



## AFP Habitat

### 6<sup>th</sup> Annual Andean Conference



March 2012

# AFP Industry Overview



- 1980: The Chilean legislation (Decreto Ley 3500) established a compulsory individual capitalization system with private managed pension fund administrators
- 1981: New pension system initiates operations with 12 AFPs
- 1985: AFPs authorized to invest in corporate stocks
- 2000: In accordance with regulatory modifications, the AFPs introduced a second pension fund
- 2002: Creation of multi-fund (5 funds) system; non-AFP companies permitted to offer voluntary pension savings product (APV)
- 2008: Pension Reform Law
- 2009: Joint bidding of life and disability insurance (SIS); AFPs serve only as pass-thru entities of insurance premiums
- 2010: A new AFP entrant begins operations, after winning bid for new affiliates (two year period); consequently, today there are 6 AFPs (each with 5 pension funds) in the industry

# Industry Composition: 1981 – 2011



**HABITAT** AFP®

1981  
(12)

1990  
(14)

1994  
(21)

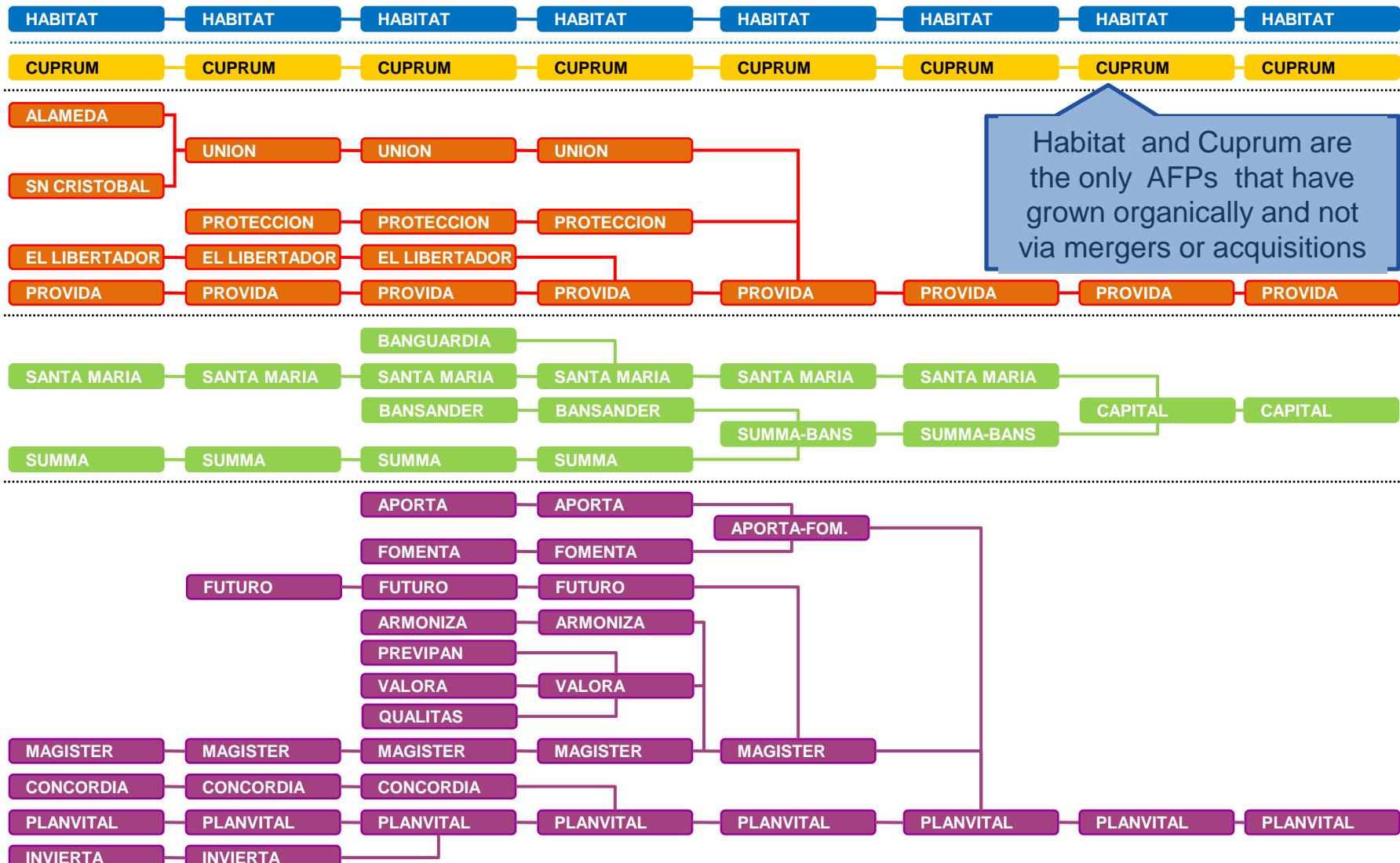
1995  
(15)

1998  
(8)

2004  
(6)

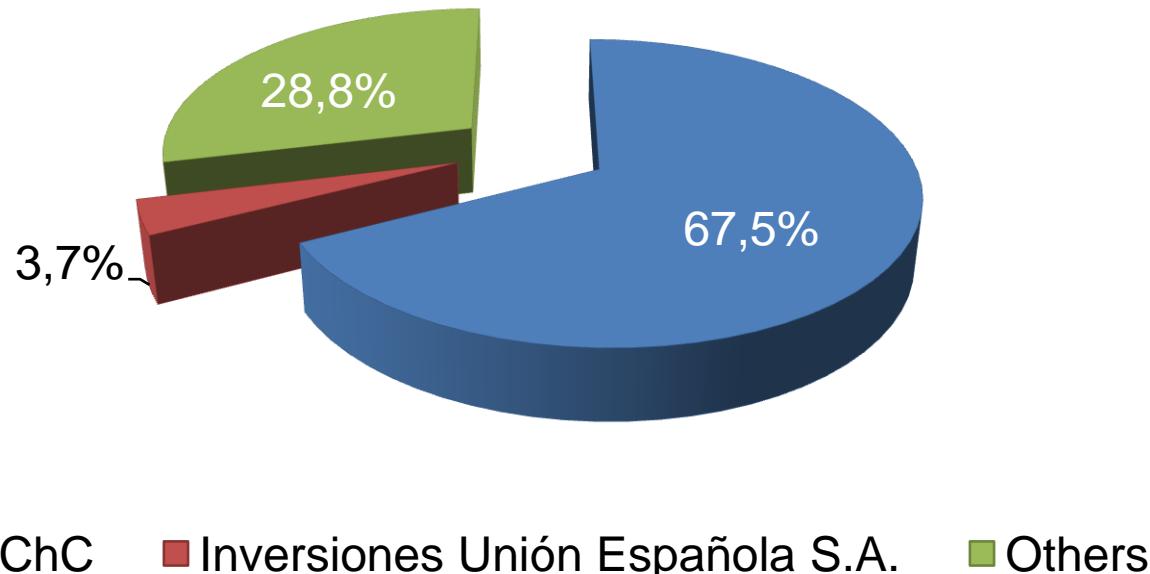
2008  
(5)

2011  
(6)

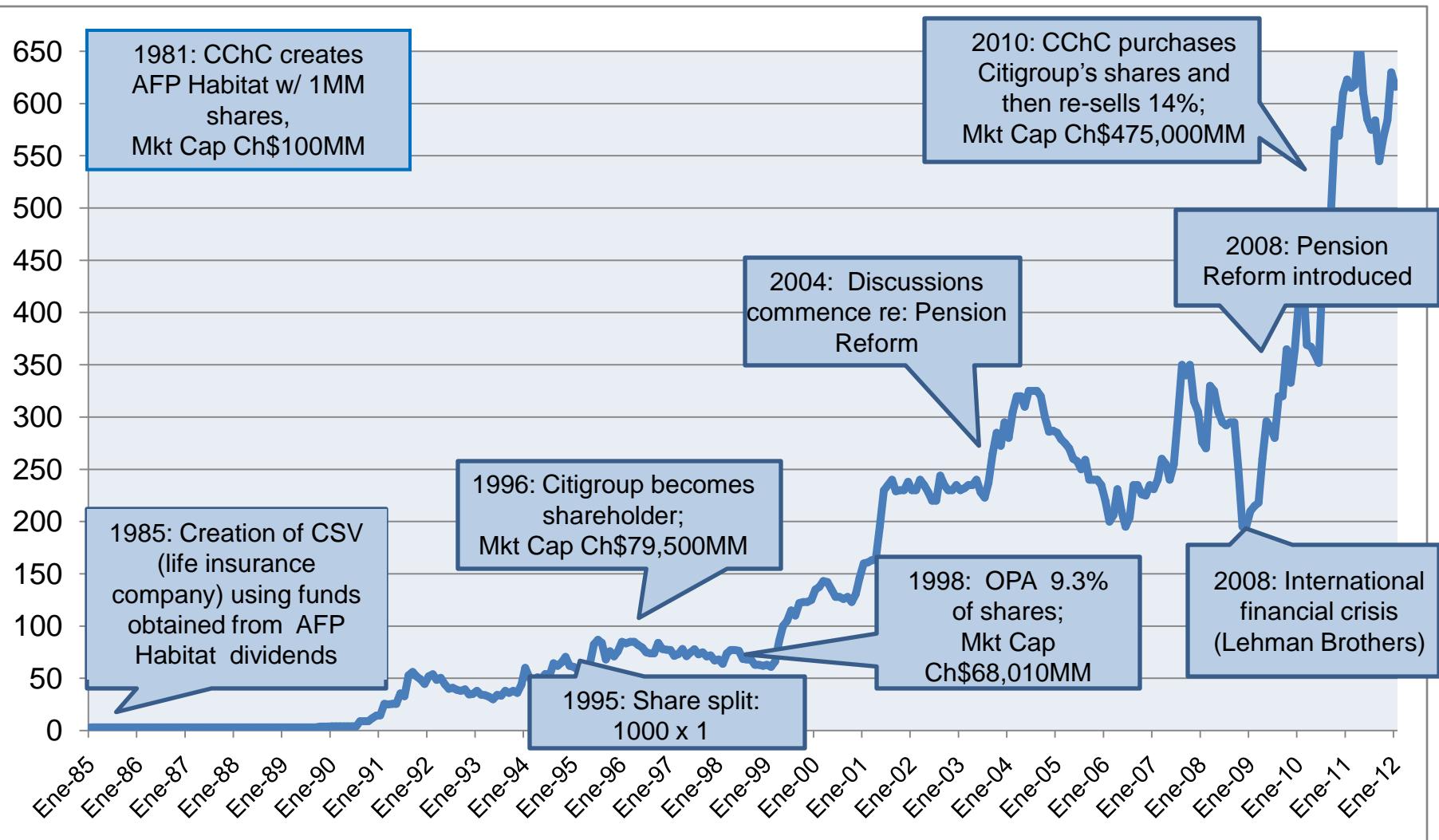


## AFP Habitat Overview

- AFP Habitat was founded in 1981, by the Chilean Chamber of Construction (Cámara Chilena de la Construcción o CChC)
- 2nd largest AFP, both in terms of affiliates and assets under management (AUM)
- AFP Habitat registered 337 shareholders at December 31, 2011



# Habitat: Price Share Evolution



# AFP Industry Product Offerings

## Individual Compulsory Contribution Capitalization Accounts (CCICO)

- Compulsory savings = 10% gross salary base\*
- Fee: 1.14 – 2.36 % of salary base (Hab=1.36%)

## APV (Voluntary Contributions)

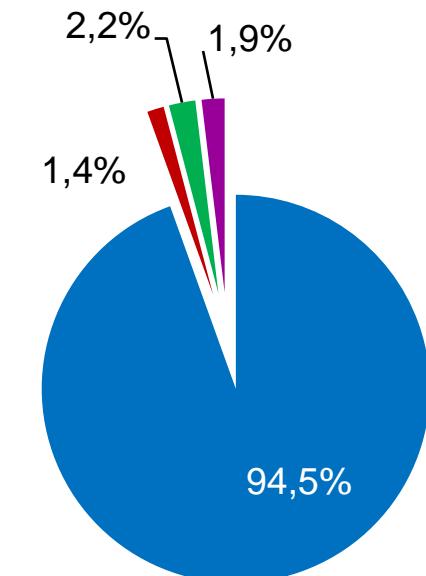
- Voluntary pension contributions
- Tax benefits on amounts <= 600UF / 900UF year\*\*
- Annual Fee: 0.50 - 0.70 % AUM (Hab=0.55%)

## CAV (Voluntary Contribution Account)

- Voluntary savings contributions
- Eligible for tax benefits
- Annual Fee: 0.60 – 0.95 % AUM (Hab=0.95%)

## Programmed Withdrawals (RP)

- Pension payment alternative whereby affiliate maintains pension account with the AFP
- Fee: 1.20 – 1.25 % of monthly pension amount (Hab=1.25%)



Industry Revenues from Fees

■ CCICO ■ CAV ■ APV ■ RP

\* Gross salary base: gross salary (max UF66 or US\$ 2,822 ; 2012: UF 67.4) subject to compulsory deductions

\*\* UF600 = US\$ 26,000; UF 900 = US\$ 38,000

\*\*\* Total industry revenues from fees Jan-Dec 2011=MMUSD 862

F/X: US\$1 = Ch\$521; UF1 = Ch\$ 22,294

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# AFP HABITAT

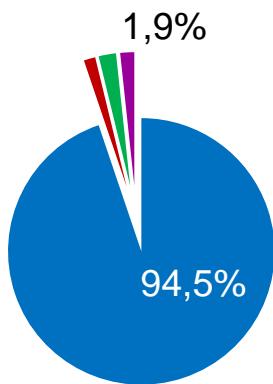
## EVOLUTION & POSITIONING



## AFP Products (Dec 2011)



**HABITAT**  
Seguridad y Confianza



Compulsory (CCICO)	System	Habitat	MS Habitat	Ranking Habitat
% Revenues from Fees *	94.5%	93.7%	24.1%	2
Affiliates	9.0 MM	2.2 MM	24.2%	2
Contributors	5.0 MM	1.2 MM	24.9%	2
Avg. Monthly Salary (US\$)	974	1,005	--	2
AUM (BUS\$)	135	34	25.4%	2

Programmed Withdrawals (RP)	System	Habitat	MS Habitat
% Revenues from Fees *	1.9%	1.9%	23.2%
Nº Pensions Paid	541,748	95,475	17.6%

• Financial statements 2011

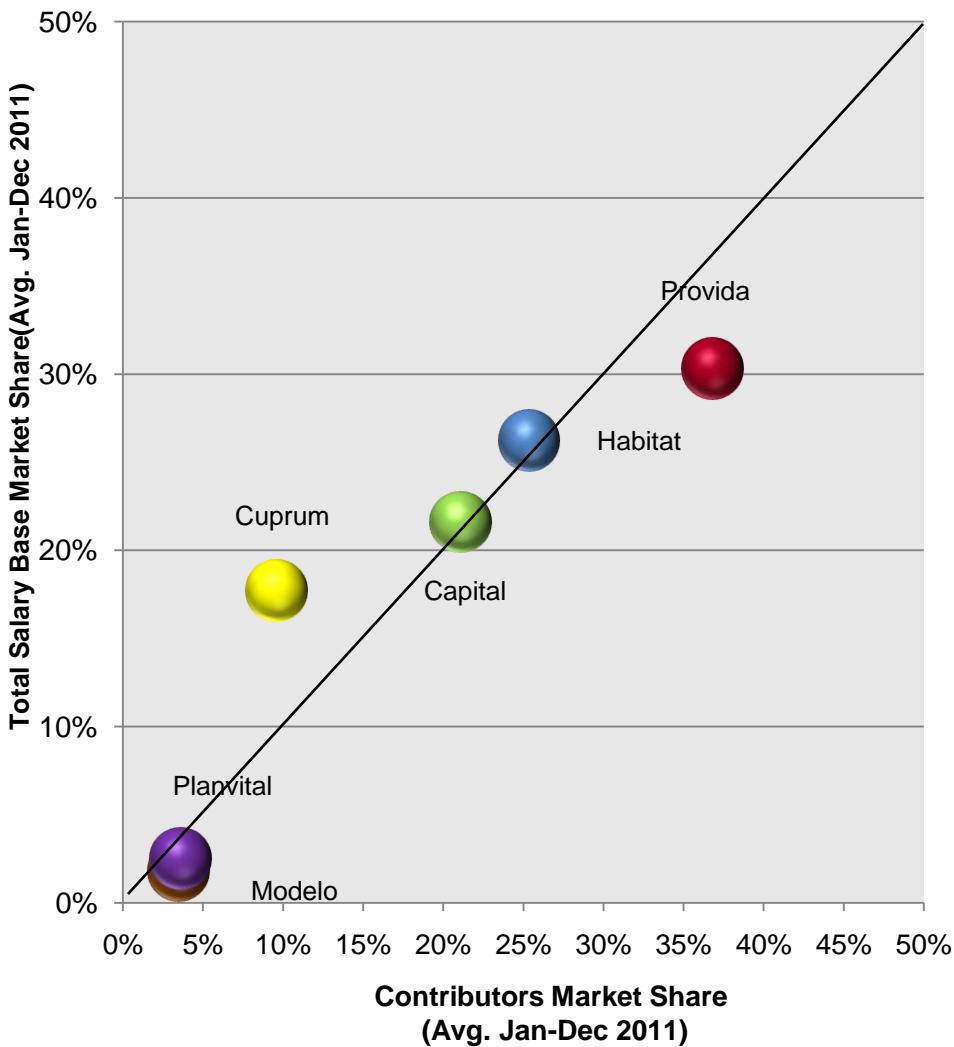
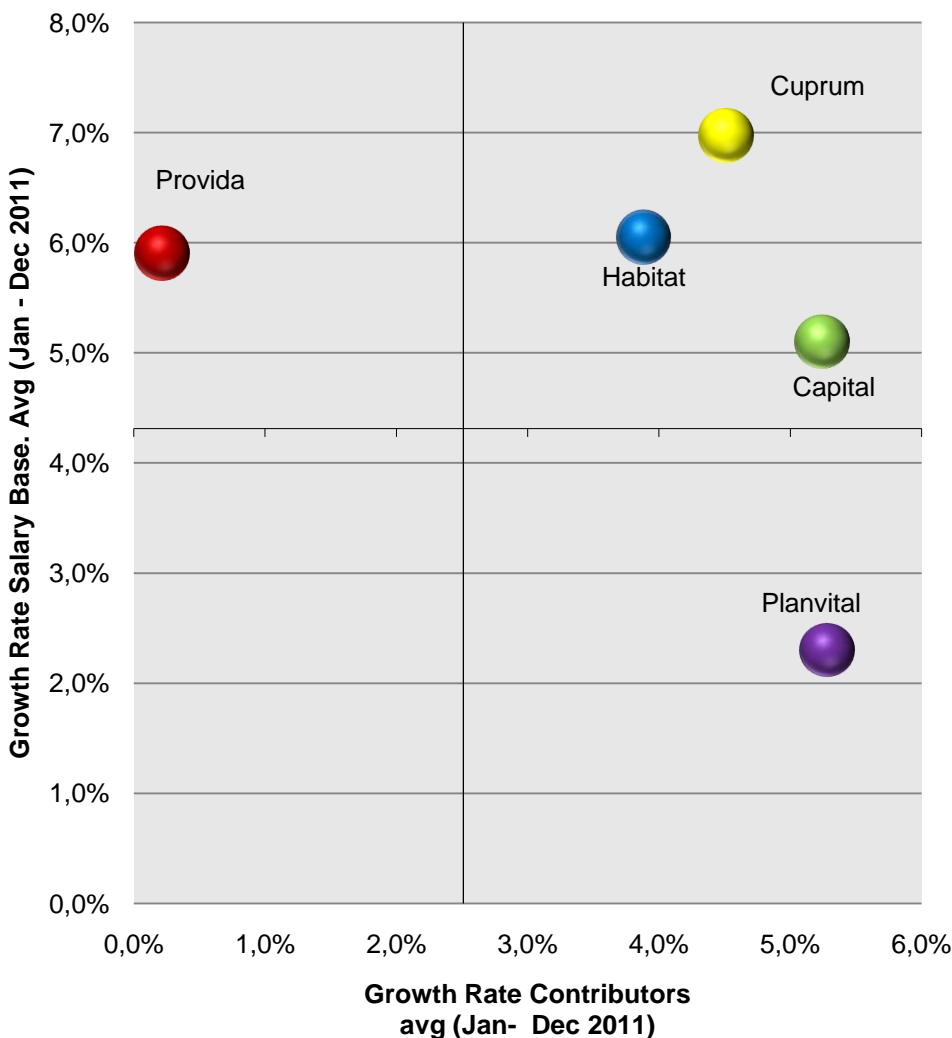
F/X: US\$1 = Ch\$521; UF1 = Ch\$ 22,294

Source: Superintendencia de Pensiones



# Salary Base and Contributors

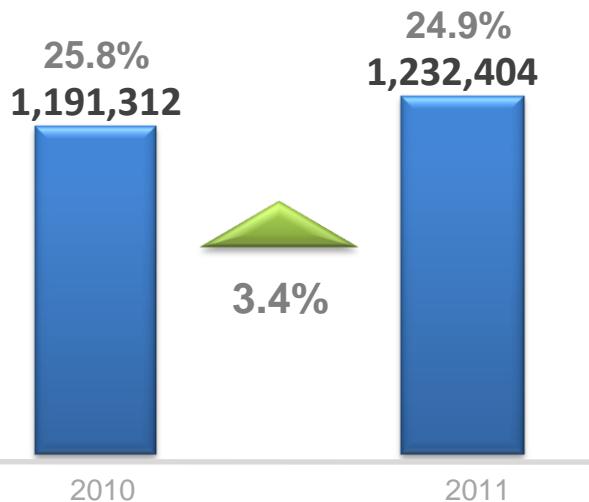
## Growth Rate 2010 – 2011 & MS Dec 2011



Note: Total salary base = Internal estimate; Calculation = (N contributors in month n \* avg monthly gross salary) + ( N contributors from other months \* (avg monthly gross salary / 2)).

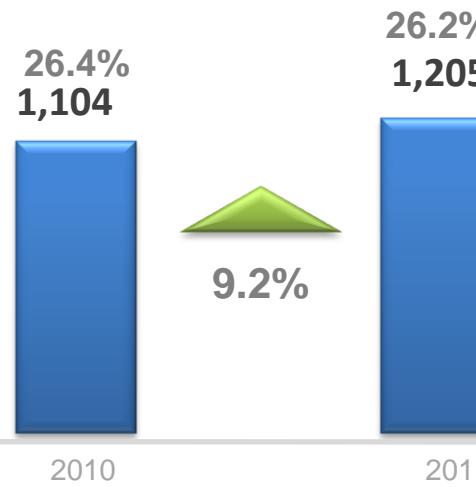
Source: Superintendencia de Pensiones – Financial statements 2011

## Contributors & MS (avg Jan – Dec)



Source: Superintendencia de Pensiones

## Salary Base \* (MMUS\$) & MS (avg Jan – Dec)



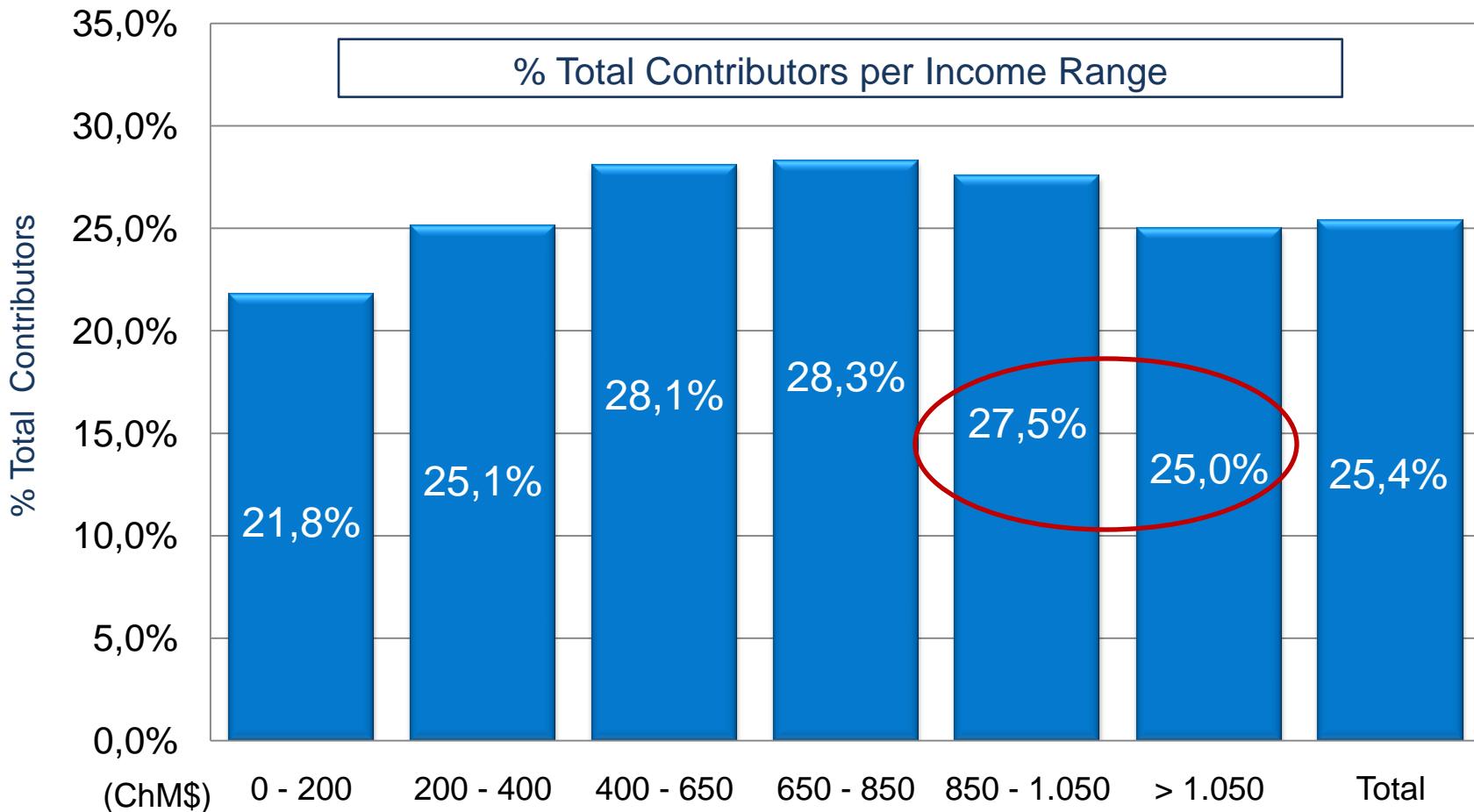
Source: Superintendencia de Pensiones and internal estimate

### Highlights 2011:

- Year 2011 reflects a greater number of contributors as well as a higher average salary base as a result of a growing labor market and a low unemployment rate.
- The competitive environment was marked by the change provoked by the pension reform, wherein one new AFP won the first bid for new affiliates for a 2 year period (Aug 2010 – Aug 2012). Given that the reform assures the incorporation of all first time labor market entrances to the new AFP.

\* Total salary base = (Nº contributors in month n \* avg monthly gross salary) + ( N° contributors from other months \* (avg monthly gross salary / 2))

# CCICO – Share of Contributors by Income Range (AFP Habitat Dec 2011)



In December 2011, Habitat had a 25.7% share of contributors with an income over ChM\$850 (US\$ 1,630) vs. 24.9% in December 2009

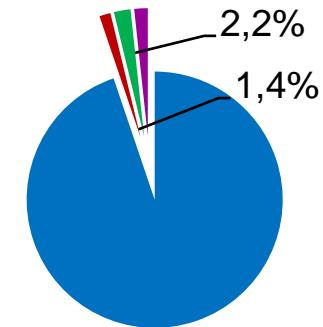


# AFP Products (Dec 2011)



**HABITAT**  
Seguridad y Confianza

APV	System	Habitat	MS Habitat	Ranking Habitat
% Revenues from Fees *	2.2%	2.6%	28.4%	2
AUM (MMUS\$)	3,620	1,110	30.7%	2

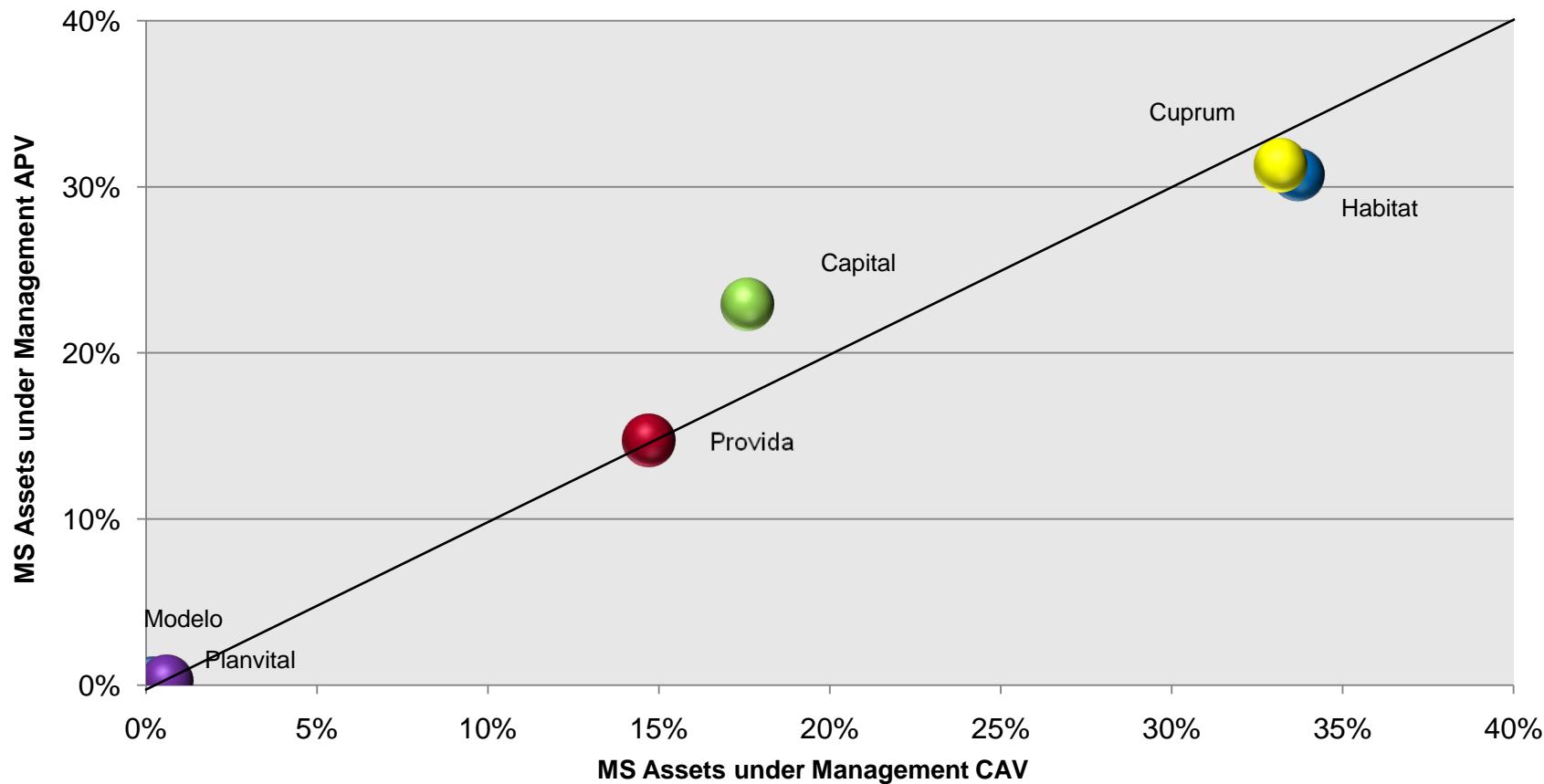


Industry Revenues from Fees  
■ CCICO ■ CAV ■ APV ■ RP



CAV	System	Habitat	MS Habitat	Ranking Habitat
% Revenues from Fees *	1.4%	1.8%	33.1%	1
# Accounts	1,7MM	355,158	21.1%	3
AUM (MMUS\$)	1,386	467	33.7%	1

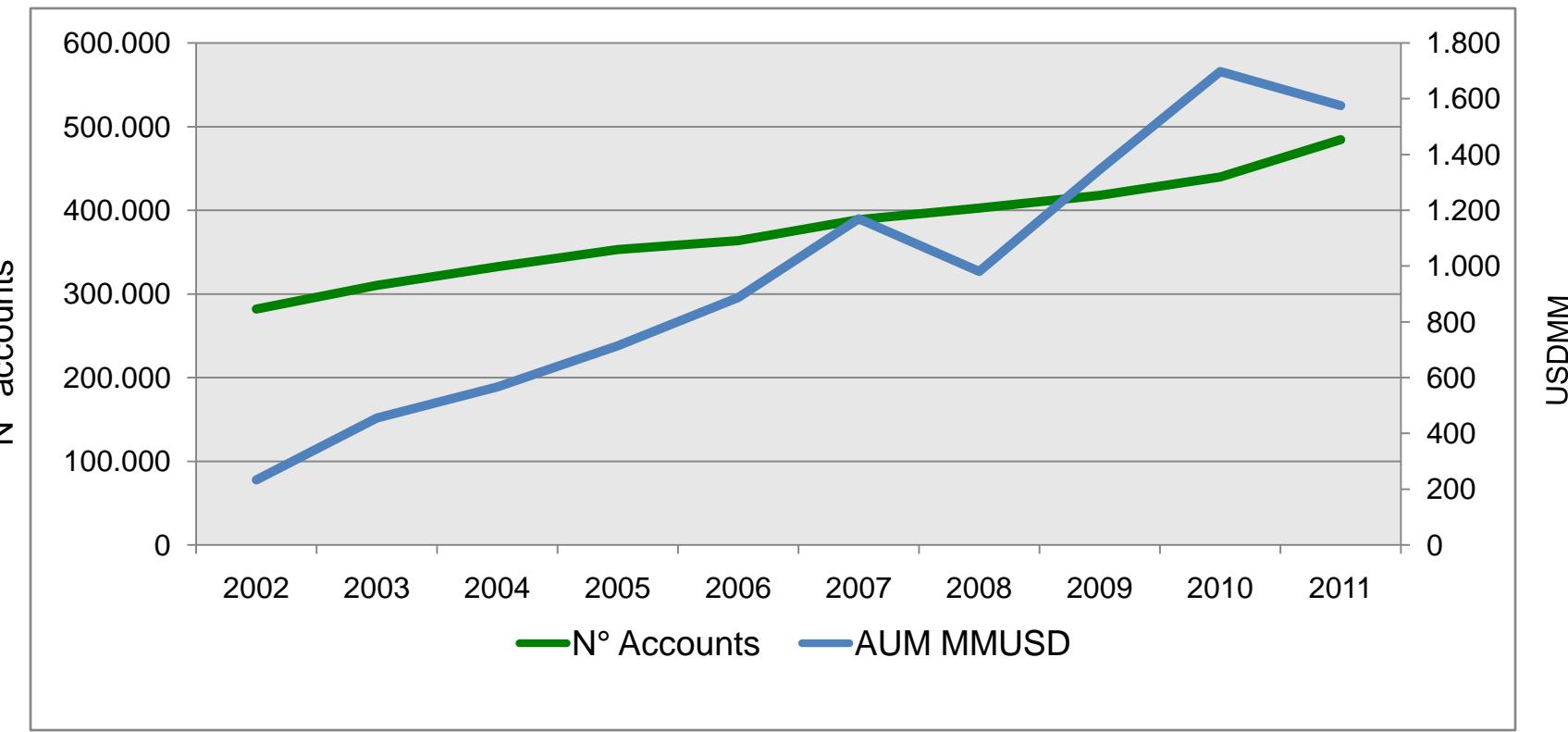
# Voluntary (CAV + APV) – Market Share Assets Under Management (Dec 2011)



- Total assets under management of the AFP system related to voluntary savings and contributions amount to USMM\$ 5,006; of this total, 72.3% corresponds to APV savings
- Habitat and Cuprum are the leaders in these 2 product segments

# Voluntary AUM (APV + CAV)

## Evolution AFP Habitat (2002 – 2011)



- The CAGR 2002 – 2011 of voluntary AUM for the industry was 19.7%
- This segment present a high potential growth: # accounts APV / Affiliates = 6.0% and # accounts CAV / Affiliates = 16.4%
- The government as well as industry players are constantly seeking ways to encourage individuals to supplement their compulsory pension savings

# RETURN ON INVESTMENT PERFORMANCE

# Habitat: Leader in Investment Performance<sup>(\*)</sup>



**HABITAT**  
Seguridad y Confianza



Account Statement (1)	12 MONTHS (%)					36 MONTHS (%)					60 MONTHS (%)				
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
Dec. 2011	-10,66	-7,15	-3,07	0,82	4,80	13,38	11,73	9,38	7,66	6,71	-0,70	1,26	2,56	3,34	4,44
Aug. 2011	-0,48	0,72	2,20	3,44	5,41	1,25	3,45	4,75	5,06	6,20	2,01	3,64	4,66	4,86	5,34
Apr. 2011	9,25	8,97	7,35	5,34	5,13	1,65	3,64	4,69	4,55	4,75	3,58	4,70	5,20	4,94	4,90
Dec. 2010	12,40	12,09	9,78	7,08	7,01	-0,66	2,04	3,60	4,10	4,93	5,70	6,37	6,32	5,58	5,06
Aug. 2010	11,21	11,54	9,68	7,87	7,92	-3,19	-0,19	1,92	3,18	5,32	4,29	5,01	5,12	4,75	4,37
Apr. 2010	36,44	27,18	18,43	11,36	5,14	-2,46	-0,27	1,35	2,54	4,01	5,62	5,77	5,46	4,93	3,94
Dec. 2009	45,14	34,03	22,98	15,58	8,34	-1,29	0,75	2,16	2,97	3,48	5,24	5,52	5,29	4,83	3,86
Aug. 2009	-6,21	-1,45	2,54	3,92	5,28	-0,06	2,11	3,85	4,34	4,48	5,01	5,12	4,99	4,52	3,67
Apr. 2009	-29,53	-19,67	-9,73	-2,59	3,99	-7,17	-3,17	0,45	2,75	4,74	1,44	2,83	3,72	4,15	4,08
Dec. 2008	-39,91	-29,29	-17,64	-8,83	-0,32	-6,82	-3,22	0,21	1,97	3,36	0,08	1,51	2,78	3,26	3,37

(1) Values on UF

(\*) Source: Superintendencia de Pensiones, Circulares N° 1581, 1613, 1658, 1682, 1701, 1755, 1767 and 1799

The return on the investment is the gain related to the investment that the pension fund makes

Past performance is not assured in the future

# Habitat: Leader in Investment Performance<sup>(\*)</sup>



**HABITAT**  
Seguridad y Confianza

1st      2nd      3rd      4th      5th      6th

AFP CAPITAL\_Ranking

Accounts Statement	12 MONTHS					36 MONTHS					60 MONTHS				
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
Dec. 2011	6	5	6	6	2	5	5	5	3	1	3	3	4	3	2
Aug. 2011	5	5	4	3	3	3	3	3	1	1	3	3	4	2	2
Apr. 2011	5	5	5	2	1	3	4	5	2	1	3	3	4	3	1
Dec. 2010	5	5	4	2	1	3	3	5	3	1	3	3	4	2	2
Aug. 2010	5	4	3	2	1	3	3	5	3	1	2	3	4	2	2
Apr. 2010	3	3	3	1	1	2	3	4	3	1	2	3	4	2	2
Dec. 2009	5	4	4	2	2	2	3	4	3	2	1	3	4	2	2
Aug. 2009	2	1	4	1	1	2	3	4	3	2	1	3	4	3	2
Apr. 2009	2	3	4	4	2	2	3	5	4	2	1	3	4	3	2
Dec. 2008	1	3	3	4	1	1	3	3	4	2	1	3	4	3	2

AFP PLANVITAL\_Ranking

Accounts Statement	12 MONTHS					36 MONTHS					60 MONTHS				
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
Dec. 2011	2	4	3	3	6	2	4	4	5	5	2	2	3	5	5
Aug. 2011	1	3	5	6	6	1	2	5	5	5	2	2	3	5	5
Apr. 2011	2	3	2	5	5	1	2	2	5	5	2	2	3	5	5
Dec. 2010	4	4	3	5	5	2	2	3	5	5	2	2	2	4	5
Aug. 2010	4	5	4	5	5	2	2	3	5	5	3	2	3	4	5
Apr. 2010	5	5	5	5	5	3	2	3	5	5	3	2	2	3	5
Dec. 2009	2	5	5	5	5	3	2	2	2	5	2	2	2	2	5
Aug. 2009	1	2	2	4	5	3	1	2	2	5	3	2	2	2	5
Apr. 2009	1	1	1	1	5	3	2	2	2	5	3	2	2	2	5
Dec. 2008	2	1	2	2	3	2	1	1	2	4	3	2	1	2	5

AFP PROVIDA\_Ranking

Accounts Statement	12 MONTHS					36 MONTHS					60 MONTHS				
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
Dec. 2011	5	6	5	4	3	4	3	3	4	4	4	5	5	4	4
Aug. 2011	4	4	3	4	5	5	5	4	4	4	4	4	5	4	4
Apr. 2011	4	4	4	4	4	4	3	4	4	4	4	4	5	4	4
Dec. 2010	3	3	5	4	4	5	3	4	4	4	4	4	5	5	4
Aug. 2010	3	3	5	4	4	4	4	4	4	4	4	5	5	5	4
Apr. 2010	2	4	4	4	4	4	4	5	4	4	4	4	5	5	4
Dec. 2009	3	2	3	4	4	4	4	5	4	4	4	4	5	4	4
Aug. 2009	4	4	3	3	4	4	4	5	3	4	4	5	5	4	4
Apr. 2009	4	4	3	3	3	4	4	4	3	4	4	4	4	4	4
Dec. 2008	5	4	4	3	4	4	4	5	3	5	4	5	5	4	4

AFP CUPRUM\_Ranking

Accounts Statement	12 MONTHS					36 MONTHS					60 MONTHS				
	A	B	C	D	E	A	B	C	D	E	A	B	C	D	E
Dec. 2011	3	2	4	5	5	3	2	2	1	2	5	4	2	2	3
Aug. 2011	3	2	2	5	4	4	4	2	3	3	5	5	2	3	3
Apr. 2011	3	2	1	1	3	5	5	3	3	3	5	4	2	2	3
Dec. 2010	2	2	1	1	3	4	5	2	2	3	5	5	3	3	3
Aug. 2010	2	2	1	1	3	5	5	2	2	3	5	4	2	3	3
Apr. 2010	4	2	1	2	2	5	5	2	2	3	5	5	3	4	3
Dec. 2009	4	3	1	1	1	5	5	3	5	3	5	5	3	5	3
Aug. 2009	5	5	5	5	3	5	5	3	5	3	5	4	3	5	3
Apr. 2009	5	5	5	5	4	5	5	3	5	3	5	5	3	5	3
Dec. 2008	4	5	5	5	5	5	5	5	4	5	3	5	4	3	5

AFP MODELO\_Ranking

Accounts Statement	12 MONTHS				
	A	B	C	D	E
Dec. 2011	1	1	1	2	4

(1) Values on UF

(\*) Source: Superintendencia de Pensiones, Circulares N° 1581, 1613, 1658, 1682, 1701, 1755, 1767 and 1799

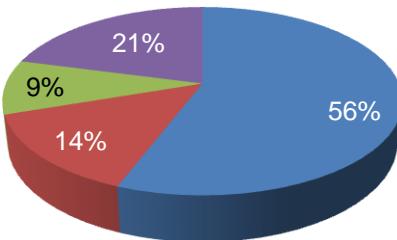
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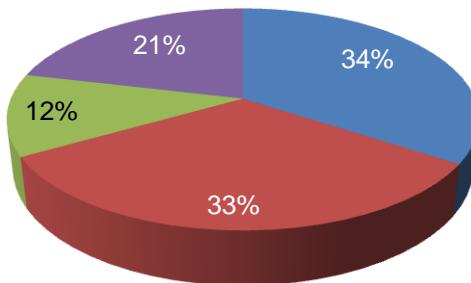


# Breakdown of Habitat's 5 Funds (Dec 2011)

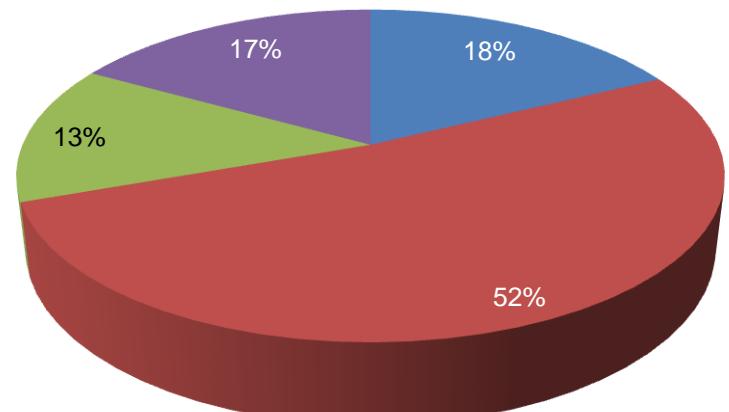
**A: USD\$ 5.915MM  
341.152 Accounts**



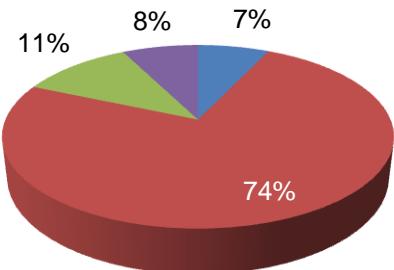
**B: USD\$ 7.005MM  
1.006.747 Accounts**



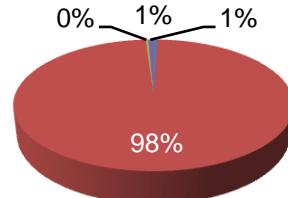
**C: USD\$ 13.788MM  
840.756 Accounts**



**D: USD\$ 4.562MM  
192.792 Accounts**



**E: USD\$ 3.043MM  
53.442 Accounts**



Total AUM at December 2011: USD 34 B

Nota: TC: US\$1 = Ch\$ 521,45

Source: Superintendencia de Pensiones – Financial statements 2011

■ Domestic Fixed Income  
■ Foreign Equity

■ Foreign Fixed Income  
■ Domestic Equity

CONTACTS WITH OUR CUSTOMERS  
&  
THE COMMUNITY

# Contact with our Customers

Habitat continues to dedicate efforts to improve service levels in our multiple customer channels (easier access and faster attention):

## Branch Offices



In 2011, we attended over 1.8 MM customer visits in our branch offices

- Nationwide coverage (27 branches and 16 service centers)

## Habi-Express (Self-Service)



Over 2.2 MM certificates were generated through the self-service Habi-Express machines in 2011

- 64 self-service machines located in branch offices throughout the country

## Advisory Services



Habitat has 71 account executives dedicated to providing personal advisory services to current and potential clients

- Voluntary savings products
- Customer loyalty programs such as the 2011 Habitat Golf Tournament

# Contact with our Customers

## Call Center



We received over 860,000 calls in our “Contact Center”

- 43% of calls received by executives, with:
  - 89% immediate solution rate

## Mobile Smart Phones



In 2010, Habitat began offering web access via smart mobile phones

- In 2011 over 76M transactions were executed

## Account Statements



In 2010, over 3.9 MM account statement mailings

- 37% via internet (47% more than 2010)

# Contact with our Customers



## Internet & Mailings

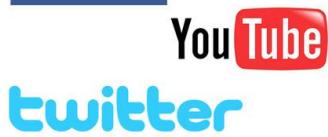


Client contacts via web totaled 2,4MM+ in 2011

- Over 12MM transactions were executed virtually
- Moreover, we distributed 11.6 MM emails with important economic and industry information to our clients

## Social Networks

(Twitter, Youtube,  
Google + )



- Followers (between Aug – Dec 2011):
  - Facebook: 4,824
  - Twitter: 1,064
- First AFP to use social networks

## 2011 Customer Perception Survey Results:

- "Procalidad" ranked Habitat 2<sup>nd</sup> place in terms of general satisfaction in the AFP industry,
- Adimark placed Habitat in 1<sup>st</sup> place in terms of brand preference

# Habitat and the Community



## Fundación Las Rosas (FLR)



- The foundation "Las Rosas" is an NGO dedicated to providing housing and care senior citizens in need
- In October 2009, Habitat launched a campaign to donate funds to FLR for each customer who switched from a physical to digital account statement
- In 2011, over 238,000 electronic account statements were distributed, generating greater than expected funds for FLR, as well as a positive impact on the environment

## Funds for Previsional Education

- AFP Habitat sponsorship of 2 educational projects that were granted funds reaching over Ch\$230MM
- The Company contributed training, materials and advertisement
- Over 136,500 people were trained



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# TECHNOLOGICAL DEVELOPMENT AND PROCESSES

# Improved Systems and Processes

The Company is continually improving and updating its information technology systems, with the objectives to increase operating efficiencies and maximize information security; the most significant IT advances in 2011 included:

## **New Account Management System (RT)**

- In 2011, Habitat successfully implemented its new account management system; this new software was designed to update and improve system
- This new system has a greater capacity to adapt to regulatory changes, increase productivity levels, minimize human intervention and errors and improve customer service levels

## **ISO Certification for Pension Fund Accounting Procedures**

- Achieve the highest standards of quality
- One of the first AFPs to obtain ISO certification

## **Enterprise Risk Management Assessment**

- Habitat is implementing a company wide risk assessment model to assure continual monitoring of inherent risks and the effectiveness of the controls designed to reduce or eliminate the likelihood of their occurrence.



# FINANCIAL STATEMENTS

2011

# Habitat: Income Statement

December 2011



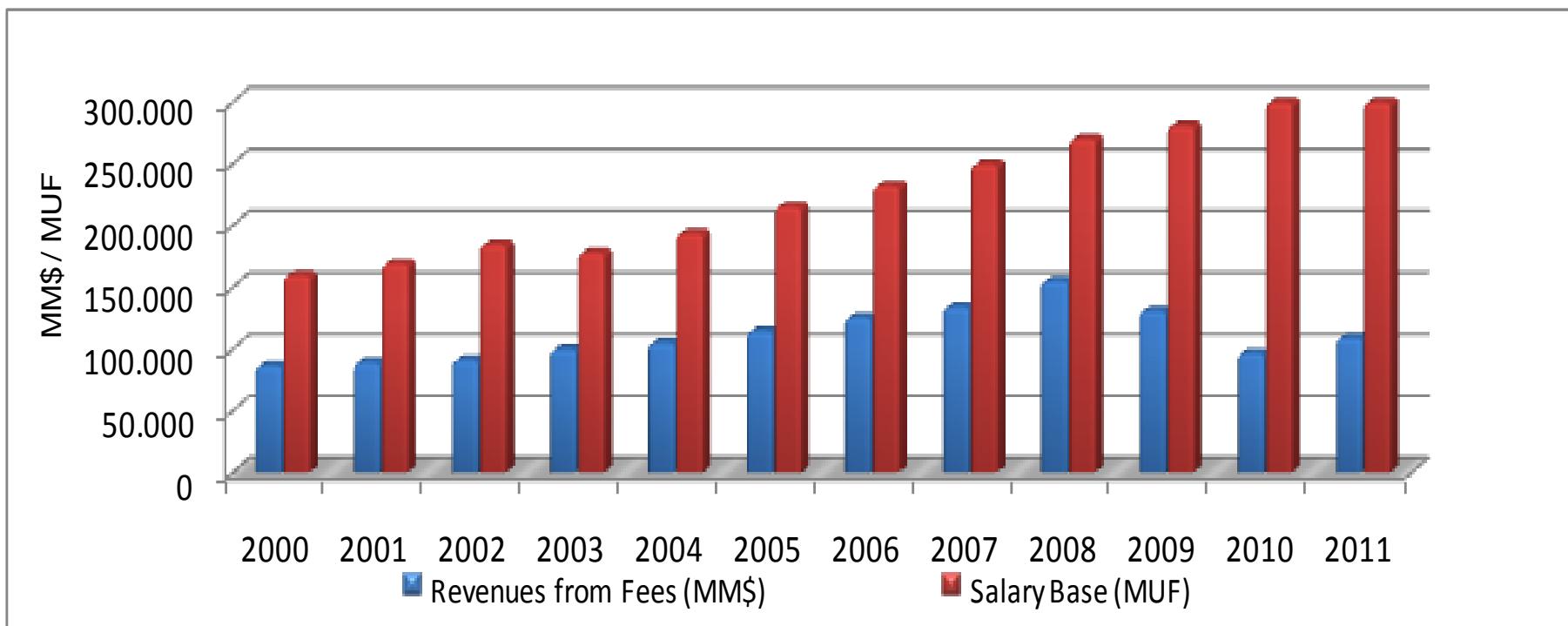
MM\$	2011	2010	VAR. %
<b>Revenues</b>	114.486	108.949	5,1%
<b>Gain (Loss) on Reserve Requirements</b>	-1.846	19.504	
<b>Gain (Loss) on Disability Insurance Premium</b>	-817	-353	131,4%
<b>Remuneration and Employee Related Expenses</b>	-20.530	-20.770	-1,2%
<b>Depreciation and Amortization</b>	-1.896	-1.369	38,5%
<b>IT Development Costs</b>	-517	-299	72,9%
<b>Other Operating Expenses</b>	-17.662	-17.459	1,2%
 <b>Financial Costs</b>	 -13	 -2	
<b>Income (Loss) from Investments</b>	2.245	983	128,4%
<b>Share of the profit (loss) from equity accounted associates</b>	2.259	1.751	29,0%
<b>Exchange Differences</b>	220	55	300,0%
<b>Other Non-Operating Income</b>	262	40	555,0%
<b>Other Non-Operating Expenses</b>	-255	-1.139	-77,6%
 <b>Profit (Loss) before Tax</b>	 75.936	 89.891	 -15,5%
<b>Income Tax Expenses</b>	-14.282	-14.414	-0,9%
 <b>Net Profit (Loss)</b>	 61.654	 75.478	 -18,3%

Figures in Ch MM\$; F/X: US\$1 = Ch\$ 521

Source: Superintendencia de Pensiones; Financial statements Dec 2011

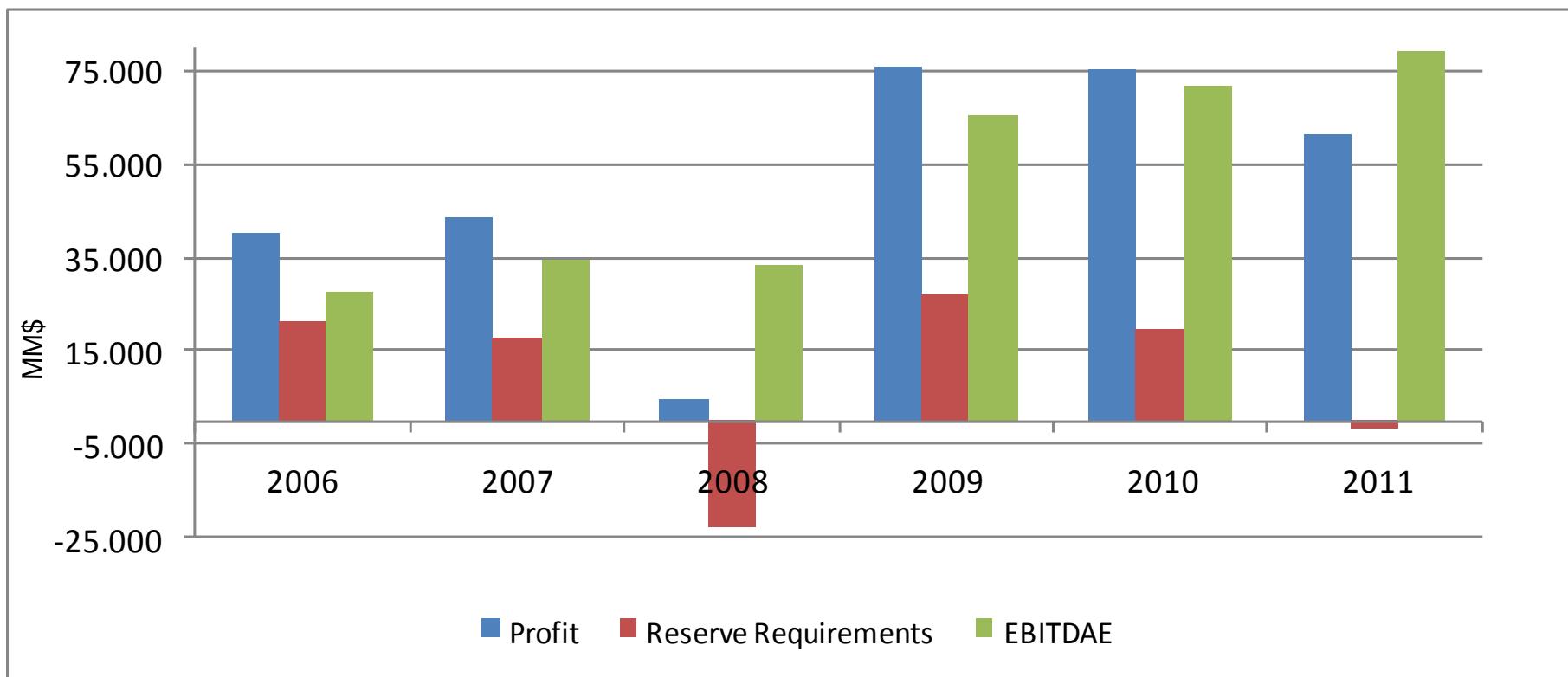
# Habitat Salary Base and Revenues from Fees

## Evolution 2000-2011



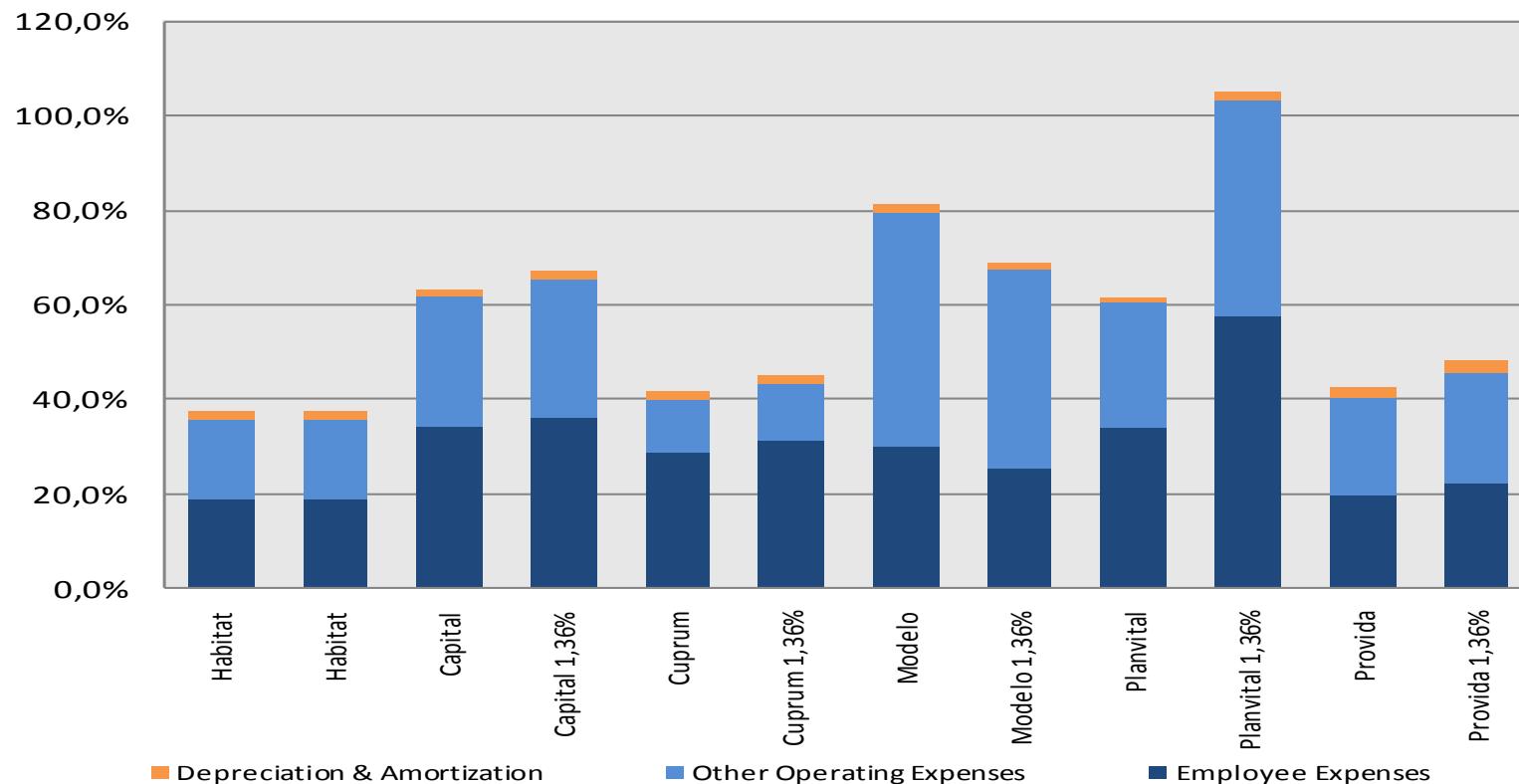
- Notes:
1. For the years 2000 – 2009, revenues from fees include life and disability insurance (SIS) premiums
  2. Total salary base = (N contributors in month n \* avg monthly gross salary) + ( N contributors from other months \* (avg monthly gross salary / 2)); F/X: US\$1 = Ch\$521; UF1 = Ch\$ 22,294
  3. Financial Statements 2009 – 2011 according to IFRS
  4. Figures stated in constant Ch\$ of Dec 2011

# Habitat: Evolution of Results (2006-2011)



- Notes:
1. EBITDA: Net income before depreciation, amortization, financial costs and taxes
  2. EBITDAE: EBITDA before return on mandatory reserve requirements
  3. Financial Statements 2009 – 2011 under IFRS
  4. Figures stated in constant Ch\$ of Dec 2011

# % Operating Costs / Revenues from Fees (December 2011)



- In 2011 Industry efficient grew 1.9 bp YoY; Planvital: + 4.2 bp; Habitat: + 4.0 bp; Provida: + 3.2 bp; Cuprum: + 1.4 bp and Capital decreased 1.8 bp
- Habitat is the most efficient AFPs, despite charging one of the lowest commission fees of the industry
- After adjusting all commission structures to 1.36%, Habitat's position as most efficient AFP is even more pronounced

Capital: excludes amortization of intangible assets with a defined useful life (acquisition 100% shares of AFP Bansander) ChMM\$ 14,132

Provida: excludes amortization of intangible assets acquired in the fusion of its operations (ChMM\$ 5,161)

Cuprum: exclude expenses related to the compensation for "caso la Polar" to fund E

# Habitat: Balance Sheet

December 2011



MM\$	2011	2010	VAR %
<b>CURRENT ASSETS</b>	49.882	45.776	9,0%
<b>NON CURRENT ASSETS</b>	198.728	193.523	2,7%
Reserve Requirements	176.376	171.549	2,8%
Other Non Current Assets	22.352	21.974	1,7%
<b>TOTAL ASSETS</b>	<b>248.610</b>	<b>239.299</b>	<b>3,9%</b>

MM\$	2011	2010	VAR %
<b>CURRENT LIABILITIES</b>	22.292	30.274	-26,4%
<b>NON CURRENT LIABILITIES</b>	16.722	17.281	-3,2%
Accrued Taxes from Reserve Requirements	16.063	16.600	-3,2%
Other Non Current Liabilities	659	681	-3,2%
<b>SHAREHOLDERS EQUITY</b>	<b>209.596</b>	<b>191.744</b>	<b>9,3%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER`S EQUITY</b>	<b>248.610</b>	<b>239.299</b>	<b>3,9%</b>

Figures in Ch MM\$; F/X: US\$1 = Ch\$521

Source: Superintendencia de Pensiones; Financial statements 2011



## AFP Habitat

### 6<sup>th</sup> Annual Andean Conference



March 2012