

# ItaúCorpbanca



Conference call

## 4Q 2020 Earnings review

Santiago, March 1<sup>st</sup>, 2021

**Gabriel Moura**

Chief Executive Officer

**Rodrigo Couto**

Chief Financial Officer

**Claudia Labbé**

Head of Investor Relations

ITCB  
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SANTIAGO

Member of  
**Dow Jones  
Sustainability Indices**

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A blue-tinted photograph of a modern glass skyscraper with the Itaú logo on its facade. The building is partially obscured by a semi-transparent blue overlay.

**4Q20**

**About the quarter**

# 4Q20 Highlights

## Recurring net income

Consolidated  
**(Ch\$124.1 bn)** —  
 4Q20 vs. 3Q20

Chile  
**(Ch\$88.8 bn)** —

21.7	29.5	22.7	(13.7)	<b>(88.8)</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## Recurring RoTE

Consolidated  
**-27.3%** ∇ **-25.2** p.p.  
 4Q20 vs. 3Q20

Chile  
**-27.7%** ∇ **-23.7** p.p.

5.4	8.4	6.6	(4.0)	<b>(27.7)</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## Loans

Consolidated  
**Ch\$22.6 bn** ∇ **-3.5** %  
 4Q20 vs. 3Q20

Chile  
**Ch\$18.2 bn** ∇ **-3.8** %

18.3	19.0	19.4	18.9	<b>18.2</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## NPL 90+ days

Consolidated  
**2.2%** ▲ **0.1** p.p.  
 4Q20 vs. 3Q20

Chile  
**1.9%** ▲ **0.1** p.p.

2.5	2.5	2.0	1.8	<b>1.9</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## Margin with clients

Consolidated  
**Ch\$199.1 bn** ▲ **4.6** %  
 4Q20 vs. 3Q20

Chile  
**Ch\$150.1 bn** ▲ **6.6** %

161.3	146.9	152.5	140.8	<b>150.1</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## Commission and fees

Consolidated  
**Ch\$39.4 bn** ▲ **7.1** %  
 4Q20 vs. 3Q20

Chile  
**Ch\$29.6 bn** ▲ **4.5** %

40.0	35.9	31.6	28.3	<b>29.6</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## Cost of credit

Consolidated  
**Ch\$308.4 bn** ▲ **228.1** %  
 4Q20 vs. 3Q20

Chile  
**Ch\$231.4 bn** ▲ **160.3** %

110.1	55.6	73.7	88.9	<b>231.4</b>
4Q19	1Q20	2Q20	3Q20	4Q20

## Non-Interest expenses

Consolidated  
**Ch\$162.5 bn** ▲ **0.5** %  
 4Q20 vs. 3Q20

Chile  
**Ch\$115.7 bn** ∇ **-1.2** %

116.9	109.1	111.9	117.1	<b>115.7</b>
4Q19	1Q20	2Q20	3Q20	4Q20


A photograph of a modern glass skyscraper with the Itaú logo on its facade, set against a clear blue sky. The image is overlaid with a semi-transparent blue filter. The text '2020' is in yellow and 'About the year' is in white.


**2020**

**About the year**

# 2020: Macroeconomic outlook

## Macroeconomic

	Forecast <sup>1</sup>	Actual
<b>GDP<sup>2</sup></b>	<b>1.2%</b>	<b>-6.0%</b>
<b>Inflation<sup>3</sup></b>	<b>3.3%</b>	<b>3.0%</b>
<b>Interest Rate<sup>3</sup></b>	<b>1.25%</b>	<b>0.50%</b>

	Forecast <sup>1</sup>	Actual
<b>GDP</b>	<b>3.1%</b>	<b>-6.8%</b>
<b>Inflation<sup>3</sup></b>	<b>3.3%</b>	<b>1.6%</b>
<b>Interest Rate<sup>3</sup></b>	<b>4.25%</b>	<b>1.75%</b>

1 – Itaú Corpbanca initial forecast for 2020 on 03/02/2020; 2 – GDP 2020 projected; 3 – End of period.

Source: Central Bank of Chile, Central Bank of Colombia, Chilean Commission for the Financial Market (CMF) and Colombian Superintendency of Finance (SF).

# About 2020

Recurring **Consolidated Ch\$(79.4) billion**  
**Net Income** Chile **Ch\$(50.3) billion**

Recurring **Consolidated -4.1% ∨ 11.7 p.p.**  
**Return on Tangible Equity (RoTE)** Chile **-3.7% ∨ 12.5 p.p.**



## Revenues impacted by the pandemic

resulting in lower financial margin with the market and commissions

∨ **5.2%**  
(yoy in Chile)



## Cost control

consolidated costs decreased 0.7% yoy and significant progress was made in footprint optimization and headcount reduction

∨ **7.0%**  
(HC reduction yoy in Chile)



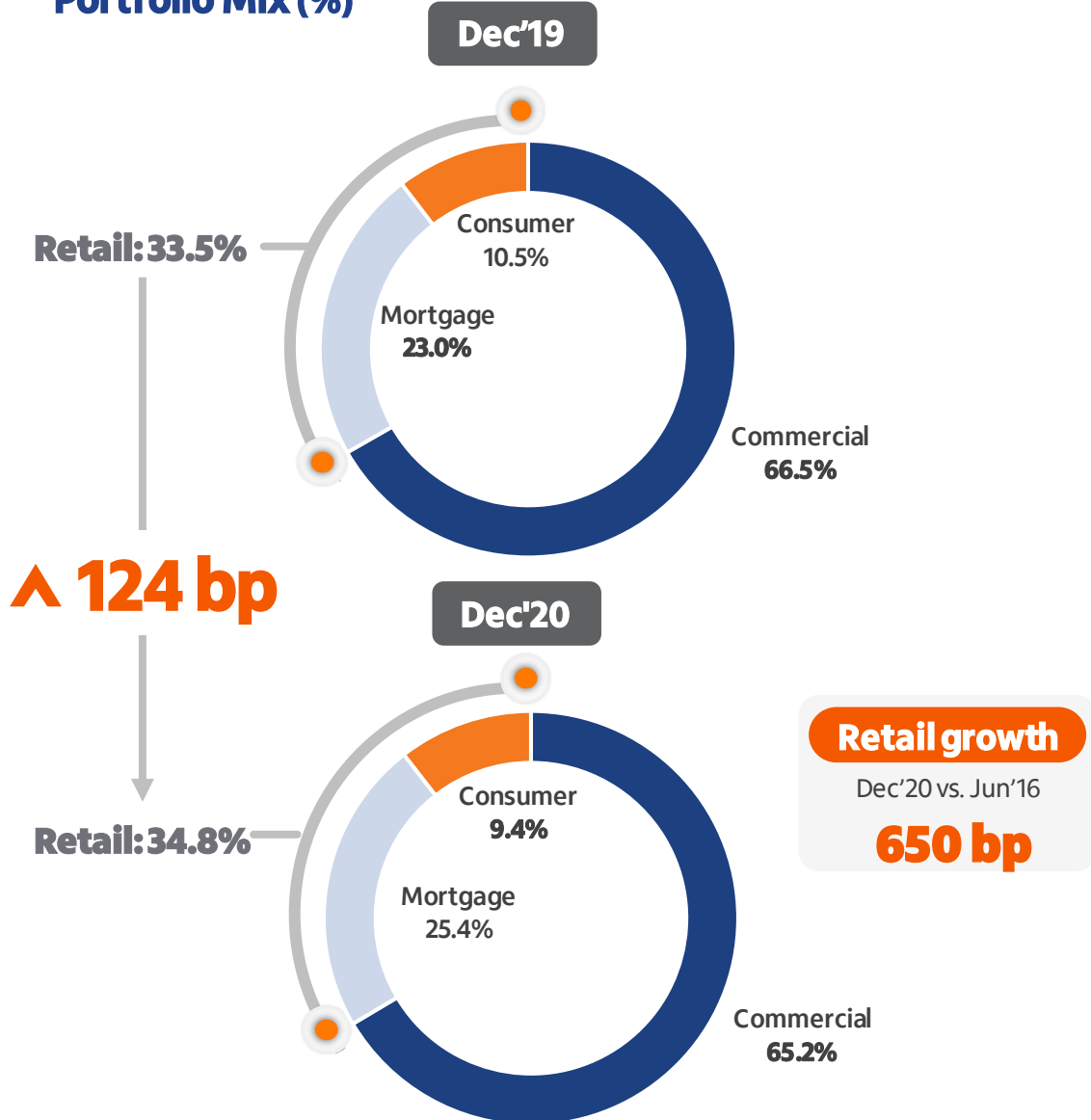
## Cost of credit increased due to the pandemic

mainly driven by **additional provisions** due to possible COVID-19 impacts according to our expected loss provisioning model





**Ch\$136.3 bi**  
**consolidated additional provision**

# Loan mix & Market Share

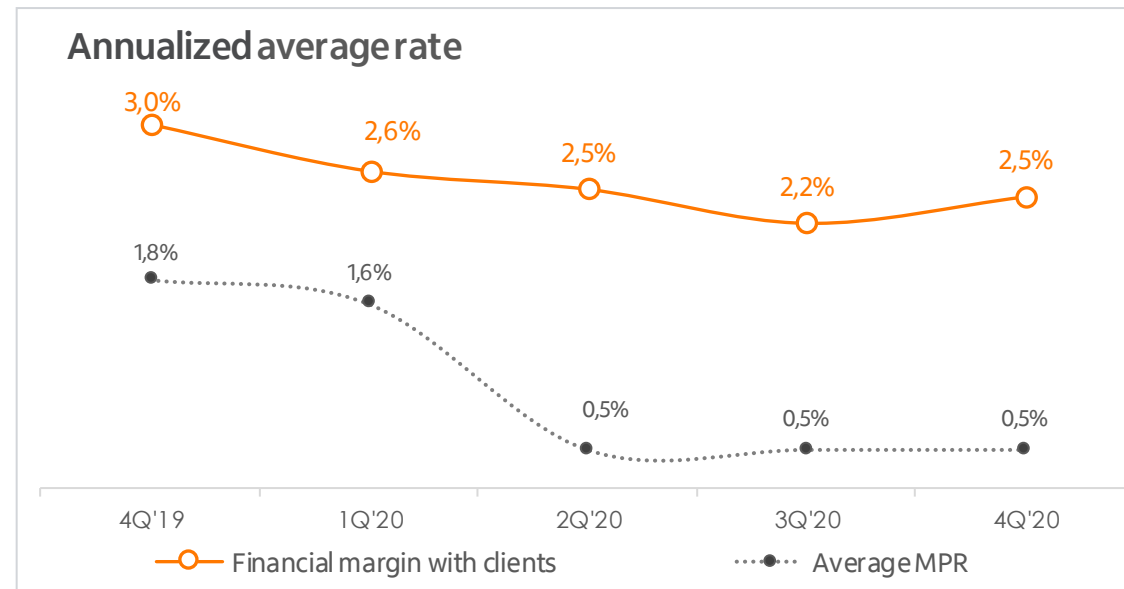
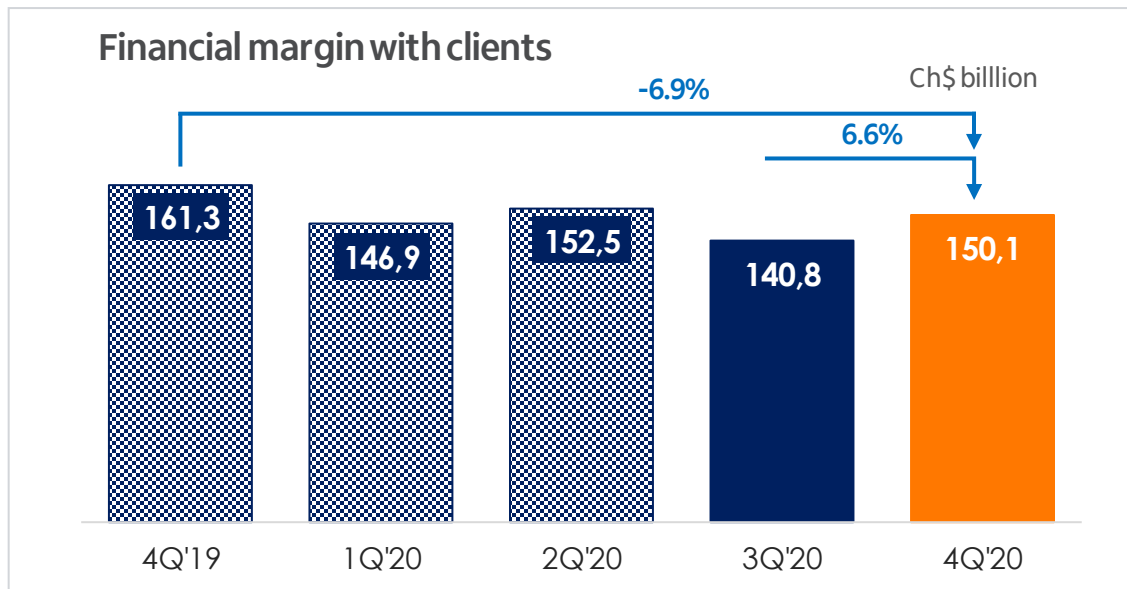
## Portfolio Mix (%)



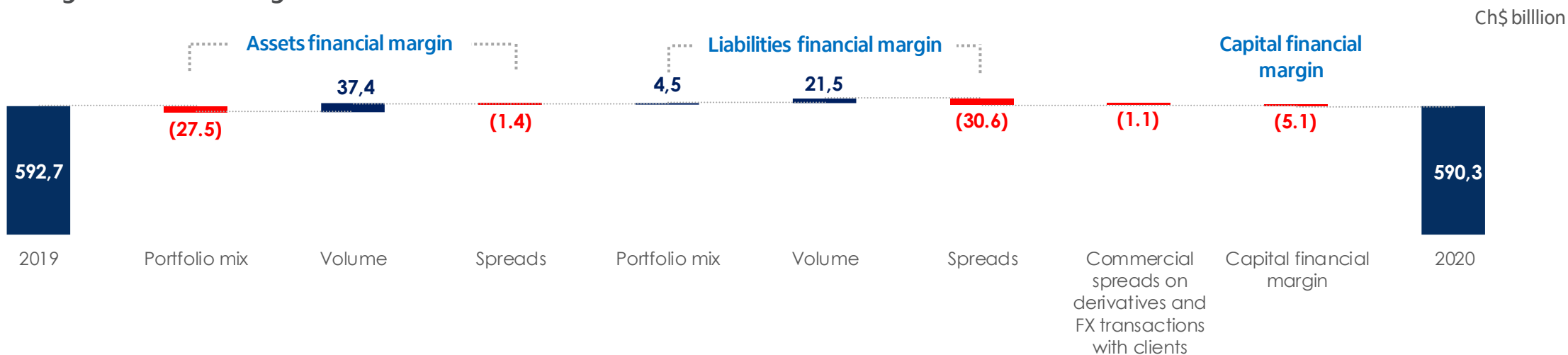
## Market Share (Dec'20)

	Share	Δ 12-month
 Consumer	7.5%	▲ 22 bp
 Mortgage	8.0%	▲ 14 bp
 Commercial	11.3%	▼ 66 bp
 Total Loans	9.8%	▼ 26 bp

# Financial margin with clients



## Change in Financial margin with clients

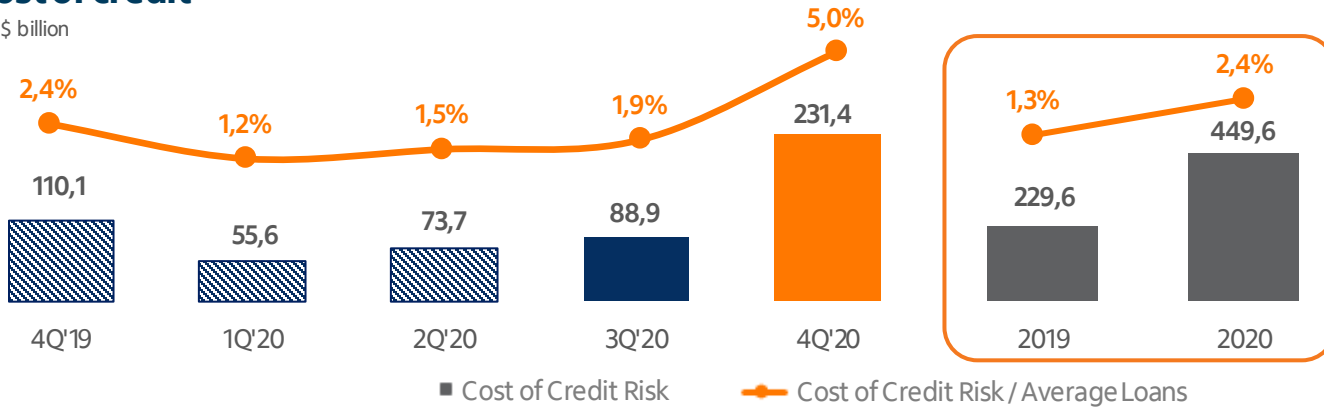




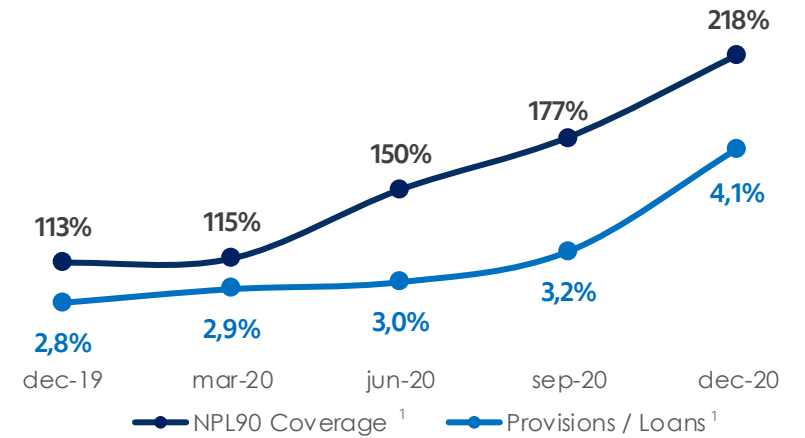
# Cost of credit and credit quality

## Cost of credit

In Ch\$ billion

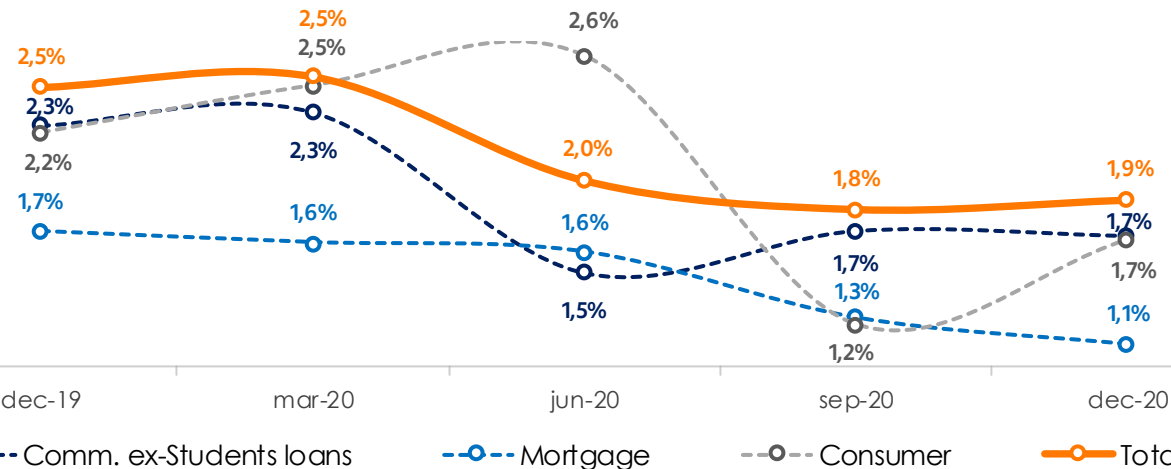


## Coverageratio (90+ days NPL - %)



1- Includes additional provisions.

## Non Performing Loans (90+ days -%)



## Expected loss provisioning model

In **4Q'20** we **increased the total provision** level in Chile by **Ch\$142.5 Bi** increasing both allowances for loan losses –for Corporate and SME clients of sectors most impacted by the pandemic and for the deductible of FOGAPE-COVID loans– as well as **additional provisions (Ch\$40.1 Bi)** for our retail portfolios

In total, in **2020** we increased **total provisions in Chile by Ch\$220.1 Bi**, including **Ch\$104.6 Bi of additional provisions**

# Non-interest expenses

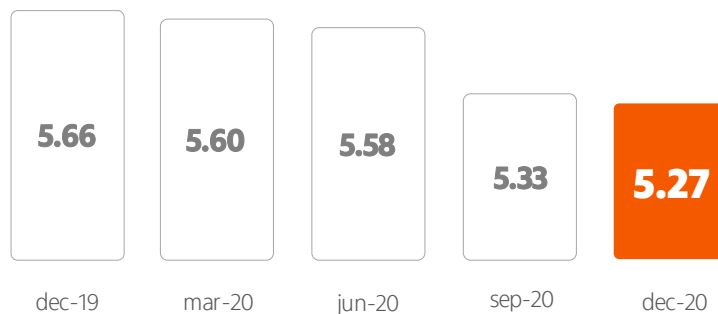
In Ch\$ billion

	4Q20	3Q20	△	4Q19	△	2020	2019	△
Personnel	(43.2)	(53.9)	-19.9%	(52.2)	-17.3%	(196.3)	(204.8)	-4.2%
Administrative	(64.0)	(51.4)	24.4%	(54.8)	16.7%	(217.0)	(206.7)	5.0%
<b>Total Personnel and Administrative</b>	<b>(107.2)</b>	<b>(105.3)</b>	<b>1.8%</b>	<b>(107.0)</b>	<b>0.1%</b>	<b>(413.3)</b>	<b>(411.5)</b>	<b>0.4%</b>
Depreciation, Amortization and Impairment	(8.5)	(11.7)	-27.4%	(9.9)	-13.8%	(40.5)	(39.9)	1.5%
<b>Non-Interest Expenses</b>	<b>(115.7)</b>	<b>(117.1)</b>	<b>-1.2%</b>	<b>(116.9)</b>	<b>-1.0%</b>	<b>(453.8)</b>	<b>(451.5)</b>	<b>0.5%</b>

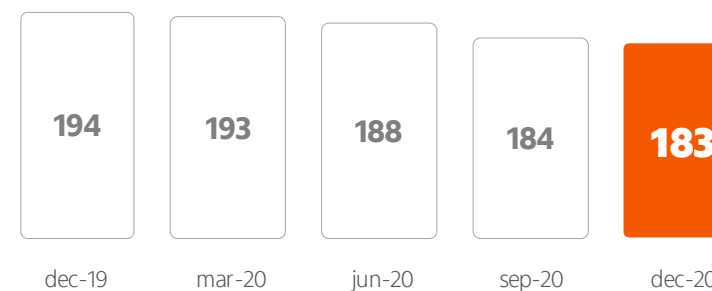
**7.0%**  
headcount  
reduction  
in 2020

**-394**  
employees yoy

thousands



## Focus on efficiency



**5.7%**  
branches  
reduction  
in 2020

**-11**  
branches yoy

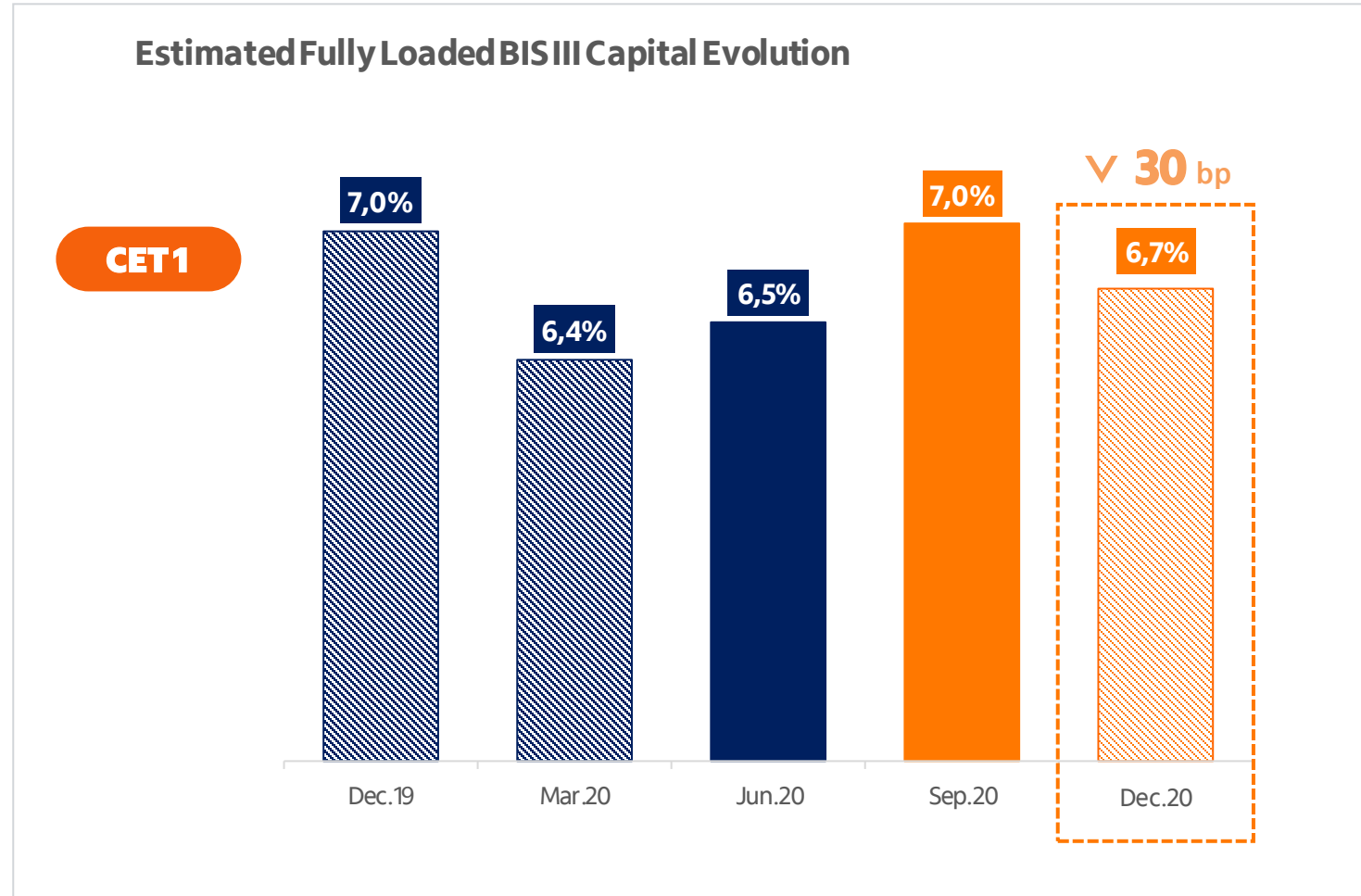


# BIS III: Capital ratios estimates

## Resilient capital ratios

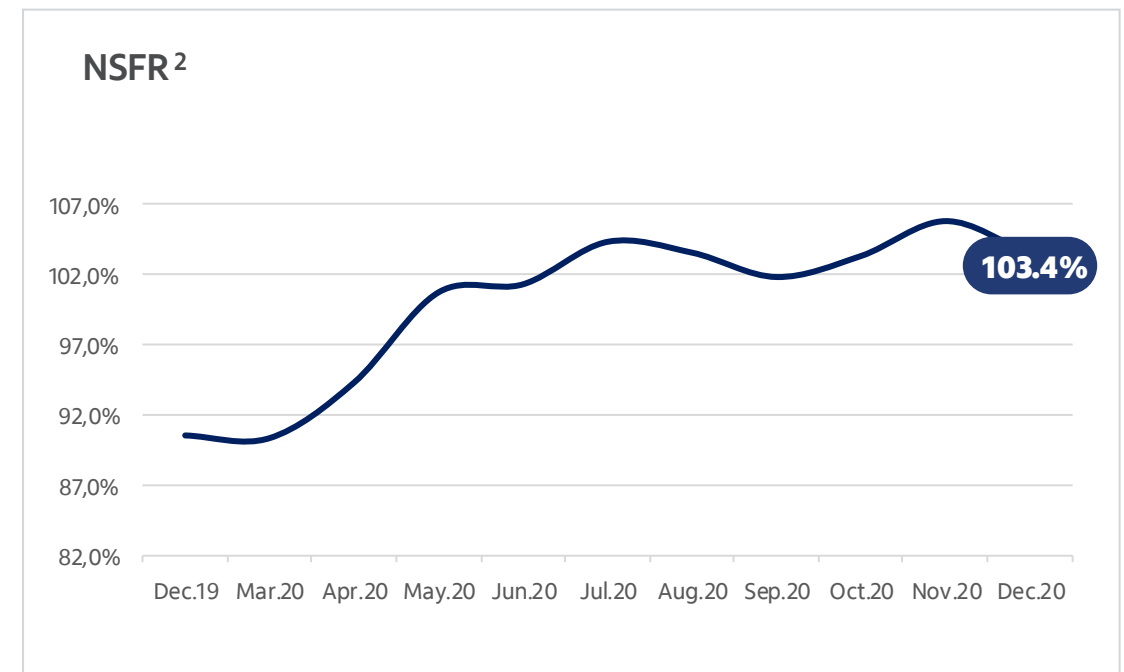
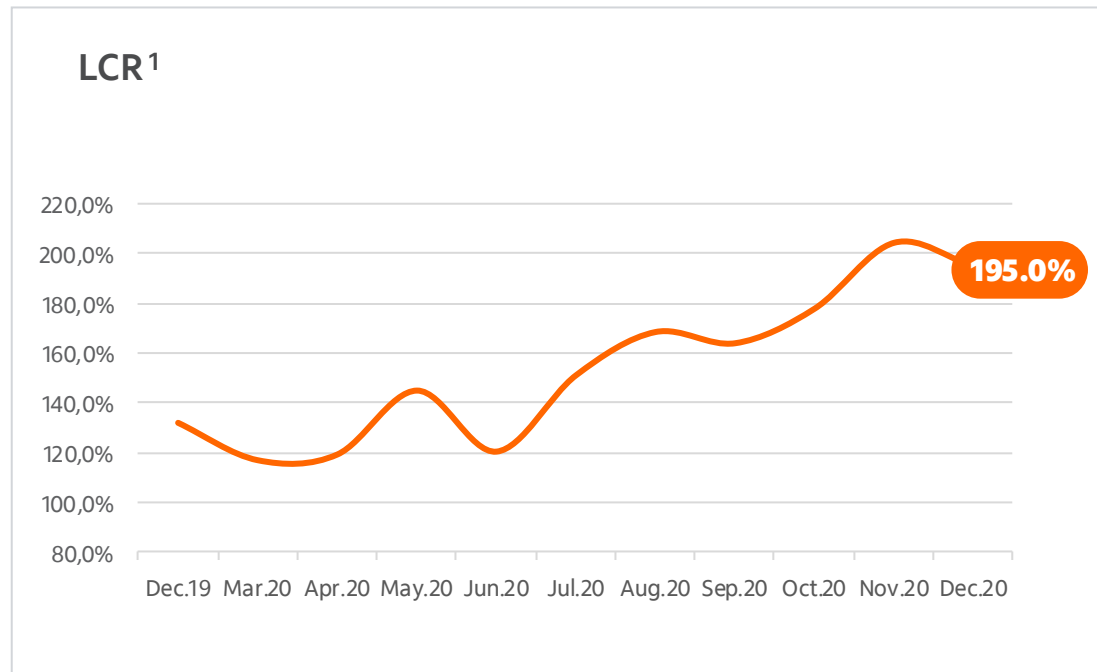
**Fully loaded CET1 ratio decreased only 30 bpyoy**

despite the effects of the pandemic and 100% dividend payout in March/20



## Strong liquidity position

LCR and NSFR ratios at **historically high levels**

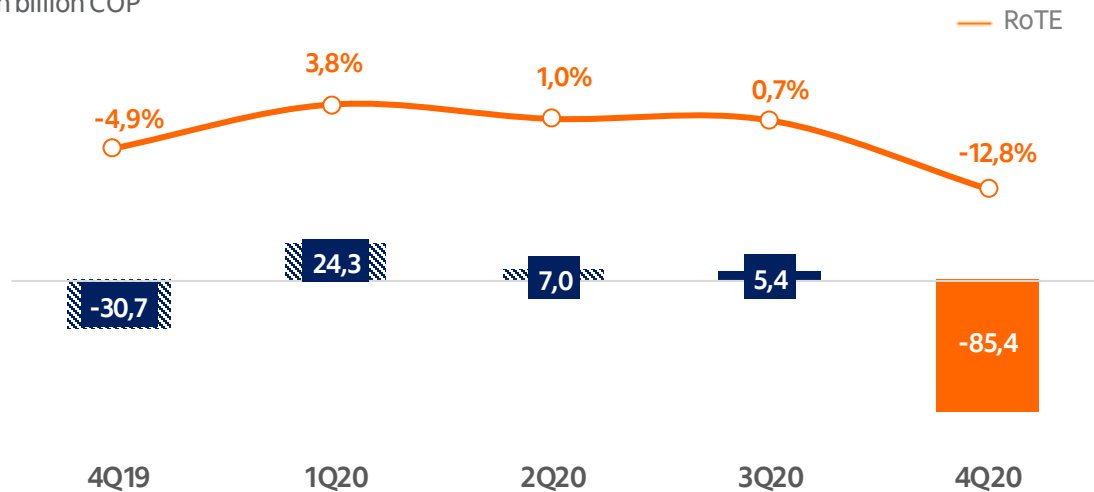


1 – LCR: Liquidity Coverage Ratio calculated according to BIS III rules. Regulatory LCR ratios are still under construction in Chile. 2 – NSFR: Net Stable Funding Ratio, the methodology used to estimate NSFR consist of liquidity ratio proposed by the “Base I III Committee on Banking Supervision” (“BIS III”) that was adopted by the CMF.  
 Source: Quarterly Liquidity Status Report as of December 31, 2020.

# 2020 Highlights

## Recurring net income and RoTE evolution

In billion COP



## About 2020

In COP

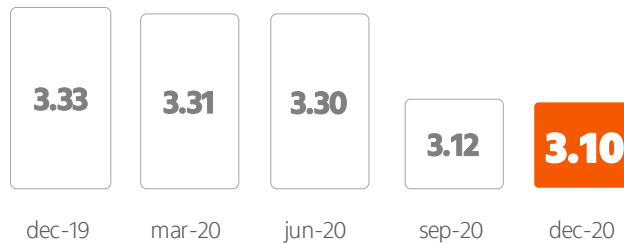
	4Q20	3Q20	△
Net Income	<b>(85.4 bn)</b>	5.4 bn	n.a.
Loan Portfolio	<b>19.1 tn</b>	20.2 tn	-5.4%
Total Assets	<b>28.7 tn</b>	27.9 tn	2.9%

**6.9%**  
headcount  
reduction

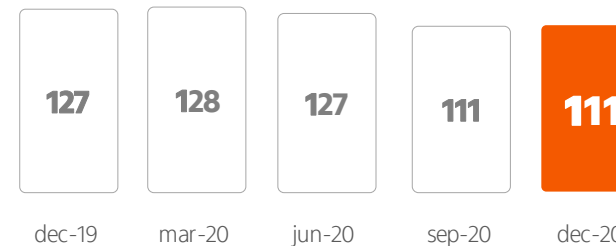
in 2020

**-229**  
employees yoy

thousands



## Focus on efficiency



**12.6%**  
branches  
reduction

In 2020

**-16**  
branches yoy



A blue-tinted photograph of a modern glass skyscraper with the Itaú logo on its facade. The building is partially obscured by a semi-transparent blue overlay.

**2021**

# January earnings update

# Managerial Net Income Jan.2021

In Ch\$ billion

	1M'21	1M'20		
<b>Operating Revenues</b>	<b>79,173</b>	<b>65,741</b>	<b>20.4%</b>	<b>13,432</b>
Financial Margin with Clients	49,352	49,377	-0.1%	(25)
Financial Margin with the Market	19,249	3,736	415.3%	15,513
Commissions and Fees	10,572	12,628	-16.3%	(2,056)
<b>Cost of Credit</b>	<b>(6,422)</b>	<b>(13,216)</b>	<b>-51.4%</b>	<b>6,794</b>
<b>Non-interest Expenses</b>	<b>(38,944)</b>	<b>(39,669)</b>	<b>-1.8%</b>	<b>725</b>
<b>Income before Tax and Minority Interest</b>	<b>33,807</b>	<b>12,856</b>	<b>163.0%</b>	<b>20,951</b>
Income Tax Expense	(6,306)	(2,030)	210.6%	(4,276)
Minority Interest in Subsidiaries	1	(9)	-112.9%	10
<b>Recurring Net Income</b>	<b>27,502</b>	<b>10,817</b>	<b>154.3%</b>	<b>16,685</b>



## Highlights

**higher financial margin with the market**  
+15.5 Ch\$ Bi

**lower cost of credit**  
-6.8 Ch\$ Bi

**lower non-interest expenses**  
-0.7 Ch\$ Bi

**+16.7 Ch\$ Bi**  
**increase in Net**  
**Income yoy**

A photograph of a modern glass skyscraper, the Itaú building, with a semi-transparent orange overlay. The word "Itaú" is visible on the upper part of the building's facade.

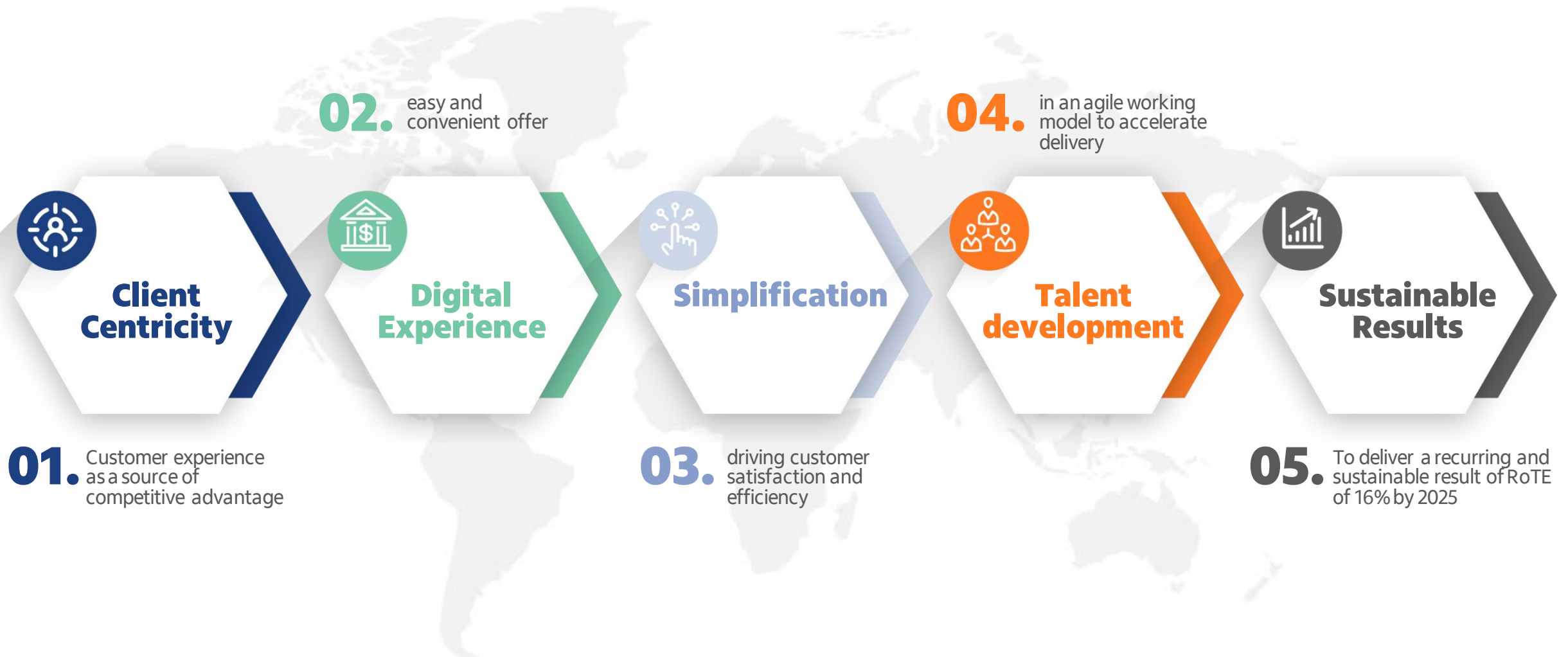
Itaú

# Strategic update



# Strategic update

Having left 2020 behind us, we are implementing a **transformation plan** to build the bank of the future



# Client centricity

NPS 2020 vs. 2019

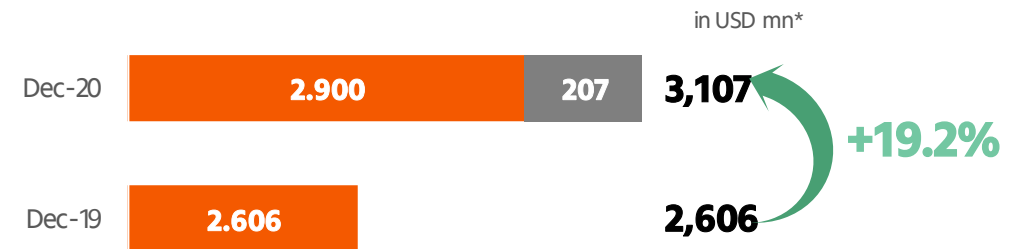


★ **Top 3**

NPS Servitest  
Ipsos Survey

## Investments: Own products and Open platform

> Asset under management



<b>+293 US\$ mn</b> Own Products	<b>+207 US\$ mn</b> Open Platform	<b>+500 US\$ mn</b> Total
-------------------------------------	--------------------------------------	------------------------------

\* Figures were converted at an exchange rate of 710.73 CLP/USD

> Open Platform: funds from local and global managers

**13 funds** launched in 6 months (Fixed income and Equity)

# Digital experience

## Digital channels



2.4x

26%  
#Transfer &  
#Payments

share of transfers and payments made through App more than doubled

Dec-20

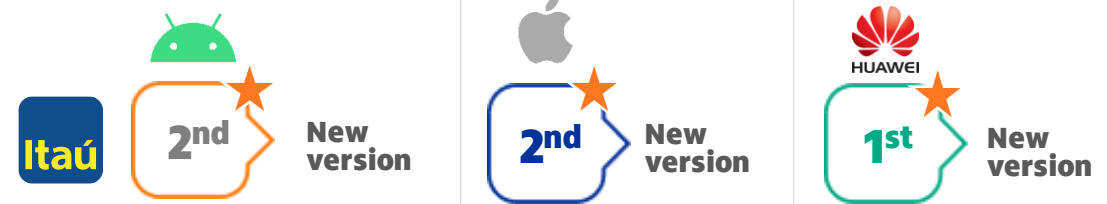
11%  
#Transfer &  
#Payment

> **Newsite Individuals** > **+4 Positions**  
Servitest Ranking

> **Newsite Companies** > **★ 1st**  
Servitest Ranking

## New App

### Store rating ranking among peers



## Digital Wallet



### At Itaú, wallets can be 100% digital

The new Itaú App is **100% digital** and allows **payments with Smartphone or Smart Watch**, making them easier and with greater security

Available at

Available in Payment App

# Sustainable results – leadership in ESG

**Corporate governance\_**  
Among market leaders

Sustainability Yearbook  
Member 2021

S&P Global



FTSE4Good

MSCI



vigeo eiris

**Institutional Investor**

2020 LATIN AMERICA EXECUTIVE TEAM  
MOST HONORED COMPANY

**ITAÚ CORPBANCA**

**Environmental\_**  
Supporting responsible investments



ESG Global Credits (CLP)

**ROBECO**  
The Investment Engineers

ESG Emerging Stars (CLP)

**Nordea**  
ASSET MANAGEMENT

**Social\_**  
Digital transformation, remote first

How feasible is home office for you?



[Home office – Bank's survey results]



**Organizational Climate** (*Pulso Survey*)  
**84.6%**

of 2020 employee's satisfaction  
[at historically higher level]



Red Chile  
**APOYAMOS**

Member of  
**Dow Jones Sustainability Indices**

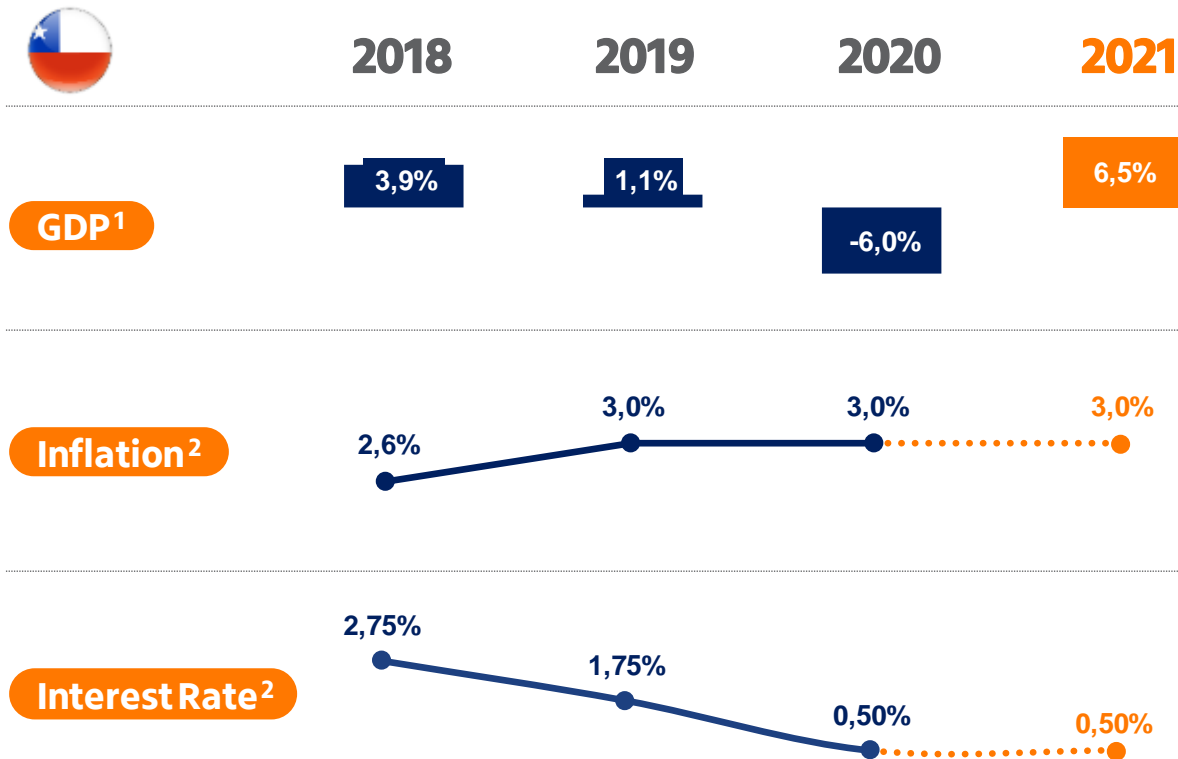
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**2021**

**About the year**





# Macroeconomic outlook



1—Projected GDP for Chile in 2020 and 2021; and for Colombia projected for 2021; 2— End of period.

Source: Central Bank of Chile, Central Bank of Colombia and Itaú's projections (updated as of February 12, 2021).

# 2021 Guidance

	<b>Expected</b> 2021 Guidance
Loan Growth 	<b>mid single digit</b>
Growth focus 	<b>retail</b> <sup>1</sup> segments
Cost of credit Risk <sup>2</sup> 	range from <b>1.0%</b> to <b>1.3%</b>
Adjusted Non-Interest Expenses 	below <b>inflation</b>

1 – Retail refers to our retail bank, which serves individuals and SMEs in all their financial services needs; 2 – Net provision for credit & counterparty risks.

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Conference call

## 4Q 2020 Earnings review

Santiago, March 1<sup>st</sup>, 2021

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**Rodrigo Couto**

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