

COMPANY OVERVIEW - BTG PACTUAL VII LATIN AMERICAN CEO CONFERENCE

New York - October 2016





AGENDA

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

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+

Dividend Yield for 2016

8.5%
at IPO's price

ROE*

12.6%
LTM June 2016

Consolidated Employees

12,900
approximately in Chile and Peru

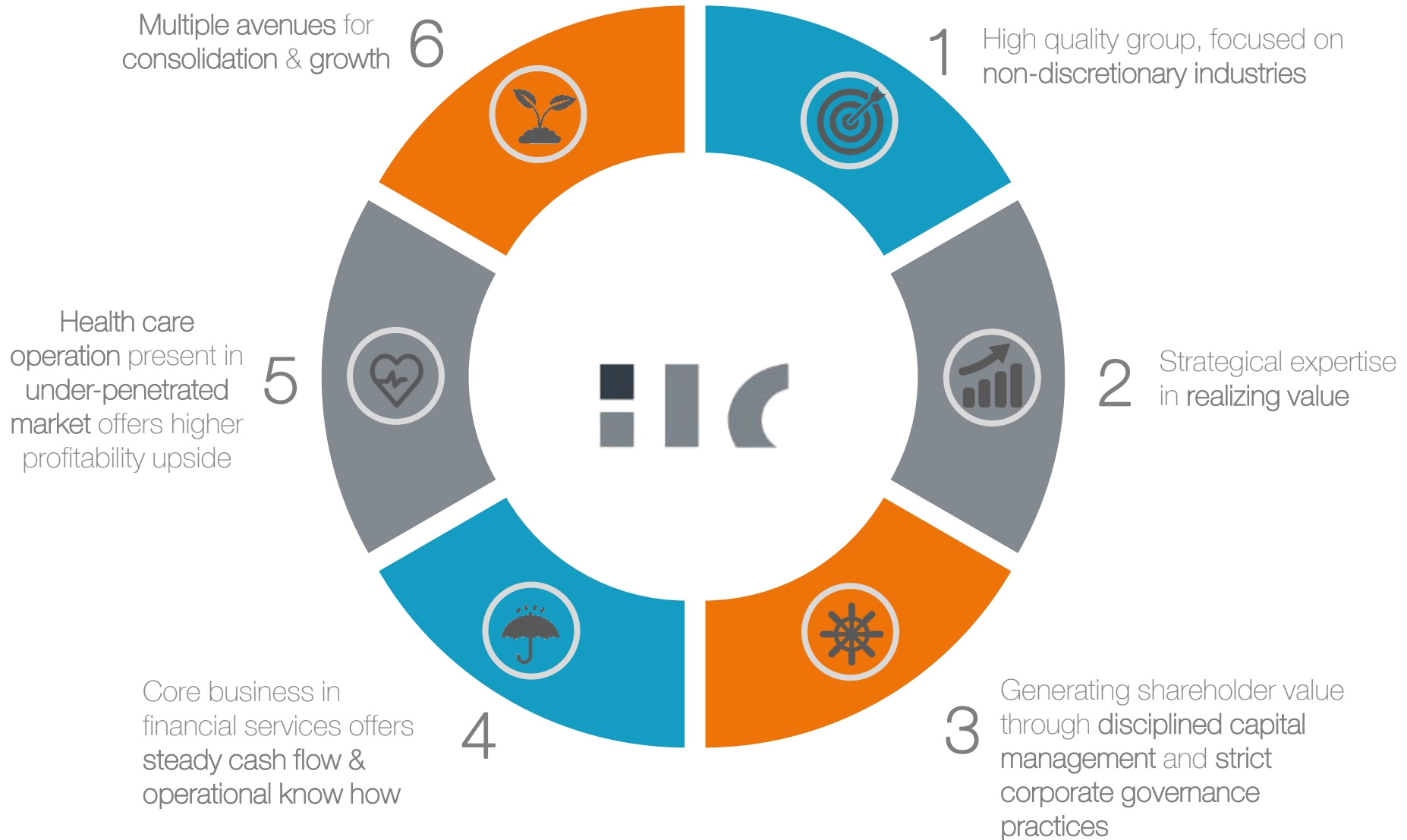
* Excluding the accounting extraordinary effect related to the association of ILC with Prudential in AFP Habitat for US\$336,967 thousand



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ILC: VALUE PROPOSAL

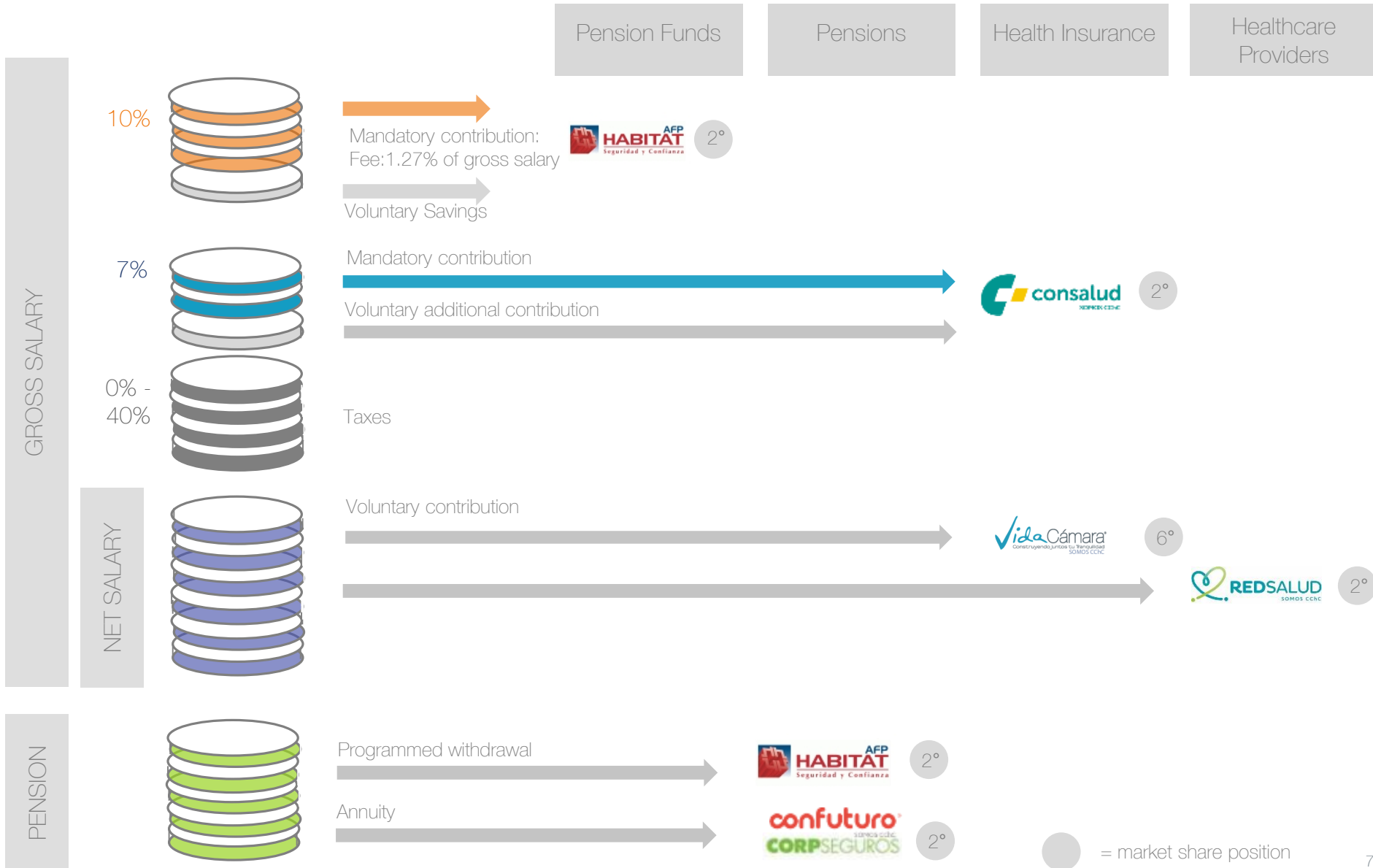




1. High quality group, focused on non-discretionary industries



ILC PARTICIPATES IN NON-DISCRETIONARY INDUSTRIES, MAINTAINING STRONG COMPETITIVE POSITIONS





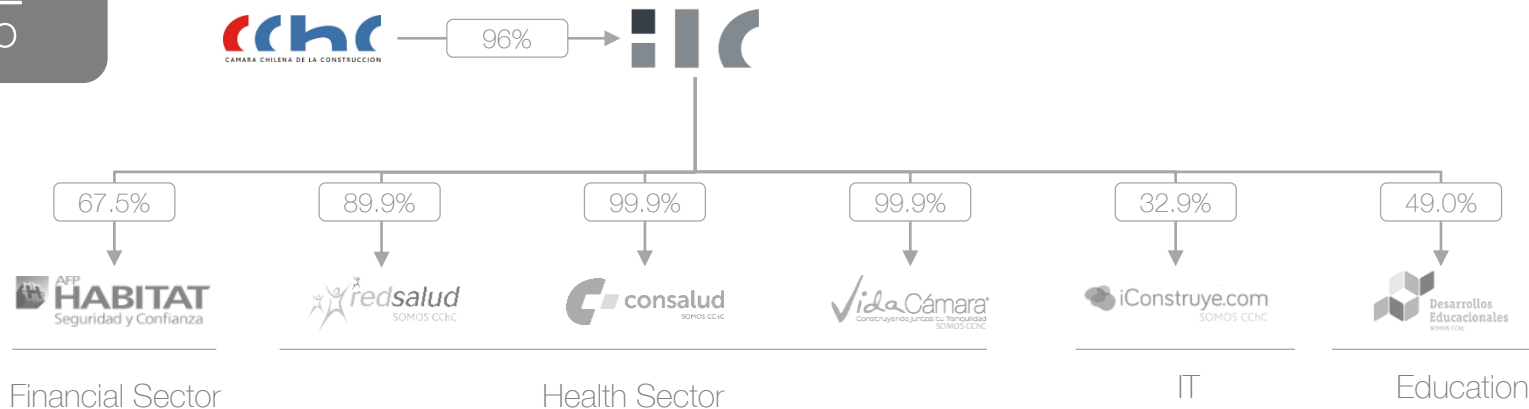
2. Strategical expertise in realizing value



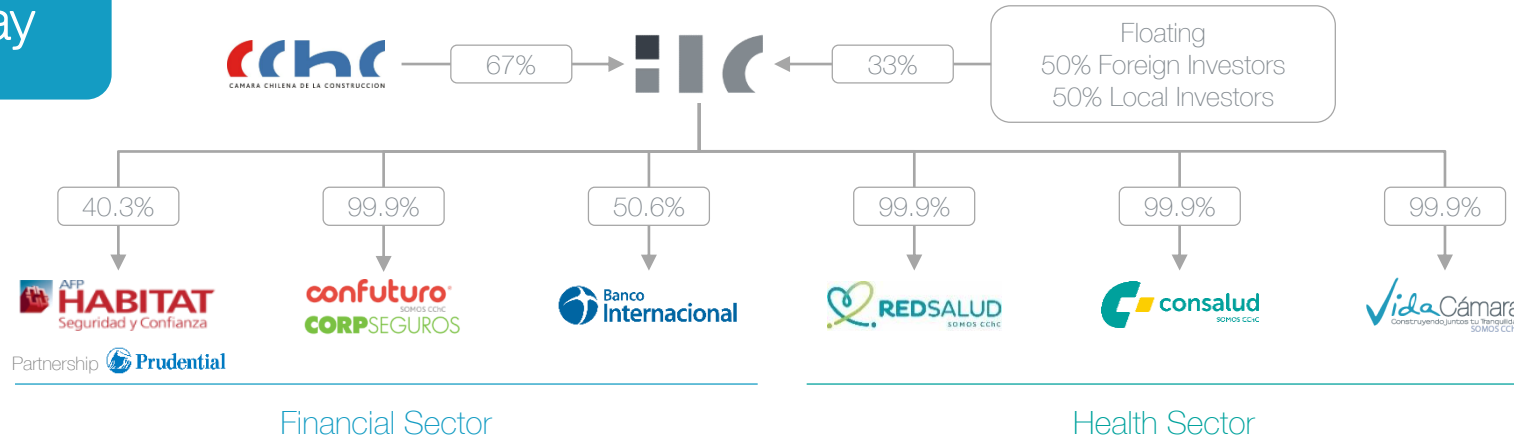
HOW WE HAVE CHANGED: FOCUS IN FINANCIAL AND HEALTH INDUSTRIES



2012
Pre-IPO



Today

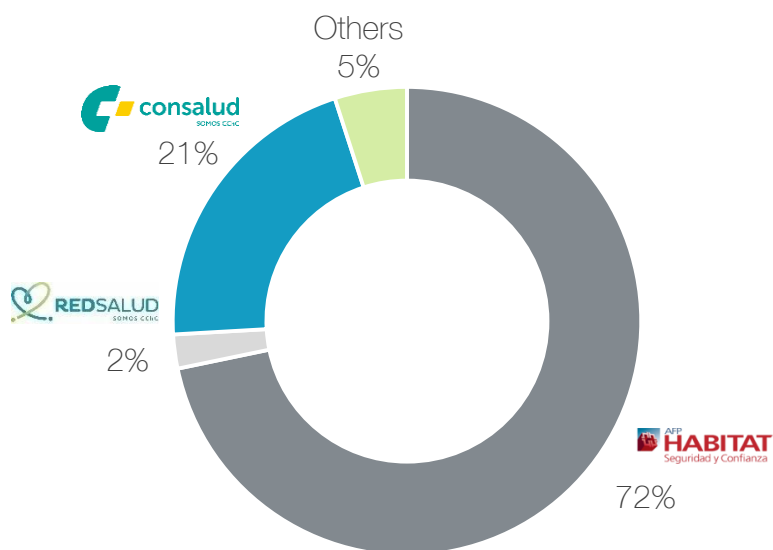


HOW WE HAVE CHANGED: ILC'S NET INCOME BREAKDOWN

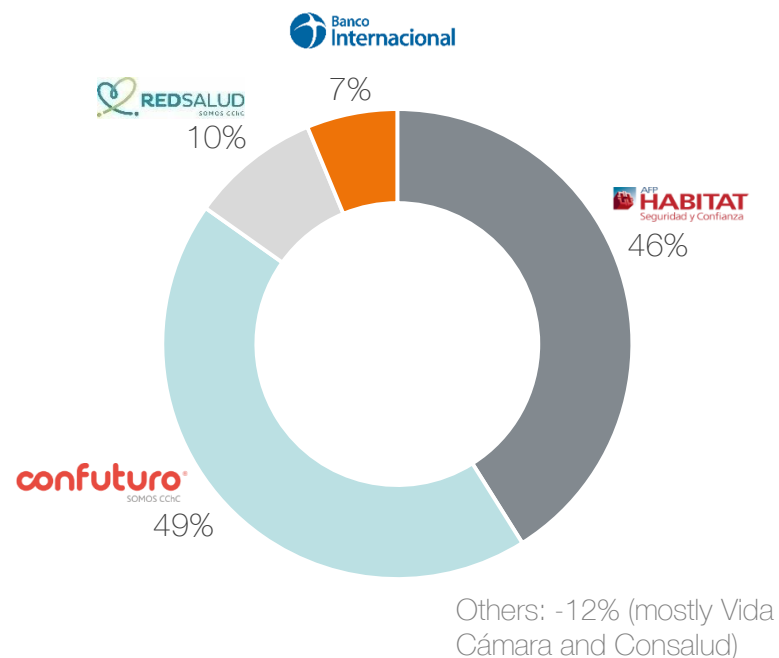


- ILC's ordinary net income

2010: Pre-IPO



6M16



AFP Habitat and Isapre Consalud reduced their contribution to ILC's result from approximately 90% in 2010 to 40% in the first half of 2016

SINCE THE IPO IN 2012, ILC HAS ACCOMPLISHED THE FOLLOWING ACHIEVEMENTS:

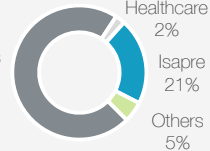


1. Diversify its sources of net income, always focused in the financial and health industries

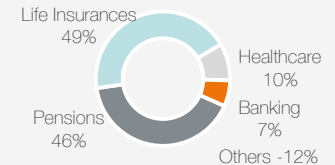


2010

Pensions
72%



6M16



2. Execute an important investment plan, without raising capital



CAPEX: ~ US\$450 mm. / ~ 30% ILC's market cap
Mainly in Confuturo, Banco Internacional and Red Salud

3. Maintain its risk rating (AA+) under a responsible capital management



Net Financial Debt / Equity (times)



4. Return value to shareholders



~6% / ~ 30% ILC's IPO stock price

Annual dividend yield / Accumulated dividend yield since the IPO

5. Start Successful Turnarounds, execute greenfields and partnerships



	Turnaround
	Operational Turnaround
	Peru Greenfield Operation

	Financial Turnaround
	Association on AFP Habitat
	Peru Greenfield Operation

THESE MILESTONES HAVE RESULTED IN CONSISTENT RETURNS



ILC's recurring and extraordinary net income has resulted in a dividend yield of ~6% annually, while investing ~30% of its market capitalization

Recurring Net Income Growth
(2007-2016)

+7%
Real
Annual

1

Extraordinary Net Income
(2007-2016)

+19%
Real
Annual

2

Dividend Yield
(2012-2016)

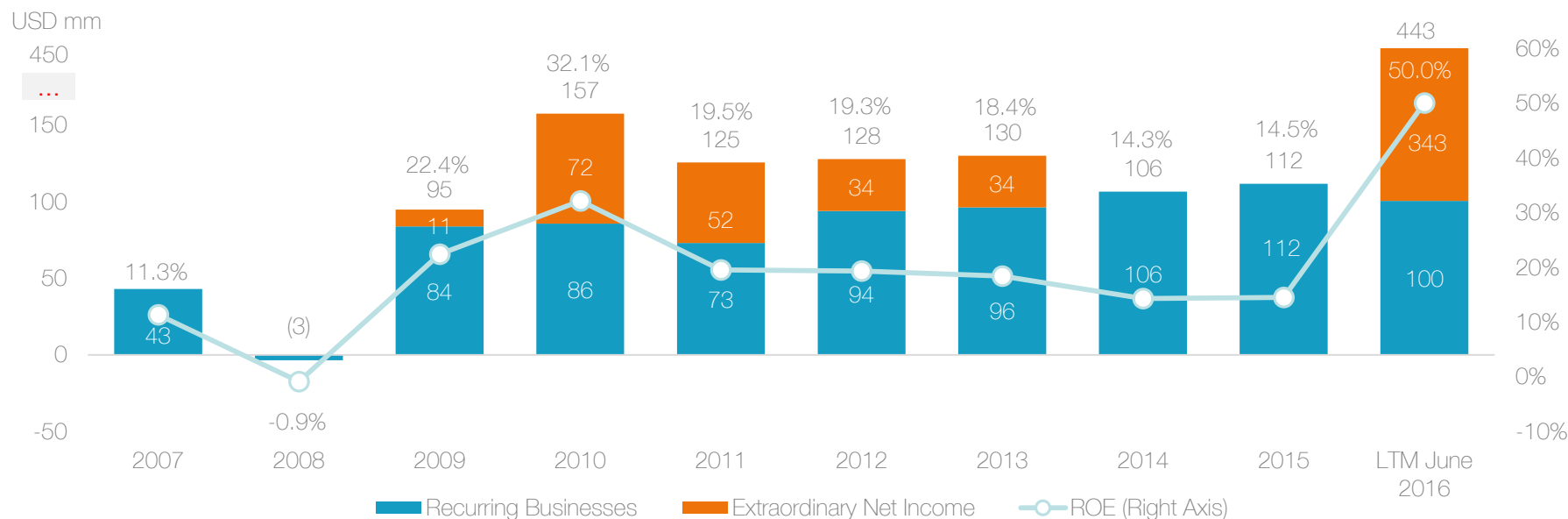
+6%
Real
Annual

3

Capex
(2012-2016E)

450
USD mill.

4



Source: ILC
Fx: 650 CLP / USD



3. Generating shareholder value through disciplined capital management and strict corporate governance practices

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



Consolidated debt
US\$ 1.044 billion

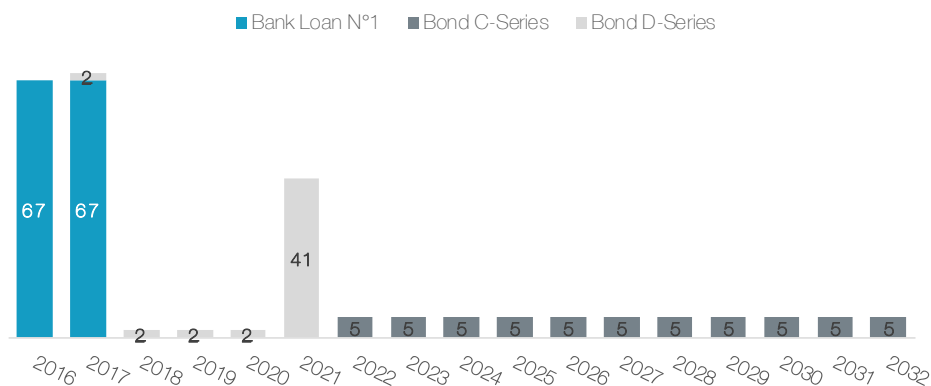
ILC's debt
US\$235 million

Consolidated net debt
US\$485 million

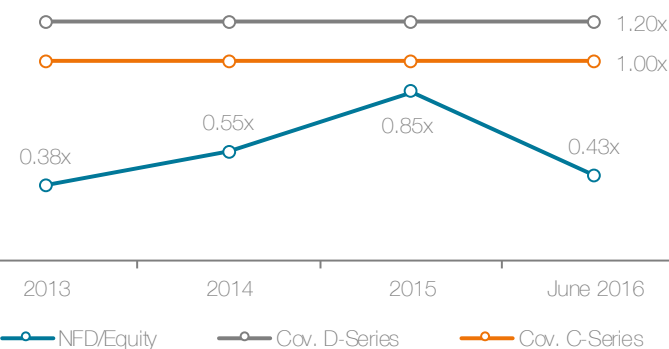
ILC's cash
US\$102 million

Rating
AA+

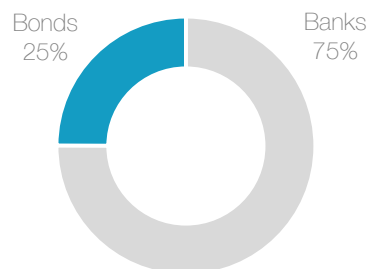
Amortization schedule (US\$ million)



Net financial debt / Total equity



ILC's debt breakdown by type (June 2016)



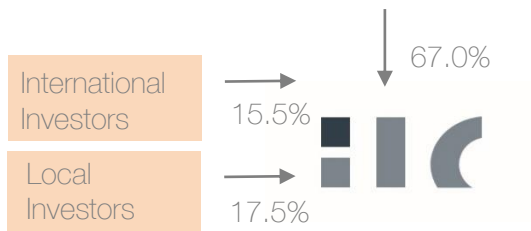
Dividend policy by subsidiary (for 6M16)

	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%
Total	98		

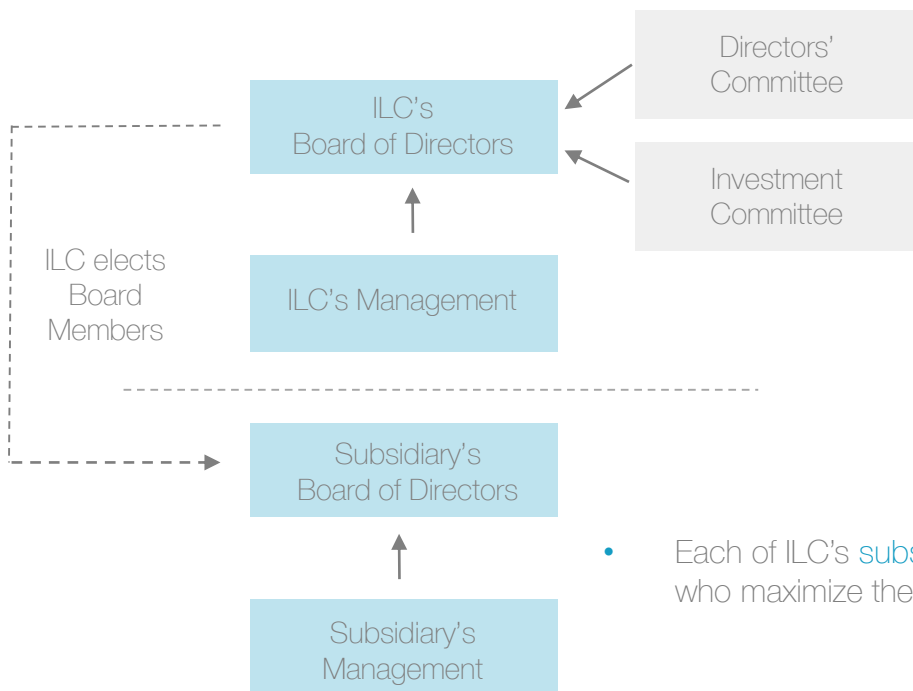
BEING A HIGH QUALITY GROUP THAT ADDS VALUE REQUIRES STRICT CORPORATE GOVERNANCE STANDARDS



- 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



- 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

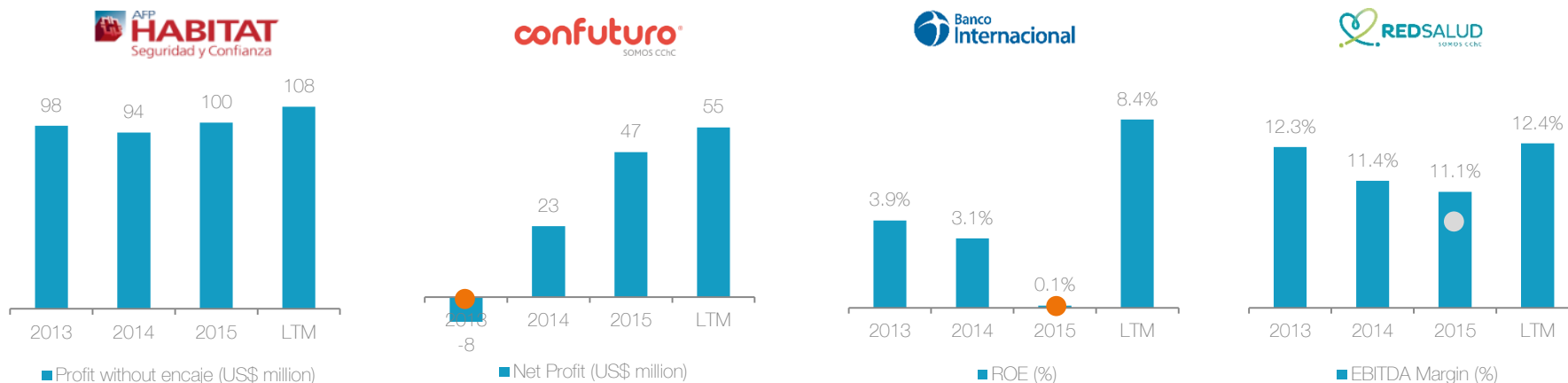


- ILC seeks to maintain a **management team** with **proven experience** in every industry where participates

Experienced 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



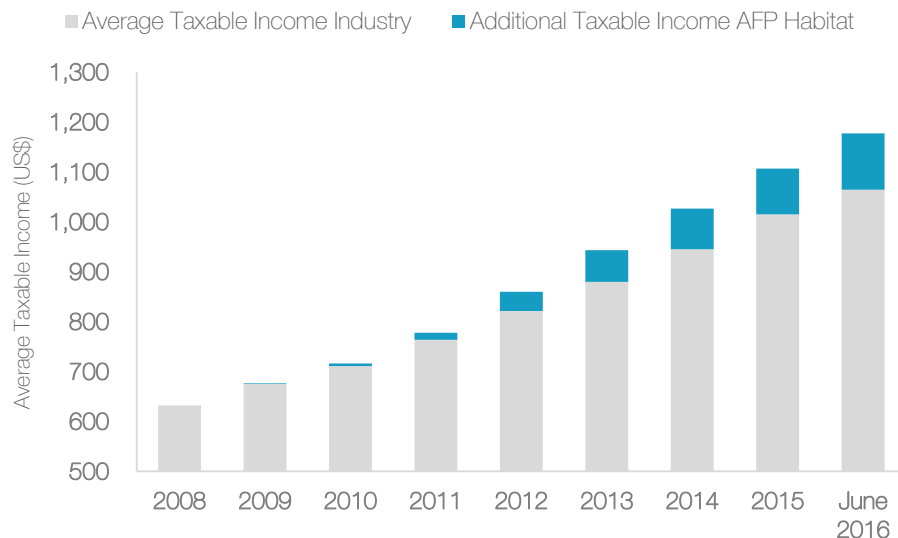
4. Core business in financial services offers steady cash flow & operational know-how

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

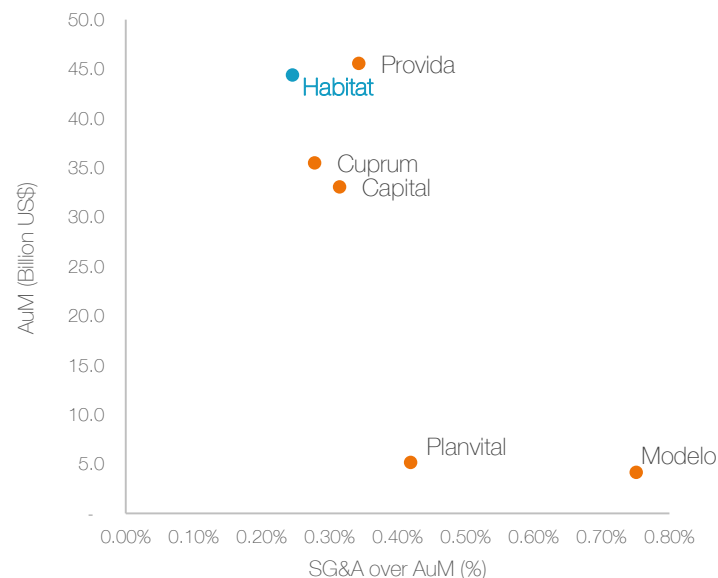


- Since March 2016 ILC is associated with **Prudential Financial Inc.** in AFP Habitat, maintaining 40.3% of the property each
- AFP Habitat is **consolidating** its **position** in the **high income** segment in **Chile**, through an **efficient** operating model
- The Company is **expanding** its **greenfield** 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

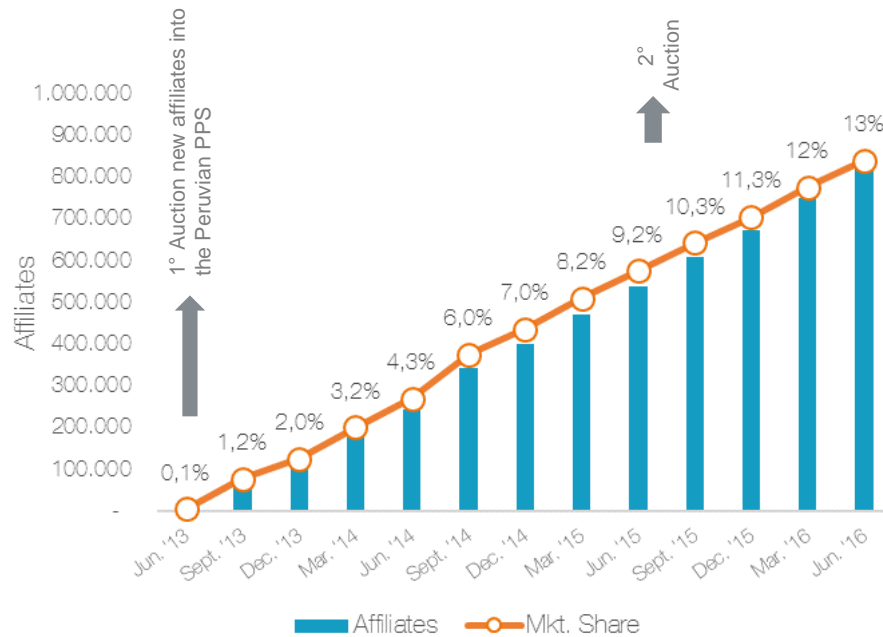


#1 in annual returns for all funds as of June 2016

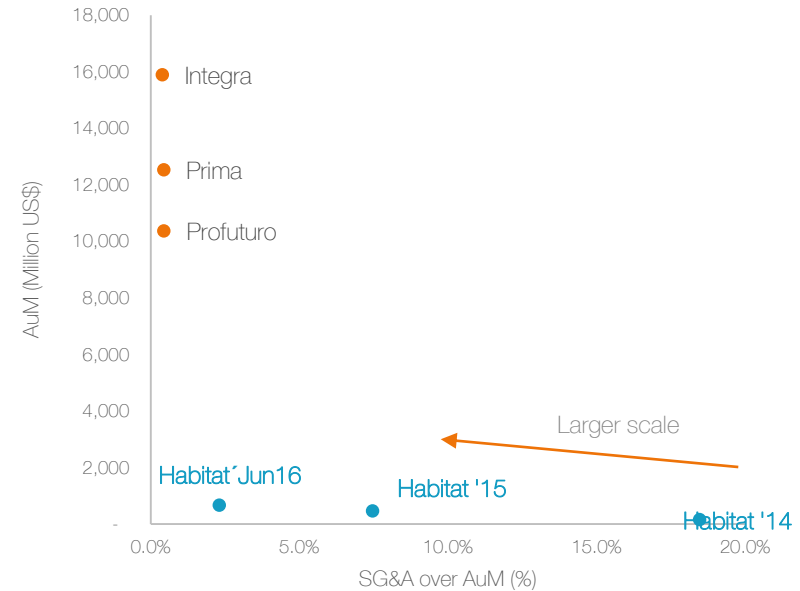
AFP HABITAT: ESTABLISHED COMPANY WITH A SOLID MARKET POSITION AND PERFORMANCE, EXPANDING INTO PERU



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

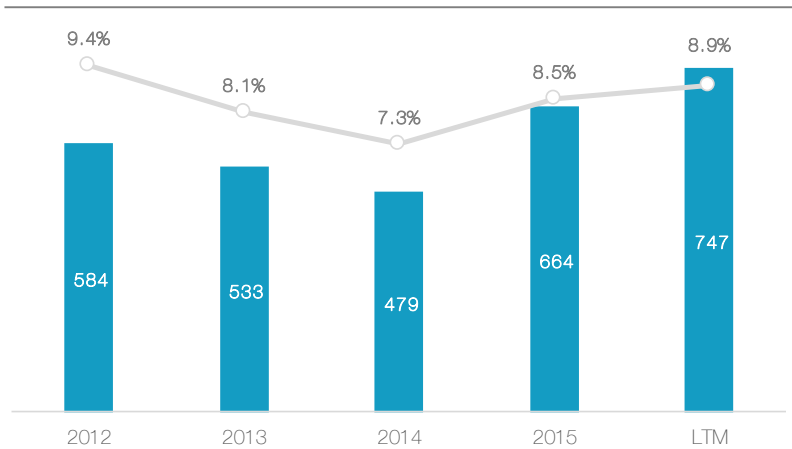
Peruvian pension funds industry presents an **attractive perspective** due to its **large population** of 31 million (vs. 17 million in Chile), and the **low labor formality rate** which is close to 30% (vs. 85% in Chile)

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

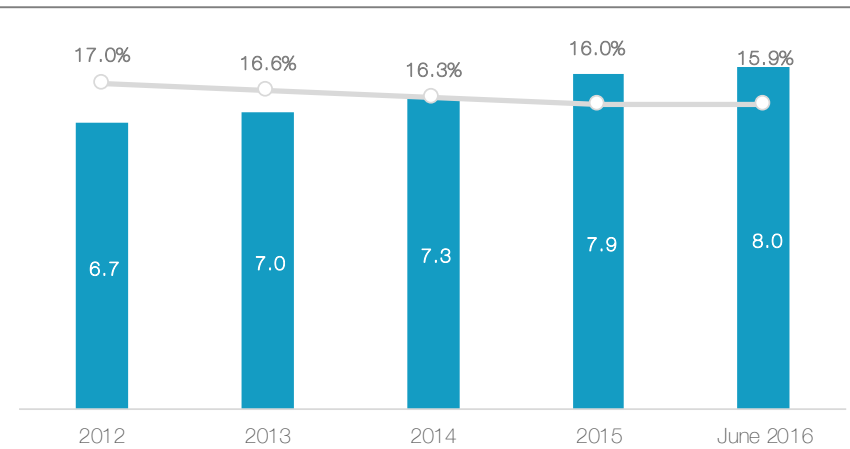


- ILC entered the life insurance industry in 2013, through the acquisition of 67% of Inversiones Confuturo (former Corp Group Vida Chile)
- ILC reached 100% stake in Inversiones Confuturo after three capital increases and the acquisition a remaining participation in June 2016
- The rationale behind this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

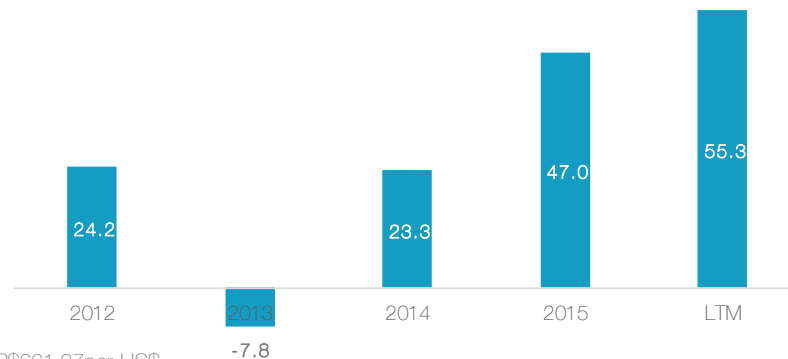
Inv. Confuturo Direct Premiums (M US\$) & Market Share



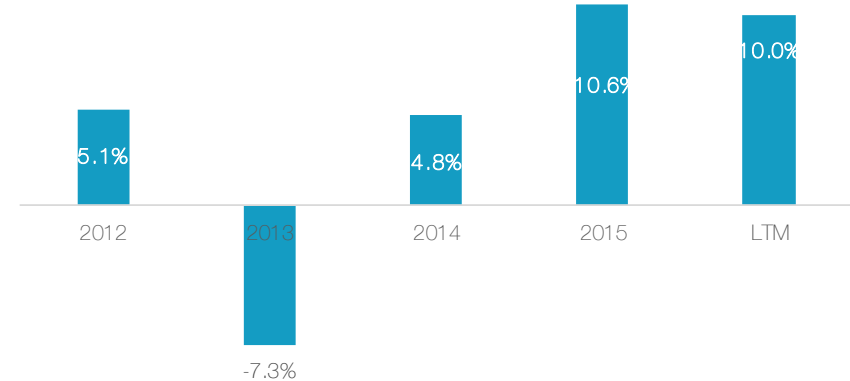
Inv. Confuturo AuM (B US\$) & Market Share



Net Result Confuturo + Corpseguros (M US\$)



ROE Inversiones Confuturo (Net Result / Ave. Equity)

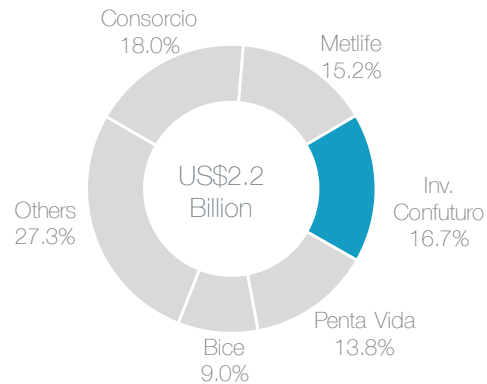


INVERSIONES CONFUTURO: CONSOLIDATING ITS FOOTPRINT AS AN ANNUITY MARKET LEADER IN CHILE

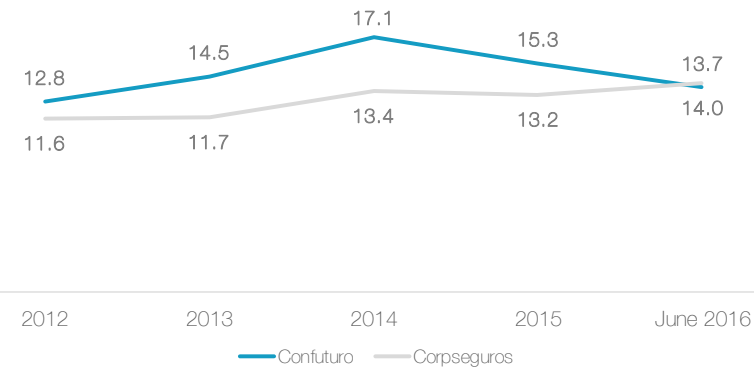


- The Company aims to **strengthen its operational and financial performance** in the annuity market, being a good alternative to the programmed withdrawal retirement

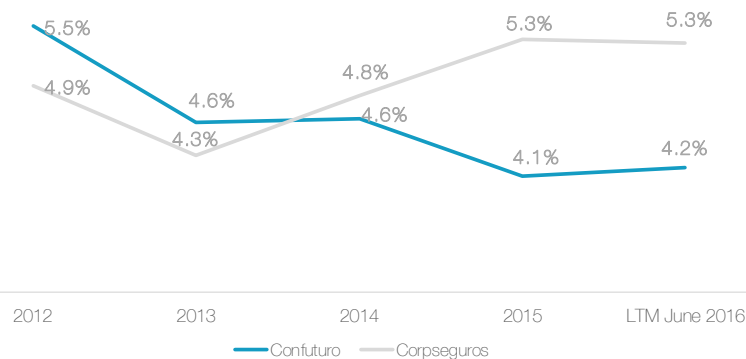
Annuity Market Share (June 2016, Direct premiums)



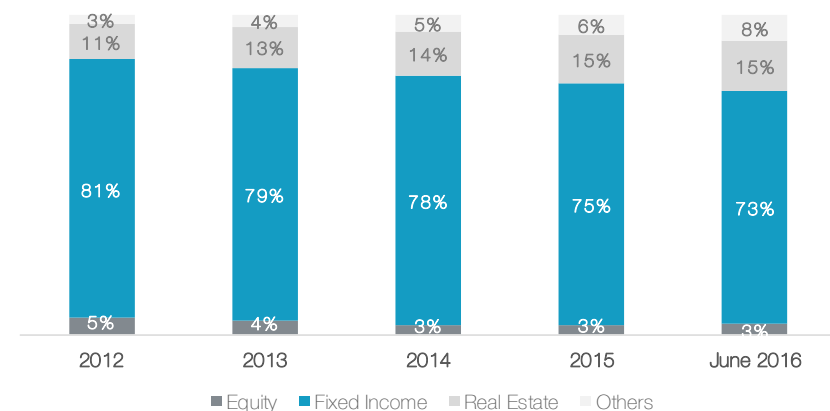
Leverage Evolution



Result on Investments / Investment Portfolio



Investment portfolio breakdown by Instrument



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

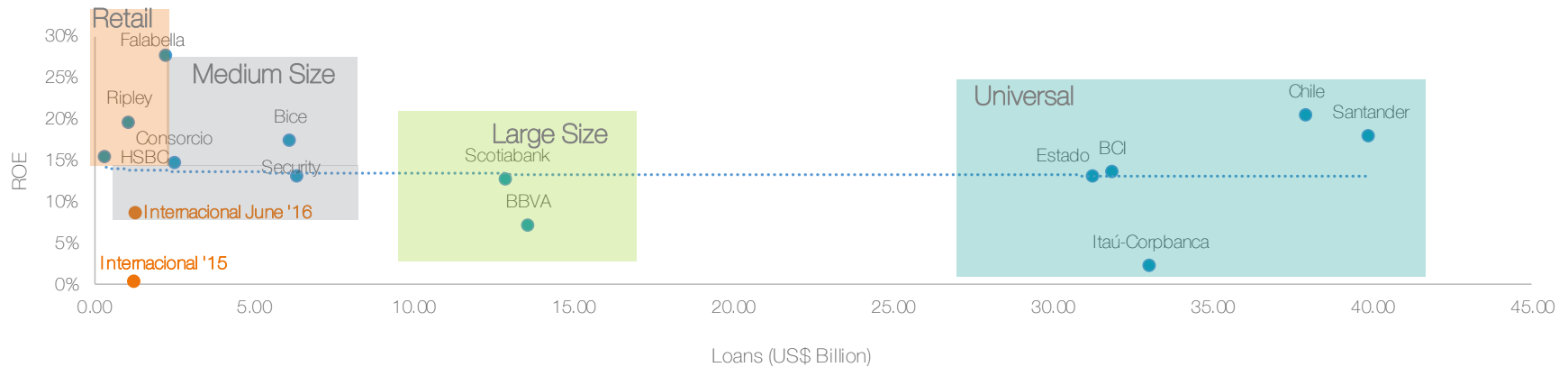
Inv. Confuturo's Annuity Premiums 6M16 (% Total):
~85% of total Premiums

BANCO INTERNACIONAL: FOCUSED ON GENERATING MARKET RETURNS

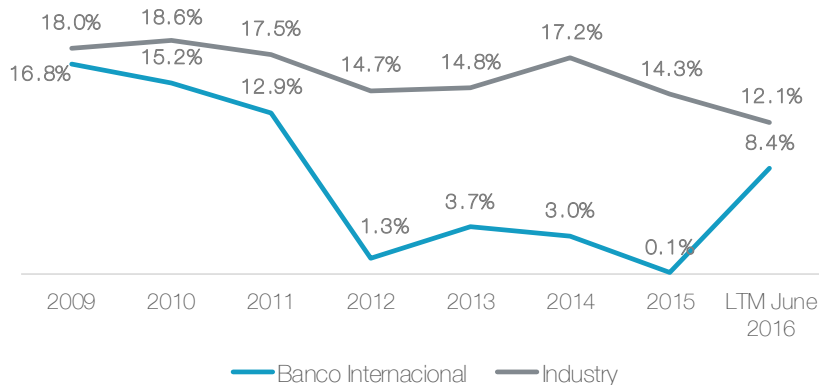


- ILC controls Banco Internacional, Factoring Baninter and Baninter Corredora de Seguros since **October 2015**
- Banco Internacional has a global **market share** of **0.6%** and **1.0%** in terms of total and commercial loans respectively
- The Company **aims** to **strengthen** its **operational**, **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**

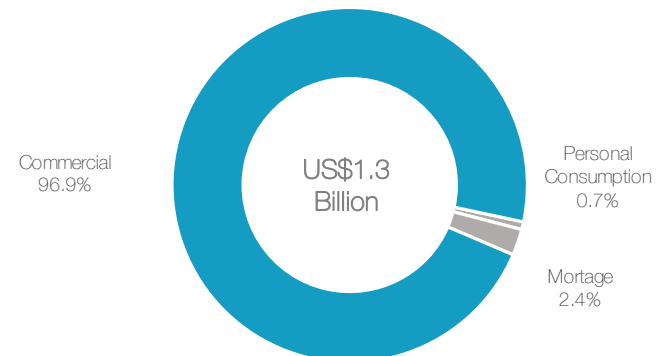
Chilean Bank Industry: ROE & Loans



ROE Evolution



Banco Internacional Loans Breakdown (June 2016)





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

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

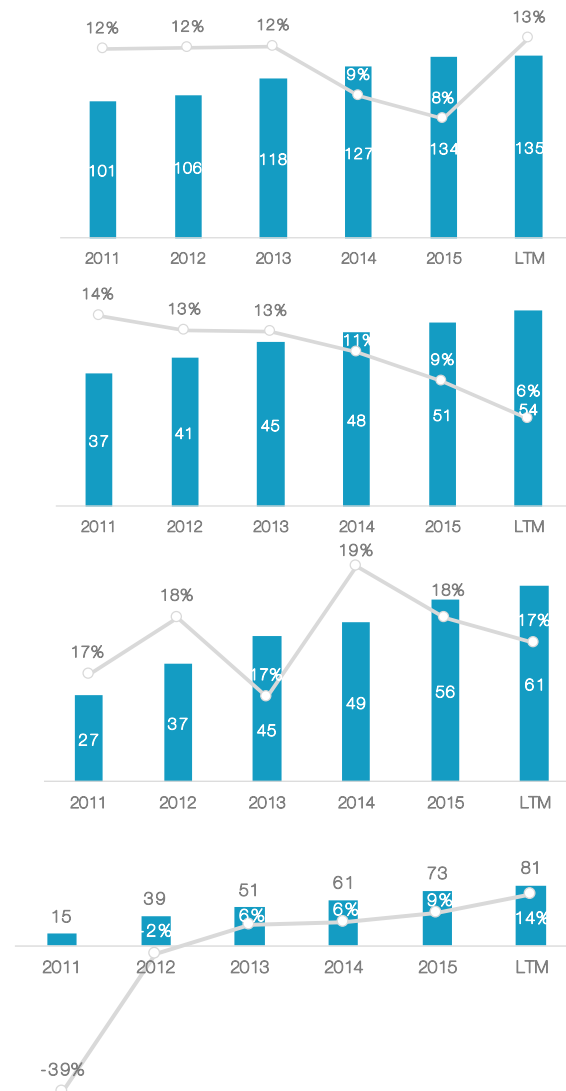
Inpatient & Outpatient services / Santiago

83.8%

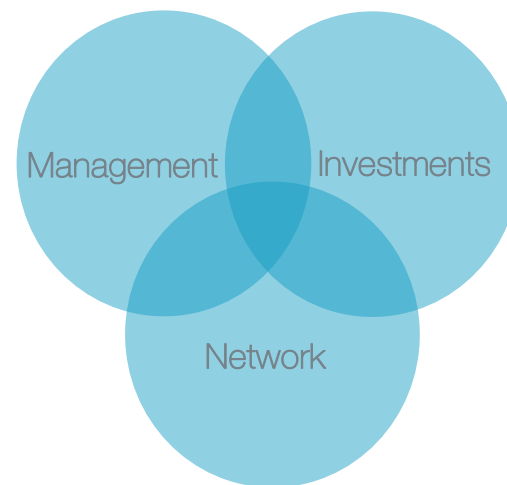
BICENTENARIO

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:



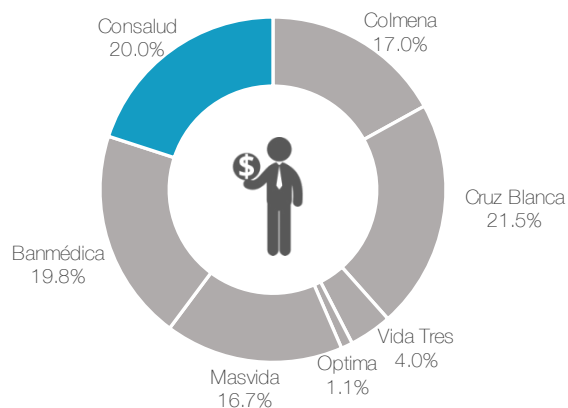
ILC PROVIDES MANDATORY AND SUPPLEMENTAL HEALTH INSURANCES THROUGH CONSALUD AND VIDA CAMARA



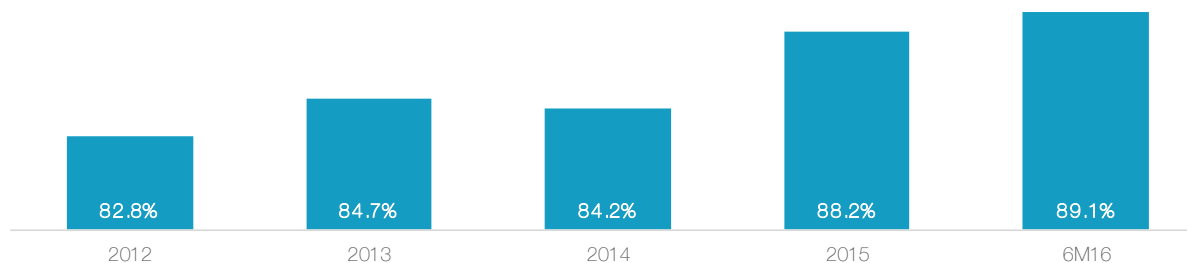
- Consalud has been impacted by a pronounced deterioration in margins due to a higher frequency and cost per beneficiary

Market Share (Contributors)

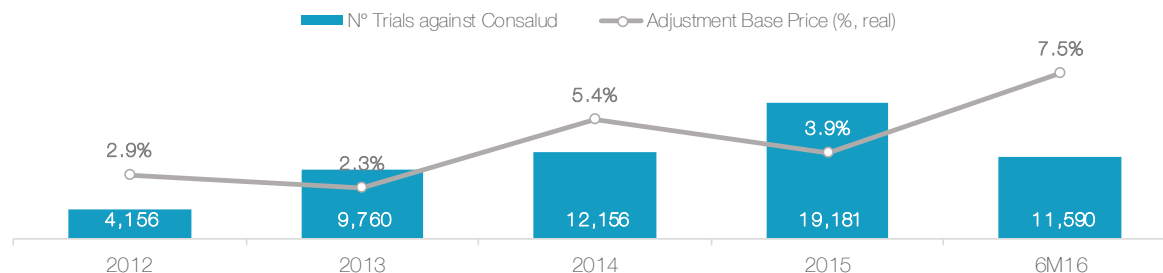
Total: 1.9 M



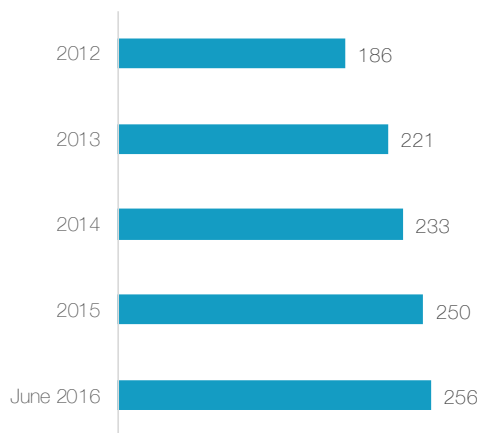
Direct costs / Revenues



Trials due to adjustments in contract's base price



Vida Camara Beneficiaries Evolution (Th.)



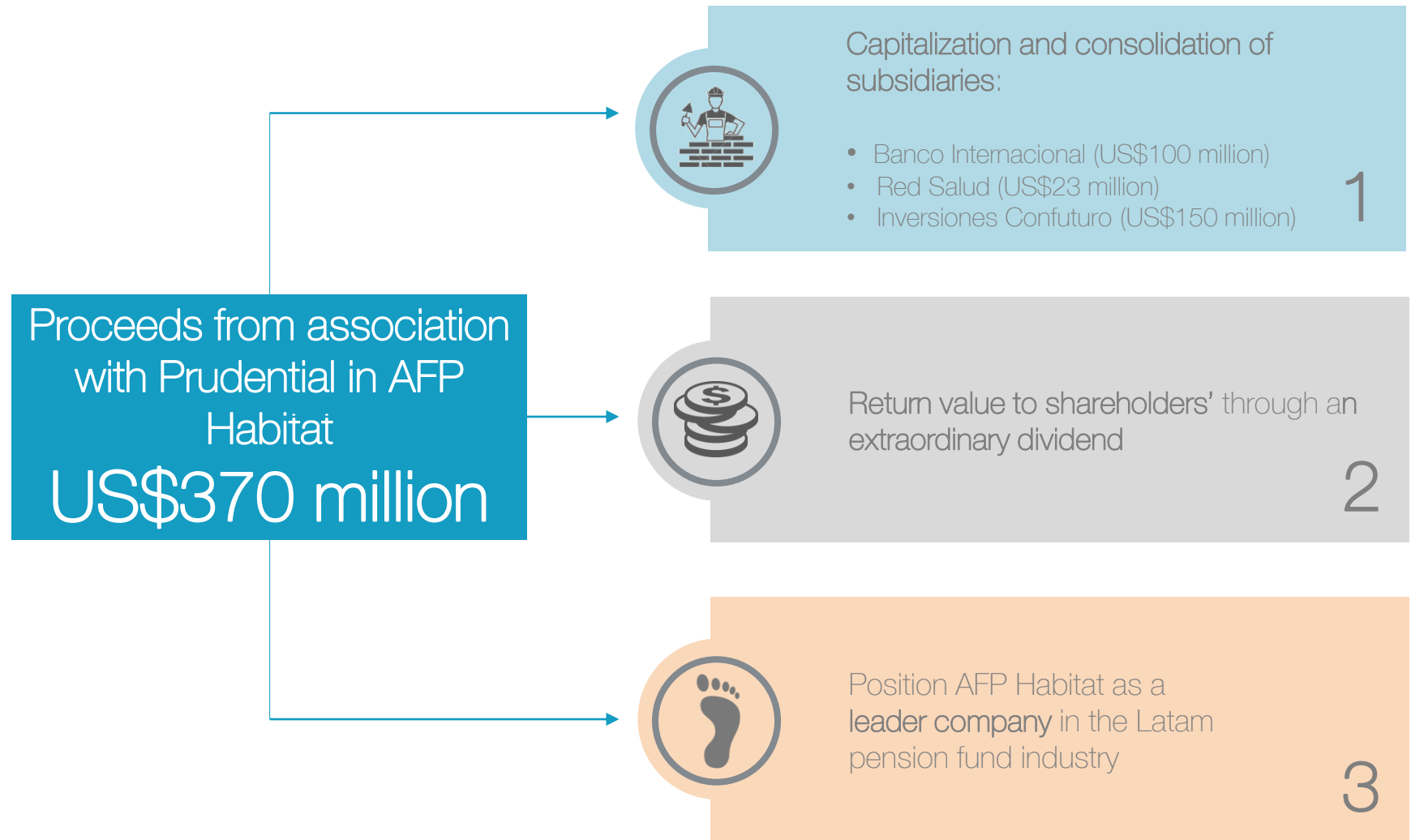
Consalud has developed complementary products to attract new contributors





6. Multiple avenues for consolidation & growth

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



AGENDA

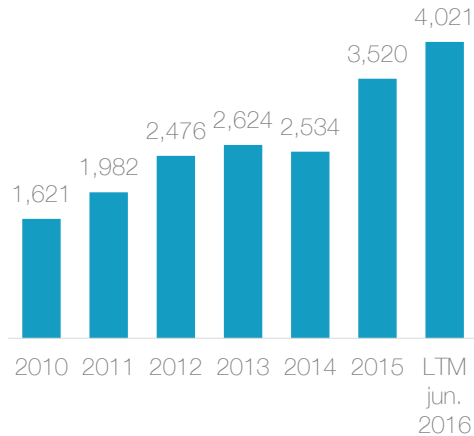
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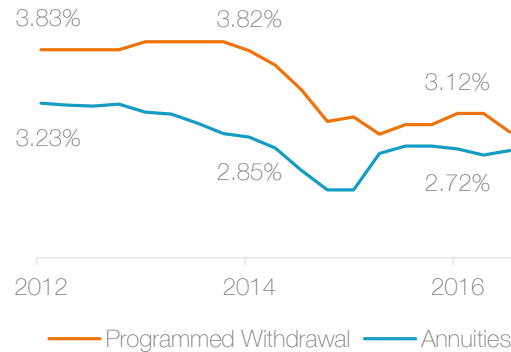
ILC: a forward looking into 2018

CHILEAN ANNUITIES INDUSTRY: STRONG DEMOGRAPHIC AND ECONOMIC FACTORS

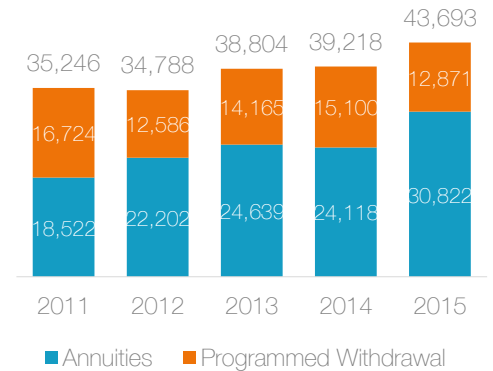
Evolution GWP (USD mm)



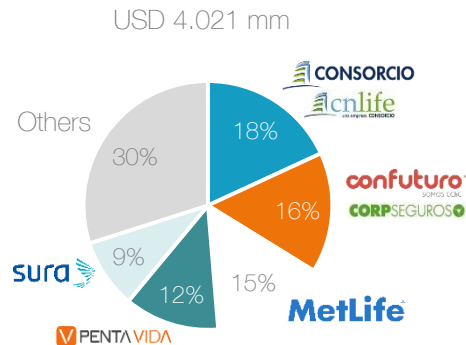
Annuities vs. P. Withdrawals Sales Rate



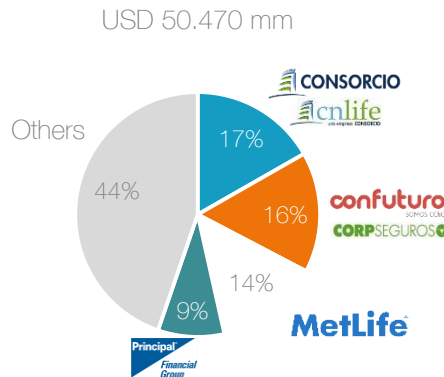
New Pensioners by SCOMP⁽¹⁾



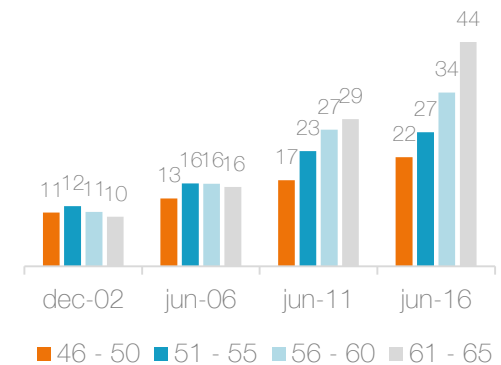
Market Share by GWP (LTM June 16)



Market Share by AUM (June 16)



Individual Account by Age Group (USD Th.)

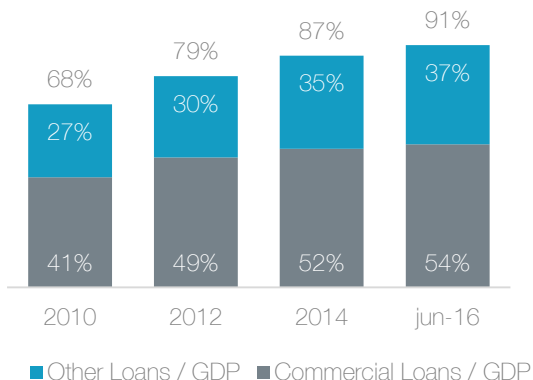


Source: AACH, SVS and ILC

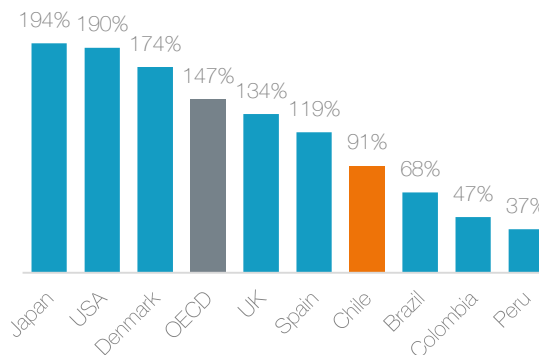
(1) SCOMP: Electronic Consultation and Offer System for Annuities and Phased Withdrawals
Fx: 650 CLP / USD

CHILEAN BANKING INDUSTRY: GROWTH & PROFITABILITY

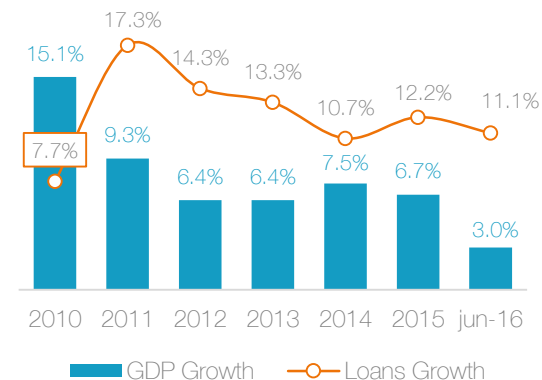
Gross Loans / GDP Evolution (%)



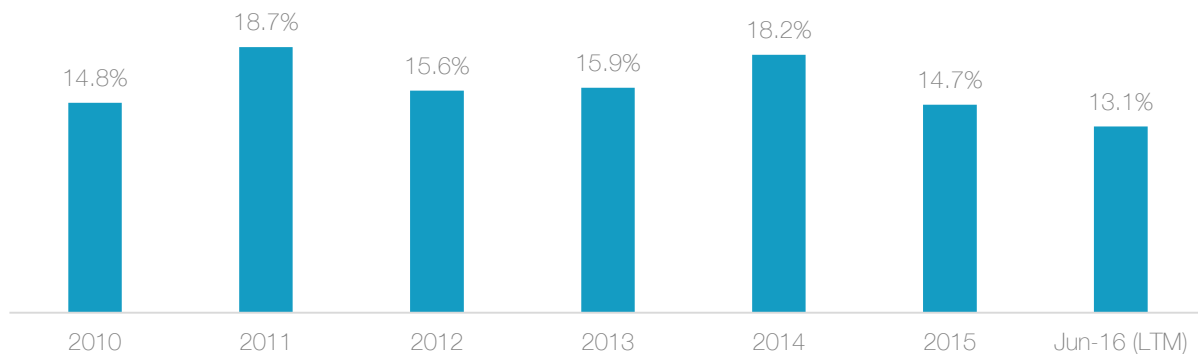
Domestic Credit to Private Sector (% GDP)



Chilean GDP vs Loans Growth



Chilean Banking Industry ROE



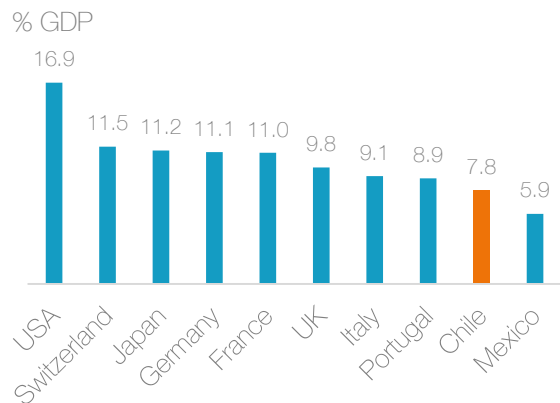
IGPA Companies

Industry	ROE
Banks	17.1%
Commodities	4.8%
Construction & REIT	12.7%
Industrial	-2.6%
Retail	9.5%
Utilities	12.6%

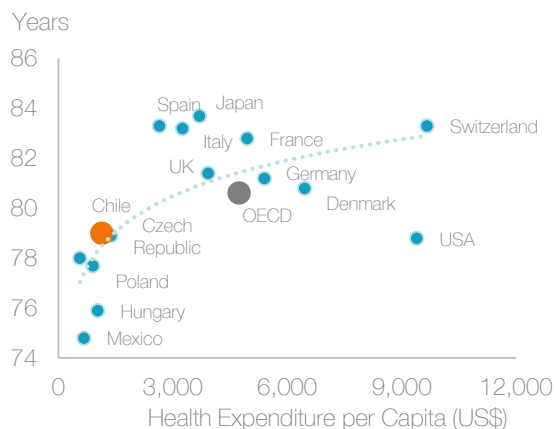
Source: Bloomberg
Fx: 650 CLP / USD

CHILEAN HEALTHCARE INDUSTRY: UNDER-PENETRATED MARKET WITH DEVELOPING UPSIDE

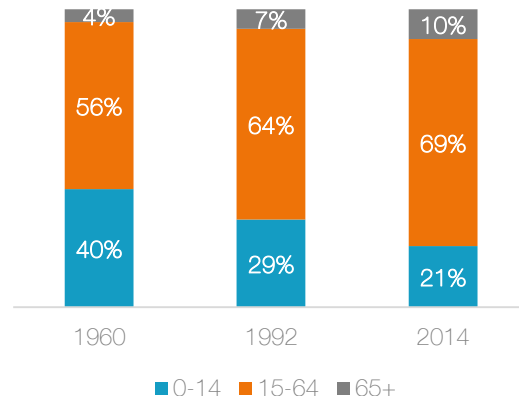
Healthcare Expenditure (as % of GDP)



Per Capita Healthcare Expenditure (PPP USD)



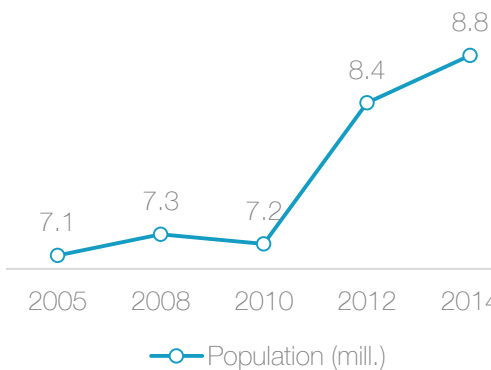
Historical Demographic Evolution



Beds

Company	Beds
EMPRESAS BANMEDICA	1,133
REDSALUD <small>SODIMAT CHILE</small>	977
Alemana	644
Red de Salud UC • CHRISTUS	612
INDISA <small>CLINICA DE FAMILIA</small>	350
CLC <small>CLINICA LAS COMINAS</small>	296

Private Healthcare Demand⁽²⁾



Industry Players EBITDA Margins

Company	EBITDA Mg. 2015
EMPRESAS BANMEDICA ⁽¹⁾	15.5%
REDSALUD <small>SODIMAT CHILE</small>	8.2%
Alemana	N/A
Red de Salud UC • CHRISTUS	N/A
INDISA <small>CLINICA DE FAMILIA</small>	18.5%
CLC <small>CLINICA LAS COMINAS</small>	16.0%

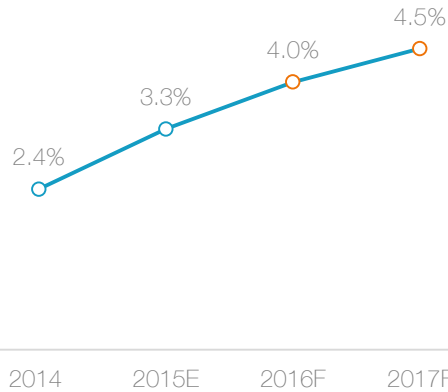
Source: OECD Health Statistics 2015, World Bank, INE, Asociación de Clínicas de Chile, ILC, FONASA, Isapres

(1) Considers Davila and Santa Maria clinics

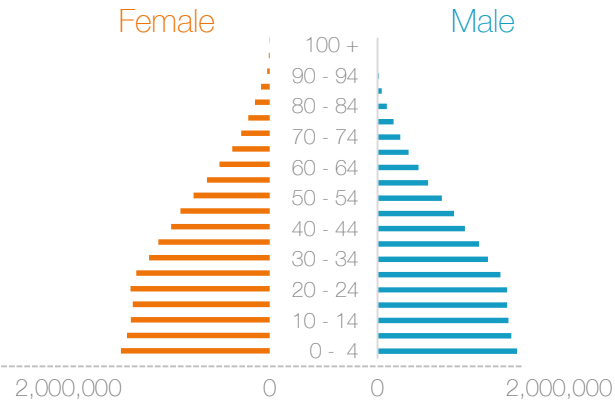
(2) Includes beneficiaries from groups C and D (FONASA) and Isapres

PERU: PROMISING MACROECONOMIC AND DEMOGRAPHIC OUTLOOK IN A HIGHLY CONCENTRATED INDUSTRY

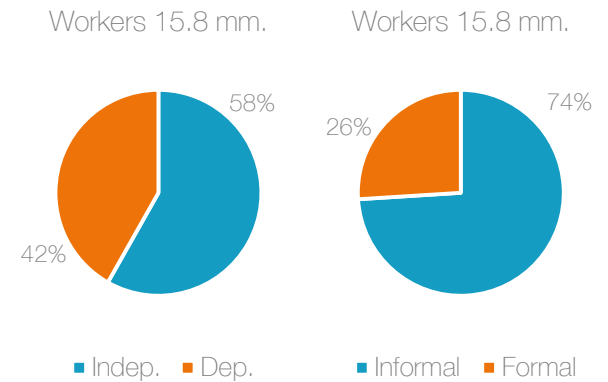
GDP Growth



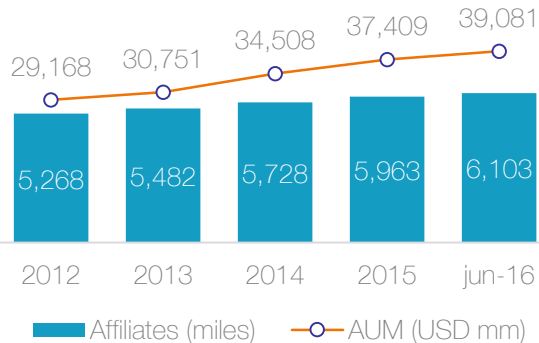
Demographic Dividend



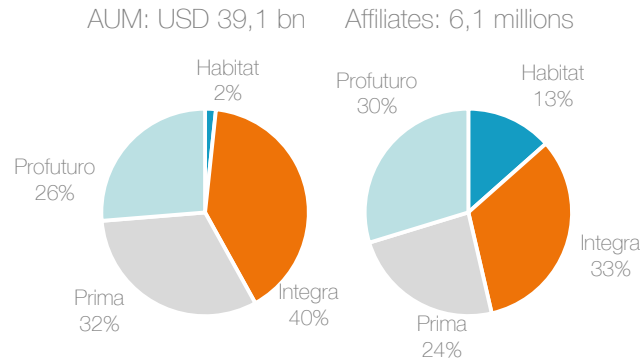
Dependent, Independent and Informal Workers



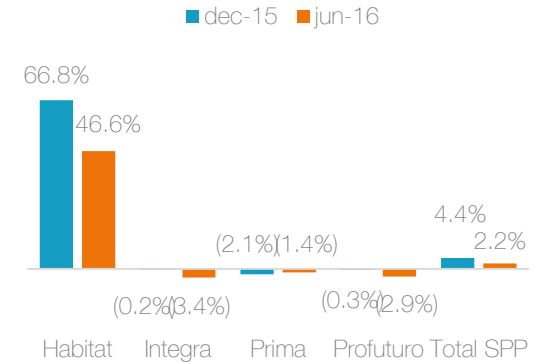
Private Pension System (PPS) Affiliates & AUM



Market Share: AUM & Affiliates



PPS Players Contributors Growth



SUMMARIZED FINANCIAL STATEMENTS AND SUBSIDIARIES FIGURES

Balance Sheet

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

Income Statement

Th. US\$	June 2016	June 2015	Variation
NON-INSURANCE ACTIVITY			
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%
Non-Insurance activity profit	357.244	59.967	496%
INSURANCE ACTIVITY			
Operating result	55.898	36.336	54%
Non operating result	(15.107)	1.690	-994%
Profit (loss) before tax	40.791	38.026	7%
Insurance activity profit	36.677	30.968	18%
BANKING ACTIVITY			
Operating result	6.147	-	-
Non operating result	21	-	-
Profit (loss) before tax	6.168	-	-
Banking activity profit	5.450	-	-
PROFIT (LOSS) FOR THE PERIOD	399.371	90.935	339%
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
% ownership ILC	40.3%	99.9%	99.9%	50.6%	99.9%	99.9%	99.9%

Market Capitalization (US\$ billion)

1.3

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Disclaimer:

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