ItaúCorpbanca

COVID – 19
Update on our operations and initiatives

April 13th, 2020

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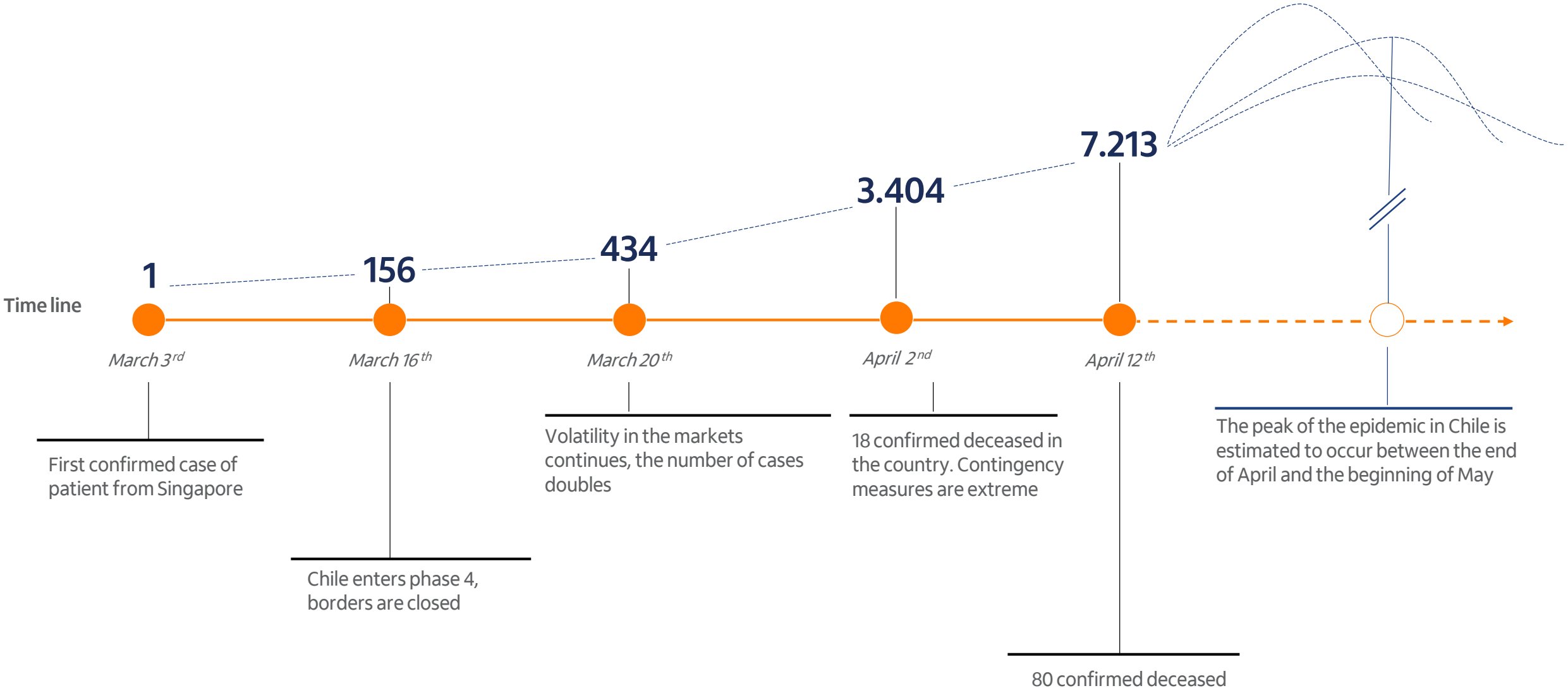
BOLSA SANTIAGO

MEMBER OF Dow Jones Sustainability Indices

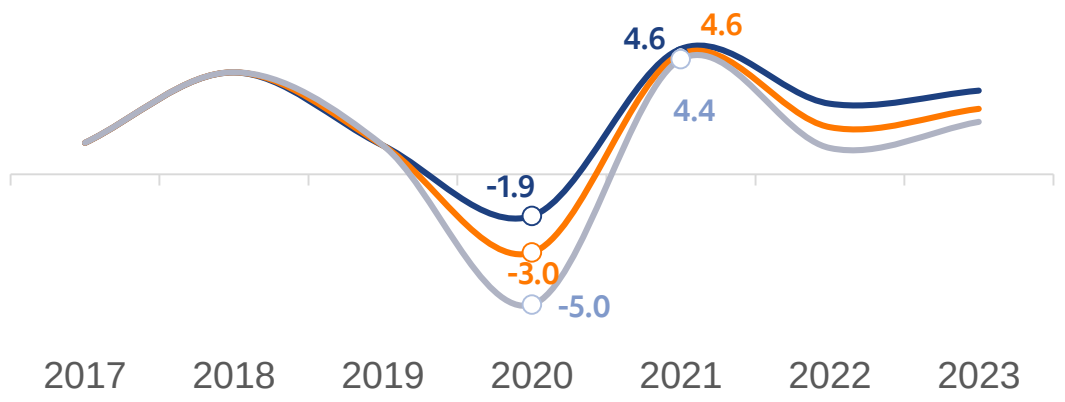
In collaboration with RobecoSAM

Macro Covid – 19 Evolution in Chile

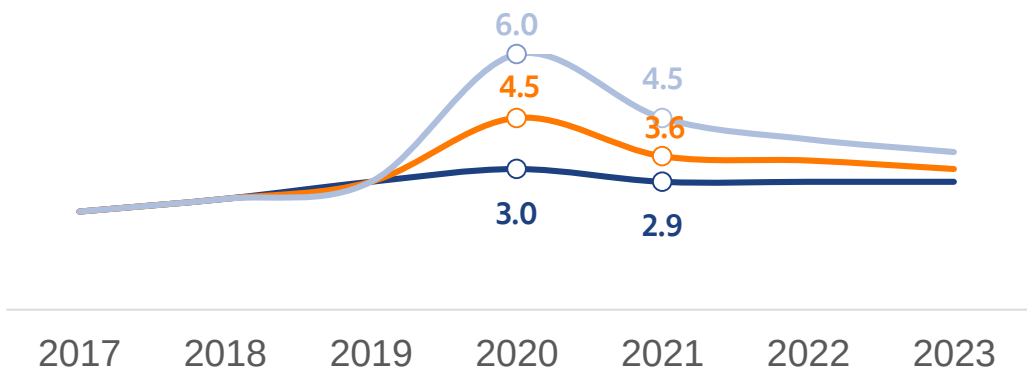


Macro Projections

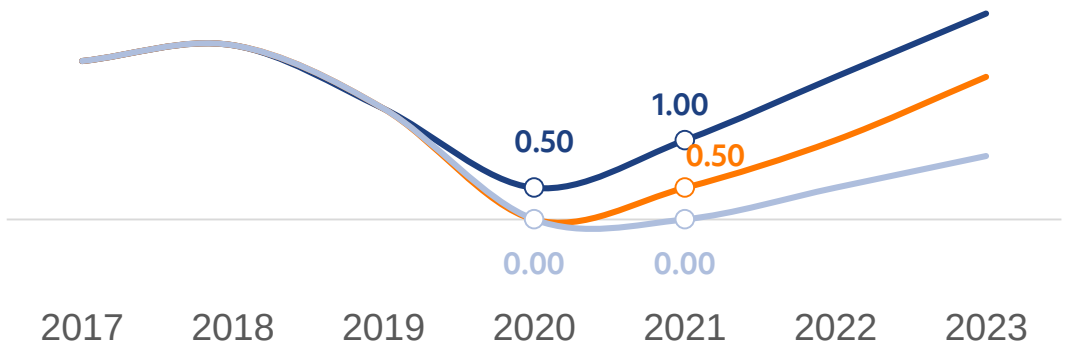
GDP (%)



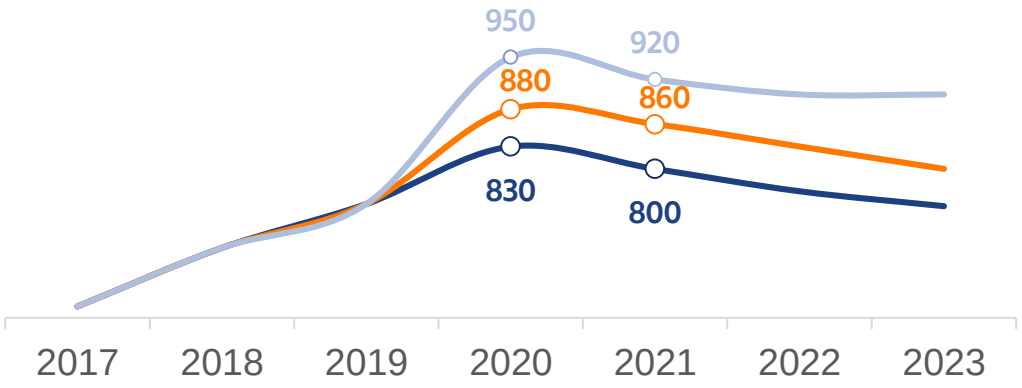
CPI (%)



Monetary Policy (%)



FX



Base Slow V U

Macro Initiatives taken by the Chilean government

1 Government credit lines

Bank loans for companies affected by COVID-19 and annual sales up to one million UF, will have a **preferential interest rate** and will be **state guaranteed**

2 Credit renegotiation

Regulatory exception for mortgage loans to allow **client's rescheduled installments not to be treated as renegotiations** for provisioning purposes

3 Use of collateral surplus for SMEs

Regulatory change in order to allow the use of **excess of mortgages' collaterals to guarantee loans for SMEs**

4 Impairment of assets

Allows exceptional **extension of 18 months** for the alienation of impaired assets received in lieu of payment

5 Margin of derivatives

Regulatory modification **to compensate the value of derivatives with the amount of the margin paid to the counterparty**, reducing the capital charge associated with derivative contracts

6 Basel III

Given current conditions, the CMF **decided to postpone the implementation of the new regulations**

COVID-19 Crisis management pillars

1 To organize our operations in order to continue to provide the **best solutions and accessibility to our clients** during the crisis through continuous communication and digital channels

2 To **protect and support our teams** during this period reinforcing our values and organizational culture

4 **Final remarks**

We have prepared ourselves to face critic situations by **continuously investing in people development and technology**, both in running the Bank's operations as well as serving our clients

3 To continue to operate **our bank** by managing the **operational, credit, liquidity and market risks** that were directly impacted by the crisis

Pillars organized

to manage the impacts of COVID-19 in our operations

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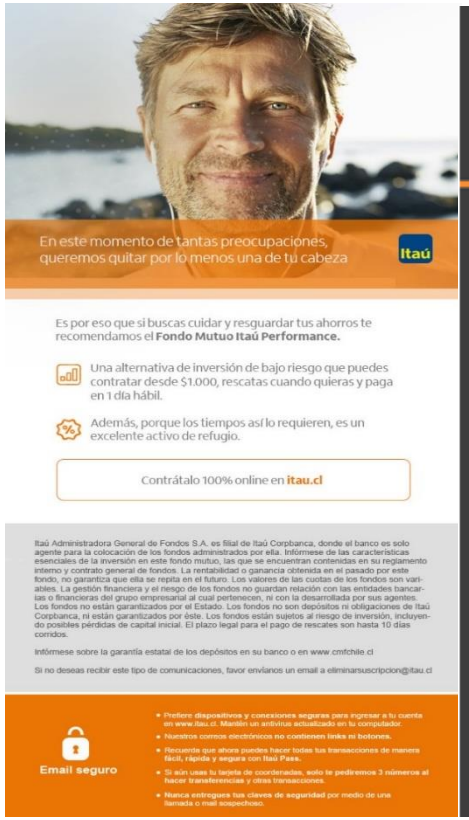
Frequent communication with our clients

1. Up-to-date **information about our products and services**
2. Encourage the **use of our digital channels** to support our clients at this time of social distancing
3. Tips to **avoid digital fraud** related to the current situation
4. **Virtual meetings** with corporate clients
5. Launch of the **"Vision of leaders"**- Live streaming with the leaders of the most important sectors of the economy



Clients

Credit deferral campaign

Consumer and Commercial Loans

Deferral of next three installments of non overdue contracts, with a preferential rate

31%

Client acceptance rate

Mortgage Loans

Deferral of next three installments of non overdue contracts, with a preferential rate through a new loan with 60 installments and the first payment in 6 months

15%

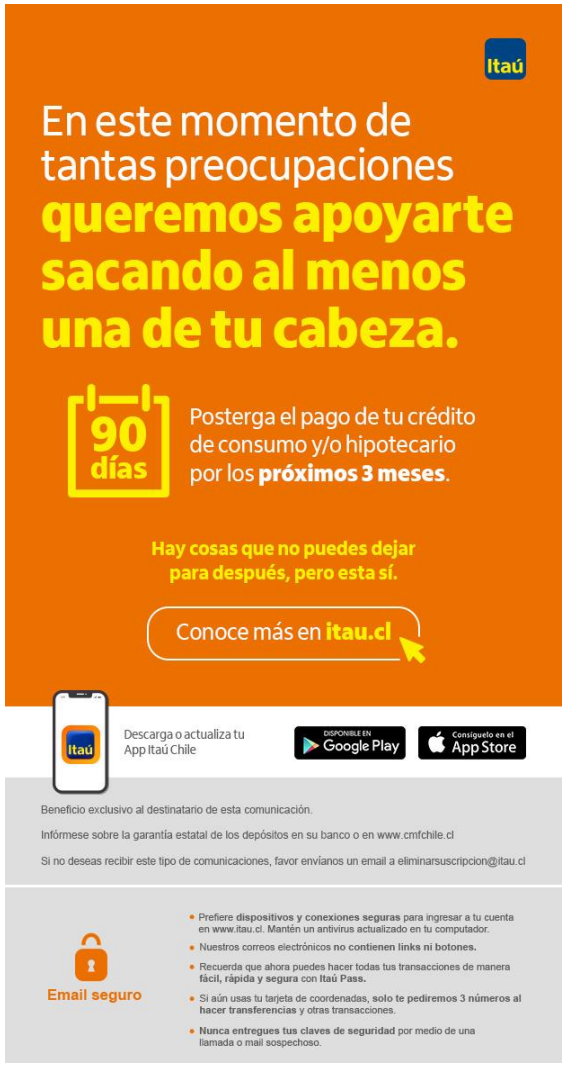
Client acceptance rate

Credit Cards

Our clients, with non overdue contracts, can choose zero minimum payment in April

20-25%

Client acceptance rate



Digital channels – Client access

Access to digital have increased significantly; despite this trend, availability of digital channels is at highest level ever

Individuals

∧ 41%
Number of login to web & app
(Mar-20 vs. Mar-19)

Companies

∧ 57%
Number of login to web & app
(Mar-20 vs. Mar-19)

Wide range
of services and products
to meet the needs of our clients in this period

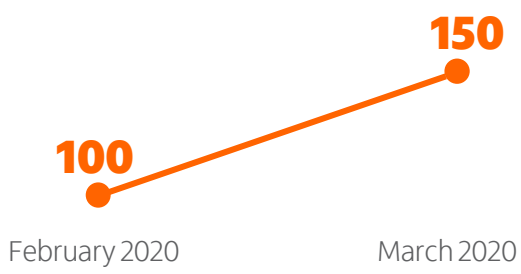
Availability
of our digital channels
(Mar-20)

∧ 99,5%

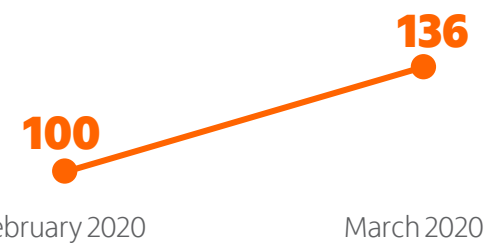
Use of digital channels gets more significant with end-to-end transactions, gaining relevance for Individuals and Companies

Individuals

Transfers and Payments

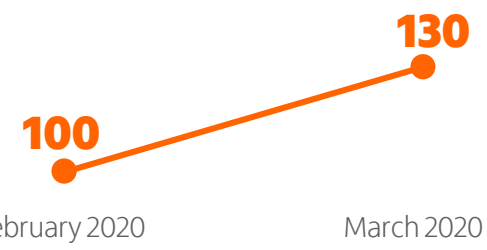


Time Deposits



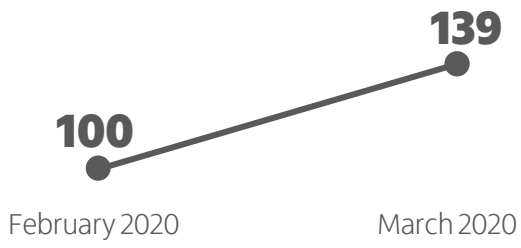
Increase in Credit Lines

$, Credit Card



Companies

Transfers and Payments



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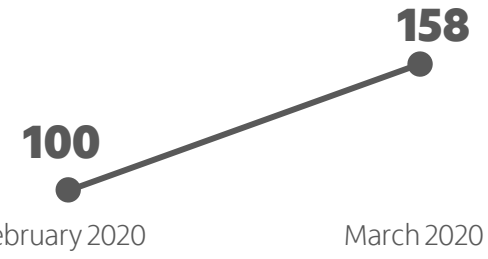
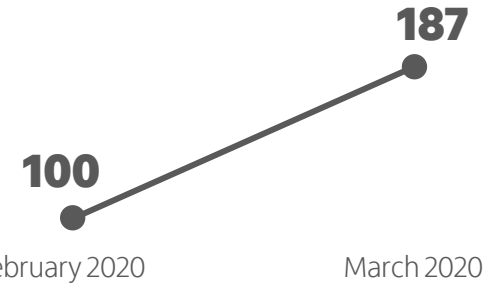


Loans



Clients

We want to be part of the solution

Itaú Corpbanca joins the Emergency Private Fund for Health in Chile with a contribution to the "Confederación de la Producción y del Comercio" **to collaborate with the country in this fight against COVID-19**

$1,538,000,000

Itaú Corpbanca tripled the value of donations made by employees, reaching **CLP$ 205.9 million in donations** and an additional **CLP$ 488.6 million from clients**

$694,505,703

Itaú Corpbanca started in Instagram a reading initiative posting videos telling stories for children called "**Lee para un Niño** ("Read for a Child"). Soon, the bank will also launch in Chile an initiative that provides free books for children

* Chilean pesos

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Our People | Measures implemented

We have implemented a series of measures to protect and support our teams during the crisis period

Communication

Daily communication about the evolution of our initiatives regarding COVID-19

Prevention

Use of **personal protection** equipment and **new layouts**

Team Management

Suspension of large gatherings and meetings and definition of an **internal protocol** for high risk personnel and diagnosed cases

Financial Support

Anticipation of the annual national holiday bonus and one-time financial support for **transportation**

Job Stability

Suspension of terminations without cause for 60 days

Health

Flu Vaccination campaign for employees and intense cleaning **of the building and branches**

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Our structure to **manage risks**

1st line of defense

Business Areas

2nd line of defense

Risk and Finance Control and Management Department.

- Risk appetite
- Policies
- Procedures
- Dissemination of the risk culture in the business

3rd line of defense

Internal Audit , linked to the Board of Directors

Risk appetite

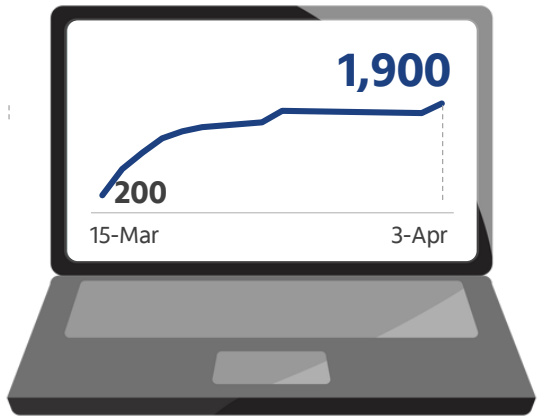
5 dimensions guide our decision making for many years, defining the level of the risks acceptable to our organization.

Capitalization	Our capital policy is to maintain the maximum level between 120% of regulatory capital or the average of the 3 largest banks in Chile. We are constantly evaluating the impacts of Basel III requirements
Liquidity	Our liquidity should endure long periods of stress
Credit, Market and Business	Credit concentration limits and enforcement of revenue diversification seeking lower volatility in our results
Operational risks	Centered on controlling operational risk events that could have an adverse impact on our strategy
Reputation	Deals with risks that could impact our brand value and reputation

Risk Management | Business Continuity

Infrastructure

Capable of supporting our operations in a remote environment



Capacity for 10 thousand

Simultaneous accesses through VPN

ensuring
business continuity

Critical teams

25% Of our team is still **physically working** at our main buildings and our branches

Home office

50% Of our employees are using our IT infrastructure to **work remotely**

Density

80% Reduction in **average circulation** at our main buildings

Deployment of office 365 cloud solutions

1.900 notebooks delivered to our employees

All employees with access to Teams video conferencing

Risk Management

Business Continuity

40% of the network operating

66 open branches
100% presence in the country

30 on the Metropolitan Area

36 in Regions

Reduced hours and reduced in-branch personnel to ensure the well-being of our clients, employees and service providers

All employees over 60 years old, pregnant or at-risk group were exempted from face-to-face work

Vendors and Service Providers

Constant monitoring and communication with our active service providers

Design of a plan to ensure **continuity of services**

Contact Center

Reduced operations **30%** workforce

Communication and encouragement to use **digital channels** and **self-service**

Gradually increasing operators and supervisor's remote attention through **desktop virtualization**

Central Administration

Interruption of **non-essential** services

Adoption of **security measures** such as: onsite rotation schedules, flexible hours and **2-meter distance** between workstations

Risk Management

Risks and liquidity management

Measures adopted by the Central Bank

BCCh has implemented several actions to enhance liquidity in the market

Credit facilities to banks in order to promote lending	Up to 3% of commercial and consumer loans
Repurchase of banks bonds	USD 4 billion
Suspension of liquidity limits compliance	Up to 90 days
Liquidity credit line (LCL)	Limited to banks reserve
Loan backed by corporate bonds	Expanded base of bonds that can be used to obtain financing with the BCCh
Banks reserve in foreing currency	Improve cash in USD
Repurchase and FX swaps	Broaden repo and FX swaps plan

at Itaú Corpbanca

Market and liquidity

- Cash and liquidity on adequate levels at this critical moment
- Short and long-term liquidity indicators aligned with the bank's risk appetite and Basel III standards
- Positive flow of resources in Retail and Wholesale deposits
- Last week we issued a US$ 200 million bond with a 5 years tenor, priced 10 basis points above our previous issuance

Capital

- Our capital policy is to maintain the maximum level between 120% of regulatory capital or the average of the 3 largest banks in Chile
- Itaú Unibanco, in accordance with its permanent commitment with the bank's capital, will remain attentive in the next months to evaluate the potential need to carry out a capital increase

Credit Policies

We are constantly monitoring our portfolios in order to proactively support our clients with products and services suitable for the current moment

Real-time monitoring

Of our client's behavioral patterns and their credit quality

Retail credit

Daily monitoring of origination, credit quality and collection performance

Wholesale credit

Adjusted according to client profile and product type, supporting key businesses that provide essential services and products for managing the crisis

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Final remarks

Adaptability and resilience

1. Our substantial **investments over the years in people development and technology**, both on back-office and client facing activities, **made our operations more resilient to deal with crisis**;

2. Our **robust governance** and **solid management of market, credit, liquidity, operational and capital risks** allow us to fulfill our economic and social function;

3. This is a moment to further **reinforce our culture, our values and the corporate identity** with our employees;

4. We want to **be part of the solution** and we're working hard towards it. We need to join forces so that everyone comes out of this crisis stronger than before

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