

# ***Banco Santander Chile:***

***Solid commercial and client profitability trends.***

***Positive medium-term outlook***

***September 2015***

**Chile**



Banco Santander Chile cautions that this presentation contains forward looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward looking statements are found in various places throughout this presentation and include, without limitation, statements concerning our future business development and economic performance. While these forward looking statements represent our judgment and future expectations concerning the development of our business, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to: (1) general market, macro-economic, governmental and regulatory trends; (2) movements in local and international securities markets, currency exchange rates, and interest rates; (3) competitive pressures; (4) technological developments; and (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties. The risk factors and other key factors that we have indicated in our past and future filings and reports, including those with the Securities and Exchange Commission of the United States of America, could adversely affect our business and financial performance.

Note: the information contained in this presentation is not audited and is presented in Chilean Bank GAAP which is similar to IFRS, but there are some differences. Please refer to our 2014 20-F filed with the SEC for an explanation of the differences between Chilean Bank GAAP and IFRS. Nevertheless, the consolidated accounts are prepared on the basis of generally accepted accounting principles. All figures presented are in nominal terms. Historical figures are not adjusted by inflation. Please note that this information is provided for comparative purposes only and historical figures, including financial ratios, presented in this report may not be entirely comparable to future figures presented by the Bank.

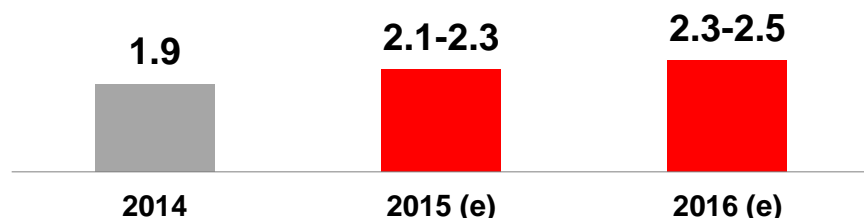
# Agenda

- **Despite recent deceleration, economy expected to rebound in 2015-16. Financial system with stable growth and risk trends**
- **Santander Chile has adjusted its medium-term strategy to sustain profitable growth in a more challenging environment...**
- **... and is starting to benefit from stronger client activity and improved profitability trends**
- **... leading to a positive medium-term outlook**

## Economy is expected to increase its growth in 2015-2016...

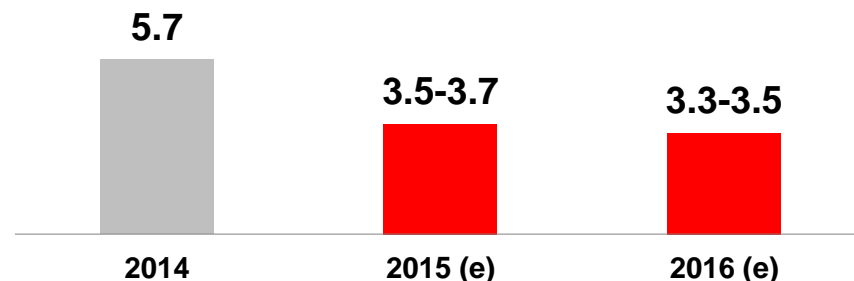
### GDP

YoY real growth, %



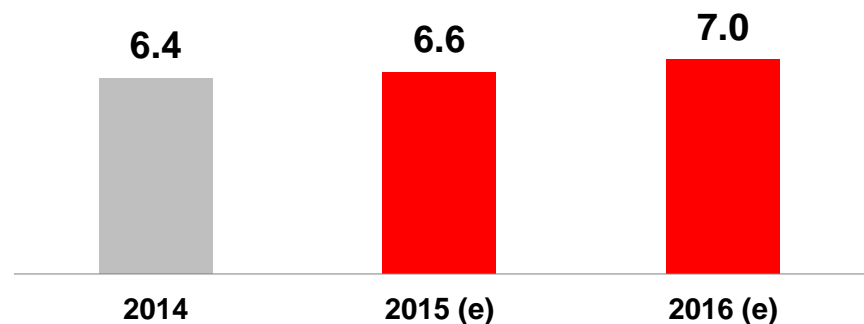
### Inflation

Annual change in UF inflation, %



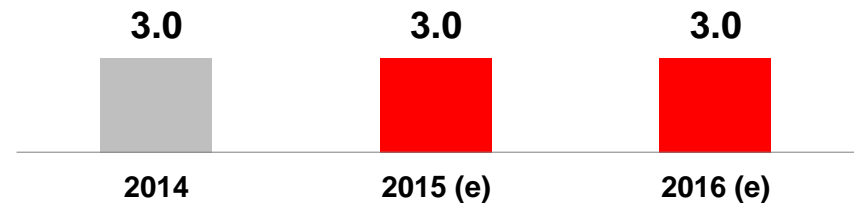
### Unemployment

% of workforce, %



### Central Bank ST Reference Rate

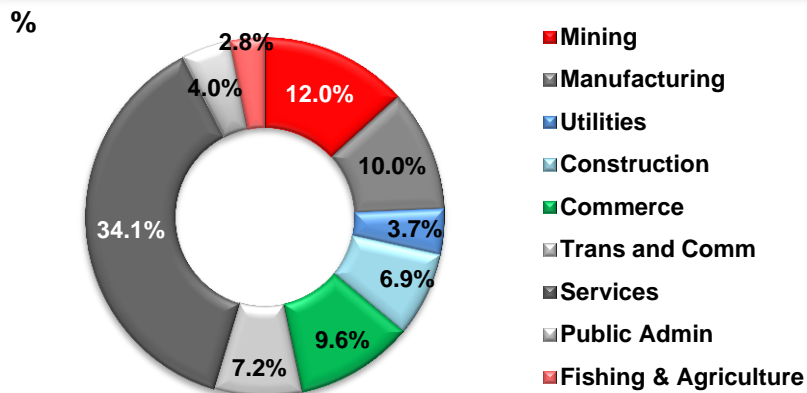
%



Source: Banco Central de Chile. (e): Estimates Santander Chile

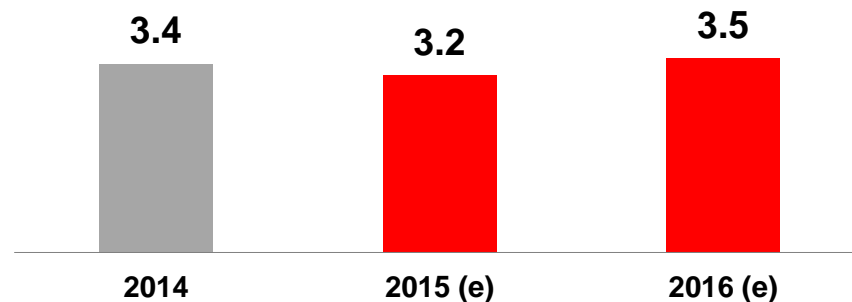
.... led by the export sector

Chile's economy has a high level of diversification...



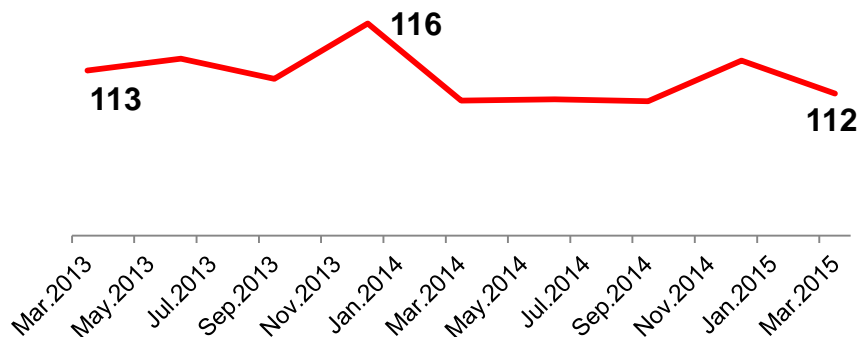
..coupled with steady GDP growth of Chile's main trade partners ...

YoY real growth of Chile's main trade partners<sup>1</sup>, %



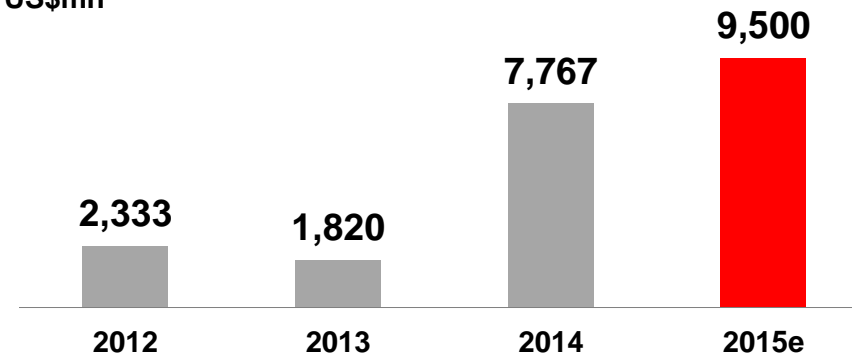
...and stable terms of trade...

Evolution of terms of trade<sup>2</sup>



...is boosting Chile's trade balance

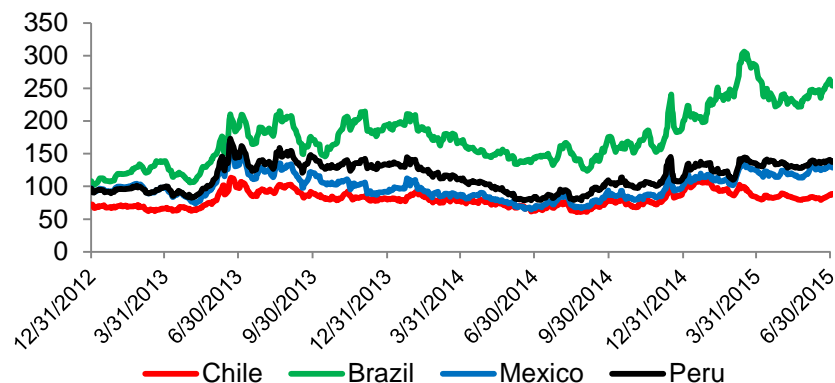
US\$m



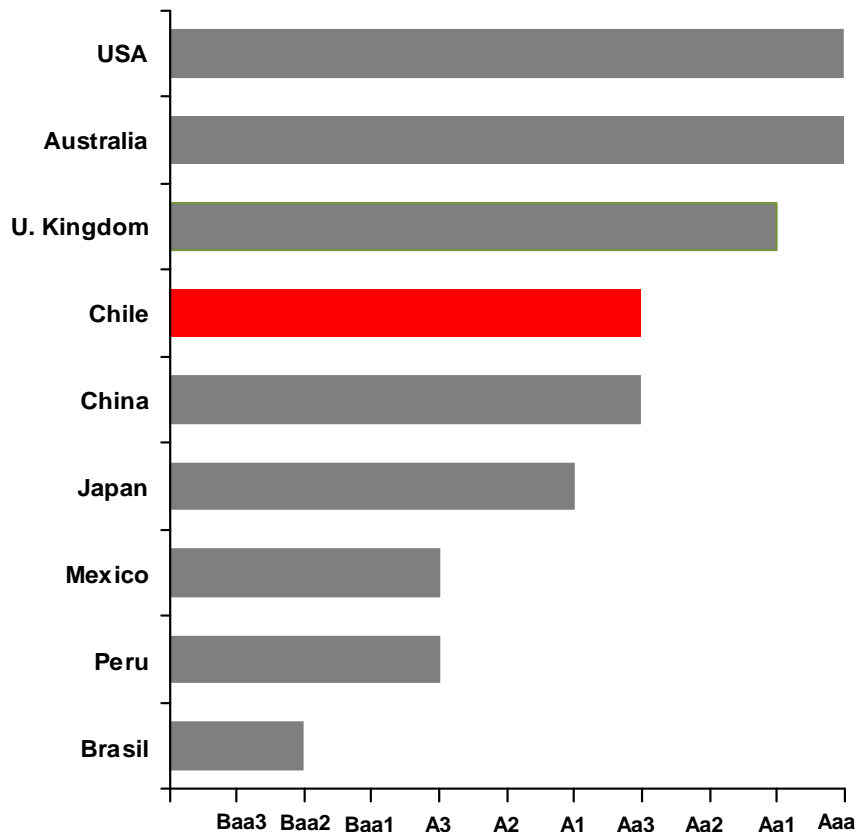
Source: Banco Central de Chile. (e): Estimates Santander Chile. 1. Trade-weighted GDP growth. 2. Terms of trade: as the ratio of export prices to import prices, mainly copper vs oil. 3. Includes private and government consumption

## Low-risk environment

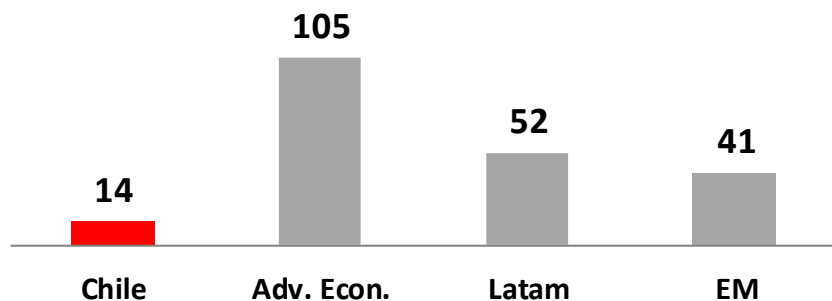
### Stable CDS spreads...(1)



### ... and high Sovereign rating(2)



### Low gross public debt (% of GDP)<sup>3</sup>

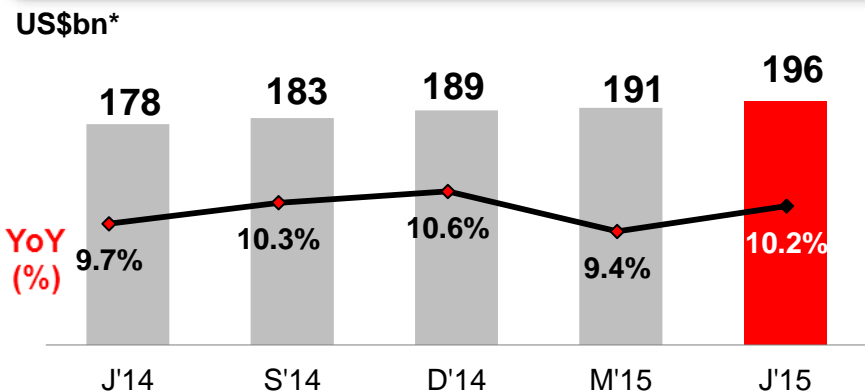


**Including the sovereign wealth fund, Chile's net public debt is 4% of GDP**

1. Source Bloomberg. 2. Source: Moody's, latest ratings. 3. Source: IMF, figures for 2014

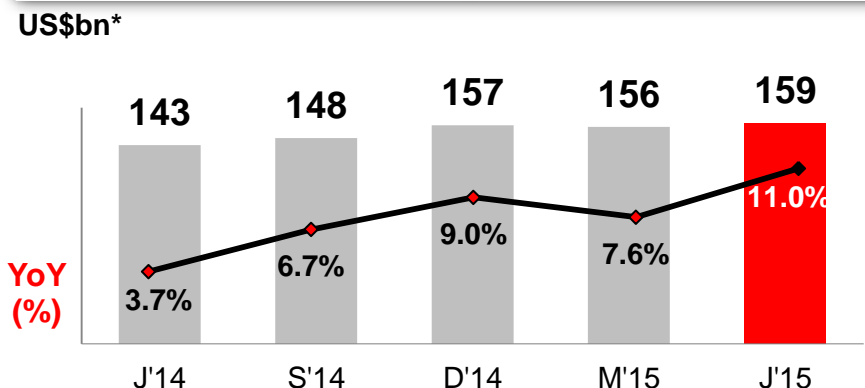
## Financial system with stable growth trends...

### Total Loans



- Positive growth of most non-mining exports boosts commercial loan growth
- Stability of employment and wages has kept good momentum in the medium-high segment of banking

### Total Deposits\*

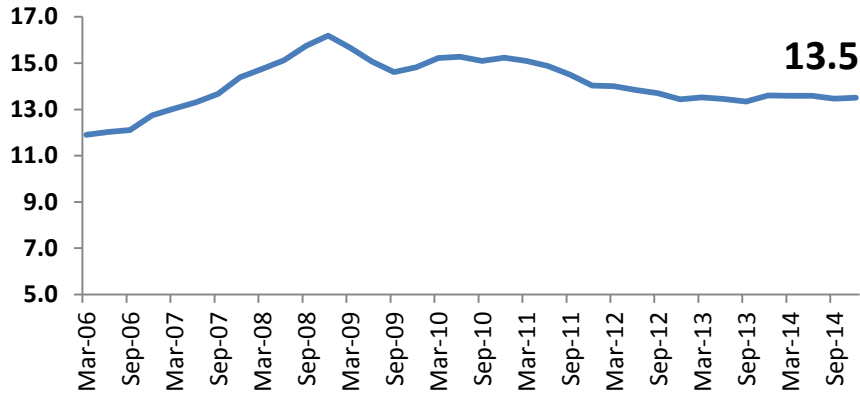


- Deposit growth in line with credit
- High liquidity in the system to fund business growth

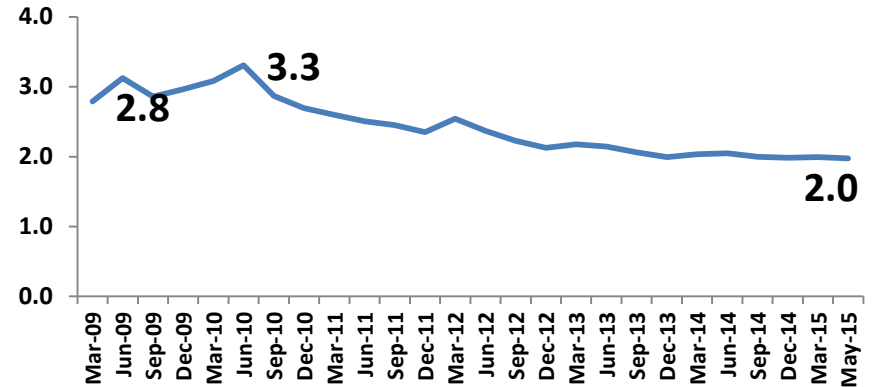
\* Demand and time deposits. Source: Superintendency of Banks of Chile. Excludes Corpbanca Colombia

... with a stable risk profile

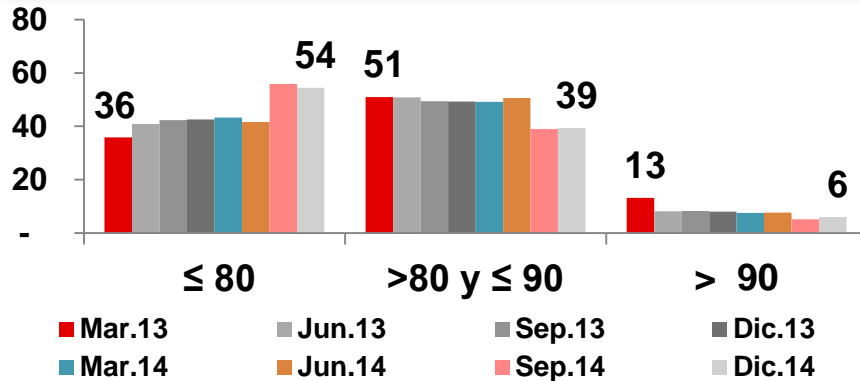
## Chile: Household debt service ratio (%)<sup>1</sup>



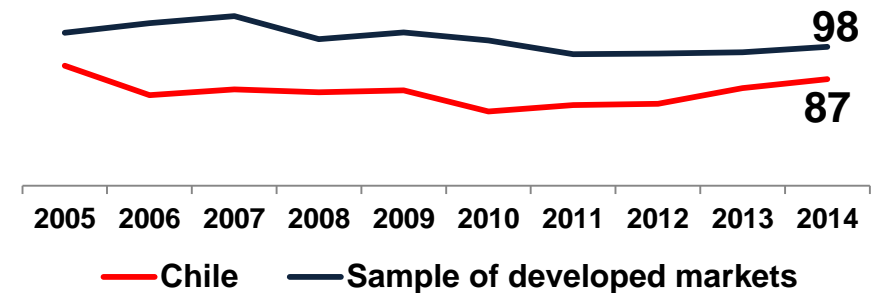
## Non-performing loan ratio (%)<sup>2</sup>



## Mortgage loan LTV at origination (%)



## Avg. home price / Disposable income (%)<sup>3</sup>



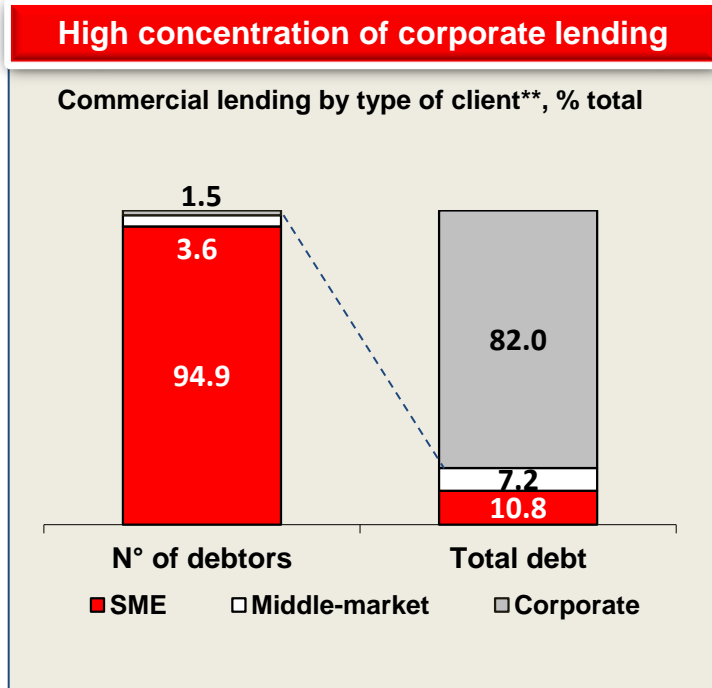
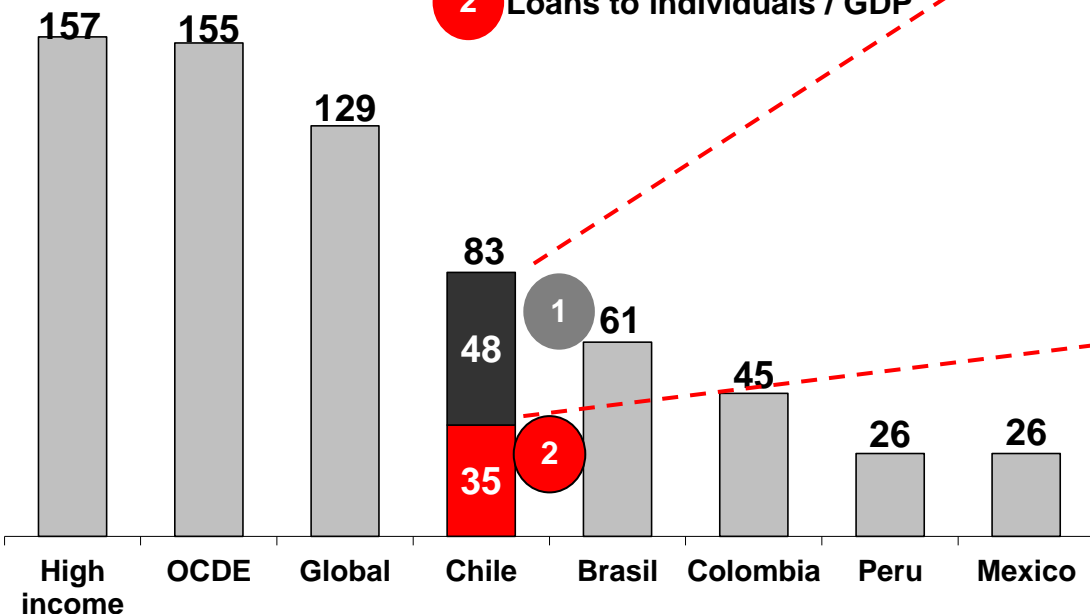
1. Total debt payments including amortization and interest / Disposable income. Source: Central Bank of Chile 2. Total outstanding gross amount of loans with at least one installment 90 days or more overdue / Average loans. Source: Superintendency of Banks of Chile. 3 Source: Central Bank of Chile. Includes: Germany, Australia, Belgium, Canada, Chile, Korea, Croacia, Denmark, Spain, USA, Finland, France, Holland, Ireland, Israel, Italy, Japan, Luxemburg, Norway, New Zealand, UK, Sweden and Switzerland



# The market has good growth potential in **1** mid-sized companies

Loans / GDP as of Dec. 2014\*, %

- 1** Commercial loans / GDP
- 2** Loans to individuals / GDP

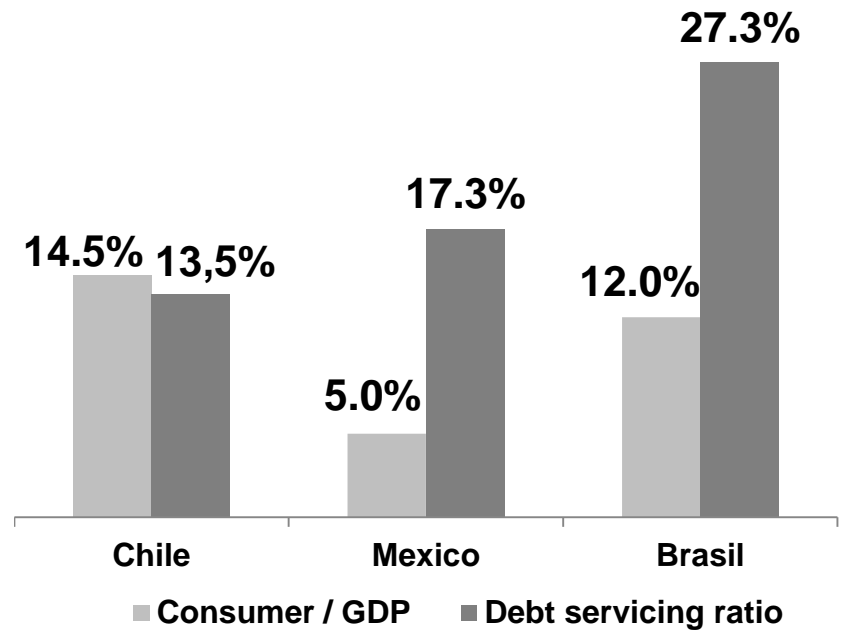
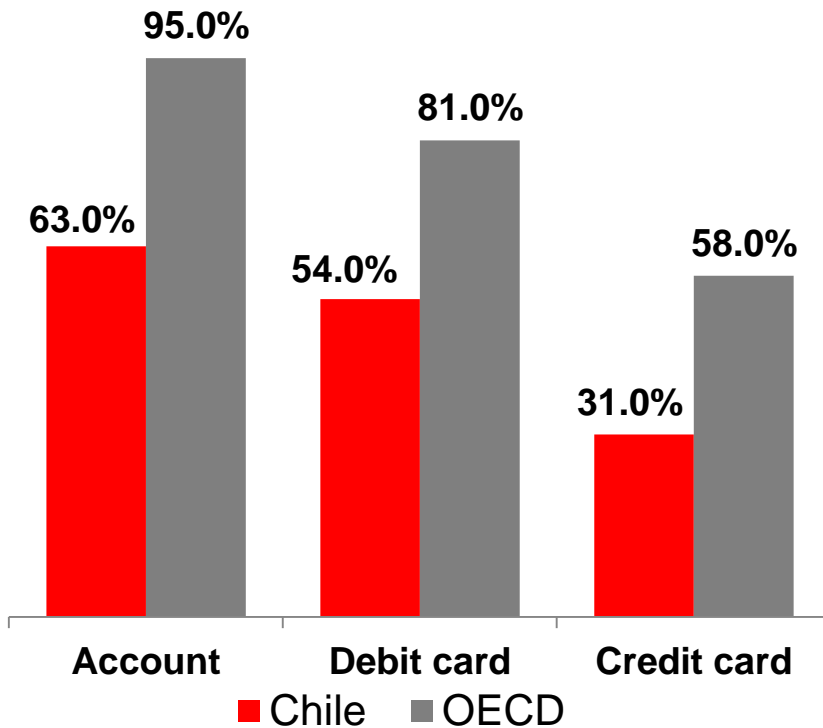


\* Or latest available information. Source: World Bank, weighted by size of world economies. \*\*Source Chile: Santander Chile based on information from Superintendencia of Banks, Central Bank and [www.cajasdechile.cl](http://www.cajasdechile.cl)

**2** and individuals, especially mid-high income segments

**Chile: Low penetration of bank products<sup>1</sup>**

**Consumer loan penetration and DSR<sup>2</sup>**



1. % of adults >25 yrs. with product. Source: World Bank, weighted by size of world economies. 2. Debt servicing ratio, DSR: Total debt payments including amortization and interest / Disposable income. Source: For Chile: Central Bank of Chile. For Brazil and Mexico: JP Morgan, Scotiabank and Felaban

# Agenda

- **Despite recent deceleration, economy expected to rebound in 2015-16. Financial system with stable growth and risk trends**
- **Santander Chile has adjusted its medium-term strategy to sustain profitable growth in a more challenging environment...**
- **... and is starting to benefit from stronger client activity and improved profitability trends**
- **... leading to a positive medium-term outlook**

## Santander Chile is the nation's leading bank

Figures as of June 2015<sup>1</sup>

Item	Amount	Mkt. share <sup>1</sup>	Rank
Loans	US\$ 37.9bn	19.4%	1
Loans to individuals	US\$ 19.7bn	22.1%	1
Consumer loans	US\$ 6.3bn	24.0%	1
Residential mortgage loans	US\$ 11.2bn	21.2%	1
Loans to companies	US\$ 20.5bn	17.5%	2
Deposits	US\$ 28.7bn	18.1%	2
Demand Deposits	US\$ 10.4bn	21.5%	2
Equity	UU\$ 4.1bn	17.2%	1
Net income	US\$ 369mn	22.2%	2
Clients	3.6mn		
Checking accounts		22.6%	1
Banking credit cards		18.5%	1
Branches	478	20.0%	1
ATMs	1,604	20.4%	2
Employees	11,614	17.9%	2

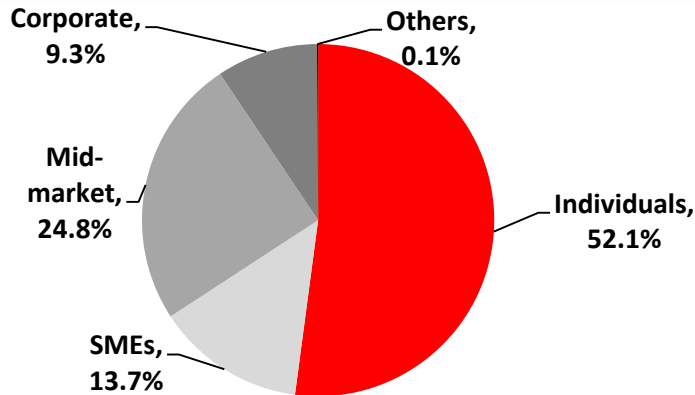


1. Or latest available figures. Excludes Corpbanca Colombia. Source: Superintendency of Banks of Chile

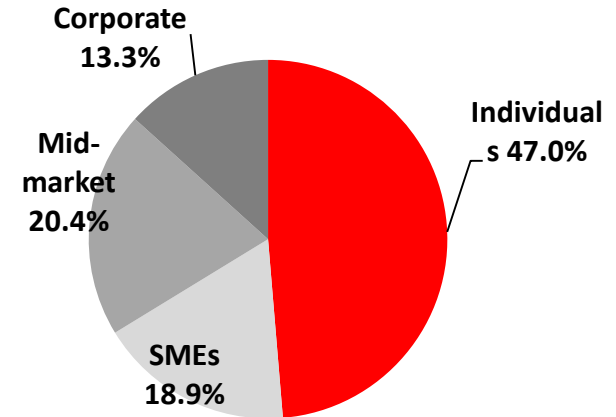
## A client-driven bank, with adequate diversification

Figures as of June 2015

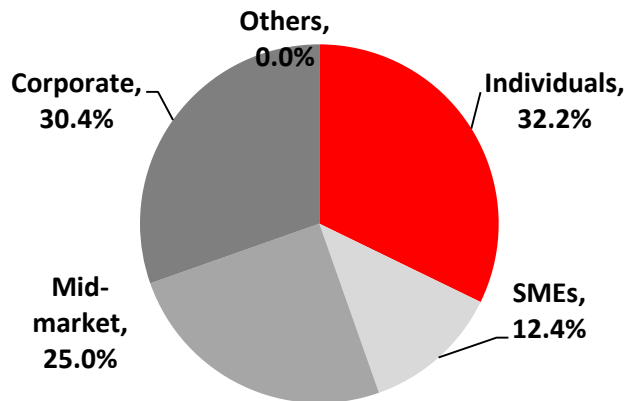
### Loans by segment



### Net op. profit from segments\*



### Deposits by segment



- Individuals / SMEs continue to be a lending driven segments but has good growth potential in non-lending businesses
- Mid-market: balanced focused between lending and non-lending activities
- GBM: >80% of income is from non-lending activities

\* Net operating profits business segments: Net interest income + fee income + financial transactions, net + provision expense.

## 3 objectives for healthy growth / higher profitability

I. Growth focused on segments with highest net contribution...

II. ...improving relationships with clients and quality of service

III. ... and managing risks and capital conservatively

Transformation  
Project

Optimizing the  
risk return  
relation



## 3 objectives for healthy growth / higher profitability

I. Growth focused on segments with highest net contribution...

II. ...improving relationships with clients and quality of service

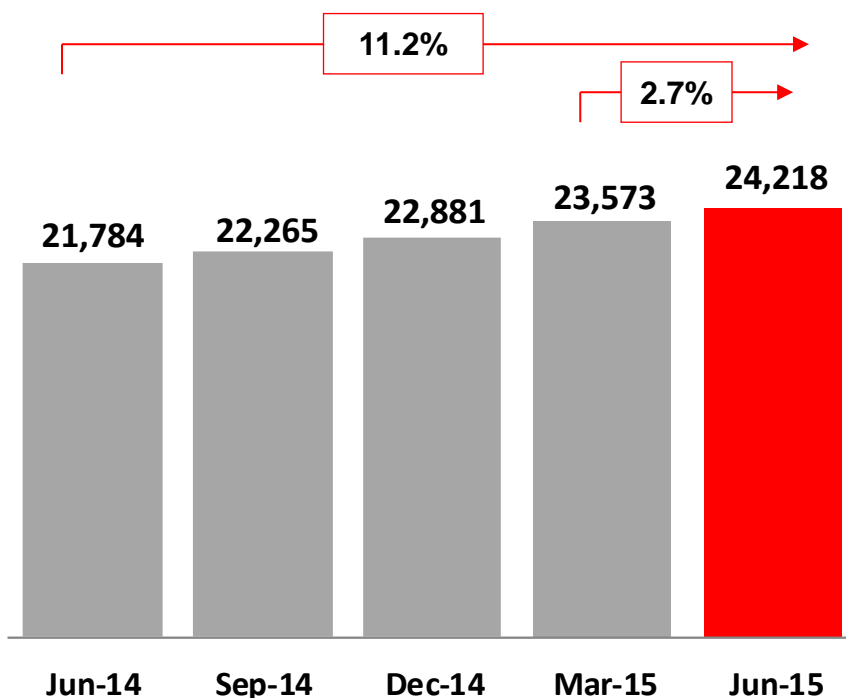
III. ... and managing risks and capital conservatively

- **Individuals:** Focus on growing principally in the mid-high income segments
- **SMEs:** Focus on larger SMEs with lending and non-lending opportunities for growth
- **Middle-market:** Aiming to be #1 in this segment by expanding the lending and non-lending businesses and replicating success in Corporate banking
- **Corporate:** Strong focus on non-lending activities

**Loans up 11.2% YoY. Growth focused in segments with higher risk-adjusted profitability**

**Total Loans**

Ch\$bn



Ch\$bn

	6M'15	YoY (%)	QoQ (%)
<b>Individuals<sup>1</sup></b>	<b>12,606</b>	<b>14.1%</b>	<b>3.1%</b>
Mortgage	7,145	17.2%	4.4%
Consumer credit	3,997	7.0%	1.1%
<b>SMEs</b>	<b>3,323</b>	<b>0.9%</b>	<b>2.2%</b>
<b>Middle Market</b>	<b>6,014</b>	<b>16.3%</b>	<b>7.2%</b>
<b>Corporates</b>	<b>2,264</b>	<b>-2.2%</b>	<b>-7.8%</b>
<b>Total<sup>2</sup></b>	<b>24,218</b>	<b>11.2%</b>	<b>2.7%</b>

**Improved Individuals loan mix: High-income: +17% YoY**

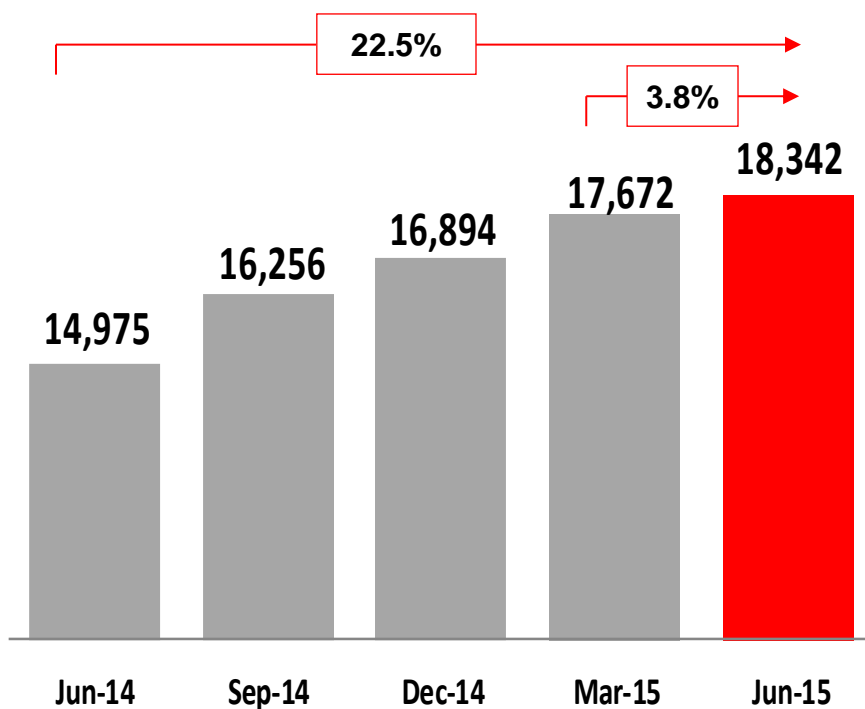
1. Includes consumer, mortgage and commercial loans granted to individuals. 2. Includes other non-segmented loans



## Total deposits increased 22.5% YoY

### Total Deposits

Ch\$bn

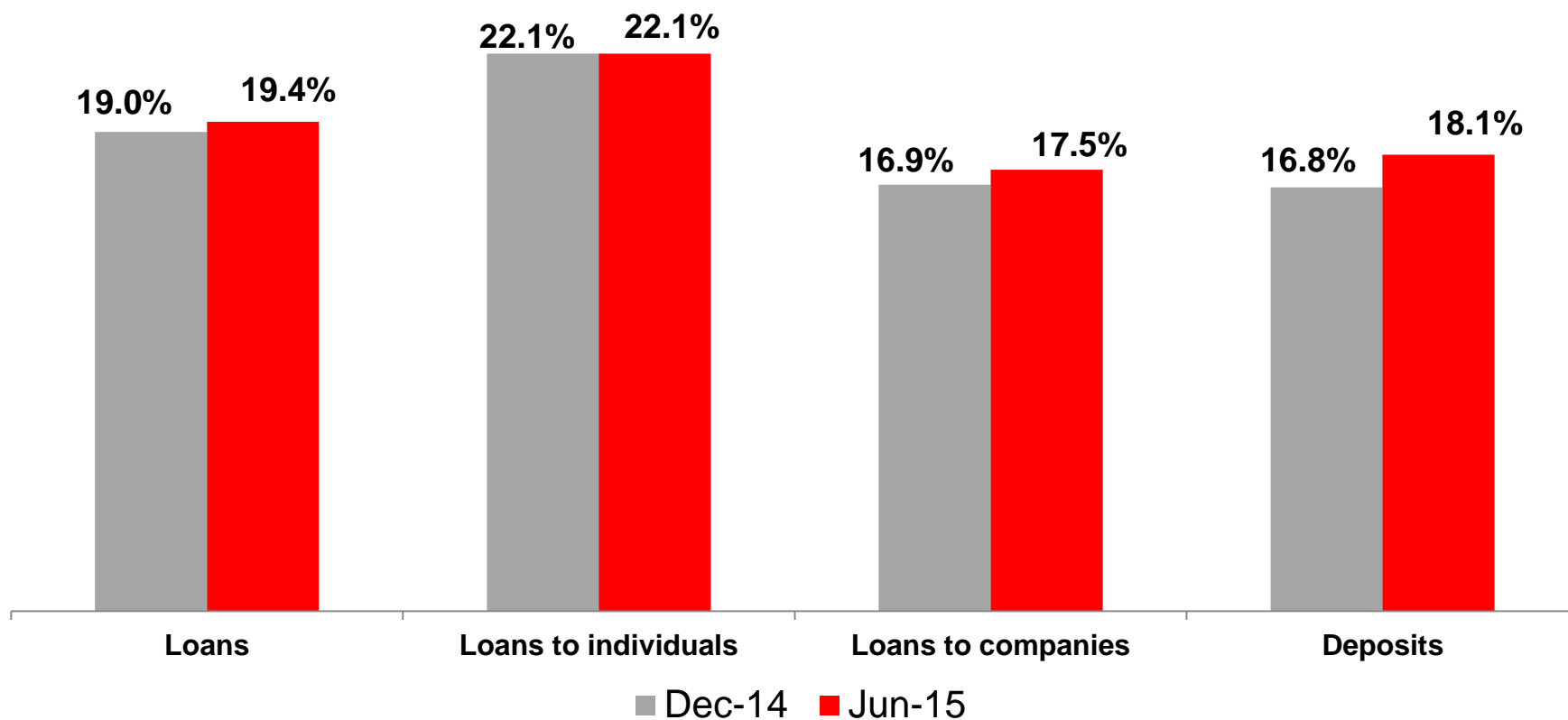


Ch\$bn	6M'15	YoY	QoQ
Demand	6,659	17.6%	3.4%
Time	11,683	25.5%	4.0%
<b>Total deposits</b>	<b>18,342</b>	<b>22.5%</b>	<b>3.8%</b>

### Core deposits<sup>1</sup> increased 15.8% YoY

1. Core deposits: all checking accounts plus non-Wholesale time deposits. Wholesale time deposits include deposits from: (i) banks and other financial institutions, (ii) economic groups with greater than 1% of short-term time deposits, (iii) economic groups with time deposits representing more than 2.5% of Core capital and, (iv) any other client defined as Wholesale.

## Gaining market share in most products in 1H15



Source: Superintendencia de Bancos de Chile. Excludes Corpbanca Colombia

## 3 objectives for healthy growth / higher profitability

I. Growth focused on segments with highest net contribution...

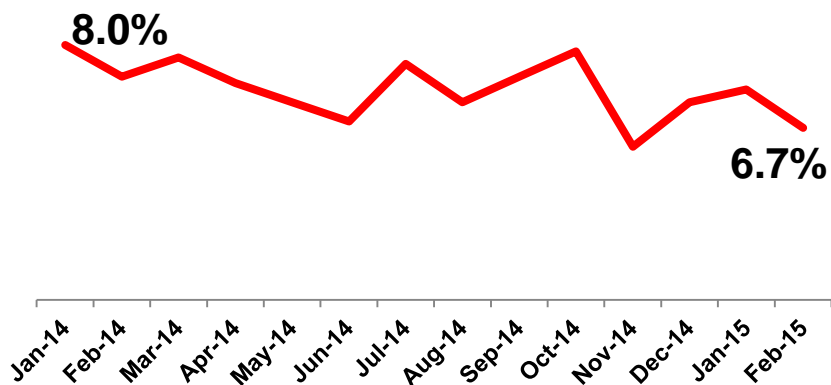
II. ...improving relationships with clients and quality of service

III. ... and managing risks and capital conservatively

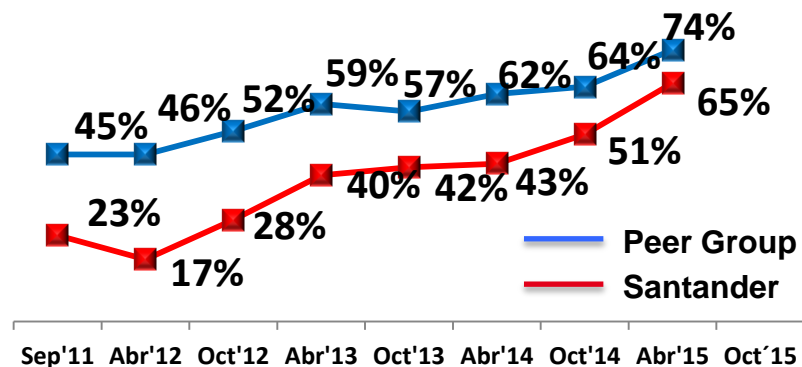
- Focus on **improving our processes**
- Focus on increasing usage of **digital banking services**
- Priority is to increasing **cross-selling** and **transactionality**

## Improving process and increasing usage of digital banking services

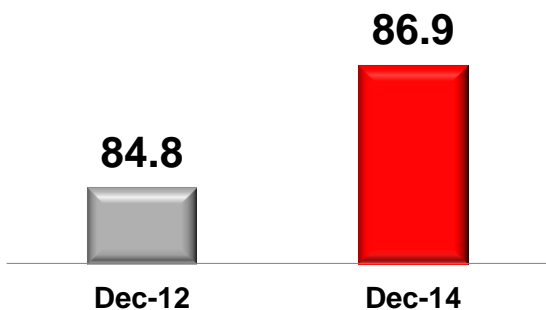
Churn rate among individuals<sup>1</sup>(%)



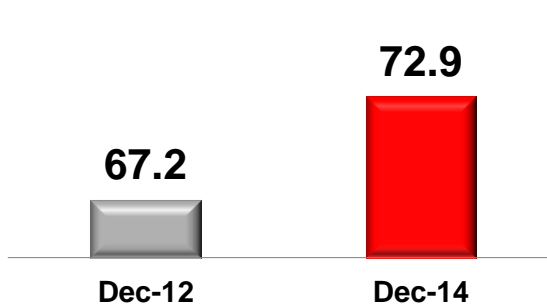
Customer Satisfaction gap vs main peers<sup>5</sup> (%)



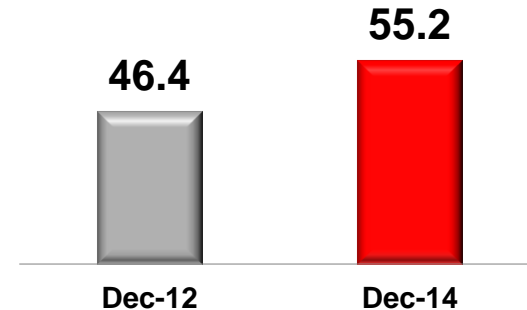
Remote transaction index<sup>2</sup> (%)



Electronic payments<sup>3</sup> (%)



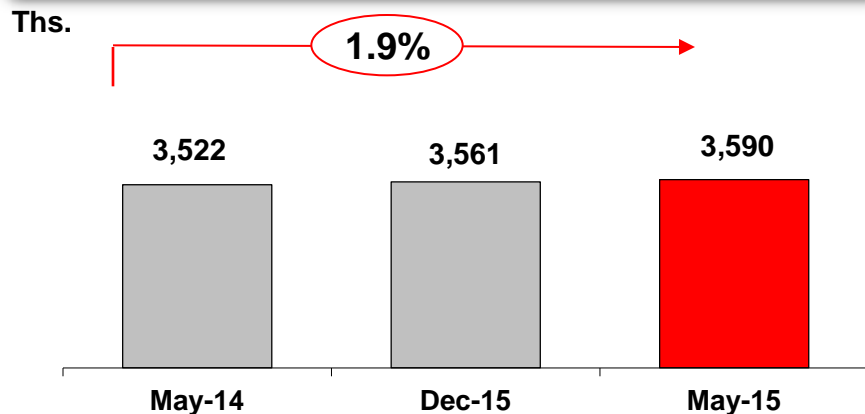
Deposits taken electronically<sup>4</sup> (%)



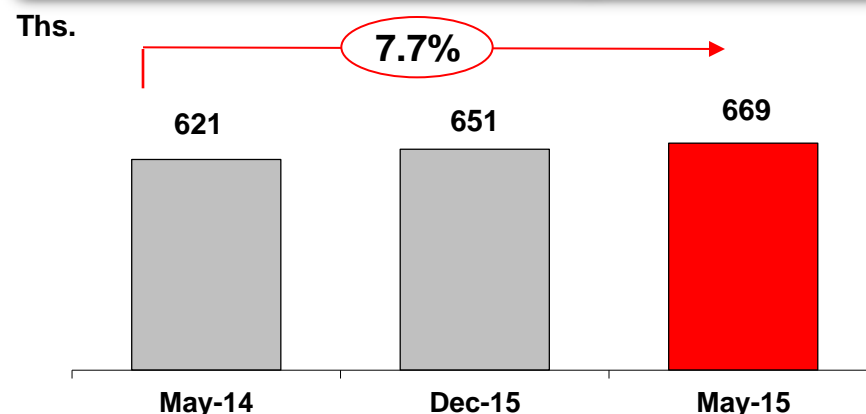
1. % of individual clients that leave the bank over total individual clients 2. Total transactions performed via Internet, ATM, Phone banking, POS and automatic bill payment over total transactions. 3. Payments and withdrawals via Internet & ATMs vs total payments and withdrawals. 4. Deposits taken electronically over total deposits. 5. % of clients that are satisfied or very satisfied minus % of unsatisfied clients

## Client base and cross-selling ratios continues to expand

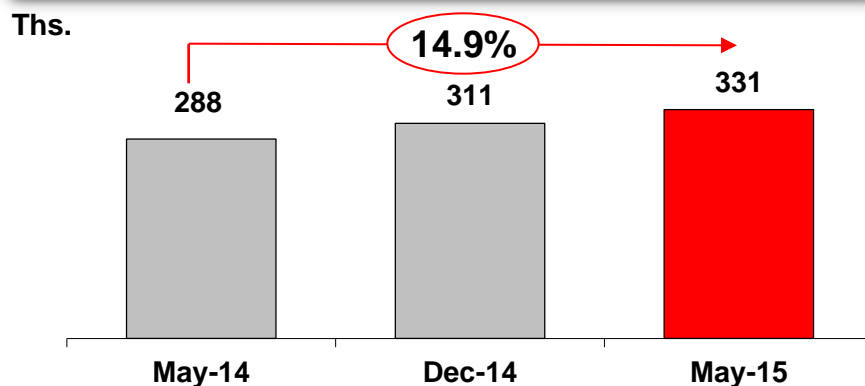
### Total clients



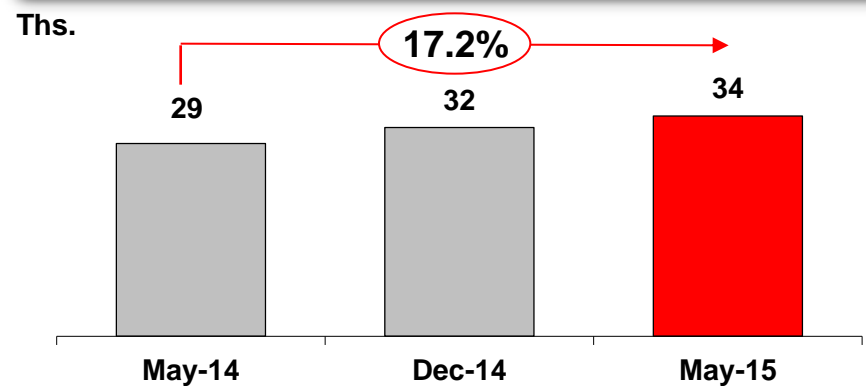
### Retail clients w/checking accounts



### Individuals: cross-sold clients<sup>1</sup>



### SMEs: cross-sold clients<sup>2</sup>



1. Cross-selling definitions: Individuals: between 2-4 products plus a minimum profitability level and a minimum usage indicator all differentiated by segment.  
 2. SMEs cross-selling differentiated by client size using a point system that depends on number of products usage of products and income net of risks.

## 3 objectives for healthy growth / higher profitability

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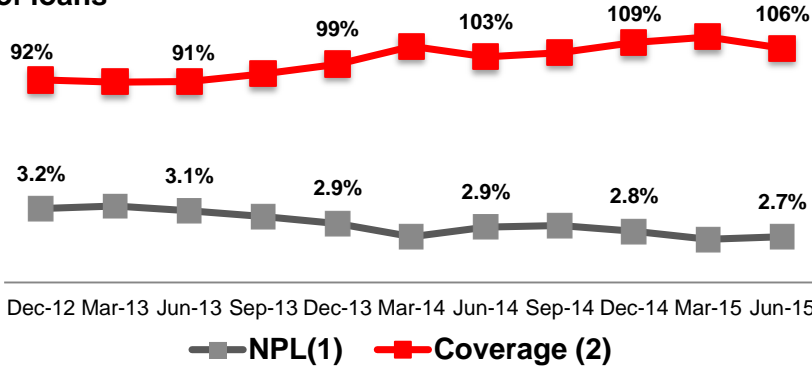
III. ... and managing risks and capital conservatively

- Important improvements in consumer loan asset quality
- Risks in SMEs is stabilizing
- Client NIMS, net of provisions are rising or stable in most segments

# Sound asset quality and increased coverage of non-performing loans

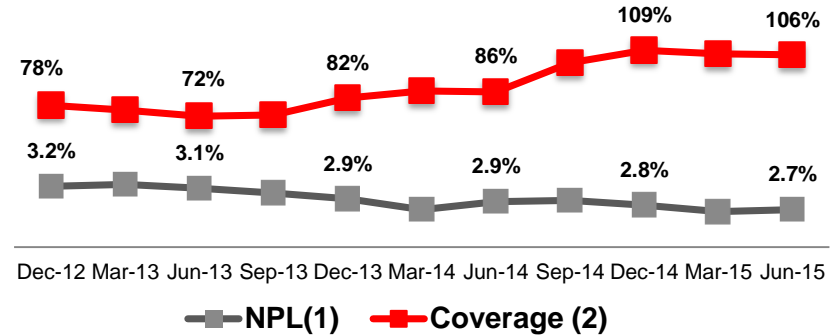
## Total loans

% of loans



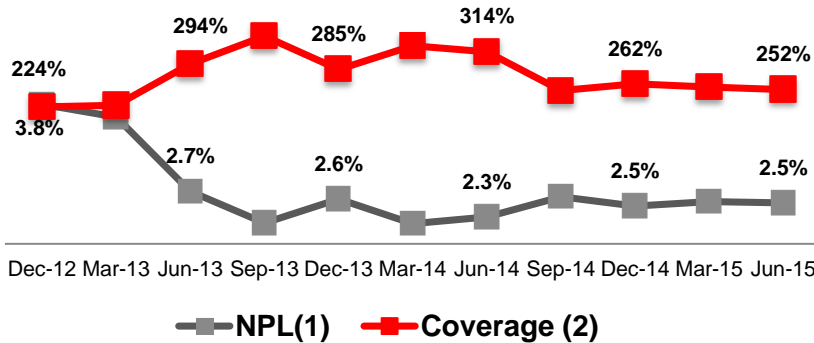
## Commercial loans

% of loans



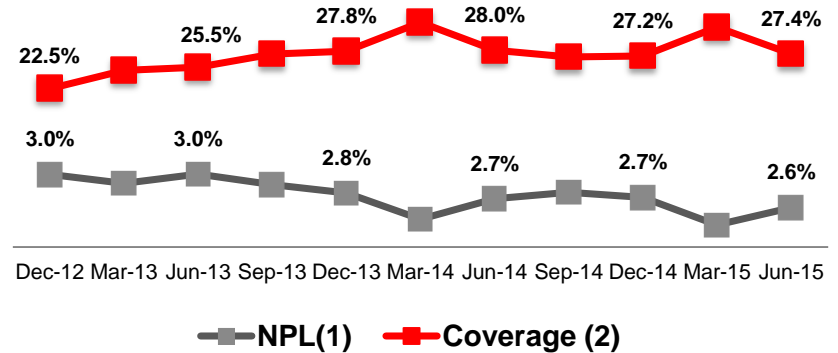
## Consumer loans

% of loans



## Mortgage loans

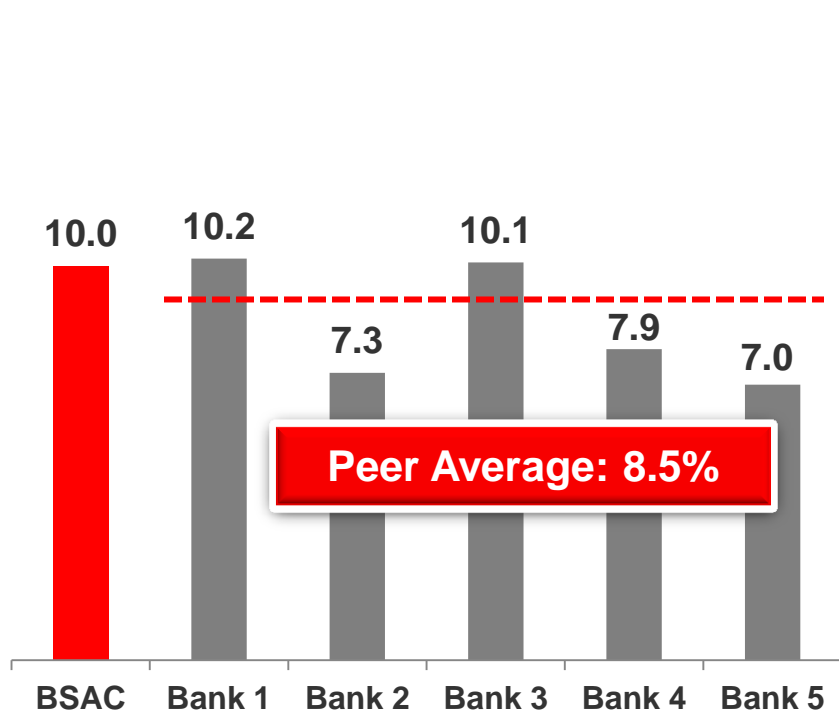
% of loans



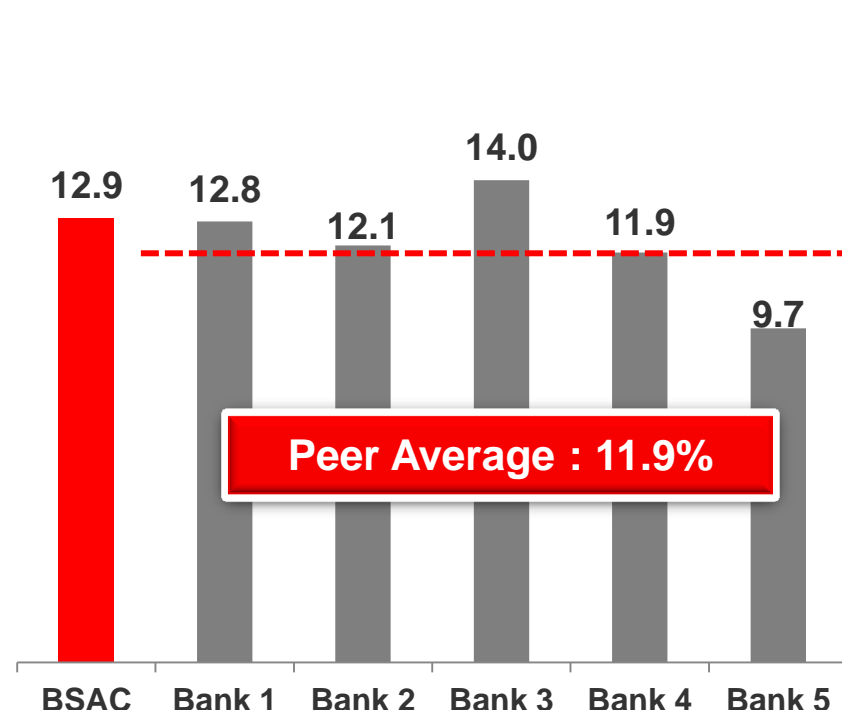
1. 90 days or more NPLs. 2. Loan loss reserves over NPLs

## Solid capital levels to grow

### Core capital (%)<sup>1</sup>



### BIS ratio (%)<sup>2</sup>



### Advanced preparation for the transition into Basel III

1. According to SBIF BIS I definitions. Figures are as of June 2015, the latest date available.

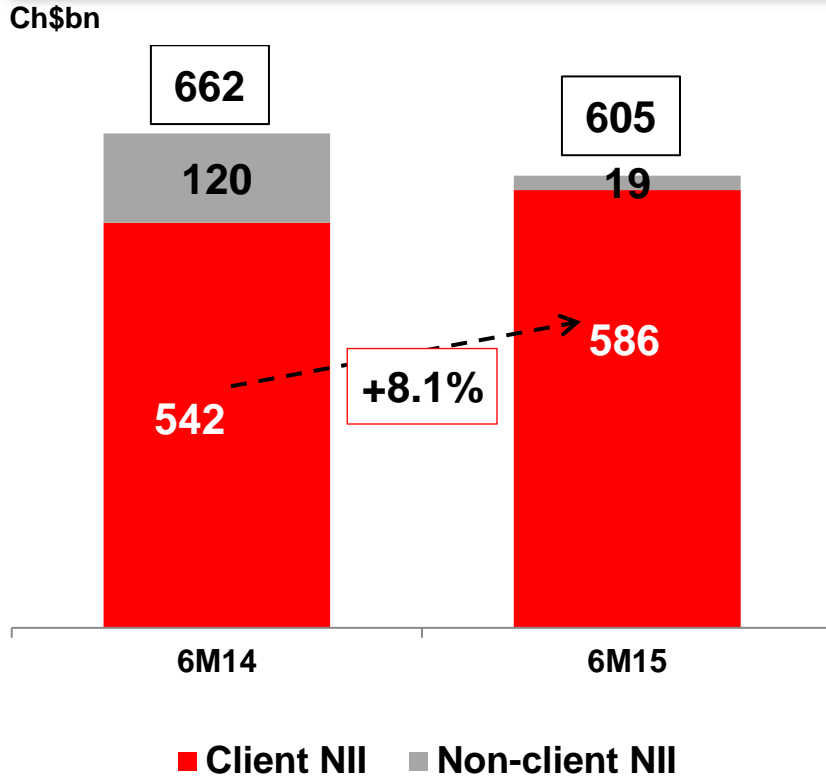


# Agenda

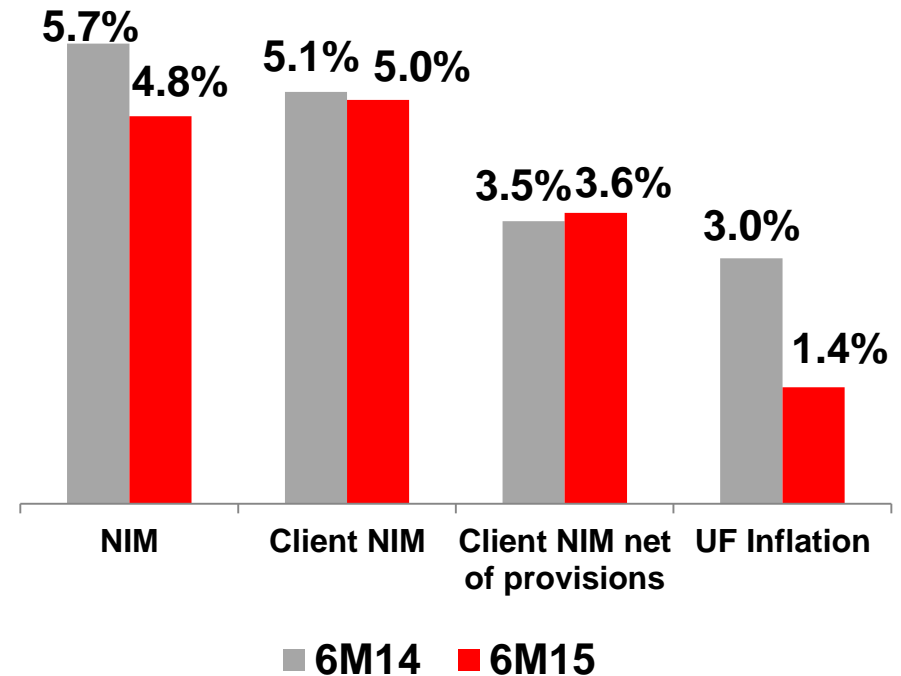
- **Despite recent deceleration, economy expected to rebound in 2015-16. Financial system with stable growth and risk trends**
- **Santander Chile has adjusted its medium-term strategy to sustain profitable growth in a more challenging environment...**
- **... and is starting to benefit from stronger client activity and improved profitability trends**
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## Client net interest income increases 8.1% YoY

### Client and total net interest income<sup>1</sup>



### Net interest margin (%)

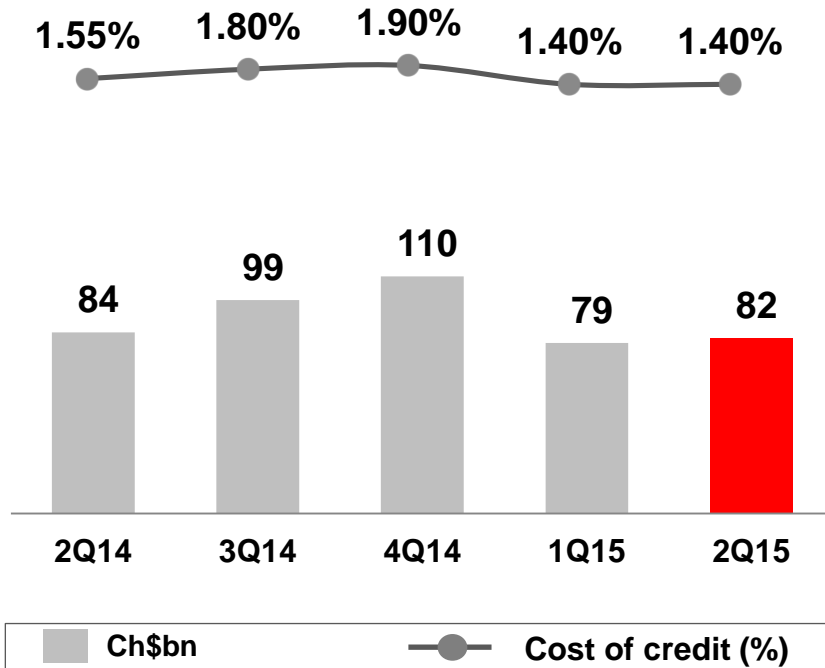


1. Client net interest income (NII) is mainly NII from the from all client activities such as loans and deposits minus the internal transfer rate. Non-client NII is NII mainly from the Bank's ALCO positions and includes the effects of inflation on the Bank's NII

## Stable asset quality metrics

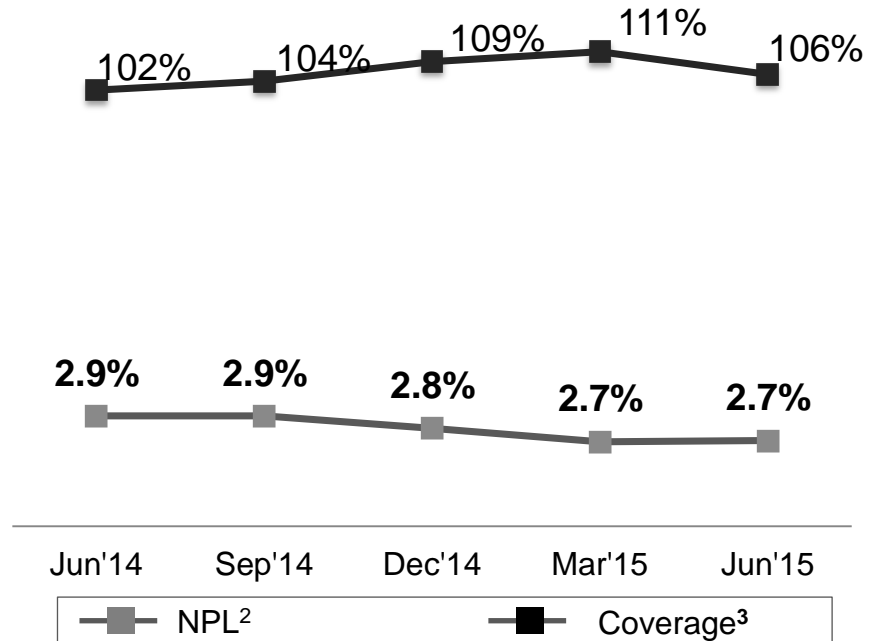
### Provision expense & cost of credit<sup>1</sup>

Ch\$bn



### NPL and coverage ratio

% of loans



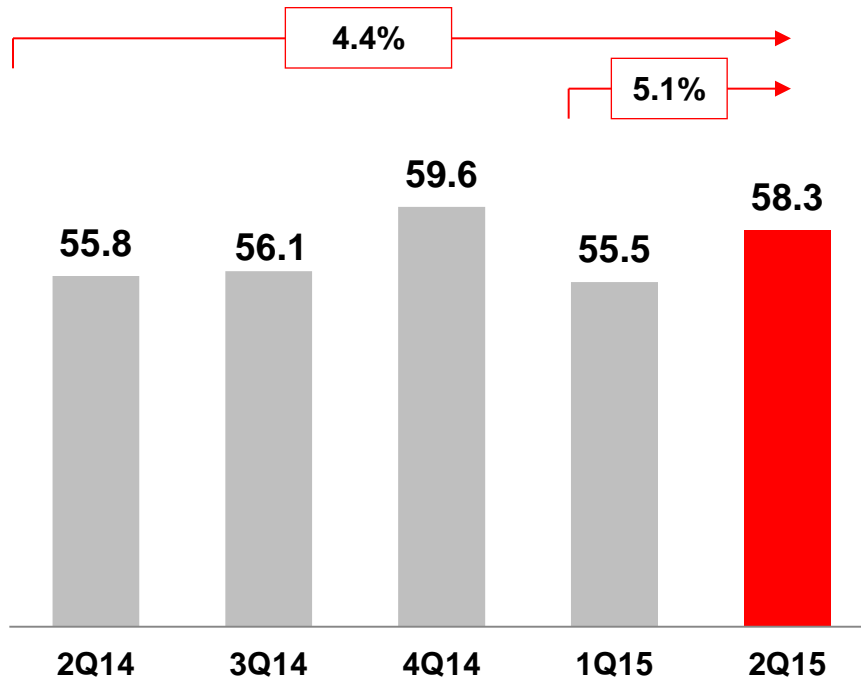
### Client NIMs<sup>4</sup>, net of provisions increased 10 bp. YoY to 3.6% in 1H15

1. Annualized quarterly provision expense / total loans. 2. 90 days or more NPLs. 3. Loan loss reserves over NPLs. 4. Client NIMs = NI from our business segments (excludes the impacts of inflation)-provisions divided by average loans

## Greater cross-selling and product usage boosts retail fees

### Total net fee income

Ch\$bn



### Fee income from business segments

Ch\$bn

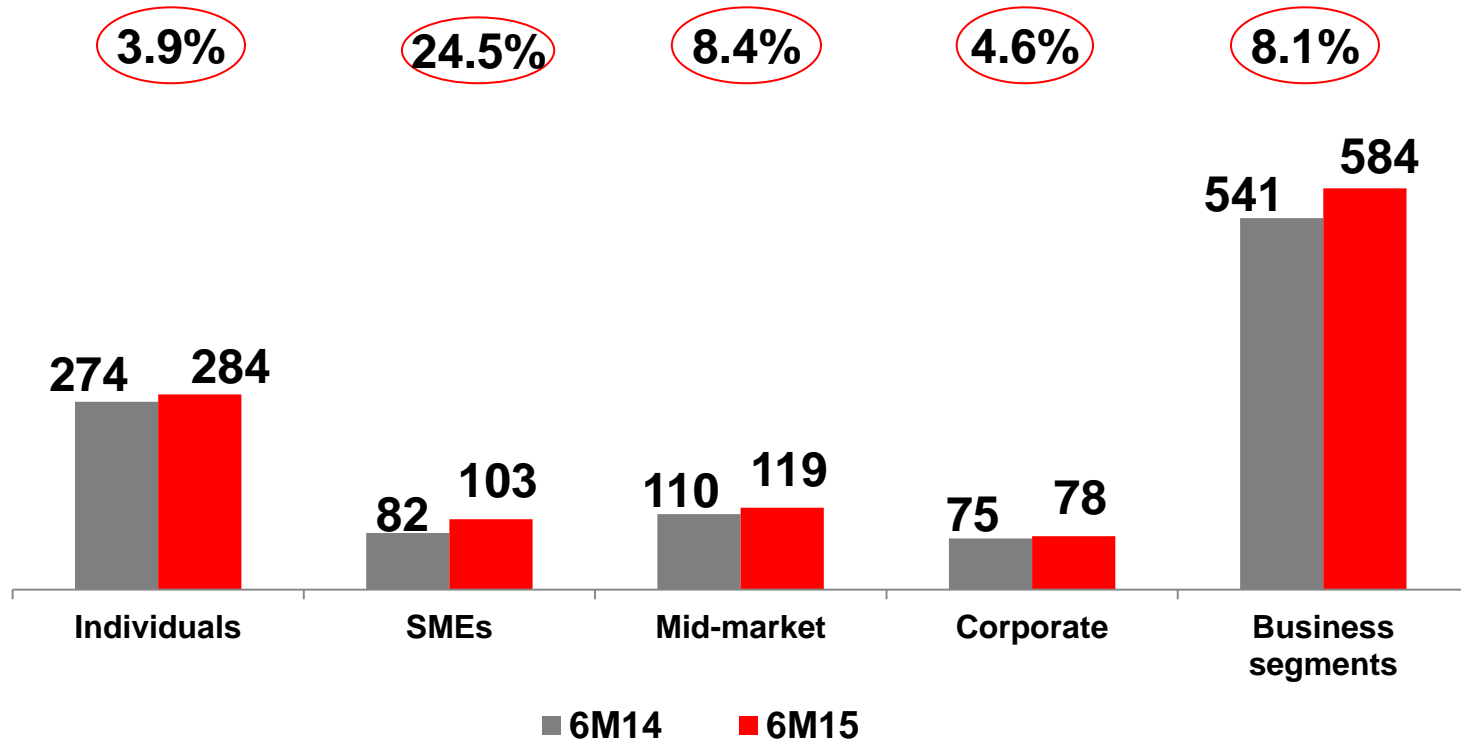
	6M'15	YoY (%)
Individuals	69.2	5.0
SMEs	21.6	7.6
Middle Market	13.6	0.1
Corporates	7.3	-29.6
Others	2.0	25.3
<b>Total fees<sup>1</sup></b>	<b>113.7</b>	<b>1.9</b>

1. Total fees include other non-segmented fees

**Net operating profit from business segments up 8.1% YoY in 1H15**

**Net operating profit from business segments<sup>1</sup>**

Ch\$bn



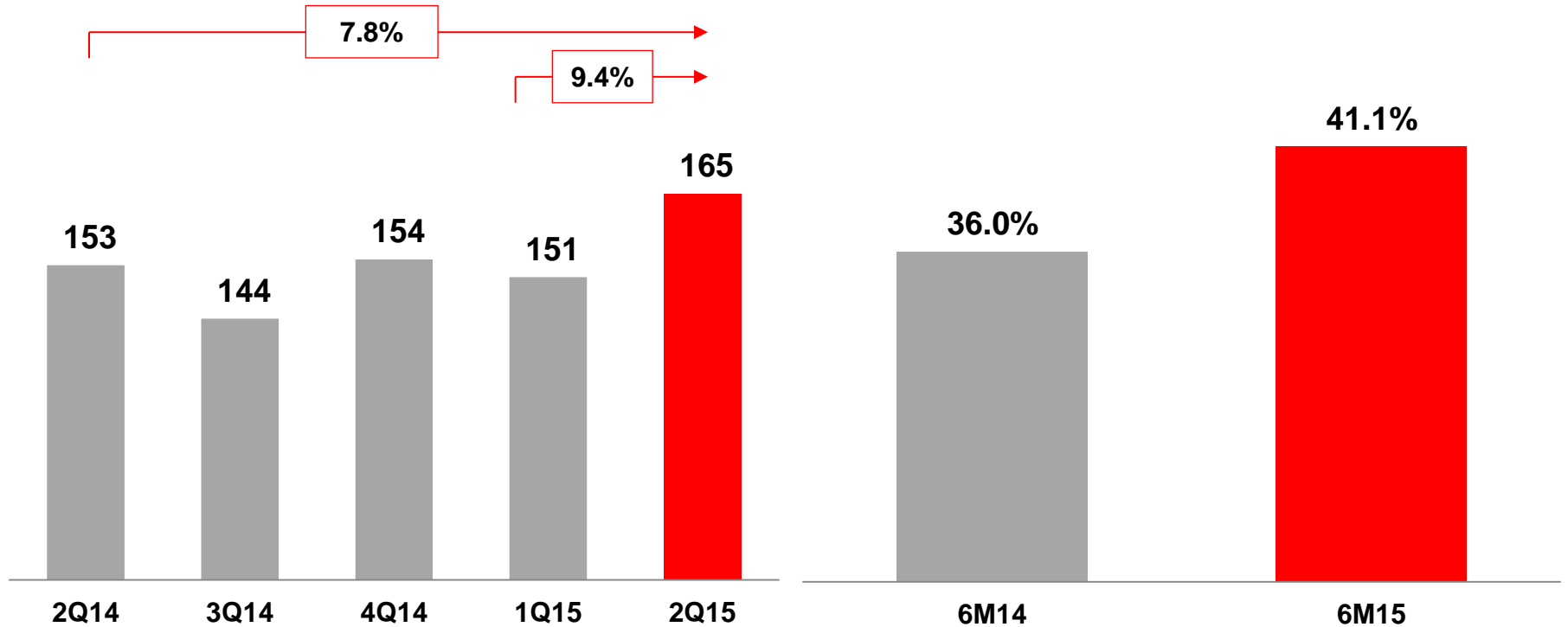
1. Net interest income + fee income + financial transactions, net - provision expense. These results exclude our Corporate Center and the results from Financial Management, which includes, among other items, the impact of the inflation on results

**Efficiency ratio reached 41.1% in 1H15**

**Operating expenses**

**Efficiency ratio<sup>1</sup>**

Ch\$bn

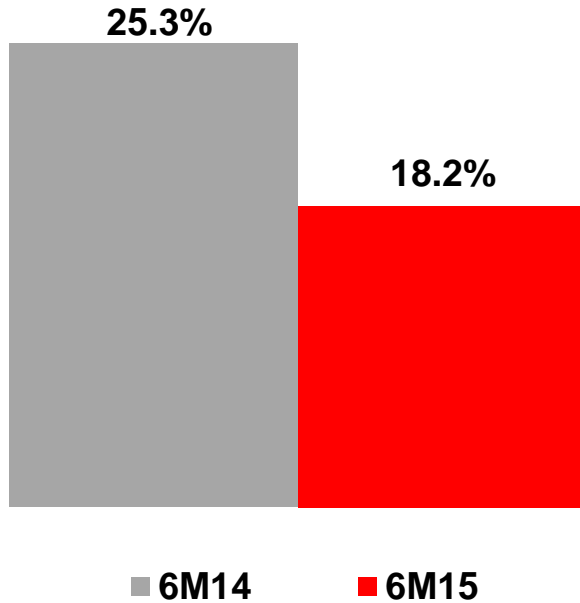


**Cost growth should moderate as the year progresses**

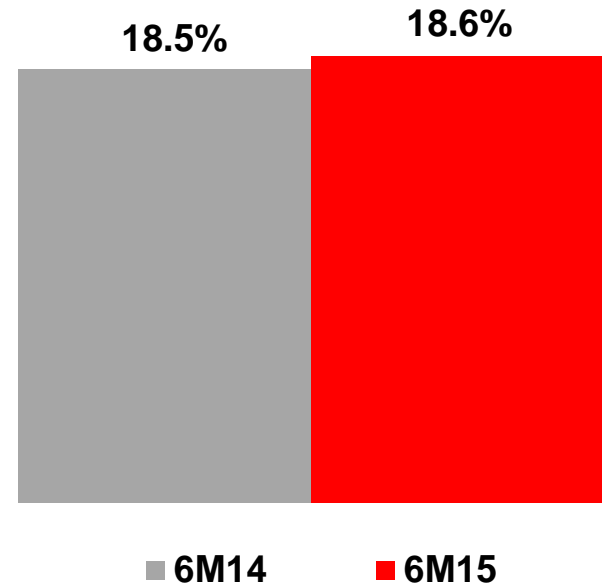
1. Efficiency ratio: oper. expenses excluding impairment / Net interest income + Fee income + Financial transactions, net and Other operating income, net

Positive recurring results. Reported profits impacted by lower inflation

Reported ROE



Adjusted ROE<sup>1</sup>



1. Adjusted ROAE = Annualized quarterly income adjusting net interest income by using a quarterly UF inflation rate of 0.75% (3% on an annualized basis) for both periods being compared divided by average equity

# Agenda

- **Despite recent deceleration, economy expected to rebound in 2015-16. Financial system with stable growth and risk trends**
  - **Santander Chile has adjusted its medium-term strategy to sustain profitable growth in a more challenging environment...**
  - **... and is starting to benefit from stronger client activity and improved profitability trends**
- **... leading to a positive medium-term outlook**



- **Chile: economy is expected to increase its growth in 2015-2016, in a relatively low-risk environment. Inflation forecasts revised upward**
- **Financial system with stable growth and risk trends**
- **Santander Chile: positive business and client profitability trends sustained in 2Q15**
  - **Improving funding mix: 22.5% YoY growth of deposits**
  - **Loan growth up 11.2% YoY, especially in segments with higher risk-adjusted profitability**
  - **Client base and cross-selling ratios continues to expand**
  - **Stable asset quality. Cost of credit remains at 1.4% / NPLs at 2.7%**
  - **Net operating profit from business segments up 8.1% YoY in 1H15**
  - **Efficiency ratio reached 41.1% in 1H15**
  - **ROE reached 18.2% in 1H15. Adjusted ROE was 18.6%, in line with guidance**
- **For the remaining of 2015 and 2016, we expect these sound business trends to continue**



**Positive medium-term outlook for Santander Chile**



Chile

# Annexes

- Balance Sheet
- Income Statement
- Quarterly Income Statement

## Balance Sheet: Assets

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Unaudited Balance Sheet	Jun-15	Jun-15	Dec-14	June 15 / Dec. 14
Assets	US\$ths	Ch\$ million		% Chg.
Cash and deposits in banks	2,511,529	1,604,616	1,608,888	(0.3%)
Cash items in process of collection	1,187,206	758,506	531,373	42.7%
Trading investments	683,746	436,845	774,815	(43.6%)
Investments under resale agreements	-	-	-	--%
Financial derivative contracts	4,120,707	2,632,720	2,727,563	(3.5%)
Interbank loans, net	61,786	39,475	11,918	231.2%
<b>Loans and account receivables from customers, net</b>	<b>36,804,588</b>	<b>23,514,451</b>	<b>22,179,938</b>	<b>6.0%</b>
Available for sale investments	3,131,218	2,000,535	1,651,598	21.1%
Held-to-maturity investments	-	-	-	--%
Investments in associates and other companies	29,966	19,145	17,914	6.9%
Intangible assets	64,782	41,389	40,983	1.0%
Property, plant and equipment	326,334	208,495	211,561	(1.4%)
Current taxes	-	-	2,241	(100.0%)
Deferred taxes	453,029	289,440	282,211	2.6%
Other assets	1,386,785	886,017	493,173	79.7%
<b>Total Assets</b>	<b>50,761,675</b>	<b>32,431,634</b>	<b>30,534,176</b>	<b>6.2%</b>

# Balance Sheet: Liabilities & Equity

	Jun-15 US\$ths	Jun-15 Ch\$ million	Dec-14	June 15 / Dec. 14 % Chg.
<b>Liabilities</b>				
Deposits and other demand liabilities	10,422,874	6,659,174	6,480,497	2.8%
Cash items in process of being cleared	698,330	446,163	281,259	58.6%
Obligations under repurchase agreements	250,682	160,161	392,126	(59.2%)
Time deposits and other time liabilities	18,285,973	11,682,908	10,413,940	12.2%
Financial derivatives contracts	3,401,704	2,173,349	2,561,384	(15.1%)
Interbank borrowings	1,774,785	1,133,910	1,231,601	(7.9%)
Issued debt instruments	9,731,038	6,217,160	5,785,112	7.5%
Other financial liabilities	341,582	218,237	205,125	6.4%
Current taxes	28,933	18,485	1,077	1616.3%
Deferred taxes	2,711	1,732	7,631	(77.3%)
Provisions	319,709	204,262	310,592	(34.2%)
Other liabilities	1,417,630	905,724	220,853	310.1%
<b>Total Liabilities</b>	<b>46,675,951</b>	<b>29,821,265</b>	<b>27,891,197</b>	<b>6.9%</b>
<b>Equity</b>				
Capital	1,395,059	891,303	891,303	-
Reserves	2,391,443	1,527,893	1,307,761	16.8%
Valuation adjustments	(10,188 )	(6,509 )	25,600	--%
<b>Retained Earnings:</b>	<b>258,396</b>	<b>165,089</b>	<b>385,232</b>	<b>(57.1%)</b>
Retained earnings from prior years	-	-	-	--%
Income from the period	369,136	235,841	550,331	(57.1%)
Minus: Provision for mandatory dividends	(110,740 )	(70,752 )	(165,099 )	(57.1%)
<b>Total Shareholders' Equity</b>	<b>4,034,710</b>	<b>2,577,776</b>	<b>2,609,896</b>	<b>(1.2%)</b>
Non-controlling interest	51,014	32,593	33,083	(1.5%)
<b>Total Equity</b>	<b>4,085,724</b>	<b>2,610,369</b>	<b>2,642,979</b>	<b>(1.2%)</b>
<b>Total Liabilities and Equity</b>	<b>50,761,675</b>	<b>32,431,634</b>	<b>30,534,176</b>	<b>6.2%</b>

# Income Statement: YTD

YTD Income Statement Unaudited	Jun-15 US\$ths.	Jun-15 Ch\$ million	Jun-14	June 15 / June 14 % Chg.
Interest income	1,507,408	963,083	1,132,097	(14.9%)
Interest expense	(560,230 )	(357,931 )	(470,565 )	(23.9%)
<b>Net interest income</b>	<b>947,178</b>	<b>605,152</b>	<b>661,532</b>	<b>(8.5%)</b>
Fee and commission income	295,403	188,733	179,437	5.2%
Fee and commission expense	(117,386 )	(74,998 )	(67,858 )	10.5%
<b>Net fee and commission income</b>	<b>178,017</b>	<b>113,735</b>	<b>111,579</b>	<b>1.9%</b>
Net income (expense) from financial operations	(299,081 )	(191,083 )	(74,041 )	158.1%
Net foreign exchange gain	410,714	262,405	137,075	91.4%
<b>Total financial transactions, net</b>	<b>111,632</b>	<b>71,322</b>	<b>63,034</b>	<b>13.1%</b>
Other operating income	16,881	10,785	8,995	19.9%
<b>Net operating profit before provisions for loan losses</b>	<b>1,253,708</b>	<b>800,994</b>	<b>845,140</b>	<b>(5.2%)</b>
<b>Provision for loan losses</b>	<b>(251,711 )</b>	<b>(160,818 )</b>	<b>(165,270 )</b>	<b>(2.7%)</b>
<b>Net operating profit</b>	<b>1,001,997</b>	<b>640,176</b>	<b>679,870</b>	<b>(5.8%)</b>
Personnel salaries and expenses	(282,503 )	(180,491 )	(161,516 )	11.7%
Administrative expenses	(174,270 )	(111,341 )	(100,909 )	10.3%
Depreciation and amortization	(38,785 )	(24,780 )	(28,585 )	(13.3%)
<b>Operating expenses excluding Impairment and Other operating expenses</b>	<b>(495,558 )</b>	<b>(316,612 )</b>	<b>(291,010 )</b>	<b>8.8%</b>
Impairment of property, plant and equipment	(31 )	(20 )	(29 )	(31.0%)
Other operating expenses	(47,607 )	(30,416 )	(36,946 )	(17.7%)
Total operating expenses	(543,196 )	(347,048 )	(327,985 )	5.8%
<b>Operating income</b>	<b>458,801</b>	<b>293,128</b>	<b>351,885</b>	<b>(16.7%)</b>
Income from investments in associates and other companies	1,992	1,273	839	51.7%
<b>Income before tax</b>	<b>460,794</b>	<b>294,401</b>	<b>352,724</b>	<b>(16.5%)</b>
Income tax expense	(82,719 )	(52,849 )	(51,231 )	3.2%
<b>Net income from ordinary activities</b>	<b>378,075</b>	<b>241,552</b>	<b>301,493</b>	<b>(19.9%)</b>
Net income discontinued operations	-	-	-	--%
<b>Net income attributable to:</b>				
Non-controlling interest	8,939	5,711	34	16697.1%
<b>Net income attributable to equity holders of the Bank</b>	<b>369,136</b>	<b>235,841</b>	<b>301,459</b>	<b>(21.8%)</b>

# Income Statement: Quarters

Unaudited Quarterly Income Statement	2Q15	2Q15	1Q15	2Q14	2Q15 / 2Q14	2Q15 / 1Q15
	US\$ths.		Ch\$mn		% Chg.	% Chg.
Interest income	880,213	562,368	400,715	591,190	(4.9%)	40.3%
Interest expense	(360,988)	(230,635)	(127,296)	(243,151)	(5.1%)	81.2%
<b>Net interest income</b>	<b>519,225</b>	<b>331,733</b>	<b>273,419</b>	<b>348,039</b>	<b>(4.7%)</b>	<b>21.3%</b>
Fee and commission income	147,411	94,181	94,552	88,756	6.1%	(0.4%)
Fee and commission expense	(56,201)	(35,907)	(39,091)	(32,941)	9.0%	(8.1%)
<b>Net fee and commission income</b>	<b>91,210</b>	<b>58,274</b>	<b>55,461</b>	<b>55,815</b>	<b>4.4%</b>	<b>5.1%</b>
Net income (expense) from financial operations	(79,080)	(50,524)	(140,559)	(103,583)	(51.2%)	(64.1%)
Net foreign exchange gain	126,553	80,855	181,550	133,645	(39.5%)	(55.5%)
<b>Total financial transactions, net</b>	<b>47,474</b>	<b>30,331</b>	<b>40,991</b>	<b>30,062</b>	<b>0.9%</b>	<b>(26.0%)</b>
Other operating income	8,886	5,677	5,108	3,485	62.9%	11.1%
<b>Net operating profit before provisions for loan losses</b>	<b>666,794</b>	<b>426,015</b>	<b>374,979</b>	<b>437,401</b>	<b>(2.6%)</b>	<b>13.6%</b>
<b>Provision for loan losses</b>	<b>(127,707)</b>	<b>(81,592)</b>	<b>(79,226)</b>	<b>(84,036)</b>	<b>(2.9%)</b>	<b>3.0%</b>
<b>Net operating profit</b>	<b>539,087</b>	<b>344,423</b>	<b>295,753</b>	<b>353,365</b>	<b>(2.5%)</b>	<b>16.5%</b>
Personnel salaries and expenses	(150,687)	(96,274)	(84,217)	(86,849)	10.9%	14.3%
Administrative expenses	(88,414)	(56,488)	(54,853)	(51,482)	9.7%	3.0%
Depreciation and amortization	(19,793)	(12,646)	(12,134)	(15,118)	(16.4%)	4.2%
<b>Operating expenses excluding Impairment and Other operating expenses</b>	<b>(258,895)</b>	<b>(165,408)</b>	<b>(151,204)</b>	<b>(153,449)</b>	<b>7.8%</b>	<b>9.4%</b>
Impairment of property, plant and equipment	(31)	(20)	-	(16)	25.0%	--%
Other operating expenses	(24,683)	(15,770)	(14,646)	(16,067)	(1.8%)	7.7%
Total operating expenses	(283,609)	(181,198)	(165,850)	(169,532)	6.9%	9.3%
<b>Operating income</b>	<b>255,478</b>	<b>163,225</b>	<b>129,903</b>	<b>183,833</b>	<b>(11.2%)</b>	<b>25.7%</b>
Income from investments in associates and other companies	1,233	788	485	552	42.8%	62.5%
<b>Income before tax</b>	<b>256,712</b>	<b>164,013</b>	<b>130,388</b>	<b>184,385</b>	<b>(11.0%)</b>	<b>25.8%</b>
Income tax expense	(33,700)	(21,531)	(31,318)	(25,079)	(14.1%)	(31.3%)
<b>Net income from ordinary activities</b>	<b>223,011</b>	<b>142,482</b>	<b>99,070</b>	<b>159,306</b>	<b>(10.6%)</b>	<b>43.8%</b>
Net income discontinued operations	-	-	-	-		
<b>Net income attributable to:</b>						
Non-controlling interest	3,315	2,118	3,593	(310)	(783.2%)	(41.1%)
<b>Net income attributable to equity holders of the Bank</b>	<b>219,696</b>	<b>140,364</b>	<b>95,477</b>	<b>159,616</b>	<b>(12.1%)</b>	<b>47.0%</b>