

1st Quarter 2018 | Earnings Review Conference Call

Gabriel Moura
Chief Financial Officer

Claudia Labbé
Head of Investor Relations



Itaú Corpbanca

May 4th, 2018

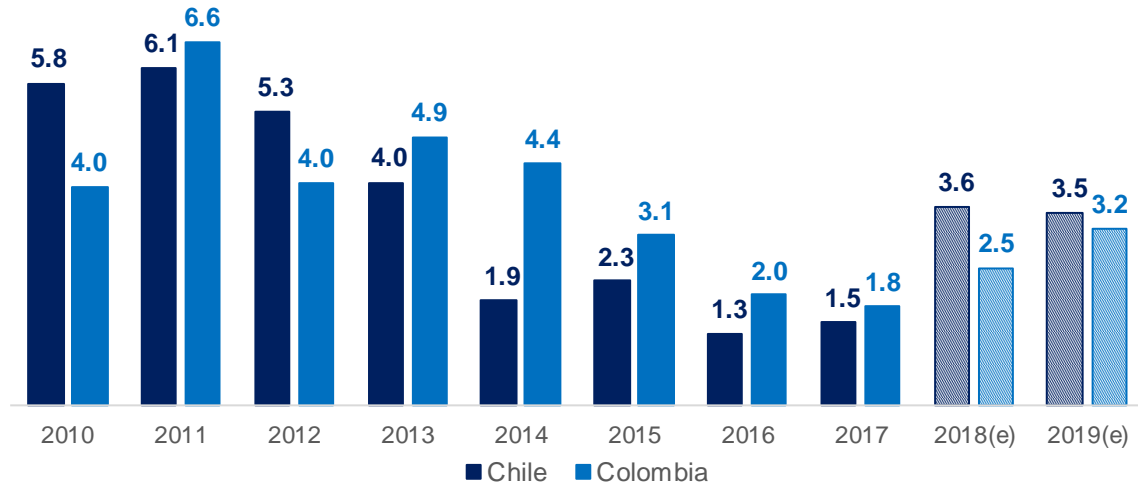


Agenda

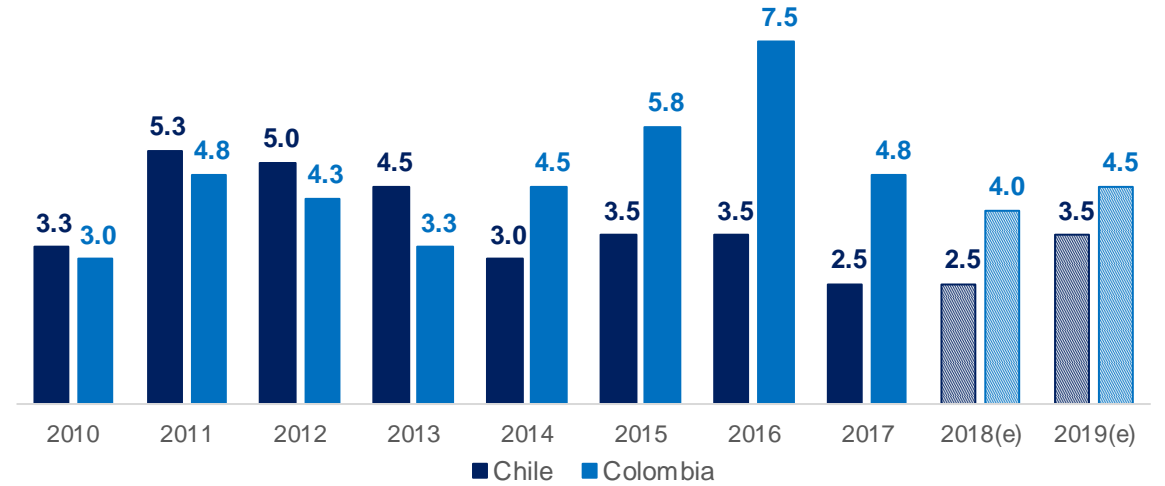
1. 1Q'18 Results
2. Next Steps

Macroeconomic Backdrop

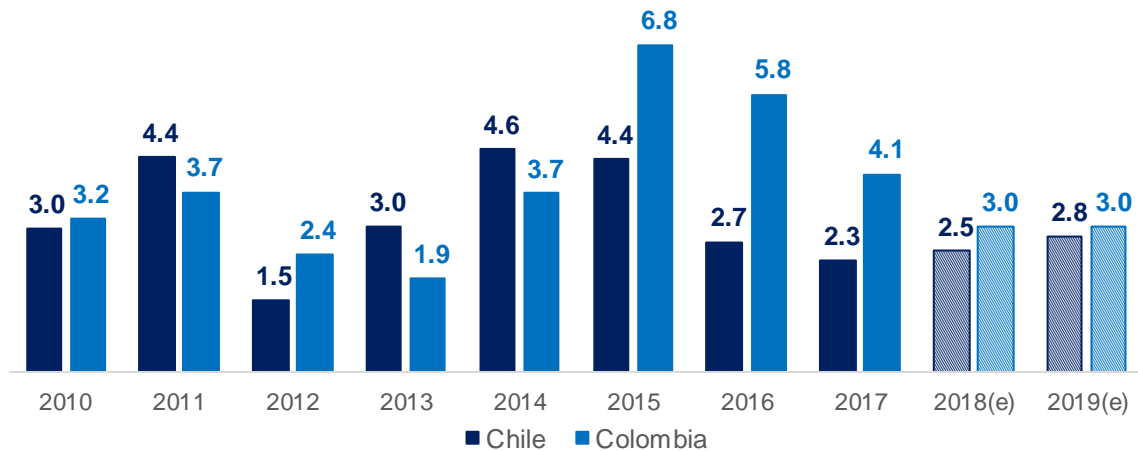
GDP Growth (%)



Interest Rates (EOP) - %




Inflation (CPI) - %

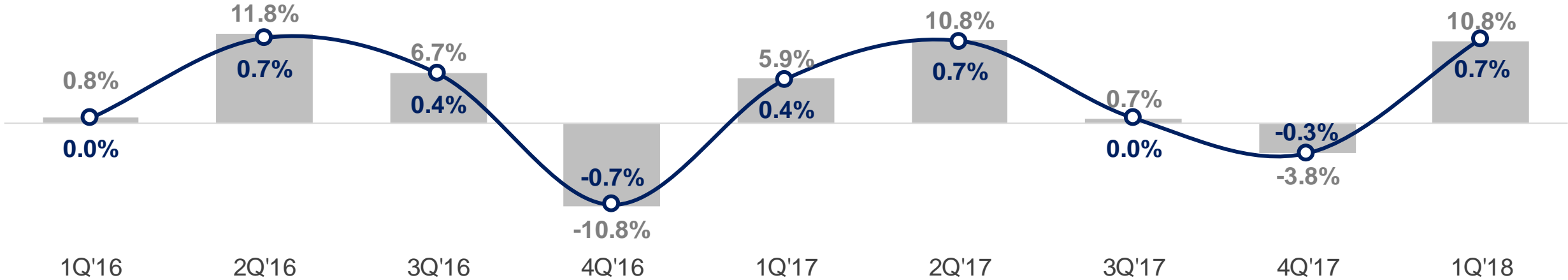


Exchange rates – CLP/USD & CLP/COP

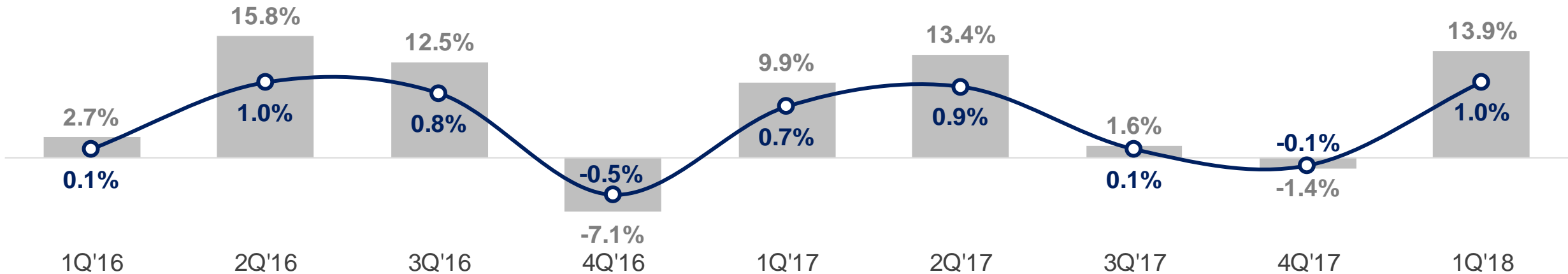


Recurring ROE / Recurring ROA¹

RoTE / RoTA – Consolidated 



RoTE / RoTA – Chile 



■ Annualized Recurring Return on Average Equity (quarterly) — Annualized Recurring Return on Average Assets (quarterly)

¹ – Excludes Goodwill and intangibles assets from business combination.

Income Statement



<i>in million of Chilean Pesos</i>	Change				Change			
	1Q'18	4Q'17	%	\$	1Q'17	%	\$	
Net interest income	134,073	134,225	-0.1%	-152	129,307	3.7%	4,766	
Net fee and commission income	39,629	35,005	13.2%	4,624 ¹	35,741	10.9%	3,888 ¹	
Total financial transactions, net	23,088	21,734	6.2%	1,354	20,654	11.8%	2,434	
Other operating income, net	678	8,360	-91.9%	-7,682 ²	-3,778	n.a.	4,456 ²	
Net operating profit before credit & counterparty losses	197,468	199,324	-0.9%	-1,856	181,925	8.5%	15,543	
Result from loan losses, net	-30,305	-90,283	-66.4%	59,978 ³	-39,055	-22.4%	8,750 ³	
CVA (ratings and collaterals effects)	352	-17,895	n.a.	18,246	-5,466	n.a.	5,818	
Net operating profit	167,514	91,146	83.8%	76,368	137,403	21.9%	30,111	
Operating expenses	-105,527	-108,366	-2.6%	2,839	-100,809	4.7%	-4,717	
Operating income	61,988	-17,219	n.a.	79,207	36,594	69.4%	25,394	
Income from investments in other companies	25	31	-19.4%	-6	0	n.a.	25	
Income before taxes	62,013	-17,188	n.a.	79,201	36,594	69.5%	25,419	
Income tax expense	-10,633	11,955	n.a.	-22,588	-2,313	359.7%	-8,320	
Net income attributable to shareholders	51,370	-5,226	n.a.	56,595	34,227	50.1%	17,143	

¹ Increase in insurance commissions linked to consumer loan sales through our digital channels. Increased wholesale fees.

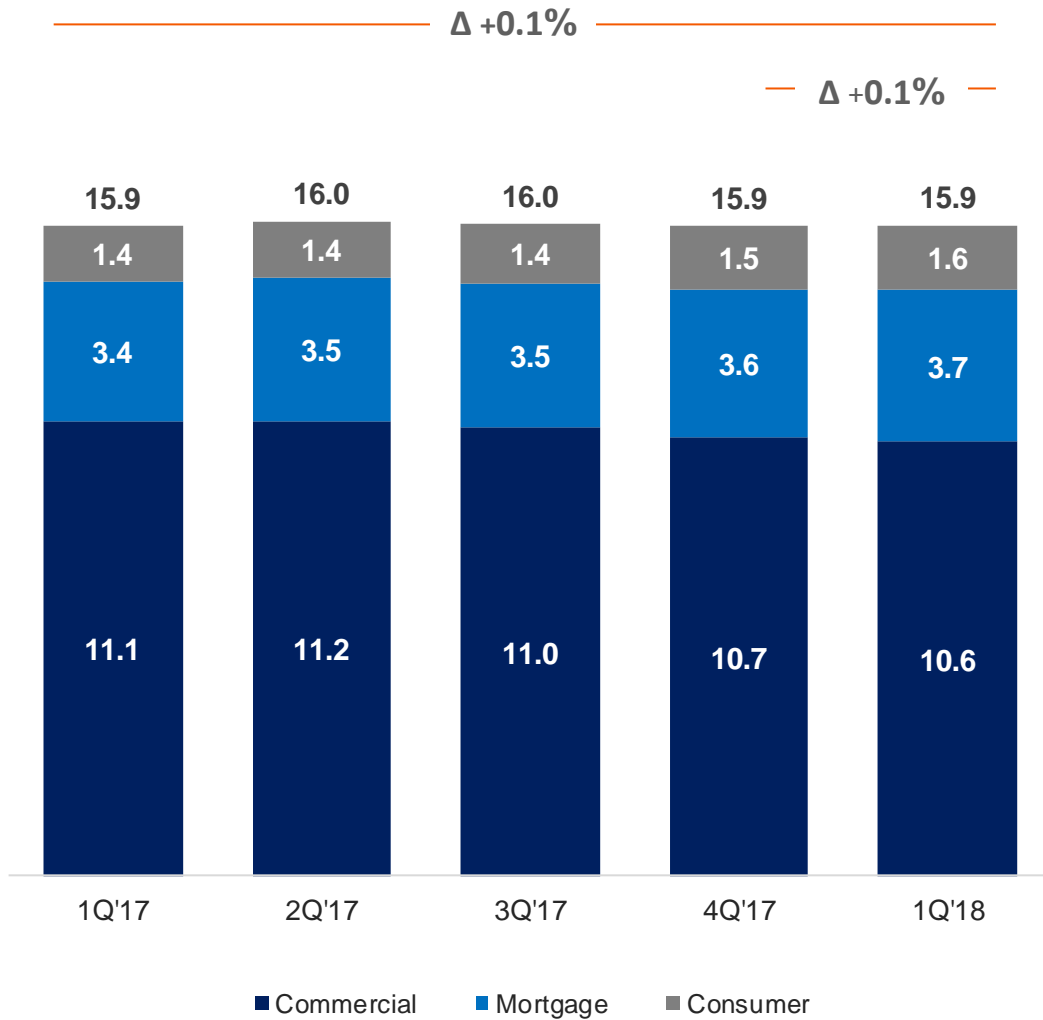
² Results from sales of corporate buildings, of Ch\$ 4,2 bln in 1Q'18 and 13,8 bln in 4Q'17.

³ Lower credit events and improved risk dynamics with Wholesale clients.

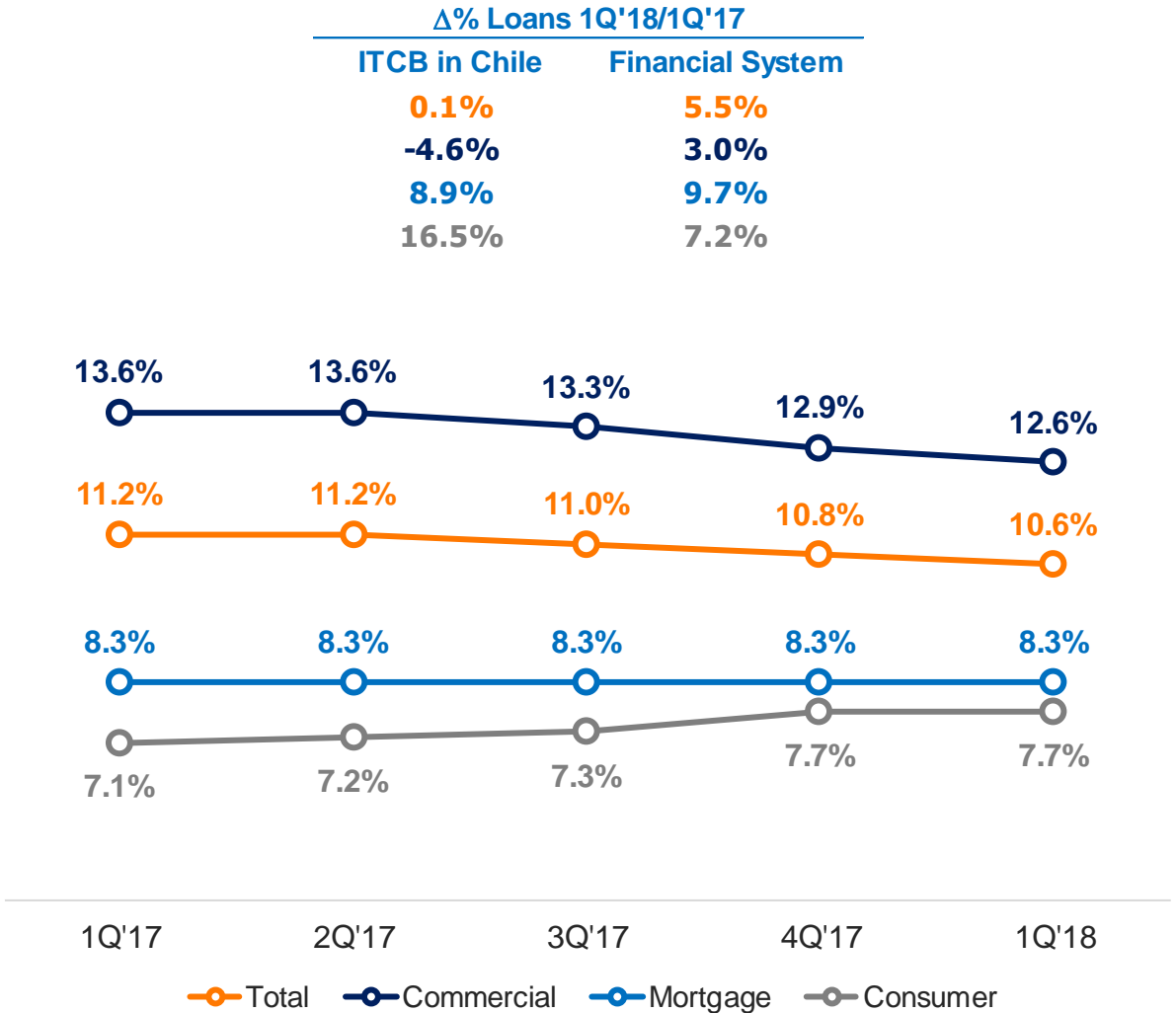
Loan Portfolio



Total Loans (CP\$ Trn)



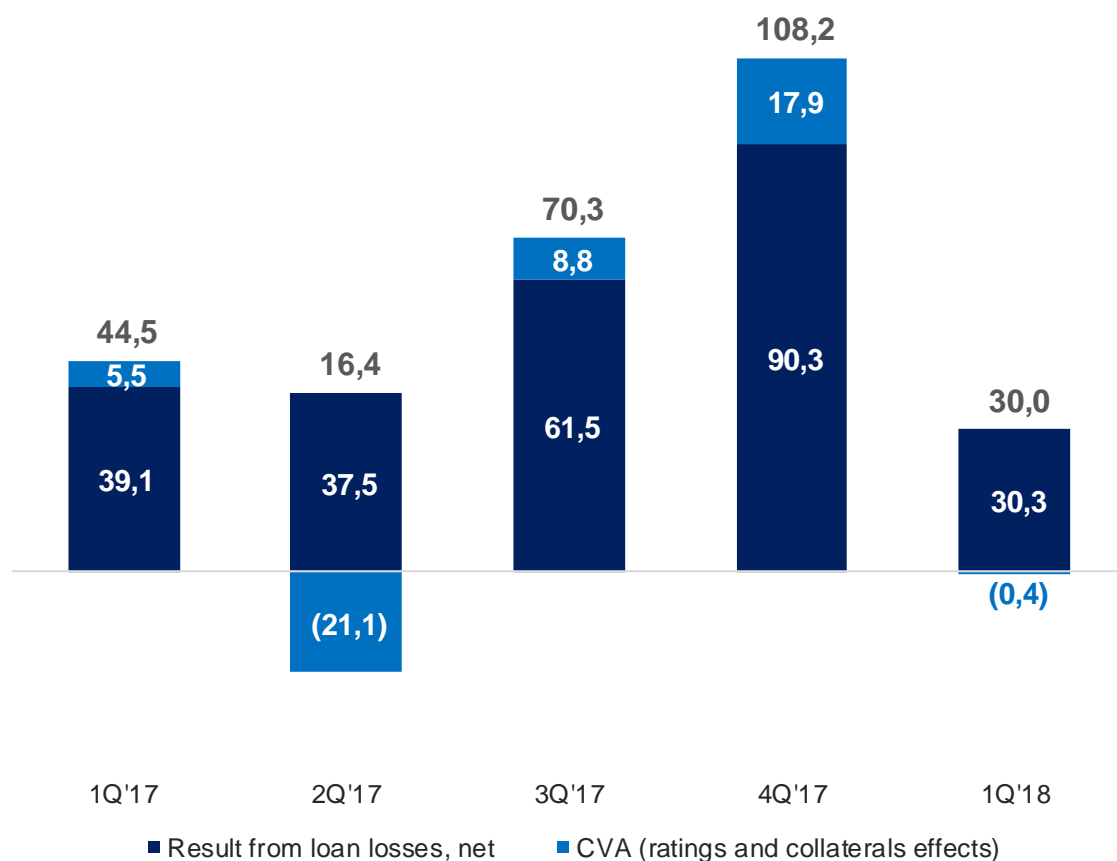
Market share



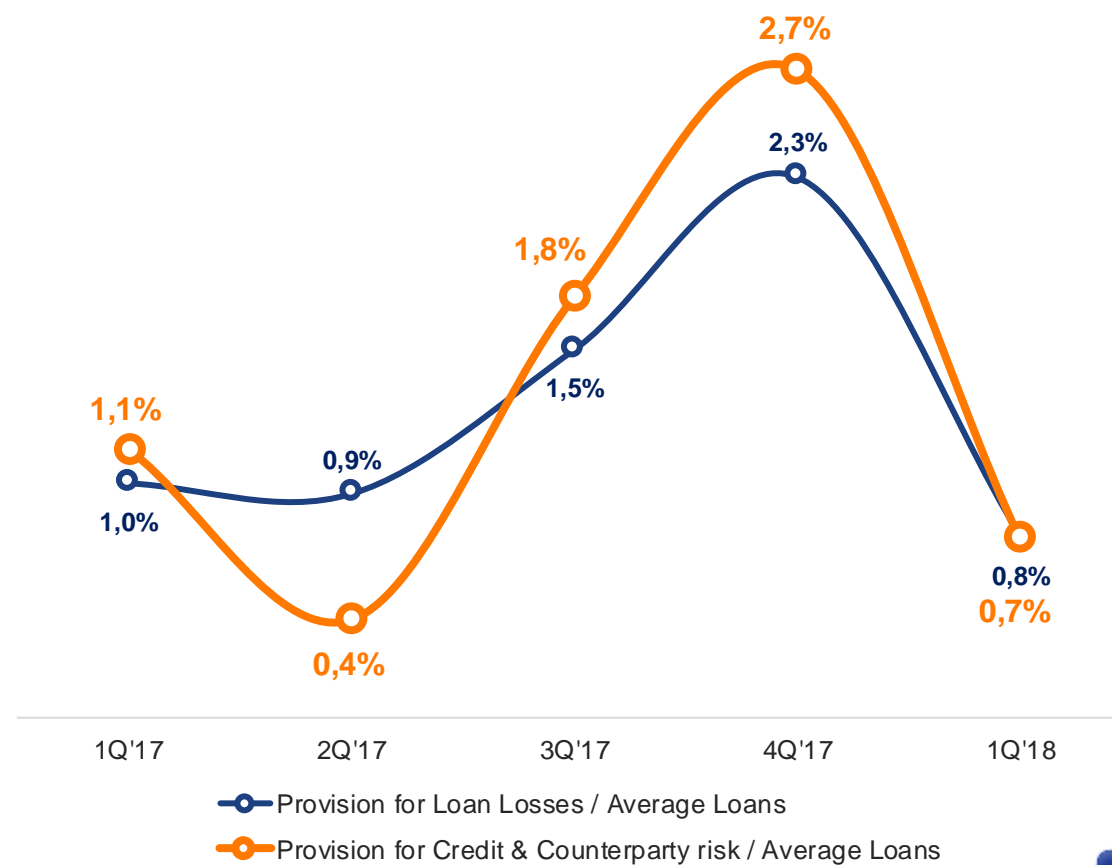
Net provision for credit & counterparty risks



Net provision for credit & counterparty risks (CLP Bln)



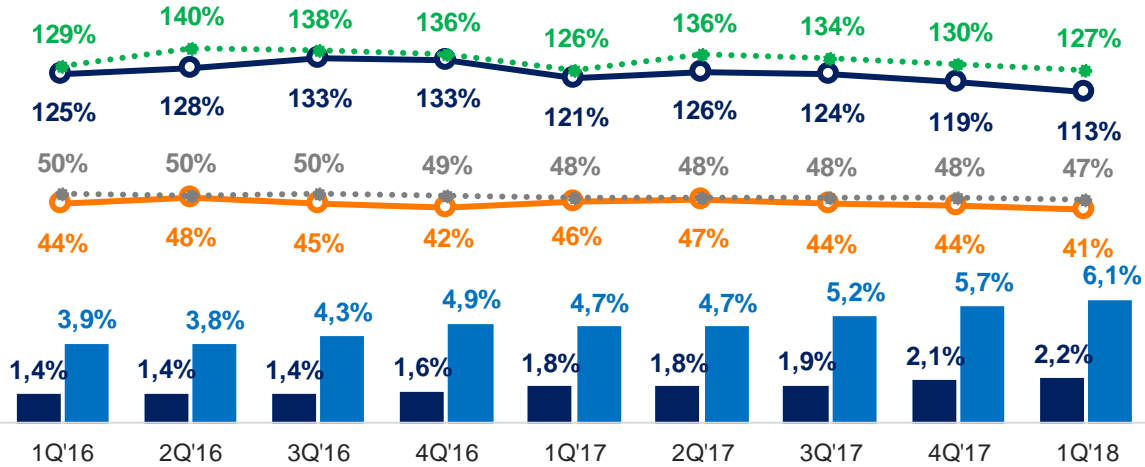
Net provision for credit & counterparty risks ratios (annualized)



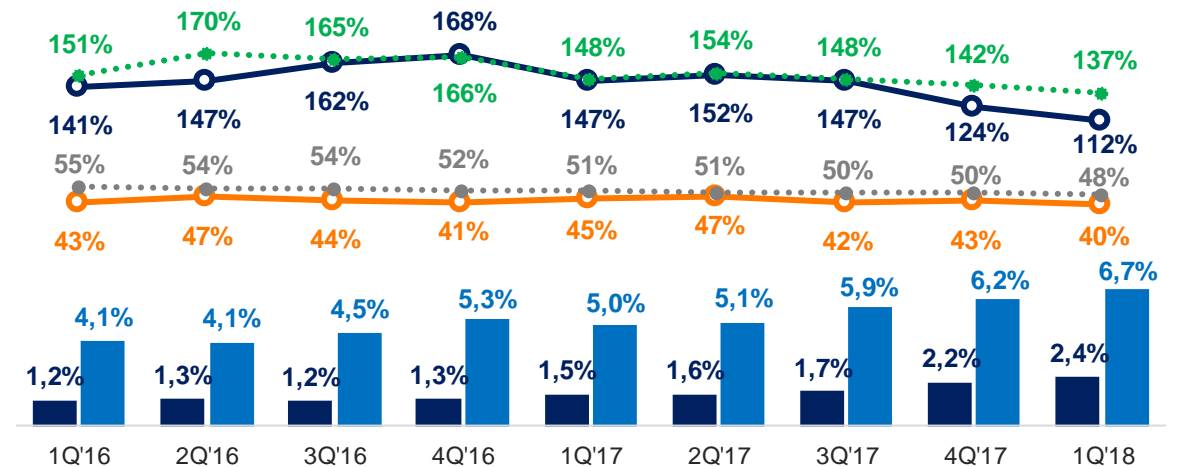
Credit Quality



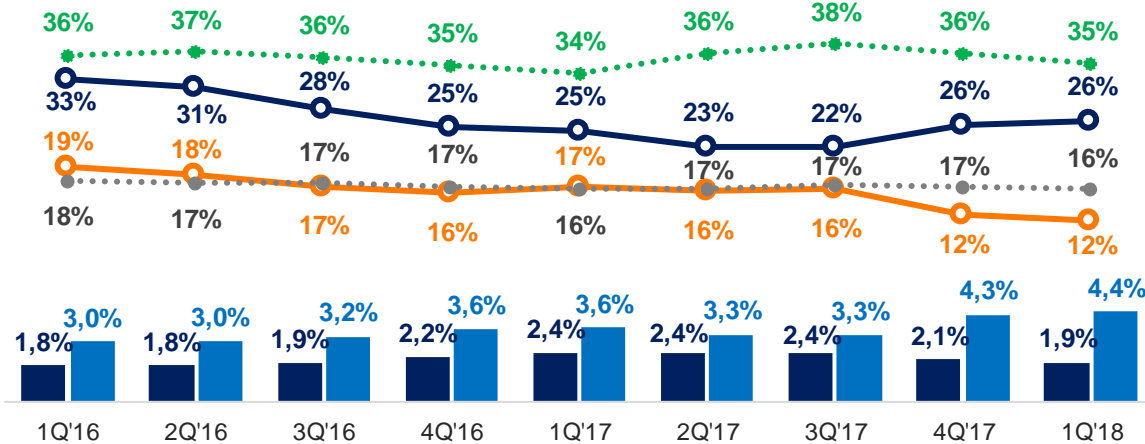
Total Loans



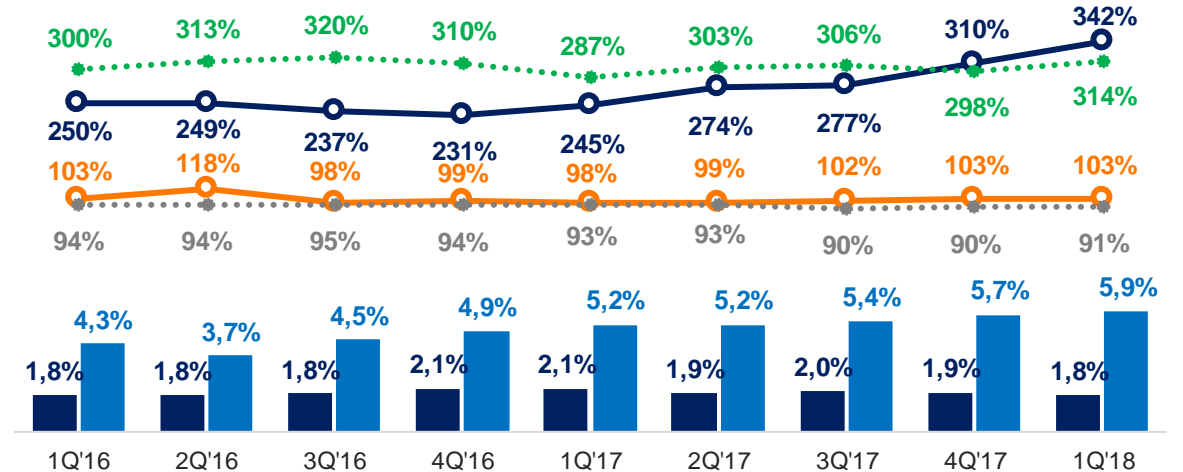
Commercial



Mortgage



Consumer



■ NPL90(%)
 ■ Cartera deteriorada (%)
 ● NPL90 Coverage
 ● NPL90 Coverage (Chilean Financial System)
 ○ Cobertura Cartera Deteriorada
 ● Cartera Deteriorada coverage (Chilean Financial System)



Income Statement



in million of Chilean Pesos - constant currency ¹	Change				Change			
	1Q'18	4Q'17	%	\$	1Q'17	%	\$	
Net interest income	65.085	60.153	8,2%	4.932	51.623	26,1%	13.461	
Net fee and commission income	6.269	11.293	-44,5%	-5.025	9.602	-34,7%	-3.333	
Total financial transactions, net	5.314	17.482	-69,6%	-12.168	17.614	-69,8%	-12.300	
Other operating income, net	-198	-2.501	-92,1%	2.303	-3.319	-94,0%	3.121	
Net operating profit before loan losses	76.469	86.427	-11,5%	-9.958	75.520	1,3%	949	
Result from loan losses	-29.806	-47.674	-37,5%	17.868	-36.178	-17,6%	6.372	
Net operating profit	46.663	38.754	20,4%	7.909	39.342	18,6%	7.321	
Operating expenses	-48.846	-52.487	-6,9%	3.641	-48.067	1,6%	-779	
Operating income	-2.183	-13.733	-84,1%	11.550	-8.725	-75,0%	6.542	
Income from investments in other companies	1.248	283	340,4%	965	178	602,1%	1.070	
Income before taxes	-935	-13.450	-93,0%	12.515	-8.547	-89,1%	7.612	
Income tax expense	4.598	3.006	53,0%	1.592	4.472	2,8%	126	
Net income	3.663	-10.444	-135,1%	14.107	-4.075	-189,9%	7.738	
(-) Minority Interests	-1.229	2.487	-149,4%	-3.716	1.383	-188,9%	-2.612	
(-) Cost of hedge positions for Colombia	-3.654	-4.809	-24,0%	1.155	-5.130	-28,8%	1.477	
Net income attributable to shareholders	-1.220	-12.766	-90,4%	11.546	-7.823	-84,4%	6.602	
<i>Currency conversion effects</i>	1	374			-66			
Net income attributable to shareholders (nominal currency)	-1.220	-12.393	-90,2%	11.173	-7.888	-84,5%	6.668	

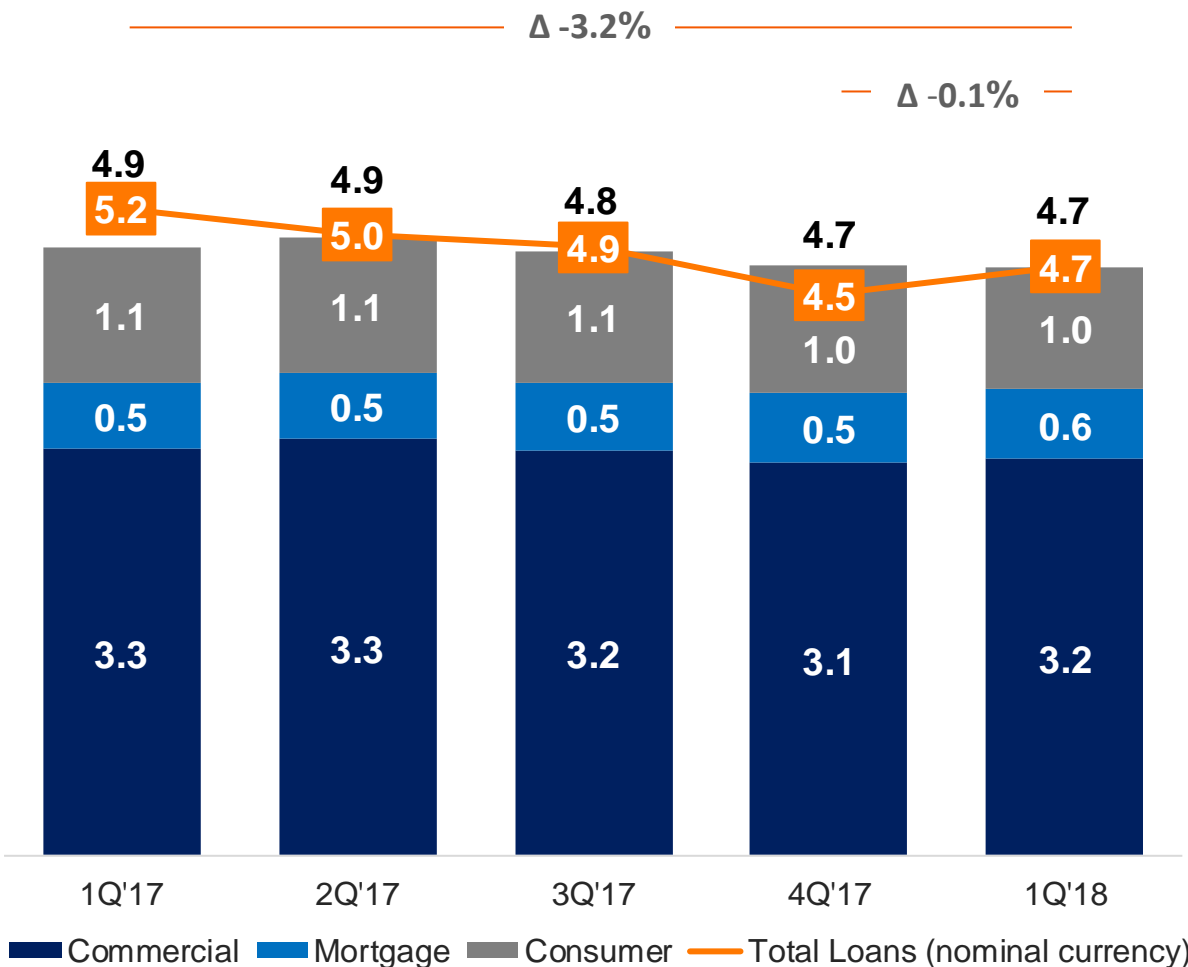
- 1 Increased net interest margin due to positive impact from lowering policy interest rates in our funding structure.
- 2 Lower results on less favorable market conditions.
- 3 Lower credit events and improved risk dynamics with Wholesale clients.

1 – Considers the elimination of foreign exchange variation, which is obtained by the application of the foreign exchange rate of March 31st, 2018 to all periods analyzed.

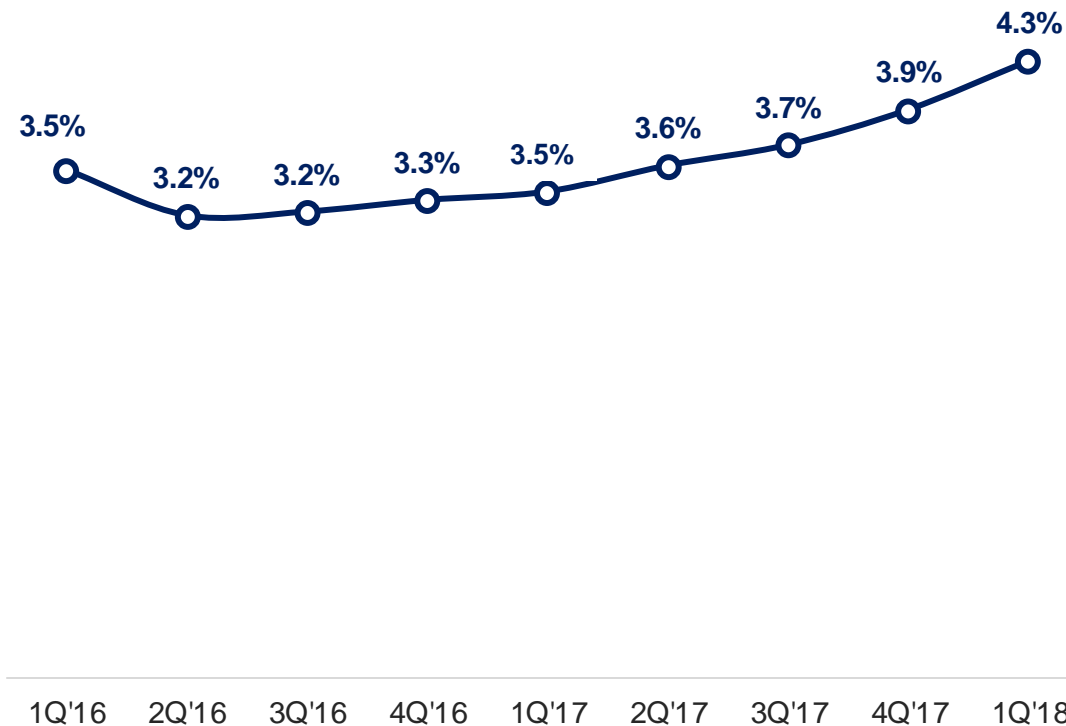
Loan Portfolio & NIM



Total Loans – in constant currency¹ (CP\$ Trn)



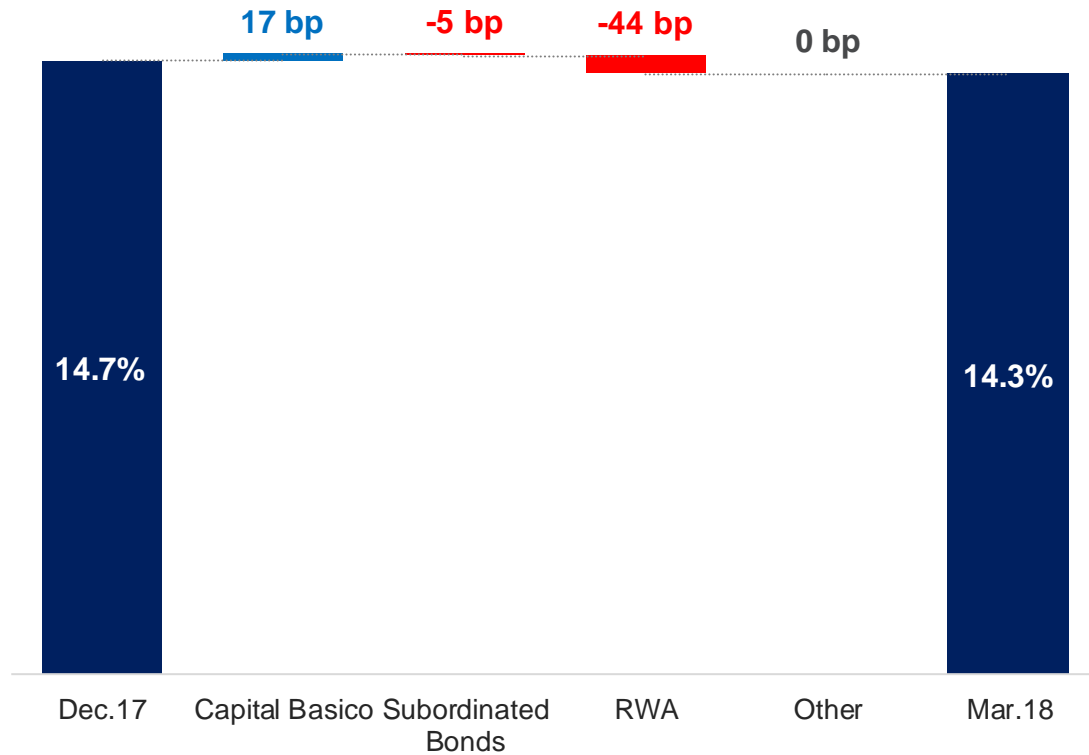
Net Interest Margin (NIM)



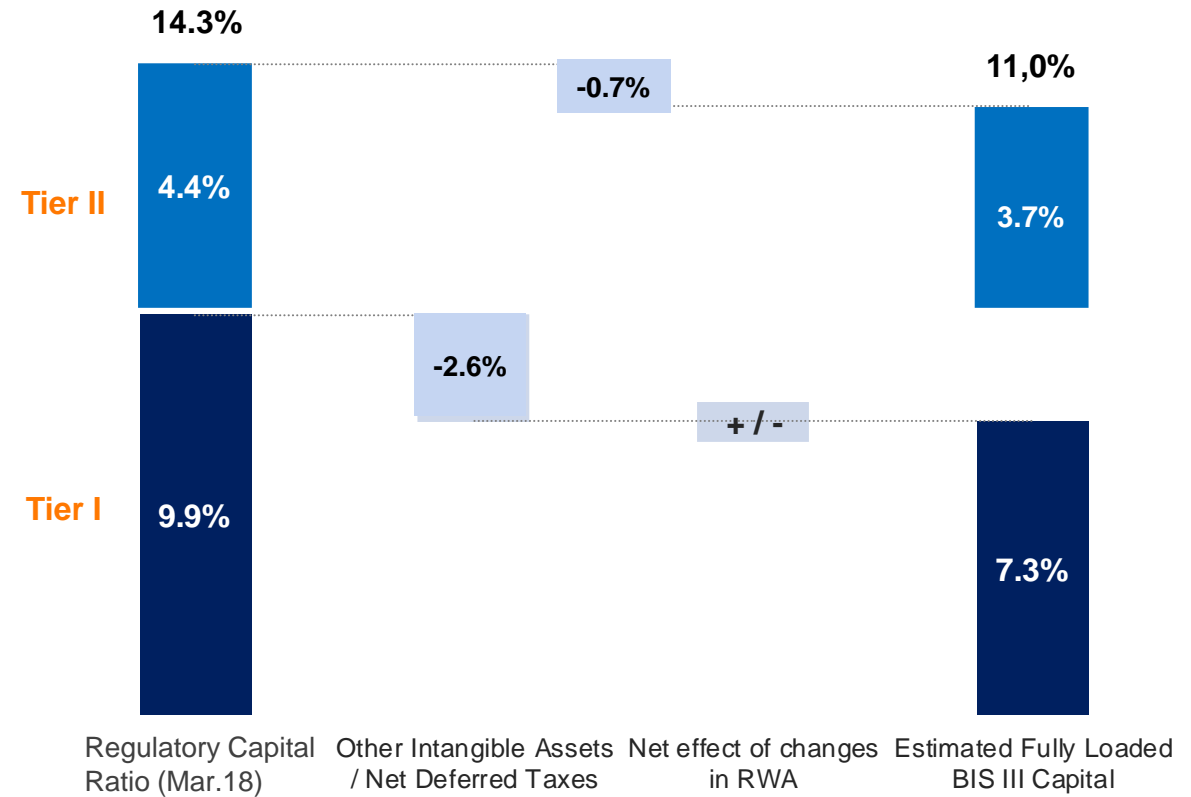
1 – Considers the elimination of foreign exchange variation, which is obtained by the application of the foreign exchange rate of March 31th, 2018 to all periods analyzed.

Regulatory Capital Ratio – Ley General de Bancos (LGB)

Regulatory capital ratio evolution (LGB)



Estimated BIS III capital ratio (new LGB)





Agenda

1. 1Q'17 Results
- 2. Next Steps**

Next Steps

Chile

- Full focus on client satisfaction
- Focus on increasing and sustainable results
- Complete the technological integration and advance with digital agenda
- Strengthen our culture throughout the organization

Colombia

- Complete branch and client migration
- Complete the technological integration
- Implement retail and wholesale business strategies
- Strengthen our culture throughout the organization

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Itaú Corpbanca

May 4th, 2018

Disclaimers

Itaú CorpBanca is the entity resulting from the merger of Banco Itaú Chile (Itaú Chile) with and into CorpBanca 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.

In order to allow for comparison with previous periods, historical pro forma data of the consolidated combined results of Itaú Chile and CorpBanca deconsolidating our subsidiary SMU Corp S.A.¹ and excluding non-recurring events for the periods prior to the second quarter of 2016 is presented in this Management Discussion & Analysis report. The pro forma income statement has 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 “Superintendencia de Bancos e Instituciones Financieras” (“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 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.

1 – On January 30, 2017, Itaú CorpBanca announced the transfer of all of its shares in SMU Corp which after the Merger was no longer considered strategic. As of June 30, 2016 this investment changed to “available for sale” for accounting purposes and in accordance with standard N° 5 of IFRS ceased to be consolidated in the Financial Statements of Itaú CorpBanca.