

Banco Santander Chile

Solid business and profitability trends

October 2018



Simple | Personal | Fair

Important information

Banco Santander Chile caution 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 2017 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 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



Strategy and results



Outlook

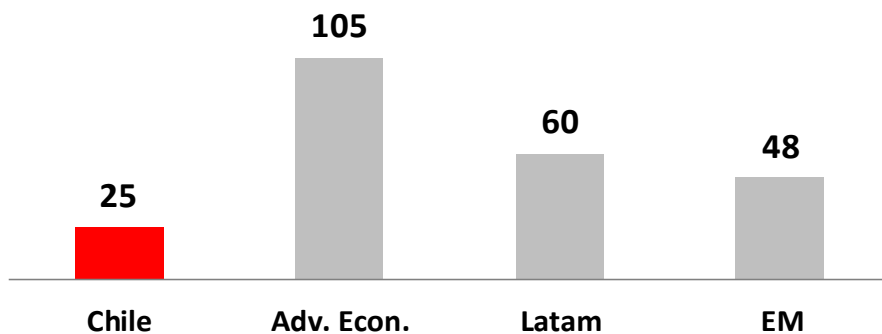
Chile: a stable and diversified economy

Chile: Key economic indicators^{1,2}

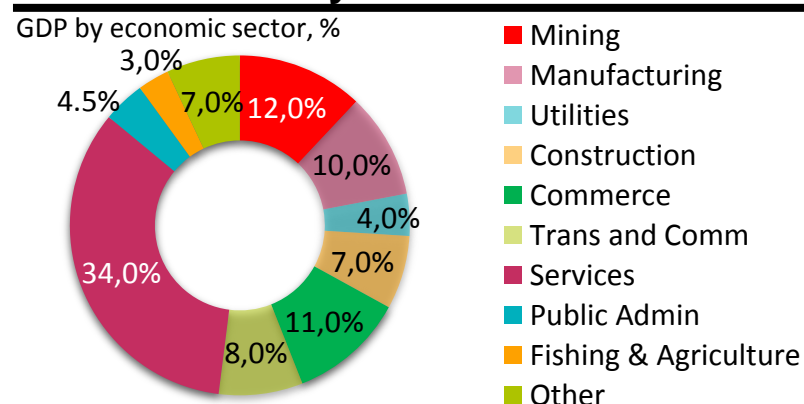
Population:	18.4 mn
GDP ³ :	US\$245bn
GDP per capita (PPP): ⁴	US\$23,194
Exports / GDP:	28%
Investment / GDP :	21.6%
Net public debt / GDP:	4%
Sovereign ratings:	A1/A/A+

Low public debt^{3,4}

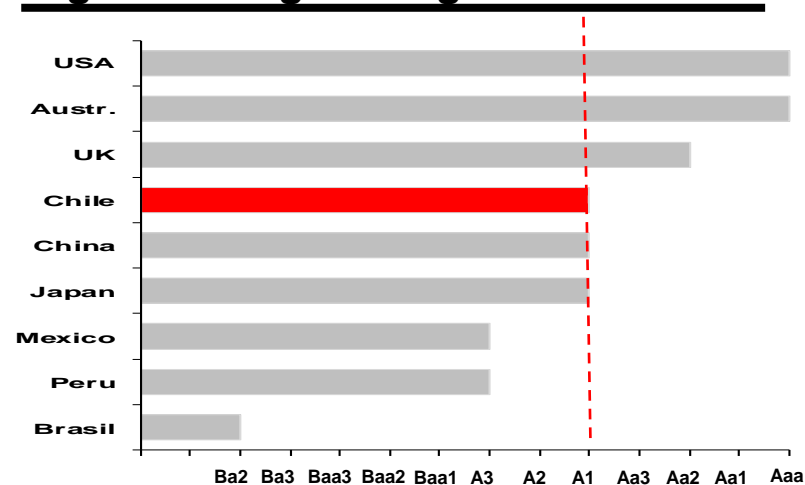
Gross public debt, % GDP



Chile's economy is well diversified¹



High sovereign rating⁵



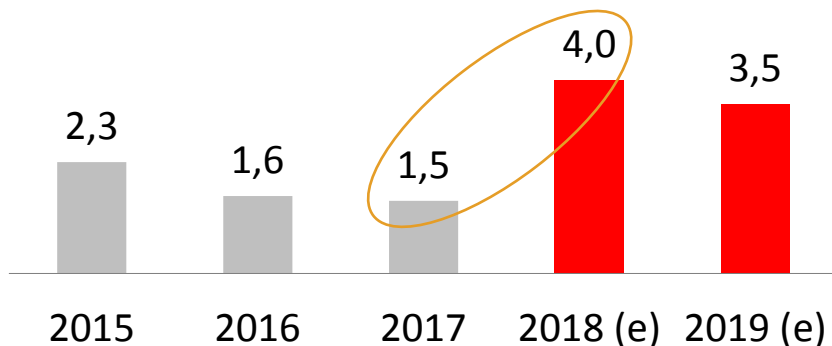
1. Source: Central Bank of Chile, BCCh, and IMF, 2017. 2. Source: International Monetary Fund, 10/2017. 3. Source: Central Bank of Chile, LTM Sept. 2017
4. Source: World Bank, 2016, Current international dollar 5. Source: Moody's

Macroeconomic environment

GDP growth expectations rise for 2018-19

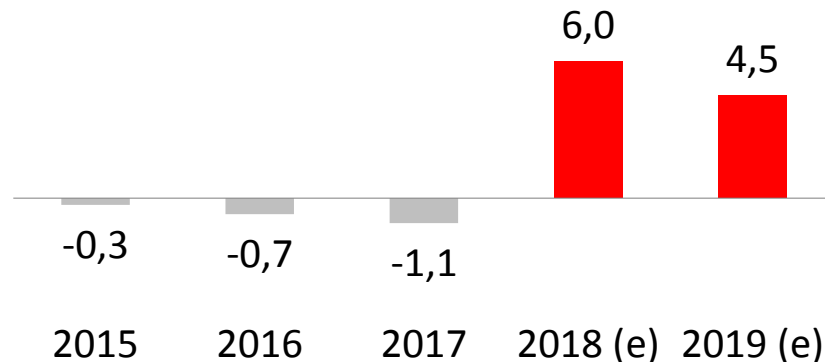
GDP

YoY real growth, %



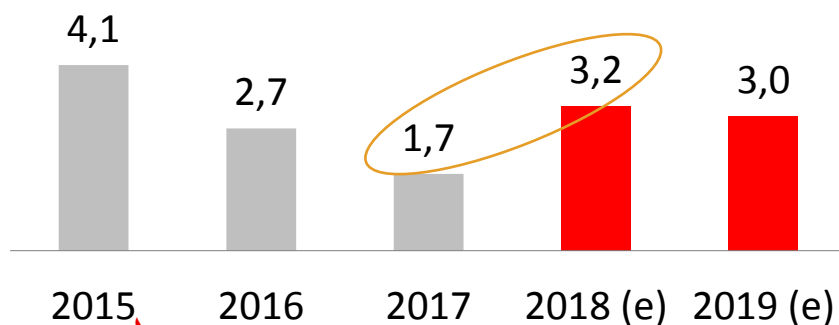
Investment

YoY real growth of fixed capital formation, %



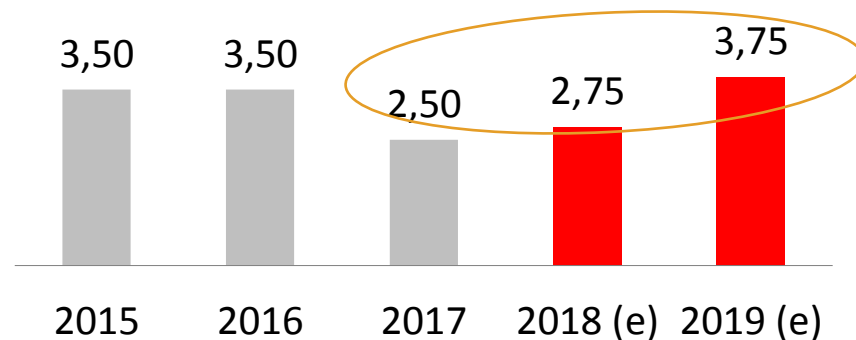
Inflation

Annual change in UF inflation, %



Central Bank ST Reference Rate

%

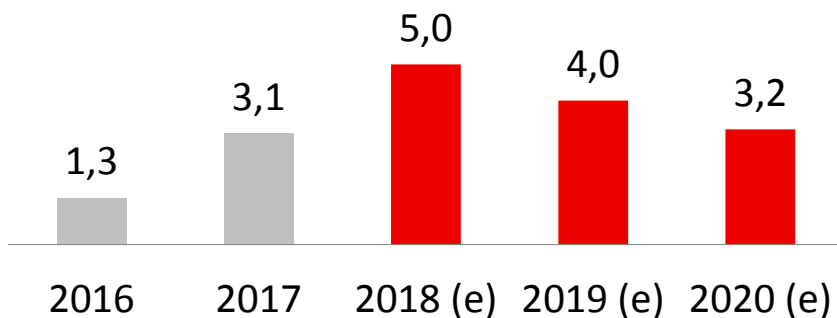


Macroeconomic environment

Growth of domestic demand reflects higher investment levels in various sectors

Domestic Demand

YoY growth, %



Growth by Sectors (YoY growth, %)

	2016	2017	2018e	2019e
Communications	2.6	3.9	3.7	4.2
Agro/Fishing	1.6	0.7	4.9	3.3
Public Admin.	3.1	1.9	1.5	2.1
Transportation	3.3	2.4	3.4	3.8
Services	2.0	1.7	4.0	3.8
Construction	2.8	-2.5	5.8	5.1
Manufacturing	-2.4	1.6	3.7	2.1
Commerce	2.5	3.6	5.8	5.1
Utilities	2.0	3.2	5.3	3.3
Mining	-2.8	-2.0	5.9	1.4
GDP	1.3	1.5	4.0	3.5

Agenda

Macro-economic environment

Strategy and results

Outlook

Santander Chile is the nation's leading bank

Figures in US\$



Business and Results	6M18 (US\$)	YoY
Gross Loans	44.7 bn	7.7%
Deposits	31.8 bn	8.1%
Equity	5.2 bn	6.7%
Net income ¹	467 mn	4.3%
Network and Customers	6M18	Market Share
Clients ²	3.5 mn	24.6%
Digital Clients	1.0 mn	32.6% ³
Branches	376	17.6%
Market Share²	5M18	Rank
Loans ⁴	19.0%	1
Deposits ⁴	17.9%	1
Checking accounts	24.6%	1
Bank credit cards ⁵	34.6%	1

1. Net income attributable to shareholder 2. Market share of clients with checking accounts, as of June 2018. 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 June 2018. 4. Excludes loans and deposits of Chilean banks held abroad. 5. Market share in terms of monetary amount of credit card purchases

New executive Chairman of the Board and 3 new independent board members

Claudio Melandri



- Became Executive Chairman on March 1, 2018
- CEO of Santander Chile from January 2010 to March 2018.
- More than 30 years of experience in the financial industry
- Arrived to Santander Chile in 1991

Rodrigo Vergara



- Became director and First Vice President on July 12, 2018
- President of the Central Bank of Chile between 2011 and 2016
- Global Finance nominated him as one of the top five best presidents of central banks and number one in America

Félix de Vicente Mingo



- Became a director on March 27, 2018
- Minister of Economy, Development and Tourism between 2013 and 2014
- Previously a director of ProChile, the institution of foreign affairs that promotes Chilean exports.

Alfonso Gomez Morales



- Became a director on March 27, 2018
- Executive president of the Innovation Center UC Anacleto Angelini.
- Founder of Apple Chile, Unlimited, Virtualia, the first social network in Latin America.

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	Chairperson
Rodrigo Vergara ◆			Member	Member			
Orlando Poblete Iturrate ◆		Member	Chairperson			Chairperson	
Juan Pedro Santa María Pérez	Chairperson					Member	
Lucia Santa Cruz Sutil	Member					Member	Member
Ana Dorrego							
Andreu Plaza							
Felix de Vicente Mingo		Member	Member	Member			Member
Alfonso Gomez Morales				Member	Member		Member
Blanca Bustamante Bravo, (Alternate)		Member					
Oscar Von Chrismar, (Alternate)				Member	Chairperson	Member	

Corporate Governance Standards

- ✓ **Board of Directors:** 7 out of 11 Board members unrelated to Grupo Santander. Board approves Corporate Responsibility & Sustainability Policy and Strategy.
- ✓ **Liabe:** Directors 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)¹.
- ✓ **Legal limits:** Related party lending: Limited to 5% of total equity (unsecured) or 25% (w/ collateral). Deposits in related party entities abroad: limited to 25% of regulatory capital. Too big to fail regulations. Santander Chile's BIS ratio >11% vs 8% legal limit.
- ✓ **Audit Committee:** At least 3 independent Board members by law. Autonomous Internal Auditing Area.
- ✓ **ALCO:** Makes decisions regarding capital, dividends, funding and liquidity.
- ✓ **Separation of functions:** commercial areas separated from risk; main credit decisions taken by committees.
- ✓ **Compliance:** Regulated by SBIF of Chile, ECB and SEC. Comply with SEC and NYSE Guidelines & SOX.
- ✓ **DJSI Chile, MILA**

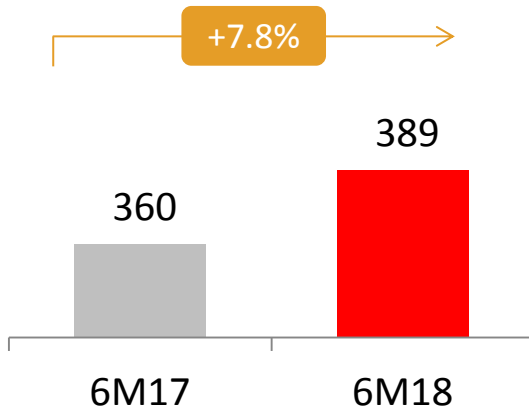
Santander Group owns 67.2%. We are listed on the Santiago Stock Exchange and the NYSE



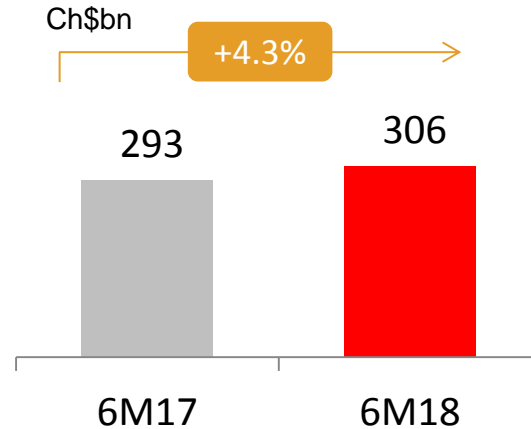
1. Source: SBIF Title IV Capital, Reserves and Dividends of Banks Art. 58

Rise in net income driven by positive growth of operating income

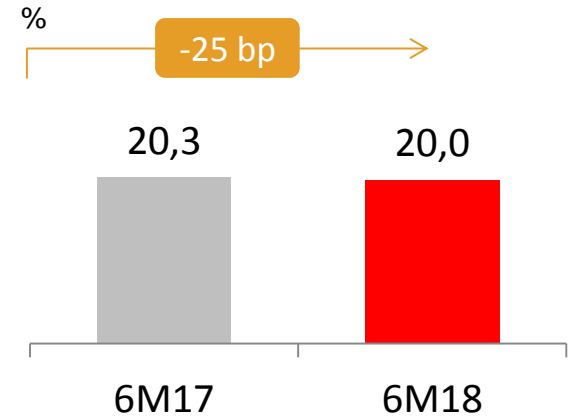
Operating income



Net income¹



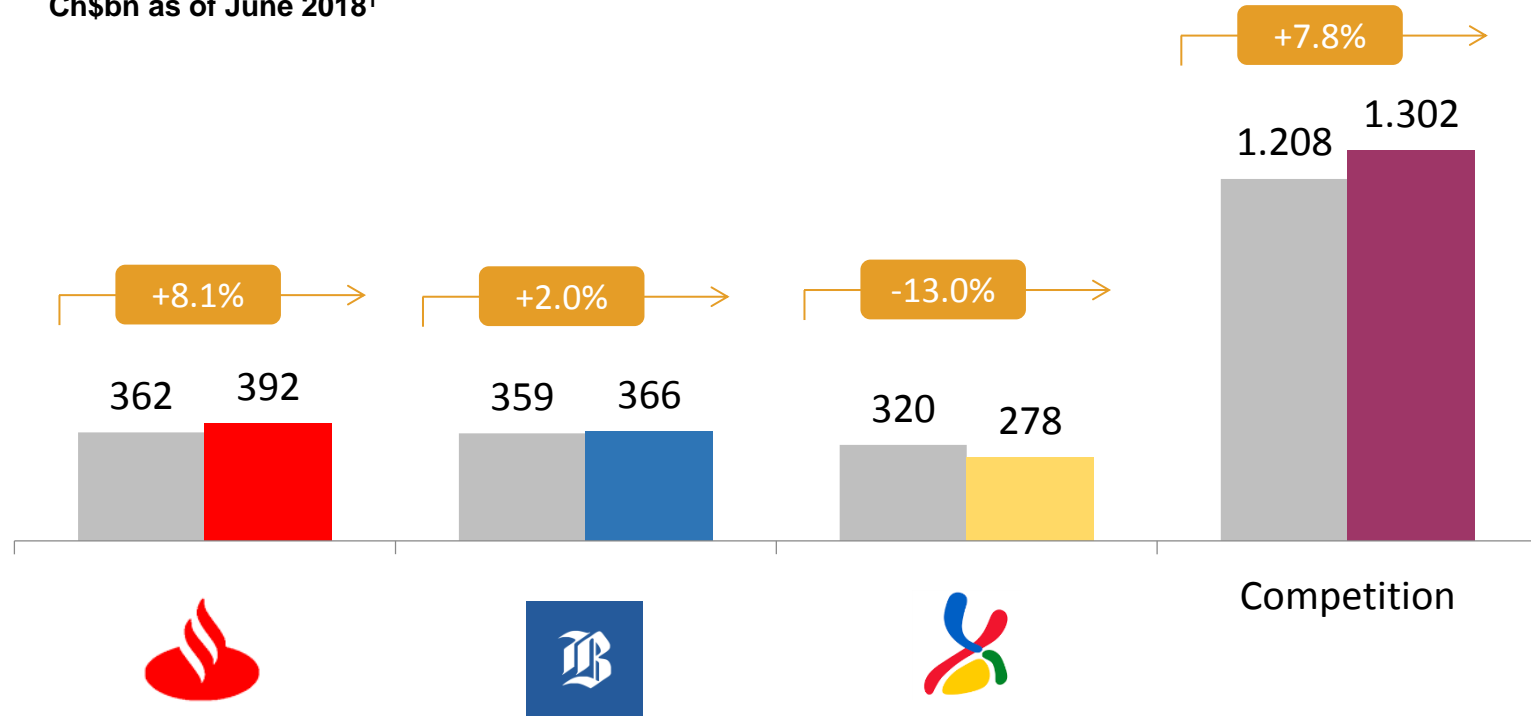
ROE



Growing income before tax above the competition


Net income before taxes


Ch\$bn as of June 2018¹



1. Competition refers to the Chilean banking system minus Santander Chile

3 objectives for healthy growth / higher profitability

I  Re-focusing on growth as economy recovers...

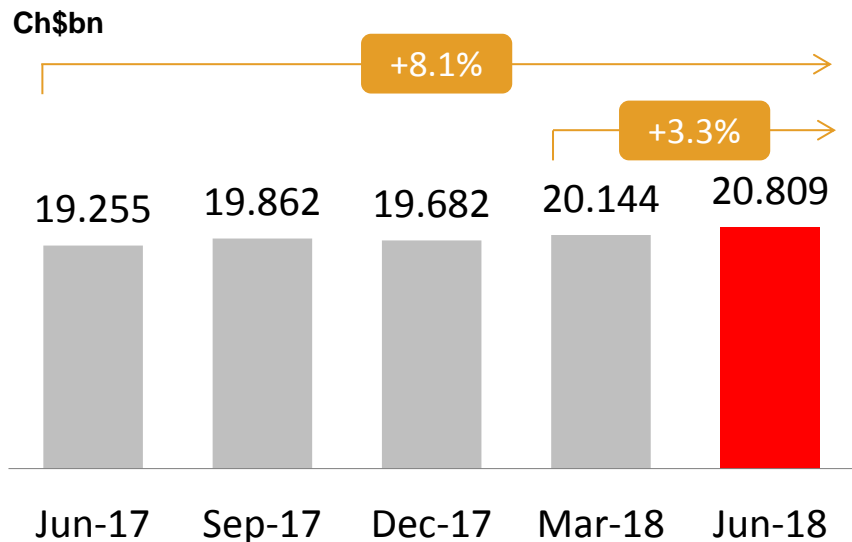
II  ... by increasing client loyalty through an improved client experience and quality of service and expanding digital banking capabilities

III  Optimizing profitability and capital use to increase shareholder value in time

Strategy: I. Re-focusing on growth as economy recovers...

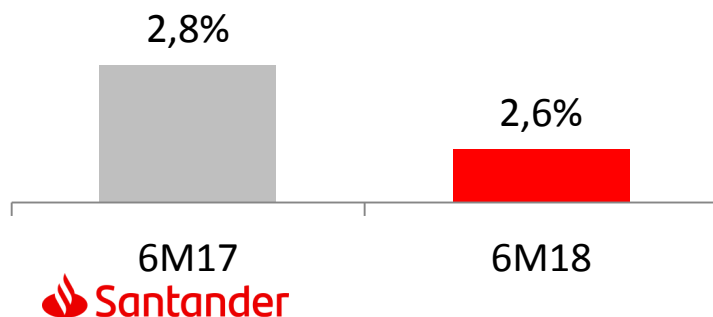
Positive YoY growth of demand deposits in the quarter

Total Deposits

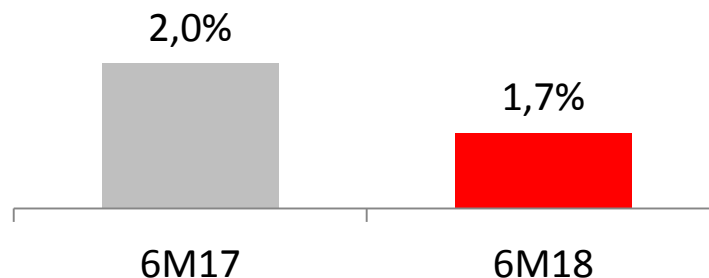


Ch\$ bn	6M18	YoY	QoQ
Demand	8,128	12.9%	(0.6%)
Time	12,682	5.2%	6.0%
Total Deposits	20,809	8.1%	3.3%
Mutual funds ¹	5,557	(0.1%)	3.2%
Loans to deposits ²	98.1%		
LCR ³	122.9%		
NSFR ⁴	109.0%		

YTD average cost of funds



YTD average time and demand deposit cost

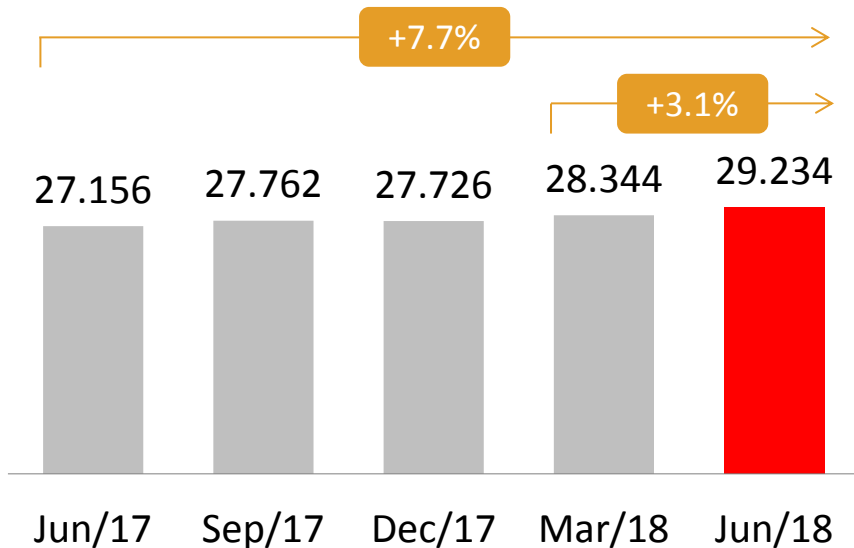


Strategy: I. Re-focusing on growth as economy recovers...

Loan growth accelerating in line with the economy

Total Loans

Ch\$bn



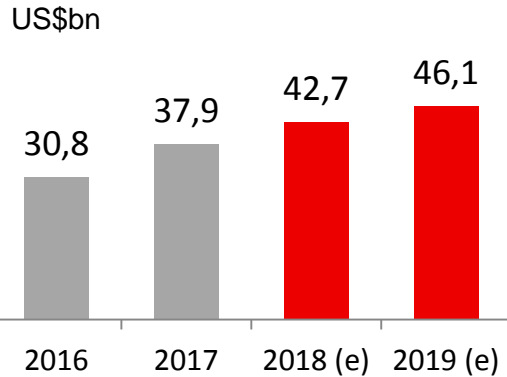
Ch\$ bn	6M18	YoY	QoQ
Individuals ¹	15,976	6.5%	2.1%
Consumer	4,642	3.8%	1.0%
Mortgages	9,523	7.5%	2.7%
SMEs	3,797	2.1%	1.8%
Retail	19,772	5.6%	2.0%
Middle Market	7,388	14.2%	5.9%
Corporate	1,949	3.9%	3.3%
Total²	29,234	7.7%	3.1%

Loans to grow 8-10% in 2018

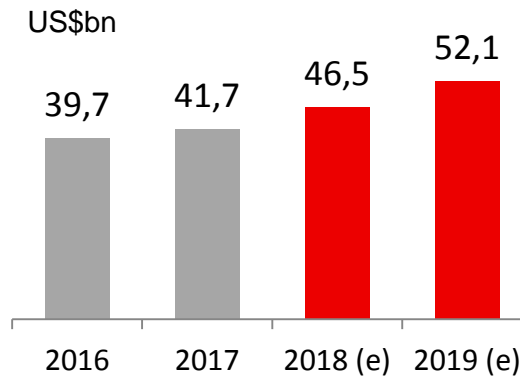
Strategy: I. Re-focusing on growth as economy recovers...

SAN is more exposed to the non-mining export sectors

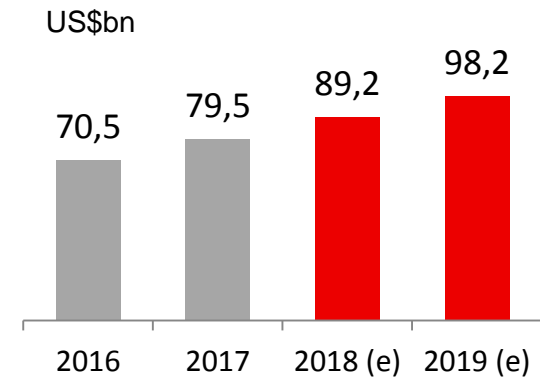
Mining exports



Non-mining exports

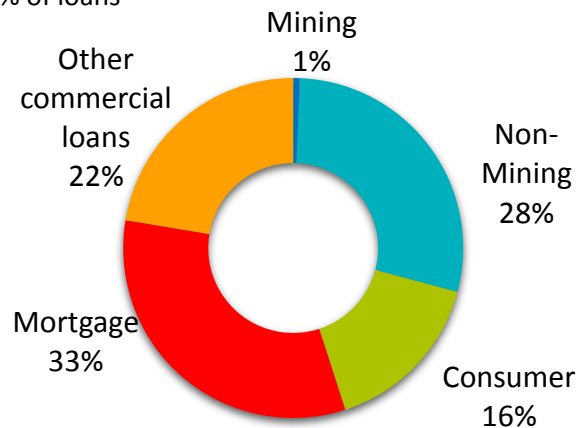


Total exports



SAN Chile loan book exposure

% of loans

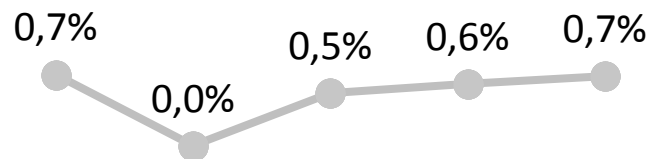
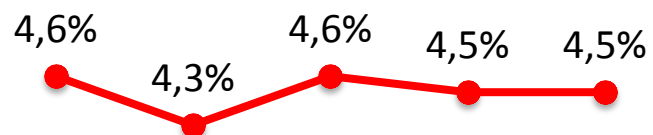


Even under stressed mining industry cycles, our loan book remains stable, as our exposure to mining is 1% of our total loan book.

Strategy: I. Re-focusing on growth as economy recovers...

NII grows 5.6% YoY in 6M18. NIM stable at 4.5%

NIM¹, & UF Inflation



2Q17 3Q17 4Q17 1Q18 2Q18

● NIM ● Inflation

NII by segment

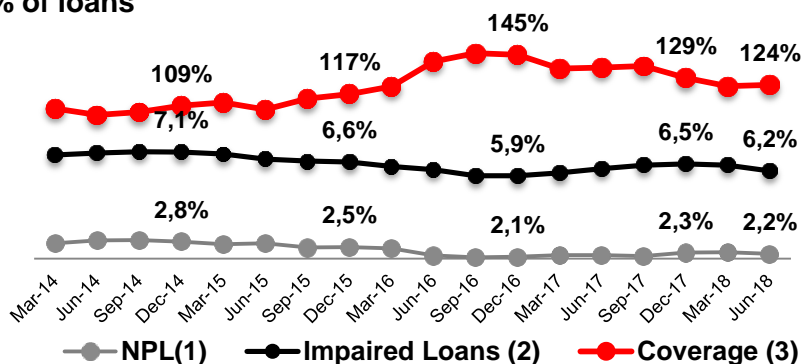
Ch\$ bn	6M18	YoY	QoQ
Net interest income	700	5.6%	101.9%
Average interest-earning assets	31,217	3.6%	1.7%
Average loans	28,347	5.1%	1.7%
Interest earning asset yield ²	7.0%	-16bp	+10bp
Cost of funds ³	2.6%	-18bp	+12bp
NIM YTD	4.5%	+9bp	

Strategy: I. Re-focusing on growth as economy recovers...

Positive evolution of asset quality

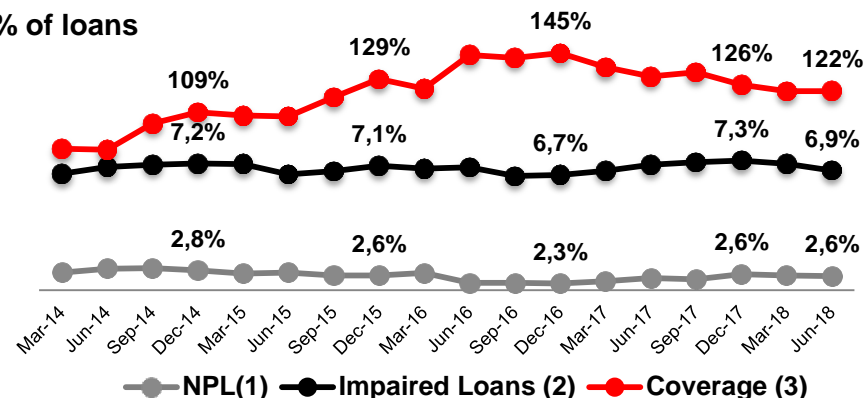
Total loans

% of loans



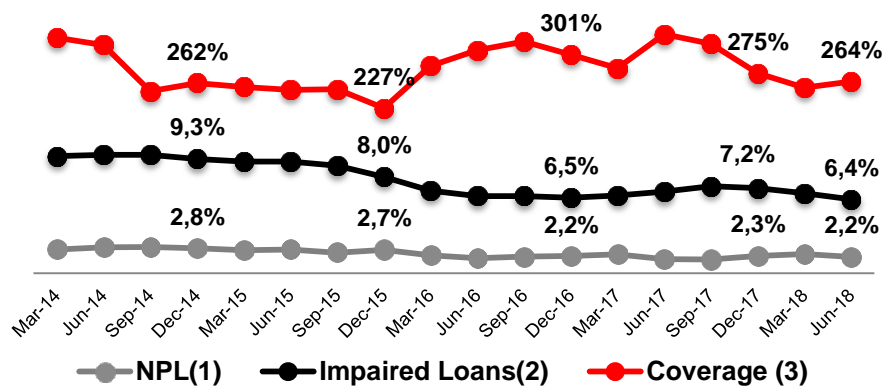
Commercial loans

% of loans



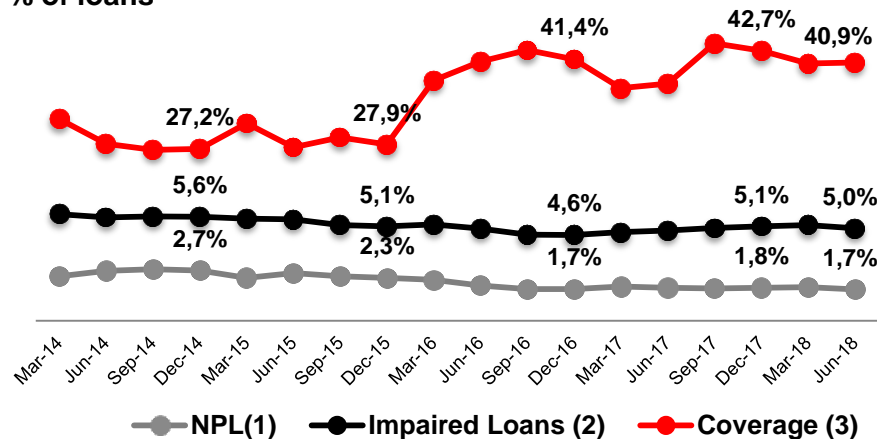
Consumer loans

% of loans



Mortgage loans

% of loans

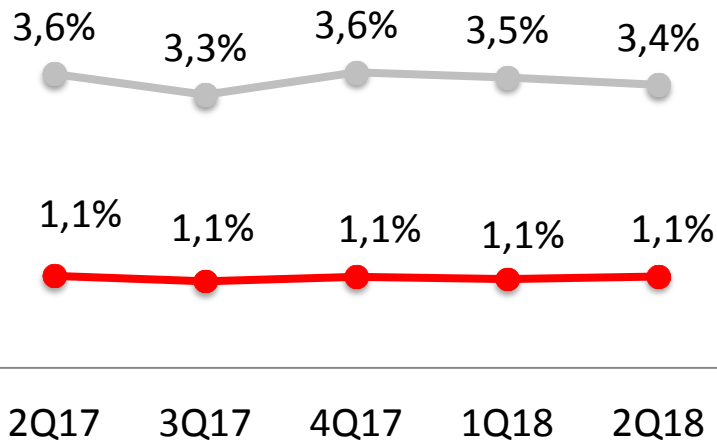


Strategy: I. Re-focusing on growth as economy recovers...

Cost of credit stable at 1.1%

Cost of credit and NIM Net of Risk

% of loans



● Cost of credit¹ ● NIM Net of Risk²

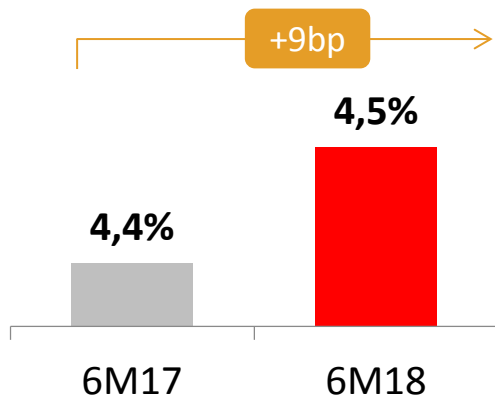
Provision for loan losses

Ch\$ bn	6M18	YoY
Gross provisions and charge-offs	(200,663)	5.4%
Loan loss recoveries	45,257	12.9%
Provision for loan losses	(155,406)	3.3%

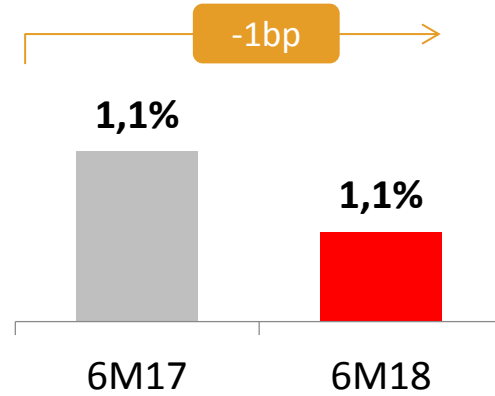
Strategy: I. Re-focusing on growth as economy recovers...

YTD NIM net of risk rises to 3.5%

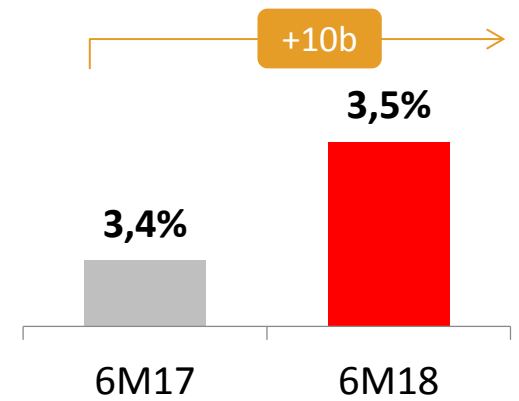
NIM




Cost of risk




NIM net of risk



3 objectives for healthy growth / higher profitability

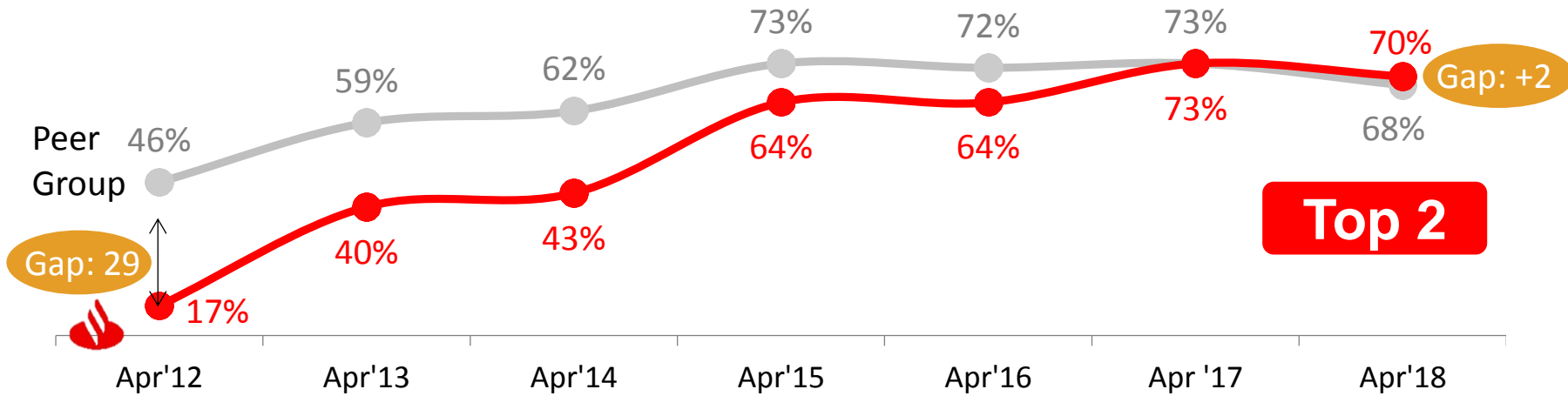
I  Re-focusing on growth as economy recovers...

II  ... by increasing client loyalty through an improved client experience and quality of service and expanding digital banking capabilities

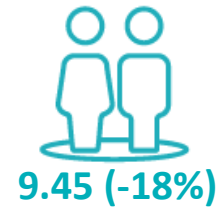
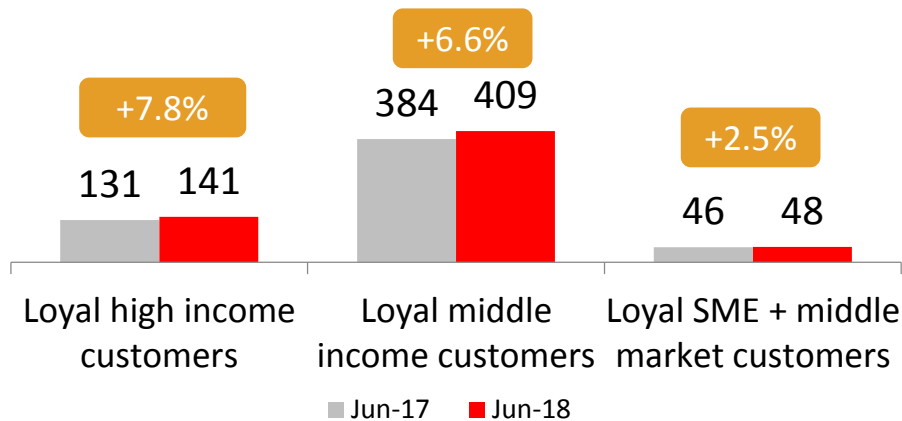
III  Optimizing profitability and capital use to increase shareholder value in time

Strategy: II. Increasing client loyalty and expanding digital banking

Evolution of Bank Satisfaction Gap (% Gross Satisfaction)¹



Loyal customer (thousands)²



Complaints for every 10,000 debtors³

1. Source: GfK Adimark. % Satisfaction from score of 6 or 7 2. Loyal high income and middle income customers with 4 products plus a minimum profitability level and a minimum usage indicator, as differentiated by segment. SME + Middle-market cross-selling differentiated by client size using a point system that depends on number of products, usage of products and income net of risk 3. As of Dec. 2017, change compared to Dec. 2016

Strategy: II. Increasing client loyalty and expanding digital banking



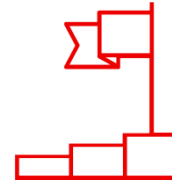
~17,000

Clients as of June 2018



70%

Of clients in Life are new clients



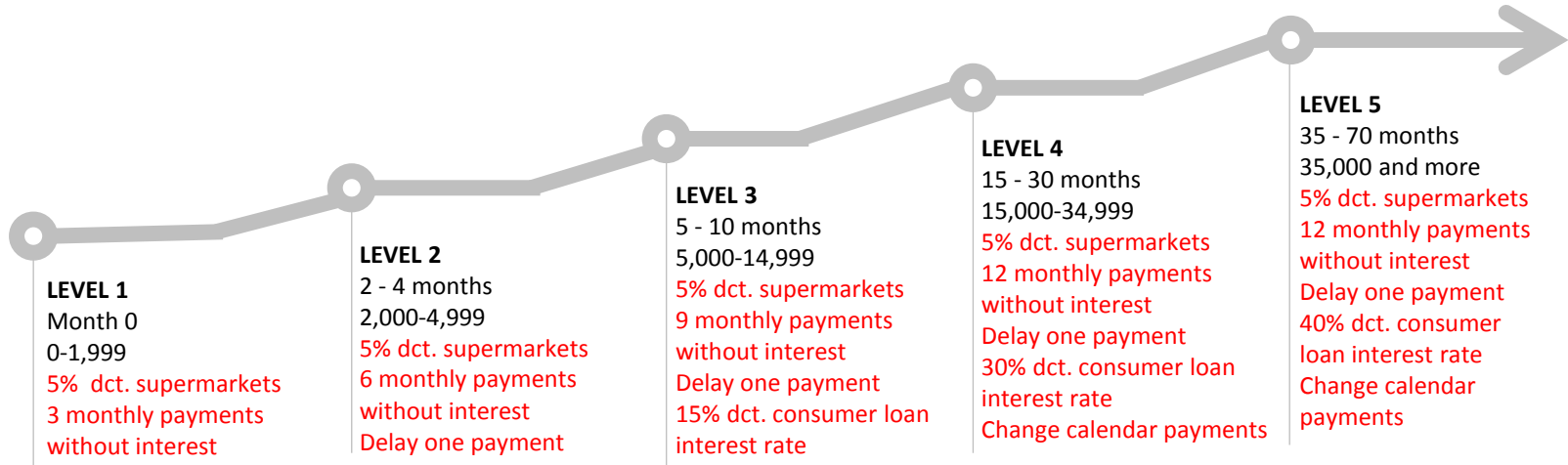
~25%

Of new monthly total bank plans are Life



6.6

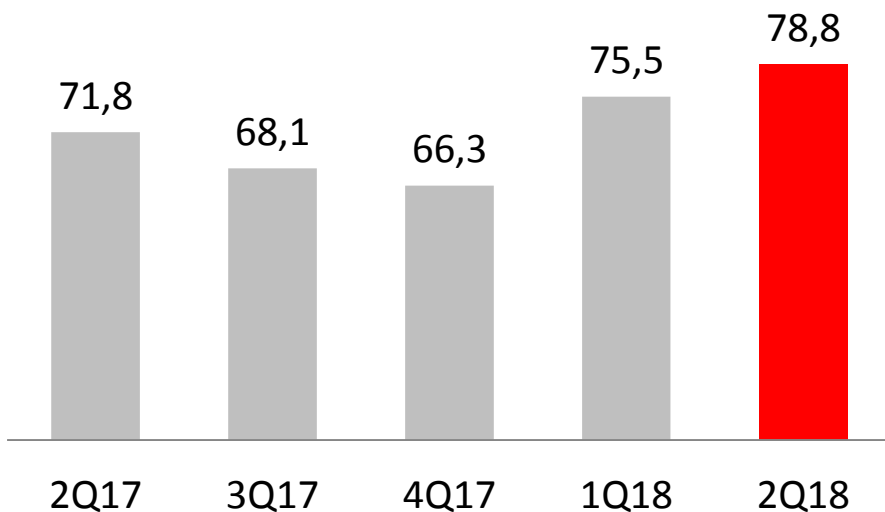
Average monthly transaction through Life credit cards



Healthy fee growth driven by Retail and SCIB

Net fee income

Ch\$bn



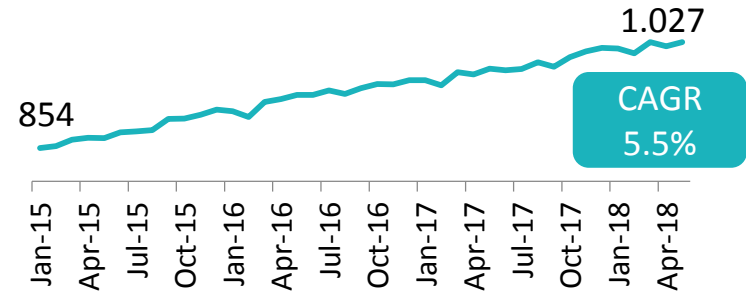
Ch\$ bn	6M18	YoY	QoQ
Credit, debit & ATM cards	29.9	4.0%	(3.4%)
Collection fees	23.3	4.2%	61.2%
Asset management	22.6	8.2%	1.1%
Insurance brokerage	18.8	(2.3%)	10.5%
Checking accounts	16.5	5.2%	0.3%
Guarantees, pledges and other contingent operations	16.3	(10.3%)	0.7%
Other	26.8	37.93%	(18.7%)
Total	154.3	6.7%	4.4%

Strategy: II. Increasing client loyalty and expanding digital banking

Digital clients continue to expand and digital trx double



Digital Clients



100 million → 210 million
Monthly transactions through digital channels¹

APP 2.0: More transactional capabilities and a user-friendly interface

1. Data from Dec. 2016 to Dec. 2017

Strategy: II. Increasing client loyalty and expanding digital banking



95%

Client satisfaction



10%

Cheaper to open vs traditional branch



+13%

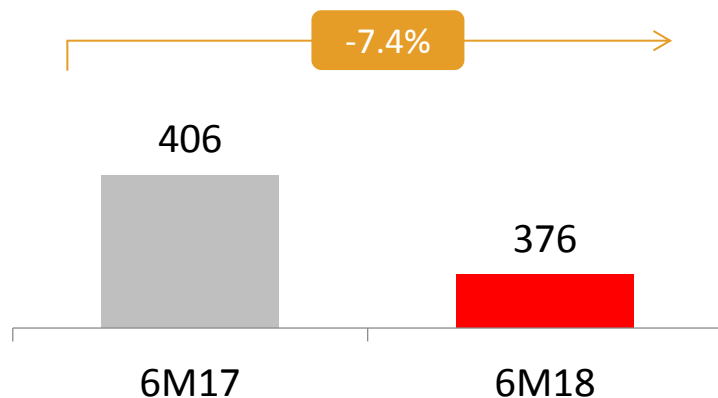
Increase in income vs traditional branch

We will have 40 Workcafés open for end of the year

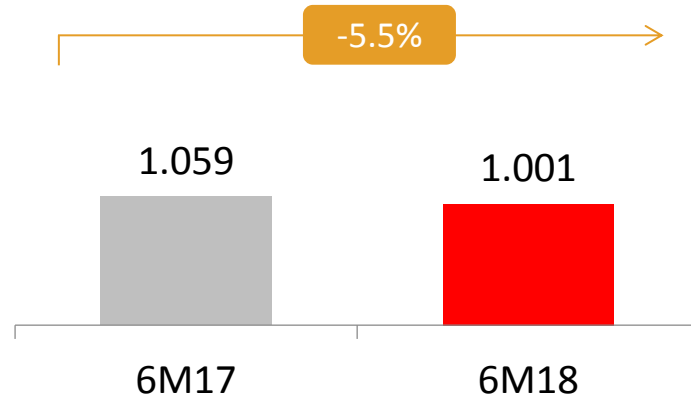
Strategy: II. Increasing client loyalty and expanding digital banking

Restructuring our physical distribution network

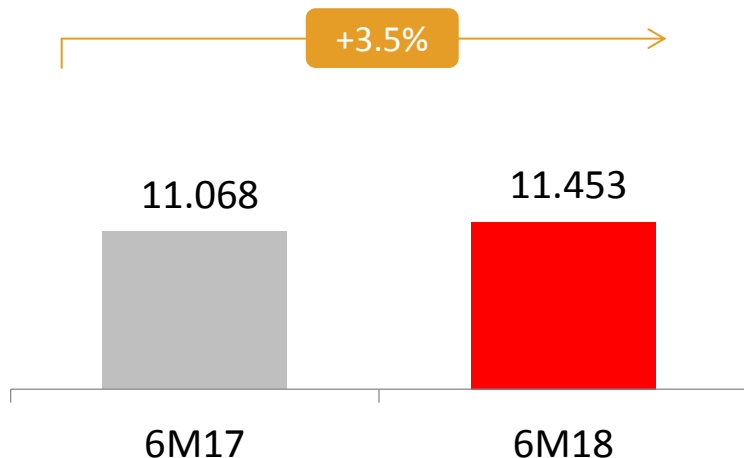
Points of sale



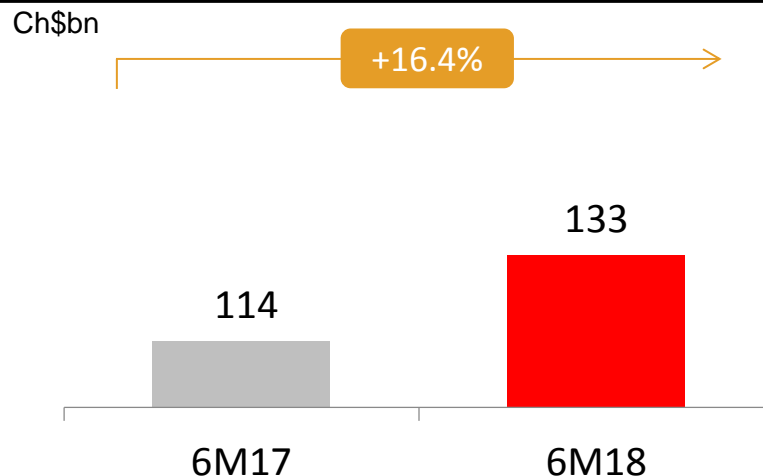
ATMs



Employees



Loans and Deposits / Branches

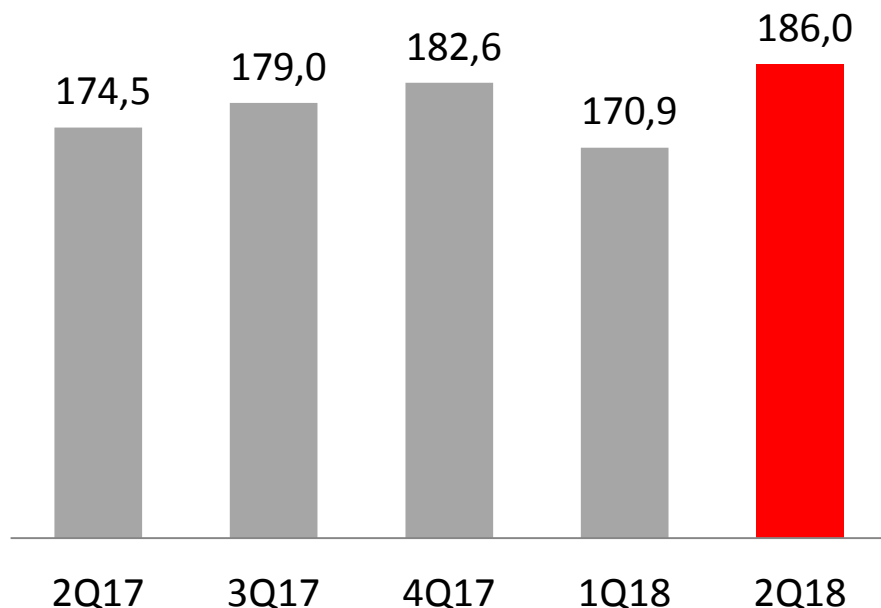


Strategy: II. Increasing client loyalty and expanding digital banking

Improving our efficiency

Operating Expenses


Ch\$bn




Ch\$ bn	6M18	YoY	QoQ
Personnel expenses	193.6	(0.2%)	16.2%
Administrative expenses	124.9	10.6%	0.9%
Depreciation	38.4	5.6%	0.4%
Operating expenses	356.9	4.0%	8.9%
Efficiency ratio	39.6%	-56bp	+186bp
Cost/Assets	1.9%	+5bp	+13bp

3 objectives for healthy growth / higher profitability








I  Re-focusing on growth as economy recovers...

II  ... by increasing client loyalty through an improved client experience and quality of service and expanding digital banking capabilities

III  **Optimizing profitability and capital use to increase shareholder value in time**

Strategy: III. Optimizing profitability and capital

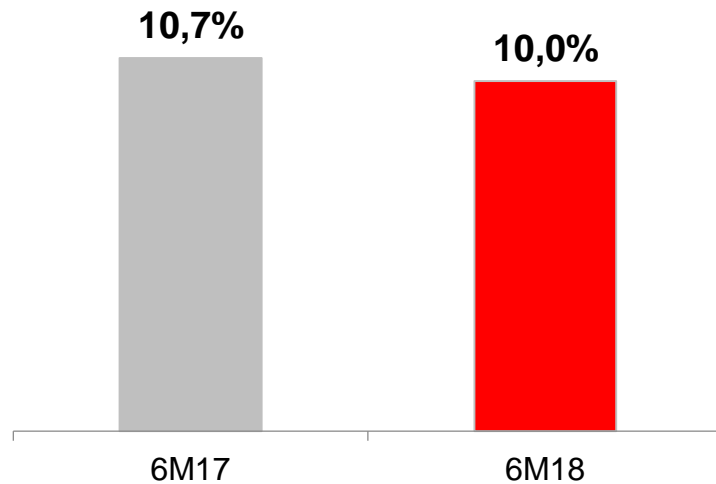
Increasing ROE above the Chilean industry

	Growth 2015 to June 2018	LTM June 2018	2017	2016	2015
 Santander	 +210bp	19.2%	19.2%	17.1%	17.1%
 Chile	 -240pb	18.9%	19.3%	19.6%	21.3%
 BCI	 -480pb	12.7%	14.0%	14.7%	17.5%
Competition ¹	 -320pb	11.1%	11.1%	10.7%	14.3%

Strategy: III. Optimizing profitability and capital

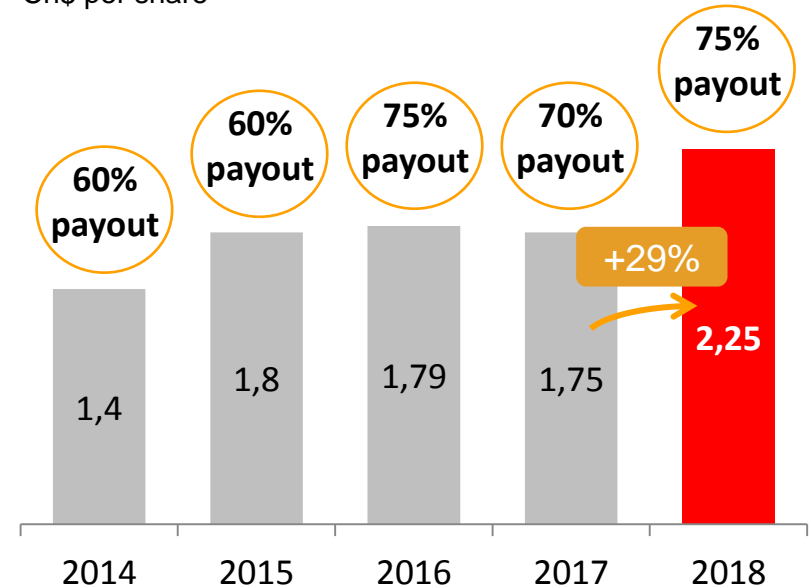
High profitability levels sustains core capital ratios

Core capital



Dividend per share

Ch\$ per share

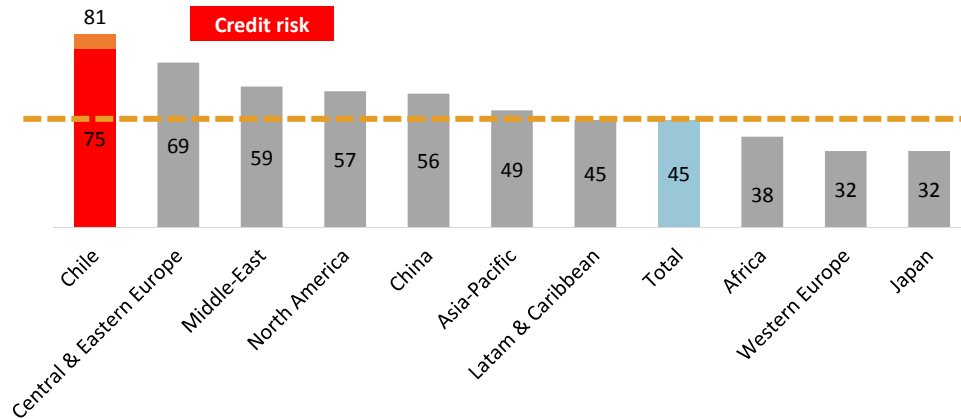


Dividend yield = 4.2% in 2018

Strategy: III. Optimizing profitability and capital

New banking regulation will implement BIS III in Chile

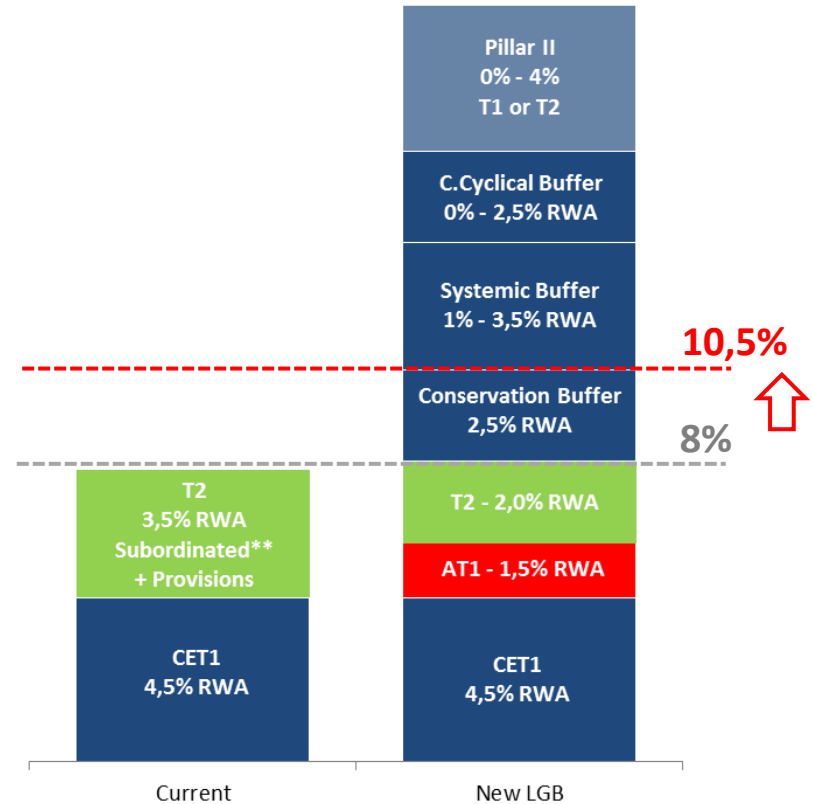
RWA Density Worldwide*



- New Banking Law approved by congress in Oct. 2018
- Hybrid instruments (AT1 and Preferred stock) will be recognized as capital
- A normal transition to BIS III should be positive for our capital ratios
- We believe AT1 is an attractive instrument to optimize our blended cost of capital
- What's the market appetite? What features and issuance terms are more appreciated from an investor perspective?

* 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

Macro-economic environment

Strategy and results

Outlook

Sound outlook for 2H18

- GDP growth estimate for 2018 rises to 4%
- Estimated loan growth of 8-10% with focus in all segments.
- Stable NIMs with UF inflation for 2018 ~3.2% with interest rates rising towards the end of the year
- Fee growth in high single digits with client loyalty and higher growth of total clients to drive fee income
- Cost of credit and asset quality stable
- Efficiency ratio around 40%
- Effective tax rate to rise 1.5%-2.0%

ROAE of 19.0 – 19.5%

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



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Sustainability Indices**
In Collaboration with RobecoSAM



Agenda

Annexes

Unaudited Balance Sheet				
	Jun/18	Jun/18	Jun/17	Jun-18/Jun-17
	US\$ Ths ¹	Ch\$ Million		% Chg.
Cash and deposits in banks	2,217,487	1,450,015	1,344,043	7.9%
Cash items in process of collection	1,140,132	745,532	429,236	73.7%
Trading investments	418,364	273,568	700,334	(60.9%)
Investments under resale agreements	2,670	1,746	-	--%
Financial derivative contracts	3,416,146	2,233,818	2,215,654	0.8%
Interbank loans, net	45,475	29,736	235,512	(87.4%)
Loans and account receivables from customers, net	43,430,373	28,399,121	26,121,070	8.7%
Available for sale investments	4,448,887	2,909,127	2,169,845	34.1%
Held-to-maturity investments	-	-	-	--%
Investments in associates and other companies	46,325	30,292	25,179	20.3%
Intangible assets	93,372	61,056	59,343	2.9%
Property, plant and equipment	352,610	230,572	245,099	(5.9%)
Current taxes	16,246	10,623	5,969	78.0%
Deferred taxes	582,061	380,610	361,939	5.2%
Other assets	1,274,540	833,422	893,207	(6.7%)
Total Assets	57,484,689	37,589,238	34,806,430	8.0%
Deposits and other demand liabilities	12,429,665	8,127,758	7,195,893	12.9%
Cash items in process of being cleared	1,096,766	717,175	258,454	177.5%
Obligations under repurchase agreements	169,116	110,585	145,570	(24.0%)
Time deposits and other time liabilities	19,393,782	12,681,594	12,059,284	5.2%
Financial derivatives contracts	3,168,845	2,072,108	2,060,639	0.6%
Interbank borrowings	2,375,305	1,553,212	1,830,856	(15.2%)
Issued debt instruments	12,265,476	8,020,395	7,045,748	13.8%
Other financial liabilities	381,629	249,547	244,622	2.0%
Current taxes	-	-	-	--%
Deferred taxes	34,628	22,643	8,304	172.7%
Provisions	315,501	206,306	238,766	(13.6%)
Other liabilities	1,200,161	784,785	792,986	(1.0%)
Total Liabilities	52,830,873	34,546,108	31,881,122	8.4%
Equity				
Capital	1,363,057	891,303	891,303	--%
Reserves	2,940,850	1,923,022	1,781,818	7.9%
Valuation adjustments	(43,306)	(28,318)	17,161	(265.0%)
Retained Earnings:				
Retained earnings from prior years	-	-	-	--%
Income for the period	467,244	305,531	292,811	4.3%
Minus: Provision for mandatory dividends	(140,173)	(91,659)	(87,843)	4.3%
Total Shareholders' Equity	4,587,672	2,999,879	2,895,250	3.6%
Non-controlling interest	66,143	43,251	30,058	43.9%
Total Equity	4,653,816	3,043,130	2,925,308	4.0%
Total Liabilities and Equity	57,484,689	37,589,238	34,806,430	8.0%


Unaudited YTD Income Statement

	Jun/18	Jun/18	Jun/17	Jun-18/Jun-17
	US\$ Ths ¹	Ch\$ Million		% Chg.
Interest income	1,665,044	1,088,772	1,074,843	1.3%
Interest expense	(594,475)	(388,727)	(412,234)	(5.7%)
Net interest income	1,070,569	700,045	662,609	5.6%
Fee and commission income	377,042	246,548	230,862	6.8%
Fee and commission expense	(141,046)	(92,230)	(86,201)	7.0%
Net fee and commission income	235,996	154,318	144,661	6.7%
Net income (expense) from financial operations	(13,539)	(8,853)	4,899	(280.7%)
Net foreign exchange gain	77,434	50,634	67,238	(24.7%)
Total financial transactions, net	63,895	41,781	72,137	(42.1%)
Other operating income	37,565	24,564	29,068	(15.5%)
Net operating profit before provisions for loan losses	1,408,026	920,708	908,475	1.3%
Provision for loan losses	(237,660)	(155,406)	(150,372)	3.3%
Net operating profit	1,170,365	765,302	758,103	0.9%
Personnel salaries and expenses	(296,035)	(193,577)	(194,026)	(0.2%)
Administrative expenses	(190,954)	(124,865)	(112,865)	10.6%
Depreciation and amortization	(58,786)	(38,440)	(36,400)	5.6%
Op. expenses excl. Impairment and Other operating expenses	(545,775)	(356,882)	(343,291)	4.0%
Impairment of property, plant and equipment	(60)	(39)	(349)	(88.8%)
Other operating expenses	(30,359)	(19,852)	(53,998)	(63.2%)
Total operating expenses	(576,194)	(376,773)	(397,638)	(5.2%)
Operating income	594,172	388,529	360,465	7.8%
Income from investments in associates and other companies	4,589	3,001	1,605	87.0%
Income before tax	598,761	391,530	362,070	8.1%
Income tax expense	(129,353)	(84,584)	(68,351)	23.7%
Net income from ordinary activities	469,408	306,946	293,719	4.5%
Net income discontinued operations	-	-	-	--%
Net income attributable to:				
Non-controlling interest	2,164	1,415	908	55.8%
Net income attributable to equity holders of the Bank	467,244	305,531	292,811	4.3%

1. The exchange rate used to calculate the figures in dollars was Ch\$653.90 / US\$1

Unaudited Quarterly Income Statement

	2Q18	2Q18	1Q18	2Q17	2Q18/2Q17	2Q18/1Q18
	US\$ Ths ¹		Ch\$ Million			% Chg.
Interest income	857,501	560,720	528,052	550,875	1.8%	6.2%
Interest expense	(317,159)	(207,390)	(181,337)	(206,841)	0.3%	14.4%
Net interest income	540,343	353,330	346,715	344,034	2.7%	1.9%
Fee and commission income	187,175	122,394	124,154	115,567	5.9%	(1.4%)
Fee and commission expense	(66,631)	(43,570)	(48,660)	(43,729)	(0.4%)	(10.5%)
Net fee and commission income	120,544	78,824	75,494	71,838	9.7%	4.4%
Net income (expense) from financial operations	28,018	18,321	(27,174)	3,623	405.7%	167.4%
Net foreign exchange gain	365	239	50,395	31,782	(99.2%)	(99.5%)
Total financial transactions, net	28,384	18,560	23,221	35,405	(47.6%)	(20.1%)
Other operating income	27,920	18,257	6,307	16,049	13.8%	189.5%
Net operating profit before provisions for loan losses	717,191	468,971	451,737	467,326	0.4%	3.8%
Provision for loan losses	(122,344)	(80,001)	(75,405)	(76,510)	4.6%	6.1%
Net operating profit	594,846	388,970	376,332	390,816	(0.5%)	3.4%
Personnel salaries and expenses	(159,139)	(104,061)	(89,516)	(101,350)	2.7%	16.2%
Administrative expenses	(95,902)	(62,710)	(62,155)	(54,383)	15.3%	0.9%
Depreciation and amortization	(29,454)	(19,260)	(19,180)	(18,778)	2.6%	0.4%
Op. expenses excl. Impairment and Other operating expenses	(284,495)	(186,031)	(170,851)	(174,511)	6.6%	8.9%
Impairment of property, plant and equipment	-	-	(39)	(165)	--%	--%
Other operating expenses	(15,187)	(9,931)	(9,921)	(35,181)	(71.8%)	0.1%
Total operating expenses	(299,682)	(195,962)	(180,811)	(209,857)	(6.6%)	8.4%
Operating income	295,164	193,008	195,521	180,959	6.7%	(1.3%)
Income from investments in associates and other companies	3,328	2,176	825	885	145.9%	163.8%
Income before tax	298,492	195,184	196,346	181,844	7.3%	(0.6%)
Income tax expense	(61,219)	(40,031)	(44,553)	(31,143)	28.5%	(10.1%)
Net income from ordinary activities	237,273	155,153	151,793	150,701	3.0%	2.2%
Net income discontinued operations	-	-	-	-	--%	--%
Net income attributable to:						
Non-controlling interest	976	638	777	265	140.8%	(17.9%)
Net income attributable to equity holders of the Bank	236,298	154,515	151,016	150,436	2.7%	2.3%

 The exchange rate used to calculate the figures in dollars was Ch\$653.90 / US\$1

Annexes: Key Indicators

Profitability & Efficiency	06M18	06M17	Change bp
Net interest margin (NIM) ¹	4.5%	4.4%	9
Efficiency ratio ²	39.6%	40.2%	(56)
Return on avg. equity	20.0%	20.3%	(25)
Return on avg. assets	1.7%	1.6%	5
Core capital ratio	10.0%	10.7%	(65)
BIS ratio	12.8%	13.6%	(84)
Return on RWA	2.1%	2.2%	(3)

Asset Quality Ratios	Jun/18	Jun/17	Change bp
NPL ratio ³	2.2%	2.2%	6
Coverage of NPLs ratio ⁴	123.9%	136.2%	(1,231)
Cost of credit ⁵	1.1%	1.1%	(1)

Structure (#)	Jun/18	Jun/17	Change (%)
Branches	376	406	(7.4%)
ATMs	1,001	1,059	(5.5%)
Employees	11,453	11,068	3.5%

Market Capitalization	Jun/18	Jun/17	Change (%)
Net income per share (Ch\$)	1.62	1.55	4.3%
Net income per ADR (US\$)	0.99	0.94	5.9%
Stock price (Ch\$/ per share)	51.27	42.24	21.4%
ADR price (US\$ per share)	31.43	25.41	23.7%
Market capitalization (US\$m)	14,435	11,971	20.6%
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 = 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.