



# 3<sup>rd</sup> Quarter 2017 | Earnings Review Conference Call

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Chief Financial Officer

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**Itaú Corpbanca**

**ITCB** MEMBER OF  
**LISTED** **Dow Jones**  
**NYSE** **Sustainability Indices**  
In Collaboration with RobecoSAM

# Disclaimers

Itaú CorpBanca is the entity resulting from the merger of Banco Itaú Chile (Itaú Chile) with and into CorpBanca, which was consummated on April 1, 2016 (“the Merger”). After the Merger, the surviving entity’s name changed to “Itaú CorpBanca”. The legal acquisition of Itaú Chile by CorpBanca is deemed a reverse acquisition pursuant to standard N° 3 of the International Financial Reporting Standards (or IFRS). Itaú Chile (the legal acquiree) is considered the accounting acquirer and CorpBanca (the legal acquirer) is considered the accounting acquiree for accounting purposes. Therefore, in accordance with IFRS after the date of the Merger, Itaú CorpBanca's historical financial information (i) reflects Itaú Chile - and not CorpBanca - as the predecessor entity of Itaú CorpBanca, (ii) includes Itaú Chile's historical financial information, and (iii) does not include CorpBanca's historical financial information.

Financial information included in this presentation is based in our managerial model that we adjust for non-recurring events and for the tax effect of the hedge of our investment in Colombia. At the same time, we adjust the Managerial Income Statement with additional reclassifications of P&L lines in order to provide a better clarity of our performance. Please refer to page 9 of our Report for further details .

Additionally, in order to allow for comparison with periods prior to 2017, historical pro forma data of the consolidated combined results of Itaú Chile and CorpBanca deconsolidating our subsidiary SMU Corp and excluding non-recurring events is presented in this Management Discussion & Analysis report (“MD&A Report”) when appropriate. The pro forma income statements for the quarters prior to the second quarter of 2016 and for the nine months ended September 30, 2016 have been calculated as if the Merger occurred on January 1, 2015. The pro forma information presented here is based on (i) the combined consolidated historical unaudited Financial Statements of each of CorpBanca and Banco Itaú Chile as filed with the SBIF, (ii) the deconsolidation of SMU Corp unaudited Financial Statements as filed with the SBIF and (iii) the exclusion of non-recurring events.

The pro forma combined financial information included when appropriate in the MD&A Report is provided for illustrative purposes only, and does not purport to represent what the actual combined results of Itaú Chile and CorpBanca could have been if the acquisition occurred as of January 1, 2015.

# Agenda

1 – 3Q'17 Results

2 – Digital Banking

3 – Synergies Update

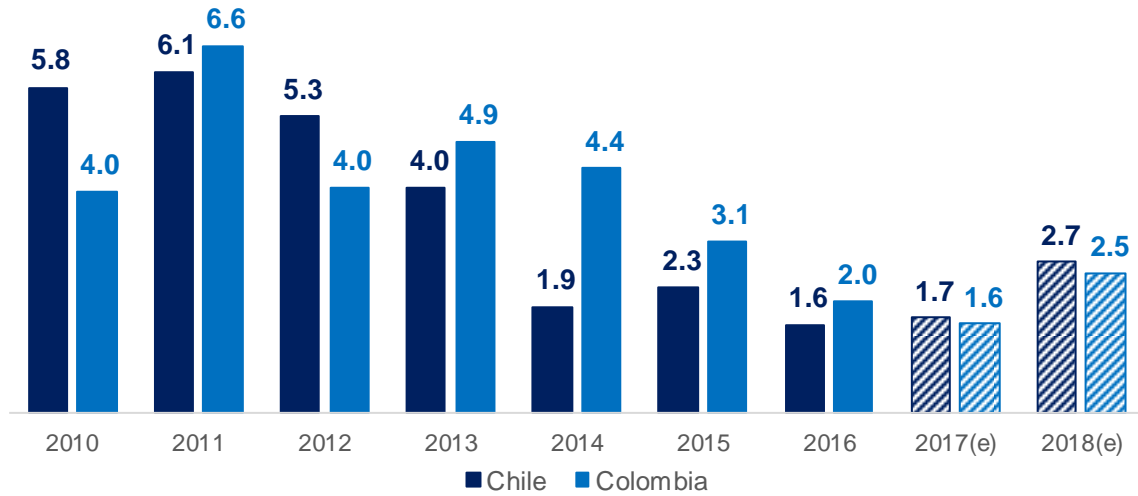
4 – Next Steps

The Itaú logo is a blue rounded square with the word "Itaú" in yellow. It is positioned in the top right corner of the slide, overlaid on a stylized world map composed of small white squares. The map shows the Americas on the left and Europe on the right, with three orange squares marking specific locations in South America. A thin grey line runs horizontally across the middle of the map, and a vertical line runs down the center of the Americas, connecting to the orange squares.

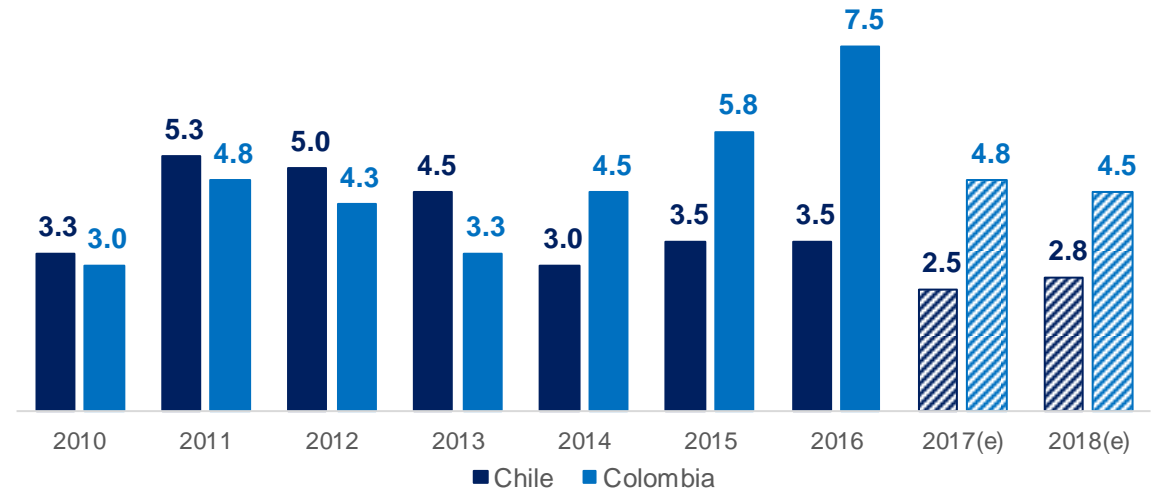
Itaú

# Macroeconomic Backdrop

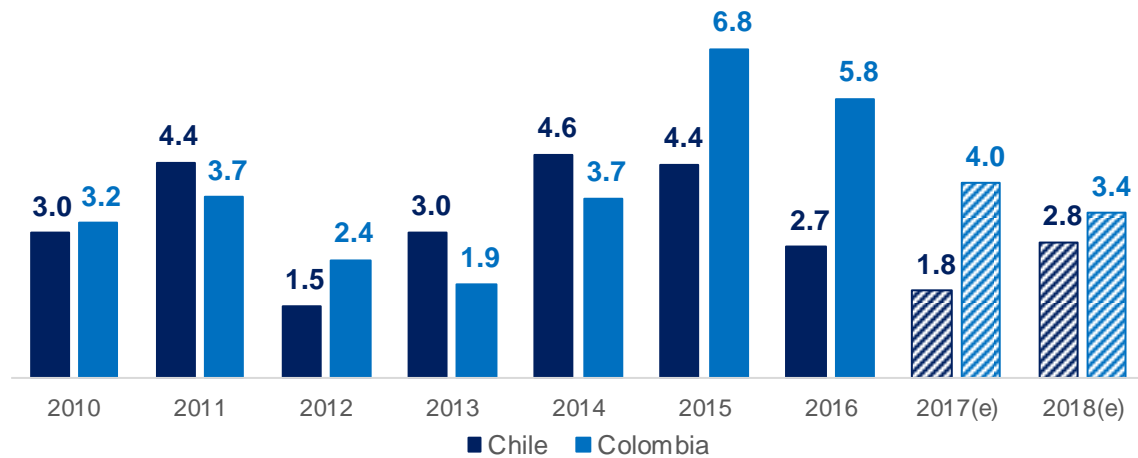
GDP Growth (%)



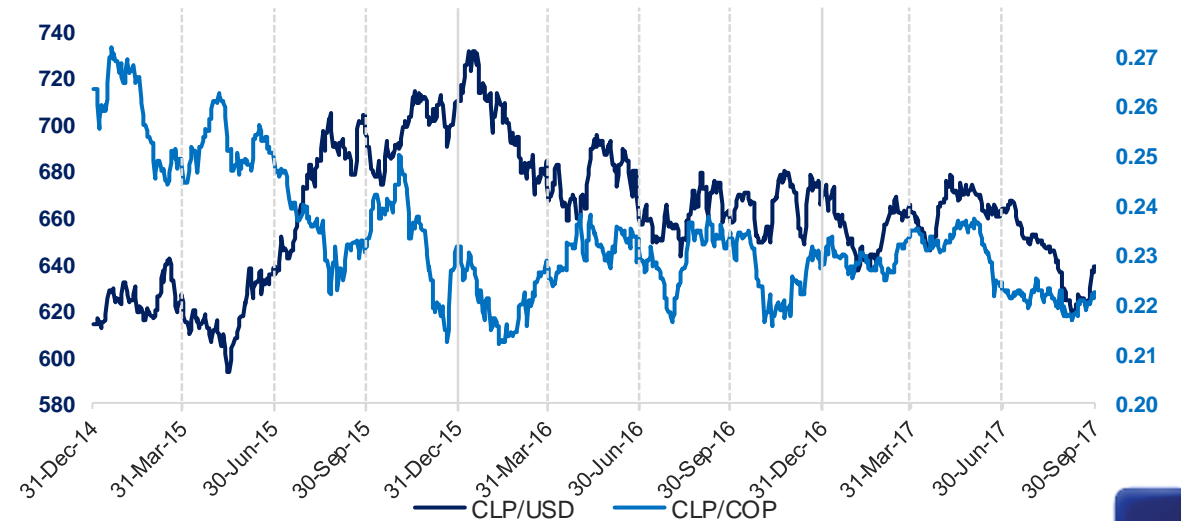
Interest Rates (EOP) - %



Inflation (CPI) - %

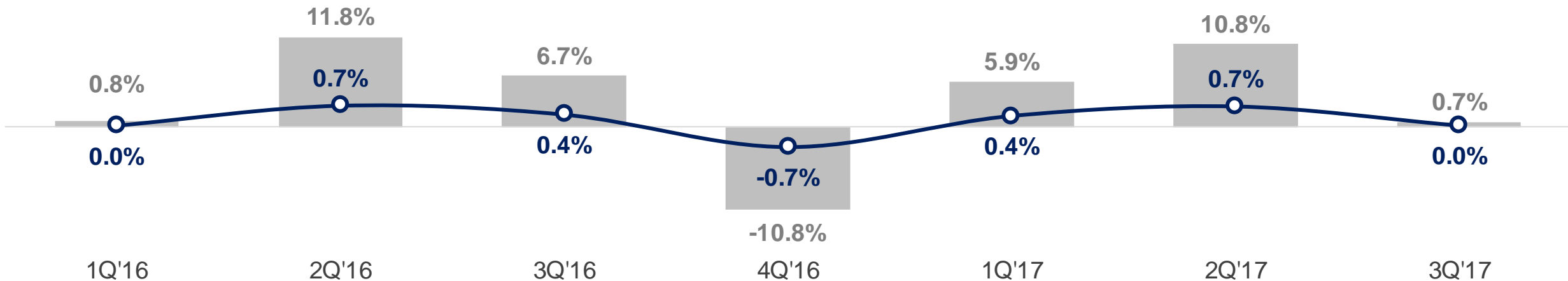


Exchange rates – CLP/USD & CLP/COP

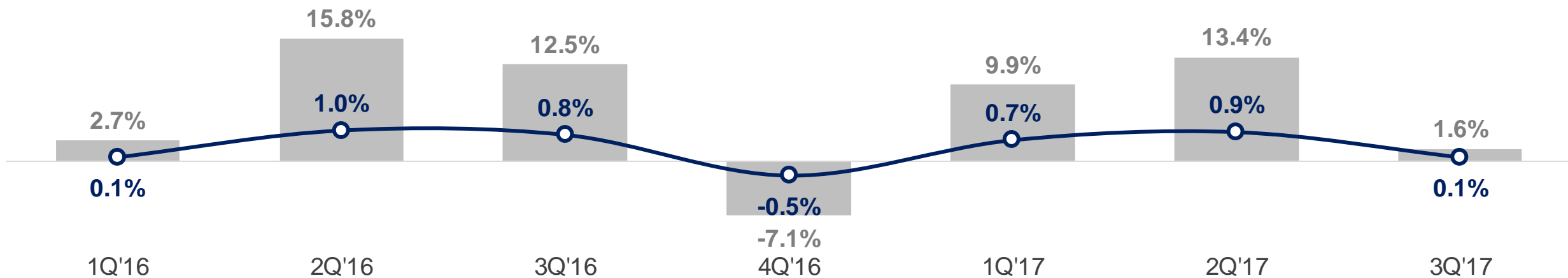


# Recurring RoTE / Recurring RoTA<sup>1</sup>

ROE / ROA – Consolidated 



ROE / ROA – Chile 



■ Annualized Recurring Return on Average Equity (quarterly)

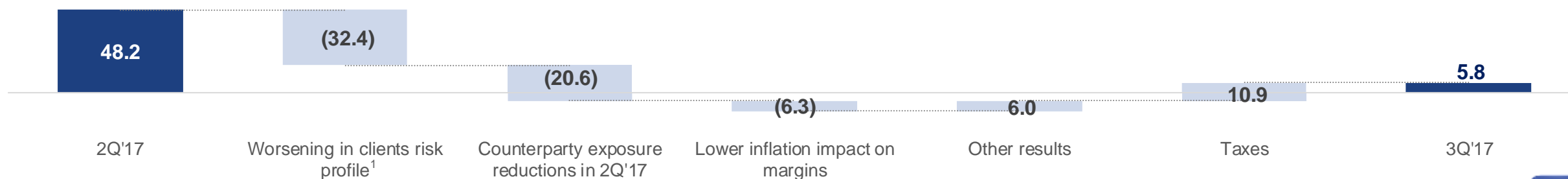
— Annualized Recurring Return on Average Assets (quarterly)

# Income Statement



in million of Chilean Pesos	Change				Change				Change			
	3Q'17	2Q'17	%	\$	3Q'16	%	\$	2017	2016	%	\$	
Net interest income	125,794	132,639	-5.2%	-6,845	127,758	-1.5%	-1,964	387,740	402,857	-3.8%	-15,117	
Net fee and commission income	38,637	30,762	25.6%	7,875	35,946	7.5%	2,691	105,140	100,153	5.0%	4,987	
Total financial transactions, net	12,017	29,509	-59.3%	-17,491	15,640	-23.2%	-3,623	56,714	22,103	156.6%	34,612	
Other operating income, net	38	964	-96.0%	-926	-963	n.a.	1,002	-2,775	-8,429	-67.1%	5,653	
<b>Net operating profit before loan losses</b>	<b>176,486</b>	<b>193,874</b>	<b>-9.0%</b>	<b>-17,388</b>	<b>178,380</b>	<b>-1.1%</b>	<b>-1,894</b>	<b>546,819</b>	<b>516,684</b>	<b>5.8%</b>	<b>30,135</b>	
Result from loan losses	-61,503	-37,528	63.9%	-23,975	-30,063	104.6%	-31,441	-69,809	-127,916	-45.4%	58,106	
<b>Net operating profit</b>	<b>114,983</b>	<b>156,346</b>	<b>-26.5%</b>	<b>-41,363</b>	<b>148,318</b>	<b>-22.5%</b>	<b>-33,335</b>	<b>477,009</b>	<b>388,768</b>	<b>22.7%</b>	<b>88,241</b>	
Operating expenses	-110,648	-98,927	11.8%	-11,721	-95,160	16.3%	-15,489	-310,385	-281,596	10.2%	-28,789	
<b>Operating income</b>	<b>4,335</b>	<b>57,419</b>	<b>-92.5%</b>	<b>-53,084</b>	<b>53,158</b>	<b>-91.8%</b>	<b>-48,823</b>	<b>166,625</b>	<b>107,173</b>	<b>55.5%</b>	<b>59,452</b>	
Income from investments in other companies	33	264	-87.5%	-231	80	-58.8%	-47	297	301	-1.3%	-4	
<b>Income before taxes</b>	<b>4,368</b>	<b>57,683</b>	<b>-92.4%</b>	<b>-53,315</b>	<b>53,238</b>	<b>-91.8%</b>	<b>-48,870</b>	<b>98,644</b>	<b>107,474</b>	<b>-8.2%</b>	<b>-8,829</b>	
Income tax expense	1,373	-9,478	n.a.	10,851	-8,270	n.a.	9,643	-10,418	-3,569	191.9%	-6,850	
<b>Net income</b>	<b>5,740</b>	<b>48,204</b>	<b>-88.1%</b>	<b>-42,464</b>	<b>44,968</b>	<b>-87.2%</b>	<b>-39,228</b>	<b>88,226</b>	<b>103,905</b>	<b>-15.1%</b>	<b>-15,679</b>	
<b>Net income attributable to shareholders</b>	<b>5,754</b>	<b>48,235</b>	<b>-88.1%</b>	<b>-42,482</b>	<b>44,940</b>	<b>-87.2%</b>	<b>-39,186</b>	<b>88,216</b>	<b>103,812</b>	<b>-15.0%</b>	<b>-15,596</b>	

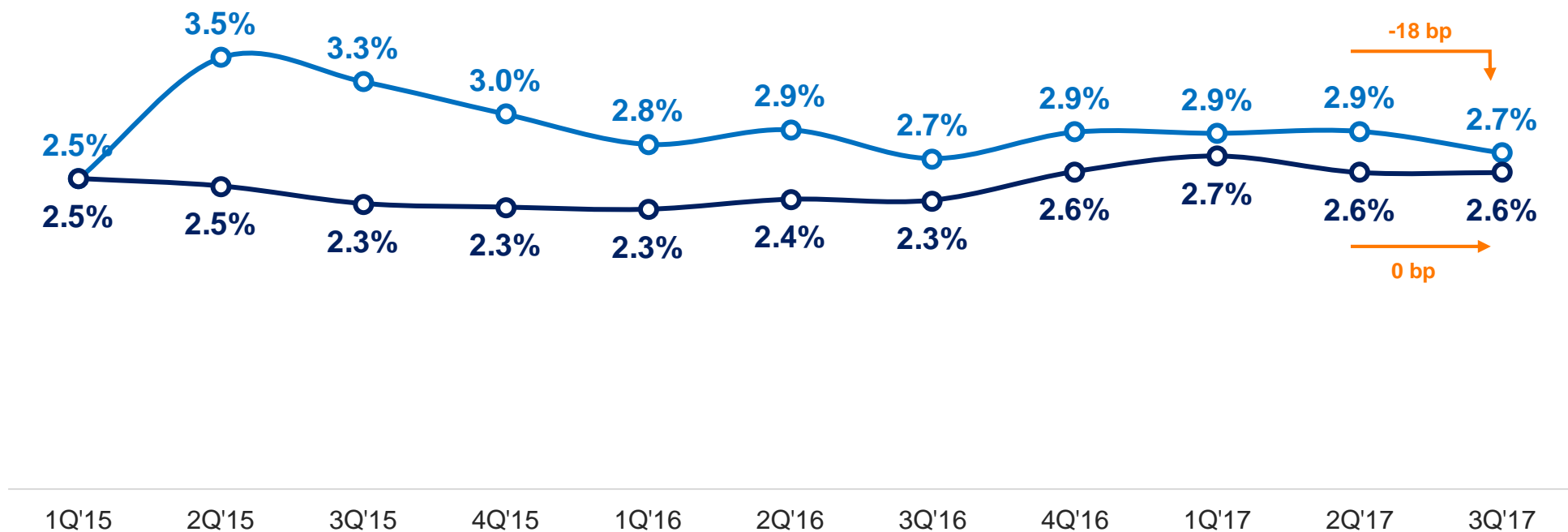
3Q'17 vs. 2Q'17 – main components of change – Ch\$ Billion



# Net Interest Margin



Itaú CorpBanca 



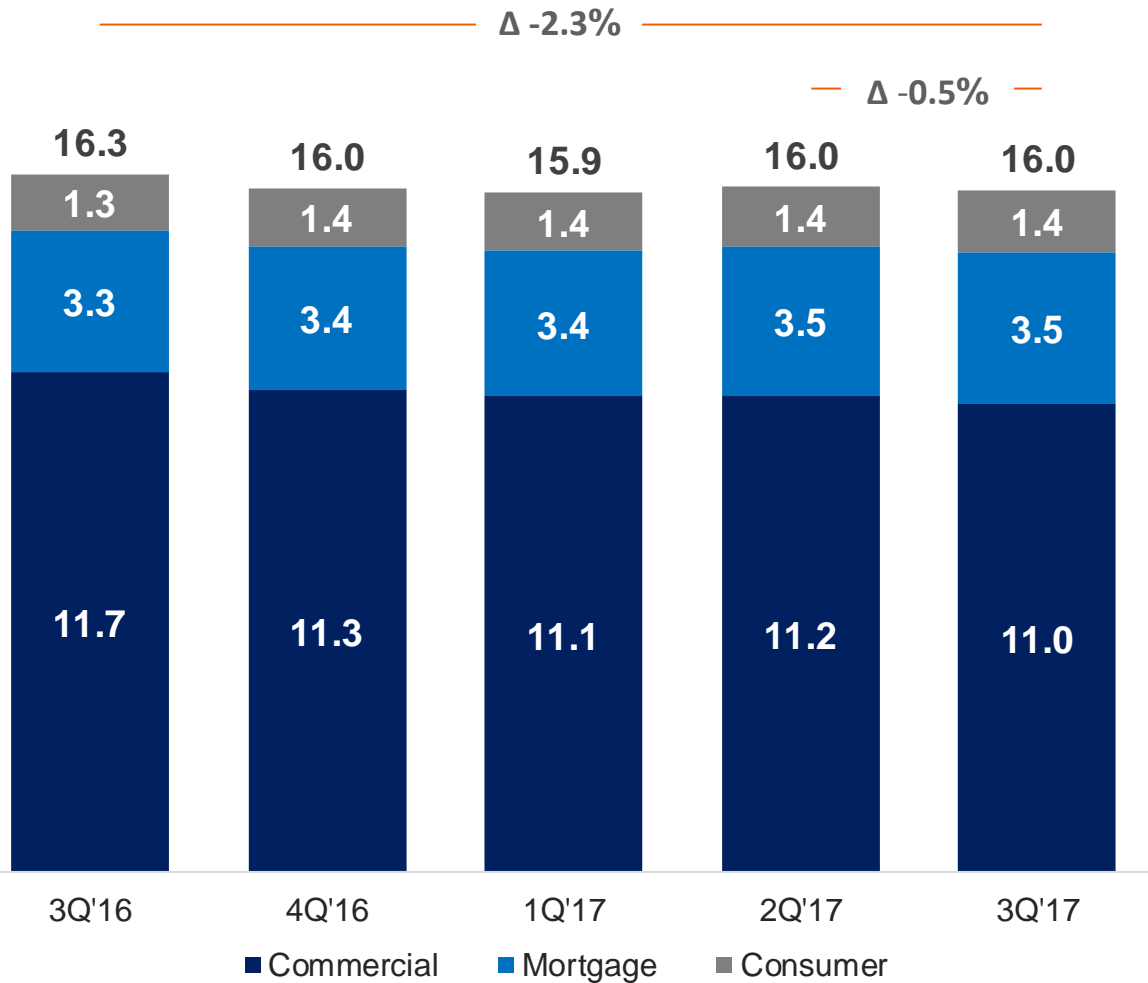
 Net Interest Margin  Net Interest Margin (ex Indexation)



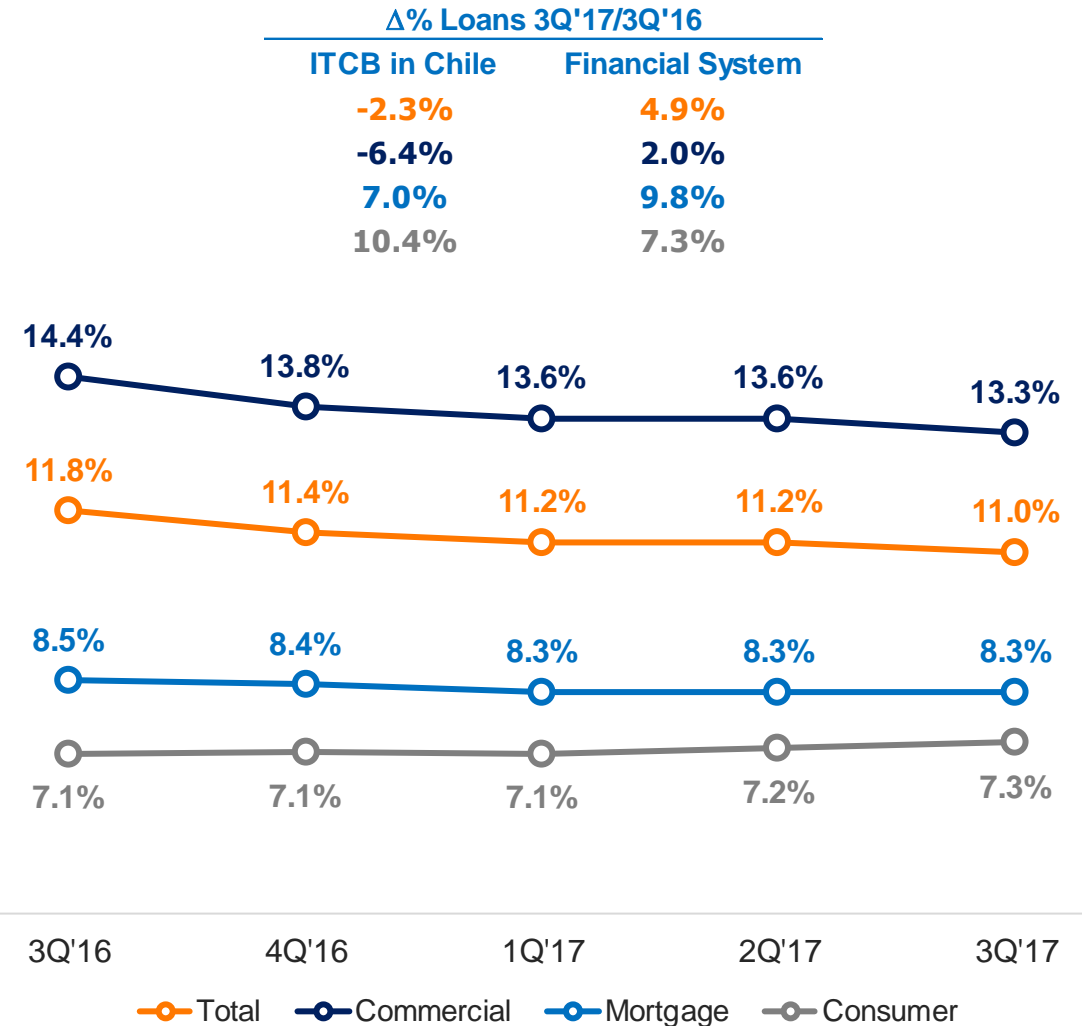
# Loan Portfolio



Total Loans (CP\$ Trn)



Market share



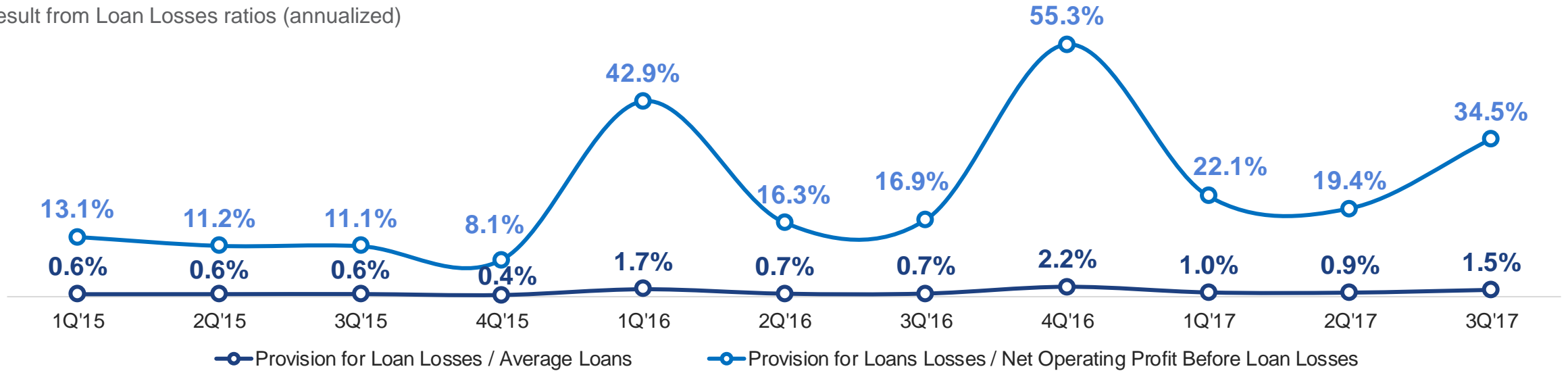
Δ% Loans 3Q'17/3Q'16	
ITCB in Chile	Financial System
-2.3%	4.9%
-6.4%	2.0%
7.0%	9.8%
10.4%	7.3%



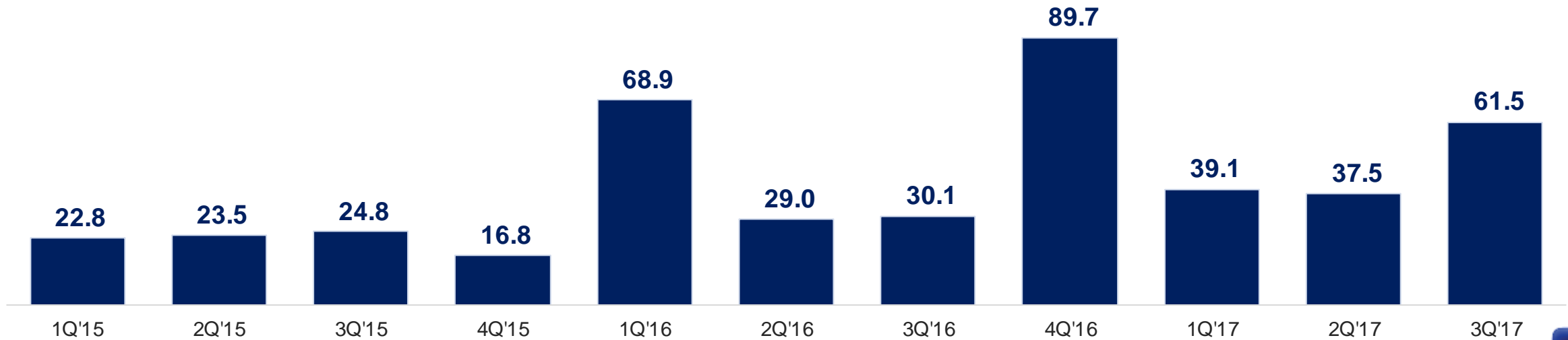
# Result from Loan Losses



Result from Loan Losses ratios (annualized)



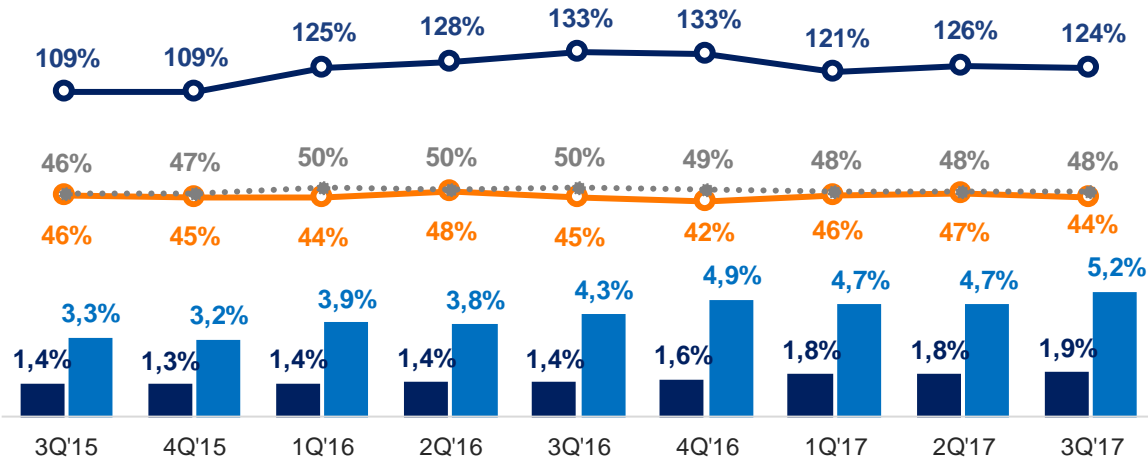
Result from Loan Losses (CLP Bln)



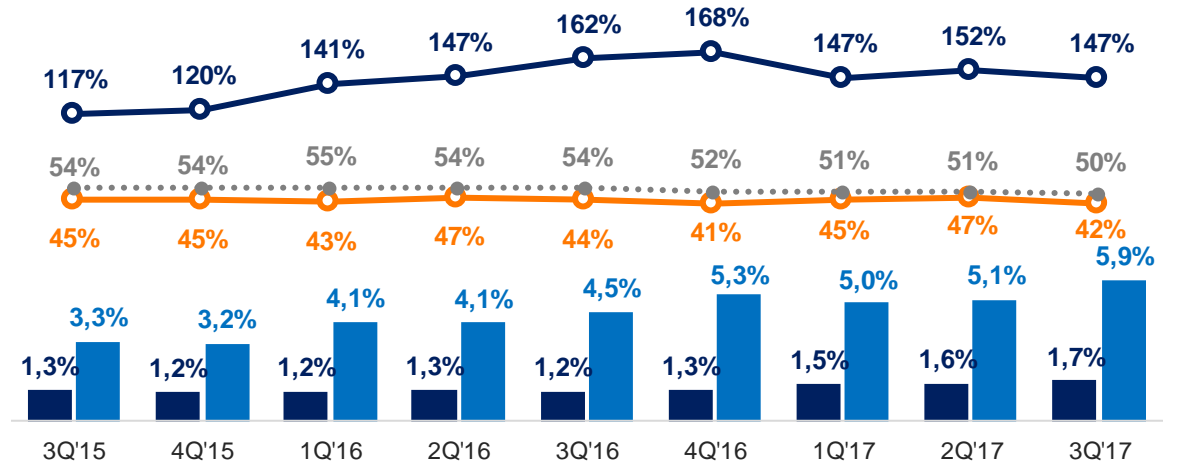
# Credit Quality



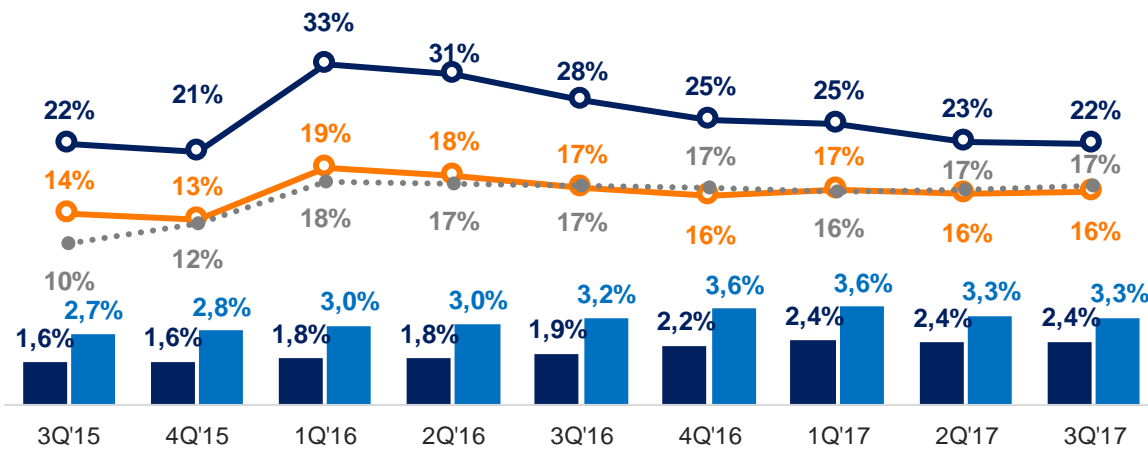
## Total Loans



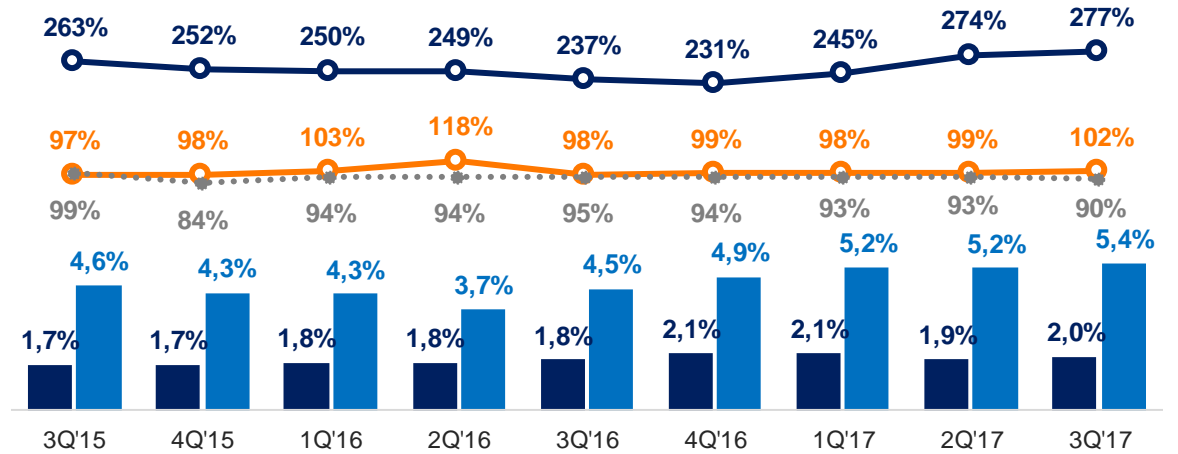
## Commercial



## Mortgage



## Consumer



NPL90 (%)
  Cartera deteriorada %
  NPL90 Coverage Ratio
  Cartera Deteriorada Coverage Ratio
  Cartera Deteriorada Coverage Ratio (Financial System)



# Income Statement

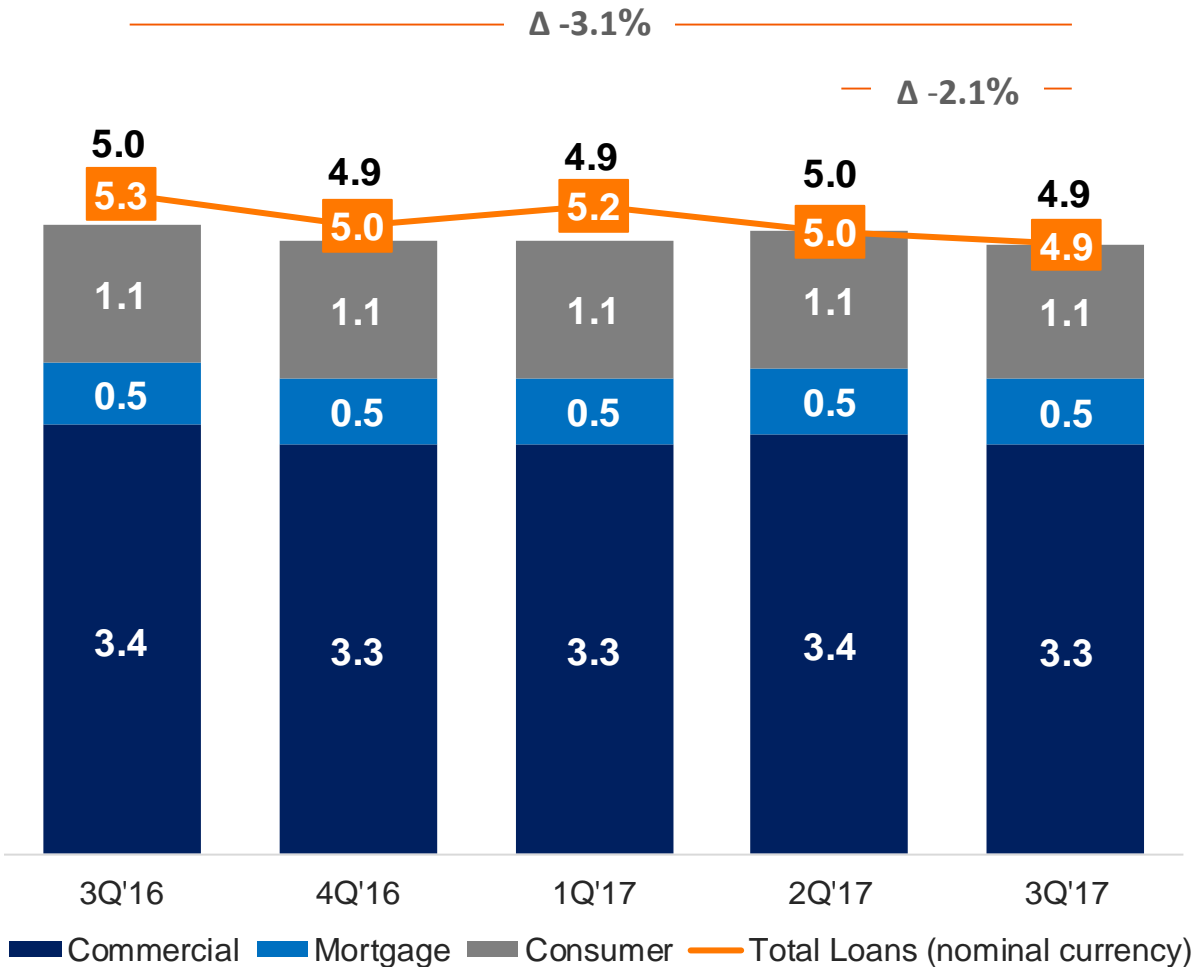


<i>in million of Chilean Pesos - constant currency</i> <sup>1</sup>	3Q'17		2Q'17		3Q'16		2017		2016		
			Change %	Change \$		Change %	Change \$		Change %	Change \$	
Net interest income	57,588	54,202	6.2%	3,387	53,586	7.5%	4,002	163,724	165,541	-1.1%	-1,817
Net fee and commission income	6,549	9,672	-32.3%	-3,123	10,474	-37.5%	-3,925	25,880	36,107	-28.3%	-10,228
Total financial transactions, net	10,165	22,827	-55.5%	-12,662	15,876	-36.0%	-5,711	50,711	52,183	-2.8%	-1,472
Other operating income, net	-1,184	-1,731	-31.6%	547	-2,120	-44.1%	936	-6,254	-3,895	60.6%	-2,359
<b>Net operating profit before loan losses</b>	<b>73,118</b>	<b>84,969</b>	<b>-13.9%</b>	<b>-11,851</b>	<b>77,816</b>	<b>-6.0%</b>	<b>-4,698</b>	<b>234,061</b>	<b>249,936</b>	<b>-6.4%</b>	<b>-15,875</b>
Result from loan losses	-24,607	-30,536	-19.4%	5,929	-34,465	-28.6%	9,858	-91,539	-102,431	-10.6%	10,892
<b>Net operating profit</b>	<b>48,511</b>	<b>54,433</b>	<b>-10.9%</b>	<b>-5,922</b>	<b>43,351</b>	<b>11.9%</b>	<b>5,160</b>	<b>142,522</b>	<b>147,505</b>	<b>-3.4%</b>	<b>-4,983</b>
Operating expenses	-49,171	-49,877	-1.4%	706	-49,112	0.1%	-59	-147,404	-135,595	8.7%	-11,809
<b>Operating income</b>	<b>-660</b>	<b>4,556</b>	<b>-114.5%</b>	<b>-5,216</b>	<b>-5,762</b>	<b>-88.5%</b>	<b>5,101</b>	<b>-4,882</b>	<b>11,910</b>	<b>-141.0%</b>	<b>-16,792</b>
Income from investments in other companies	0	662	-100.0%	-662	7	-100.0%	-7	841	635	32.3%	205
<b>Income before taxes</b>	<b>-660</b>	<b>5,218</b>	<b>-112.7%</b>	<b>-5,878</b>	<b>-5,755</b>	<b>-88.5%</b>	<b>5,095</b>	<b>-4,041</b>	<b>12,545</b>	<b>-132.2%</b>	<b>-16,586</b>
Income tax expense	2,801	2,624	6.7%	177	-7,128	-139.3%	9,929	9,925	-16,459	-160.3%	26,384
<b>Net income</b>	<b>2,141</b>	<b>7,842</b>	<b>-72.7%</b>	<b>-5,701</b>	<b>-12,882</b>	<b>-116.6%</b>	<b>15,024</b>	<b>5,884</b>	<b>-3,914</b>	<b>-250.3%</b>	<b>9,797</b>
(-) Minority Interests	-722	-2,643	-72.7%	1,921	4,351	-116.6%	-5,073	-1,973	1,348	-246.3%	-3,321
(-) Cost of hedge positions for Colombia	-3,908	-4,163	-6.1%	255	-5,325	-26.6%	1,417	-13,201	-12,907	2.3%	-294
<b>Net income attributable to shareholders</b>	<b>-2,489</b>	<b>1,037</b>	<b>-340.0%</b>	<b>-3,526</b>	<b>-13,857</b>	<b>-82.0%</b>	<b>11,368</b>	<b>-9,291</b>	<b>-15,473</b>	<b>-40.0%</b>	<b>6,182</b>
<i>Currency conversion effects</i>	-44	246			-235			153	2		
<b>Net income attributable to shareholders (nominal currency)</b>	<b>-2,533</b>	<b>1,283</b>	<b>-297.4%</b>	<b>-3,817</b>	<b>-14,092</b>	<b>-82.0%</b>	<b>11,559</b>	<b>-9,138</b>	<b>-15,471</b>	<b>-40.9%</b>	<b>6,333</b>

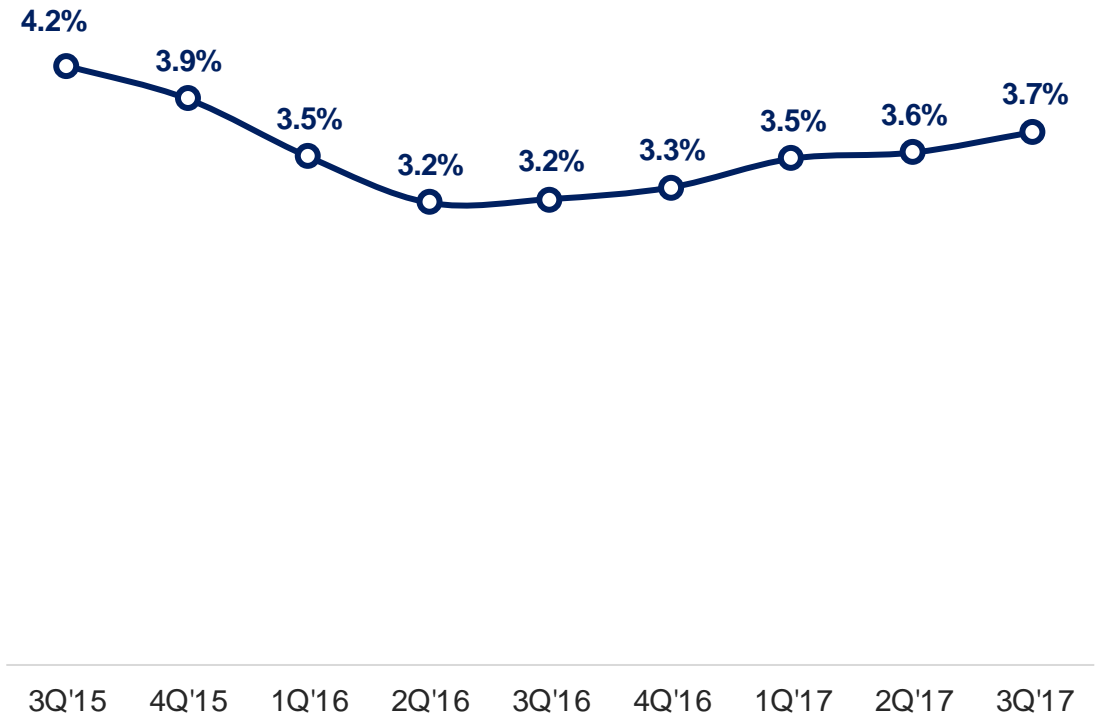
# Loan Portfolio & NIM



Total Loans – in constant currency<sup>1</sup> (CP\$ Trn)



Net Interest Margin (NIM)



# Agenda

1 – 3Q'17 Results

**2 – Digital Banking**

3 – Synergies Update

4 – Next Steps

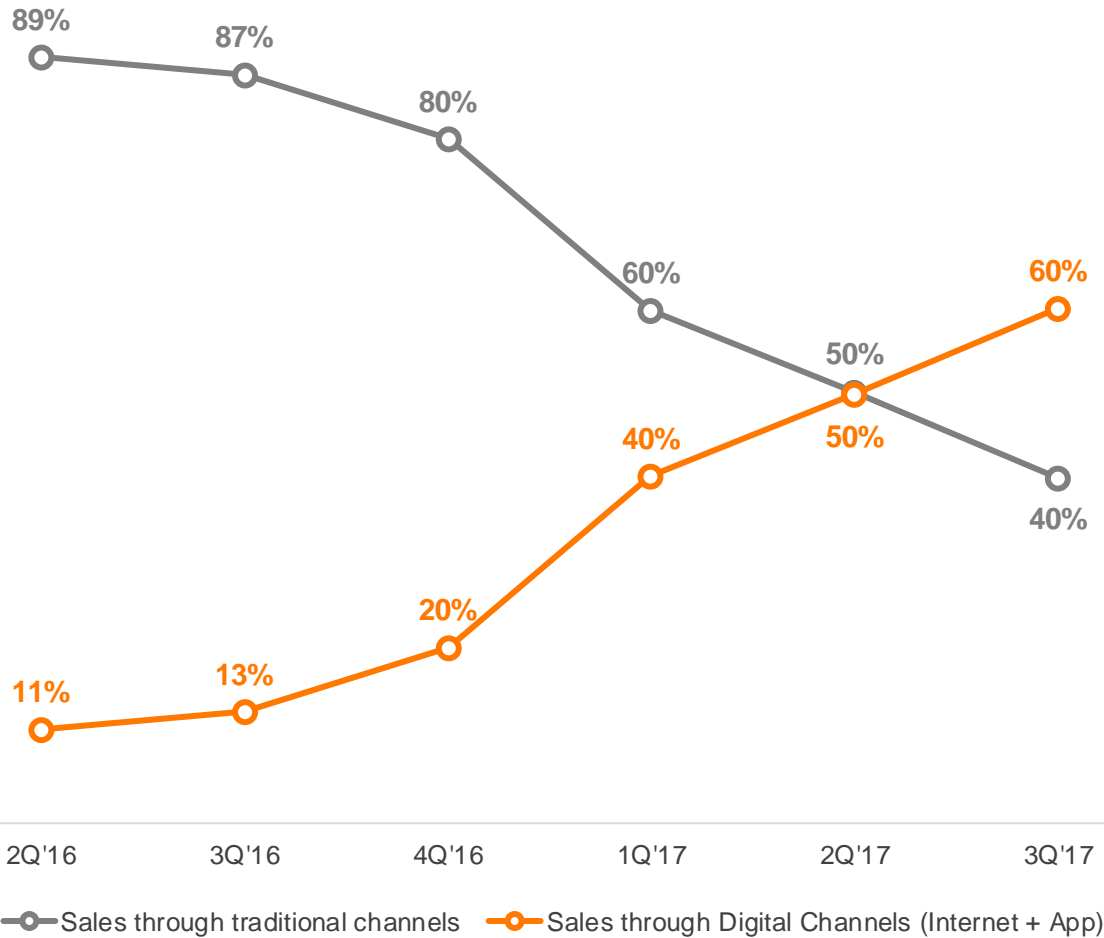
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Itaú

# Digital Banking | sales and usage of digital channels

## Loan sales on digital channels

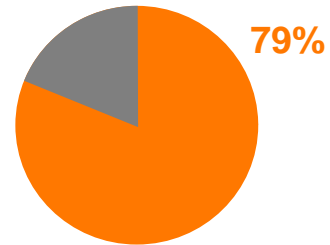
Share of sales (#) / retail installment loans sales



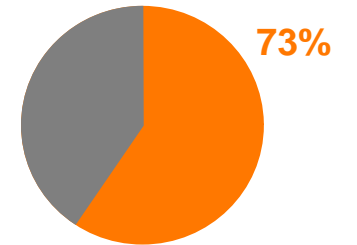
## Use of Digital Channels

% of Individuals Clients

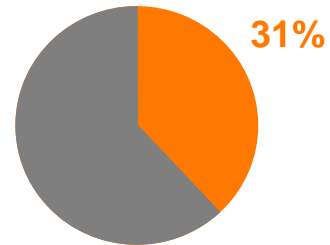
**Clients that use Internet Banking**  
(min 1 access / month)



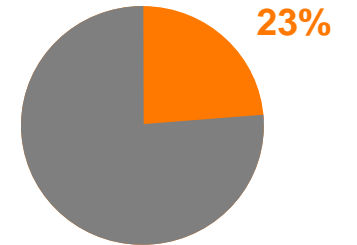
**Clients that make web Transactions**



**Clients that use Mobile App**  
(min 1 access / month)

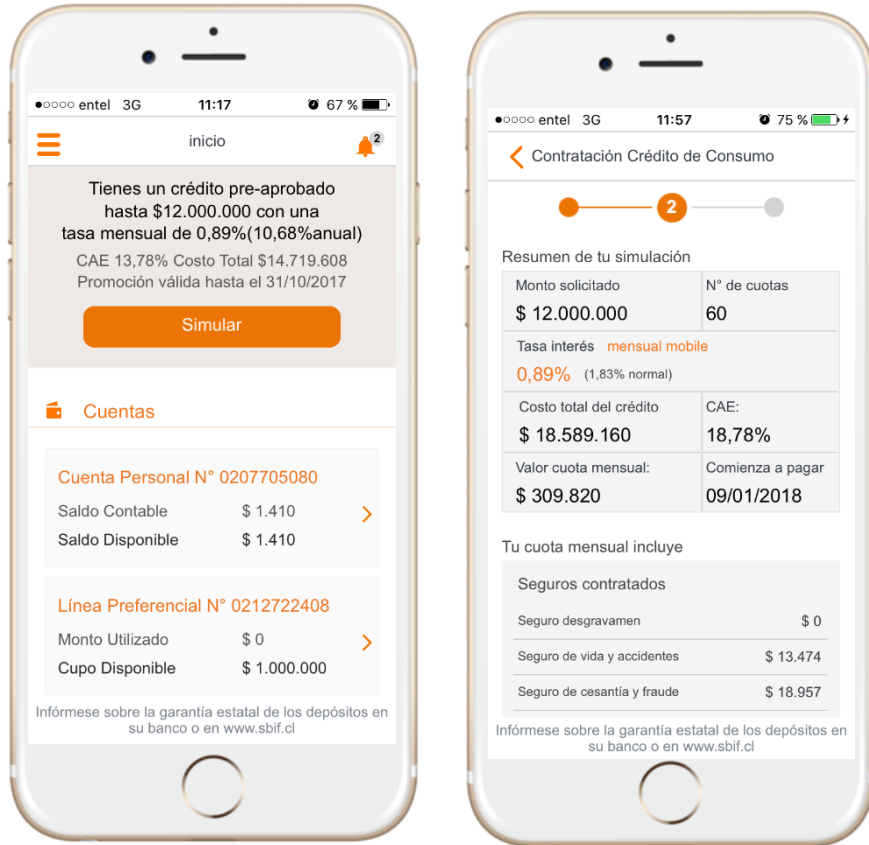


**Clients that make app Transactions**

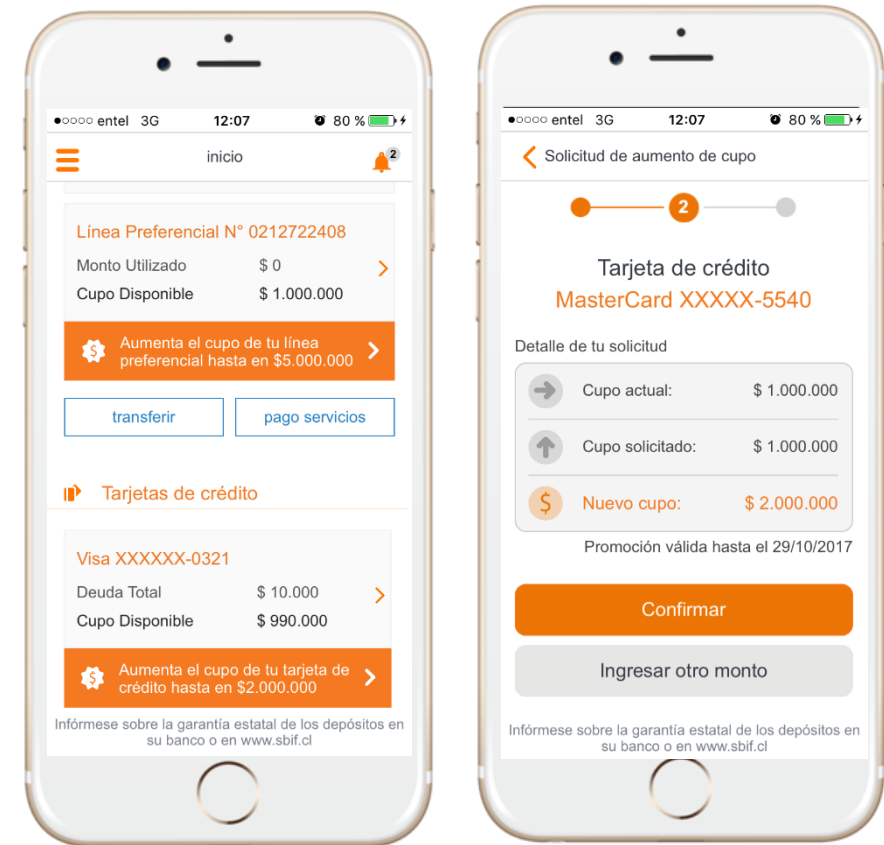


# Digital Banking | Improvements in mobile offer

## Preapproved Credit Lines



## Increase of Limits



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Itaú

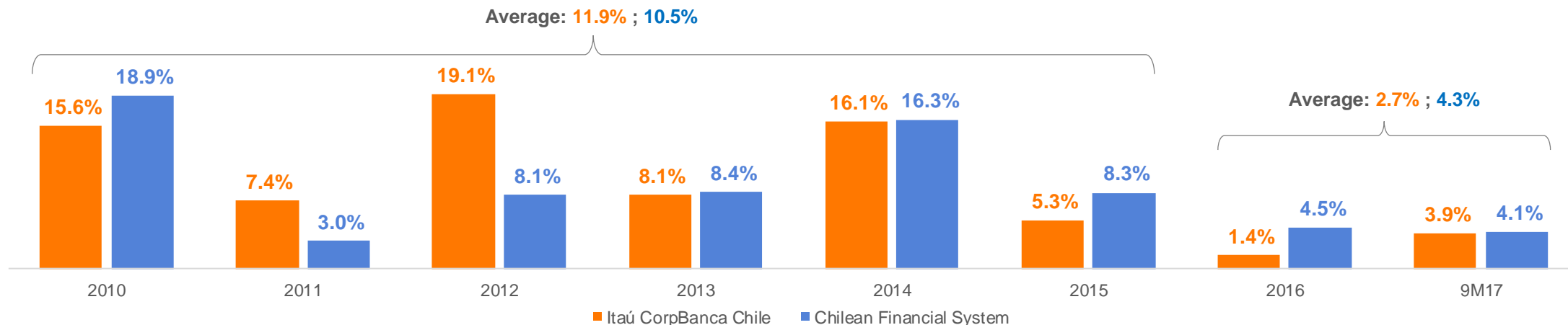


# Synergies Update | Compared Evolution of Total Expenses

In billion of Chilean pesos

	2009	2010	2011	2012	2013	2014	2015	2016	9M16	9M17
<b>Total Expenses - Itaú CorpBanca<sup>1</sup></b>	<b>220</b>	<b>255</b>	<b>275</b>	<b>402</b>	<b>545</b>	<b>732</b>	<b>736</b>	<b>801</b>	<b>553</b>	<b>567</b>
(-) Itaú CorpBanca Colombia	-	-	-	(74)	(191)	(290)	(253)	(253)	(181)	(207)
<b>Total Expenses - Itaú CorpBanca Chile</b>	<b>220</b>	<b>255</b>	<b>275</b>	<b>328</b>	<b>354</b>	<b>441</b>	<b>483</b>	<b>548</b>	<b>373</b>	<b>359</b>
(-) credit risk-related provisions <sup>2</sup>	(3)	(4)	(4)	(6)	(4)	(4)	(2)	(11)	(3)	(6)
(-) Non-recurring expenses	-	-	-	-	-	(32)	(54)	(83)	(36)	(4)
(-) Depreciation and Amortization <sup>3</sup>	(10)	(12)	(14)	(16)	(20)	(22)	(24)	(45)	(34)	(39)
<b>Adjusted Total Expenses - Itaú CorpBanca Chile</b>	<b>207</b>	<b>239</b>	<b>257</b>	<b>306</b>	<b>331</b>	<b>384</b>	<b>404</b>	<b>410</b>	<b>299</b>	<b>311</b>
Yearly growth rate		15.6%	7.4%	19.1%	8.1%	16.1%	5.3%	1.4%		3.9%
<b>Adjusted Total Expenses - Chilean Financial System</b>	<b>2,254</b>	<b>2,680</b>	<b>2,761</b>	<b>2,983</b>	<b>3,233</b>	<b>3,760</b>	<b>4,073</b>	<b>4,255</b>	<b>3,187</b>	<b>3,316</b>
Yearly growth rate		18.9%	3.0%	8.1%	8.4%	16.3%	8.3%	4.5%		4.1%

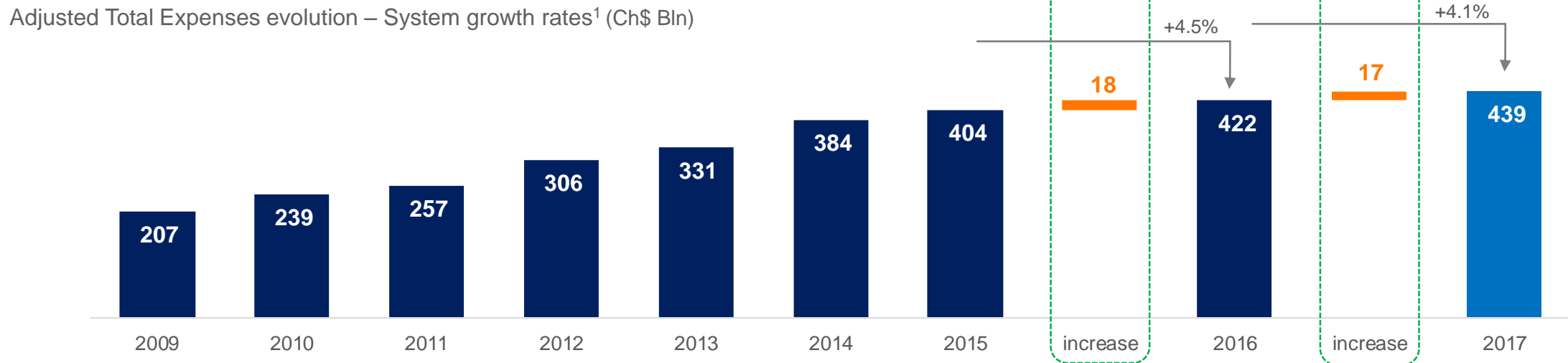
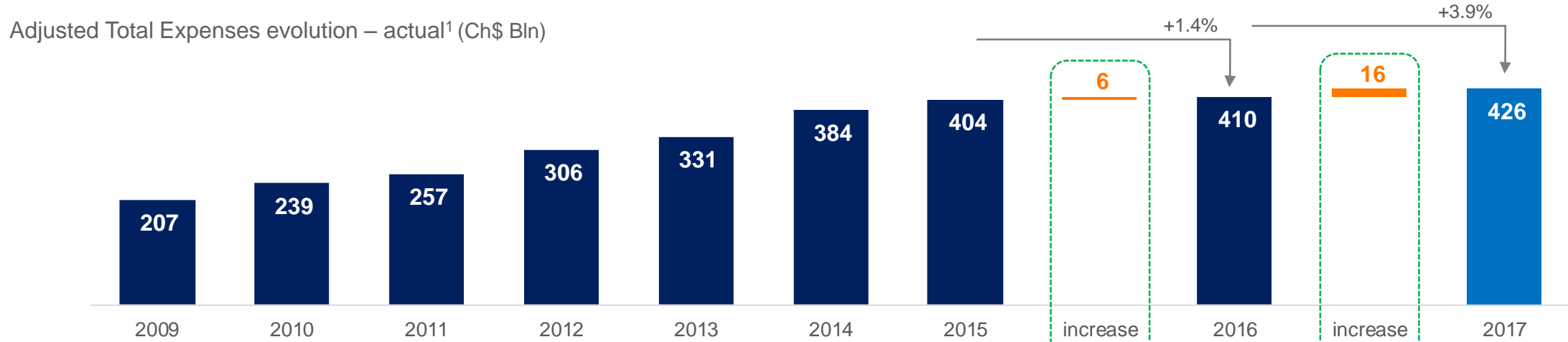
Adjusted Total Expenses annualized growth (%)



Itaú Corpbanca

1 – Includes commissions expenses, personnel expenses, administrative expenses, depreciation and amortization, impairment charges and other operational expenses. All data is Proforma 2 – Consisting of provisions for assets received in lieu of payment and provisions for Country risk. 3 – Includes the amortization of intangibles generated through business combinations which are classified as a non-recurring expense on the MD&A.

# Synergies Update | Estimated Syneries Captured to Date<sup>1</sup>



**Synergies captured (Ch\$ Bln)**  
**Synergies captured (US\$ Mln)<sup>2</sup>**

≠ 12  
 ≠ 1  
 19      2  
**US\$ 21 million in the first two years<sup>2</sup>**



# Synergies Update | Main Initiatives Underway

## Cost management Culture



- Monthly expense commission
- Implementation of cost drivers and unitary cost measurements

Implementation of **multidisciplinary work groups** for the identification of new opportunities



- Digital Banking
- Procurement
- Fixed assets sales

## Merger execution



- Branches migration
- Technological Integration

Desing and implementation of a **Full Cost Allocation** model



- Assignment of overhead cost down to the product level.

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# Next Steps

## Chile

- Completion of branch migration and client segmentation (dec.2017)
- Focus on topline and client satisfaction
- Focus on digital strategy
- Implementation of synergies

## Colombia

- Introduction of the Itaú brand (may.2017)
- Acquisition of assets and liabilities of Itaú Corporación Financiera
- Completion of systems integration (jun.2018)
- Redefining business models for wholesale and retail



# 3<sup>rd</sup> Quarter 2017 | Earnings Review Conference Call

**Gabriel Moura**

Chief Financial Officer

**Claudia Labbé**

Head of Investor Relations

**Itaú Corpbanca**

**ITCB** MEMBER OF  
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In Collaboration with RobecoSAM