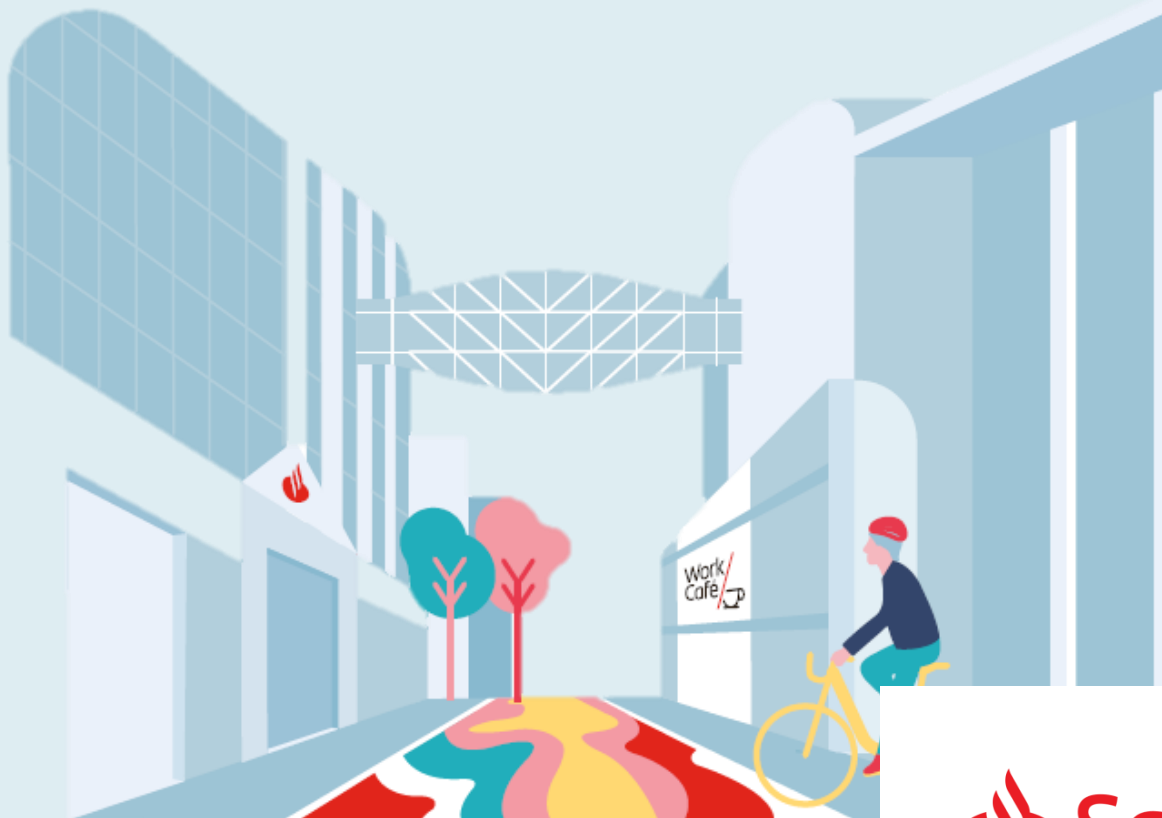


# Banco Santander Chile

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Positive growth outlook in a stable environment



June 2019



# Important information

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 2018 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. Please note that this information is provided for comparative purposes only and that this restatement may undergo further changes during the year and, therefore, historical figures, including financial ratios, presented in this report may not be entirely comparable to future figures presented by the Bank.

# Agenda

**Macro-economic environment and financial system**

**Banco Santander Chile: the nation's leading bank**

**Healthy balance sheet**

**Recent results**

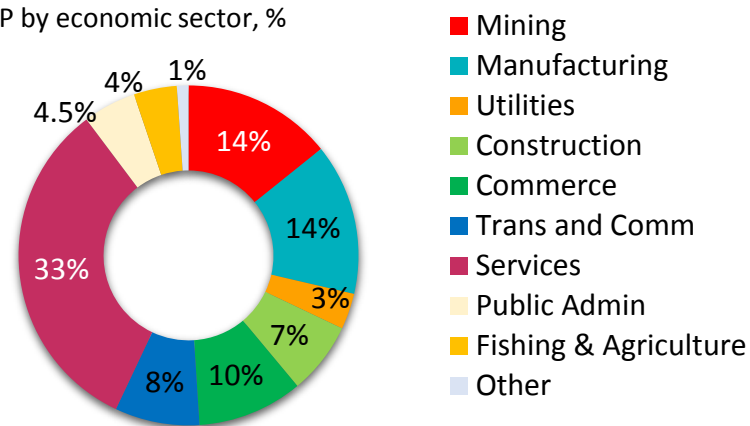
**Summary**

## Chile: a stable and diversified economy

### Chile: Key economic indicators<sup>1,2</sup>

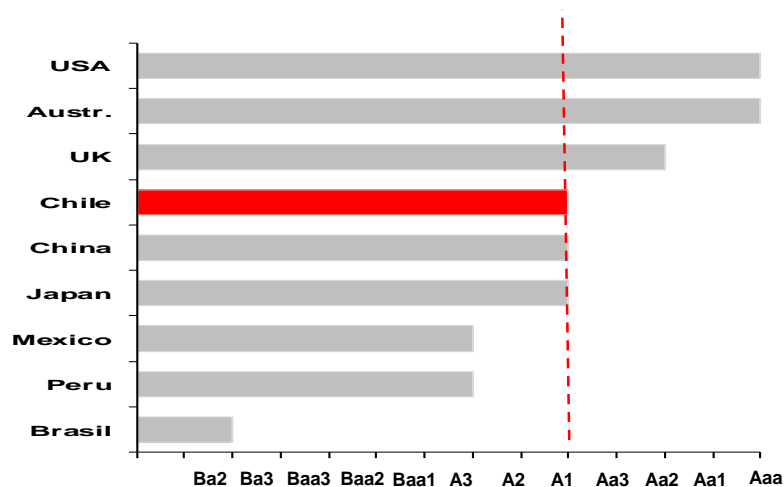
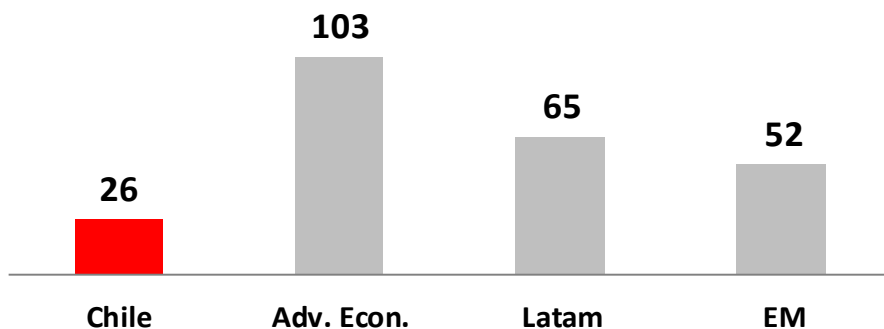
Population:	18.5mn
GDP <sup>3</sup> :	US\$297bn
GDP per capita (PPP): <sup>4</sup>	US\$25,891
Exports / GDP:	25%
Investment / GDP :	21.8%
Net public debt / GDP:	5%
Sovereign ratings:	JCR: AA- / Mdy: A1/ SP: A+/ Fch: A

GDP by economic sector, %



### Low public debt<sup>1,2</sup>

Gross public debt, % GDP

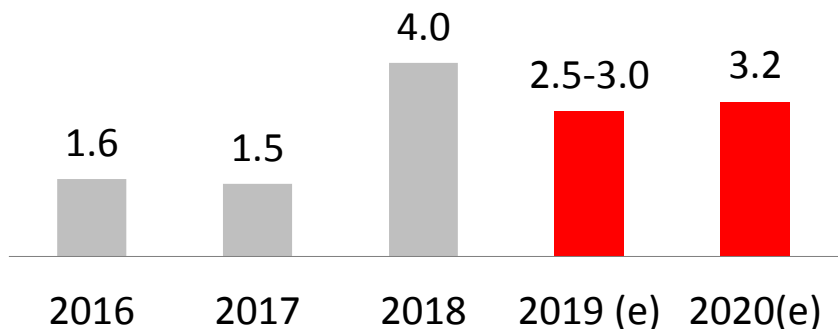


# Macroeconomic environment

## Economic growth is being driven by investment...

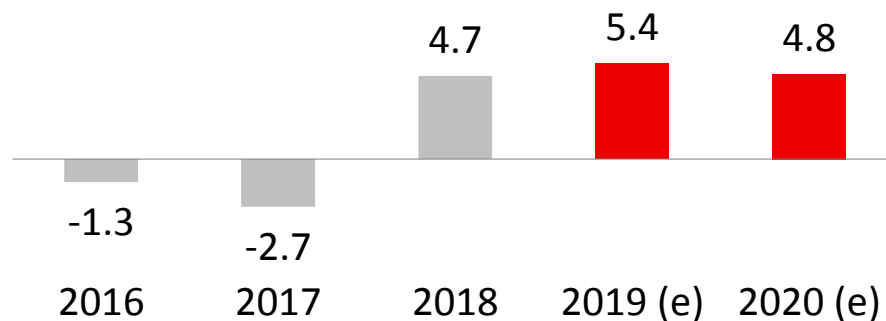
### GDP

YoY real growth, %



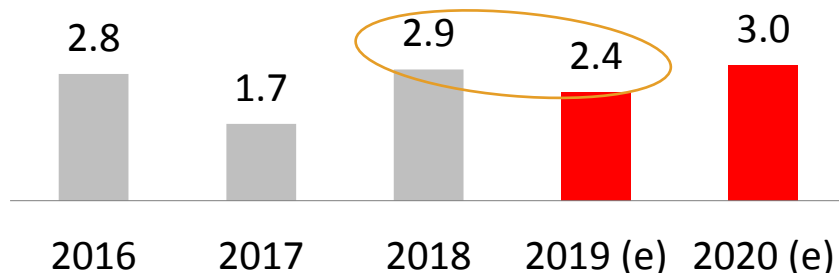
### Investment

YoY real growth, %



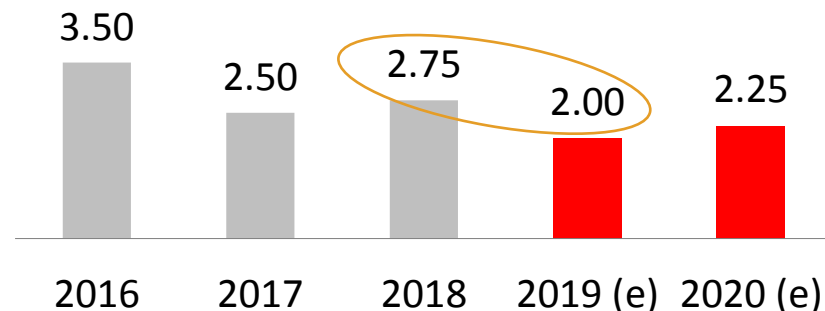
### Inflation

Annual change in UF inflation, %



### Central Bank ST Reference Rate

%

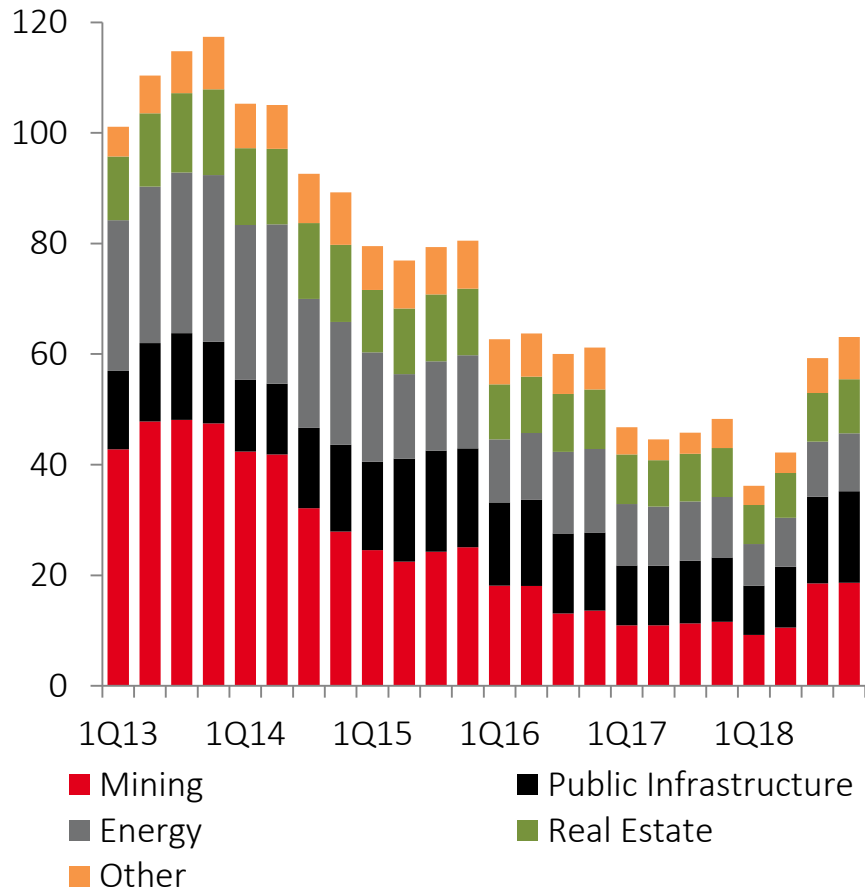


# Macroeconomic environment

## ...in various sectors

### Five year investment portfolio

US\$bn

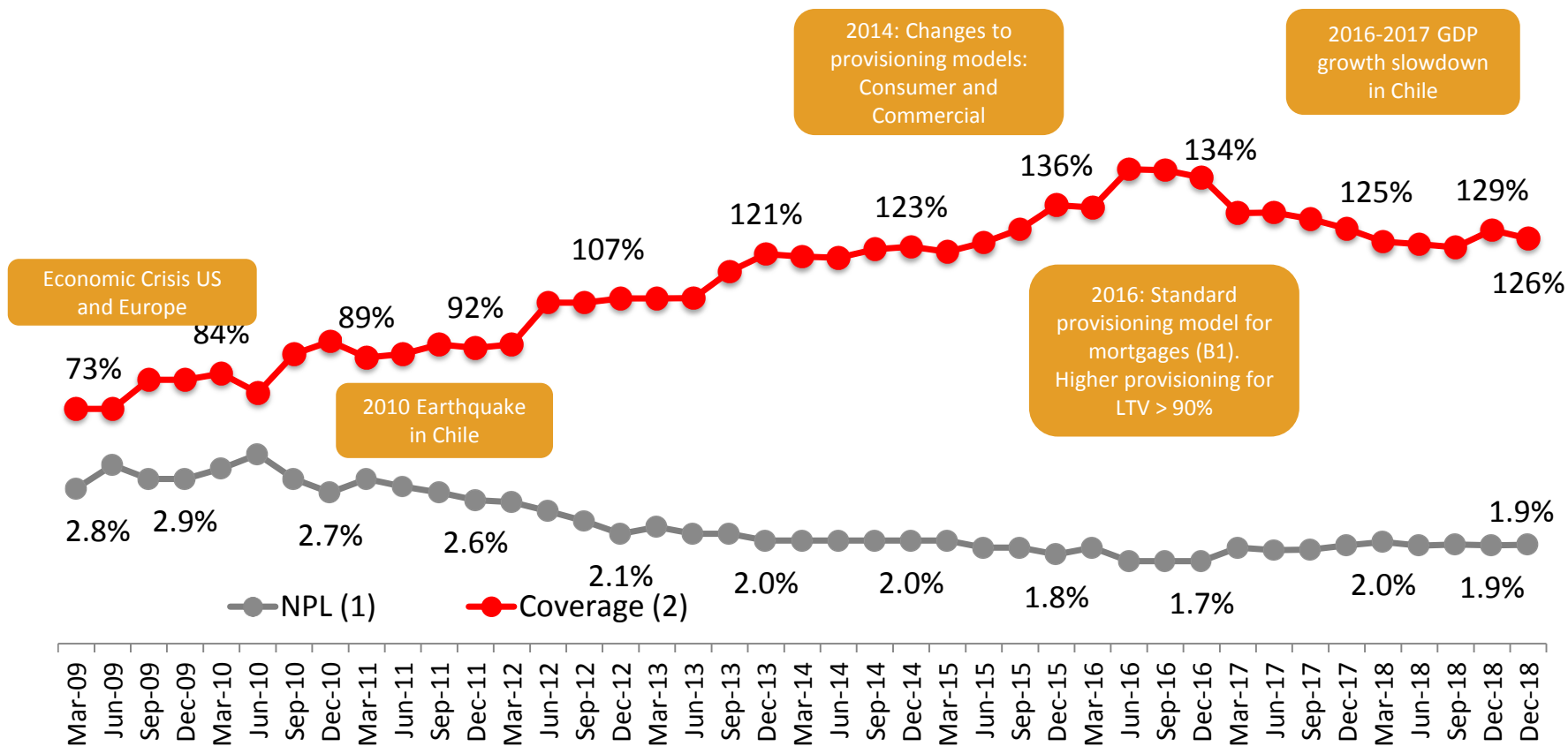


### Growth by Sectors (YoY growth, %)

	2017	2018	2019 (f)	2020 (f)
Agro/Fishing	1.8	5.7	3.3	3.3
Mining	-1.8	5.2	0.0	1.2
Manufacturing	1.8	3.9	1.6	1.7
Construction	-3.2	3.2	5.6	5.2
Utilities	5.6	5.0	2.7	2.9
Commerce	2.6	5.0	3.8	4.0
Transportation	2.0	4.4	3.6	3.3
Communications	3.4	4.7	3.4	3.1
Services	1.2	3.6	3.5	3.4
Public Admin.	2.0	1.1	1.9	3.1
<b>GDP</b>	<b>1.3</b>	<b>4.0</b>	<b>3.0</b>	<b>3.2</b>

## Asset quality has been stable throughout various cycles

### Total loans: Non-performing loans (NPL) and coverage (%)



# Agenda

Macro-economic environment and financial system

**Banco Santander Chile: the nation's leading bank**

Healthy balance sheet

Recent results

Summary



## Santander Chile is the nation's leading bank

Figures in US\$



Business and Results	3M19 (US\$)	YoY
Gross Loans	45.0 bn	8.0%
Deposits	31.6 bn	6.8%
Equity	5.0 bn	4.8%
Net income (LTM) <sup>1</sup>	833 mn	-2.7%
Network and Customers	3M19	Market Share
Clients	3.5 mn	21.4% <sup>2</sup>
Digital Clients	1.1 mn	31.5% <sup>3</sup>
Offices	380	18.1%
Market Share	3M19	Rank
Loans <sup>4</sup>	18.4%	1
Deposits <sup>4</sup>	18.0%	1
Checking accounts <sup>2</sup>	21.4%	1
Bank credit cards <sup>5</sup>	30.0%	1

1. Net income attributable to shareholder, Last Twelve Months 2. Market share of clients with checking accounts, as of January 2019. Source: SBIF 3. Average yearly market share over clients that enter a website with a passkey. Excludes Banco Estado. Source: SBIF. YTD avg as of January 2019. 4. Excludes loans and deposits of Chilean banks held abroad, as of March 2019. Source: SBIF. 5. Market share in terms of monetary amount of credit card purchases, as of February 2019.

## Solid corporate governance standards

### Independent Board

	Analysis & Resolution Committee	Human Resources Committee	Audit Committee	Asset & Liability Committee	Market Committee	Risk Committee	Strategy Committee
Claudio Melandri ★		Member			Member	Member	Member
Rodrigo Vergara ☆			Member	Member			
Orlando Poblete Iturrate ☆		Member	Member				
Juan Pedro Santa María Pérez	Member					Member	
Lucía Santa Cruz Sutil	Member					Member	Member
Ana Dorrego							
Rodrigo Echenique	Member						
Felix de Vicente Mingo		Member	Member	Member			Member
Alfonso Gomez Morales				Member	Member	Member	Member
Bianca Bustamante Bravo (Alternate)		Member				Member	
Oscar Von Christmar (Alternate)				Member	Member	Member	

= Chairperson 
 = Member 
 ★ = Chairman of the Board 
 ☆ = Vice-Chair of the Board

### Corporate Governance Standards

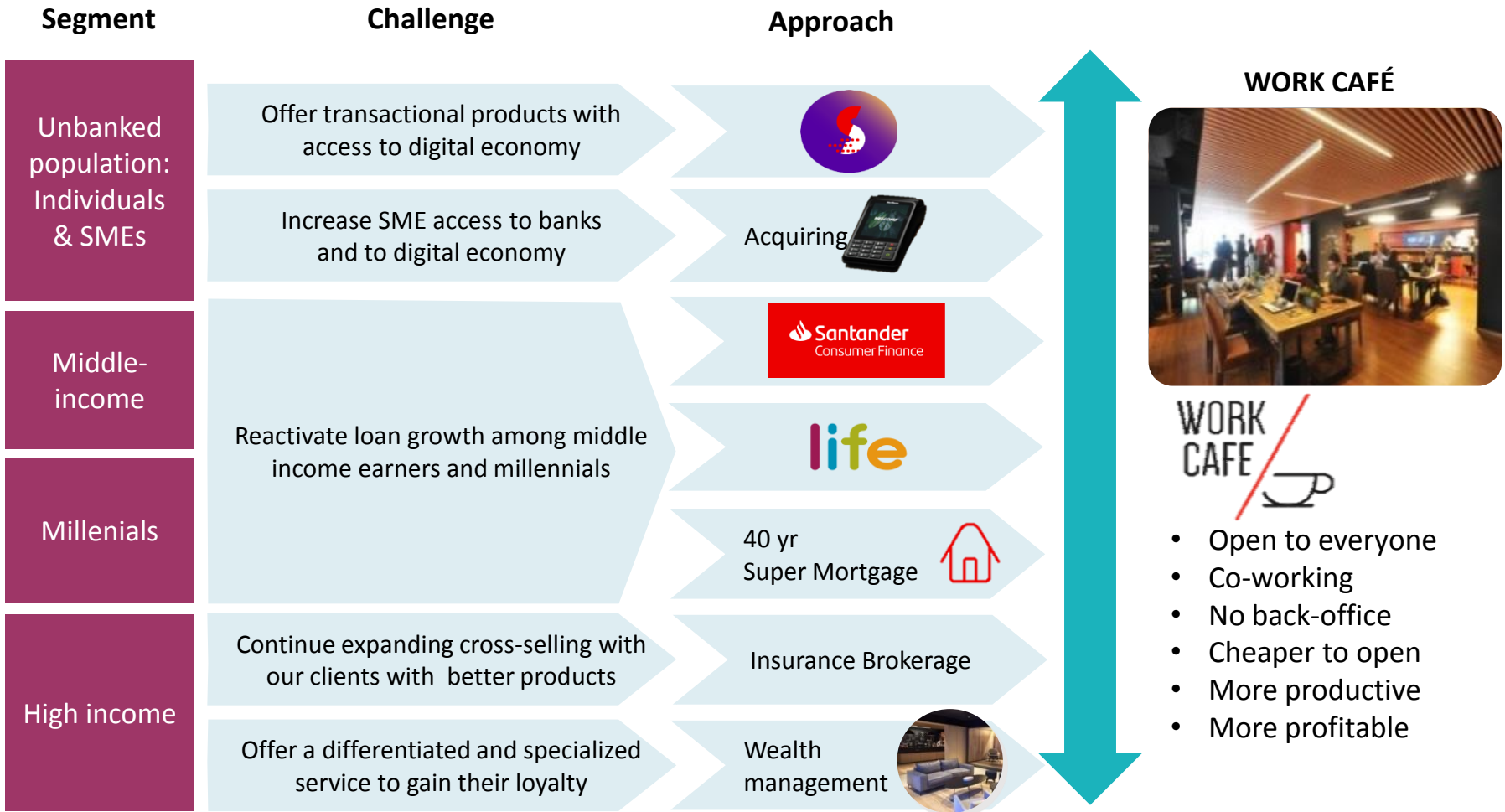
- ✓ **Board of Directors:** 6 out of 11 Board members unrelated to Grupo Santander. Board approves Corporate Responsibility & Sustainability Policy and Strategy.
- ✓ **Liabe:** Directors or Managers of a Bank who propose the payment of dividends in violation of the provisions of Title IV of the General Banking Law shall be liable to the refund of the dividend distributed under such circumstances (Art. 58)<sup>1</sup>.
- ✓ **Legal limits:** Related party lending: Limited to 5% of regulatory capital (unsecured) or 25% (w/ collateral). Deposits in related party entities abroad: limited to 5% of regulatory capital.
- ✓ **Audit Committee:** At least 3 independent Board members by law. Autonomous Internal Auditing Area.
- ✓ **ALCO:** Makes decisions regarding capital, dividends, funding and liquidity.
- ✓ **Compliance:** Regulated by SBIF/CMF of Chile, ECB and SEC. Comply with SEC and NYSE Guidelines & SOX.
- ✓ **DJSI Chile, MILA**

Santander Group owns 67.2%. We are listed on the Santiago Stock Exchange and the NYSE



1. Source: SBIF Title IV Capital, Reserves and Dividends of Banks Art. 58

# Investing US\$380 million in 2019-2021

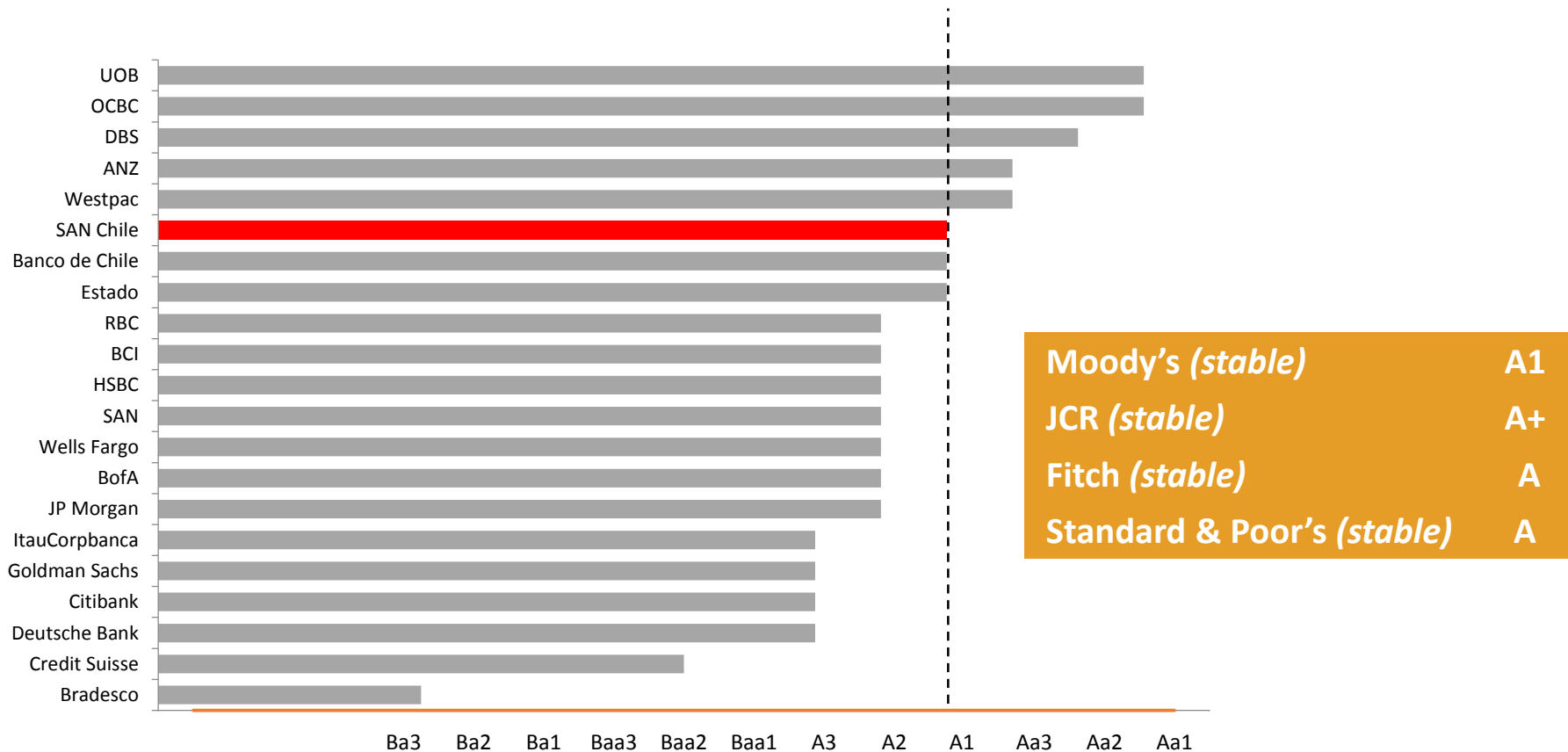


We have announced an investment plan of US\$380 million for the period of 2019-2021 in technology, branch upgrading and new products and services.

# A leading bank

## Among banks with best international rating

### Risk rating, Moody's scale



# Agenda

**Macro-economic environment and financial system**

**Banco Santander Chile: the nation's leading bank**

**Healthy balance sheet**

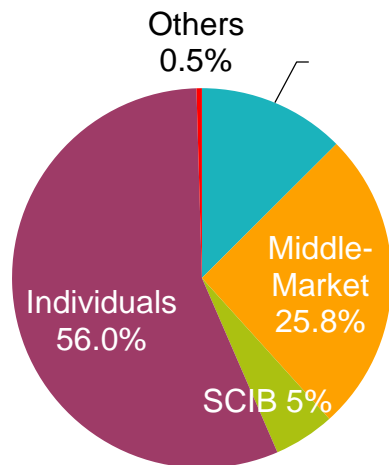
**Recent results**

**Summary**

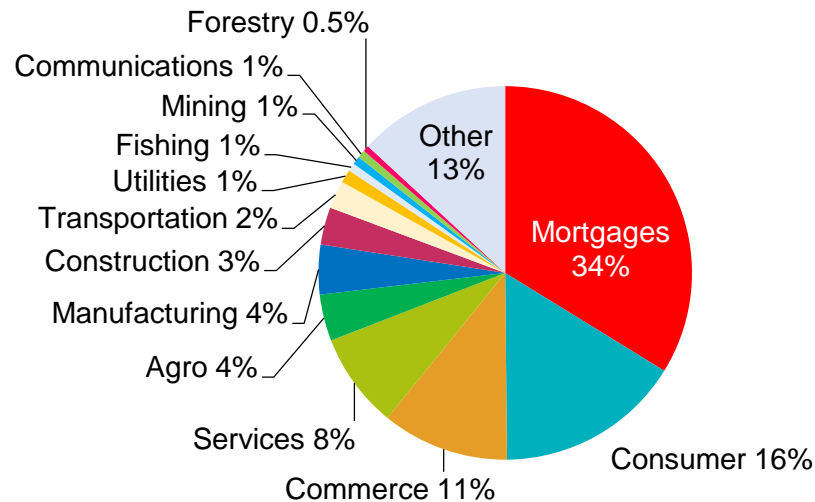
## A diversified loan book

Figures as of Mar. 2019

### Loans by Segment



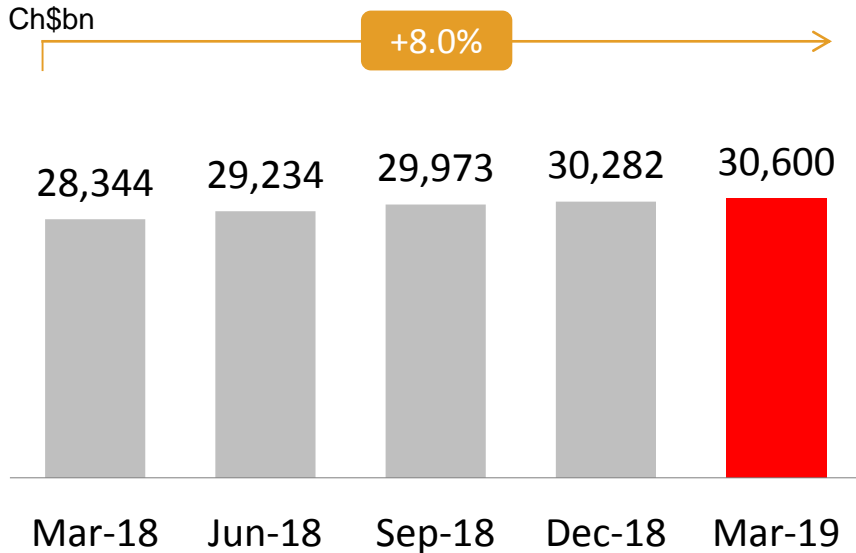
### Loans by sector



- **56% Individuals / 44% companies**
- **High diversification by sector**
- **Individual:** focus on growing in the mid-high income segments. Selective growth in lower-end through digital offer
- **SMEs:** focus on larger SMEs, especially with a balanced flow of income (lending and non-lending products).
- **Middle-market:** focus on funding investment plans & non-lending business activities.
- **SCIB:** strong focus on non-lending activities

## Loan growth driven by Individuals and Middle-market

### Total Loans



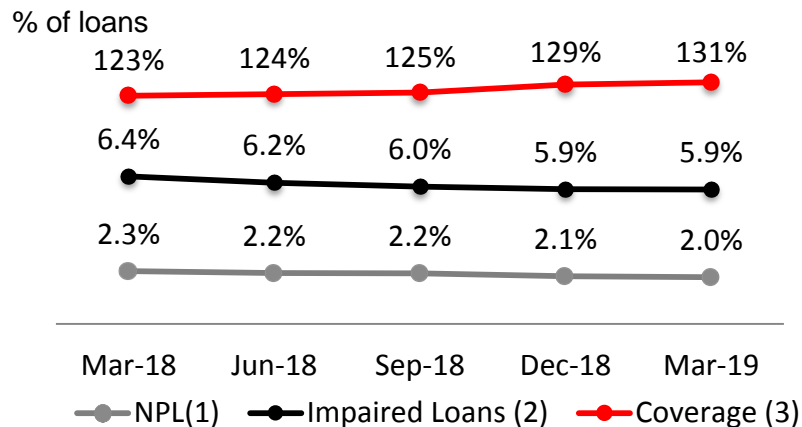
Ch\$ bn	3M19	YoY
Individuals <sup>1</sup>	17,150	9.6%
Consumer	4,920	7.1%
Mortgages	10,335	11.5%
SMEs	3,833	2.7%
<b>Retail</b>	<b>20,983</b>	<b>8.3%</b>
<b>Middle Market</b>	7,885	13.0%
<b>Corporate (SCIB)</b>	1,591	(15.7%)
<b>Total<sup>2</sup></b>	<b>30,600</b>	<b>8.0%</b>

2019: Loan growth forecast 8-10%

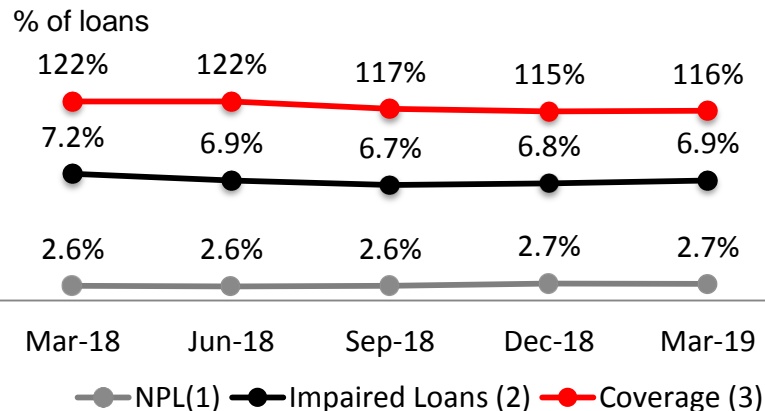
# A healthy balance sheet

## Positive evolution of asset quality

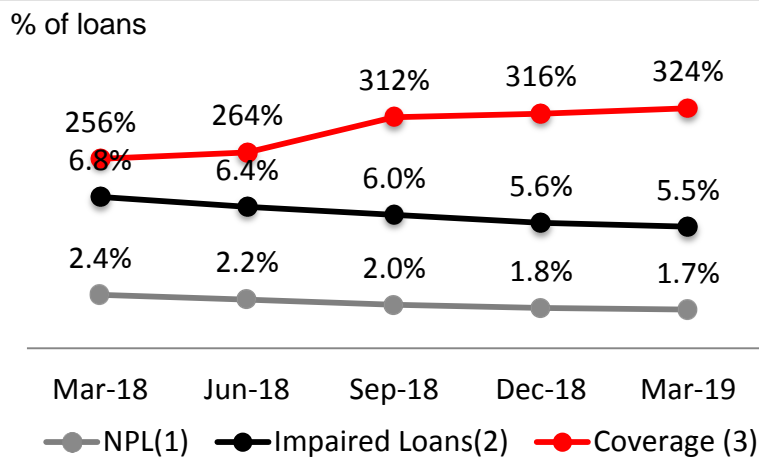
### Total loans



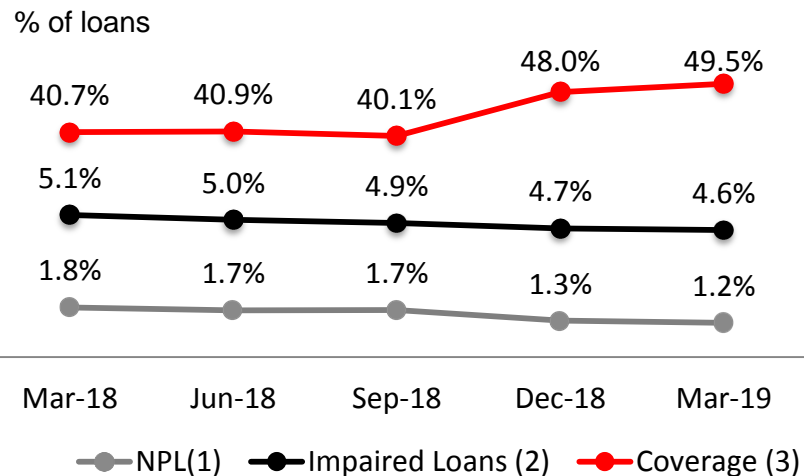
### Commercial loans



### Consumer loans



### Mortgage loans



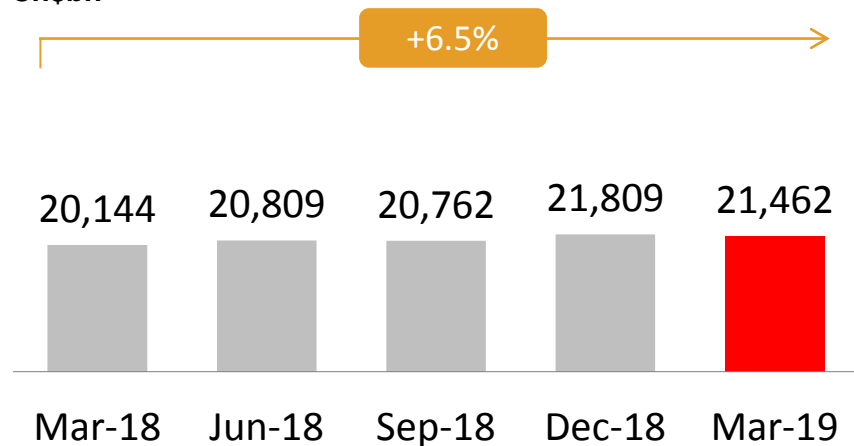


# A healthy balance sheet

## Funding strategy: defend our funding costs

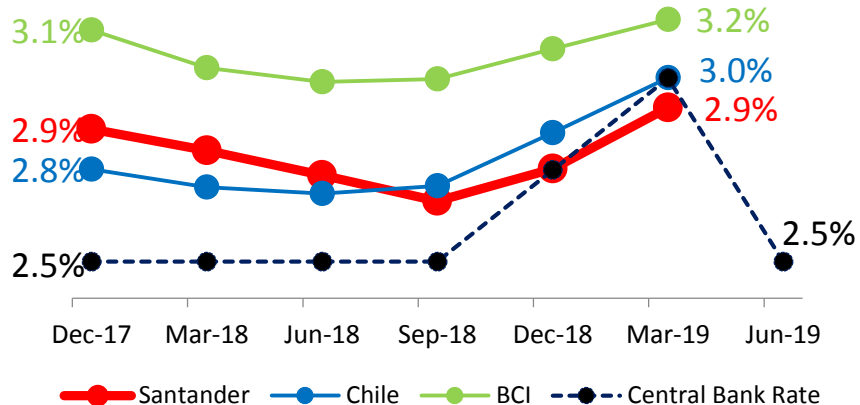
### Total Deposits

Ch\$bn



Ch\$ bn	3M19	YoY
Demand	8,526	4.3%
Time	12,936	8.1%
<b>Total Deposits</b>	<b>21,462</b>	<b>6.5%</b>
Mutual funds <sup>1</sup>	5,817	8.0%
<b>Adjusted loans to deposits<sup>2</sup></b>	<b>99.1%</b>	
<b>LCR<sup>3</sup></b>	<b>126.9%</b>	
<b>NSFR<sup>4</sup></b>	<b>108.8%</b>	

### CLP Time Deposit Cost Evolution<sup>5</sup>



### Spread Bonds<sup>6</sup> (UF)



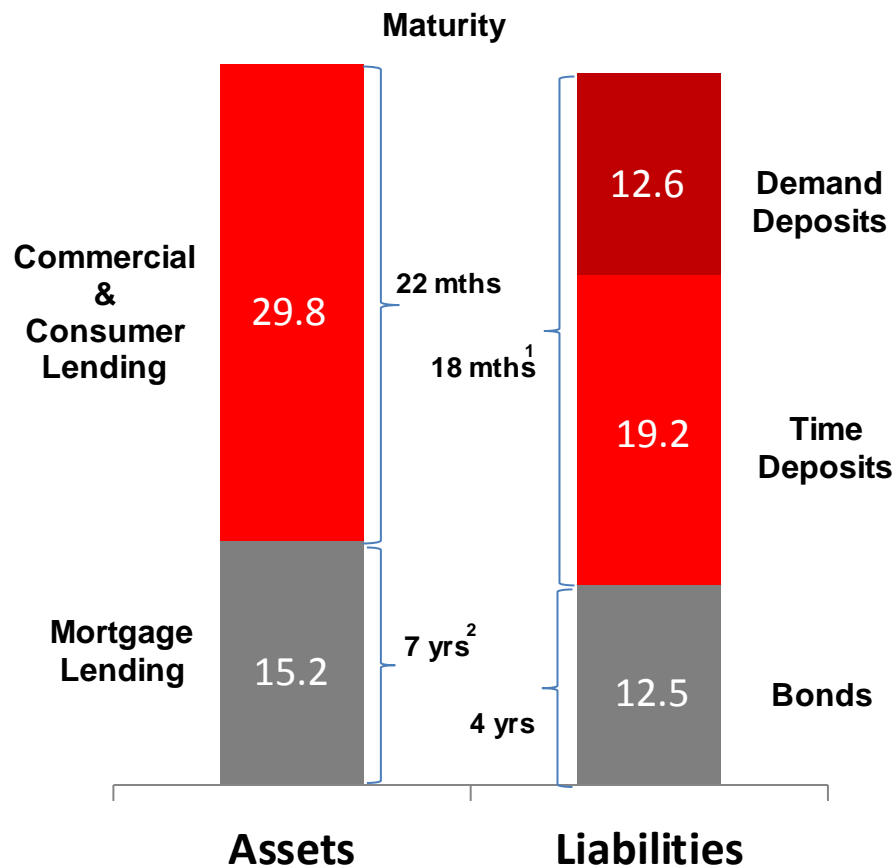
1. Banco Santander Chile is the exclusive broker of mutual funds managed by Santander Asset Management, a subsidiary of SAM Investment Holdings Limited. 2. (Net Loans – portion of mortgages funded with long-term bonds) / (Time deposits + demand deposits). 3. LCR: *Liquidity Coverage Ratio* under new SBIF rules. 4. NSFR: *Net Stable Funding Ratio* according to internal methodology. These are not the Chilean models 5. Interest expense paid over nominal CLP deposits divided by CLP nominal deposits. Source of data to construct ratio = SBIF 6. Spread of Banco Santander Chile bonds in UF over Central Bank bonds. Source: Company estimates

# A healthy balance sheet

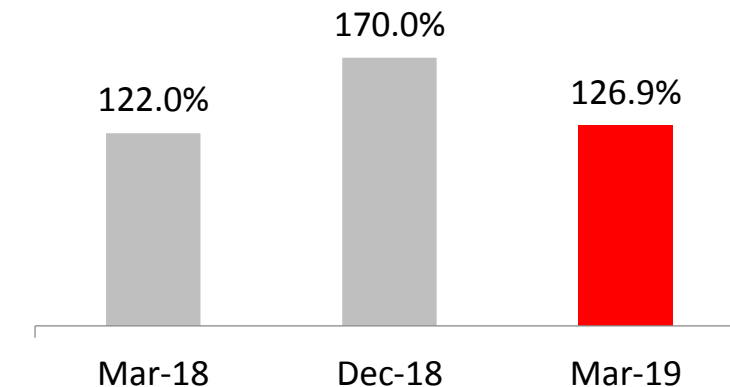
## Solid balance structure and liquidity levels

### Structural balance sheet

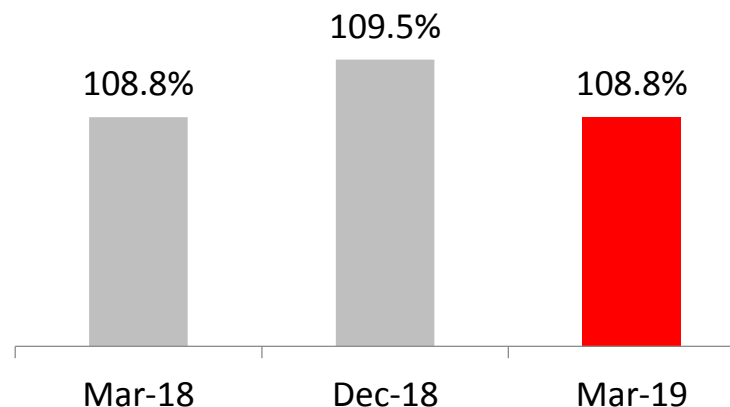
US\$bn Mar. 2019



### LCR<sup>3</sup>



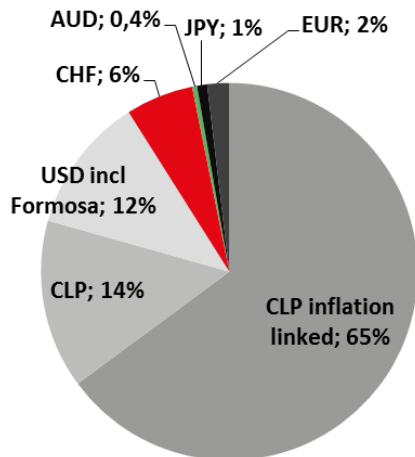
### NSFR<sup>4</sup>



1. Assumes an actual duration for demand deposits of three years. 2. Includes pre-payment estimate. 3. LCR calculated following the new local Chilean models 4. Internal methodology and not the local Chilean regulator's guidelines still under discussion

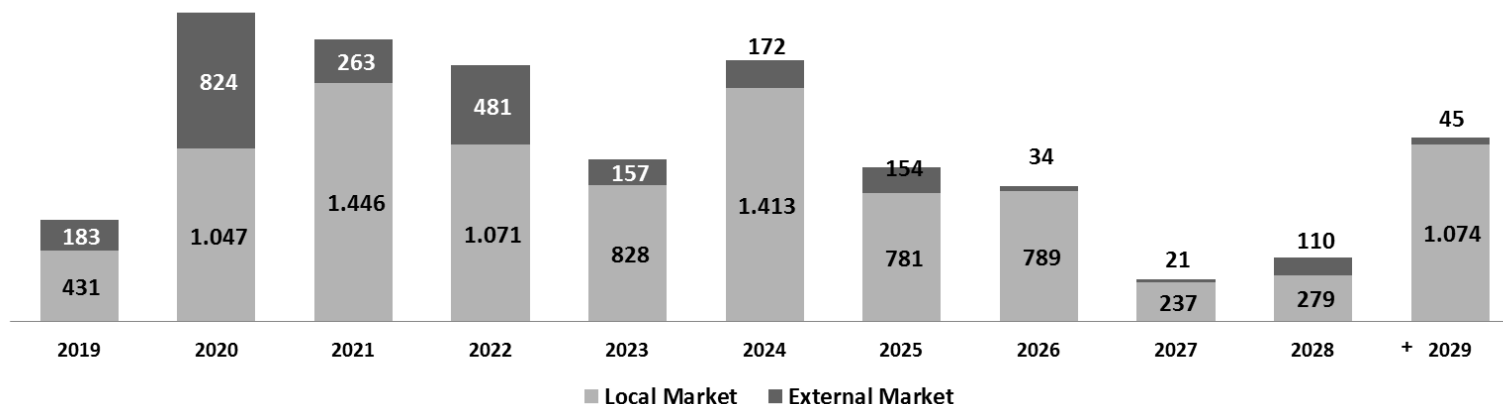
## We are an active issuer in international markets

### Bonds



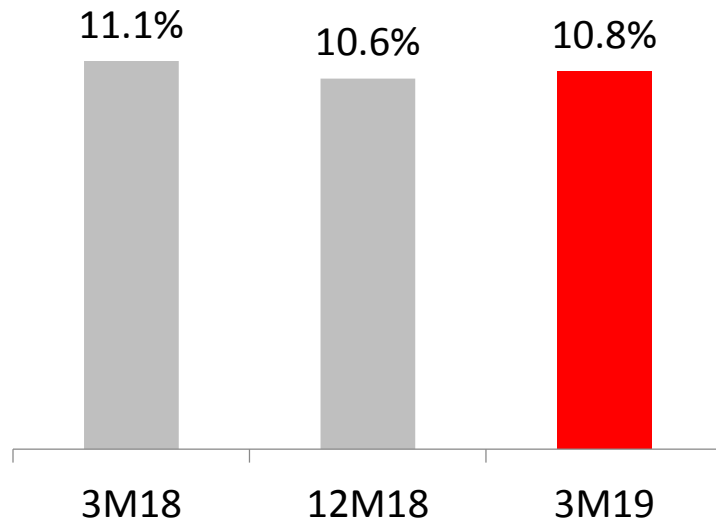
- Total outstanding: US\$12.5bn
- In 2019 we plan to issue US\$2-3bn and for 2020 we estimate issuances for US\$3-3.5bn
- High diversification by country
- MTN program: Private placements or public deals
- All foreign debt is swapped backed to local currency
- AT1 approved under the new Banking Law. Probably can issue in 2020

### Maturity profile

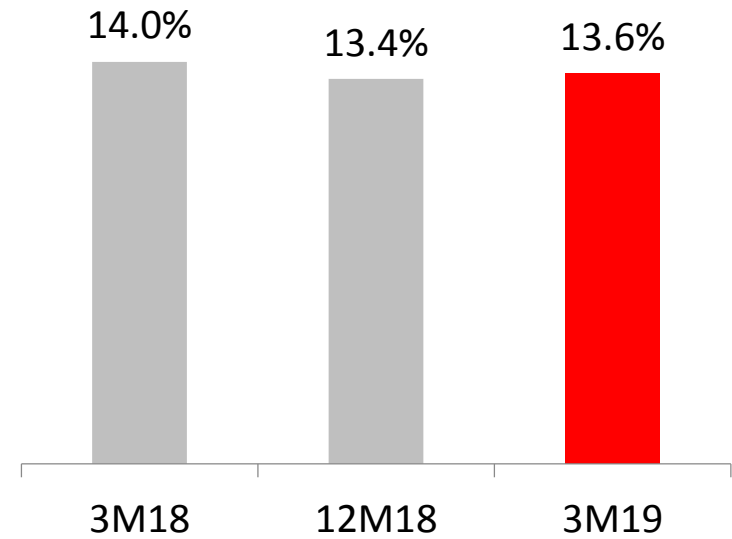


## Well prepared for the transition to BIS III

### Core capital



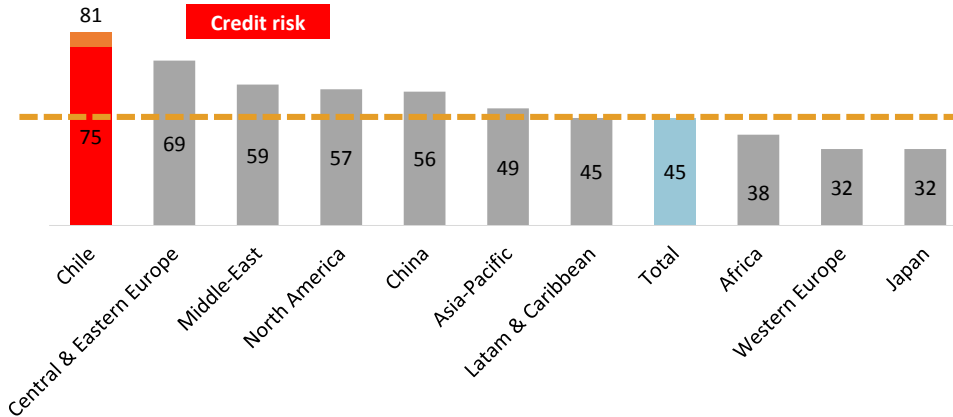
### BIS I Ratio



# A healthy balance sheet

## New banking regulation institutes BIS III in Chile

### RWA Density Worldwide\*

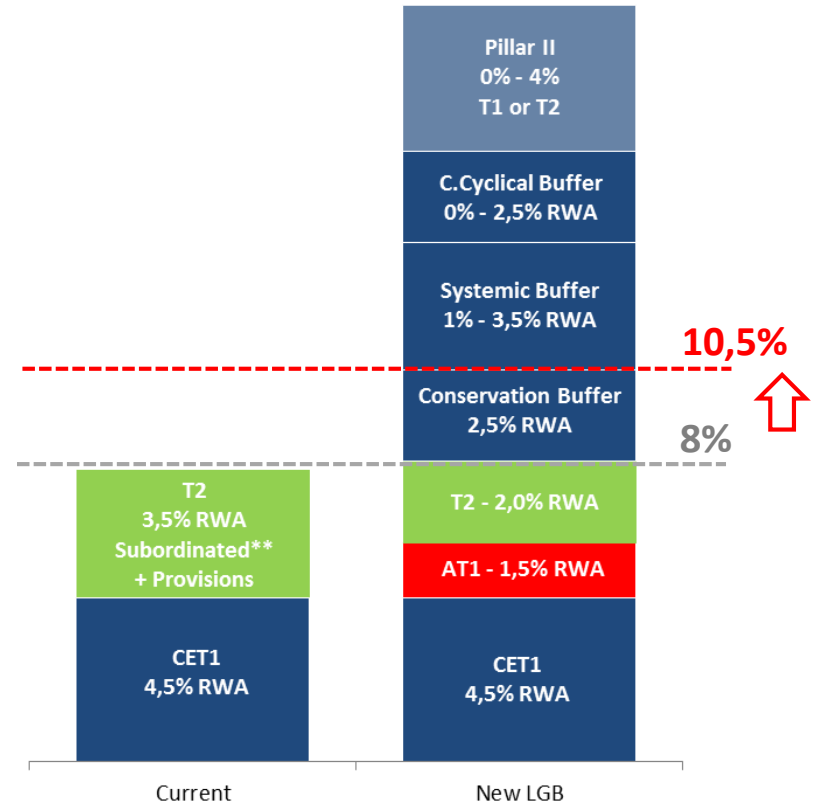


- New Banking Law passed at beginning of the year
- Hybrid instruments (AT1 and Preferred stock) will be recognized as capital
- A normal transition to BIS III should be positive for our capital ratios

\* BIS. RWA density = Risk weighted assets / Total assets. The Banker database July 2017. Chile includes credit and market risk



### Introducing new capital requirements



\*\* Subordinated bonds allowed up to 50% of the CET1

# Agenda

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**Recent results**

**Summary**

## ROAE down in the quarter but outlook positive

### ROAE

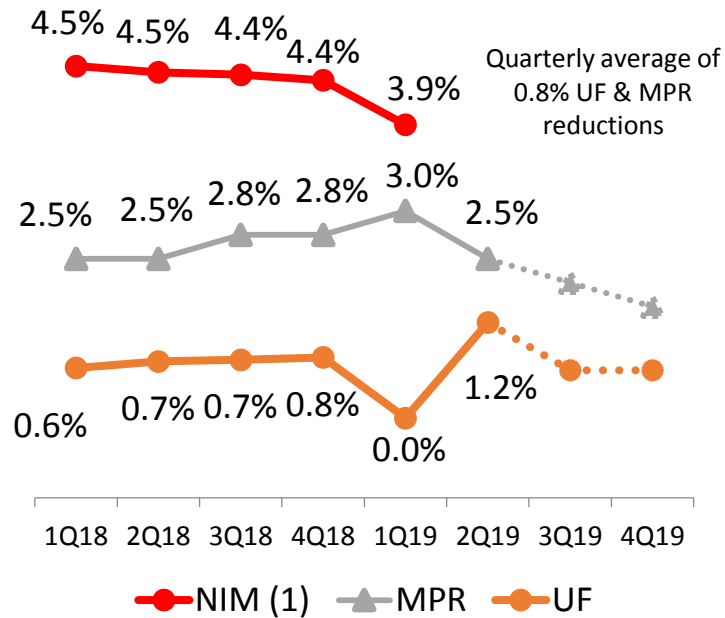
%

	3M19	2018	2017	2016	2015
 Santander	15.3%	19.2%	19.2%	17.1%	17.1%
 Chile	12.2%	18.7%	19.3%	19.6%	21.3%
 BCI	13.7%	13.5%	14.0%	14.7%	17.5%
 Itaú Corpbanca	3.4%	5.3%	1.8%	0.1%	14.8%
 Scotiabank	12.5%	8.6%	12.0%	11.5%	11.2%

## Recent results

# Low NIMs in 1Q19. Outlook positive

## NIM<sup>1</sup> & Inflation



## Net Interest Income

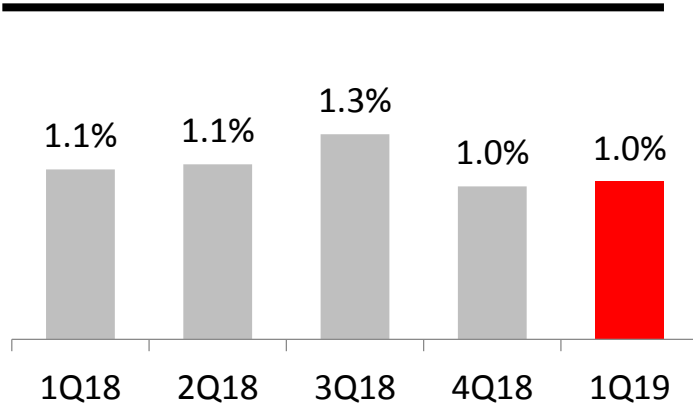
Ch\$ bn	3M19	YoY
<b>Net interest income</b>	322.7	(6.9%)
Average interest-earning assets	31,836	3.7%
Average loans	29,145	4.2%
Interest earning asset yield <sup>2</sup>	5.6%	-131bp
Cost of funds <sup>3</sup>	1.73%	-77bp
<b>NIM YTD</b>	3.9%	-61bp

NIM should improve given rate and inflation outlook for the rest of the year



## Lower cost of risk

### Cost of Credit<sup>2</sup>



Ch\$ bn	3M19	YoY
<b>Provision for loan losses<sup>1</sup></b>	<b>(76,274)</b>	<b>1.2%</b>
NPLs <sup>3</sup>	623,467	(5.4%)
Impaired loans <sup>4</sup>	1,797,460	(1.5%)
NPL ratio <sup>5</sup>	2.0%	-29 bp
Impaired loan ratio <sup>6</sup>	5.9%	-57 bp
NPL coverage <sup>7</sup>	127.4%	453 bp

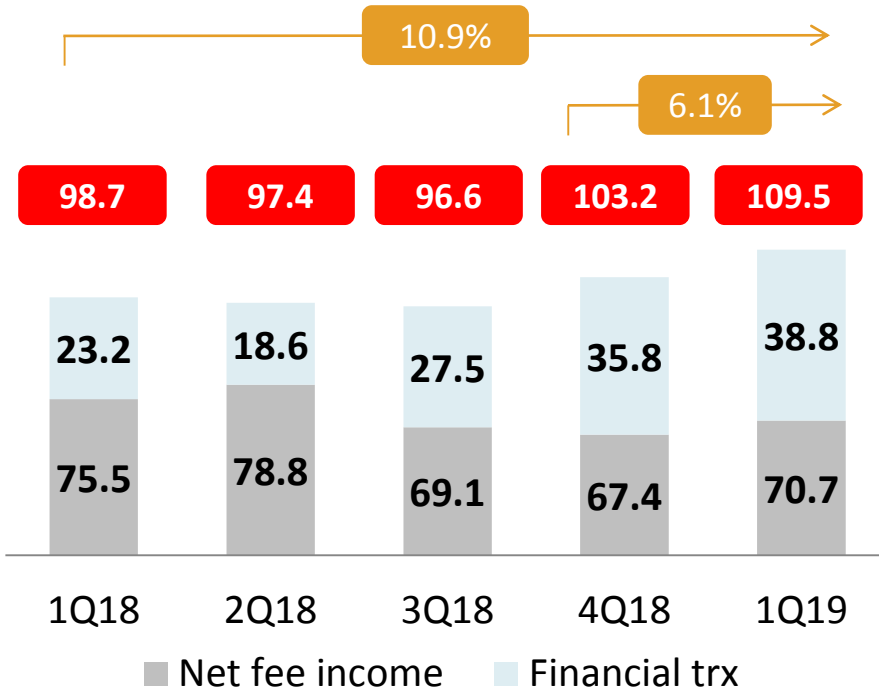
Impact of one-time provision expense due to change in provisioning models for group commercial loans **lowered to Ch\$40 billion**

## Recent results

# Good growth in non-NII across business segments

### Non-interest income (fee + financial trxs)

Ch\$bn



### Non-interest income

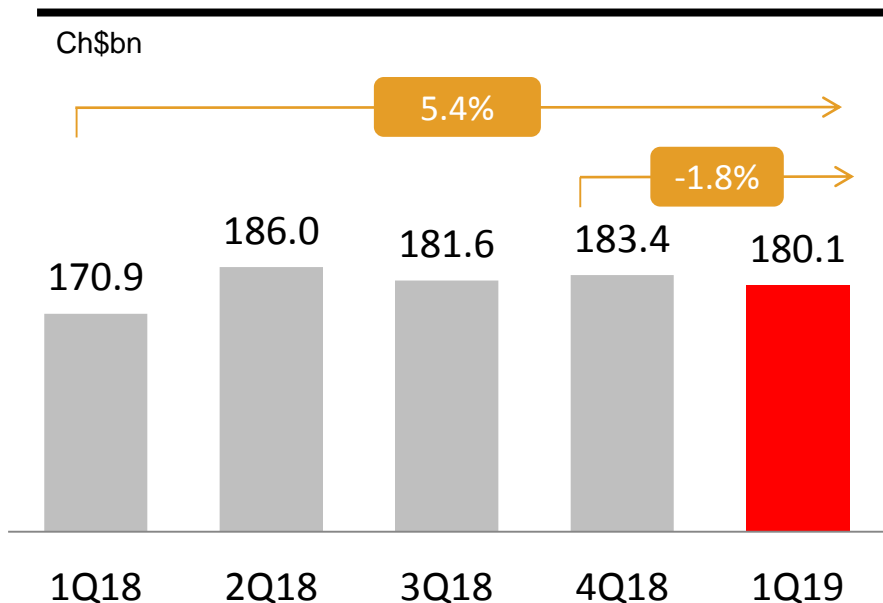
Ch\$ bn	3M19	YoY
Retail	63.0	(1.8%)
Middle Market	14.2	16.4%
Corporate	26.8	48.8%
<b>Subtotal</b>	<b>104.1</b>	<b>10.2%</b>
Others <sup>1</sup>	5.4	28.0%
<b>Total non-interest income</b>	<b>109.5</b>	<b>10.9%</b>

Total Non-NII growth 6-8% in 2019

## Recent results

# Investing to improve productivity and efficiency

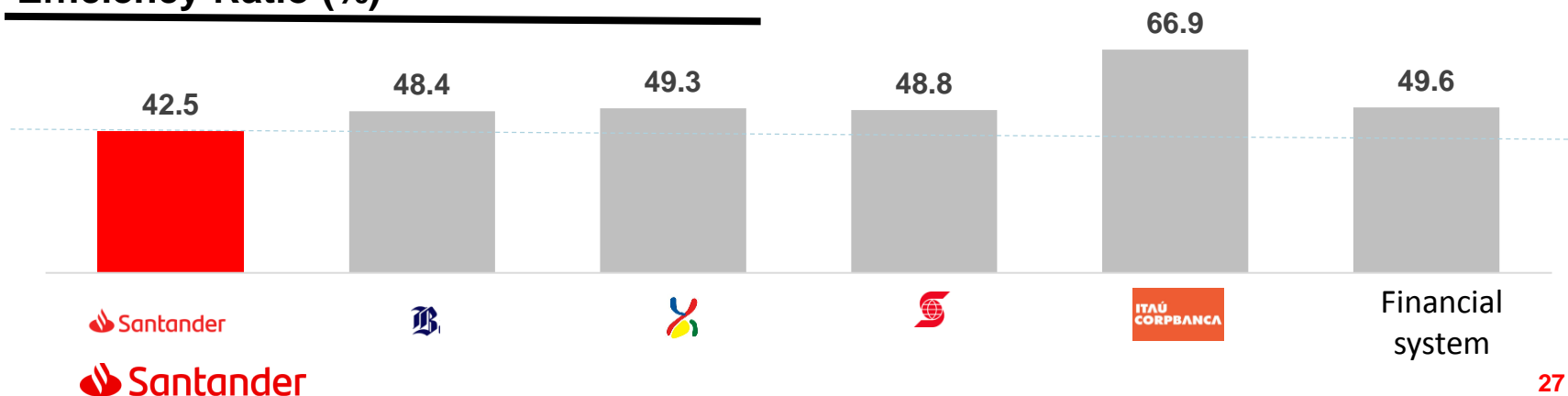
## Operating Expenses



Ch\$ bn	3M19	YoY
Personnel expenses	94.6	5.6%
Administrative expenses	59.3	(4.5%)
Depreciation	26.2	36.4%
<b>Operating expenses</b>	<b>180.1</b>	<b>5.4%</b>
<b>Efficiency ratio</b>	<b>42.5%</b>	<b>+387bp</b>
<b>Cost/Assets</b>	<b>1.8%</b>	<b>-5bp</b>

Net impact of IFRS 16 = Ch\$500mn Ch\$7.3bn lower adm & Ch\$7.8bn higher deprec. expense

## Efficiency Ratio (%)



# Agenda

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**Summary**

## Sound outlook for 2019

- ✓ GDP growth estimate of 2.5% - 3.0% in 2019, led by investment
- ✓ Ambitious investment plan announced focusing on technology and new growth opportunities
- ✓ Estimated loan growth of 8-10% with growth accelerating in higher yielding retail loans
- ✓ We should be issuing US\$2-3bn this year and US\$3-3.5bn in 2020
- ✓ New banking law passed. AT1 should be approved in 2020
- ✓ 1Q19 affected by low inflation and higher rates. Going forward a higher inflation and lower rates will drive upward our NIM
- ✓ Positive evolution of asset quality. New provisioning requirement for commercial loans analyzed on a group basis ~13bp in terms of cost of credit
- ✓ Strong efficiency levels
- ✓ ROE outlook for 2018:~18%

# Annexes

# Annexes

Unaudited Balance Sheet	Mar-19	Mar-19	Mar-18	Mar-19/Mar-18
	US\$ Ths <sup>1</sup>	Ch\$ Million		% Chg.
Cash and deposits in banks	2,280,593	1,550,598	1,599,697	(3.1%)
Cash items in process of collection	603,927	410,616	511,561	(19.7%)
Trading investments	139,442	94,808	172,501	(45.0%)
Investments under resale agreements	7,376	5,015	-	--%
Financial derivative contracts	4,387,684	2,983,230	2,000,057	49.2%
Interbank loans, net	38,849	26,414	9,227	186.3%
Loans and account receivables from customers, net	43,798,866	29,779,287	27,524,777	8.2%
Available for sale investments	4,116,786	2,799,044	2,992,498	(6.5%)
Held-to-maturity investments	-	-	-	--%
Investments in associates and other companies	48,680	33,098	28,274	17.1%
Intangible assets	93,103	63,302	62,458	1.4%
Property, plant and equipment	295,764	201,093	232,626	(13.6%)
Right of use assets	293,464	199,529	-	--%
Current taxes	14,995	10,195	6,756	50.9%
Deferred taxes	613,202	416,922	372,665	11.9%
Other assets	1,609,645	1,094,414	920,765	18.9%
<b>Total Assets</b>	<b>58,342,376</b>	<b>39,667,565</b>	<b>36,433,862</b>	<b>8.9%</b>
Deposits and other demand liabilities	12,540,399	8,526,343	8,175,608	4.3%
Cash items in process of being cleared	405,487	275,695	354,046	(22.1%)
Obligations under repurchase agreements	177,869	120,935	105,899	14.2%
Time deposits and other time liabilities	19,025,611	12,935,703	11,968,775	8.1%
Financial derivatives contracts	3,745,115	2,546,341	1,921,807	32.5%
Interbank borrowings	2,551,607	1,734,863	1,322,512	31.2%
Issued debt instruments	12,551,986	8,534,221	7,795,573	9.5%
Other financial liabilities	317,511	215,879	243,684	(11.4%)
Leasing contract obligations	227,735	154,839	-	--%
Current taxes	-	-	-	--%
Deferred taxes	88,635	60,264	11,221	437.1%
Provisions	502,747	341,823	339,901	0.6%
Other liabilities	1,253,798	852,470	982,368	(13.2%)
<b>Total Liabilities</b>	<b>53,388,501</b>	<b>36,299,376</b>	<b>33,221,394</b>	<b>9.3%</b>
<b>Equity</b>				
Capital	1,310,913	891,303	891,303	--%
Reserves	2,828,348	1,923,022	1,781,818	7.9%
Valuation adjustments	7,855	5,341	(4,348)	(222.8%)
<b>Retained Earnings:</b>				
Retained earnings from prior years	870,559	591,902	564,815	4.8%
Income for the period	184,480	125,430	151,016	(16.9%)
Minus: Provision for mandatory dividends	(316,512)	(215,200)	(214,749)	0.2%
<b>Total Shareholders' Equity</b>	<b>4,885,644</b>	<b>3,321,798</b>	<b>3,169,855</b>	<b>4.8%</b>
Non-controlling interest	68,231	46,391	42,613	8.9%
<b>Total Equity</b>	<b>4,953,875</b>	<b>3,368,189</b>	<b>3,212,468</b>	<b>4.8%</b>
<b>Total Liabilities and Equity</b>	<b>58,342,376</b>	<b>39,667,565</b>	<b>36,433,862</b>	<b>8.9%</b>

1. The exchange rate used to calculate the figures in dollars was Ch\$679.91 / US\$1

# Annexes

Unaudited YTD Income Statement	Mar-19	Mar-19	Mar-18	Mar-19/Mar-18
	US\$ Ths <sup>1</sup>	Ch\$ Million		% Chg.
Interest income	677,665	460,751	528,052	(12.7%)
Interest expense	(203,042)	(138,050)	(181,337)	(23.9%)
<b>Net interest income</b>	<b>474,623</b>	<b>322,701</b>	<b>346,715</b>	<b>(6.9%)</b>
Fee and commission income	178,503	121,366	124,154	(2.2%)
Fee and commission expense	(74,555)	(50,691)	(48,660)	4.2%
<b>Net fee and commission income</b>	<b>103,948</b>	<b>70,675</b>	<b>75,494</b>	<b>(6.4%)</b>
Net income (expense) from financial operations	(247,842)	(168,510)	(27,174)	520.1%
Net foreign exchange gain	304,974	207,355	50,395	311.5%
<b>Total financial transactions, net</b>	<b>57,133</b>	<b>38,845</b>	<b>23,221</b>	<b>67.3%</b>
Other operating income	7,583	5,156	6,307	(18.2%)
<b>Net operating profit before provisions for loan losses</b>	<b>643,287</b>	<b>437,377</b>	<b>451,737</b>	<b>(3.2%)</b>
<b>Provision for loan losses</b>	<b>(112,182)</b>	<b>(76,274)</b>	<b>(75,405)</b>	<b>1.2%</b>
<b>Net operating profit</b>	<b>531,104</b>	<b>361,103</b>	<b>376,332</b>	<b>(4.0%)</b>
Personnel salaries and expenses	(139,073)	(94,557)	(89,516)	5.6%
Administrative expenses	(87,270)	(59,336)	(62,155)	(4.5%)
Depreciation and amortization	(38,480)	(26,163)	(19,180)	36.4%
<b>Op. expenses excl. Impairment and Other operating expenses</b>	<b>(264,823)</b>	<b>(180,056)</b>	<b>(170,851)</b>	<b>5.4%</b>
Impairment of property, plant and equipment	-	-	(39)	(100.0%)
Other operating expenses	(20,834)	(14,165)	(9,921)	42.8%
<b>Total operating expenses</b>	<b>(285,657)</b>	<b>(194,221)</b>	<b>(180,811)</b>	<b>7.4%</b>
<b>Operating income</b>	<b>245,447</b>	<b>166,882</b>	<b>195,521</b>	<b>(14.6%)</b>
Income from investments in associates and other companies	1,358	923	825	11.9%
<b>Income before tax</b>	<b>246,805</b>	<b>167,805</b>	<b>196,346</b>	<b>(14.5%)</b>
Income tax expense	(61,988)	(42,146)	(44,553)	(5.4%)
<b>Net income from ordinary activities</b>	<b>184,817</b>	<b>125,659</b>	<b>151,793</b>	<b>(17.2%)</b>
Net income discontinued operations	-	-	-	--%
<b>Net income attributable to:</b>				
Non-controlling interest	337	229	777	(70.5%)
<b>Net income attributable to equity holders of the Bank</b>	<b>184,480</b>	<b>125,430</b>	<b>151,016</b>	<b>(16.9%)</b>

1. The exchange rate used to calculate the figures in dollars was Ch\$679.91 / US\$1



# Annexes

Unaudited Quarterly Income Statement	1Q19	1Q19	4Q18	1Q18	1Q19/1Q18	1Q19/4Q18
	US\$ Ths <sup>1</sup>		Ch\$ Million		% Chg.	
Interest income	677,665	460,751	587,413	528,052	(12.7%)	(21.6%)
Interest expense	(203,042)	(138,050)	(229,812)	(181,337)	(23.9%)	(39.9%)
<b>Net interest income</b>	<b>474,623</b>	<b>322,701</b>	<b>357,601</b>	<b>346,715</b>	<b>(6.9%)</b>	<b>(9.8%)</b>
Fee and commission income	178,503	121,366	119,309	124,154	(2.2%)	1.7%
Fee and commission expense	(74,555)	(50,691)	(51,871)	(48,660)	4.2%	(2.3%)
<b>Net fee and commission income</b>	<b>103,948</b>	<b>70,675</b>	<b>67,438</b>	<b>75,494</b>	<b>(6.4%)</b>	<b>4.8%</b>
Net income (expense) from financial operations	(247,842)	(168,510)	37,804	(27,174)	520.1%	(545.7%)
Net foreign exchange gain	304,974	207,355	(2,034)	50,395	311.5%	(10294.4%)
<b>Total financial transactions, net</b>	<b>57,133</b>	<b>38,845</b>	<b>35,770</b>	<b>23,221</b>	<b>67.3%</b>	<b>8.6%</b>
Other operating income	7,583	5,156	10,769	6,307	(18.2%)	(52.1%)
<b>Net operating profit before provisions for loan losses</b>	<b>643,287</b>	<b>437,377</b>	<b>471,578</b>	<b>451,737</b>	<b>(3.2%)</b>	<b>(7.3%)</b>
<b>Provision for loan losses</b>	<b>(112,182)</b>	<b>(76,274)</b>	<b>(73,283)</b>	<b>(75,405)</b>	<b>1.2%</b>	<b>4.1%</b>
<b>Net operating profit</b>	<b>531,104</b>	<b>361,103</b>	<b>398,295</b>	<b>376,332</b>	<b>(4.0%)</b>	<b>(9.3%)</b>
Personnel salaries and expenses	(139,073)	(94,557)	(99,872)	(89,516)	5.6%	(5.3%)
Administrative expenses	(87,270)	(59,336)	(62,009)	(62,155)	(4.5%)	(4.3%)
Depreciation and amortization	(38,480)	(26,163)	(21,542)	(19,180)	36.4%	21.5%
<b>Op. expenses excl. Impairment and Other operating expenses</b>	<b>(264,823)</b>	<b>(180,056)</b>	<b>(183,423)</b>	<b>(170,851)</b>	<b>5.4%</b>	<b>(1.8%)</b>
Impairment of property, plant and equipment	-	-	-	(39)	(100.0%)	--%
Other operating expenses	(20,834)	(14,165)	(13,474)	(9,921)	42.8%	5.1%
<b>Total operating expenses</b>	<b>(285,657)</b>	<b>(194,221)</b>	<b>(196,897)</b>	<b>(180,811)</b>	<b>7.4%</b>	<b>(1.4%)</b>
<b>Operating income</b>	<b>245,447</b>	<b>166,882</b>	<b>201,398</b>	<b>195,521</b>	<b>(14.6%)</b>	<b>(17.1%)</b>
Income from investments in associates and other companies	1,358	923	(128)	825	11.9%	(821.1%)
<b>Income before tax</b>	<b>246,805</b>	<b>167,805</b>	<b>201,270</b>	<b>196,346</b>	<b>(14.5%)</b>	<b>(16.6%)</b>
Income tax expense	(61,988)	(42,146)	(42,136)	(44,553)	(5.4%)	0.0%
<b>Net income from ordinary activities</b>	<b>184,817</b>	<b>125,659</b>	<b>159,134</b>	<b>151,793</b>	<b>(17.2%)</b>	<b>(21.0%)</b>
Net income discontinued operations	-	-	-	-	--%	--%
<b>Net income attributable to:</b>						
Non-controlling interest	337	229	2,490	777	(70.5%)	(90.8%)
<b>Net income attributable to equity holders of the Bank</b>	<b>184,480</b>	<b>125,430</b>	<b>156,644</b>	<b>151,016</b>	<b>(16.9%)</b>	<b>(19.9%)</b>

1. The exchange rate used to calculate the figures in dollars was Ch\$679.91 / US\$1

# Annexes: Key Indicators

<b>Profitability and efficiency</b>	<b>Mar-19</b>	<b>Mar-18</b>	<b>Change bp</b>
Net interest margin (NIM) <sup>1</sup>	3.9%	4.5%	(61)
Efficiency ratio <sup>2</sup>	42.5%	38.7%	387
Return on avg. equity	15.3%	19.4%	(406)
Return on avg. assets	1.3%	1.7%	(39)
Core Capital ratio	10.8%	11.1%	(30)
BIS ratio	13.6%	14.0%	(36)
Return on RWA	1.6%	2.1%	(50)
<b>Asset quality ratios (%)</b>	<b>Mar-19</b>	<b>Mar-18</b>	<b>Change bp</b>
NPL ratio <sup>3</sup>	2.0%	2.3%	(29)
Coverage of NPLs ratio <sup>4</sup>	127.4%	122.9%	453
Cost of credit <sup>5</sup>	1.0%	1.1%	(8)
<b>Structure (#)</b>	<b>Mar-19</b>	<b>Mar-18</b>	<b>Change (%)</b>
Branches	380	379	0.3%
ATMs	926	948	(2.3%)
Employees	11,280	11,444	(1.4%)
<b>Market capitalization (YTD)</b>	<b>Mar-19</b>	<b>Mar-18</b>	<b>Change (%)</b>
Net income per share (Ch\$)	0.67	0.80	(16.9%)
Net income per ADR (US\$)	0.39	0.53	(26.1%)
Stock price (Ch\$/per share)	51.19	50.88	0.6%
ADR price (US\$ per share)	29.75	33.51	(11.2%)
Market capitalization (US\$m)	14,016	15,855	(11.6%)
Shares outstanding (millions)	188,446.1	188,446.1	--%
ADRs (1 ADR = 400 shares) (millions)	471.1	471.1	--%

1. NIM = Net interest income annualized divided by interest earning assets.

2. Efficiency ratio: Operating expenses excluding impairment and other operating expenses divided by Operating income. Operating income = Net interest income + Net fee and commission income + Total financial transactions, net + Other operating income minus other operating expenses.

3. Capital + future interest of all loans with one installment 90 days or more overdue divided by total loans.

4. Loan loss allowance divided by Capital + future interest of all loans with one installment 90 days or more overdue.

5. Provision expense annualized divided by average loans.

# Thank You.

Our purpose is to help people  
and business prosper.

Our culture is based on believing  
that everything we do should be:

**Simple Personal Fair**



MEMBER OF  
**Dow Jones  
Sustainability Indices**  
In Collaboration with RobecoSAM

