

4th Quarter 2016 | Earnings Review Conference Call



Milton Maluhy
Chief Executive Officer

Gabriel Moura
Chief Financial Officer

Claudia Labbé
Head of Investor Relations

Itaú Corpbanca

March 1st, 2017

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.

Additionally, after the Merger our investment in SMU Corp S.A. (“SMU Corp”) was no longer considered strategic. Therefore the status of the investment changed to “available for sale” for accounting purposes. In 2016, our management estimated that the sale of Itaú CorpBanca’s investment in SMU Corp was highly likely¹. Therefore, in accordance with standard N° 5 of IFRS as of June 30, 2016 SMU Corp ceased to be consolidated in the Financial Statements of Itaú CorpBanca. SMU Corp was a joint venture with SMU S.A. —SMU is a retail business holding company controlled by CorpGroup— whose sole an exclusive purpose was the issuance, operation and management of “Unimarc” credit cards to customers of supermarkets associated with SMU.

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. (which is no longer considered strategic as of June 30, 2016) 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. S.A.





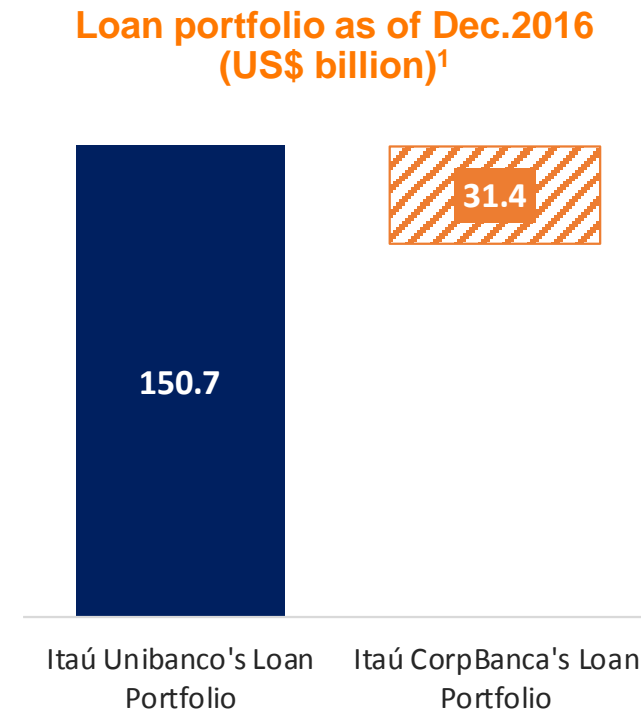
Agenda

1. **Governance**
2. Business Model & Integration Process
3. Results 4Q'16 & 2016
4. Next Steps - 2017

Itaú CorpBanca is the expansion platform for Itaú Unibanco in the Andean region



Itaú CorpBanca represents 21% of Itaú Unibanco's consolidated loan portfolio¹



¹ – Considering the consolidated loan portfolios of Itaú Unibanco and Itaú CorpBanca reported in their respective 4Q'16 MD&As and a R\$ 3.2591 / US\$ and a Ch\$ 669.81 / US\$ foreign exchange rates as of 31.12.2016.
Note: As of December 31st, 2016, Itaú Unibanco held a 35.71% equity stake in Itaú CorpBanca but as the controlling shareholder, fully consolidates Itaú CorpBanca's Financial Statements.

Design of a corporate structure to bolster alignment and integration



Board Chile

Chairman
Jorge Andrés Saieh Guzmán

Ricardo Villela Marino	João Lucas Duchene
Eduardo Mazzilli de Vassimon	Fernando Concha Ureta
Boris Buvinic Guerovich	Jorge Selume Zaror
Andrés Bucher Cepeda	Fernando Aguad Dagach
Pedro Samhan Escandar	Gustavo Arriagada Morales

Board Colombia

Chairman
Milton Maluhy

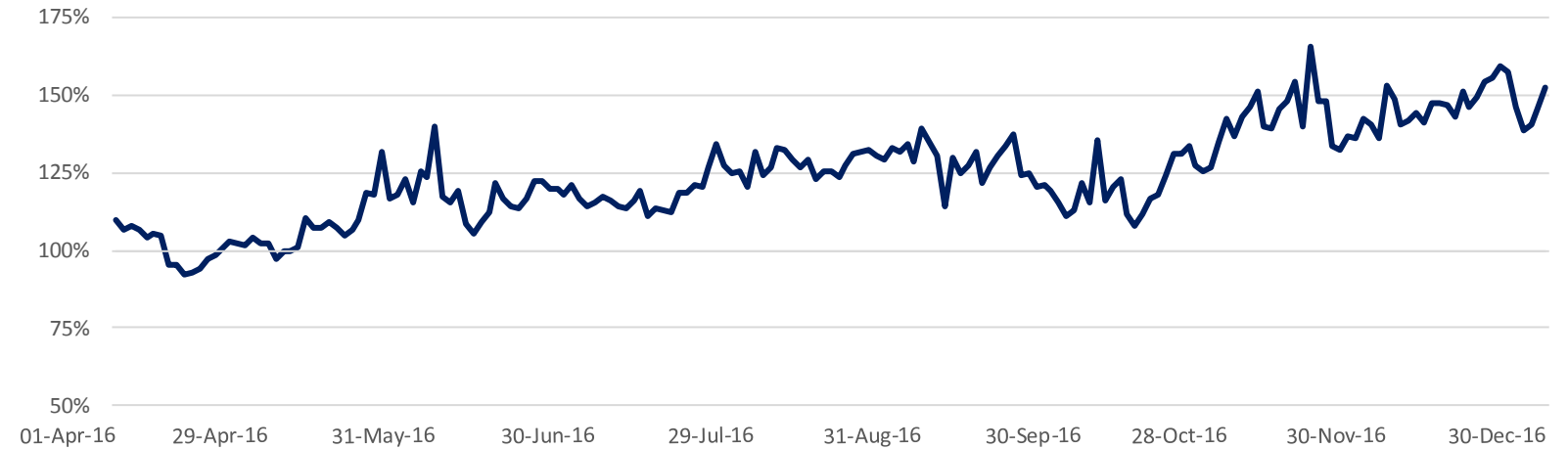
Roberto Brigard Holguín	Juan Echeverría González
Luis Fernando Martínez Lema	Gabriel Moura
Carmiña Ferro Iriarte	Rogério Braga
Rafael Pardo Soto	Mónica Aparicio Smith

- Matrix reporting to CEO Colombia and functional reporting to ITCB
- Functional reporting to CEO Colombia and matrix reporting to ITCB for coordination of specific themes

Strong liquidity levels and narrowed spread to peers on bond issuances

- **Liquidity:** high liquidity standards are an important driver of our balance sheet management both in Chile and in Colombia

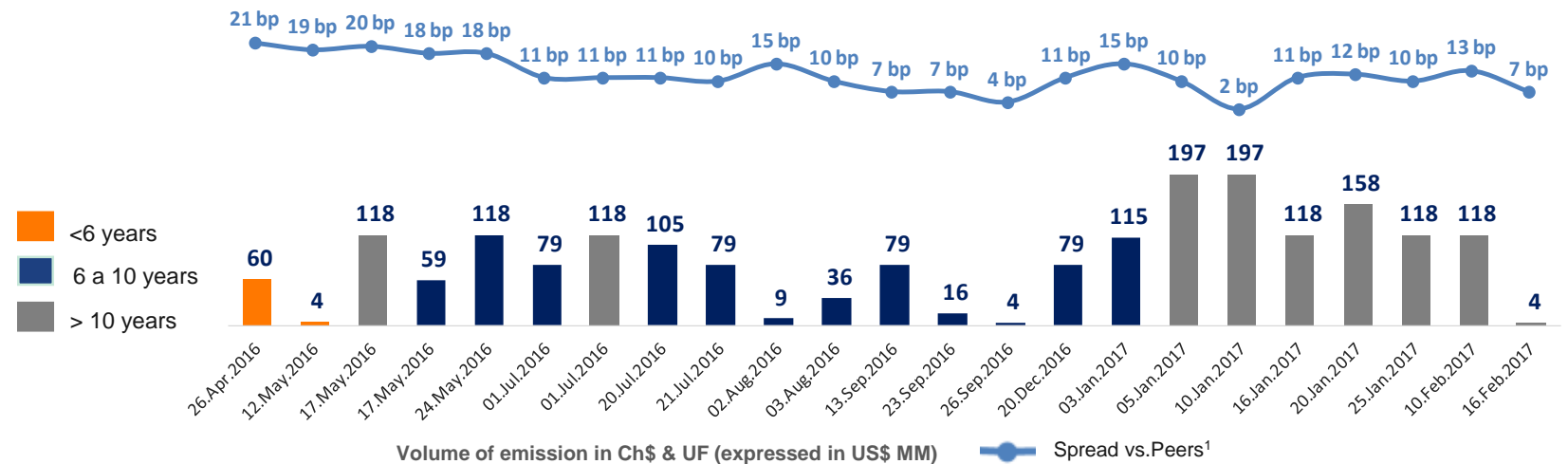
Liquidity Framework - LCR



- Successful placement of US\$2.0 billion in bonds in Chile since LD1, of which US\$1.0 billion were placed in the first 2 months of 2017.

- Our **cost of fund** has been converging to peers since LD1.

Bond issuances since LD1

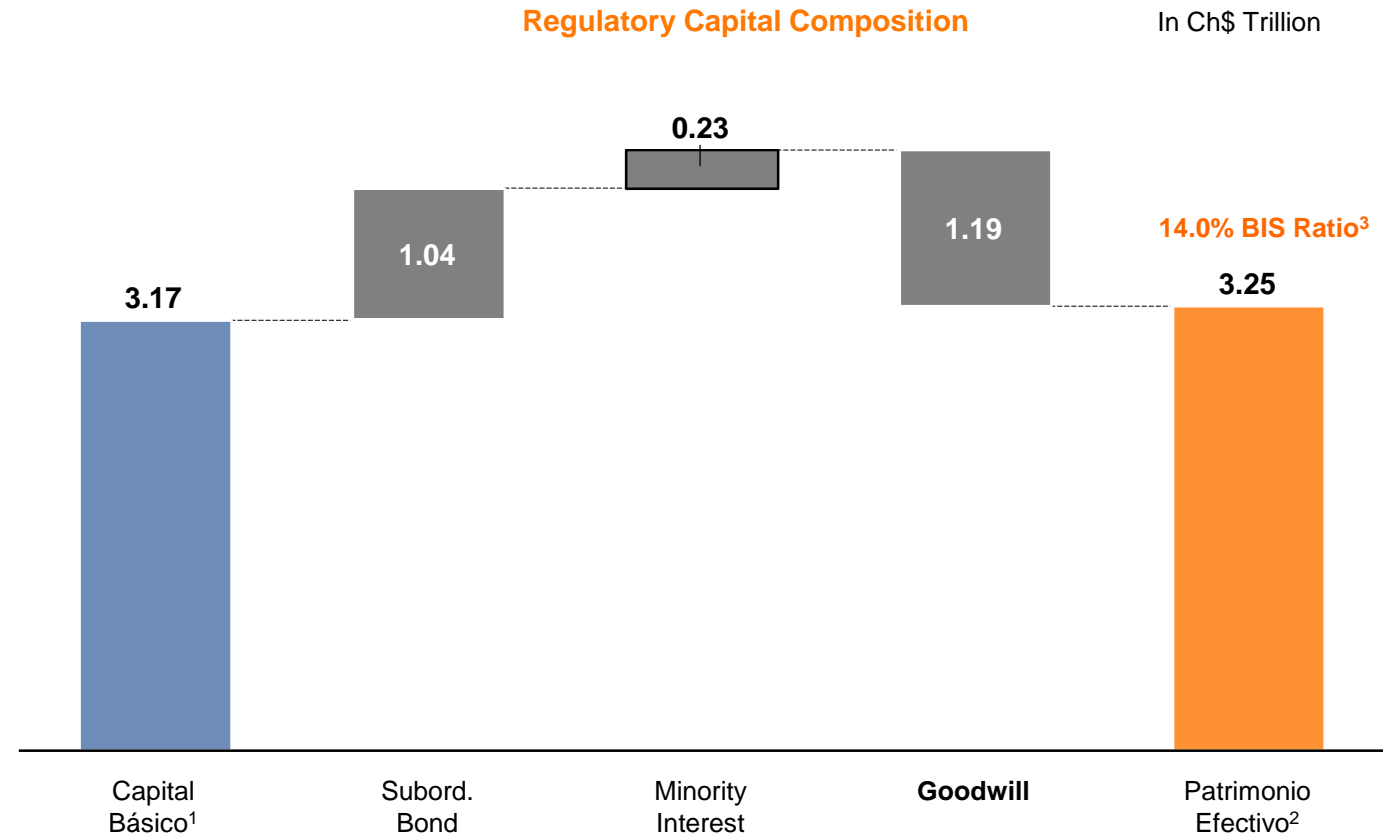


1 – Average of Top 2 Peers in Chile. Data as of March 1, 2017.



Capitalization level allows us to grow competitively

- **Capital:** we have achieved adequate levels of capital to support a competitive balance sheet growth.
- Our investment in Colombia is 100% hedged in terms of **translation risk**.
- **Minimum capital level:** largest between 120% of regulatory minimum (i.e. 12%) or the average of the 3 largest peers (13,6% as of Dec.16).



Notes:

1 – Capital Básico = Core Capital, according to SBIF BIS I definitions; includes corresponding adjustments from merger effects of the business combination

2 – Patrimonio efectivo = Regulatory Capital, according to SBIF BIS I definitions

3 – BIS ratio = Patrimonio efectivo / RWA, according to SBIF BIS I definitions

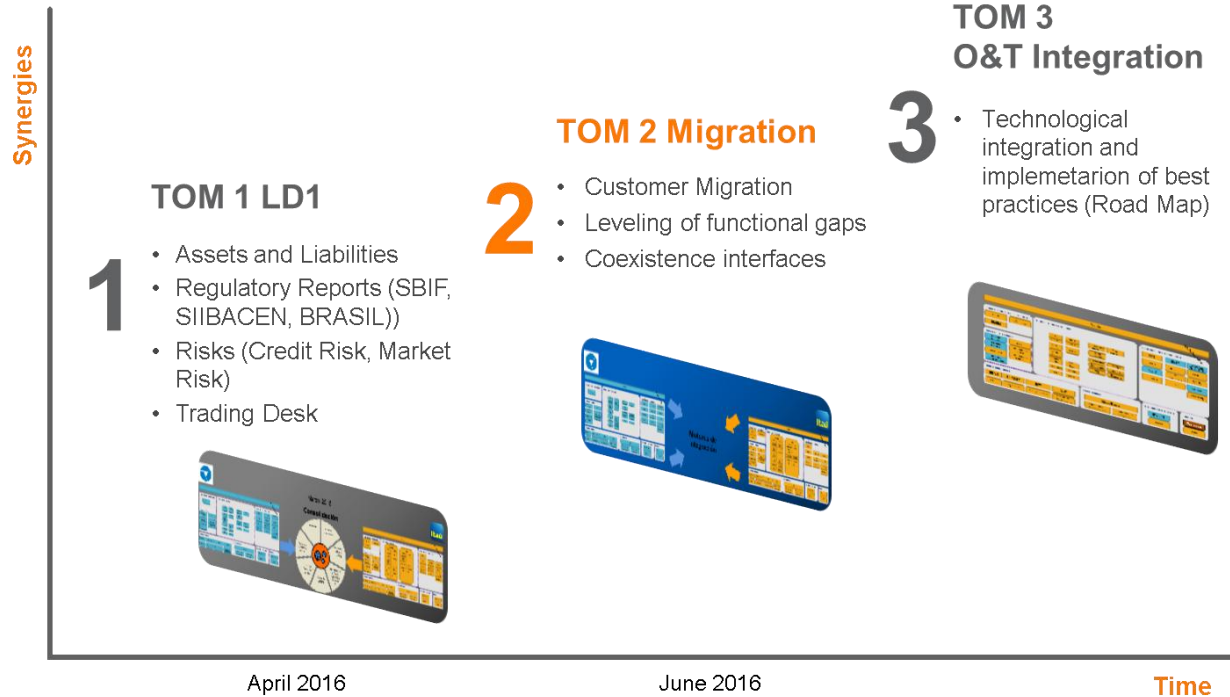


Agenda

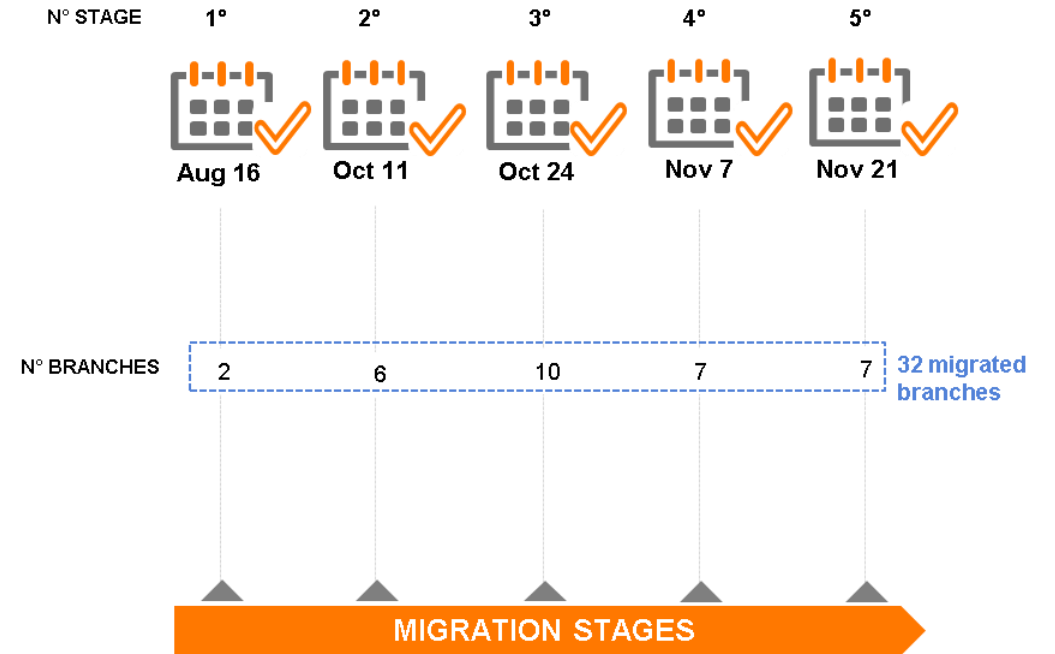
1. Governance
- 2. Business Model & Integration Process**
3. Results 4Q'16 & 2016
4. Next Steps - 2017

On track with branch migration and IT platform optimization

Integration process



Migration Calendar

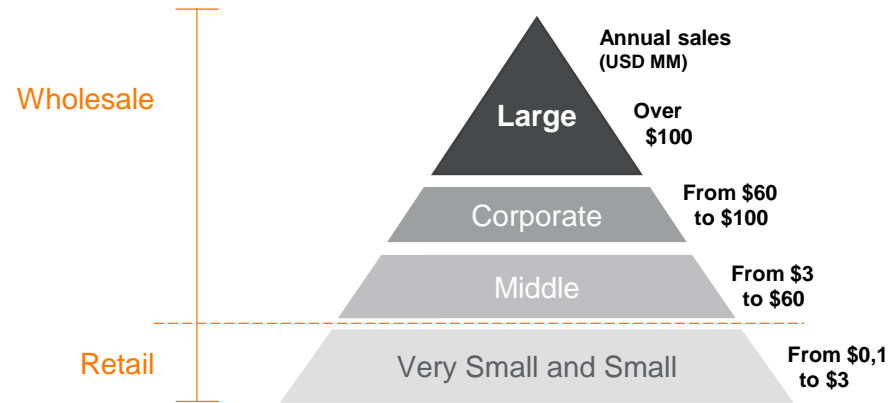


TOM = Target Operating Model

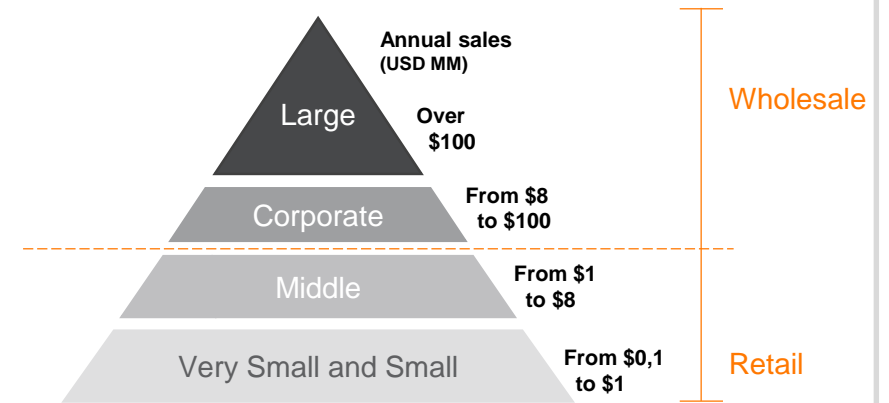
Current scale allows for better segmentation of the client base

Before

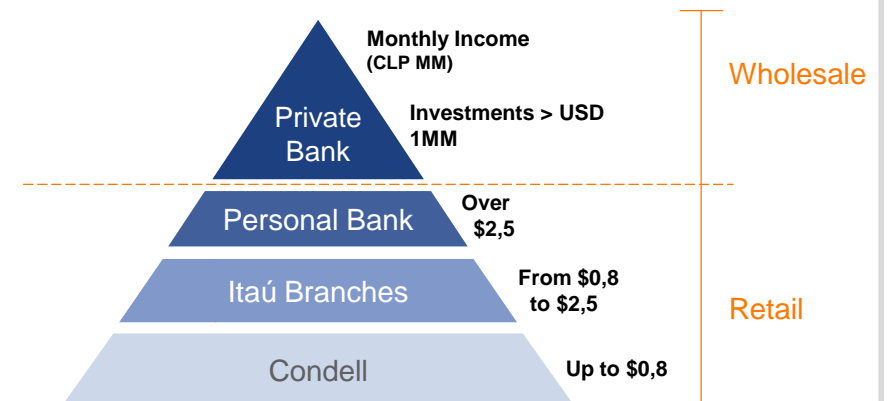
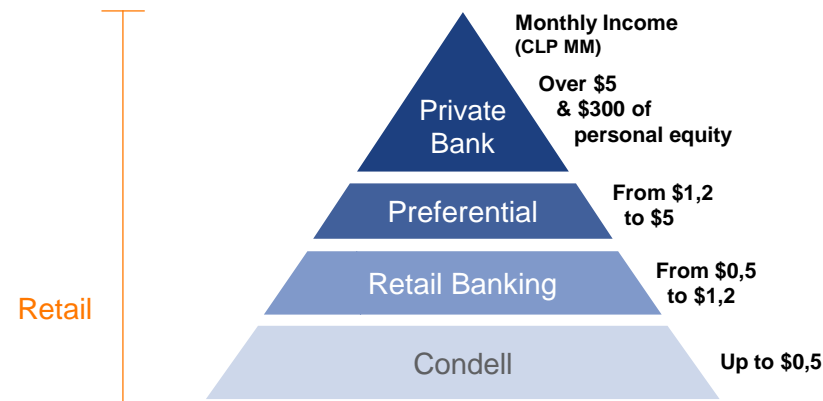
Companies



After



Individuals



A proven franchise and digital banking model are being implemented

Franchisor

Franchise, Products, Channels



Sales and market information



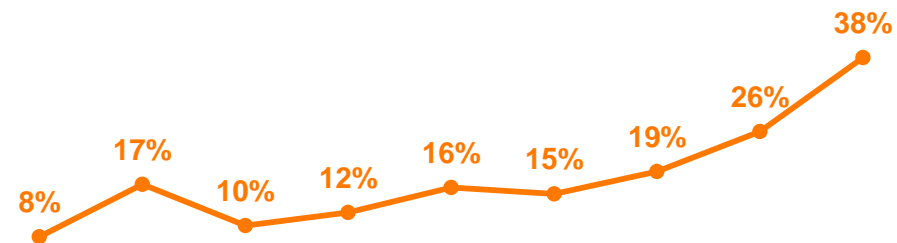
Franchisee

Retail Banking

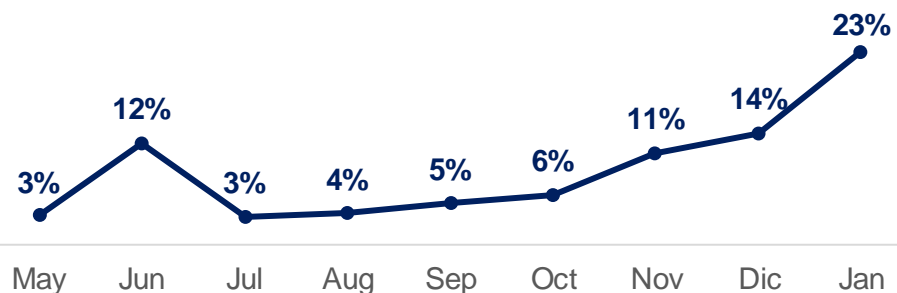
Digital Banking

Share of sales on digital channels / total retail sales

sales



\$ sales



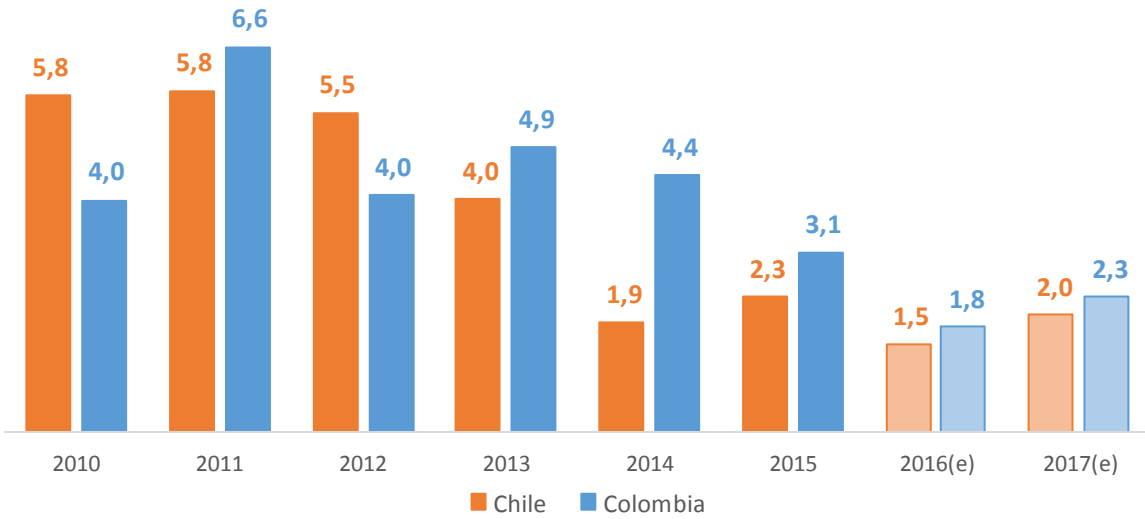


Agenda

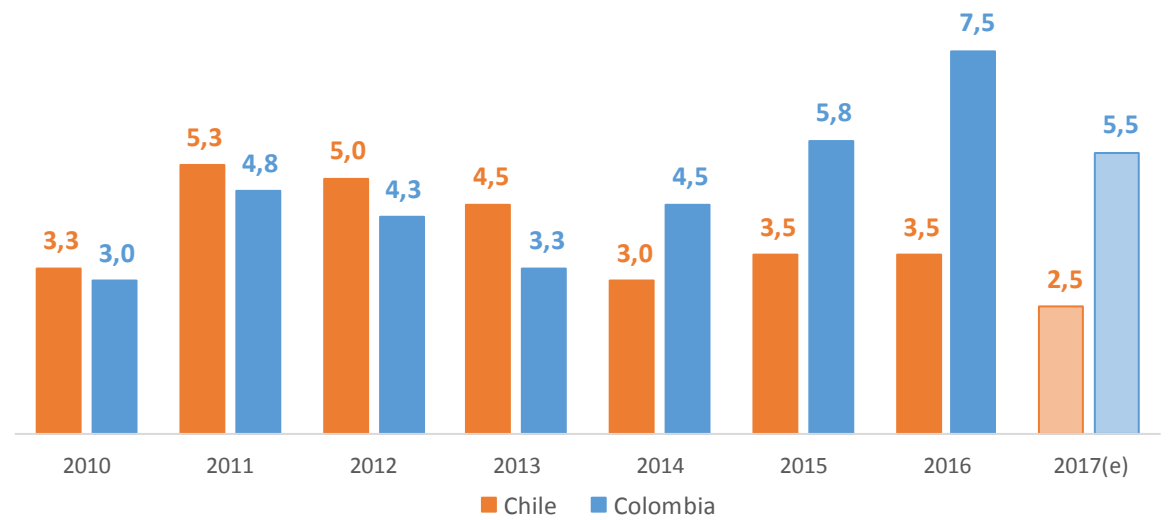
1. New Governance
2. Business Model & Integration Process
- 3. Results 4Q'16 & 2016**
4. Next Steps - 2017

Macroeconomic Backdrop

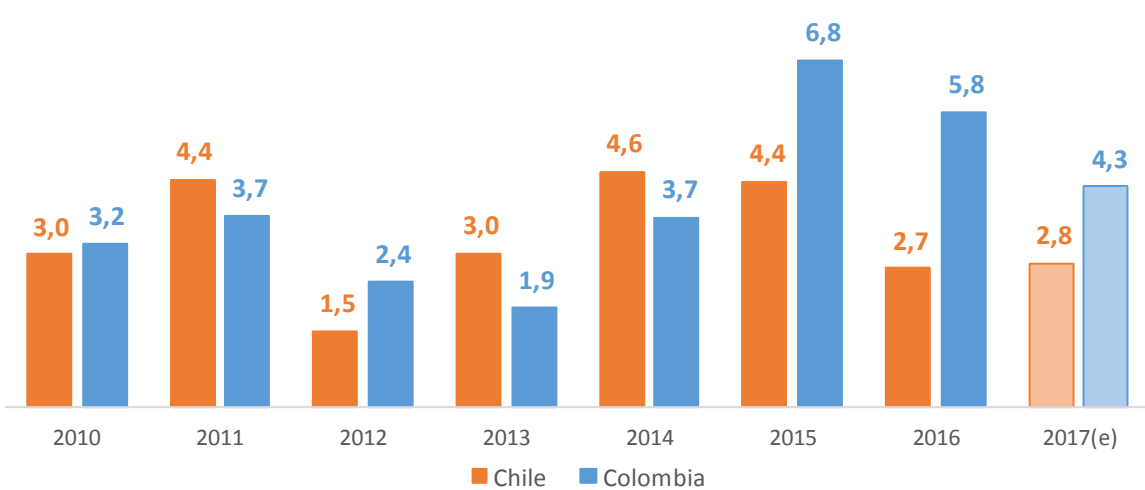
GDP Growth (%)



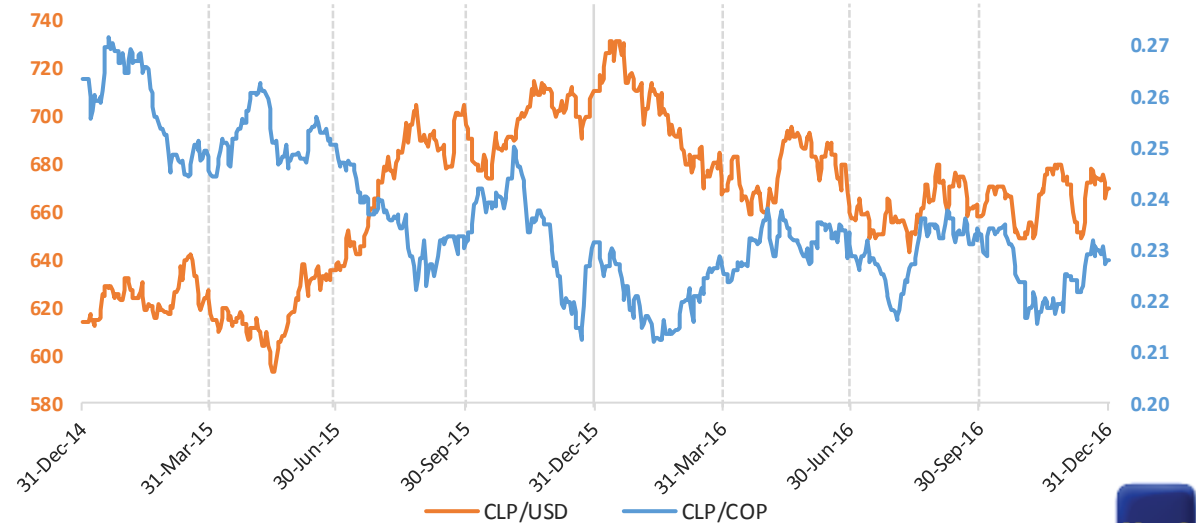
Interest Rates (EOP) - %



Inflation (CPI) - %



Exchange rates – CLP/USD & CLP/COP



Managerial Recurring Net Income (Reconciliation)

in million of Chilean Pesos

	4Q'16	3Q'16	4Q'15	2016	2015
Net Income Attributable to Shareholders (Accounting)	-51.862	19.239	37.705	2.059	104.336
<i>(+) Pro Forma consolidation effects</i>	-	-	43.139	-25.939	202.319
Pro Forma Net Income Attributable to Shareholders	-51.862	19.239	80.844	-23.880	306.655
(-) Non-Recurring Events	2.351	11.609	17.769	62.710	43.596
<i>(a) Restructuring costs</i>	11.033	6.819	-	45.290	-
<i>(b) Transaction costs</i>	-	-	7.485	-	31.746
<i>(c) Regulatory / merger effects on loan loss provisions</i>	6.321	-	-	19.440	-
<i>(d) SBIF fine</i>	-	-	21.765	-	21.765
<i>(e) Loan loss provisions adjustments</i>	-29.764	-	-8.157	-29.764	-8.157
<i>(f) Amortization of intangibles from business combinations</i>	8.725	8.768	3.484	29.573	14.475
<i>(g) Accounting adjustments</i>	9.670	288	-	20.034	-
<i>(h) Sale / revaluation of investments in companies</i>	-1.505	-	-7.694	-1.505	-7.694
<i>Tax effects</i>	-2.129	-4.266	886	-20.357	-8.539
Recurring Net Income Attributable to Shareholders (Managerial)	-49.511	30.848	98.613	38.830	350.251

Non-Recurring Events

- (a) **Restructuring costs:** One-time integration costs.
- (b) **Transactions costs:** Costs related to the closing of the merger between Banco Itaú Chile and CorpBanca, such as investment banks, legal advisors, auditors and other related expenses.
- (c) **Regulatory / merger effects on loan loss provisions:** Effects of one-time provisions for loan losses due to new regulatory criteria in 2016 and additional provisions for overlapping customers between Itaú Chile and CorpBanca.
- (d) **SBIF fine:** Fine imposed by the SBIF which, as instructed by the regulator, was accounted for as an expense impacting 2015 Net Income.
- (e) **Loan loss provisions adjustments:** Reversal of additional loan loss provisions to the regulatory minimum and provisions accounted through Price Purchase Allocation against Goodwill.
- (f) **Amortization of Intangibles from business combinations:** Amortization of intangibles generated through business combination, such as customer relationships.
- (g) **Accounting adjustments:** Adjustments in light of new internal accounting estimates.
- (h) **Sale / revaluation of investments in companies:** Refers to the sale of the participation in Sifin S.A. in 2015 and the revaluation of our stake in Credibanco after its conversion into a joint-stock company in 2016, both in Colombia.

Managerial Recurring Net Income (Reconciliation) – Chile and Colombia

in million of Chilean Pesos



	4Q'16	3Q'16	4Q'15	2016	2015
Net Income Attributable to Shareholders (Accounting)	-50,065	29,975	37,705	11,941	104,336
(+) <i>Pro Forma</i> consolidation effects	-	-	34,761	-26,677	156,210
Pro Forma Net Income Attributable to Shareholders	-50,065	29,975	72,466	-14,736	260,546
(-) Non-Recurring Events	17,936	9,640	16,883	73,512	39,912
(-) Costs of fiscal and economic hedges of the investment in Colombia	6,751	5,325	2,591	19,659	8,927
Recurring Net Income Attributable to Shareholders (Managerial)	-25,377	44,940	91,940	78,435	309,385

in million of Chilean Pesos



	4Q'16	3Q'16	4Q'15	2016	2015
Net Income Attributable to Shareholders (Accounting)	-1,797	-10,736	-	-9,882	-
(+) <i>Pro Forma</i> consolidation effects	-	-	8,377	738	46,109
Pro Forma Net Income Attributable to Shareholders	-1,797	-10,736	8,377	-9,144	46,109
(-) Non-Recurring Events	-15,585	1,969	887	-10,802	3,684
(+) Costs of fiscal and economic hedges of the investment in Colombia	-6,751	-5,325	-2,591	-19,659	-8,927
Recurring Net Income Attributable to Shareholders (Managerial)	-24,134	-14,092	6,673	-39,605	40,866

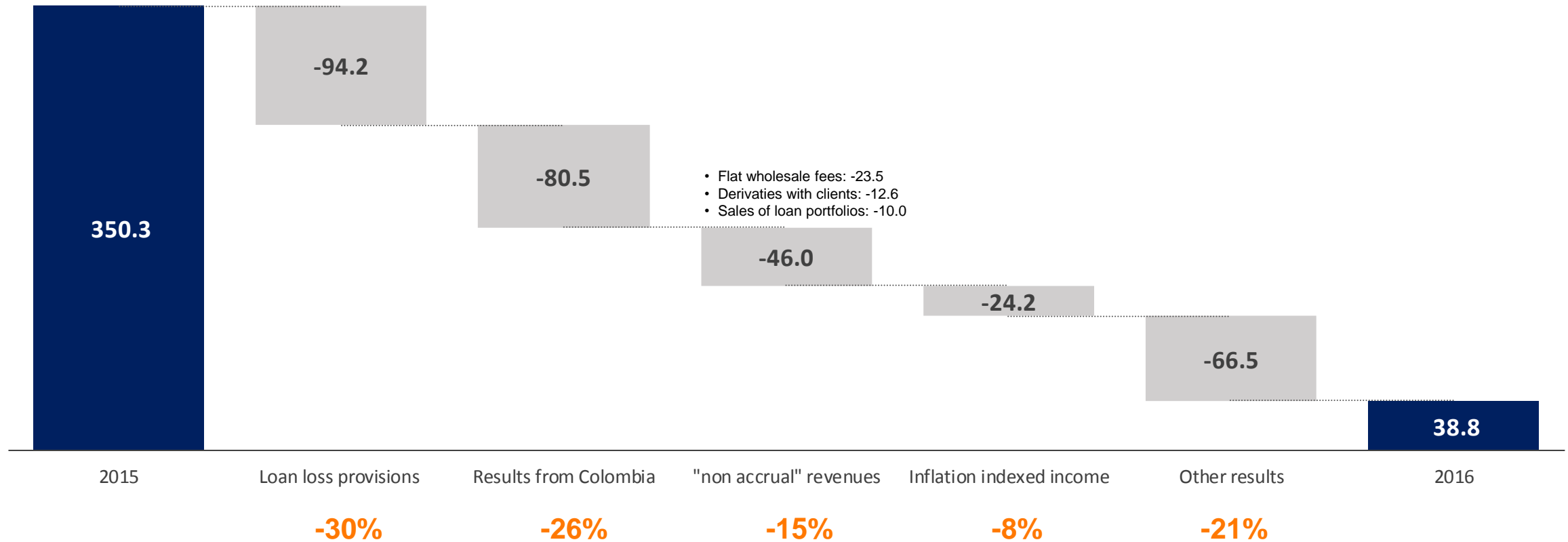
Managerial reclassifications:

- (a) **Cost of Investment Hedge:** carry cost of the derivatives used for the economic hedge of the investment in Colombia booked in Chile.
- (b) **Cost of Fiscal Hedge:** cost of the derivative structure used for the fiscal hedge of the investment in Colombia booked in Chile.

Results: Main components of change – 2016 vs 2015

Managerial Recurring Net Income - Consolidated 🇨🇱 🇨🇴

In Ch\$ Billion

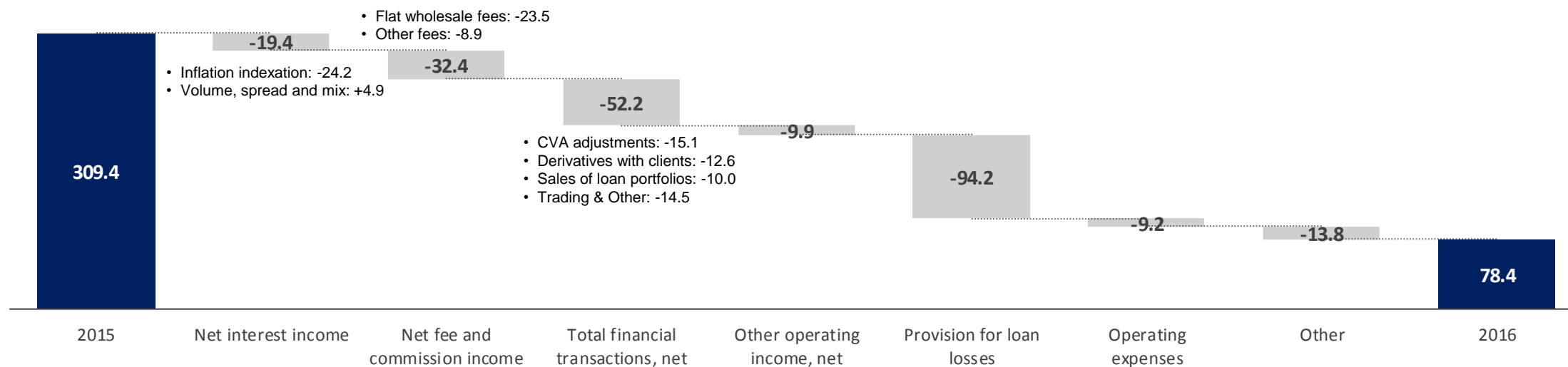


Results: Main components of change – 2016 vs 2015

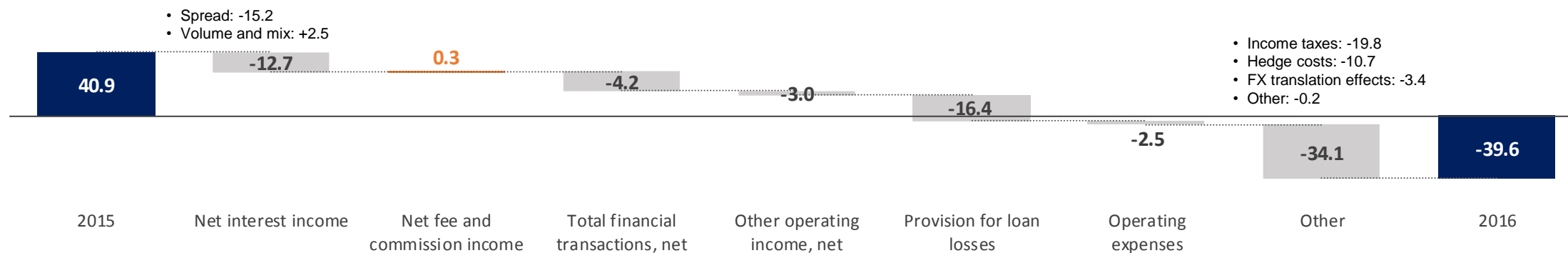
Managerial Recurring Net Income - Chile



In Ch\$ Billion



Managerial Recurring Net Income - Colombia



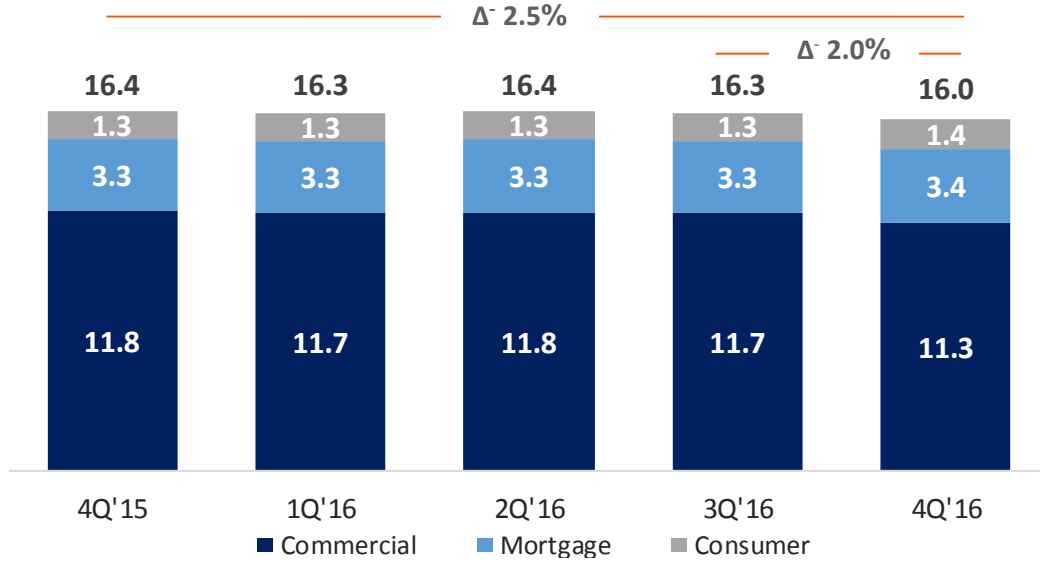
Other results includes income from investments in other companies, minority interests, as well as costs associated with fiscal and investment hedges, and FX translation effects in the case of Colombia.

Variations per income statement line shown as net of related income taxes, and for Colombia also adjusted for Itaú CorpBanca's share of the subsidiary.

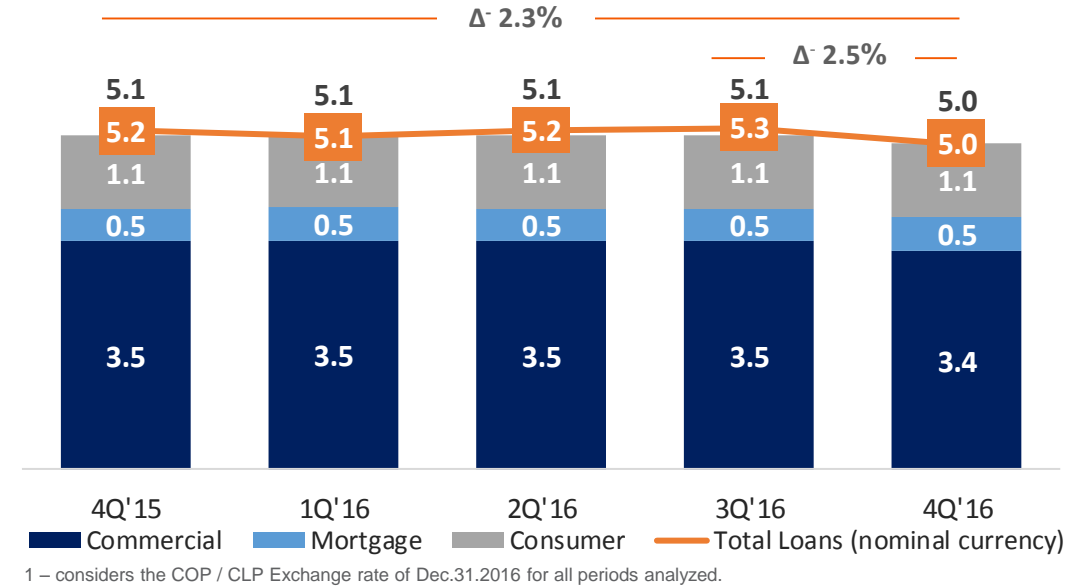


Loan Growth and Provisioning

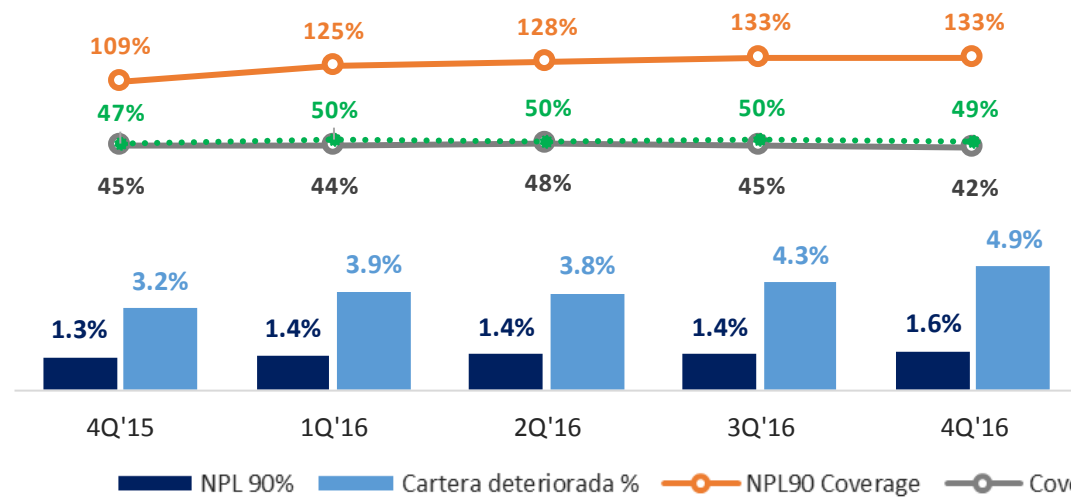
Total Loans (Ch\$ Tln)



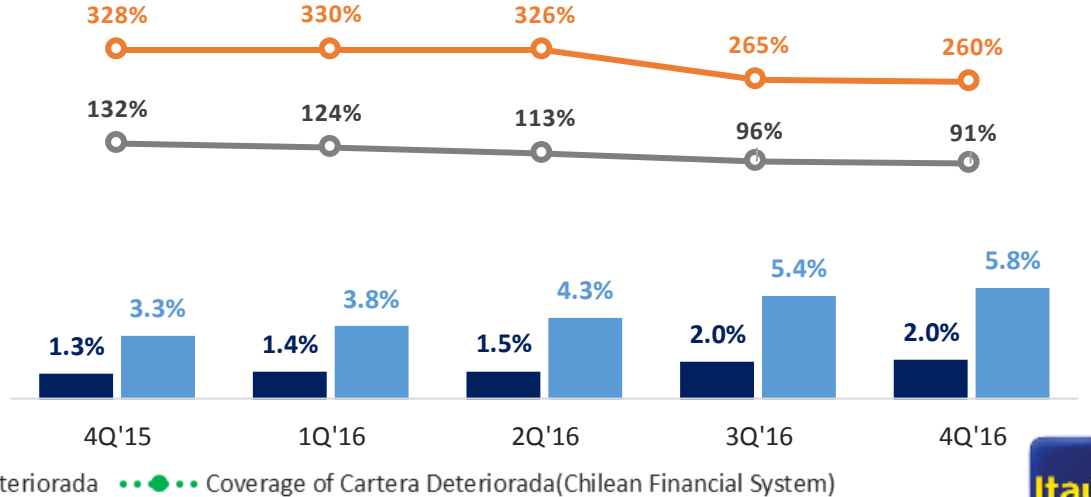
Total Loans in constant currency¹ (Ch\$ Tln)



Credit Quality and Provisioning



Credit Quality and Provisioning



Note: 'Cartera deteriorada' includes low-end of the substandard portfolio and the impairment portfolio, according to SBIF criteria.





Agenda

1. New Governance
2. Business Model & Integration Process
3. Results 4Q'16 & 2016
- 4. Next Steps - 2017**

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 (jun.2017)
- Completion of systems integration (jun.2018)
- Redefining business models for wholesale and retail

4th Quarter 2016 | Earnings Review Conference Call



Milton Maluhy
Chief Executive Officer

Gabriel Moura
Chief Financial Officer

Claudia Labbé
Head of Investor Relations

Itaú Corpbanca

March 1st, 2017