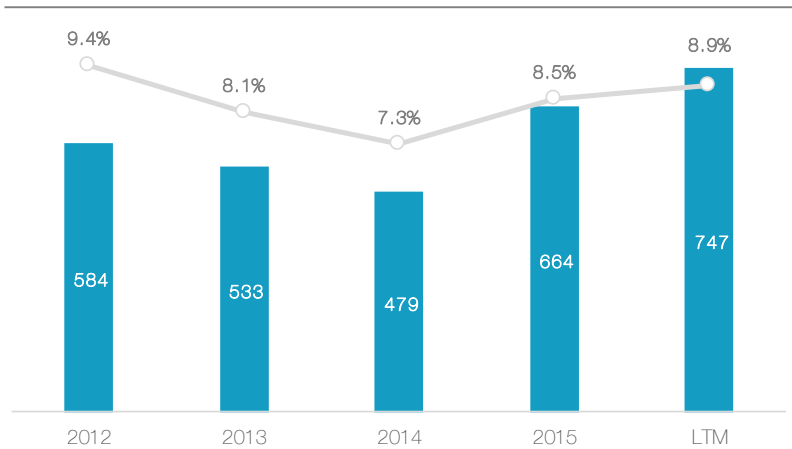


# EXAMPLE OF VALUE CREATION: GROWING INVERSIONES CONFUTURO

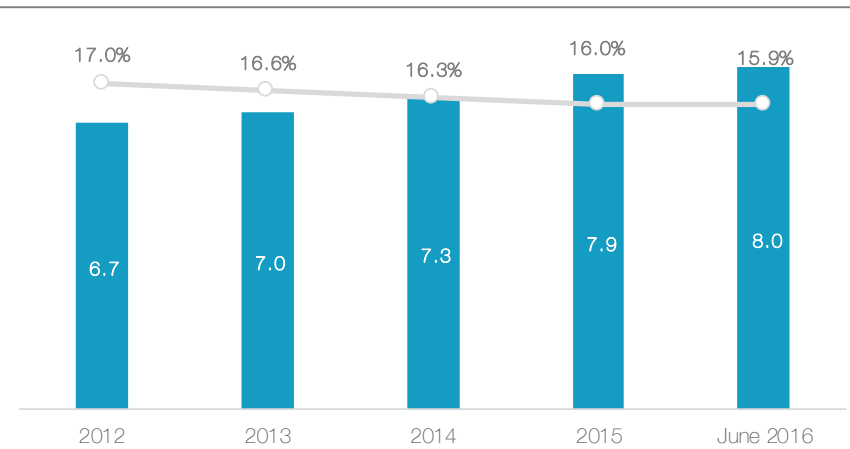


- ILC entered the life insurance industry in 2013, through the acquisition of 67% of Inversiones Confuturo (former Corp Group Vida Chile)
- ILC reached 100% stake in Inversiones Confuturo after three capital increases and the acquisition a remaining participation in June 2016
- The rationale behind this transaction is to add another retirement alternative to ILC, besides programmed withdrawals

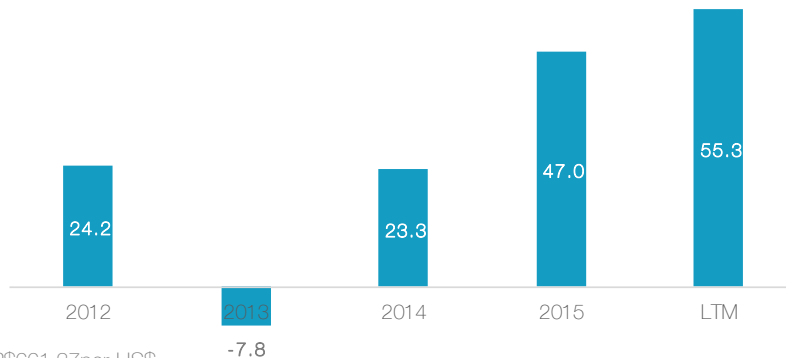
Inv. Confuturo Direct Premiums (M US\$) & Market Share



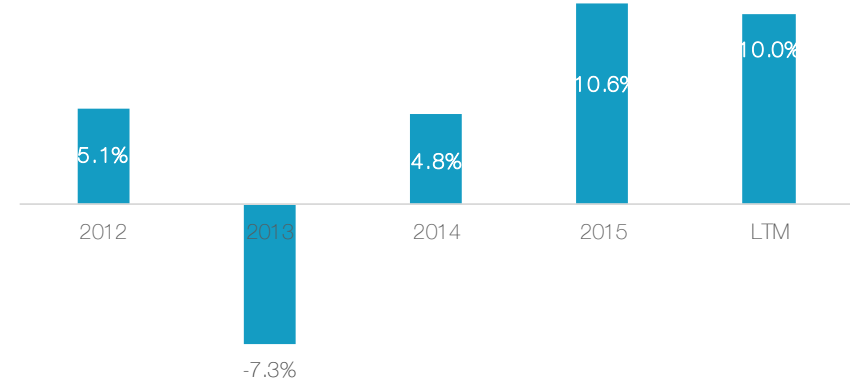
Inv. Confuturo AuM (B US\$) & Market Share



Net Result Confuturo + Corpseguros (M US\$)



ROE Inversiones Confuturo (Net Result / Ave. Equity)



# BEING A HIGH QUALITY GROUP THAT ADDS VALUE REQUIRES STRICT CORPORATE GOVERNANCE STANDARDS



- The Company is **controlled** by the **Chilean Construction Chamber**, a non-profit social entity, which annually elects 6 of the 7 directors of ILC during its Shareholders' Meeting

International Investors

15.5%

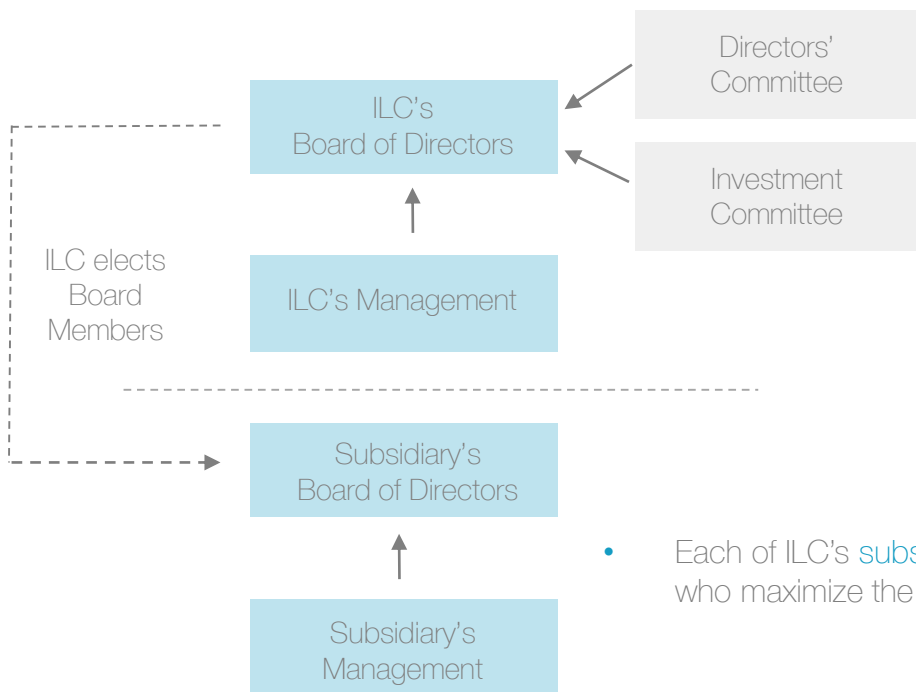
Local Investors

17.5%

67.0%



- The **Chairman** is elected for one year, renewable for a second period. Afterwards, he assumes as Vice Chairman and then Director to give continuity to the Board



- 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 and **independent** Board of Directors and Management, who maximize the return of its affiliate

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



# ILC'S VALUE GENERATION IS LED BY AN EXPERIENCED BOARD AND MANAGEMENT ALL ACROSS THE COMPANY

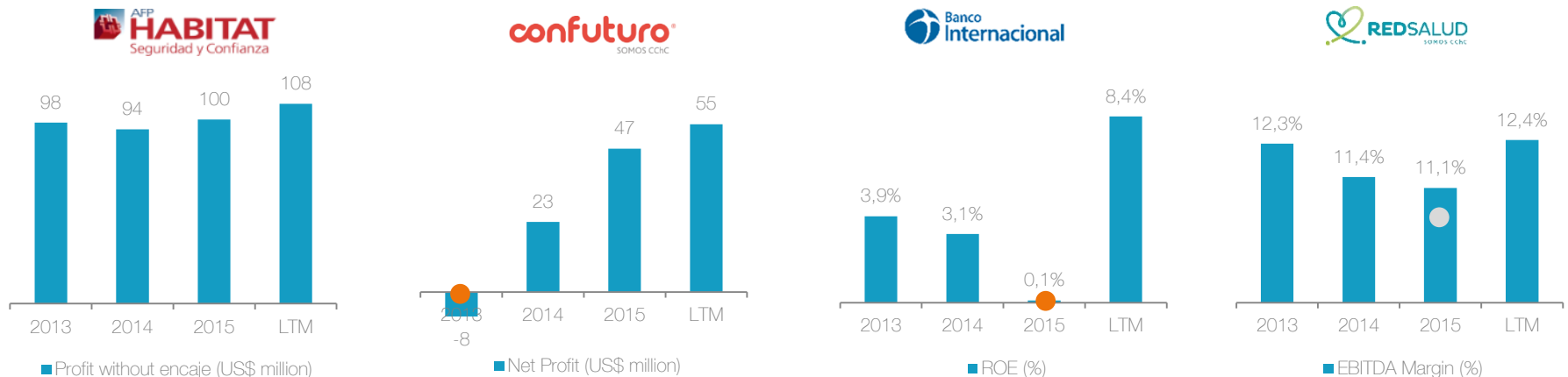


- ILC seeks to maintain a **management team** with **proven experience** in every industry where participates

First class board members and managements...

						
Sergio Torretti C. Chairman	Juan Benavides F. Chairman	Joaquín Cortez H. Chairman	James Callahan F. Chairman	Alberto Etchegaray A. Chairman	Pedro Grau B. Chairman	Kurt Reichard B. Chairman
Pablo González F. CEO	Cristián Rodríguez A. CEO	Christian Abello P. CEO	Mario Chamorro C. CEO	Sebastián Reyes G. CEO	Marcelo Dutilh L. CEO	Felipe Allendes S. CEO
16 years experience	34 years experience	31 years experience	35 years experience	16 years experience	26 years experience	17 years experience

... results in a solid performance



● ILC enters the subsidiary

● ILC changes the strategy of the subsidiary



3. Generating shareholder value through disciplined capital management



# ILC'S VALUE GENERATION RESULTS IN AN ATTRACTIVE DIVIDEND YIELD



Since its IPO, ILC has distributed a dividend yield close to 6% annually

ILC has a dividend policy that distributes between 60% to 80% of its Distributable Net Income (Ordinary net income – profitability of AFP Habitat's *encaje* corresponding to ILC)

RETURN OVER IPSA

6.4%

(Since IPO in 2012)

DIVIDEND YIELD

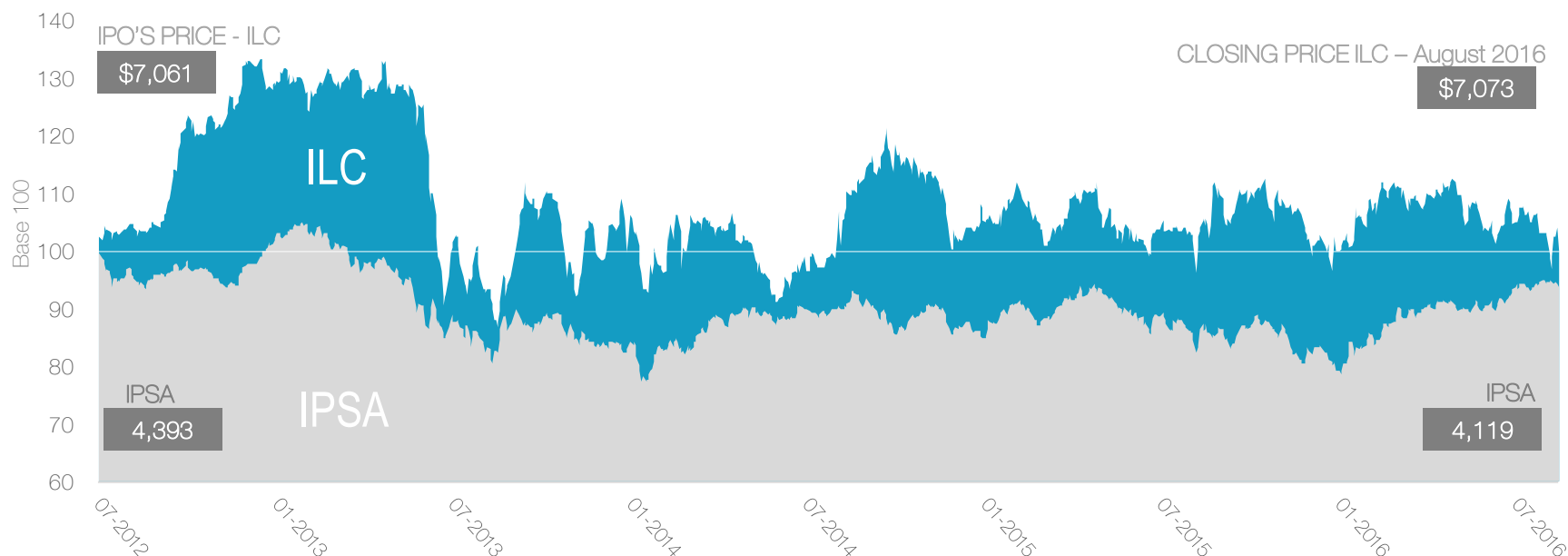
26.4%

(At IPO's Price in 2012)

ROE LTM June 2016

13.0%

ILC'S Share price return over IPSA

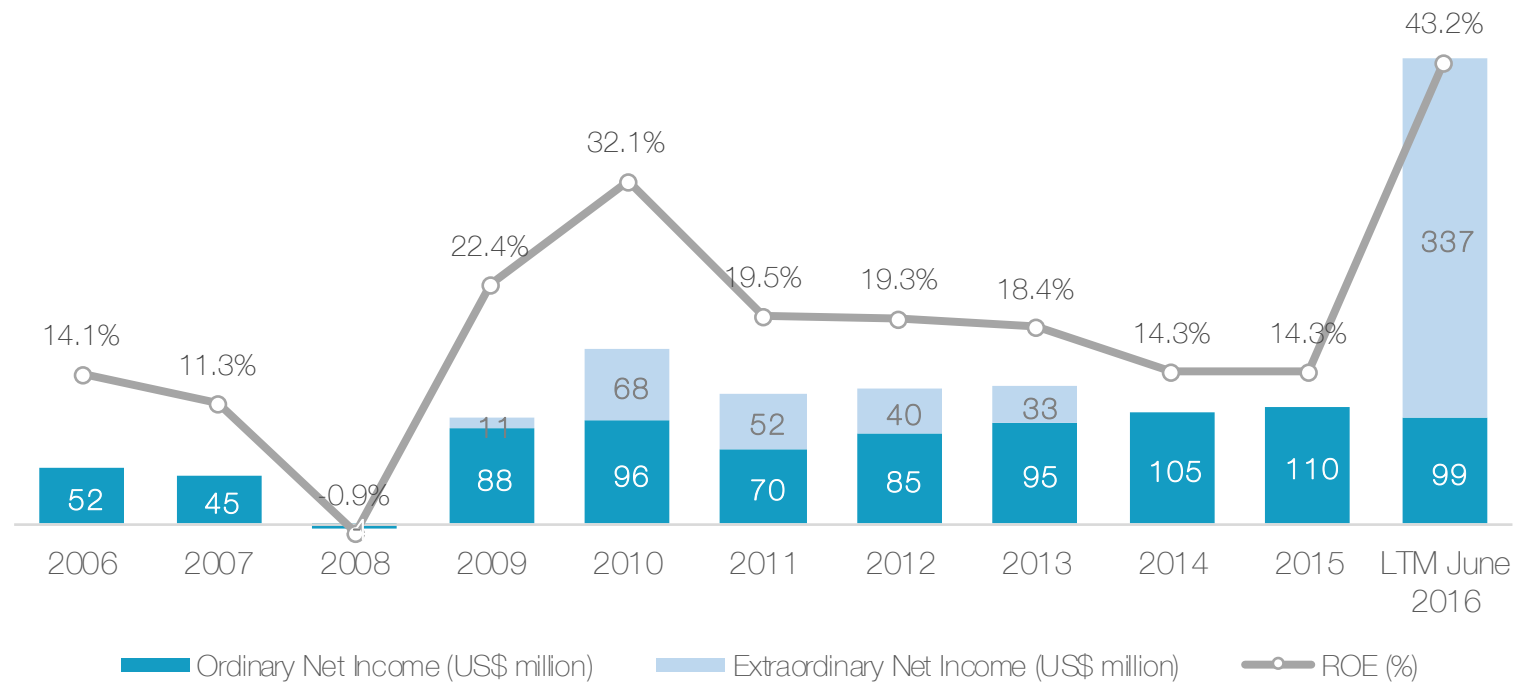


# ILC HAS DELIVERED CONSISTENT RETURNS DURING THE LAST DECADE



- ILC's added value is reflected in returns of both ordinary and extraordinary net income

ILC's Net Income (M US\$) and ROE





# ILC'S DISCIPLINED CAPITAL MANAGEMENT HAS BEEN RECOGNIZED BY RATING AGENCIES



Consolidated debt  
US\$ 1.044 billion

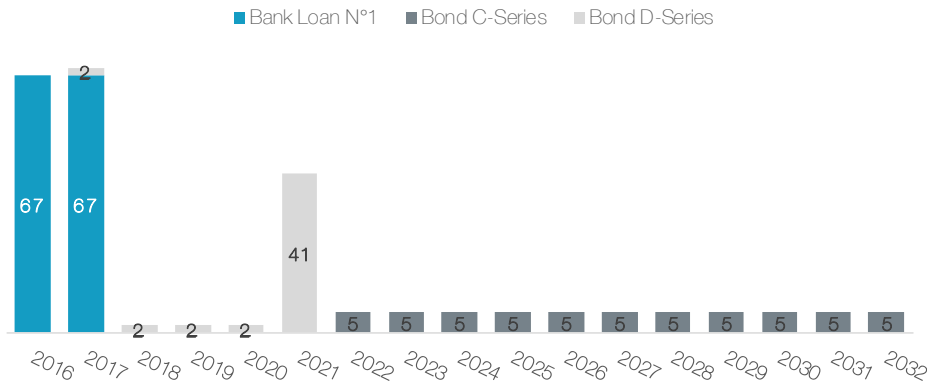
ILC's debt  
US\$235 million

Consolidated net debt  
US\$485 million

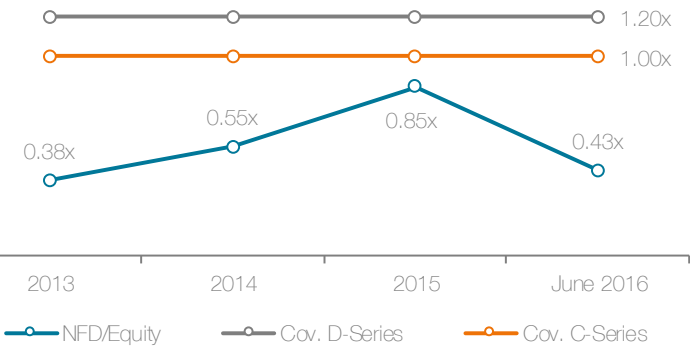
ILC's cash  
US\$102 million

Rating  
AA+

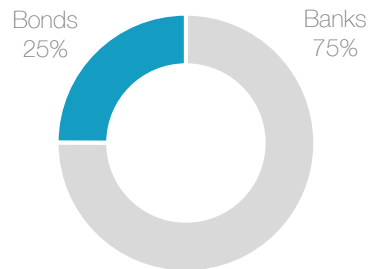
Amortization schedule (US\$ million)



Net financial debt / Total equity



ILC's debt breakdown by type (June 2016)



Dividend policy by subsidiary (for 6M16)

	Distributable Income (US\$ million)	Dividend Policy (%)	ILC's stake in subsidiary (%)
Habitat	59	90%	40.3%
Red Salud	6	100%	99.9%
Consalud	2	100%	99.9%
Vida Cámara	(5)	100%	99.9%
Inv. Confuturo	36	30%	99.9%
Banco Internacional	5	30%	50.6%
<b>Total</b>	<b>98</b>		

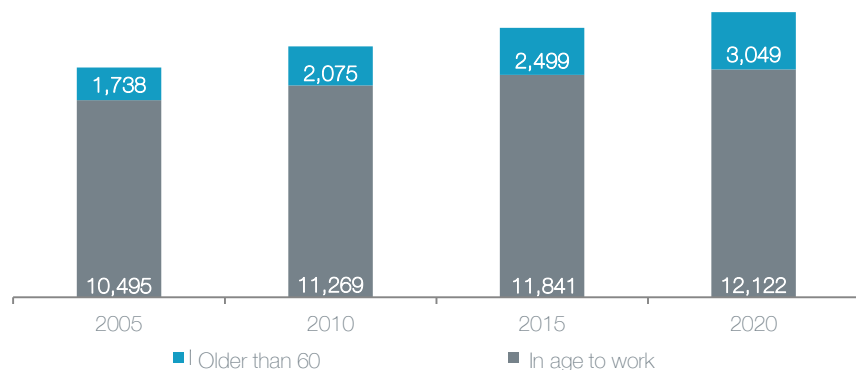


4. Core business in financial services offers steady cash flow & operational know-how

# CHILEAN PENSION INDUSTRY SHOULD GROW DUE TO DEMOGRAPHIC AND ECONOMIC FACTORS



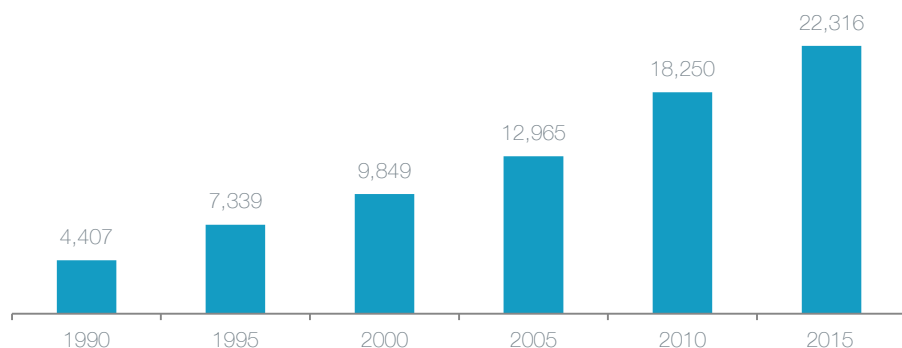
Population in age to work / retired (Th.)



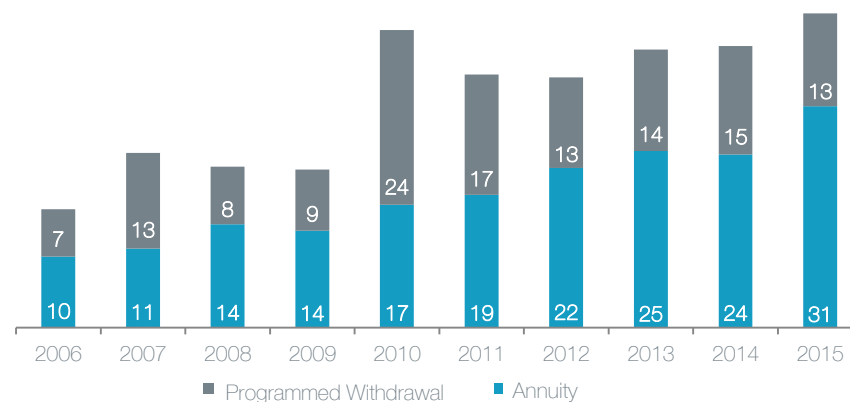
Retirement Alternatives Comparison

	Programmed Withdrawal	Annuity
Pension Payment Period	Limited	Unlimited
Funds Ownership	From the pensioner	From the insurance company
Chance of inheriting savings	Yes	No
Pension Amount	Variable	Fixed

Chilean GDP per capita (PPP, US\$)



Number of Programmed Withdrawal and Annuity in SCOMP\* participants (Th.)



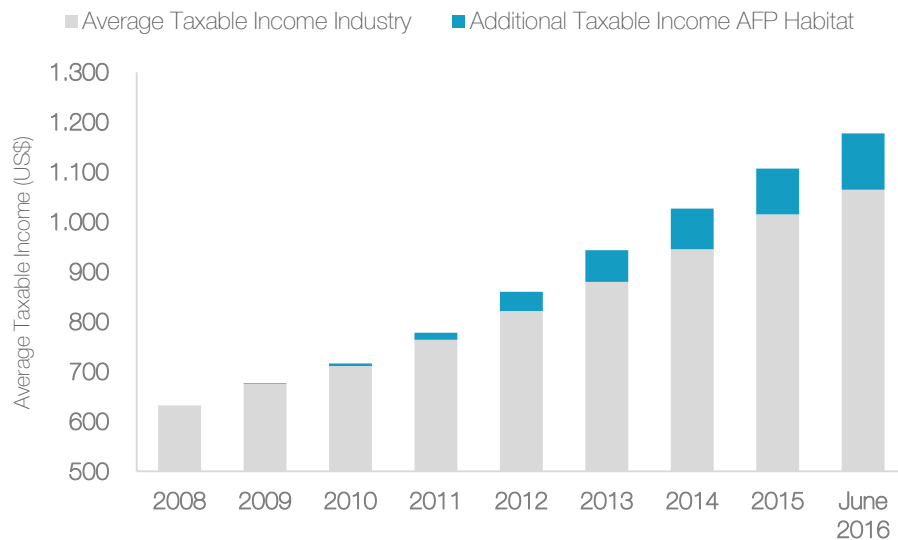


# AFP HABITAT: ESTABLISHED COMPANY WITH A SOLID MARKET POSITION AND PERFORMANCE, EXPANDING INTO PERU

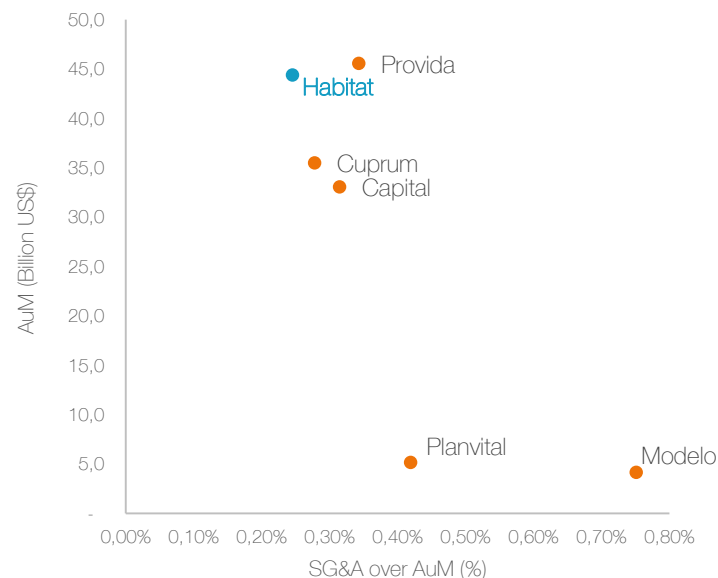


- Since March 2016 ILC is associated with **Prudential Financial Inc.** in AFP Habitat, maintaining 40.3% of the property each
- AFP Habitat is **consolidating** its **position** in the **high income** segment in **Chile**, through an **efficient** operating model
- The Company is **expanding** its **greenfield** presence in **Peru**, were operates the auction for new affiliates in the private pension system (PPS)

Average taxable income in Chile



SG&A over AuM in Chile (LTM, June 2016)



**#2 Player** in **Chile** in terms of contributors, affiliates, AuM and voluntary Products as of December 2015

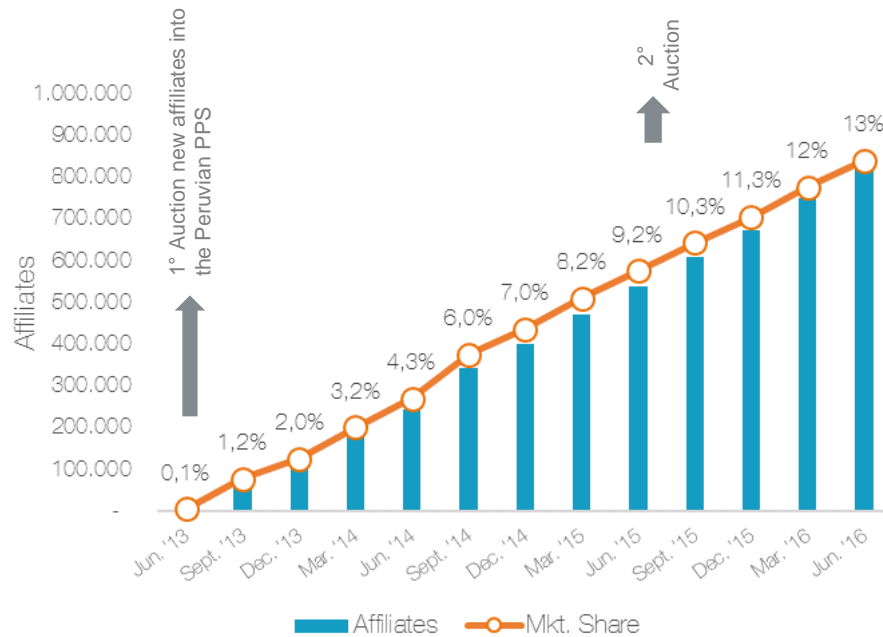


**#1 in annual returns** for all funds as of June 2016

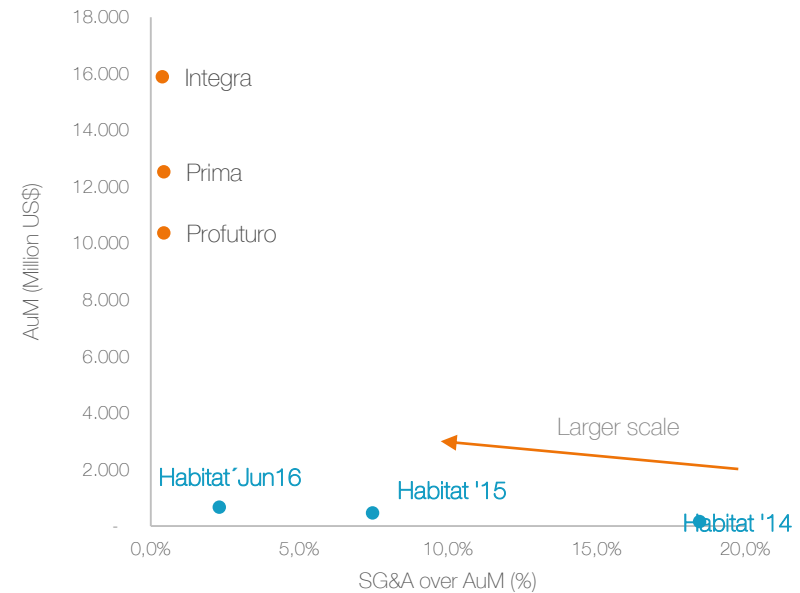
# AFP HABITAT: ESTABLISHED COMPANY WITH A SOLID MARKET POSITION AND PERFORMANCE, EXPANDING INTO PERU



Affiliates & Market Share AFP Habitat Peru



SG&A over AuM in Peru (LTM, June 2016)



AFP Habitat **started greenfield operations** in Peru, through the first **auction** for new affiliates into the Peruvian PPS in **2013**

AFP Habitat has the **lowest fee** in the industry, with 0.38% over contribution and 1.25% over AuM



**#1** in **annual returns** in all funds as of June 2016

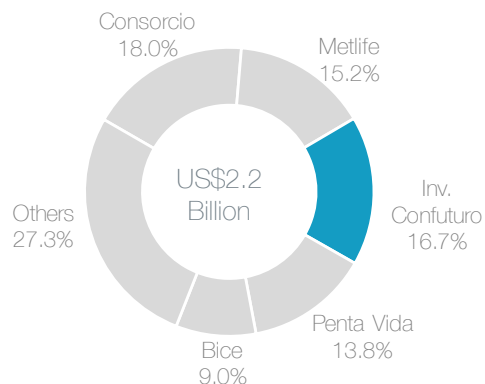
Peruvian pension funds industry presents an **attractive perspective** due to its **large population** of 31 million (vs. 17 million in Chile), and the **low labor formality rate** which is close to 30% (vs. 85% in Chile)

# INVERSIONES CONFUTURO: CONSOLIDATING ITS FOOTPRINT AS AN ANNUITY MARKET LEADER IN CHILE

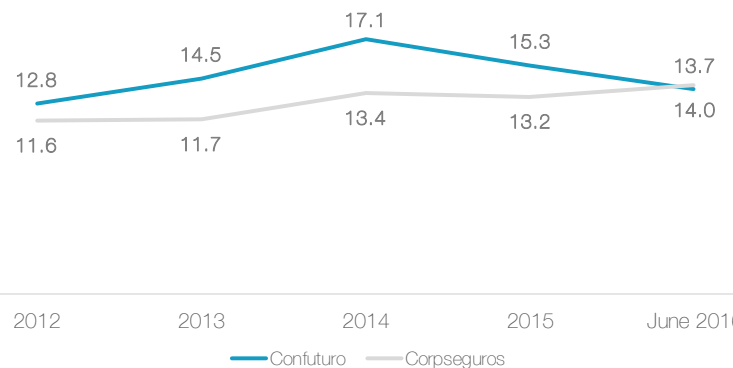


- The Company aims to **strengthen its operational and financial performance** in the annuity market, being a good alternative to the programmed withdrawal retirement

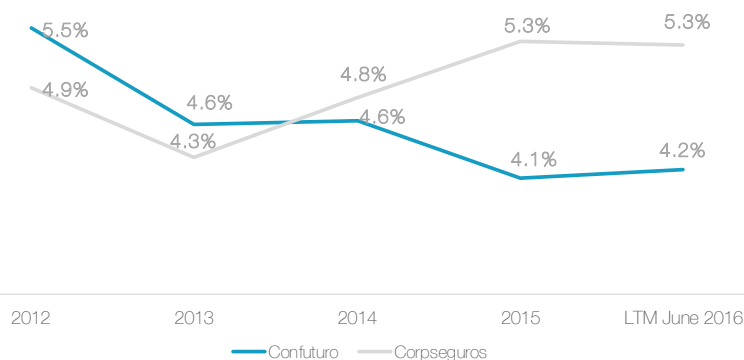
Annuity Market Share (June 2016, Direct premiums)



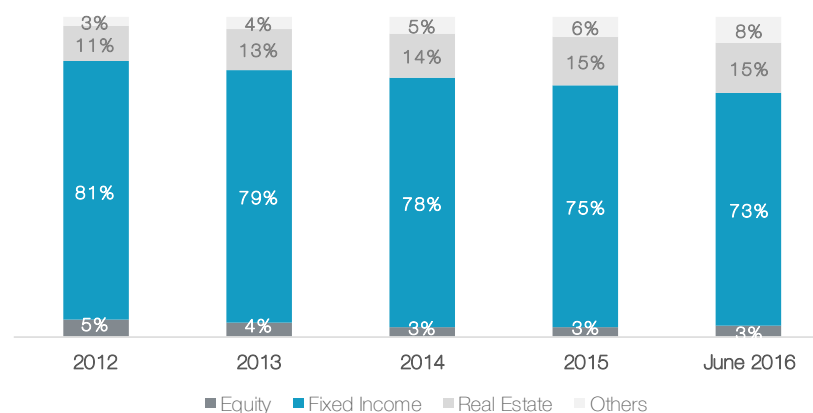
Leverage Evolution



Result on Investments / Investment Portfolio



Investment portfolio breakdown by Instrument



Annuity / Programmed withdrawal preference (Chile, 2015):  
~ 70% / 30%

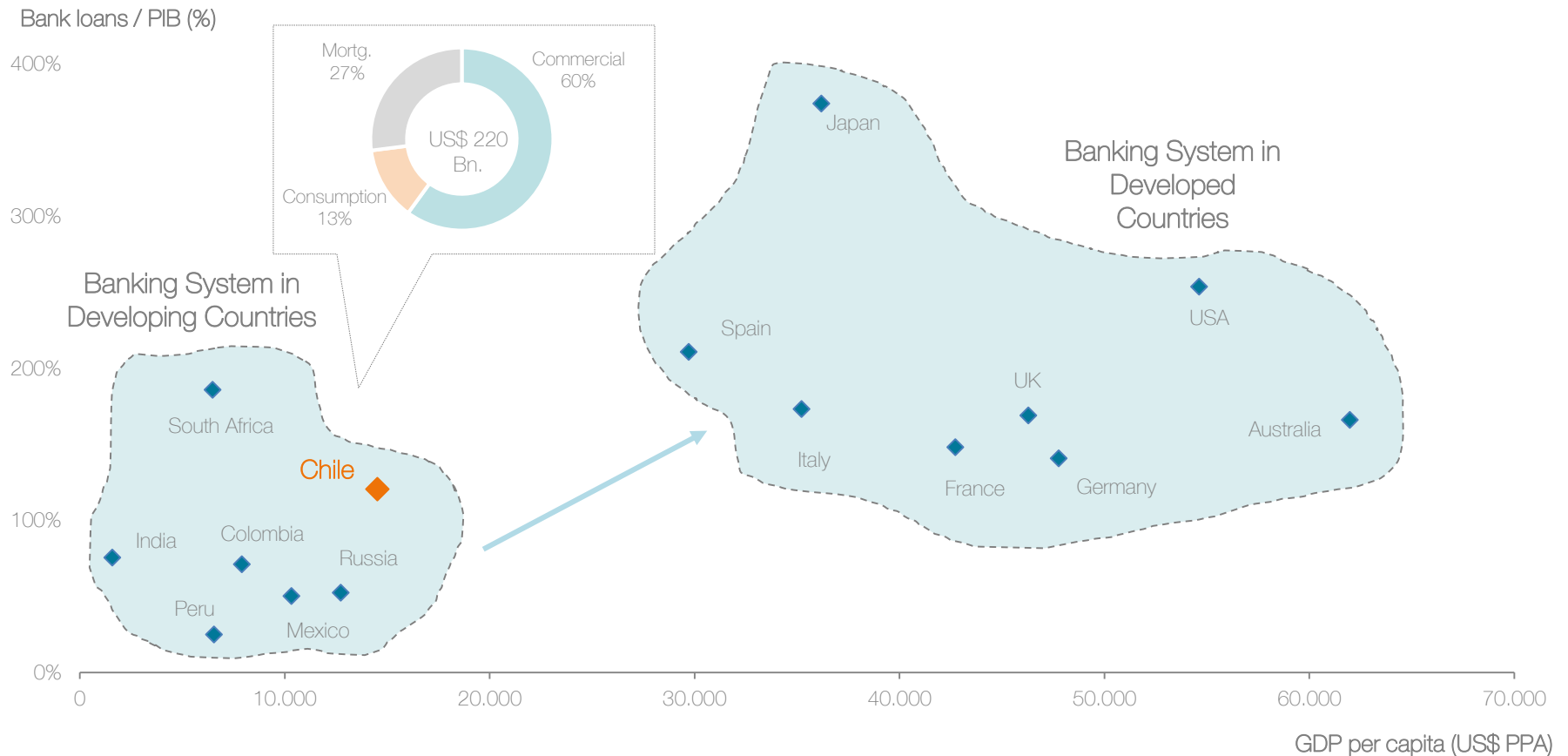
Inv. Confuturo's Annuity Premiums 6M16 (% Total):  
~85% of total Premiums



# CHILEAN BANKING INDUSTRY IS STILL UNDERPENETRATED COMPARED TO DEVELOPED COUNTRIES



- The **Chilean banking industry** is composed by 24 banks (local and foreign)
- **Commercial loans** have shown a **significant growth** during the last five years ( $\text{CAGR}_{2010-2015} = 13.4\%$ )



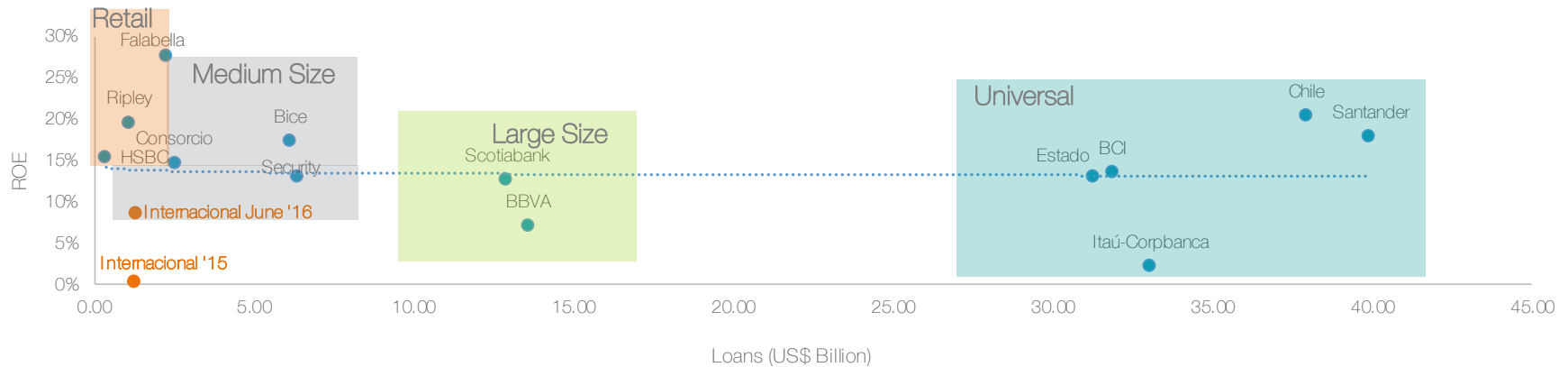
Source: World Bank (2014), SBIF  
FX 661.37 CL\$ / US\$

# BANCO INTERNACIONAL: FOCUSED ON GENERATING MARKET RETURNS

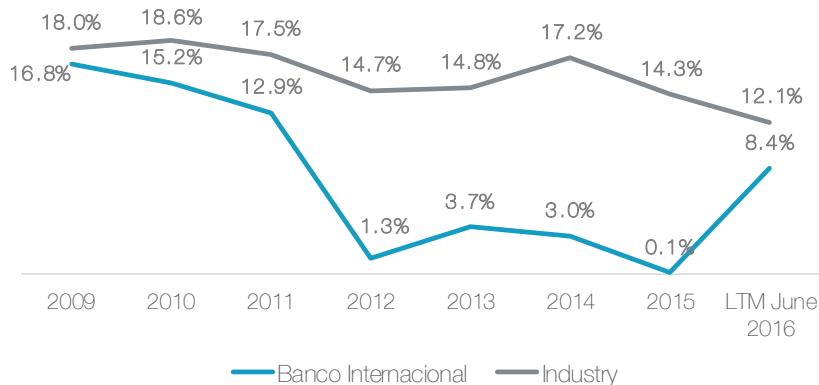


- ILC controls Banco Internacional, Factoring Baninter and Baninter Corredora de Seguros since **October 2015**
- Banco Internacional has a global **market share** of **0.6%** and **1.0%** in terms of total and commercial loans respectively
- The Company **aims** to **strengthen** its **operational**, **commercial** and **risk** performance, in order to reach industry returns
- Banco Internacional should **strengthen** its position in the **small** and **medium size companies**
- **Second** Chilean **bank** in terms of **capitalization ratio** as of **December 2015**

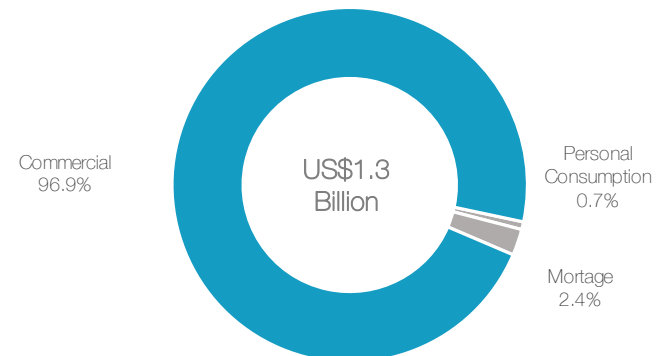
## Chilean Bank Industry: ROE & Loans



## ROE Evolution



## Banco Internacional Loans Breakdown (June 2016)

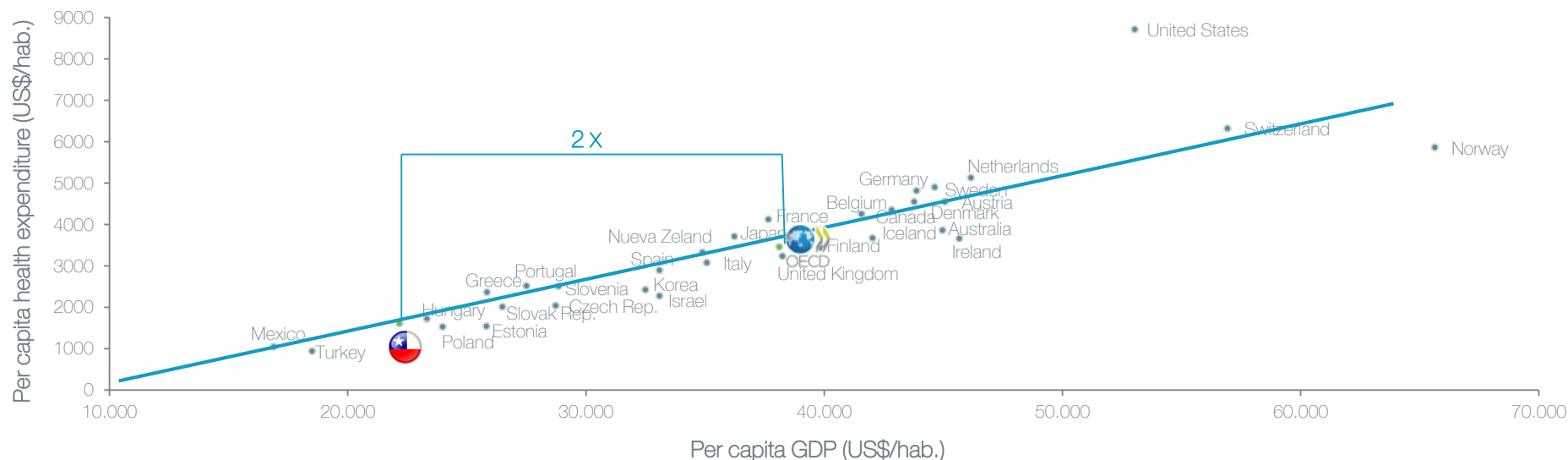




5. Health care operation present in under-penetrated market offers higher profitability upside

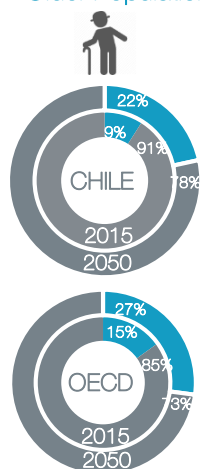


# CHILEAN DEMAND FOR HEALTHCARE SHOULD INCREASE DUE TO ECONOMIC DEVELOPMENT AND LIFESTYLE



## Risk Factors

### Older Population



### Diabetes

(% hab. 20-79 years)



### Obesity

(% hab. > 15 years)



### Tobacco

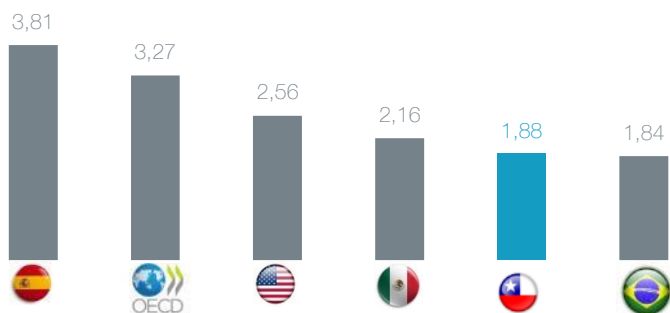
(% hab. > 15 years)



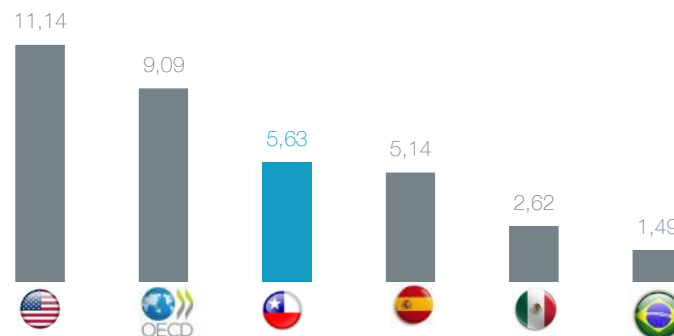
# CHILE PRESENTS A LACK OF HEALTH INFRASTRUCTURE AND SPECIALISTS COMPARED TO OTHER DEVELOPED COUNTRIES



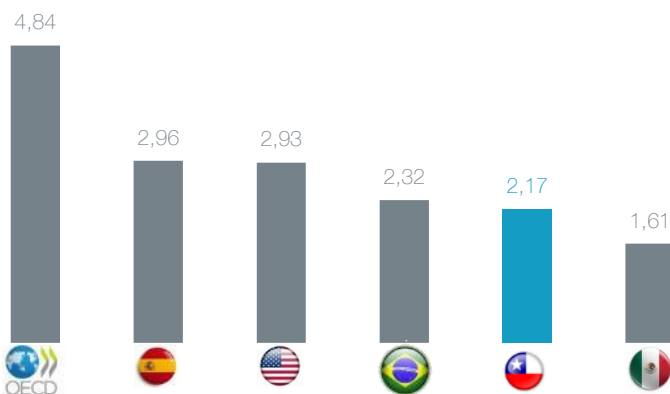
Doctors (Every 1,000 habitants)



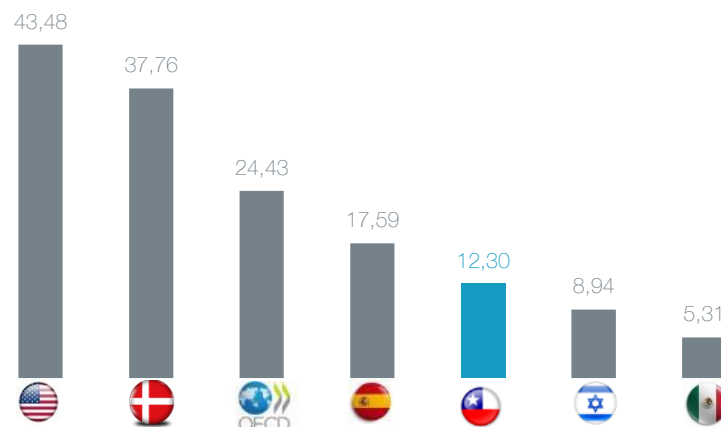
Nurses (Every 1,000 habitants)



Beds (Every 1,000 habitants)



MRI Equipment (Every 1,000,000 habitants)



# RED SALUD IS ONE OF THE LARGEST CHILEAN HEALTHCARE NETWORKS, WITH 11 HOSPITALS AND 31 OUTPATIENT CENTERS



## Occupancy Rate

## Revenues (M US\$) and EBITDA Margin

## Main Focus for 2016

MEGASALUD

Outpatient services

TABANCURA

Inpatient & Outpatient services / Santiago

68.6%

AVANSALUD

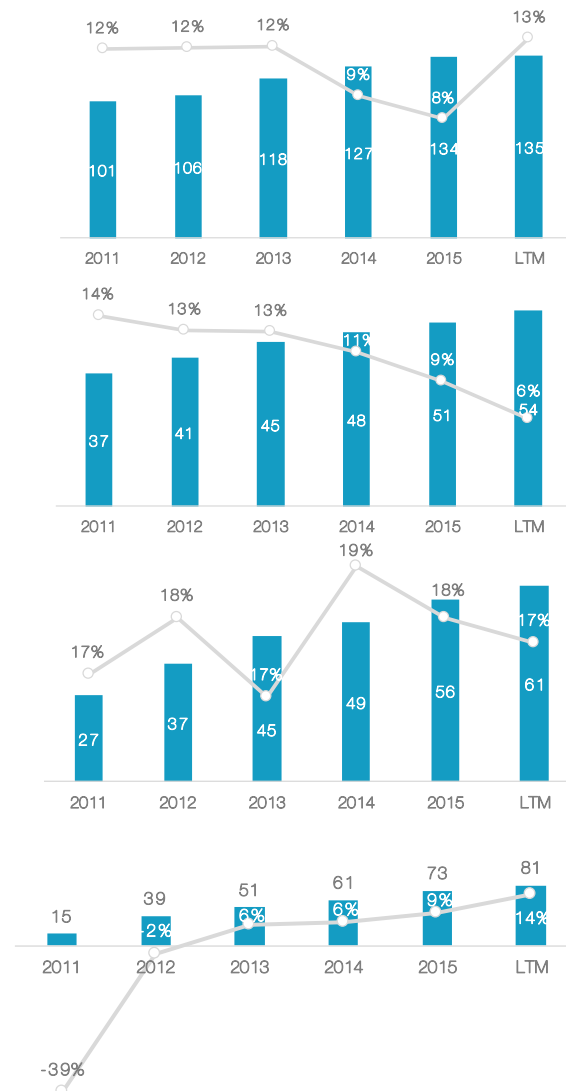
Inpatient & Outpatient services / Santiago

83.8%

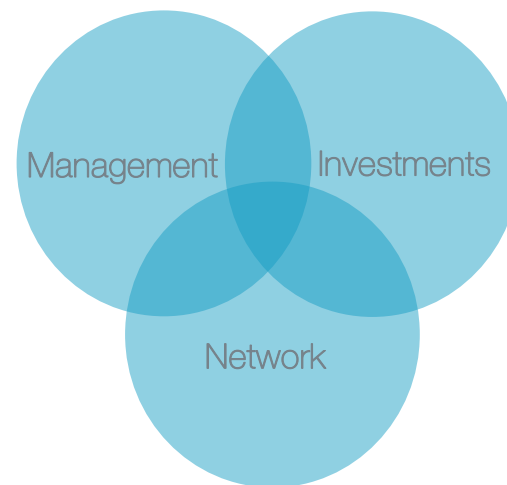
BICENTENARIO

Inpatient & Outpatient services / Santiago

67.0%



- Red Salud's **operational performance** has been **impacted** by the important **investment plan undertaken** during the last 5 years for approximately US\$300 million
- Since **end-2015** Red Salud **reinforced** its **focus** and **strategy** into one oriented to cost-efficiency and profitability. The latter is based on:





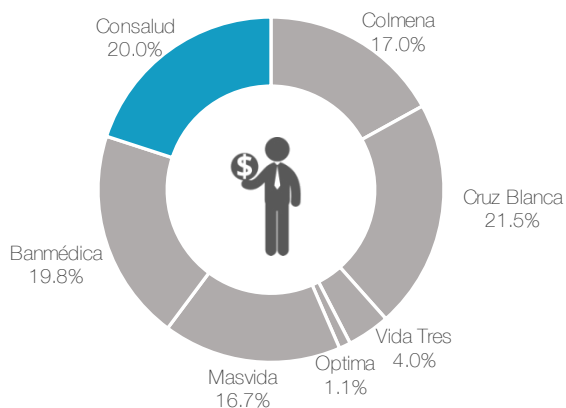
# ILC PROVIDES MANDATORY AND SUPPLEMENTAL HEALTH INSURANCES THROUGH CONSALUD AND VIDA CAMARA



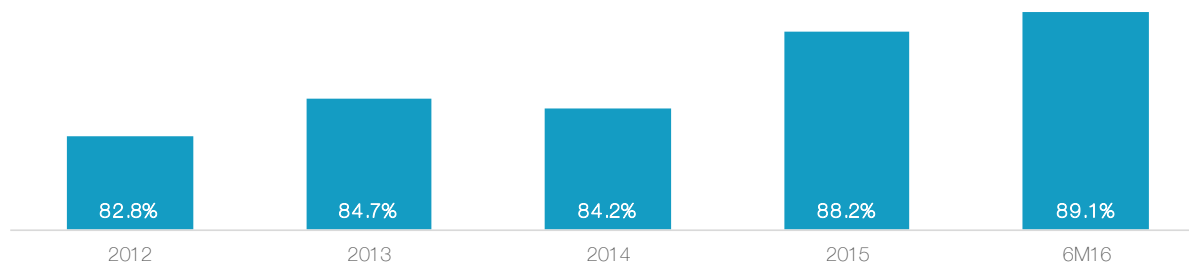
- Consalud has been impacted by a pronounced deterioration in margins due to a higher frequency and cost per beneficiary

## Market Share (Contributors)

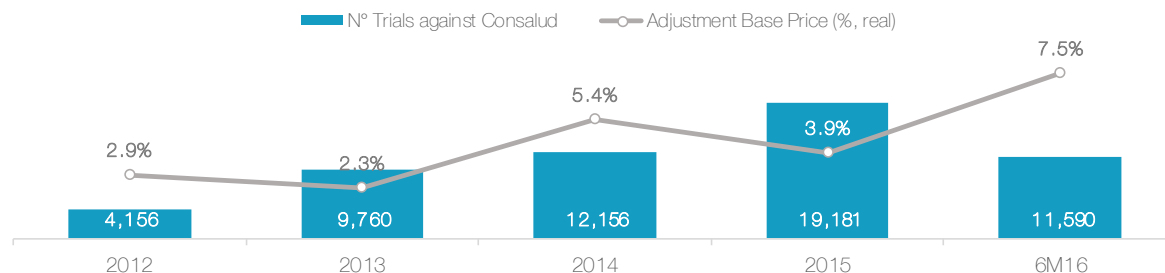
Total: 1.9 M



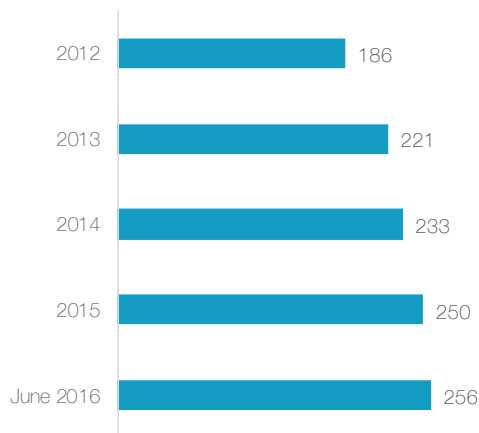
## Direct costs / Revenues



## Trials due to adjustments in contract's base price



## Vida Camara Beneficiaries Evolution (Th.)



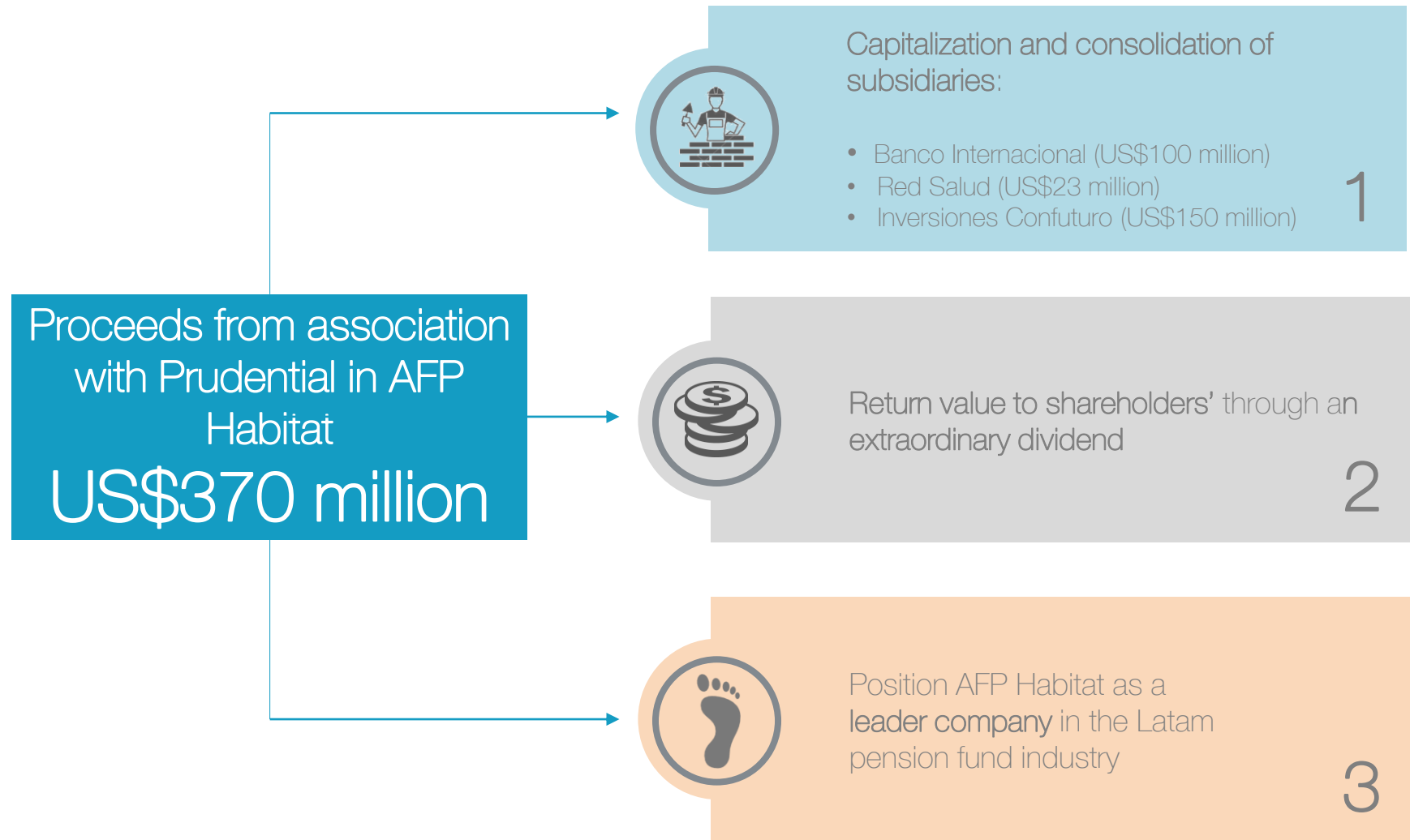
## Consalud has developed complementary products to attract new contributors





6. Multiple avenues for consolidation & growth

# 2016 HAS BEEN MARKED BY MILESTONES THAT CONSOLIDATE ILC'S PRESENCE IN THE FINANCIAL AND HEALTHCARE INDUSTRIES



# BASED ON 2015-2016'S FOCUSES, ILC HAS SEVERAL OPPORTUNITIES:



## AFP Habitat:



Consolidate its association with Prudential



Strengthen its regional footprint in Chile and Peru

## Inversiones Confuturo:



Maintain its leadership in the growing annuity industry



Further improve returns on investments, maintaining an adequate leverage

## Banco Internacional:



Improve operational and administrative efficiency



Focus in medium and small size companies



Consolidate its new Management Team

## Vida Camara:



Consolidate in Supplemental Health Insurances

## Consalud:



Further improve efficiencies in costs and SG&A



Continue developing innovative complementary products

## Red Salud:



Improve operational efficiency and synergies between the network



Consolidate its new Management Team





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# INVESTMENT HIGHLIGHTS



One of the largest Asset  
Managers in Latam

Consolidated controlling  
shareholder

Demonstrated track-  
record in non-  
discretionary industries

Solid and stable credit  
risk rating

Proven access to  
capital markets

Attractive and  
consistent dividend  
yield





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# SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES

## Balance Sheet

Th. US\$	June 2016	June 2015	Variation
<b>NON-INSURANCE ACTIVITY ASSETS</b>	<b>1.335.071</b>	<b>1.690.418</b>	<b>-21%</b>
Total Current Assets	352.307	388.265	-9%
Total non current assets	982.764	1.302.153	-25%
<b>TOTAL INSURANCE ACTIVITY ASSET</b>	<b>8.321.311</b>	<b>8.047.881</b>	<b>3%</b>
<b>TOTAL BANKING ACTIVITY ASSETS</b>	<b>2.027.748</b>	<b>1.810.132</b>	<b>12%</b>
<b>TOTAL ASSETS</b>	<b>11.684.130</b>	<b>11.548.430</b>	<b>1%</b>
	0	0	
<b>NON-INSURANCE ACTIVITY LIABILT</b>	<b>1.026.217</b>	<b>1.257.674</b>	<b>-18%</b>
Total current liabilities	542.428	709.711	-24%
Total non current liabilities	483.789	547.963	-12%
<b>INSURANCE ACTIVITY LIABILITIES</b>	<b>7.710.445</b>	<b>7.489.208</b>	<b>3%</b>
<b>BANKING ACTIVITY LIABILITIES</b>	<b>1.840.348</b>	<b>1.628.334</b>	<b>13%</b>
<b>TOTAL LIABILITIES</b>	<b>10.577.010</b>	<b>10.375.216</b>	<b>2%</b>
Equity attributable to owners of the parent co	995.530	757.316	31%
Non-controlling interests	111.590	415.899	-73%
<b>TOTAL EQUITY</b>	<b>1.107.120</b>	<b>1.173.215</b>	<b>-6%</b>
<b>TOTAL LIABILITIES AND SHAREHOLD</b>	<b>11.684.130</b>	<b>11.548.430</b>	<b>1%</b>

## Income Statement

Th. US\$	June 2016	June 2015	Variation
<b>NON-INSURANCE ACTIVITY</b>			
Operating result	12.469	12.857	-3%
Non operating result	239	(15.279)	-102%
Profit (loss) before tax	12.707	(2.422)	-625%
Profit (loss) from discontinuing operations	344.441	64.623	433%
<b>Non-Insurance activity profit</b>	<b>357.244</b>	<b>59.967</b>	<b>496%</b>
<b>INSURANCE ACTIVITY</b>			
Operating result	55.898	36.336	54%
Non operating result	(15.107)	1.690	-994%
Profit (loss) before tax	40.791	38.026	7%
<b>Insurance activity profit</b>	<b>36.677</b>	<b>30.968</b>	<b>18%</b>
<b>BANKING ACTIVITY</b>			
Operating result	6.147	-	-
Non operating result	21	-	-
Profit (loss) before tax	6.168	-	-
<b>Banking activity profit</b>	<b>5.450</b>	<b>-</b>	<b>-</b>
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>399.371</b>	<b>90.935</b>	<b>339%</b>
Profit attributable to owners of the pa	386.265	60.140	542%
Profit attributable to non-controlling ir	13.106	30.795	-57%

Individual Results (LTM June 2016, Th. US\$)	AFP Habitat	Confuturo	Corpseguros	Banco Internacional	Red Salud	Consalud	Vida Camara
Industry	Pension Funds	Life Insurance	Life Insurance	Bank	Healthcare Provider	Mandatory health insurance	Voluntary health insurance
Revenues	242,621	434,218	176,300	70,464	487,793	573,515	183,987
EBITDA / EBITDAE	149,745	-	-	-	58,329	5,658	-
Net Income	122,885	10,758	39,978	6,018	8,681	1,543	(4,543)
Assets	536,048	4,750,562	3,471,237	1,996,203	591,525	153,406	225,607
Liabilities	113,593	4,439,877	3,195,039	1,853,309	412,658	141,083	173,812
Equity	422,456	310,686	276,198	142,894	178,867	12,323	51,795
<b>% ownership ILC</b>	<b>40.3%</b>	<b>99.9%</b>	<b>99.9%</b>	<b>50.6%</b>	<b>99.9%</b>	<b>99.9%</b>	<b>99.9%</b>

Market Capitalization (US\$ billion)

1.3

-

-

-

-

-

-



# SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



US\$ Th.	6M16	6M15	%
Revenues	125,101	114,803	9.0%
SG&A	(51,481)	(48,651)	5.8%
<b>Operating Result</b>	<b>73,620</b>	<b>66,152</b>	<b>11.3%</b>
Profitability of the encaje	3,483	15,468	-77.5%
<b>Non-operating Result</b>	<b>6,812</b>	<b>18,604</b>	<b>-63.4%</b>
<b>Net Income</b>	<b>62,688</b>	<b>66,147</b>	<b>-5.2%</b>
EBITDAE	78,746	70,090	12.3%

- **Δ+ revenues**
  - +1.6% (real terms) of the average salary quoted by Habitat in Chile
  - + 53% affiliates in Peru
- **Δ+ SG&A**
  - +5.3% in personnel expenditures
  - +3.8% in other operational expenses such as marketing, IT and administration
- **Δ- 78% profitability of the encaje**



US\$ Th.	6M16	6M15	%
Revenues	291,648	269,833	8.1%
Cost of Sales	(259,958)	(229,475)	13.3%
SG&A	(39,430)	(36,878)	6.9%
<b>Operating Result</b>	<b>(5,511)</b>	<b>5,038</b>	<b>-209.4%</b>
<b>Non-operating Result</b>	<b>1,418</b>	<b>1,564</b>	<b>-9.3%</b>
<b>Utilidad IFRS</b>	<b>(2,281)</b>	<b>4,827</b>	<b>-147.3%</b>
<b>Utilidad FEFI</b>	<b>1,573</b>	<b>6,138</b>	<b>-74.4%</b>
EBITDA	(1,767)	8,618	-120.5%

- **Δ+ revenues**
  - +2.8% in contributors, +4.2% inflation, and larger contribution cap
- **Δ+ costs**
  - Higher loss ratio related to outpatient, inpatient and temporarily disability insurances
- **Δ+ SG&A**
  - +16% trials against Consalud y-o-y

# SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



US\$ Th.	6M16	6M15	%
Non Insurance Activity Result	(5,444)	(6,244)	-12.8%
Premiums Net Income	399,665	307,220	30.1%
Result from Investments	197,006	195,647	0.7%
Cost of sales	(540,024)	(448,737)	20.3%
SG&A	5,927	(9,460)	-162.6%
Operating Result	62,573	44,670	40.1%
Non-operating Result	(14,530)	1,580	-1019.6%
Insurance Activity Result	41,126	37,920	8.5%
Net Income	35,682	31,672	12.7%

- $\Delta+$  revenues
  - +30% due to regulatory changes in the discount rate for accounting annuities, as well as by the resources (US\$80 million) injected by ILC as capital increases
  - Flat result on investments due to higher liquidity to acquire shopping centers from Walmart (US\$640 million)



US\$ Th.	6M16	6M15	%
D&S Chile	(11,570)	(9,752)	18.6%
D&S Peru	2,364	0,708	233.7%
Life and Supplemental Health Insurance Chile	5,853	4,590	27.5%
SG&A	(4,761)	(4,429)	7.5%
Operating Result	(8,021)	(8,807)	-8.9%
Non-operating Result	672	583	15.2%
Net Income	(4,546)	(6,951)	-34.6%

- $\Delta+$  gross result
  - Life and supplemental health Insurances: increase in beneficiaries and premiums
  - D&S Chile: higher loss ratio
  - D&S Peru: release of reserves from the previous contract and a better reinsurance of the current tender

# SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES



US\$ Th.	6M16	6M15	%
Revenues	248,601	186,270	33.5%
Cost of Sales	(189,987)	(147,357)	28.9%
SG&A	(40,284)	(29,706)	35.6%
<b>Operating Result</b>	<b>18,329</b>	<b>9,207</b>	<b>99.1%</b>
Non-operating Result	(9,199)	(6,809)	35.1%
<b>Net Income</b>	<b>6,038</b>	<b>936</b>	<b>545.0%</b>
EBITDA	30,823	19,856	55.2%
EBITDA Margin	12.4%	10.7%	1.7%

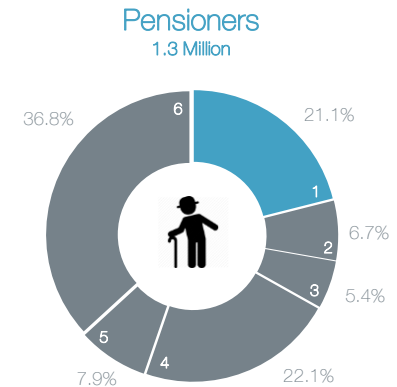
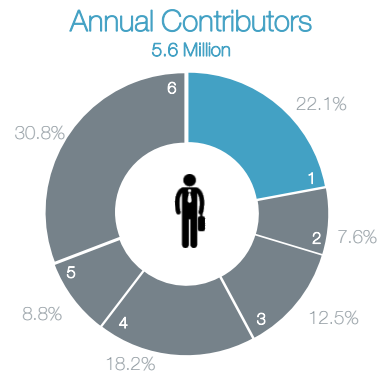
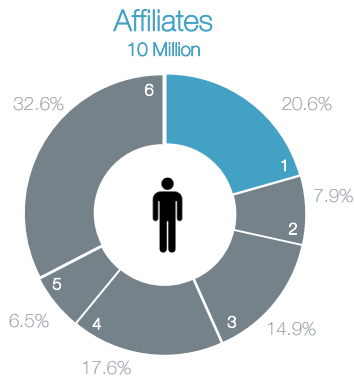
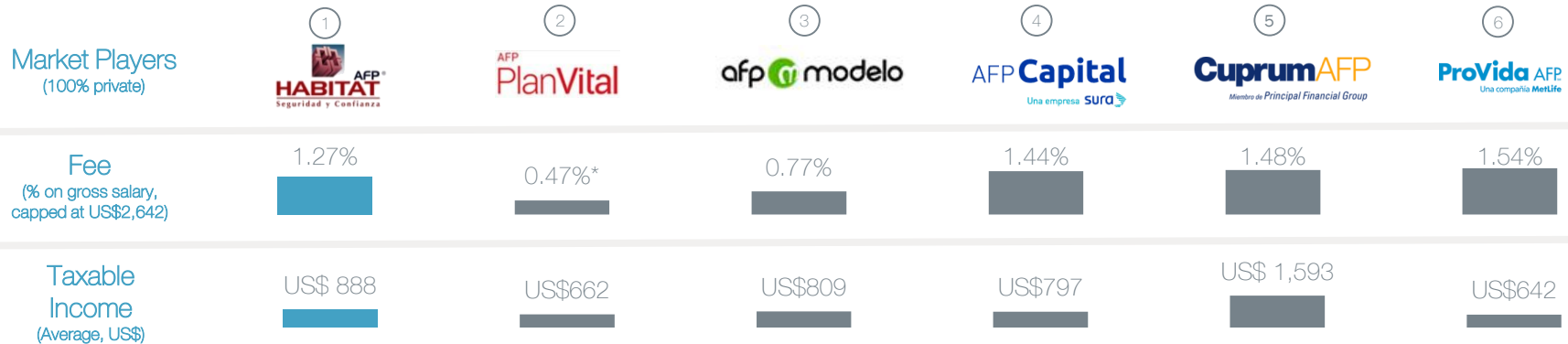
- **Δ+ operating result**
  - Higher activity in all healthcare units
  - Cost reduction in all healthcare units in Santiago (as a % of revenues)
- **Δ+ EBITDA margin**
  - Red Salud: from 10.7% in 6M15 to 12.4% in 6M16
  - Clínica Bicentenario: from 10.0% in 6M15 to 15.3% in 6M16
  - Megasalud: from 7.3% in 6M15 to 12.5% in 6M16



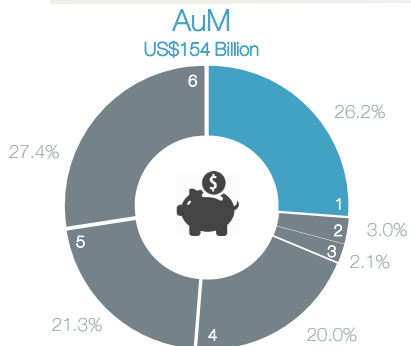
US\$ Th.	6M16
Revenues	35,382
SG&A	(23,085)
Credit risk provisions	(6,151)
<b>Operating Result</b>	<b>6,147</b>
Non-operating Result	21
<b>Net Income</b>	<b>5,450</b>

- Better results arise mostly from risk management actions
- Increase in commercial loans
- Annualized ROE of 8.4%

# IN 2015 CHILEAN PENSION FUNDS REPRESENTED 71% OF TOTAL GDP



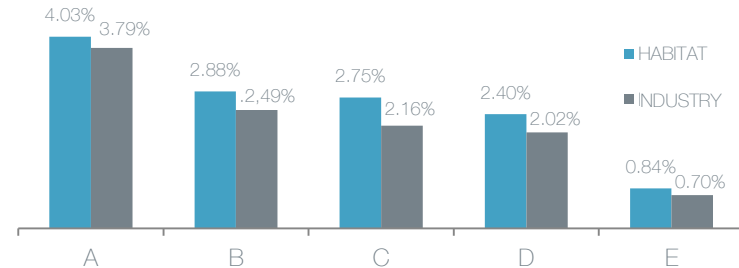
\* 97.2% correspond to dependent workers.



## Distribution of assets in the Industry by type of fund



## Return of funds in the last 12 months (real terms)



FX: CLP\$710.16 per US\$  
Source: Superintendencia de Pensiones



# 97% OF CHILEAN POPULATION IS COVERED BY HEALTH INSURANCES, OF WHICH 75% IS MANAGED BY THE PUBLIC SECTOR (FONASA)

Supporter

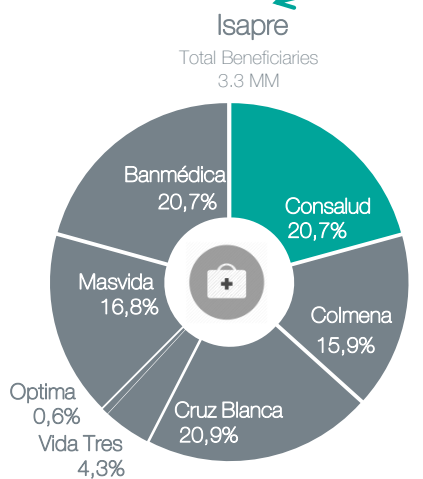


(7% on taxable salary, capped at aprox US\$3,000; with an average contribution of 10% in the case of Isapres)

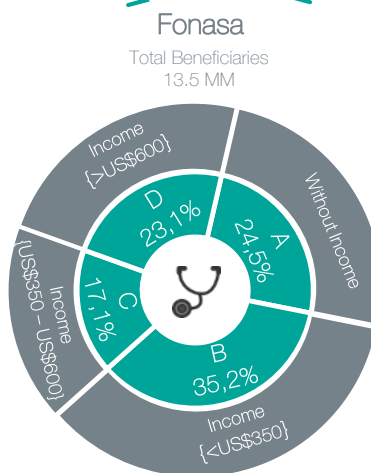


Government

Insurer



Market share at the level of beneficiaries to open Isapres



A - B

Public sector

C - D

Public sector and some private providers

**Others**  
Total Beneficiaries 1.1 MM

Armed Forces

Chilean Army

Chilean Navy

Chilean Air Force

Chilean Police

Provider

Private sector, according to chosen plans with Isapres

Private sector, according to chosen plans with Isapres

Market Players  
(Private and open)



Average  
Contribution  
(Annual, US\$)

\$ 1,696

\$ 2,454

\$ 2,121

\$ 2,960

\$ 570

\$ 1,869

\$ 2,007

Loss Ratio

84.2%

86.9%

84.9%

85.7%

56.6%

89.2%

87.9%

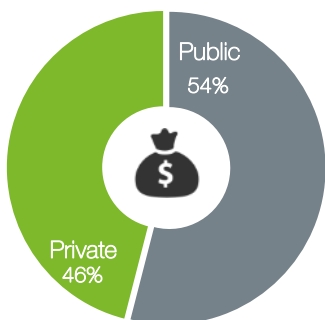
FX: CLP\$606.75 per US\$

\* In November 2014 Ferrosalud changed its name into Óptima

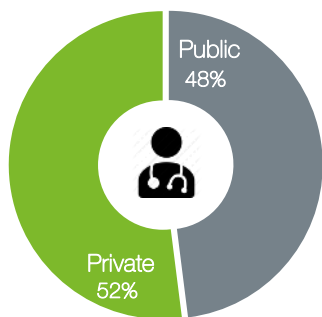
Source: Superintendencia de Salud, statistics 2014  
Dimensionamiento del Sector de Salud Privado en Chile - 2014

# THE PRIVATE HEALTHCARE SYSTEM PLAYS AN IMPORTANT ROLE TO MEET CHILEAN DEMAND FOR HEALTH

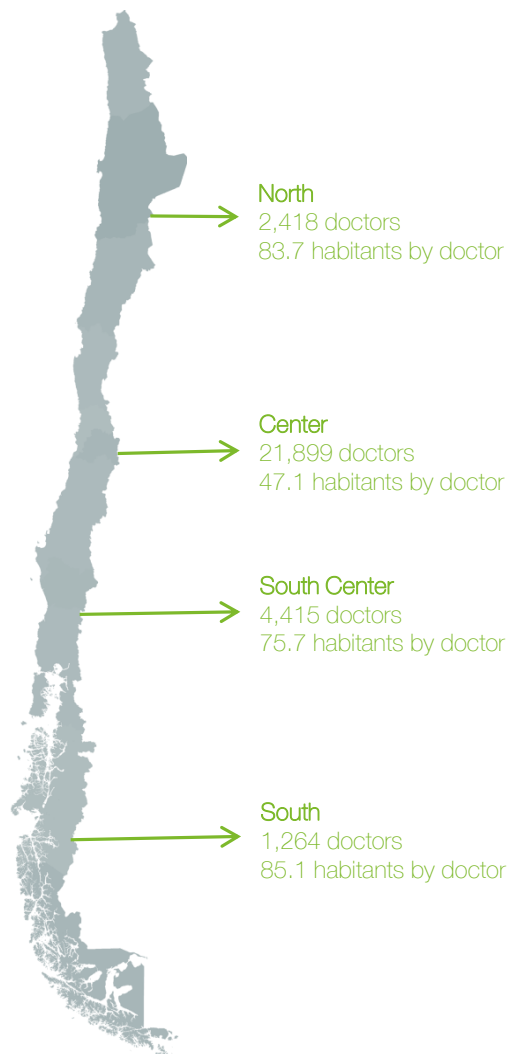
Total Health Expenditure  
8.8% of GDP



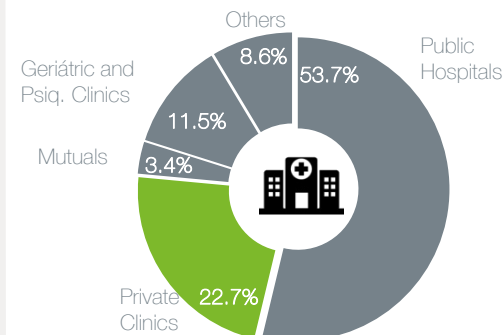
Doctors  
~ 30 thousands



Geographic Distribution of  
Doctors in Chile

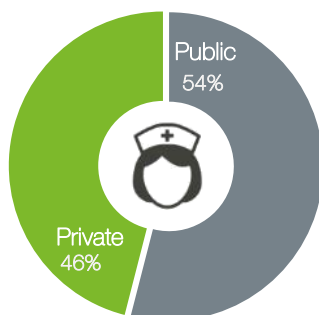


Hospitals and Clinics  
~ 350

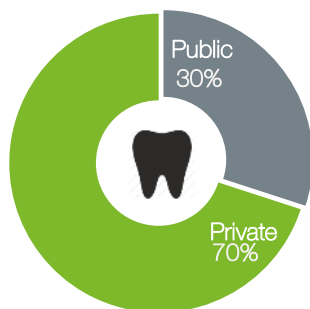


Red Salud: 11 private clinics

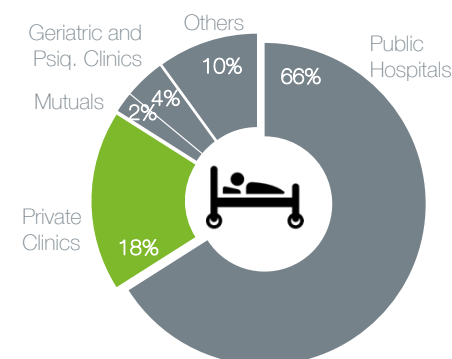
Nurses  
~99 thousands



Dentists  
~ 16 thousands



Beds  
~ 38 thousands



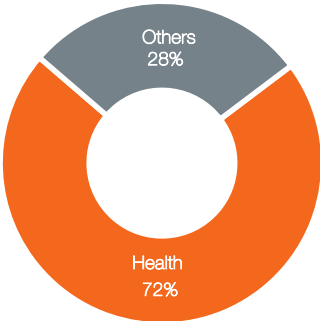
Red Salud: 858 beds

# ILC PARTICIPATES IN THE LIFE INSURANCE INDUSTRY, FOCUSING ON ANNUITIES

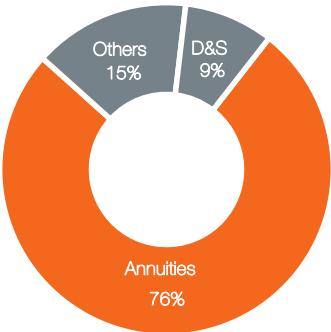
Life Insurances  
Direct premiums: BUS\$7.2  
36 companies

General Insurances  
Direct premiums : BUS\$3.3  
30 companies

Traditional (Collective)  
BUS\$0.7



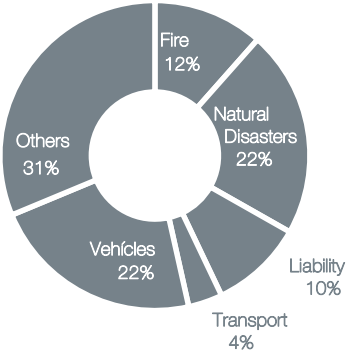
Pension  
BUS\$4.3



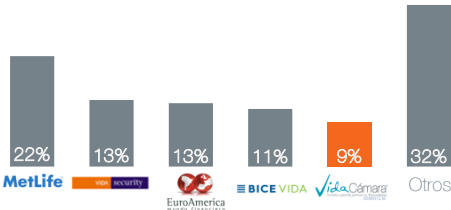
Others

Individuals  
(B US\$1.1)

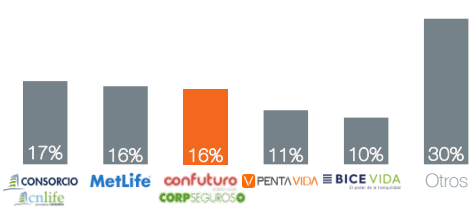
Bank Insurances and Retail  
B US\$1.0)



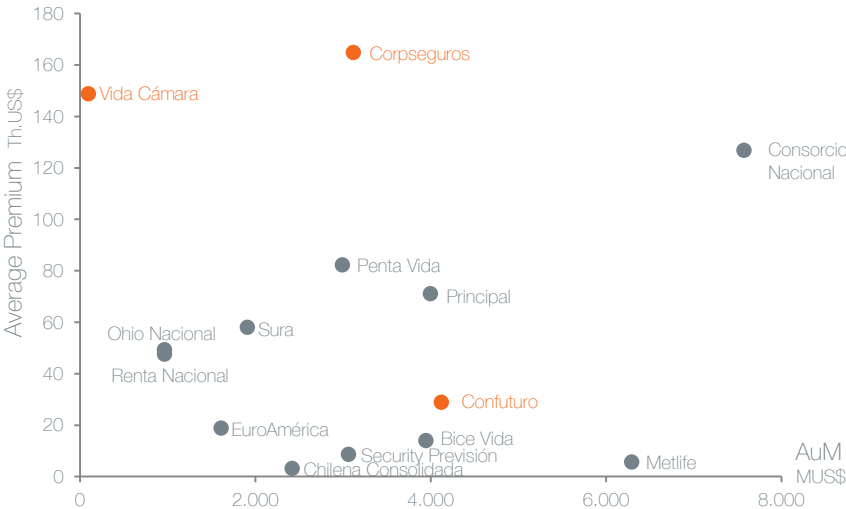
Health Direct Premiums  
MUS\$480



Annuities Direct Premiums  
BUS\$4.3



AuM/Average Direct Premium



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