



Integrated
Report
2019

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Name of the organization:	Itaú Corpbanca 102-1
Taxpayer ID Number:	97.023.000-9
Ownership and legal form:	A special banking corporation governed by the General Banking Law and, as appropriate, Law No. 18,046 on Corporations and Law No. 18,045 on Securities Markets. 102-5
Headquarters:	Rosario Norte N°660, Las Condes, Santiago. Presidente Riesco N°5537, Las Condes, Santiago. 102-3
Mailing address:	P.O. Box 80-D
Telephone:	(56 2) 2687 8000
Website:	www.itaui.cl
Reporting period:	2019 102-50
Reporting cycle:	Annual 102-52
Questions about this document may be submitted to:	asuntos.corporativos@itau.cl 102-53

Ch\$	=	Figures expressed in Chilean pesos.
MCh\$	=	Figures expressed in millions of Chilean pesos.
US\$	=	Figures expressed in US dollars.
ThUS\$	=	Figures expressed in thousands of US dollars.
MUS\$	=	Figures expressed in millions of US dollars.
COP\$	=	Figures expressed in Colombian pesos.
MCOP\$	=	Figures expressed in millions of Colombian pesos.
UF	=	Figures expressed in Unidades de Fomento (a Chilean inflation-indexed, peso-denominated monetary unit that is set daily based on changes in the Chilean Consumer Price Index).
UTM	=	Figures expressed in monthly tax units.

1

Welcome to Itaú



Our Way

- Simple, always.

Stakeholders

- Customers
- Employees
- Shareholders/Investors
- Company
- Suppliers
- Authorities
- Trade Associations
- The Media

1.1. A Word from Our Chairman

102-14

Dear Shareholders:

It is my pleasure to present to you the second Itaú Corpbanca Integrated Report, which covers the Bank's 2019 performance.

Chile and the world are experiencing situations that demand our attention. The world economy, still vulnerable from the aftermath of the trade war, has been impacted by a new focal point of tension in the Middle East. Sensitive to these conflicts, the agitated climate in Chile brought a year end marked by deteriorated economic projections and expectations.

In this challenging context and as a testament of our commitment to the country and its development, we present to you an account of the Bank's performance in different areas.

The daily performance of Itaú Corpbanca, its Board of Directors, executives and employees reaffirms that efficiency and results go hand in hand with Our Way, the set of values that drive the Bank's operations, including the focus on our customers, on people and on ethics as non-negotiable principles. Consequently, a leading bank's Annual Report must go beyond reporting financial results to clearly indicate the measures employed to obtain them as well as the principles and values that guide their actions.

In 2019, there were many very important events at the Bank, some of which I would like to highlight.

In the first half of the year, Itaú Corpbanca celebrated 15 years on the New York Stock Exchange, the world's largest securities market.

In the second half of the year, the Bank rose to 9th place on the Merco Talent Ranking, climbing thirteen positions in one year as a reflection of the its performance in human capital.

This year we maintained our outstanding participation on the Chilean DJSI and in September were listed for the first time on the Dow Jones Sustainability Index MILA, marking another important step toward becoming a sustainable bank. That same month, we climbed 12 places on the 2019 Reporta Ranking, which analyzes the quality of the information that IPSA companies disclose to their shareholders and other stakeholders.

In December, Itaú's fund management subsidiary was recognized as an ALAS20 Institution, standing out in three categories: Leader in Responsible Investment, Leader in Corporate Governance and Leader in Sustainability Research. That same month, we consolidated our position in Colombia by acquiring Helm LLC's shares in Itaú Corpbanca Colombia.

As a bank, we are conscious of our role in the economy, the country's development and the realization of the dreams of the thousands who trust in us. That is why our performance in the different areas addressed herein is especially important. In a constantly changing world, we assume the ongoing challenge of adapting to offer quality service and make our customers' lives easier. That is precisely the topic of this Integrated Report. What you see here is the product of our commitment to Chile in the social, environmental and economic realms.

None of it would be possible without the committed, professional work that takes place at all our branches throughout the country. A special thanks to the Chief Executive Officer, the executive team and each of our employees for their valuable contribution to reaching the milestones recorded in this report. I would like to offer special recognition to those who, during the difficult days we experienced in late 2019, demonstrated commitment to our customers despite the climate of insecurity that affected many of our branches and difficulties getting to work.

As a financial institution, we are carefully observing events in Chile. Without a question, it is a call for all of us to do things better. I hope we are able to move toward a period of thoughtful analysis and constructive dialog that enables us to work together to build the country that future generations will inherit.

Before closing, I would like to thank our shareholders for their trust and support. They are essential to our continued progress toward the objectives we have set.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jorge Saieh', with a horizontal line underneath.

Jorge Andrés Saieh Guzmán

Chairman
Itaú Corpbanca

1.2. A Word from Our CEO

102-14

Dear Customers and Shareholders:

Another year has passed since Itaú began its story in Chile, and it is with great pride that I share with you our Integrated Report for the year 2019. In its second edition, this report recounts our main challenges and the achievements by all of us who work at the Bank.

This was, undoubtedly, a unique year. Despite ups and downs in the global economy and the situation in Chile beginning in late 2019, we managed to remain focused on our objectives, optimizing, simplifying and improving our processes; managing risk; improving efficiency and ensuring an increasingly agile experience for our customers.

Our Board's plan and strategy—essentially to change our customer portfolio mix to grow the retail segment without neglecting the commercial area and to be more efficient in expenses and improve profitability—have been executed with precision to provide a foundation for profitable, sustainable growth. The results are clear.

In 2019, we were one of the banks with the most growth in the retail segment, which contributed to positive numbers, in keeping with the strategy outlined. The Bank's satisfaction ratings and external perception also improved substantially.

The same positive trends were seen in internal satisfaction ratings by our employees, for whose efforts I am grateful. They are the protagonists in our progress this year, having shown great commitment to improving our customers' experience.

In this spirit, we implemented several initiatives to increase customer loyalty and earn their recommendations. While there is still much to be done, by year end we had made substantial improvements to several service quality indicators and NPS across all segments: retail and commercial. Furthermore, we are proud to have closed the year as the best bank in the small and medium enterprise (SME) segment.

The Bank's digital transformation has also continued. In mid-2019, we opened our first digital branch for Personal Bank customers. After we pioneered this successful business model in Chile, our parent company in Brazil replicated it in several other Latin American countries. We opened the second digital branch in December, expanding the service model so that the standard Itaú segment can also access products and services remotely using the Bank's digital platforms, eliminating the need to come into a physical branch.

We see this as an important source of growth for Itaú in the years to come. The business model offers a specialized team to serve customer needs and requests as well as quick and timely responses. Its great service quality makes it a local industry leader.

Strengthening the internal digital culture has been fundamental to this progress and will continue to drive efforts to gain the skills needed to face this ongoing transformation. This is also a defense against potential security risks.

This good news motivates us to continue using all our channels to make improvements and increasingly align products and services with customer needs. Our operations are always responsible and sustainable, which has earned us recognition from several important entities.

All these achievements are the result of a path we have traveled steadily and decisively, despite the difficulties this year. We always aim to meet the needs of an increasingly demanding society seeking immediate, digital and straightforward services.

This year will probably also be unique, with many challenges across the board. It is important that we react appropriately to the different possible scenarios; therein lies the cornerstone for those who aim to harness adversity in order to achieve leadership.

The global and local context inspires us to work more enthusiastically in 2020, so that we may continue to improve our established efficiency, profitability and sustainability standards.

Our purpose is to help transform people's lives, supporting their growth and business ventures. Responsibility to the development of the countries where we operate is also at the core of our operations. This commitment is stronger today, given expectations from society and shareholders.

In 2020 and the years to come, we will continue down this path in order to consolidate our position as a major local industry player.

Finally, it is with great pride and responsibility that I assume the position of Chief Executive Officer. I hope to continue contributing to building a better bank, the bank we dream of for our customers.

Warmly,

A handwritten signature in black ink, appearing to read 'G. Amado de Moura', written in a cursive style.

Gabriel Amado de Moura
Chief Executive Officer
Itaú Corpbanca

1.3. Itaú at a Glance

102-7



1,003,881
Customers¹



4,500
Digital Branch
customers²



512,406,760,091
Shares



MCh\$18,258,452
Loans



MCh\$27,814,881
Total assets



10.1%
Market share



75,868 m³
Water consumption



5,427,705 km
Business trips by air



191
Branches



424
ATMs



5
Unions



5,616
Itaú employees



53%
Female employees



1,896
Suppliers

¹ Includes all customers with an active product.

² As of January 2020.

1.4. Itaú, Made for You

1.4.1. Our History

102-4, 102-6

We are a commercial bank based in Chile that, in addition to our presence in every region in Chile, has operations in Colombia and Panama, a branch in New York and a representation office in Lima, Peru.³

We are Chile's fifth largest private bank and represent 22% of the Itaú Unibanco consolidated loan portfolio. We contribute to positioning Itaú LatAm as the sixth largest bank in South America (outside Brazil) in terms of assets.

We work daily to provide comprehensive solutions to the needs of all our customers, whether individuals or companies.



³The representation office in Madrid closed on July 31, 2019.



1.4.2. Financial Products, Services and Solutions

102-2

INDIVIDUALS		FINANCIAL PRODUCTS AND SOLUTIONS
Retail Banking	Itaú Private Bank	1. Current account plan (current account, 2. Line of credit, debit card and credit card)
	Itaú Personal Bank	3. Loans (consumer and mortgage, for housing and unrestricted)
	Itaú	4. Insurance tied to a consumer loan (credit life, life and unemployment) 5. Insurance tied to a mortgage (credit life, earthquake and fire) 6. Other individual insurance 7. Time deposits 8. Purchase and sale of foreign currency 9. Foreign exchange hedging products 10. Products offered by our subsidiaries
	Banco Condell	1. Consumer loans 2. Products offered by our subsidiaries

LEGAL ENTITIES		FINANCIAL PRODUCTS AND SOLUTIONS
Wholesale Banking	Corporate Banking	1. Current account and associated services (cash pooling)
	Large Companies Banking	2. Payments (mass payments, large sums, online payroll, online payments)
	Real Estate and Construction Banking	3. Deposits (tellers, electronic, online via cash collection machines)
		4. Commercial banking web site
		5. International cash management
		6. Commercial loans
		7. Performance bonds
		8. Foreign trade
		9. Leasing
		10. Factoring
		11. Time deposits
		12. Purchase and sale of foreign currency
		13. Foreign exchange hedging products
		14. Long-term derivatives
		15. Liabilities structuring (bilateral loans, syndicated loans, project financing, bond issuances, syndication and underwriting)
		16. Products offered by our subsidiaries
		17. Host-to-Host Channel
Retail Banking	Itaú Companies	1. Current account plan (current account, line of credit, debit card and credit card)
		2. Payments (mass payments, large sums, online payroll, online payments)
		3. Deposits (tellers, electronic, online via cash collection machines)
		4. Commercial banking web site
		5. Loans (consumer and mortgage)
		6. Foreign trade
		7. Leasing
		8. Factoring
		9. Time deposits
		10. Purchase and sale of foreign currency
		11. Foreign exchange hedging products
		12. Payment and collections services
		13. Products offered by our subsidiaries

1.4.3. 2019: A Challenging Year

We are Itaú, a bank born in April 2016 following the merger of two major financial institutions: Corpbanca and Itaú Chile.

This merger of one of Chile's oldest banks with the subsidiary of Latin America's largest private bank was announced in 2014 for Chile and Colombia. It was approved by our shareholders and the former Superintendency of Banks and Financial Institutions (SBIF) in June and September of the same year, respectively.

In March 2016, the Boards of Directors at both banks confirmed that the merger conditions had been met and we became Itaú, a bank made Our Way, with the customer at the center as the driving force behind everything we do.

Milestones in 2019

January

First **Itaú Fintech Day** is held for different financial startups to present their solutions to promote an environment of innovation and explore collaborative work options.

March

Itaú released its **first independently audited Integrated Report**.

Second **Analyst Day**, an opportunity for Itaú Corredores de Bolsa investment customers to meet with analysts and local portfolio managers from the institutional world.

May

Itaú celebrates its **15th anniversary on the New York Stock Exchange**.

Board approves acquisition of MCC S.A., including certain related companies.

Corplegal S.A., Itaú subsidiary and banking support company, dissolved.

June

Itaú Digital branch, a 100% digital service model, launched in Chile.

July

The Chief Financial Officer and Investor Relations Manager were recognized on Institutional Investor magazine's ranking, making us the ranking's **only Chilean bank among the Most Honored MidCap Companies**.

Itaú earned **9th place on the Merco Talent Ranking**, climbing 13 places from 2018.

September

In addition to continued participation on the DJSI Chile, Itaú was **listed for the first time on the Dow Jones Sustainability Index MILA**, reflecting company-wide efforts to improve sustainable performance.

Itaú climbs **12 spots on the 2019 Reporta Ranking**, a publication that analyzes the quality of information that IPSA companies disclose to shareholders and stakeholders.

December

Itaú acquired shares in Itaú Corpbanca Colombia, owned by Helm LLC and Kresge Stock Holding Company Inc., representing about 20.82% of share capital for approximately MUS\$334. As a result of these acquisitions, **Itaú Corpbanca now owns 87.10% of Itaú Corpbanca Colombia**.

Through the Association of Banks and Financial Institutions (ABIF), Itaú **becomes part of the Green Agreement** led by the Finance Ministry. The Bank joined several players from the public and private sectors in subscribing general principles for contributing to the country's climate goals.

Itaú's fund management subsidiary earns recognition as an ALAS20 Institution at the 2019 Sustainable Leaders Agenda awards. This is the highest recognition given to the best institutional investors in Chile. This subsidiary also earned recognition as a leader in responsible investment, leader in corporate governance and leader in sustainability research.

1.5. Responsible Banking

The following table presents select financial and operating information on Itaú for the 2015-2019 period. Prepared on the basis of pro forma data for the years 2015 and 2016, this data combines Corpbanca and Banco Itaú Chile's audited consolidated financial statements as presented to the former Superintendency of Banks and Financial Institutions (SBIF), currently the Financial Market Commission (CMF).

Figures in millions of Chilean pesos (MCh\$) at each year end		2019	2018	2017	2016	2015
Results	Profit (loss) attributable to owners of the bank	127,065	172,047	57,447	(24,008)	306,107
	Total operating income ¹	1,170,093	1,169,030	993,860	933,651	1,295,998
	Net interest and indexation income	846,718	846,991	760,734	756,204	838,827
Profitability	RoAA	0.4 %	0.6 %	0.2 %	-0.1 %	1.1 %
	RoAE ²	5.8 %	8.3 %	11.3 %	-4.9 %	72.1 %
	Risk index (Provisions / Total loans)	3.4 %	3.1 %	3.3 %	2.8 %	2.2 %
	NPL ratio (+90 days past due) – Total	2.8 %	2.1 %	2.3 %	1.7 %	1.3 %
	NPL ratio (+90 days past due) – Chile	2.5 %	2 %	2.1 %	1.6 %	1.3 %
	NPL ratio (+90 days past due) – Colombia	4.2 %	3 %	2.8 %	2 %	1.3 %
	NPL coverage ratio – Total	119.4 %	147.6 %	145.5 %	169.8 %	161.8 %
	Efficiency ratio (Operating expenses / Total operating income)	57.7 %	57.6 %	67.3 %	70.9 %	49.6 %
	Risk-adjusted efficiency ratio (RAER)	85.3 %	78.3 %	101.4 %	108.8 %	65.8 %

¹ Total operating income = Net interest and indexation income + Net fee and commission income + Net financial operating income and foreign exchange transactions + Other operating income

² Equity: Equity attributable to owners of the bank excluding goodwill.

³ Chile includes New York Branch employees and also considers representation offices in Lima and Madrid (the latter until second quarter 2019); Colombia includes Itaú (Panama) S.A. employees.

⁴ The New York Branch and digital branches are included under Chile and the Panama office is included under Colombia.

Figures in millions of Chilean pesos (MCh\$) at each year end		2019	2018	2017	2016	2015
Statement of Financial Position	Total assets	33,740,383	29,455,654	28,060,724	29,106,183	29,383,737
	Gross loans	23,154,056	21,502,648	20,403,680	21,025,944	21,634,113
	Total deposits	16,493,635	14,421,586	14,206,910	16,034,901	17,861,144
	Loans / total deposits	140.4 %	149.1 %	143.6 %	131,1 %	121,1 %
	Equity attributable to owners of the bank	3,346,102	3,324,531	3,189,876	3,173,516	1,976,225
Other	Number of employees ³	8,988	9,179	9,492	9,659	10,397
	Chile	5,661	5,685	5,848	5,932	6,642
	Colombia	3,327	3,494	3,644	3,727	3,755
	Branches ⁴	321	360	375	398	401
	Chile	194	199	201	224	224
	Colombia	127	161	174	174	177
	ATMs	571	638	645	682	667
	Chile	424	464	469	502	487
Colombia	147	174	176	180	180	

1 Total operating income = Net interest and indexation income + Net fee and commission income + Net financial operating income and foreign exchange transactions + Other operating income

2 Equity: Equity attributable to owners of the bank excluding goodwill.

3 Chile includes New York Branch employees and also considers representation offices in Lima and Madrid (the latter until second quarter 2019); Colombia includes Itaú (Panama) S.A. employees.

4 The New York Branch and digital branches are included under Chile and the Panama office is included under Colombia.



2

Customer-Centered

Our Way	<ul style="list-style-type: none"> • It is only good for us if it is good for the customer • Ethics are non-negotiable
Stakeholders	<ul style="list-style-type: none"> • Customers • Shareholders/Investors
SDG	<ul style="list-style-type: none"> • SGD 10
Global Compact	<ul style="list-style-type: none"> • Principle No. 9 • Principle No. 10
Material Issues	<ul style="list-style-type: none"> • Ethics and regulatory compliance • Quality and customer satisfaction • Digital transformation

Spotlight

Digital Branches: A successful business model

At Itaú, we worked hard to create a 100% digital service model that meets the expectations and needs of a large segment of our customers—those who prefer to use smart phones, tablets or computers and seek immediate, personalized attention. Thus, was born the Itaú Digital Branch.

This new service platform, launched in 2019, is the result of the far-reaching digital transformation efforts that have challenged us to rethink, redesign and simplify our processes in order to offer an experience that includes remote, extended-schedule customer service, among other benefits.

Our challenge is to offer products and services that create value for our customers' lives and businesses at the time and place they need them. That is why the digital branch includes an online chat, e-mail service and a specialized team to respond to specific requirements with faster response times than the traditional format.

As of January 2020, our two digital branches have 4,500 active customers and offer all products remotely, including mortgage loans.

Our customers have positively evaluated the new business model, which we are in the process of expanding in 2020.

2.1. Our Way

102-16

Our seven **attitudes**

1. It is only good for us if it is good for the customer

We are people at the service of people, with passion and excellence. We work with and for the customer because they are the reason behind everything we do.

2. Performance fanatics

Generating sustainable results is in our DNA. The ongoing challenge of achieving leadership in performance has brought us to this point and will continue to guide our company toward our objectives.

3. People are everything to us

Everything we do is done through people, talented people who like to work in a collaborative, high-performance meritocracy.

4. The best argument wins

We cultivate a challenging environment, open to questioning and constructive debate. The only hierarchy that matters to us is the hierarchy of best ideas.

5. Simple, always

We believe that simplicity is the best road to efficiency so we fight to make sure depth is not confused with complexity and simplicity does not become simplism.

6. We think and act like owners

We always think like owners of the bank, leading by example and prioritizing collective goals over personal ambition.

7. Ethics are non-negotiable

We do the right thing without tricks or short cuts. We exercise leadership in a transparent, responsible way. We are totally committed to society and best practices in governance and management.

We are Itaú. We dream it, do it and it works ;)

2.1.1. People have the Power to Change the World

Our purpose, what moves us and what we work for daily, is clear: **motivating the transformational power of people. The customer is at the center of all our decisions** and actions, moving and inspiring us in our ongoing pursuit sustainable results.

We believe that people have the power to change the world and that the Bank can encourage that transformation.

This is all within the framework of our vision: sustainable performance that **generates shared value** for employees, customers, shareholders and society as a whole. - It is only good for us if it is good for the customer.

We know that there is much to be done. Today, more than ever, we are working Our Way to become the **leading bank in sustainable performance and customer satisfaction**.

This, our vision, calls us to;

- Orient our culture toward customer satisfaction with a commercial focus and seek operational simplicity.
- Maximize shareholder returns, visualizing organizational growth.
- Have the best professionals at all levels. We want to be leaders in attracting and retaining the talent of committed, ethical employees who think like owners and are proud to belong to our organization.
- Develop shared leadership, focused on meritocracy.
- Promote an environment that stimulates creativity, innovation and debate. Where good ideas are concerned, there are no hierarchies.
- Be on the cutting-edge of technology in order to add value and provide the best service for our customers.
- Be an example of ethics for all our stakeholders.
- Be among Chile's three largest banks.
- Be recognized as the bank for Latin America.

2.1.2. Ethics as a Priority

[Material issue] 103-2, 103-3, 102-17, 205-2

Ethics are non-negotiable for us. Consequently, we have different codes, regulations, policies and manuals to guide the conduct of each bank employee.

These documents seek to regulate and support our conduct in relation to conflicts of interest, confidentiality and handling of insider information, among other issues.

Some of the most important are the General Code of Conduct, Code of Ethics, Securities Market Code of Conduct and Market Information Manual.

Document	Available on	Type of Access
Code of Ethics	Intranet and Internet	Public and internal access
General Code of Conduct	intranet and Internet	Public and internal access
Securities Market Code of Conduct	Intranet and Internet	Public and internal access
Market Information Manual	Intranet and Internet	Public and internal access
Anti-Corruption Policy	Intranet and Internet	Public and internal access
Employee Gifts and Invitations Policy	Intranet and Internet	Public and internal access
Asset Laundering, Terrorism Financing and Bribery Prevention Policy	Intranet	Internal

There is a series of communication channels—overseen by Compliance and AML⁴—that our employees and other relevant stakeholders can use to request guidance, e.g. ask questions and/or file ethics and conduct reports.

We guarantee the anonymity of these channels to ensure confidentiality and non-retaliation for our employees in keeping with our Codes of Ethics and Conduct. Our web page also acts as a channel for suppliers, customers and others.

Ethics and conduct investigations include a report to the Commission and Committee on Ethics and Fraud as well as the Compliance Committee.

Complaint Management Procedure

The complaint management procedure is based on the three pillars of confidentiality, neutrality and independence and consists of the following stages:

- 1 Start of an investigation: Complaints filed through channels managed by the Compliance Division are forwarded to the Evaluating Commission to determine the area that will be in charge of the investigation: Fraud, Human Resources or Compliance.
- 2 Investigative process: The area in charge of the investigation meets with the informant and the defendant to request information from other areas and gather background information.
- 3 The area in charge of the investigation presents the case and its final suggestion to the Ethics and Fraud Commission, which makes use of its authority to issue a decision and any potential penalties.
- 4 Monitoring and investigation report: Periodic meetings are held to review progress, problems and next steps.
- 5 A report on cases and indicators is presented to the Ethics and Fraud Commission twice a year.

Queries

A total of 649 queries were received during the period, all of which were answered (100%).

Queries 2019: 649⁵
Queries 2018: 26

Complaints

106 complaints received. 93% have been resolved and the rest remain under investigation. In 2018 we received 92 complaints, of which 90% were resolved by year end and 10% were closed during the first quarter of the following period.

Complaints 2019: 108
Complaints 2018: 92

⁴ Anti-Money Laundering Prevention (AML)

⁵ The increase in the number of queries versus prior years is attributable to improved automation and recording of queries, as well as better positioning of the area and this issue within the Bank, which has encouraged employee queries.

We train our employees on this issue using two methods. The first is a digital platform where we do specific e-learning for compliance issues, including conflicts of interest, the Code of Ethics, insider information, anti-corruption and complaint channels.

In 2019, a total of 5,528 employees participated with an 83% passing rate.⁶

The Compliance Division also offers face-to-face training for different programs, like the Comprehensive Training Program for executives, the Young Professionals Program and area-specific content programs, like the Contact Center and the Welcome to Itaú orientation program.

SOX Financial Fraud Complaint Channel

The complaint channels established by the bank's Audit Committee to receive, evaluate, investigate and act on complaints from employees and other important stakeholders are:

- **E-mail:** denuncias.fraudefinancierosox@itau.cl
- **Mail:** Confidential letter addressed to the chairman of the Audit Committee – Itaú – Internal Audit Secretary – Avenida President Riesco 5537, Piso 8, Las Condes, Santiago.

These channels are specifically for matters involving accounting, internal accounting controls or audit issues.

As with internal complaint channels, these are confidential and apply to Itaú and all its subsidiaries, branches and representation offices in Chile and abroad (Colombia, United States, Panama and Peru).

⁶ Total participants includes employees who have passed, remain pending, have failed and who have not signed on.

Crime Prevention Model

205-2

On August 30, 2018, our Crime Prevention model earned two-year certification under Law 20,393 on criminal liability for legal entities. For the 2020 recertification process, there is a work plan and ongoing review of progress on commitments to improve.

The law establishes criminal liability for legal entities and aims to prevent crimes of money laundering, terrorism financing, bribery and receiving stolen goods, corruption among private entities, improper management, misappropriation and inappropriate business dealings, among others. The model aims to prevent these crimes from being committed. Certification extends to the Bank and its subsidiaries in Chile.

The program was updated in accordance with modifications to the Criminal Code and to Law No. 20,393 from November 2018 and January 2019. It also considers new developments, technological improvements and international best practices.

By regulation, the Bank and its subsidiaries must adopt, implement, supervise and certify a Crime Prevention Model that includes the following among its main issues:

- Designate a Crime Prevention Officer with sufficient means and authority.
- Identify the activities and processes exposed to the risk that a crime will be committed.
- Establish crime prevention standards, protocols and procedures.
- Establish procedures for managing and auditing financial resources.
- Develop communications and training programs for employees and suppliers.

- Establish sanctions for failure to uphold the model's standards.

- Develop oversight and monitoring programs for the model.

- Certify the model every two years in accordance with CMF General Character Standard No. 302.

The commercial procedure associated with crime prevention is based on the Know your Customer (KYC) form, which aims to identify and verify the identity of all customers and their income, activities, transactions as well as the purpose of the product or service that they will use throughout their commercial relationship with the Bank. This reduces the possibility that the Bank and its subsidiaries become victims of fraud or illegal activities and, consequently, protects Itaú's reputation.

406-1, 205-3

In 2019, there were no incidents of discrimination or cases of corruption reported.

Finally, we offer several employee training courses, including face-to-face training at Bank branches, technical training for specific teams and an anti-corruption module in the new employee induction program. Furthermore, we developed an annual e-learning course on AML regulations, in which 4,710 bank employees participated with a 72% passing rate.

At these trainings, we present the cornerstones of our Prevention Model, report on the crimes listed in the law and reinforce the importance of upholding the Bank's policies and procedures. All of this aims to raise awareness that crime prevention is everyone's responsibility.

	2018	2019
No. of total employees trained on AML	5,010	3,388
% of total employees trained on AML	89 %	72 %

Note: The course began on October 9, 2019. Due to the civil unrest in the last quarter of the year, the implementation deadline was extended to November 15th. The passing rate was lower than in previous years. Consequently, the platform was set up again in January and February 2020 for employees with pending training.

2.1.3. Conflicts of Interest

102-25

At Itaú, we use different tools, including the General Code of Conduct and Code of Ethics for the Bank and its subsidiaries, to regulate potential conflicts of interest within the institution.

The General Code of Conduct establishes that employees facing a conflict or potential conflict of interest must report the situation to the Compliance Division and his or her supervisor, who will help the employee identify a solution to the problem. If necessary, the situation will be assessed by the Ethics and Fraud Committee.

Furthermore, the authority and duties of the Corporate Governance Committee, comprised of six board-appointed members, include creating or modifying the Bank's corporate governance policies, proposing training plans for the Board and Bank executives and assessing best practices in corporate government.

The chairman of this committee shall be responsible for reporting to the Board on events, situations and resolutions that are made known, addressed or agreed upon in its meetings, as well as reporting on the agreements and proposals adopted.

For supplier operations, we have a Related Party Transactions Policy, which establishes that, prior to approving contracts other than those for bank products, the administration division must determine whether the counterparty is on the

list of related parties and, if it is, immediately notify the legal, accounting and compliance divisions.

The contract in question may not be finalized or signed until it has been authorized by the legal division, which is responsible for ensuring compliance with all formalities and authorizations required under the applicable regulations and/or shareholder agreements. It must also ensure compliance with other potentially necessary requirements, e.g., the need for a Transfer Pricing Report.

2.1.4. Regulatory Compliance

Itaú 1

As a financial institution, we are regulated by standards and a legal framework. We are also constantly monitoring new demands from the market and regulatory bodies as part of our prevention and regulatory compliance efforts. Some new regulations that will impact our operations were approved this year. Some other regulations are being reviewed. If the modifications pass, they could also impact us in the short, medium and long term.

1. Law No. 21,193, which Modifies Law No. 21,131 on Payment Within 30 days

Following enactment of this law, as of March 2020, the maximum deadline for payment of invoices will be 30 days.

In that context and as part of our ongoing concern for maintaining sustainable supplier relationships with our suppliers, we are currently strengthening the Bank's purchasing and payment cycle in order to fully comply with the legal framework.

2. Law No. 21,167 on Forms of Payment for Current Account Overdrafts

This law modifies DFL707 (also known as the Current Account and Checks Law) to establish that, by default, balances that debtors hold on lines of credit will be automatically paid with funds available in the associated current account.

Nevertheless, customers will be able to select another amortization system using the manual payment option that allows them to choose how much, when and how outstanding balances will be paid. Customers may select and change the amortization system as many times as they deem appropriate. Changes will be effective on the first business day of the next calendar month. This law takes effect as of January 2, 2020.

We reported these changes to our customers in a simple, easy-to-understand letter that avoided technical language in order to facilitate comprehension.

Furthermore, we trained our employees from the Contact Center and our entire branch network to answer customer questions through any of the service channels.

3. Bill to Modify Law No. 19,628 on the Protection of Private Life in Relation to Data Publication

There are a series of bills to modify basic standards on protection of personal information for individuals in Chile. The most noteworthy include:

- Creation of a government agency to ensure compliance with personal data protection regulations.
- A higher standard of protection and sanctions similar to those established in the European General Data Protection Regulation (GDPR).
- Prohibits publication of debts owed to educational institutions.

- Establishes a 30-day grace period prior to publication of past-due debts.

4. Bill of Law Modifying Law No. 20,009, which Limits Credit Card Holders' Responsibility for Transactions

Made with Lost or Stolen Cards. This bill aims to modify Law No. 20,009 to incorporate a special regime of responsibility, in the event of theft or fraud, for those who issue payment media.

In terms of responsibility for transactions prior to notification, cardholders will be able to dispute transactions upon notification or within 30 days. The dispute may include transactions on the account statement if no more than 120 days have passed since the statement was issued.

The account credit or cancellation of charges for less than 35 UF (mandatory credit) will take place within five days of reporting the disputed charge. For charges exceeding 35 UF, accounts will be credited within seven days of the end of the first five business days.

The bill specifies that an exception will be made if the issuer gathers information that proves fraud or gross negligence by the user, in which case the issuer is entitled to take all action provided for under the law before the criminal judge.

Finally, issuers may not offer users insurance policies that cover risks that, by law, should be assumed by the issuer. This excludes insurance policies that issuers may contract as a beneficiary at their own cost.

5. Bill of Law to Regulate Financial Portability

This bill of law aims to establish the process for transferring products and financial services between financial institutions. It sets deadlines and simplifies paperwork procedures. It introduces special subrogation for loans with real guarantees, which applies only to financial products for which payment obligations are fulfilled in a single payment.

6. Bill of Law to Modify the General Banking Law and Civil Procedure Code in Order to Establish the Commercial Value of Real Estate as a Minimum for Auctions and Protect a Single Dwelling Indicated by the Debtor via Court-ordered Lien.

The bill aims to protect debtors from real estate auctions. To that end, it would modify the Civil Procedural Code and General Banking Law as follows:

- Extend deadlines for responding to the complaint or contesting foreclosure.
- Expand the catalog of exceptions for contesting foreclosure.
- When a property has already been seized, the creditor may only request a judicial lien—not auction—at the foreclosure trial if the following conditions are met: the real estate is the debtor's and/or the debtor's family's dwelling; the real estate is the debtor's only property; and the debtor has paid 50% or more of the principal.
- In the event of an auction, the property is appraised at commercial value, not tax value. Similarly, it restricts reductions in the auction price in the absence of bidders.

7. Regulations for Computing Regulatory Capital in Consultation by the Financial Market Commission (CMF).

Law No. 21,130 modernizes banking legislation and sets general guidelines for establishing capital adequacy in line with international Basel III standards. It gives the CMF the authority to dictate the capital framework through prudent regulations.

On November 19, 2019, the CMF published a consultation on the standard used to calculate the regulatory capital that banks must use in order to comply with the legal limits established in the General Banking Law. This new regulation aims to make sensible adjustments to determine the amount available at the different capital levels, isolating components that are of low or uncertain economic capital or are difficult to liquidate under conditions of financial stress.

Highlights of these sensible adjustments include complete deduction of intangible assets and emission of hybrid instruments from foreign subsidiaries, partial deduction of tax deferred assets as well as some reserve or earnings entries. Likewise, it establishes sensible standards on concentration and the amount for which non-controlling interest in entities consolidated by the Bank is recorded, which depends on the regulatory requirement of the subsidiaries. Finally, the hybrid instruments issued by subsidiaries will no longer be recognized in consolidated regulatory capital.

The Bank's core capital will be common equity tier 1 (CET1) after deductions. Likewise, the sum of the three components post-deduction will be considered regulatory capital for the purposes of applying the provisions of the General Banking Law. The limits of Article 66 of the Law must be met on local consolidated (the Bank and its subsidiaries in Chile) and global consolidated (the Bank and its subsidiaries in Chile and abroad) bases.

2.1.5. Free Competition

206-1

Competition is essential for customers and consumers to exercise freedom of choice. Our regulations sanction any act or convention that impedes, restricts or obstructs free competition or tends to produce such effects. Consequently, among other things, our Code of Ethics establishes that employees are required to act in accordance with precepts of free competition and respect the reputation and opinions of our competitors.

With this in mind, we must remain attentive, among other things, to two types of practices that are contrary to free competition: (i) unfair competitive practices, i.e., engaging in improper business practices to obtain an advantage over a competitor, and (ii) collusion agreements, i.e. when a group of companies agree to not compete with each other in order to jointly increase their gains.

In 2019, we were involved in two subsequent proceedings before the Tribunal for the Defense of Free Competition (TDLC):

(a) In the first (case file C-323-2017), along with other banks, we claimed that Banco Estado had abused its dominant position on the interbank electronic transfers market, which translated into discriminatory, anti-competitive pricing for receipt of those transfers. As part of this claim, we requested that the TDLC fine BancoEstado, order it to cease the anti-competitive practices and adjust charges to transparent, objective and non-discriminatory parameters. Final arguments were delivered on July 30, 2019 and as of the date of publication of this document, judges are still studying the case prior to issuing a ruling.

(b) In the second case (case number C-349-2018), we were notified of three claims filed before the TDLC by companies operating in crypto currency. In general, the claims state that, by closing or refusing

to open current accounts in the plaintiffs' names, banks—including Itaú—are abusing their collective market power to block or impact the competition that the plaintiffs would represent on the major payment media and currency exchange markets.

They request fines and that the banks be ordered to abstain from engaging in the reported abuses. The case is currently in the period when evidence is produced, specifically testimonial evidence by the parties.

2.2. Shared Value

2.2.1. Our Business Model

102-9



2.3. We Work with and for the Customer

2.3.1. Our Customers

	2018	2019
Total customers	955,705	1,003,881

2.3.2. The Best for Our Customers



Region	2018				2019			
	Itaú	Personal Bank	Banco Condell	ATMs	Itaú	Personal Bank	Banco Condell	ATMs
Arica and Parinacota	1	0	1	3	1	0	1	3
Tarapacá	4	1	1	15	4	1	1	15
Antofagasta	4	1	4	25	3	1	3	24
Atacama	1	0	1	17	2	0	2	17
Coquimbo	4	0	3	41	4	0	3	39
Valparaíso	10	2	12	42	8	2	11	36
Libertador Bernardo O'Higgins	4	0	2	26	4	0	2	30
Maule	5	0	3	18	5	0	3	18
Ñuble	-	-	-	-	2	0	1	6
Biobío	11	1	5	41	9	1	4	37
La Araucanía	3	0	2	14	3	0	2	13
Los Ríos	2	0	1	6	2	0	1	2
Los Lagos	4	0	2	4	4	0	2	6
Aysén	0	0	1	2	0	0	1	1
Magallanes	2	0	1	6	2	0	1	6
Metropolitan	68	15	16	204	61	18	16	171
Total	123	20	55	464	114	23	54	424

Customer Service Channels

In 2019, we placed special emphasis on improving our customer experience. To do so, we have made several customer service channels available to meet each person's needs:

Customer service hotlines (available 24 hours a day, 365 days a year), where our customers can:

- Block and reissue credit and debit cards
- Stop payment on checks
- Pay for products and access transactional information

- Receive support for navigating and accessing the website

- Branches throughout Chile.

Itaú web site and App, where customers can:

- Check balances on current accounts, lines of credit, credit cards and investments
- Review recent current account and credit card activity
- Pay lines of credit, credit cards and service accounts
- Transfer funds

- Get cash advances from credit cards
 - Invest in time deposits
 - Simulate and contract lines of credit (pre-approved customers only)
 - Increase limits on credit cards and preferential credit line
 - Access information on credit card benefits and payments
- Search for the closest branch or ATM, and much more

51.9% of customers have downloaded the Itaú App as of December 2019.

Social networks:

- Facebook: www.facebook.com/itauchile
- Twitter: @itauchile
- Instagram: @itauchile

Quality and Customer Satisfaction

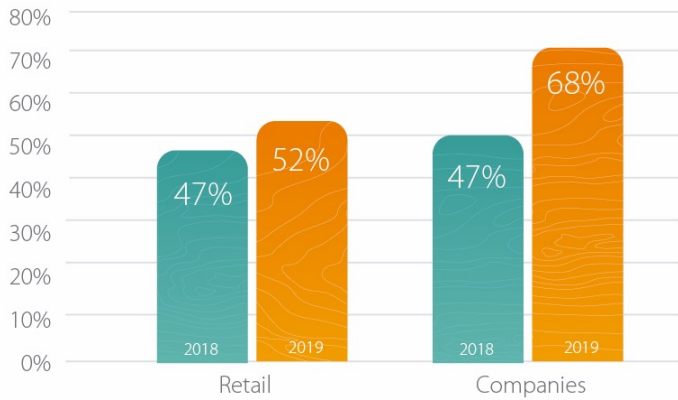
[Material issue] 103-2, 103-3, Itaú 2

Our customers' experience in each interaction with the Bank is key to building a long-term relationship. So, in 2019 we took several actions to significantly improve our overall satisfaction ratings.

In our effort to improve service quality, we migrated our internal monitoring and assessment processes to a new measurement methodology called Net Promoter Score (NPS), which is a more demanding metric associated with the probability that our customers will recommend us.

We closed out the year as the best bank in the Small and Medium Enterprise (SME) segment, according to the most recent Servitest PYME results, which ranked us first in the local industry for both global satisfaction and service by account executives.

Overall Satisfaction Index



Note: The retail figure includes Itaú Personal Bank and Itaú customers. The companies figure is a weighted average of Servitest Corporaciones, which measures Corporate Banking customers, and Servitest Empresas Minoristas and Servitest PYME, which measures Itaú Companies customers. The 2018 figures published in the previous report were recalculated to include Servitest PYME.

Net Promoter Score (NPS)



Note: The retail figure includes Itaú Personal Bank and Itaú customers. It is a weighted average of Servitest Corporaciones, which measures Corporate Banking customers, and Servitest Empresas Minoristas and Servitest PYME, which measures Itaú Companies customers.

We will continue to build upon these positive results, which reflect a joint, ongoing, organization-wide effort. Everyone who works at Itaú is responsible for the customer service experience we offer.

2.3.3. Digital Transformation

[Material issue] 103-2, 103-3

The Bank's digital transformation process, which aims to positively impact the customer experience, has given rise to challenging and innovative internal work methodologies. These have produced significant results for internal processes and customer experience and will continue generating improvements.

Three years ago, we began creating digital innovation centers to meet this challenge. These multidisciplinary teams of bank employees work collaboratively, keeping the customer at the center, to test and try new solutions to provide an extraordinary digital experience for those who give us their business.

This working method involves an exhaustive, organization-wide review of our processes with the aim of becoming more efficient and harnessing new technology to directly impact our customer experience.

In 2019, digital innovation centers showed significant progress in terms of autonomy, project management and delivering results.

Functionality	Available Digital Platform	Highlights
Enter number of payments for consumer loans	Web	Allows customer to enter the number of desired payments in order to take out a consumer loan. The field was changed from allowing customers to select from a list of predetermined options to free text.
ItauPass	Web and App	Use of one-time password residing in the customers' iOS or Android telephone in order to approve transactions on the Itaú App or Web, thus improving usability and security for customers.
Push notifications	App	Launch of push notifications through Itaú and Personal Banking Apps for the most important transactions and those that pose the greatest risk for our customers.
Text message as security measure for payments from accounts and Servipag payment buttons	Web and App	Send customers a text message as an anti-fraud security measure on account payments through the Itaú site and Servipag.
Payment calendar for pre-approved consumer loans	Web	Allows customers to select the payment date for their consumer loan.
Call back in the flow for a first transfer when the customer does not receive the text message in the web flow.	Web	One minute after customers open the transfer confirmation page, a message appears asking whether they are still waiting for the text message and whether they would like to receive the password via telephone call. This contributes to improving the customer experience and transaction speed.

2.3.4. Chile's First Digital Branch

Itaú 3

In 2019, a project we have been working on for a while came to fruition: the first Itaú Digital Branch. We did not settle for just one. By the end of 2019, we had two operational digital branches. The first was for personal banking customers and the second for the Itaú network. By year end, they were serving a total of 3,500 digital customers.

This new service model targets customers with a digital profile, those for whom speed, simplicity and customized service are essential. Through the digital branch, individuals can use any of the available remote channels to contract new products, ask questions and file service requests with their executives. The digital branch offers practically the same products as a traditional branch, with the exception of those operations that require delivery of a physical product, like a cashier's check or cash withdrawal.

One advantage of the model is the multi-channel approach offering different remote service options, including: e-mail, telephone and a customer-only chat. The model also has extended service hours, from 8:00 to 19:00, access via App or private website and above-market standards for case resolution and customer service. In fact, response times are met more than 90% of the time through any of the service channels—another attribute that customers value.

The digital branches for both areas are 100% operational and have been well received by customers. Less than 6% of customers have opted to maintain the traditional service model of the

physical branch. Those who did, primarily cited a good relationship with their long-time executive.

2.3.5. Strengthening Cybersecurity

418-1, Itaú 4

We are aware of today's digital revolution, where immediacy, speed and efficiency are essential for people. This presents an important challenge: working continuously to improve the experience on our platforms, while bearing in mind our security mechanisms.

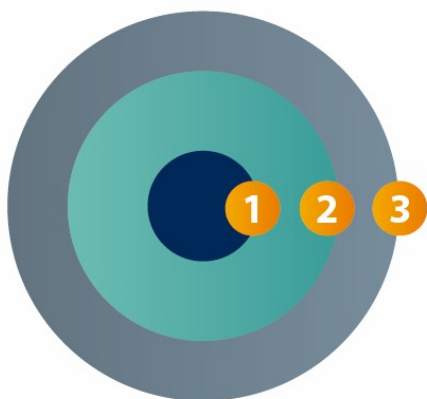
As a reflection of our commitment to strengthening the Cybersecurity and Fraud Division, which is strategically tied to the digital transformation process, it reports directly to the Corporate Risk Manager.

The division's objectives have led to major investment in technology infrastructure, telecommunications and segregation of duties, thereby considerably improving our standards. This is in addition to heavy investment in specialized human capital with experience in the field and the industry.

Implementing new ways of addressing cybersecurity at the Bank required growth and an understanding that improvement must be ongoing and involve new processes.

In 2019, efforts focused on reinforcing an organization-wide culture of cybersecurity at the Bank—including suppliers—and expanding the related processes and governance. The division conducted several operational continuity exercises that enabled them to strengthen our cybersecurity strategy and plans.

Lines of Defense



1st Line of Defense:

Business and Support Areas

Responsible for identifying, measuring, evaluating and managing the operational risks that can impact ability to meet strategic and operational objectives.

2nd Line of Defense:

Internal, Compliance and Operational Risk Divisions

Responsible for assisting the Business and Support areas in managing operational risks and ensuring processes abide by current regulations (internal and external).

3rd Line of Defense:

Internal Audit

Responsible for regularly and independently evaluating the adequacy of risk management processes and procedures in accordance with Internal Audit Policy and reporting results to the Audit Committee.

Cybersecurity Lines of Defense



Two internal cybersecurity events were held in 2019:

Itaú Talks: Digital Transformation	“Strengthening Cybersecurity in Latin America” Event
<p>In October, cybersecurity month, the first of four Itaú Talks 2019 events was held with Mario Farren, presidential advisor on cybersecurity, who spoke to executives and employees about cybersecurity, expounding on the country’s digitalization process, regulatory issues in cybersecurity and the cultural change required to address these challenges.</p>	<p>The Itaú-organized event aims to promote a secure community in Chile so that banks can share intelligence on a global platform in order to prevent and take immediate action in the face of any incident or threat to the financial market.</p> <p>The issues were related to the outlook for the world and the Latin American region, corporate cybersecurity, the benefits of belonging to FS-ISAC (Financial Services Information Sharing and Analysis Center) and the importance of strengthening the MISIP (Malware Information Sharing Platform & Threat Sharing), a platform used to share cybersecurity threats and promote preventative action in the banking industry.</p>

Cybersecurity risk culture is relevant, especially for customers since they are the most vulnerable link in the fraud chain. That is why we focus efforts on ongoing education regarding the required precautions, protecting their passwords and avoiding falling victim to phishing⁷ or pharming⁸ schemes.

Furthermore, in order to protect customer data and information, our different cybersecurity tools are applied in layers to mitigate different types of risk. The measures are focused on avoiding risks of invasion, data leaks and unauthorized access. Furthermore, information classified as confidential or secret is protected with several access mechanisms to safeguard its integrity and confidentiality.

In 2019, there were no privacy violation or personal data leak incidents, directly or via third parties or regulatory bodies.

Just as for the topics of ethics and conduct, the Bank has security policies and regulations that apply to the entire organization. These internal use documents are available on the corporate intranet. We also offer an Awareness and Culture Program for new employees as well as areas with more specific processes. In 2019, 78% of eligible employees received face-to-face training and 90% participated digitally.

Another important document is the Regulations on Treatment of Cybersecurity Incidents, which establishes how to react to an incident, event or anomalous activity through an internal communication flow. All employees are responsible for knowing and implementing the instructions in this document.

External Assurance and Vulnerability Analysis

In order to guarantee security for internal and external infrastructure, the Bank performs Ethical hacking analysis and uses Pentest to analyze network and web site security.

This is in addition to the periodic scanning and analysis of platforms, networks and critical bank systems performed by the Internal Audit Division, which is also responsible for testing the controls that the Bank has implemented. In order to respond to incidents, testing covers scenarios ranging from a denial-of-service attack to a phishing e-mail.

We do not have a certified information security system, but our system is aligned with international standards like ISO, CIS and NIST.

4 Phishing: a method used to deceive and get an individual to reveal personal information, e.g. passwords, credit card information and bank account numbers. It is done by sending fraudulent e-mails or redirecting to a false website.

5 Pharming: A fraudulent practice similar to phishing, with the difference being that it manipulates legitimate website traffic to direct users to false websites that are very similar in appearance. These sites install malware on the visiting machine and record the users' personal data, e.g. passwords and bank account information.

2.4. Risks and Opportunities

2.4.1. The Itaú Risk Culture

102-15

Managing risk is the essence of our business and a responsibility of all employees

A strong risk culture enables us to conduct banking activity with the confidence that we are safeguarding the interests of our employees, customers, shareholders and society as a whole. In 2019, the risk culture expanded as we trained our employees on individual risk responsibility.

At Itaú, our risk management model originates with our controlling shareholder, Itaú Unibanco. Since the merger, we have increasingly aligned with their guidelines. This year, as we continue to adapt locally, we created a self-assessment map that included the first line of defense in order to survey all the institution's risks from this perspective.

As a next step, we created a map of the institution's main concerns, which will be used to generate the risk response that identifies the most critical risks for close monitoring through a specific action plan. This will allow us to design and create more robust control environments.

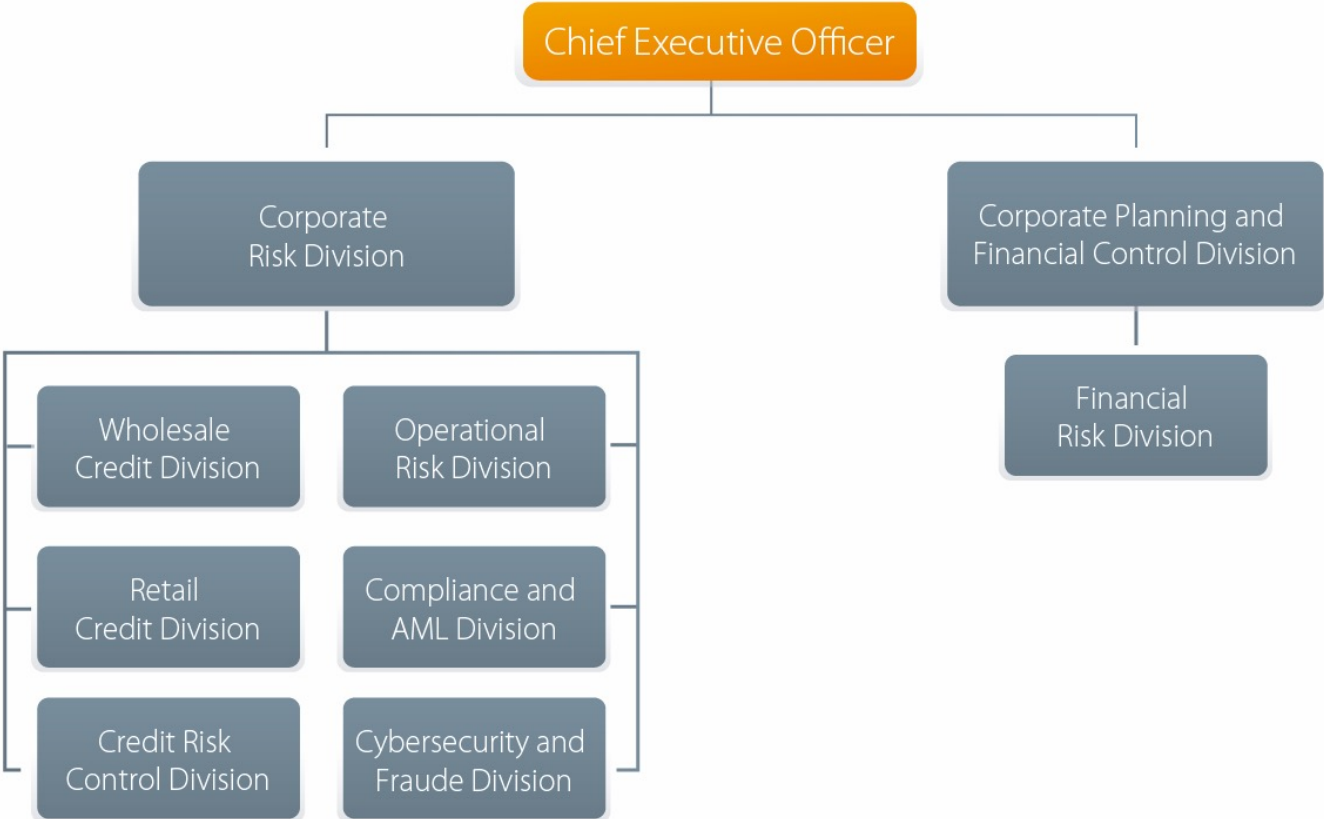
2.4.2. Risk Management

The Corporate Risk Division reports to the Chief Executive Officer and aims to secure a competitive advantage for the Bank through comprehensive risk management, which allows business areas to meet their targets in an adequate control environment aligned with the established risk appetite.

The critical functions are as follows:

- Manage and control the Bank's credit risk. Participate actively in all stages of the credit cycle, from origination to collections and normalization, for all business segments.
- Establish policies and procedures for the Bank's credit risk.
- Establish and develop credit risk and provisioning methodologies that are consistent with the standards and guidelines issued by senior management and external regulators.
- Establish and conduct the Bank's processes for analysis, control and monitoring of credit risk management.
- Manage operational risk. Play a central role in controlling risk in operational processes in order to ensure business continuity, information security controls, fraud identification and control and preventative monitoring.

Given the demands of industry modernization and in order to optimize and strengthen performance, Operational Risk and Compliance are now separate but parallel divisions. The addition of the new Cybersecurity and Fraud Division completes the Bank's new risk administration and management structure.



To complement the work of the board and management committees, we have formed some executive committees with a specific strategic outlook on several of the risks that the bank faces:

- Ethics and Fraud Committee
- Capital and Risk Committee
- New Products and Processes Committee
- Information Security and Cybersecurity Committee

2.4.3. Risk Management Policies

The Bank periodically reviews its risk management policies and structure, which aim to identify and analyze the risks faced by the organization. They establish limits and control processes to keep risk within the desired risk appetite.

The Bank aims to create an appropriate control environment within a comprehensive risk management culture where employees understand their roles and responsibilities.

Policies and Documents that Support the Risk Culture:

1. Corporate Technology Policy
2. Corporate Anti-Corruption Policy
3. Financial Risk Policy
4. Market Risk Policy
5. Operational Risk Policy
6. Liquidity Risk Policy
7. Valuation Policy
8. Management of Financial Risk Models Policy
9. Volcker Rule Policy
10. Internal Audit Policy
11. Business Continuity Policy
12. Information Security Policy
13. New Products and Processes Policy
14. Creation, Modification and Approval of Institutional Documents Policy
15. Subsidiary Corporate Governance Policy
16. Policy on Gifts and Invitations from Customers and Third Parties
17. Employee Gifts and Invitations Policy
18. General PEP Management Policy
19. Incident Management Policy
20. Data Governance Policy
21. Financial Investments by Foreign Subsidiaries and Offices Policy
22. Code of Ethics
23. General Code of Conduct
24. Securities Market Code of Conduct
25. Asset Laundering, Terrorism Financing and Bribery Prevention Manual
26. Market Information Manual
27. Liquidity Contingency Plan

2.4.4. Risk Rating

2.4.5. International Risk Ratings

Itaú Corpbanca is rated internationally by two leading global agencies: Moody's Investors Services (Moody's) and Standard & Poor's Global Ratings (Standard & Poor's or S&P Global).

On January 22, 2020, Moody's confirmed the risk rating for Itaú at 'A3/ Prime 2', reflecting a standalone baseline credit assessment (BCA) of 'baa3'. However, this remains constrained by our low capitalization and could face downward pressure if the Bank's ongoing retail strategy implementation does not lead to higher profitability and lower dependence on wholesale funding. Moody's expects that our profitability will benefit from growth in loans and reduced funding costs. However, they estimate that

our funding strategy may take some time to materialize.

The 'A3' rating on our deposits reflects Moody's estimate of potential support from Itaú Unibanco Holding S.A. (Itaú Unibanco, 'Ba3/stable') and the Chilean government ('A1/stable') that together result in a three-notch improvement relative to our BCA of 'baa3'.

The 'stable' outlook reflects our conservative risk management.

Moody's	Rating
Long-term counterparty risk	A2
Long-term foreign currency deposits	A3
Long-term foreign currency debt	A3
Short-term foreign currency deposits	Prime-2
Outlook	Stable

On May 28, 2019, Standard & Poor's ratified the ratings at 'BBB+/A-2'. Our outlooks are 'stable', reflecting reduction in nonrecurring events and credit risk provisions that reinforce expectations of improved results in the next 24 months. On one hand, the main barriers to higher profitability are greater industry concentration in Chile, low inflation and hectic economic activity. S&P estimates that the Bank's capital indicators will continue to be its greatest weakness, given the high burden of goodwill following the Corpbanca-Itaú Chile merger.

Our ratings continue to review our business model as we expand platforms, products and Itaú Unibanco segmentation in the retail segment. They focus on the central portfolio of the wholesale segment and increased non-interest income (e.g. cash management). While we have lost some market share over the years, commercial portfolio adjustments fueled increased loan delivery beginning in 2018. At the same time, we saw stabilization in non-recurring impacts and reduced provision expenses, which generated greater gains in the last three years (return on assets was approximately 0.9%, excluding amortization of intangible assets).

Furthermore, we maintain a sound level of regulatory capital at 14.3%, which is above the industry average. We also have broad access to financing and maintain adequate liquidity levels. Since the merger, the asset and liability management strategy has been adjusting financing costs, while it seeks to extend maturities and diversify the financing structure.

Standard & Poor's	Rating
Solvency	BBB+
Long-term foreign currency bonds	BBB+
Short-term foreign currency debt	A-2
Outlook	Stable

2.4.6. Local Risk Ratings

At the national level, Feller Rate Clasificadora de Riesgo Ltd. (Feller Rate) and Clasificadora de Riesgo Humphreys Ltda (Humphreys) assign local risk ratings.

On March 29, 2019, Feller Rate ratified local risk ratings at 'Aa' with a 'positive' outlook. The rating reflects very strong business and risk profiles; financial backing and adequate funding and liquidity ratings; and moderate generation capacity.

The 'positive' outlook reflects a favorable trend in generation capacity, with growing results derived from greater commercial activity and controlled provisions for loan loss. To the extent that we continue strengthening our generation capacity (achieving results consistently within the range of the system average) with controlled credit risk levels, the rating should improve.

Feller Rate	Rating
Solvency	AA
Time deposits maturing in more than 1 year	AA
Letters of credit	AA
Bonds	AA
Bond lines	AA
Subordinated bonds	AA
Subordinated bond line	AA
Time deposits maturing in less than one year	Level 1+
Single-series shares	First Class Level 1
Outlook	Positive

On May 30, 2019, Humphreys assigned an 'AA/Level 1+' rating to our long and short-term debt, respectively, and 'favorable' outlooks, reflecting their expectation that the measures we have adopted will positively impact risk and profitability levels.

The ratings primarily reflect our capacity to develop a business model and organizational structure founded on sound, formal instances to control the risks inherent to our activities, including credit, market and operational risk. The strength of the control environment rests on the institution's own policies, its organizational culture, regulatory demands by the authorities and the know-how transmitted by our controlling shareholder, Itaú Unibanco.

The rating process also accounts for the Bank's listings on Santiago Exchange (2002) and the New York Stock Exchange (2004) as elements that favor corporate governance practices. The demands imposed by the stock exchanges affect the quality and detail of public information that the Bank discloses to the market. The assessment recognizes that the company's current majority shareholders are a large Latin American financial group with vast experience in the business and a leader in the Brazilian market.

Humphreys	Rating
Solvency	AA
Letters of credit	AA
Bonds	AA
Bond lines	AA
Long-term deposits	AA
Subordinated bonds	AA-
Subordinated bond line	AA-
Time deposits maturing in less than one year	Nível 1+
Single-series shares	First Class Level 1
Trend	Favorable

2.4.7. Risk Management

The risks defined by Itaú are constantly monitored under the institution's risk management structure based on risk type:

Type of Risk	Financial Risk
Description of the risk	Financial risk refers to the probability that an event has negative financial consequences for the organization.
Risk management at Itaú	<p>The purpose of managing financial risk is not to eliminate it, but rather to limit exposure to negative events in line with the risk appetite of the Bank's Board of Directors and the regulations that govern financial institutions. Along this line, the main risks to which Itaú is exposed are market risk (currency and interest rate) and liquidity risk (diversification of funding sources and uses).</p> <p>The Corporate Treasury Division, in collaboration with the Financial Risk Division, is responsible for using pre-established metrics to manage consolidated market and liquidity risk for the Bank's operations in both Chile and Colombia. The Assets and Liabilities Committee (ALCO) oversees management and control of market and liquidity risks.</p>
Milestones in 2019	<p>In 2019, the Financial Risk Division has continued to consolidate the bases and improve processes and data validation in order to generate financial risk reports. A new model, aligned with industry best practices, was implemented to measure counterparty risk from derivatives.</p> <p>Finally, in the second half of the year and as part of the annual market risk management assessment plan, Chilean regulators visited the Bank and maintained our rating.</p>

Type of Risk	Credit Risk
Description of the risk	<p>Given the nature of these risks and in order to better manage them, we have specialized teams for each commercial area: Wholesale Credit and Retail Credit.</p>
Risk management at Itaú	<p>The Wholesale Credit Division works with the credit risk control area to monitor customer behavior and, if necessary, processes administrative and judicial collections for the Wholesale Banking Division.</p> <p>This division administers the credit approval process for all of this division's customers, which requires maintaining adequate control at all stages of the process: conducting technical studies of the customers' economic and financial position; giving presentations on financial projections, sector and economic studies to the pertinent decision-making authorities; as well as carrying out loan analysis, structuring and assessment.</p> <p>The Executive Loan Committee—chaired by the Chief Executive Officer and comprised of the Chairman of the Board, an appointed director, the Corporate Risk Manager and the Wholesale Credit Manager—is the highest body for local assessment. However, Itaú Unibanco Executive Loan Committee must ratify the local committee's decisions for loans involving exposure amounts and risk ratings in excess of pre-established limits.</p> <p>The Retail Credit Division is responsible for the credit processes for all Retail Banking segments, which includes Itaú, Itaú Personal Bank, Itaú Private Bank, Itaú Companies and Banco Condell.</p> <p>Each segment has different characteristics that impact credit analysis and approval. On that basis, proactive origination processes are encouraged, using statistical admission and behavior models as well as differentiated strategies for each customer type.</p> <p>We use an automated platform to assess credit applications submitted by individual Banco Condell, Itaú and Itaú Personal Bank customers. The platform verifies that each request meets the requirements set forth in the Credit Policy and the corresponding standards for granting the credit. It also controls the level of authority and approval required. However, a structured, case-by-case methodology is used to evaluate financing proposals from Itaú Companies and Itaú Private Bank customers.</p> <p>We promote and develop proactive credit-granting models by generating pre-approved or pre-evaluated offers. Internally developed statistical behavior and approval models are used to identify customers and prospects with high potential and good credit to whom financing is offered in a more active, direct manner. These strategies enabled us to record higher growth than our main competitors in consumer loans in 2019.</p>
Milestones in 2019	<p>In 2019, service focused on consolidating credit processes, training teams and ongoing review of the credit portfolio.</p> <p>In the individual banking segments, we made progress on robotic process automation (RPA). These implementations have enabled us to improve efficiency and growth capacity in a sustainable manner.</p> <p>In the segments serving legal entities, we made progress on an electronic assessment platform that will replace current manual processes during the first quarter of 2020. The solution will reduce processing times by automating controls and eliminating manual processes.</p>

Type of Risk	Operational Risk
Description of the risk	<p>The main purpose of the management model adopted by the Bank and its subsidiaries is preventative and effective risk management in five stages: identification, prioritization, response to risk, monitoring and reporting.</p>
Risk management at Itaú	<p>Managing operational risk, including legal risk, is fundamental to achieving the organization's strategic objectives. For this task, we have a functional structure comprised of the Board of Directors, Operational Risk Committee and a division specialized in operational risk, business continuity and internal control.</p> <p>The Operational Risk Division is responsible for creating a regulatory framework for risk management and communicating a risk culture at the Bank, while raising awareness of the four lines of defense: the business and support areas, the Operational Risk Division Compliance and AML Division and the Internal Audit Division.</p> <p>In 2019, efforts were undertaken to reinforce the roles and responsibilities of the four lines of defense in order to work together and maintain an adequate control environment at the organization.</p> <p>Furthermore, in accordance with established methodology, 2019 operational risk management was marked primarily by the risk self-assessment for the first line of defense, which revealed 1,213 risks throughout the organization. Thus, risk response efforts began with the launch of OY, DRO and risk indicators.</p> <p>Efforts to strengthen operations with international units resulted in greater adhesion to corporate methodology and policies.</p> <p>In 2019, the Business Continuity Program expanded its scope to include 100% coverage of the current process map. Furthermore, we updated our methodological framework to include strategies for facing malicious attacks that could affect the Bank's cybersecurity.</p> <p>Finally, the testing program associated with the risk scenarios described in this year's methodological framework made considerable progress on the Bank's approved plans. The program expanded the quantity and quality of the exercises (including cybersecurity) with the final objective of ensuring the capacity to continue serving our customers in the face of events that impact business continuity.</p>
Milestones in 2019	<p>The Business Continuity Program expanded its scope to cover 100% of the current processes map.</p> <p>Furthermore, we updated our methodological framework to include strategies to address malicious attacks that could impact the Bank's cybersecurity.</p> <p>We also implemented the risk self-assessment process, increasing coverage levels for the processes and risk surveys.</p>

Type of Risk	Compliance Risk
Description of the risk	<p>The Compliance and AML Division aims to raise awareness regarding the regulatory environment, transmitting Itaú's ethical conduct standards and safeguarding the brand's reputation on all markets. All of this is done through an organizational and functional culture that facilitates quick identification and satisfactory resolution of potential conflicts.</p>
Risk management at Itaú	<p>Regulatory risk management is performed through analysis of regulatory changes and the consequences that could derive from them.</p> <p>Ethical standards are managed and transmitted through a training and communications plan as well as complaint management. These efforts seek to raise awareness and create a culture of business ethics among all Itaú employees.</p> <p>Then, reputational risk management aims to mitigate situations that could expose Itaú to negative perceptions by stakeholders. This is done, through several analyses and reviews of our interactions with different market players.</p>
Milestones in 2019	<p>In 2019, the positioning of the Compliance and AML Division exponentially increased in terms of employee queries and requests as awareness of the importance of upholding the aforementioned pillars increased.</p> <p>In terms of disseminating ethical guidelines, a communications and training plan was implemented and very widely accepted by employees.</p>

Emerging Risks	Cybersecurity
Description of the risk	Exploitation of vulnerabilities or new laws that involve information assets exposed over cyberspace, causing loss to the information's confidentiality, integrity and availability or compromising customer or third-party data, which could have significant impact and even affect business continuity.
Risk management at Itaú	One of the primary objectives is to guarantee process and operations security in the digitalized environment by continuously strengthening the control environment with solutions that translate into rapid responses in the event of any type of threat, event or incident.
Milestones in 2019	<p>There was significant risk management progress this year. The Cybersecurity and Fraud Division was created, thereby doubling the number of specialists dedicated to these issues. It focuses primarily on establishing a vulnerability management strategy, treating incidents, modeling safe software development, systems security and a personal data protection strategy.</p> <p>The cybersecurity culture plan was strengthened leading up to 2020 and focuses on customers and employees. Additionally, cyber attack simulations were used to assess the capacity to react to and resolve incidents.</p>

Emerging Risks	Fraud
Description of the risk	Transactional fraud using the customers' products due to absence of systems that enable digital transactions to be stopped.
Risk management at Itaú	The objective is to prevent transactional fraud in a timely manner using preventative alerts and taking actions that enable the transaction to be stopped or stolen funds to be retained.
Milestones in 2019	<p>In 2019, initiatives were undertaken to better manage the risk generated by transactions like electronic fund transfers and electronic payments, by establishing limits and adding controls to operations.</p> <p>Prevention tools were implemented for Mastercard and Visa brand credit cards. By assessing transactions in conjunction with adaptive rules we were able to halt digital fraud without impacting customers.</p> <p>Finally, we worked on establishing a comprehensive fraud prevention model that provides a complete vision of customers and, thereby prevents and interrupts fraudulent digital transactions. This model will be the new way Itaú controls fraud for customers.</p>

Emerging Risks	Money Laundering
<p>Description of the risk</p>	<p>Risk of being used as a vehicle for money laundering, terrorism financing or an illicit act via use of our financial instruments to provide a legal source for funds that originate in criminal activities. Such an event could compromise our reputation and expose us to the sanctions set forth by law.</p>
<p>Risk management at Itaú</p>	<p>We work to continuously improve and strengthen the foundation of the prevention program, the Know your Customer (KYC) form. We improve systems, processes and monitoring, while providing technical training and knowledge training for our employees on Prevention Program issues. Training is always based on local regulations and international best practices.</p> <p>Additionally, monthly meetings are held with international units to report on the main efforts and plan new action.</p>
<p>Milestones in 2019</p>	<p>In 2019, alert parameters were improved and some new ones were created. We also added dynamism and up-to-date content to e-learning and online courses.</p> <p>As a complement and a continuation of the process for recertifying the prevention model under Law No. 20,393, we created an exclusive Compliance and AML site.</p>

2.4.8. Other Risk Factors

Due to the complex social and political context in Chile, 2019 brought a special review of the risks to which we are most exposed. For this and other reasons that could impact our operations, we consider a series of risks associated with our position as a company listed on the Santiago and New York stock exchanges important, when investing in shares (ITAUCORP) and/or American Depository Shares (ADS). The risk factors associated with our operations in Chile and Colombia, our second most important market¹⁰, are as follows:

We are dependent on key personnel.

Our development, operation and growth depend significantly upon the efforts and experience of our Board of Directors, senior management and other key executives. The loss of key personnel for any reason, including retirement or our inability to timely attract and retain qualified management personnel to replace them, could have a material adverse effect on our business, financial condition and results of operations.

We are subject to market risk.

We are affected by changes in local and global economic conditions as both domestic and international idiosyncratic factors and market structures have an impact in our activities. As a bank with regional exposure, market risk, or the risk of losses in positions arising from movements in market prices, is inherent in the products and instruments associated with our operations. Moreover, as we operate in financially integrated economies, changes in

market conditions may affect us and results of operations include fluctuations in interest and currency exchange rates, securities prices, and changes in the implied volatility of interest rates and foreign exchange rates, among others.

Our results of operations are affected by interest rate volatility and inflation rate volatility.

Our results of operations depend to a great extent on our net interest income. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the Central Bank of Chile and the Central Bank of Colombia, changes in regulation of the financial sector in Chile and Colombia, domestic and international economic and political conditions and other factors. In the current global economic climate, there is a greater degree of uncertainty and unpredictability in the policy decisions and the setting of interest rates by the Central Bank of Chile and the Central Bank of Colombia and, as a result, any volatility in interest rates could adversely affect us, including our future financial performance and the market value of our securities. In addition, inflation rate volatility could adversely affect our net interest income due to fluctuations in the gap between assets and liabilities that are indexed to the UF.

Increased competition and industry consolidation may adversely affect the results of our operations.

The Chilean and Colombian markets for financial services are highly competitive and competition is likely to increase.

¹⁰ For further information, see our Form 20-F report, available at www.itauc.cl, Investor Relations > Financial Information > Annual Reports.

Changes in accounting standards could impact reported earnings.

The accounting standard setters and other regulatory bodies periodically change the financial accounting and reporting standards that govern the preparation of our consolidated financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements.

Currency fluctuations could adversely affect our financial condition and results of operations and the value of our securities.

Economic policies and any future changes in the value of the Chilean peso or the Colombian peso against the U.S. dollar could affect the dollar value of our securities. Our results of operations may be affected by fluctuations in exchange rates between and among the Chilean peso, the Colombian peso and the U.S. dollar despite our internal policy and Chilean and Colombian regulations relating to the general avoidance of material exchange rate gaps.

Our business is highly dependent on proper functioning and improvement of information technology systems.

Our business is highly dependent on the ability of our information technology systems to accurately process a large number of transactions across numerous and diverse markets and products in a timely manner. The proper functioning of our financial control, risk management, accounting, customer service and other data processing systems is critical to our business and our ability to compete effectively. We cannot assure you that our business activities would not be materially disrupted if there were a partial or complete failure of any of these primary information technology systems or communication networks.

We rely on third parties for important products and services.

Third-party vendors provide key components of our business infrastructure, such as different loan servicing systems, internet connections and network access. Any problems caused by these third parties could adversely affect our ability to deliver products and services to customers and otherwise to conduct business.

Banking regulations may restrict our operations and thereby adversely affect our financial condition and results of operations.

We are subject to regulation in the markets in which we operate. In the future, regulators may impose more restrictive limitations on banking activities, which could potentially impact some of our business areas.

On February 23, 2017, Law No. 21,000, was published. This new law modifies, among other matters, the corporate governance and operation of the Chilean regulator for securities and insurance and establishes the Financial Market Commission (CMF). These changes in our regulators' laws may result in further changes in banking regulations or other consequences that could have a material adverse effect on our financial condition or results of operations.

The banking regulatory and capital markets environment in which we operate is continually evolving and may change.

Changes in banking regulations may materially and adversely affect our business, financial condition and results of operations. Chilean laws, regulations, policies and interpretations of laws relating to the financial system are continually evolving and changing.

Colombia has also experienced recent changes to applicable laws, regulations and policies, such as those related to financial inclusiveness and consumer protection. In addition, recently, the Colombian government has expressed its intention to submit this year a bill before the Colombian Congress to change the equivalence of the Colombian peso by removing three zeros from current denomination.

We also have limited operations outside of Chile and Colombia, including Peru and the United States. Changes in the laws or regulations applicable to our business in the countries where we operate, or the adoption of new laws, and related regulations or their applicability or interpretation, may have an adverse effect on our operations and financial condition.

Security breaches, including cyber-attacks, could materially and adversely affect our business, financial condition and results of operations.

We manage and hold confidential personal information of customers in the conduct of our banking operations, and offer various internet-based services to our clients, including online banking service. We could be liable for breaches of security in our online banking services, including cybersecurity breaches. The secure transmission of confidential information over the Internet is essential to maintain our clients' confidence in our online services.

The occurrence of natural disasters or terrorist events in the regions where we operate could impair our ability to conduct business effectively and could adversely affect our results of operations.

We are exposed to the risk of natural disasters such as earthquakes or tsunamis as well as floods, mudslides and volcanic eruptions in the regions where we operate. We also recognize that natural disasters could be amplified by the effects of the climate change phenomenon. Although we maintain comprehensive contingency plans and security procedures, there can be no assurance that terrorist events will not occur and that their occurrence will not have a material adverse impact on our business and results of operations for any fiscal quarter or year.

We may incur financial losses and damages to our reputation from environmental and social risks.

In recent years, environmental and social risks have been recognized as increasingly relevant, since they can affect the creation of shared value in the short, medium and long terms from the standpoint of the organization and its main stakeholders.

Environmental and social issues may affect our activities and the revenue of our clients, causing reputational damage, delays in payments or default, especially in the case of significant environmental and social incidents. Environmental and social risks become more evident when we finance projects, where should there be environmental damage caused by projects in which we were involved with respect to the financing thereof, we could be deemed to be indirectly responsible for such

damage and could consequently be held liable for certain damages.

Ongoing political, legal and economic uncertainty in Chile resulting from social unrest could adversely impact our business.

A series of extremely disruptive protests sparked by economic inequality in Chile began in October 2019 following an announced 4% increase in the Santiago metro fare. Some groups of protesters destroyed public and private property in Santiago and other major Chilean cities. The protests and associated violence interrupted businesses around the country, especially in Santiago and other major cities, like Valparaiso, Concepcion, Antofagasta and La Serena. In response, the government announced a social agenda that aimed to increase basic pensions, expand social health coverage and reduce and freeze the rates for some public services (like public transportation and electricity) for regulated customers.

To fund the initiatives, the administration and opposition agreed on a new tax reform.

Furthermore, leading political and social players affirm that the social discontent reflects the desire for a new constitution. Thus, on November 15, 2019, a majority of local political parties agreed on a new constitutional process that begins with a referendum on two issues: (i) whether there should be a new constitution and, if so, (ii) whether the commission that drafts the constitution should be comprised of currently-sitting parliament members and elected citizens or entirely of elected citizens. The referendum will take place in April 2020. Then, if approved, the election of the body that will draft the new constitution will take place in October 2020.

As a consequence of the social unrest and the political agreement to vote on a new constitution, there was greater volatility on the Chilean securities market and in the exchange rate as a result of a weakening Chilean peso in relation to the US dollar.

Local banks' stock prices and bond differentials, including ours, suffered significant drops on the market as the social protests continued in Chile.

News of the political agreement on a new constitution has reduced market volatility and levels of disturbances have since improved. The long-term impact of this social unrest is difficult to predict, but

it could include slowed economic growth and higher unemployment rates, which could negatively impact our profitability and projections.

There is also uncertainty regarding the details of the referendum process on whether to replace the current constitution. If social unrest in Chile continues or worsens, it could negatively impact economic growth and the business climate in Chile, in general, which could have an adverse impact on our business and projections.

Potential changes to the pension system in Chile may impose an increase in our labor costs and therefore have a material adverse effect on our financial result.

On November 6, 2018, President Sebastián Piñera submitted Bill No. 12212-13 with the purpose of introducing changes to the existing Chilean pension funds system, specifically related to solidary pensions, the individual capitalization pension system and new schemes of pensions for the middle class and women.

Under this proposal, companies would have to contribute to the system with 4% contribution to be

exclusively funded by employers. This amendment would have a gradual implementation during a period of five years. Additionally, the employer would be obliged to contribute 0.2% of the gross salary of its employees to fund disability insurance. This insurance would be applicable to all elderly employees with a serious physical or mental disability. Further, the bill states that the solidarity fund (Pilar Solidario) will increase approximately 40% given that the Chilean government is expected to contribute 1.12% of the GDP to the fund.

As a result of social unrest in Chile in mid-October 2019, the government has also made additional changes to the proposed bill. These changes include gradual increases in basic pensions through 2022, depending on the age of the pensioner, as well as a new social security plan for events like longevity. Should this bill come into effect, it may cause a relevant increase in our labor costs and, therefore, have a material adverse effect on our financial and operational results.

As of the date of this report, the possible adverse impact of the bill on our financial position and the results of operations cannot yet be determined.

3

Human Capital



Our Way

- Performance fanatics
- People are everything to us
- The best argument wins

Stakeholders

- Employees

SDG

- SGD 5
- SGD 10

Global Compact

- Principle No. 3
- Principle No. 4
- Principle No. 5
- Principle No. 6

Material Issues

- Inclusiveness and diversity

Spotlight

Go As I Am: New Itaú dress code

In 2019, we launched the Go As I Am campaign. Unprecedented in the financial sector, the initiative ends the suit and tie office dress code.

“Go As I Am” encourages respect for our employees’ personal style, diversity and tastes. It focuses on the talent of people in order to unfold their potential. Furthermore, it reinforces the diversity that the Bank promotes, where the best argument wins and the only hierarchy that matters is that of the best idea.

This initiative aims to provide a more spontaneous, creative and authentic working environment. It has been widely accepted by our employees, who may come to work wearing whatever they like every day of the week.

3.1. A Bank Made of People

102-8, 102-41, 405-1

In order to meet our organization's targets, our 5,616 employees have built an environment of collaboration, meritocracy and high performance throughout Chile. This figure includes those who work at the Bank and our subsidiaries in Chile, as of the last day of the year. 98% of our total workforce has an open-term contract. Women comprise 53% of employees.

Total Employees	2018	2019
	5,638	5,616

Total Employees, by Gender	2018	2019
Male	48 %	47 %
Female	52 %	53 %

Total Employees, Gender by region	2018		2019	
	Male	Famale	Male	Famale
Arica and Parinacota Region	7	12	7	13
Tarapacá Region	32	52	32	48
Antofagasta Region	34	74	33	76
Atacama Region	12	36	10	34
Coquimbo Region	37	56	37	54
Valparaíso Region	112	177	105	176
O'Higgins Region	28	47	25	46
Maule Region	51	59	48	56
Bío Bío Region	117	162	90	144
Araucanía Region	31	38	33	42
Los Ríos Region	18	21	17	19
Los Lagos Region	29	51	27	50
Aysén Region	2	4	2	4
Magallanes Region and the Antarctic	15	21	16	19
Metropolitan Region	2,156	2,147	2,151	2,157
Ñuble Region	0	0	24	21
Total	2,681	2,957	2,657	2,959
	5,638		5,616	

Total Employees, by Contract Type	2018		2019	
	Male	Female	Male	Female
Fixed-term contract	45	76	49	87
Open-term contract	2,636	2,881	2,608	2,872
Full-time	2,649	2,851	2,613	2,822
Part-time	32	106	44	137

Total Employees, by Gender and Category	2018				2019			
	Male		Female		Male		Female	
	No.	%	No.	%	No.	%	No.	%
Corporate managers	10	0.4 %	1	0 %	10	0.4 %	2	0.1 %
Managers and deputy managers	183	6.8 %	68	2.3 %	189	7.1 %	64	2.2 %
Professionals and supervisors	1,448	54 %	1,426	48.2 %	1,497	56.3 %	1,472	49.7 %
Technicians	364	13.6 %	737	24.9 %	351	13.2 %	744	25.1 %
Administrative staff	676	25.2 %	725	24.5 %	610	23 %	677	22.9 %
Total	2,681		2,957		2,657		2,959	

Note: The difference in the number of corporate managers is due to a change in manager in December 2018.

Labor Relations	2019
Number of unionized employees	3,608
Number of non-union members who receive union benefits	1,592
Number of workers covered by collective bargaining agreements	5,200
Number of collective bargaining agreements signed	1 agreement with each union and 1 agreement for each subsidiary In total, 10 agreements.

3.1.1. Turnover, Years of Service and New Hires

401-1

We continued to consolidate our teams, as is evident in the average years of service for our employees and stable turnover rate.

Furthermore, in 2019, thousands of new talent joined the Itaú work force, strengthening a high-performance, high-commitment human team.

Turnover Rate	2018	2019
	18.2 %	18.3 %

New Hires		2018		2019	
		No.	%	No.	%
Gender	Male	455	47.5 %	469	46.9 %
	Female	502	52.5 %	532	53.1 %
Total		957	100 %	1,001	100 %
Age	Under 30	330	34.5 %	364	36.4 %
	30 - 50	588	61.4 %	587	58.6 %
	Over 50	39	4.1 %	50	5 %
Total		957	100 %	1,001	100 %

Average Hiring Cost (\$)	2018	2019
	537.458	333.702

Note: Information for 2018 corrected to reflect change in criteria, including only the Bank and including all expenses associated with recruitment. Includes programs with universities, platform costs and others (total sum of recruitment accounts)

Average Years of Service, by Gender	2018	2019
Male	7.0	7.0
Female	6.1	6.1
Total	6.5	6.5

3.1.2. Diversity and Inclusiveness

[Material issue] 103-2, 103-3, Itaú 5

Diversity is a priority item within the Bank's strategy. We know that, only with inclusiveness, we can face and overcome each new challenge that the environment and our stakeholders present.

We mean diversity in the broadest sense and including the different groups present in our society. We have created policies and adopted internal practices to make our teams as diverse as communities where we operate so that we are able to genuinely understand and serve our customers' different needs.

The Bank continued the employee health status survey that it has conducted since 2018 in its effort to comply with Law No. 21,015, which promotes inclusiveness of people with disabilities in the working world. Thus, in 2019, we had 32% more employees with disabilities and 30% more foreign employees. Furthermore, 15% of our employees are older than 50. This ratifies our commitment to a diverse workplace that is for everyone.

Since we also want to be inclusive with our contractors, we surveyed these employees to determine whether their workforce includes people with disabilities who effectively provide services to the Bank.

Total Employees, by Gender	2018		2019	
	No.	%	No.	%
Male	2,681	48 %	2,657	47 %
Female	2,957	52 %	2,959	53 %
Total	5,638	100 %	5,616	100 %

Total Foreign Employees, by Category	2018		2019	
	Nº	%	Nº	%
Corporate managers	3	1.5 %	4	1.6 %
Managers and deputy managers	38	19.3 %	39	15.2 %
Professionals and supervisors	100	50.8 %	122	47.5 %
Technicians	21	10.7 %	36	14.0 %
Administrative staff	35	17.8 %	56	21.8 %
Total	197	100.0 %	257	100.0 %

Total Employees with Disabilities, by Category	2018		2019	
	No.	%	No.	%
Corporate managers	0	0 %	0	0 %
Managers and deputy managers	0	0 %	0	0 %
Professionals and supervisors	9	29 %	14	34.1 %
Technicians	12	38.7 %	15	36.6 %
Administrative staff	10	32.3 %	12	29.3 %
Total	31	100 %	41	100.0 %

Age Group	2018						2019					
	Under 30		30-50		Over 50		Under 30		30-50		Over 50	
Category	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Corporate managers	0	0 %	9	0.2 %	6	0.7 %	0	0 %	7	0.2 %	5	0.6 %
Managers and deputy managers	1	0.1 %	201	5.1 %	45	5.1 %	0	0 %	202	5.2 %	51	5.9 %
Professionals and supervisors	418	50.7 %	2,105	53.6 %	351	39.6 %	471	57 %	2,146	54.7 %	352	40.6 %
Technicians	144	17.5 %	738	18.8 %	219	24.7 %	120	14.5 %	763	19.5 %	212	24.5 %
Administrative staff	261	31.7 %	874	22.3 %	266	30 %	236	28.5 %	804	20.5 %	247	28.5 %
Total	824	100 %	3,927	100 %	887	100 %	827	100 %	3,922	100 %	867	100 %

Diversity Indicator	2018	2019
Proportion of women in total workforce	52 %	53 %
Proportion of women on the executive team (as a percentage of the entire executive team)	26 %	23 %
Proportion of women at the highest hierarchical level of the executive team (as a percentage of the total number of employees at the highest hierarchical level of the executive team)	25 %	20 %
Proportion of women at the lowest hierarchical level of the executive team (as a percentage of the total number of employees at the lowest hierarchical level of the executive team)	23 %	24 %
Proportion of women on the executive team in business areas (as a percentage of the total number of employees on the executive team in business areas)	17 %	18 %

Women's Salaries as a Proportion of Men's Salaries		
Category	2018	2019
Executives (managers and deputy managers)	79 %	82 %
Professionals and supervisors	87 %	88 %
Technicians	86 %	85 %
Administrative staff	95 %	89 %

Note: Shows average gross salary. The Executive figure does not include the Chief Executive Officer. Ratio represents: Compensation received by women over compensation received by men.

Corrections to 2018 data have been made to reflect current criteria. The professionals segment now includes supervisors. Change in the administrative segment reflects a reduction in female participation.

3.2. Managing Commitment

3.2.1. Our Benefits

401-2

Each day we aim to improve so that our employees have an ideal working environment with contributions that improve their wellbeing and quality of life. As noted in current collective bargaining instruments, agreements to partially extend some of these benefits to other employees have been negotiated with labor unions.

1. Allowances: We support our employees during the most important moments of their lives by granting allowances designed to help when they need it most:

- Birth / adoption
- Marriage or civil union
- Death of a parent, child or spouse or civil union partner
- Vacation

Ninety-three percent of our employees have access to allowance benefits. In 2019, 8% received allowances for marriage, birth and/or death.

2. Bonuses: Our employees receive bonuses for the Chilean national holidays and Christmas.

3. Tuition benefits: We support our employees during the various stages of their children's education with the following allowances:

- Childcare for children under the age of two.
- Preschool assistance for children between ages 2 and 5
- Enrollment fee allowance per child

In 2019, 2,399 employees received enrollment fee benefits and 575 employees received benefits for younger children.

4. Assistance for special education: We provide financial support to employees who have children with disabilities. Support is available while the child attends a private treatment program or school with an integration program.

5. Christmas gifts for children until the age of 12. In 2019, 2,146 employees and 3,090 children benefited.

6. Leave: We offer leave that allows employees to take care of errands, handle unforeseen issues and/or personal emergencies. The following types of leave are currently offered:

- My day: 1 administrative day per semester
- Afternoon off to celebrate birthdays
- To care for a seriously ill child, spouse or civil union partner
- Birth or adoption
- Marriage or civil union
- Moving
- Bereavement of a direct family member
- Preventative medical testing

7. Health: Group policy with Chilena Consolidada:

- Life and disability insurance
- Supplemental health insurance
- Catastrophic medical insurance
- Dental insurance

In 2019, 4,860 employees were covered by life insurance and 4,893 by supplemental or catastrophic health insurance.

8. Medical leave: Under the collective bargaining agreement, we support our employees by prepaying the subsidy for medical leave from work for up to 90 days. We also pay the first three days of medical leave when leave is less than 10 days.

Fifty-seven percent of employees benefited from payment of the first three days of medical leave and 73% received prepayment of the medical leave subsidy in 2019.

3.2.2. Committed to Employee Wellbeing

401-2

Many times, the office becomes our home away from home. That is why we understand the importance of offering our employees an optimal, positive working environment. In 2019, we conducted the following activities to improve the quality of work life:

Family Time		
<p>Summer and winter break activities for the children of employees in Santiago</p>	<p>Mini-employee outside Santiago</p>	<p>Maternity leave</p>
<p>Summer: 350 children / 269 employees participating</p>	<p>Employees' children visit branches to have the experience of being an Itaú mini-employee.</p>	<p>We promote work-life balance for our employees during pregnancy and a gradual return to work after maternity leave.</p>
<p>Winter: 354 children / 254 employees participating</p>	<p>420 children / 320 employees participating</p>	<p>Permission to leave early during pregnancy: Beginning at week 30 of pregnancy, pregnant women are allowed to leave an hour early. Gradual return post-maternity leave: Newly returning mothers leave at 14:00 for the first week after maternity leave and 16:00 for the next four weeks.</p>
		<p>25 employees applied for this benefit.</p>

Keeping Healthy and in Shape

Funding competitions outside Santiago

These competitions provide partial funding for initiatives that encourage physical activity among employees outside Santiago.

196 employees participating in 14 projects from Iquique to Osorno.

Santiago Half Court Soccer Championship

20 and 12 teams of men (first and second rounds, respectively) compete over seven days to earn the championship title.

302 employees participating.

A healthy break

15 to 20-minute exercise routines designed for stress relief and entertainment.

30 floors in corporate buildings with an average of 400 participants a week.

Get Active

Fitness and recreational activities during lunch breaks at corporate buildings.

557 employees participating

Gympass Benefit (new)

Itaú now offers Gympass, a network of exercise centers around the country that our employees can access through a digital platform that puts them just a click away from a healthier lifestyle.

Fitness activities

Zumba, yoga, physical fitness and functional training classes at corporate buildings.

203 employees participating

Counseling program (Programa Te Orienta)

A confidential psychological, legal, social and nutrition counseling service to address or resolve complex situations in employees' personal and/or professional lives.

222 employees served

Preventative check-ups (new)

We perform five check-ups on the Itaú team (bone density, skin care and other screenings).

Studies and Leisure

<p>Advising on scholarships for higher education</p> <p>We know that higher education expenses are a significant issue for families. So, we have partnered with the Por una Carrera Foundation to offer the Build your Future program, which supports employees and their families in accessing their dream education.</p> <p>55 employees advised</p>	<p>Be right back (new)</p> <p>In order to promote well-being and development, this benefit allows employees to take up to three months off of work to take a trip or study abroad.</p>	
<p>Time Bank</p> <p>Includes 12 hours per year that can be used in increments between one (1) and four (4) hours daily.</p> <p>2,124 employees used this benefit</p>	<p>Early closing on the Thursday before a Friday holiday</p> <p>The Friday schedule (until 16:45) applies on Thursdays before Friday holidays.</p>	<p>Flexible schedules on Fridays in the summer and winter</p> <p>Employees can leave at 3:00 PM on three Fridays during the month of July.</p> <p>In January and February, employees leave at 3:00, an hour and forty-five minutes earlier than the normal end of the work day.</p>

Learn about Benefits

<p>Quality of Life Fair</p> <p>An opportunity to learn how to take advantage of all the benefits, special deals and recreational activities available, as well as preventative check-ups and personal care and relaxation activities.</p>	<p>Personnel Service Desk</p> <p>Our Personnel Service Desk (MAP in Spanish) had more than 50,000 interactions with employees. It answers questions regarding several human resources issues, including benefits, quality of life, vacation and procedures.</p>
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More Benefits

Recreational events

Recreational and competitive sports and leisure days for bank employees

199 employees participating

Special Sales

Sales in the workplace. Themes: Father's Day, Mother's Day, Children's Day, Christmas, Chilean National Holidays, etc.

24 sales hosted

Special deals

With universities, pharmacies, restaurants, recreational activities, the Arturo Lopez Pérez Foundation, the employee benefit fund and many

30 special deals

Lactation Room

At Itaú, we support all the employees who have chosen to breastfeed and wish to continue doing so wherever they lead their daily lives. Itaú offers a private, sanitary location in the corporate building that is equipped for extracting and storing milk.

Seventeen employees used this space in 2019.

Carpooling (new)

At Itaú, we encourage ride sharing to and from the employee's home through an agreement with AllRide, a carpooling app that lets employees connect and coordinate ride shares to and from the Bank.

Workshops

Cueca, mixology, wine tasting, personal makeup, carpentry, nail art, etc.

146 employees participating

3.2.3. Occupational Health and Safety

To protect worker safety, we have a Risk Prevention Area that specializes in occupational health and safety. It works with other operating areas to implement the measures necessary to keep workplace accident and claims rates low and ensure compliance with current workplace safety legislation.

In 2019, the Bank conducted an internal survey of basic working conditions in order to work with the

areas involved to improve the gaps. Participation in Joint Committee meetings provided important input for designing activities and campaigns to reduce accidents and professional illness.

Furthermore, Internal Regulations on Order, Hygiene and Safety establish employee obligations, prohibitions and responsibilities when performing their duties on Itaú premises. The aforementioned regulations guarantee a civilized work environment based on mutual respect among employees.

Reporting Periods	Total Days Lost			Disability or Death			Temporary Disabilities Working Days Lost Rate			Total Working Days Lost Rate for the Period		
	Period I	Period II	Period III	Period I	Period II	Period III	Period I	Period II	Period III	Period I	Period II	Period III
Itaú	1,784	1,414	827	0	0	0	30.84	24.9	15.16	24	24	24
Recaudaciones y Cobranzas S.A.	0	200	20	0	0	0	0	112.31	13.49	42	42	42
Itaú Corredores de Seguros S.A.	0	0	3	0	0	0	0	0	6.41	2	2	2
Itaú Asesorías Financieras S.A.	0	0	0	0	0	0	0	0	0	0	0	0
Itaú Corredores de Bolsa Limitada	0	0	0	0	0	0	0	0	0	0	0	0
Itaú Administradora General de Fondos S.A.	0	0	0	0	0	0	0	0	0	0	0	0

Absenteeism Rate	2018	2019
	6.5	5.7

3.2.4. Work Environment

We understand the importance of a good working environment. We periodically measure how our employees feel, then take the actions required to improve. We know that happy employees meet objectives and targets more easily.

We use an annual climate measurement called Speak Frankly.

The extensive 52-question online survey generates an overall satisfaction rating that considers three dimensions: commitment, trust and happiness.

It aims to identify positive aspects as well as opportunities to improve the working environment and employee performance. The 2019 results show improved overall participant satisfaction. At 79.7%, results are up 8.4 percentage points from 2018.

Speak Frankly	2018	2019
Percentage of persons who responded	90 %	91.8 %
Result of measurement	71.3 %	79.7 %

Result by Gender	2018	2019
Male	71.2 %	79.3 %
Female	70.2 %	80.2 %

• **Organization:** Up 10.5 percentage points over the previous year, this score aims to measure the perception reported by the organization as a whole. In this case, Itaú interacts with people through corporate policies.

• **Senior management:** Up 10.1% from the previous year, this score aims to measure employee perceptions of the abilities of the organization's managers and deputy managers.

Significant improvements were observed in:

• **Happiness:** Up 12.3% over the previous year, this dimension aims to measure the perceptions of the organization's initiatives to make employees happy.

• **Commitment:** Up 10.5% from the previous year, this dimension seeks to measure the perceived degree of commitment to the organization, senior management, lead and work team.

To that end, the Executive Committee set working climate as one of the annual focuses for 2019. Each division worked with the Corporate Human Resources Division to draft an action plan to address the weakest dimensions and the relationships that require optimization.

Initiatives included special workdays, support for the climate committees in some divisions and feedback workshops. Likewise, we developed the Lidera program for leadership positions this year. The program aims to provide leadership tools and other skills to build and lay groundwork for team management.

3.3. Talent Management

3.3.1. Attracting and Retaining Talent

One of our goals is to be a leading bank in attracting and retaining talent. In 2019, we developed and continued different talent management programs.

<p>Transform</p> <p>We offer 67 internships in nine corporate divisions.</p>	<p>Future Leaders of Branch Operations</p> <p>Nine new future leaders of branch operations joined the company. Participants complete a specific training curriculum and development process guided by mentors.</p>	<p>Corporate Trainee Program</p> <p>This program, which began in 2018, includes nine corporate divisions and more than 40 projects. We also have a cultural immersion at Itaú Unibanco through which professionals learn about and share best practices to bring to Itaú Chile.</p>
<p>Young Professionals</p> <p>Seventy Young Professionals, from within the company and outside, working in eight corporate divisions.</p>	<p>Mentors</p> <p>We trained 82 mentors to prepare them for the Young Professionals and Future Leaders of Branch Operations immersion programs. Training was offered to all positions and eight corporate divisions participated.</p>	

These programs aim to prepare to meet new challenges by responding to business and labor market transformation needs.

Applicants and employees are invited to be protagonists in the challenges Itaú faces. They participate in different projects with planned guidance from mentors so that, in the future, they may perform in key positions at the Bank.

Program applicants undergo an exhaustive selection process that aims to identify high-potential talent in employees and external applicants by establishing profiles and conducting needs assessments specific to each area of the Bank.

The development phase includes support during training and a mentor during the immersion process in order to cultivate excellence and bring Our Way to life by optimizing and expanding talent through a concrete training program.

We went from 22nd to 9th place on the Merco Talent ranking, improving our corporate reputation and positioning ourselves among Chile's top-4 banks.

3.3.2. Training

102-41, 404-1, 404-2

Training activities are also important to our employees' ongoing development and learning. In 2019, the Bank offered an average of 75 hours of training per employee, representing a 92% increase relative to 2018.

Average Training Hours, by Gender	2018		2019	
	No. of Training Hours	Average Training Hours	No. of Training Hours	Average Training Hours
Male	105,059	39	197,085	74
Female	113,545	38	224,463	76
Total	218,603	39	421,548	75

Average Training Hours, by Category	2018		2019	
	No. of Training Hours	Average Training Hours	No. of Training Hours	Average Training Hours
Managers and deputy managers	10,218	39	17,798	67
Professionals and supervisors	102,932	36	198,573	67
Technicians	87,482	79	82,381	75
Administrative staff	17,972	13	122,796	95
Total	218,603	39	421,548	75

The training programs carried out in 2019 included:

• **Welcome to Itaú**

This program for new bank employees aims to provide an overview of Itaú, relay our vision and transmit the Our Way attitudes.

No. of Beneficiaries	2018	2019
Male	312	196
Female	270	202
Total	582	398

• **Scholarships**

This program funds banking-related courses and specialization studies.

No. of Beneficiaries	2018	2019
Male	33	37
Female	68	18
Total	101	55

• **Contact Center**

The objective is to provide new Contact Center employees with knowledge of its systems, processes and structure.

No. of Beneficiaries	2018	2019
Male	39	26
Female	60	36
Total	99	62

• Private Guards

Guards earn authorization to perform their duties through a certification program offered by the regulatory body of Carabineros de Chile (Chile's uniformed police).

No. of Beneficiaries	2018	2019
Male	159	57
Female	6	3
Total	165	60

• Accreditation of Securities Market Knowledge Certification Committee (CAMV in Spanish)

The program for employees who must earn CAMV certification reinforces concepts, subjects and practical exercises to better prepare for the test.

No. of Beneficiaries	2018	2019
Male	52	74
Female	81	86
Total	133	160

• Languages

A program for expatriate bank employees and direct family members, which aims to strengthen language skills (English, Portuguese or Spanish) according to business needs.

No. of Beneficiaries	2018	2019
Male	41	44
Female	29	32
Total	70	76

• Sales Force

We unrolled a training program for sales executives that aims to provide specific product knowledge and train on key skills to make their work more effective.

No. of Beneficiaries	2018	2019
Male	65	49
Female	225	146
Total	290	185

• Security Guard Training

A day of training that reviews the benefits; operations area guidelines; comprehensive security and the legal obligations of private security guards.

No. of Beneficiaries	2018	2019
Male	95	47
Female	3	3
Total	98	50

• Regulatory Training

Formerly called "Risk Culture", this program aims to align employees with our unique management style via online courses that address requirements related to national and international regulations as well as the Bank's internal regulations.

No. of Beneficiaries	2018	2019
Male	6,512	6,410
Female	6,588	6,662
Total	13.100	13.072

• High-impact Presentations

This workshop for employees who give public presentations provides tools to improve their presenting skills.

No. of Beneficiaries	2018	2019
Male	82	98
Female	74	77
Total	156	175

• Comprehensive Training Program

Aimed at newly hired sales executives, this comprehensive, face-to-face training program, offered in the metropolitan region and areas outside Santiago, provides the tools required to meet performance targets. The e-learning version was added this year to increase the scope of the program.

No. of Beneficiaries	2018	2019
Male	9	36
Female	25	51
Total	34	87

Itaú Grows (Itaú Crece)

This voluntary program is offered to employees who wish to perfect their skills in areas like: office technology, soft skills, accounting and financial math. The program offers e-learning and face-to-face sessions. New themes are constantly added to align content with current business transformation needs, e.g. English classes.

No. of Beneficiaries	2018	2019
Hombres	437	935
Female	470	1,002
Total	907	1,937

New programs were created to continue ongoing employee development in 2019. Highlights included:

Total Employees Benefiting, by Gender				
New Programs		Male	Female	Total
Build Your Future Program	This program, which aims to teach basic finance to Millennials, involves an initial general knowledge session followed by a second session specifically on real estate investment.	80	86	166
SQL/Tableau	Seeks to provide tools that facilitate data analysis based on current business needs.	117	51	168
Lidera – Certificate Program	Recognition and training of outstanding leaders so that they continue their professional development, in keeping with Our Way.	44	15	59
Lidera – Basic Curriculum	This training program for bank leaders teaches participants the distinguishing seal of our corporate culture. Participants with at least 50% attendance to date are listed as passing.	162	109	271
Training Curriculum for Branch Operations	This program complements training for the new branch operations model. It provides tools that align employee knowledge in order to improve operating processes.	783	1,579	2,362

3.3.3. Performance Evaluations

404-3

In order to measure employee performance, we use a meritocracy or performance cycle to evaluate our objectives (what) and the way we achieve them (how), in alignment with Our Way.

In our efforts to continue strengthening the model, in 2019 we focused on the feedback process, a management tool that operates through conversations that are transformational for both the individual giving the feedback and the one receiving it. This process enables our employees to understand how they contribute to the results of their team, division and the Bank, encouraging them to continue adapting each day in order to continue growing and reaching their goals.

In 2019, 91% of our employees participated in the performance evaluation process, which provides more tools for continuous improvement at Itaú.

That is how we make our culture of meritocracy a reality, complete with action and development plans for our team members. We put great effort into developing matrices to position our employees, get to know our talent better and help those who need more support.

Performance Cycle	2018	2019
Total employees	5,638	5,616
No. of employees evaluated	5,065	5,110
% of total employees	90 %	91 %

Note: 100% coverage is not practicable. Some employees do not participate in the process because they are either new, have fixed-term contracts or were out on medical leave for more than 210 days.



4

Social and Relationship Capital

Our Way	<ul style="list-style-type: none"> • People are everything to us
Stakeholders	<ul style="list-style-type: none"> • Society • Trade Associations
SDG	<ul style="list-style-type: none"> • ODS 4 • ODS 8 • ODS 9
Global Compact	<ul style="list-style-type: none"> • Principle No. 1 • Principle No. 2
Materiales Issues	<ul style="list-style-type: none"> • Social Impact • Financial Inclusiveness and Literacy

Spotlight

Programs that transform

Read to a Child (Lee para un Niño) and Real-world Experience (Experiencia Empresa) are the two corporate volunteer programs—implemented through the Itaú Foundation—in which our employees may participate. Through these initiatives, they donate their time and talent to help create a more equitable and diverse society.

The first is a program to encourage reading in at-risk children between three and seven years old. In 2019, more than 112 Itaú volunteers engaged in reading mediation in different educational institutions, sharing the magic of books with hundreds of children.

Real-world Experience is an induction into the working world. Students in their second and third years of high school at professional technical education centers participate in a two-week pre-practicum at the Bank. Volunteer mentors welcome and guide the students through their first contact with the working world. This year, we had more than 175 program participants, including students and volunteers.

4.1. Our Stakeholders

102-40, 102-42

Stakeholders	Communication Channels
Shareholders/Investors	<ul style="list-style-type: none"> • Web site (www.itauc.cl) • Shareholders' meetings • Periodic individual and group meetings • Face-to-face conferences and non-deal roadshows • Conference calls and e-mails • Monthly, quarterly and annual reports • Securities and Exchange Commission (SEC) filings • Press releases
Customers	<ul style="list-style-type: none"> • Web site (www.itauc.cl) - public and private • Branches and tellers • Contact center • Itau App • Social media
Employees	<ul style="list-style-type: none"> • Intranet • Corporate e-mails • Managing Our Way (Gestor a Nuestra Manera) (segmented communications especially for the executive team) • Más para ti bulletin (benefits, special deals and activities) • Acontece newsletter (main business news) • Digital Banking newsletter (progress from digital innovation centers) • Retail newsletter (main news from this segment) • NLC screens (benefits, special deals, activities, news and promotions) • Screen protectors (institutional campaigns and messages)
Suppliers	<ul style="list-style-type: none"> • Web site (www.itauc.cl) • General mailbox (soportecompras@itau.cl) • Invoice mailbox (repciondefacturas@itau.cl)
Authorities	<ul style="list-style-type: none"> • Web site (www.itauc.cl) • Memos • Regulator e-mail address
Trade Associations	<ul style="list-style-type: none"> • Web site (www.itauc.cl) • Scheduled meetings • Conference calls
Company	<ul style="list-style-type: none"> • Web site (www.itauc.cl) • Annual reports (Integrated Report) • Social media • Corporate Affairs and Sustainability Division's e-mail (asuntos.corporativos@itau.cl)
The Media	<ul style="list-style-type: none"> • Website (https://ir.itauc.cl) • Monthly, quarterly and annual reports • Securities and Exchange Commission (SEC) filings • Press releases • Corporate Communications Subdivision mailbox (comunicaciones@itau.cl)

4.2. Memberships and Partnerships

Relationships and partnerships with other organizations are vitally important to Itaú. In order to connect with our environment, we participate in different associations related to the industries in which we operate. These include:

- Chilean Association of Banks and Financial Institutions (ABIF)
- Brazilian-Chilean Chamber of Commerce (CCBC)
- Colombian-Chilean Chamber of Commerce (CCCC)
- Spanish Chamber of Commerce
- American-Chilean Chamber of Commerce (Amcham Chile)
- Chilean Institute for Rational Business Management (ICARE)

Our participation in the aforementioned organizations involved annual donations of:

Total Membership Fees	2018	2019
	Ch\$310,324,152	Ch\$336,406,291

Note: The 2018 figure published in last year's report was recalculated to reflect additional available information.

We have also subscribed to the following sustainability-related initiatives and principles:

- Sustainable Development Goals (SDG)
- Global Compact Network Chile
- United Nations Environment Programme – Finance Initiative (UNEP-FI)
- Equator Principles
- International Financial Corporation (IFC) Performance Standards on Social and Environmental Sustainability

4.3. Sustainability Policy

102-12, 102-13

We are committed to comprehensive management, which incorporates a vision of sustainability into everything we do. Our Sustainability Policy and Strategy focuses on:

1. Dialogue and Transparency

Building ongoing, trust-based relationships to improve our businesses and create shared value.

2. Financial Literacy

Understanding people's needs in order to offer the proper knowledge and financial solutions, thereby helping build a healthy relationship with money for individuals and companies, so they make conscious, planned decisions that suit their needs and financial positions.

3. Socio-Environmental Risks and Opportunities

Seeking business opportunities that, in addition to providing financial results, positively impact the social and environmental environment. Managing socio environmental risk, considering market trends, regulations and the demands of customers and society.

4.3.1. Sustainability Commission

102-32

The Sustainability Commission is the Bank's maximum governance authority on sustainability issues. Comprised of eight members of senior management, it aims to establish and support programs and initiatives aligned with the focuses of our Sustainability Strategy, promoting integration into business practices and internal culture.

In 2019, the commission held one face-to-face meeting and convened again by sharing information via e-mail.

The standing members of this commission are:

- Chief Executive Officer (Chairman)
- Corporate Human Resources Manager

- Corporate Manager of Marketing, Products, Digital Channels and Franchises
- Corporate Risk Manager
- Corporate Legal Manager
- Corporate Wholesale Banking Manager
- Corporate Planning and Financial Control Manager
- Corporate Affairs and Sustainability Manager (Executive Secretary)

4.4. Social Impact

[Material issue] 103-2, 103-3, 413-1, Itaú 6

Our contribution to the community is primarily through community investment. The Bank also makes one-time and occasional donations. We organize business-related activities in the community to promote our brand and corporate identity.

Finally, we contribute in other ways through corporate volunteer programs built on the willingness and social commitment of our employees.

% of Total Contributions		
Category	2018	2019
Commercial Initiatives	20 %	31 %
Donations	32 %	32 %
Investment in the Community	48 %	37 %
Total	100 %	100 %

Type of Contribution (in millions)	2018	2019
Cash	\$4,131	\$4,965
Time (employees volunteering during working hours)	\$56	\$70
Management overhead	\$41	\$39
Total	\$4,229	\$5,076

The programs carried out in 2019 include:

Bike Santiago

As part of Itaú's commitment to urban mobility, the company completely transformed the Bike Santiago public bicycle system in 13 municipalities, through a branding partnership with Brazil's leading urban mobility services provider, Tembici. The system now features new technology and improved user service. In total, 350 parking spaces and 3,500 bicycles were added to the new sustainable transportation alternative. Thanks to this investment, the program ended the year with 16,000 users, 390,000 trips and saved 95 tons of CO₂.

BiciEscuelita

Ciclo Recreo Vía is an educational project that involves closing the main streets in the Metropolitan Region for recreational and educational use. This is the second year of Itaú's #BiciEscuelita.

On Av. Costanera Andrés Bello, a circuit was set up where children between the ages of three and nine can learn to ride a bike with the help of instructors. Those who already know how to ride can learn about the rules of the road and street signs. The goal of the program is to encourage responsible circulation by pedestrians and drivers and to promote a means of transportation that has a positive impact on individuals' quality of life.

More than 450 children earned certificates in 2019 and 88 received a free helmet.

Read to a Child (*Lee para un Niño*)

This initiative promotes reading in early childhood in order to contribute to the cognitive and emotional development of at-risk children between three and seven years old. It is a corporate volunteer program run by bank employees who are trained to engage in reading mediation at different educational centers.

In 2019, a call was issued to invite more Itaú employees in the Metropolitan and Valparaíso region to join the Itaú reading mediators. As part of the program, new volunteers participated in a day of training on reading mediation techniques. They also received their kits, which include texts that are part of the Itaú Foundation collection.

More than 336 volunteer hours donated by 112 employee volunteers benefited 947 children at 11 schools and preschools in Santiago and Valparaíso.

A new specialization workshop on reading mediation techniques was added to increase effectiveness and provide tools so that volunteers develop the skill of reading to large audiences and better transmit the content and emotion of the stories they tell.

Real-world Experience

The Itaú Foundation has offered this educational work induction program for 16 years to offer students from vulnerable areas an early approximation to the realities and challenges of the working world.

This two-week pre-practicum experience at Itaú is for at-risk students in their first year of specialization (third year of schooling) at technical professional secondary education programs. Students work in their specialty, supporting a bank employee that volunteers as a mentor.

In 2019, a total of 86 bank employees and 89 students from Padre Pedro Arrupe School in Quilicura; Don Enrique Alvear School in Cerro Navia; and Matilde Brandau de Ross School in Valparaíso participated in the initiative, which involved 5,590 hours donated to the community.

To enrich the student experience, bank employees gave nine informational talks. The topics, which were related to the management specialization, addressed issues like organizational culture, job training, benefits and quality of life, risk prevention and others.

Training days were added as an improvement in 2019. Mentors and students participated at the schools prior to the beginning of the in-company experience. Mentors and students who participated in previous versions of the program explained, first-hand, what being part of the program has meant to them.

This year, mentor inductions included participation by teachers from each school, who provided information about the students who would be participating in the program. Furthermore, a technical document was prepared in advance to support the mentors in assigning tasks to their students.

One significant area of progress in 2019 was the addition of practicums at Itaú for students who were

part of the 2018 Real-world Experience program and graduated from high school this year. The initiative was the first in the program's history and was born of collaboration between Itaú Foundation and the Talent Attraction Area.

In December 2019, two graduates from the Padre Pedro Arrupe School and Don Enrique Alvear School began three-month practicums under the guidance of two Itaú employees who have been Real-world Experience mentors in previous years.

Other Itaú Foundation **Activities**

The City Game

For the second straight year, employees from four Itaú branches participated in the City Game. The objective is to encourage third-year high school students to develop skills in decision making, problem solving, sociability, easing communication, team work, personal security and tolerating frustration.

The students go around the city meeting different challenges. At Itaú, they had to ask about the requirements for opening a current account and the characteristics of the SME segment. This year, 26 students and 4 branches participated.

Global Volunteer Action

This initiative aims to expand Itaú's volunteer commitments in Argentina, Brazil, Colombia, Paraguay, Uruguay and Chile.

In Chile, bank employees and Itaú Foundation permanent volunteers were invited to participate in reading mediation programs as part of Read to a Child (Lee para un Niño), an initiative conducted by all Itaú Foundations across Latin America.

There were also activities related to the Real-world Experience program.

Under Itaú's volunteer programs, Itaú volunteers donated 97 hours to the community, benefiting 184 children and young people.

4.5. Financial Inclusiveness and Literacy

[Material issue] 103-2, 103-3, Itaú 7, Itaú 8

Access, use and quality of financial products has become especially relevant in the development of countries as they impact the wellbeing of families and companies. Financial institutions play a particularly important role in this area.

On the other hand, globalization and technological advances have made this more complex and multiplied the number of financial services available, thereby increasing the need for citizens to be informed so that they can make good economic and financial decisions.

Consequently, we recognize that education and financial inclusiveness are areas in which, as a bank, we can positively impact society. We conduct several initiatives to that end.

4.5.1. Financial Literacy Programs

Financial Literacy for Companies Business Advising Program

We want to make a significant contribution, beyond the value that we deliver through our products and services, to our customers' businesses. This series of talks and personalized workshops imparts financial knowledge to partners and managers of small and medium-sized businesses in Santiago.

The program is divided into three modules: Labor Law, Accounting and Finance, and Tax Law. At each event, a speaker presented general concepts and ideas related to the topic and participants had an opportunity to receive personalized advising applied to the specifics of their company.

Over 180 people from 139 businesses attended the workshops. Overall satisfaction was 93% with a 100% recommendation rate.

The contents addressed at these workshops are available at our website (<https://ir.ita.cl/Spanish/nuestra-compania/sustentabilidad/default.aspx>)

Financial Literacy for Society Press Training

Journalists play an important role in communicating financial and economic information and news to society. That is why Itaú created the Press Training program to provide tools, answer questions about the financial market and support the field of journalism. The initiative consists of a series of breakfasts for journalists featuring talks by experts on topics related to finance and economics. In 2019, there were four talks that were widely attended and covered by the country's leading media outlets.

Financial Literacy for Employees Build your Future

Since sustainability is part of our essence, we are constantly encouraging the transformational power of people. In 2019, this financial literacy program for employees focused on Millennials without children.

The initial phase was comprised of three financial strategy workshops for new generations followed by three specific workshops on real estate investment. In total, 166 received training through this new initiative.

4.5.2. Financial Inclusiveness

In terms of financial inclusiveness, the Banco Condell unit is specialized in serving the low to middle-income segments, which have low degrees of banking access. Through Banco Condell, we offer a financial inclusiveness alternative, by providing services to people with informal, non-accreditable income.

In 2019, we have granted loans totaling MCh\$134,382 to more than 70,000 customers at branches throughout the country.

This unit offers universal and consumer loans, time deposits and life insurance tied to the loans.

5

Natural Capital



Our Way

- We think and act like owners

Stakeholders

- Employees
- Shareholders/Investors
- Society

SGD

- SGD 7

Global Impact

- Principle No. 7
- Principle No. 8

Material Issues

- Responsible resource management

Spotlight

We are part of the Green Agreement

In 2019, in accordance with our role as a financial institution that contributes to adaptation to climate change, we signed the Green Agreement, an initiative backed by the Chilean Finance Ministry. Several players from the public and private sector signed a series of general principles related to managing risks and opportunities in order to help achieve country-wide commitments on environmental issues.

The Green Agreement is part of efforts by the Public-Private Working Group on Green Finances, created in July 2019, in which we have participated actively through the Association of Banks and Financial Institutions (ABIF).

The group's efforts will continue in 2020 in order to create an institutional framework that provides ongoing monitoring for these issues.

5.1. Adapting to Climate Change

The climate transition makes a financial transformation necessary. As a bank, we know we have a double role to play. On one hand, we are called to contribute systematically to an economy that is conscious of the impact of climate change and, on the other, we work to act in an environmentally responsible manner throughout the value chain.

Thus, in 2020, as part of our commitment to the Green Agreement signed in 2019, we will work to be part of an institutional framework that reviews how we can contribute to financial stability and Chile's climate commitments.

5.2. Financial Implications and Other Risks and Opportunities Derived from Climate Change

201-2

At Itaú, we recognize that the impact of climate change and the transition to a low-carbon economy has risks that could have important negative consequences for financial institutions and, even, for the stability of the financial system.

One of them is the economic risk associated with potential or real changes in the industries where our customers operate. These could include new regulations, new investment requirements and diminishing the useful life of assets. There is reputational risk tied to financing companies that contribute to climate change and its consequences.

These risks, in turn, may impact the customer's capacity to pay the Bank, which could, in some cases, drive up the Bank's credit risk or drive down the Bank's growth.

While there are risks, we have also identified economic opportunities derived from climate change, associated with the development of new sectors, like generating new financing for companies with traditional businesses, i.e., growth of new market niches.

In our analysis of each customer, we identified the sector in which the company operates, the applicable regulations and the evidence that, in some cases, their real figures and projections already reflect impact from climate change. Thus, climate change remains a variable that indirectly impacts our analysis.

Failure to manage these risks and opportunities could have a range of economic consequences for our business, including increased costs due to portfolio impairment, greater financial costs and loss of income and portfolio growth.

5.3. Our Environmental Performance

5.3.1. Energy and Emissions

[Material issue] 103-2, 103-3, 302-1

A portion of our sustainable performance is related to responsibly managing environmental issues. In 2019, we significantly reduced our water consumption and business air travel, which were down 10 and 28%, respectively, relative to the previous year.

Energy Consumption	2018			2019		
	Consumption	Value	Coverage	Consumption	Value	Coverage
Heat (natural gas)	42,780 m ³	ThCh\$5,691	100 %	43,446 m ³	ThCh\$4,675	100 %
Electricity	15,296 MWh	ThCh\$2,228,859	83 %	15,394 MWh	ThCh\$2,097,734	82 %

Note: Coverage is not complete because some facilities record energy use through building fees, hindering identification of individual consumption.

Water Use	2018			2019		
	Consumption	Value	Coverage	Consumption	Value	Coverage
Municipal water or water from other companies	84,581 m ³	ThCh\$91,185	81 %	75,868 m ³	ThCh\$87,763	79 %

Note: Coverage is not complete because some facilities record water use through building fees, hindering identification of individual use.

Business Trips	2018	2019
Air travel	7,524,485 km	5,427,705 km
Ground travel	989,749 km	948,725 km
Chartered bus travel	N/A	11,592 L

Note: Ground travel includes only taxi rides. Chartered buses were the buses hired to help our employees in the Metropolitan Region get to and from their workplace during the last two and a half months of the year due to service problems in the area's public transportation network.

Courier Services	2018	2019
Ground	2,617,595 km	2,703,987 km
Air	3,610,872 km	3,768,306 km

5.3.2. Managing Our Waste




Electronic and Paper Waste

In 2019, we continued our recycling programs for both paper and electronic waste. We provided Sorepa with 29,713 kilos of paper, a figure that shows how our paper recycling increases each year. We also provided more than 1,200 kilos of out-of-use electronic equipment, including 23 kilos donated by bank employees during the company's annual electronics recycling drive, to the Chilenter Foundation.

Proper management of this waste and its valuation through recycling and refurbishing will mitigate 54.6 tons of Co2e, a gas that drives climate change.

	Unit	Recycled in 2018	Recycled in 2019
Paper waste (paper and cardboard)	kg	13,387	29,713
Electronic waste	kg	14,038	1,271

Recycling and reconditioning **1,271 kg of electronic waste is equivalent to:**

-  Saving 22,350 liters of gas
-  Replacing 1,657 incandescent lightbulbs with LED lightbulbs
-  Planting 1,281 trees that capture carbon for 10 years



6

Manufactured Capital

Our Way

- The best argument wins
- Simple, always

Stakeholders

- Suppliers

Global Impact

- Principle No. 2
- Principle No. 4
- Principle No. 5

Spotlight

Supplier relationships

During the last quarter of the year, as part of a new supplier relations program, we began a pilot plan that included meetings with representatives from this important group of stakeholders.

The main objective of these meetings was to explain how our Supplier Purchasing and Payment Policy works and understand their concerns about the purchasing process and the Bank in general.

The result will provide important input as we build our long-term partnerships with the most strategic suppliers. In 2020, that translated into initiatives like a specialized web portal.

6.1. Our Supply Chain

102-9

We have a universe of 1,896 companies registered as bank suppliers. These companies perform activities related to information technology, organizational development and quality of life as well as construction, maintenance and infrastructure, to name a few.

Ninety-six percent of them are Chilean and 77% of those are based in the Metropolitan Region.

Suppliers by Geographic Location	Percentage
Non-Chilean	4 %
Chilean	96 %
Metropolitan Region	77 %
Outside Santiago	23 %
Total	100 %

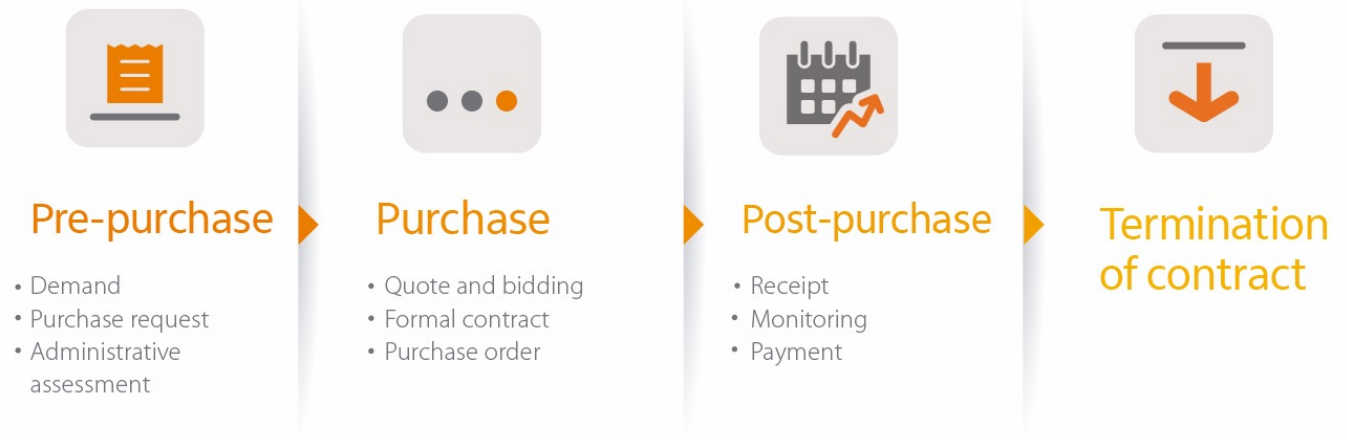
Suppliers by Type of Activity	Percentage
Information technology	15 %
Organizational development and quality of life	14 %
Construction, maintenance and infrastructure	13 %
Advising and consulting	11 %
Marketing and communication	8 %
Other services	39 %
Total	100 %

6.2. We Work with Our Suppliers

204-1

Supplier relationships are based on principles of equity, integrity and transparency as part of Our Way. To that end, we have internal purchasing and payment regulations that establish the stages of a purchasing process to ensure that processes are clear, transparent and orderly.

Stages of Purchasing Process



Leading up to a bidding process, we safeguard the confidentiality of information so that none of the suppliers has prior access to information. Then, during the call for quotes or proposals phase, we send identical information to all suppliers and any clarification to the bidding documents is made available to all the bidding parties simultaneously.

Our sound network of suppliers at the national level is crucial to our daily operations. Since we understand the value of SMEs for the country, there are 959 small and medium businesses in our supplier base, representing 26% of the Bank's total spending on this item.

We worked to establish closer relationships with our suppliers in 2019. We launched a diagnostic that seeks to establish an improvement plan, which will be kicked off with a virtual platform exclusively for this important group of stakeholders.

	2018	2019
Total spending on suppliers	ThCh\$324,241	ThCh\$286,631
Spending on SME suppliers	ThCh\$55,269	ThCh\$84,578
Total number of suppliers	2,038	1,896
Number of SME suppliers	910	959

6.2.1. Supplier Assessment

414-1

Supplier Type by Classification		2018		2019	
		Quantity	Total Spending	Quantity	Total Spending
Critical	Any supplier that provides a service that, in the event of failed or intermittent provision, would greatly impact the Bank's internal processes.	44	88,545	47	67,290
Relevant	Any supplier who, in the event of failure of their services, would indirectly or partially impact operational continuity, the corporate image, legal standing or information security.	37	235,696	37	219,341
Normal	Any supplier that provides the Bank a service other than those classified as critical or relevant.	1,957			

In 2019, we perfected the supplier assessment process to include relevant issues that ensure mutually beneficial transactions as well as social, economic and environmental criteria that depend on criticality levels.

All suppliers must go through an administrative assessment prior to purchasing. Depending on the risk category of the product or service provided, the process includes a maximum of seven areas related to three variables: operational risk associated with the service, amount of the purchase and nature of the service.

It seeks to minimize potential financial, reputation, operational and legal impacts during the rendering of service or following completion of the contract.¹¹

To guarantee a comprehensive evaluation, several players participate in the process with specific purposes.

¹¹ We do not have relationships with organizations that use slave or illegal child labor or that exploit prostitution.

a) Operational Risk:

Determine the criticality to operational risk, business continuity and information security.



b) Human Resources:

Verify compliance with labor laws and conflicts of interest with active bank employees.



c) Anti-Money Laundering (AML):

Evaluate risks related to compliance with laws on anti-money laundering, terrorism financing, bribery and conflicts of interest.



d) Related Party:

Identify transactions with related parties in accordance with the loan policy for related party loan operations issued by the Corporate Legal Division, in conformity with section XVI of Law No. 18,046 on Corporations.



e) Financial Risk:

Verify matters related to the financial health and conduct of the supplier.



f) Legal:

Validate propriety of company's legal structure, modifications, powers of attorney and representatives.



g) Risk Prevention:

Enforce compliance of all standards related to hygiene and security.



	2018	2019
Total spending	2,038	1,896
Total number of suppliers evaluated	1,545	1,596
Percent of total suppliers evaluated	76 %	84 %

Note: suppliers with assessments current as of 2019.

6.2.2. Supplier Payment Terms

We seek sustainable relationships with our suppliers and know that establishing and complying with payment deadlines is essential. Thus, we also ensure that the budgeted investment and/or expense meets the requirements set forth under the Internal Regulations on Purchasing and Supplier Payment for acquisitions of goods and services.

In 2019, we consolidated our purchasing area and considerably reduced the number of days for supplier payments.

Percent of Total Suppliers Evaluated	2018	2019
Invoices	15 days	10 days
Professional fees	12 days	7 days

Note: Some invoices and professional fees (6% in 2018 and 1% in 2019) do not go through the purchasing flow and, therefore, have longer average payment terms than the rest of the documents.

7

Financial Capital



Our Way

- Performance fanatics
- Ethics are non-negotiable

Stakeholders

- Customers
- Shareholders/Investors
- Society

SDG

- SDG 13

Global Impact

- Principle No. 1
- Principle No. 2
- Principle No. 7
- Principle No. 8

Material Issues

- Socio-environmental risk assessment

Spotlight

Itaú listed for the first time on the Dow Jones Sustainability MILA Pacific Alliance Index.

We are sustainable performance fanatics. In 2019, we received different accolades to prove it. We were listed on the Dow Jones Sustainability MILA Pacific Alliance Index for the first time and on the Dow Jones Sustainability Chile Index for the fourth straight year.

The DJSI is a stock index created in 1999 at the request of the New York Stock Exchange to assess non-financial aspects of leading companies. For the last four years, Itaú has stood out on the local index; however, we decided to go a step farther. This earned us a place on the DJSI MILA, a regional index that lists companies with outstanding performance on sustainability requirements relative to their peers in Mexico, Colombia, Peru and Chile.

Furthermore, we have substantially improved our rating since 2018 and are now above the global average for the industry.

7.1. International and Local Macroeconomic Context

The following analysis of the international and local macroeconomic context in 2019 focuses especially on our most relevant markets.

7.1.1. Global Economic and Financial Environment

Uncertainty played a leading role in 2019, a year marked by high volatility in international financial markets and fluctuations from the trade war between the US and China, which resulted in several rounds of tariff hikes between the world's two largest economies. In that context, the leading economies were at risk of slowdown, which further justified the US Federal Reserve's decision to make "additional adjustments" to the interest rate. Meanwhile, in China, they sought to stabilize activity with modest stimulus focused on tax cuts and improved loan conditions for SMEs. In the United Kingdom, the outlook was not very promising given that the plan to exit the European Union did not pass in British Parliament, ultimately leading to a change in Prime Minister.

While the outlook for global activity remained weak throughout the year, the impact of the tariffs between the United States and China has probably reached its peak. Thus, trade flows and manufacturing activity around the world should stabilize in 2020.

In 2019, the US Federal Reserve's Federal Open Market Committee (FOMC) gradually moderated its rate hike discourse. That was reinforced at the last meeting of the year, where they not only voted unanimously to keep the interest rate for federal funds within the 1.5%-1.75% range but indicated that rates would not change going forward while they monitor global developments in the midst of contained inflationary pressures. In that line, several central banks also found space to maintain or even increase the monetary stimulus that they were providing their economies.

In Latin America, domestic risks gained relevance throughout the year, mostly as a result of political issues and growing global uncertainty. Electoral processes and social discontent affected the normal functioning of the economies and, in several cases,

these risks dissipated toward the end of the year, helping regional asset prices. The probability that the US Congress will pass a new trade agreement for North America will reduce uncertainty in Mexico, benefiting the Mexican peso and partially offsetting the impact of micro policies on internal investment. In Brazil, progress on the fiscal agenda enabled its Central Bank to cut the Selic reference rate to historic lows, offsetting the impact of a more contractive fiscal policy and gradually boosting activity. Meanwhile, Argentina will still face uncertainty following the change of administration at the end of the year.

Finally, currencies in Chile and Colombia began to stabilize after authorities responded to the events of October and November.

7.1.2. Chilean Economic and Financial Environment

The Chilean economy faced a high basis of comparison after robust growth of 4% in 2018. Activity in the first four months of the year was slow as activity fueled by demand proved insufficient. That was complemented, in part, by supply shocks in primary industries (mining and fishing), but also uncertainty regarding the external context (trade war, Brexit). The Central Bank surprised the markets by cutting the policy rate by 50 bps to 2.5% in June and again by a comparable amount in September. This cycle began with the monetary authority stating that it was an exceptional cut, justified by a wider product gap and a lower than previously estimated neutral interest rate. It continued with a cut of a quarter percentage point in October (when the monetary policy rate hit 1.75%) for a total of 125 bps.

While the first growth records for the second half of the year showed signs of recovery that could have led to growth of more than 2% in 2019, the events of October adversely impacted activity and confidence. The Monthly Economic Activity Indicator (IMACEC) grew 1.1% year-on-year for December, resulting in the weakest quarter (fall of 1.8%) since the international financial crisis. The surprise in December meant that 2019 growth was 1.2%, significantly slower than the 4% recorded in 2018, but above the 1.0% projected by the market and the Central Bank. Overall, in the last two months of 2019 we significantly reduced our growth projections (to 1.2% for 2020) despite the aid from more expansionary fiscal policy.

The marked increase in domestic uncertainty negatively impacted private sentiment (both in consumers and investors), which at year end were at lows only comparable to past crises like the 2001 attack on the Twin Towers or the international financial crisis. This also resulted in marked depreciation of the Chilean peso between October and mid-November, in a context where the value of other regional currencies relative to the US dollar held stable. After reaching historic nominal lows (with parity of Ch\$838 to the dollar on November 28th), the Central Bank announced that it would intervene in the currency market, selling up to BUS\$20 between December 2019 and May 2020. Given the current intervention program, in its recent Monetary Policy Report (IPoM) in December, the Central Bank counseled toward stabilizing rates at current levels (which are considered expansionary for Chile) for some time. This is coherent with the exchange policy adopted.

As a complementary measure, the Finance Ministry announced that 40% of the debt issued in 2020 (BUS\$9), would be in foreign currency (a figure that has recently been slightly above 20%) and an additional MUS\$7.6 of treasury assets (which includes sovereign funds in the amount of BUS\$24.9) will be used. Greater debt issuance in US dollars and use of sovereign funds will bring foreign currency financing close to BUS\$11, which should support the Chilean peso. To date, the intervention and positive news on the international markets has favored the Chilean peso, leading it to stabilize at about Ch\$750 per dollar at year end.

Deteriorated economic outlook increased the risk that the labor market would feel a marked impact from the slowdown. Consequently, the government responded with an ambitious fiscal stimulus package of BUS\$5.5, about 2% of GDP. Thus, public spending will increase nearly 10% in 2020 (highest real growth since 2009), while the fiscal deficit will grow by more than 4% of GDP after closing at 2.8% in 2019. In a context of low growth and increased public spending, convergence on the structural deficit target of 1% will be slow. The government estimates that stabilization of the gross debt will be about 38% of GDP for 2024, higher than the previously expected level of 30%.

To date, the leading risk rating agencies have had a positive reading of the fiscal policy adjustment, given that the starting point (in terms of deficits and

gross and net debt levels) was favorable in relation to countries with ratings comparable to Chile's. Furthermore, the structural reform processes that the country is undergoing could include changes in pensions, health, education and, very possibly, constitutional reform. In itself, it has been viewed with optimism as a measure to address the challenges related to distribution and public spending that spurred the events of October 2019.

7.1.3. Colombian Economic and Financial Environment

Colombia was not immune to the international context nor the impact of idiosyncratic risks. However, the economy showed robust growth throughout the year. The two main sources of risk were questions concerning annulment of the 2019 Budget Financing Law and the social protests in November.

Idiosyncratic risks reached a critical point when the Constitutional Court repealed the Budget Financing Law in October. The much-anticipated ruling, on a law that had faced legal challenges since its passage at the end of 2018, was made on the basis of irregularities in the process of passing it. However, the judicial branch allowed the government to keep the income that the law would generate throughout the year, giving the administration time to resubmit a new budget law to congress and ensure a flow of income for the coming years. The ruling did not convince rating agencies to change their outlook for the Colombian economy. They argued that this would have a "marginal impact" on the health of public finances. A new, even more diluted version of the tax reform finally got the green light in congress at the end of 2019, putting an end to a period marked by slight, but noticeable, instability. However, there are many unresolved structural public financing issues for the years to come, when fiscal deficit is expected to go from 2.5% of GDP in 2019 to 1% in the second half of the decade.

Activity was on a growth path throughout the year, with consumption as a key driver. Significant immigration from Venezuela, relatively low inflation and interest rates, in addition to robust growth in credit, played an important role in private consumption, especially in the second half of the year. Investment, propped up by construction, also contributed to growing the GDP, which closed 2019 up 3.3%, the greatest increase in five years. Despite a favorable dynamic in 2019, the outlook for 2020 is

less certain. On one hand, consumer confidence and the significant drop in employment figures suggest that commercial activity could weaken moving forward. On the other, while the social unrest of November 2019 were less generalized and intense than those in other regional economies, they add a note of caution to Colombia's outlook moving forward. Today, the clearest impact comes from greater fiscal pressure (which could further complicate fiscal convergence moving forward), more than growth.

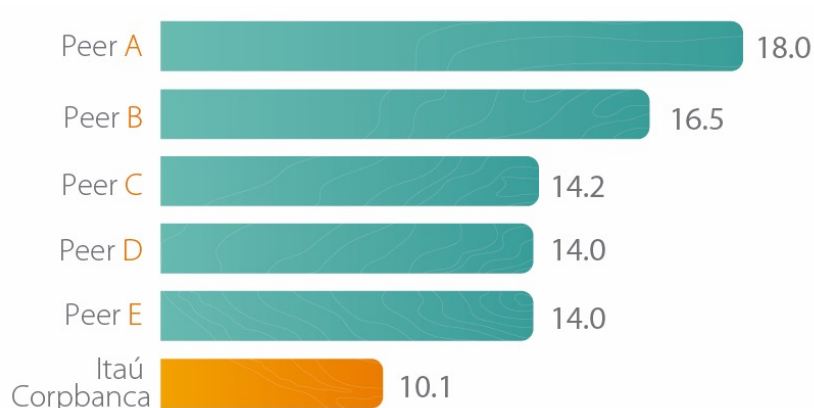
External events applied pressure to regional currencies, including the Colombian peso. Consequently, in the middle of the year the Colombian Central Bank suspended a September 2018 program for accumulating reserves, after acquiring some BUS\$2.9 to bring reserves to about 17% of GDP. As in other regional economies, the Colombian peso hit historic lows (3,546 per dollar) in November, when uncertainty regarding the social process in the country was added to global geopolitical risks. This decoupled the behavior of the Colombian peso from oil (the country's main export), which performed better in the second part of the year. As these risks shot up, the currency gained ground in relation to the dollar, trading under 3,300 pesos per dollar at year end 2019. Structurally, the deficit remains wide (estimated at 4.5% of GDP at the close of 2019, compared to 3.9% in 2018), reflecting robust domestic demand and disappointing oil exports, which constitutes a risk to the country's currency. This is an additional argument for limiting rate cuts.

Throughout the year, the Colombian Central Bank held the reference rate steady at 4.25%. The combination of controlled inflation, impacted only slightly by a shock to food supply; moderate depreciation of the Colombian peso; expectations of well-behaved inflation; and gradual reduction in the product gap, enabled the board to keep rates close to neutral levels and ready to respond to any significant change in the economic environment. Despite the increase in the current account deficit, the Colombian Central Bank has emphasized that its funding dynamic is healthy. Still, securities market intervention is a possibility if volatility increases. Overall, inflation ended up just below the upper limit of the 2-4% range, close to the 3% target. The expectation is that it will gradually slow toward the target in 2020.

7.2. The Chilean Banking System

The Chilean financial market is comprised of diverse sub-sectors. The largest of these, commercial banking, includes 1 state bank and 16 private banks, which all operate under the same regulatory framework. Some are controlled by a Chilean entity while others are international banks that operate in the country under the direction of a foreign entity.

Total Loans - Chilean Banking System



Source: Financial Market Commission (CMF).

Note: Chilean market share was calculated on the basis of CMF consolidated figures as of December 31, 2019. Excludes operations at Chilean banks' foreign banking subsidiaries (i.e. Itaú Corpbanca Colombia and the National Bank of Florida).

In keeping with global trends, the Chilean banking system has undergone consolidation involving mergers and acquisitions of banking entities in recent decades. In Chile, the financial market has become heavily concentrated in a few market leaders. The origins of this process can be traced back to 1990. The industry's two main banks comprised 34.7% of total loans in 2019.

Chilean Banking System: Loans, Risk, Provisions and Returns, 2018-2019* (in millions of Chilean pesos and percentages)

Chile	2018	2019
Total loans	177,028,608	194,899,837
Commercial loans	101,084,837	111,576,835
Consumer loans	25,792,525	27,530,158
Mortgage loans	50,151,246	55,792,844
Risk index	2.5 %	2.6 %
Provisions and write-offs	1,871,828	2,580,854
Return on capital	13.8 %	13.1 %

Source: Financial Market Commission (CMF):

Note: Loan amounts and ratios were calculated on the basis of consolidated figures published by the CMF on December 31, 2019, and, thus, include operations of banking subsidiaries.

After continual growth since 2013, the banking system's total loan growth slowed from double to single digits, in 2016. The slowdown was exacerbated by low growth in the commercial portfolio in 2017. However, in 2018 and 2019, growth accelerated 10.3% and 9.7%, respectively, both exceeding the 4.8% recorded in 2017.

This increase was driven by strong growth in commercial and consumer loans that was attributable to improved economic expectations, falling interest rates and relaxation of loan conditions, according to Bank Loan Survey results.

This year was marked by unrest and prioritization of social demands, which negatively impacted economic growth and medium-term projections. The Central Bank, consequently, intervened to mitigate devaluation of the Chilean peso. The government has also proposed

increased fiscal spending, particularly related to the health, pension and education demands of the social agenda.

Macroeconomic projections indicate GDP growth of 1.8% in 2019 and estimate that economic growth will slow to between 0.5% and 1.5% in 2020. This makes a big difference relative to the last three years, where there was growth in gross capital formation. In 2020, the economy is expected to contract 4.0%. Total consumption is expected to grow 1.1% for 2019 and 2020, which is below the trend for the years 2017 and 2018, when total consumption was 5.5% and 4.7%, respectively.

Our Bank has the means to expand its financial product offering using proven segmentation and digitization models, inspired by the excellence of our parent company, Itaú Unibanco. Our consolidated loan portfolio recorded growth of 7.7% during the year, supported primarily by consumer and commercial portfolios.

Growth in Total Loans - Chilean Banking System (Percentage)



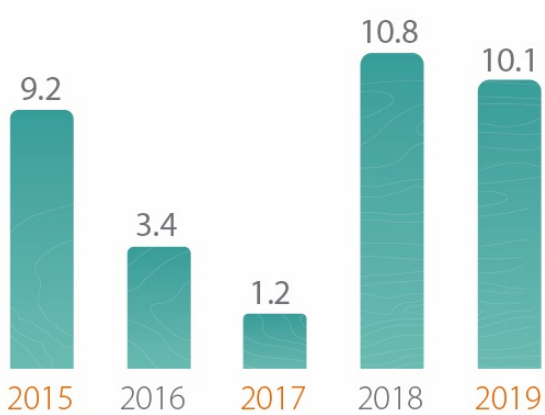
Source: Financial Market Commission (CMF):
Note: Loan growth was calculated on the basis of CMF consolidated figures as of December 31st. Excludes banking subsidiary operations abroad and includes proforma figures for the 2015-2018 period to include loans from CMR Falabella, Walmart Servicios Financieros and Santander Consumer.

Following two years of low growth, in 2018 and 2019 the system recorded growth similar to 2015 levels. Specifically, the commercial portfolio managed to grow 10.1% in comparison to the six-year average growth of 7%. This growth was less than in 2018, reflecting stagnated economic activity and highlighting lower GDP projections for 2019 and 2020.

While corporate debt as a percentage of GDP fell in 2017, the level of debt taken on by companies began to rise as of the second quarter of 2018, which is in line with this growth in loans. The ratio of debt to GDP for non-financial companies reached 105.9% in the second quarter of 2019.

Commercial banks are facing growing competition for commercial portfolios from other financial intermediaries, which provide access to capital markets for large companies as an alternative to bank loans. Given the regulatory framework of the General Banking Law, we aim to maintain a competitive position in the investment banking market through our subsidiary Itaú Asesorías Financieras.

Growth in Commercial Loans - Chilean Banking System (Percentage)



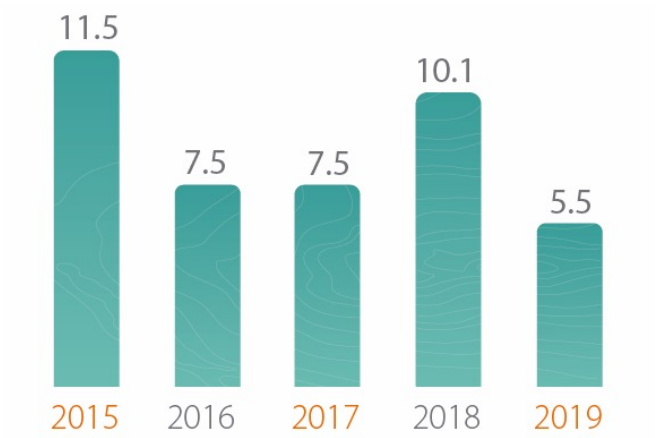
Source: Financial Market Commission (CMF).
Note: Loan growth was calculated on the basis of CMF consolidated figures as of December 31st. Excludes banking subsidiary operations abroad.

Consumer loans rose 5.5%, the lowest growth recorded in the last six years.

Our main competitors in the credit card area are department stores and other non-bank issuers of private credit cards.

In November 2019, the banking market was modified when Santander Consumer Finance was integrated into Banco Santander’s operations. The new subsidiary focuses on financing for new and used cars. This integration impacted the consumer market, expanding it by 1.7% (specifically in installment loans) and the overall market by 0.2%. Consequently, market share fell for all the other banks in the consumer portfolio, but without significant impact on each bank’s market share by total loans.

Growth in Consumer Loans - Chilean Banking System (Percentage)



Source: Financial Market Commission (CMF).
Note: Loan growth was calculated on the basis of CMF consolidated figures as of December 31st. Excludes banking subsidiary operations abroad and includes proforma figures for the 2015-2018 period in order to include loans from CMR Falabella, Walmart Servicios Financieros and Santander Consumer.

In 2016, the real estate industry experienced a significant drop relative to preceding years, due to a tax reform and its impact on the sale of new homes without VAT, which had a substantial affect in 2015. Between 2016 and 2018 the growth rate was relatively stable. However, in 2019 growth was 11.2% greater than in the three years prior, reaching 2013 levels.

Growth in Mortgage Loans - Chilean Banking System (Percentage)



Source: Financial Market Commission (CMF).
Note: Loan growth was calculated on the basis of CMF consolidated figures as of December 31st. Excludes banking subsidiary operations abroad.

Insurance companies, now allowed to grant mortgage and consumer loans, became relevant competitors in these markets.

On the other hand, we face competition from banks that provide international private banking services, like JP Morgan Chase, BNP Paribas and others. Our competitive advantage in private banking has been the ability to provide customized products and diligently respond to customer needs.

Banco Condell, our financing unit specializing in low-income segments, competes with other banks' consumer banking divisions and several non-banking providers of consumer credit, like department stores. Its competitive advantage lies in its ability to respond quickly, know its customers and provide a fair pricing structure.

In 2019, the risk index for our loans remained at 2.5%, returning to 2016-2017 levels.

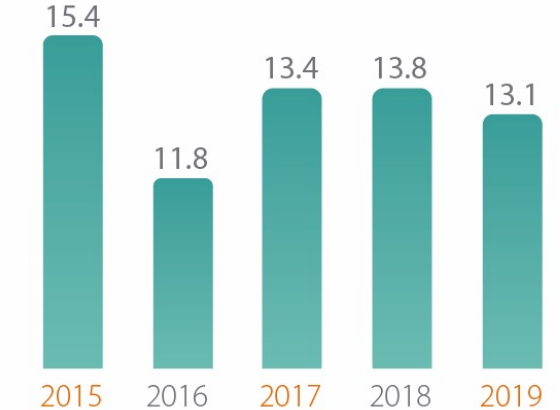
Total Risk Index (%)



Source: Financial Market Commission (CMF).

The system's return on equity reached 13.1% in 2019, 0.7% lower than the previous year. The improved indicator primarily reflects higher earnings, which reached BCh\$2,533 as of December 2019, up from BCh\$2,396 year-on-year.

Return on Equity (%)



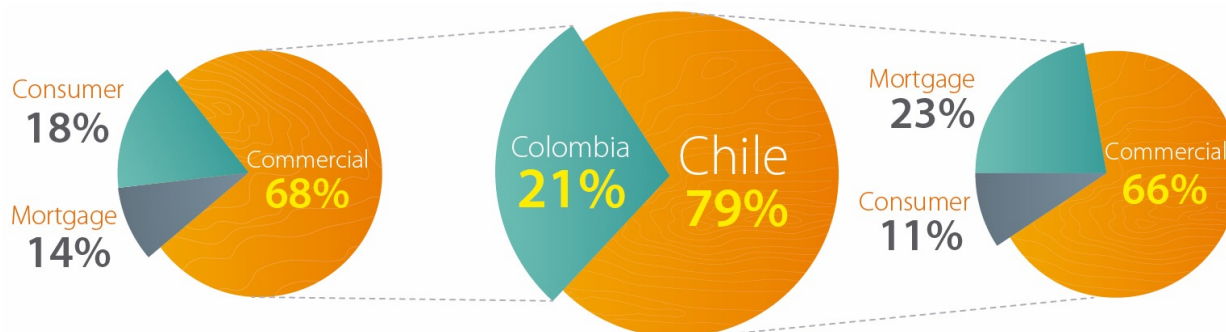
Source: Financial Market Commission (CMF).
Note: Return on equity was calculated using CMF figures excluding goodwill.

7.3. Economic Performance

7.3.1. Activity Volume

Total Loans and Market Share in Chile and Colombia

As of December 31, 2019, Itaú's total consolidated loans were up 7.7% year-on-year, reaching MCh\$23,154,056. This trend is attributable to good performance on commercial loans and the mortgage portfolio as well as growth in consumer loans as a positive response to our strategy and platform for expanding the retail business.



In Chile, the consumer loan portfolio has consistently recorded above-market expansion since 2017. Specifically, in 2019 our loan portfolio grew 1.8 times above the industry average (9.9% vs. 5.5%). A key element in our strategy for rebalancing our loan portfolio with a better combination of consumer and commercial loans, this will help us close the market gap in the net interest margin and leverage our retail position in operating terms.

Furthermore, the commercial portfolio grew 8.6%, in accordance with our target range of 8-10%. Thus, after adjusting concentration and political risk in the first cycle of loan portfolio management, we observe convergence in commercial growth. We expect commercial growth to continue aligning with market growth to the extent that we continue expanding our cash management service offering and cross sales.

For the mortgage portfolio, we adjusted our operating model and value proposition for this segment in 2019. As a result, in the last twelve months, we managed to

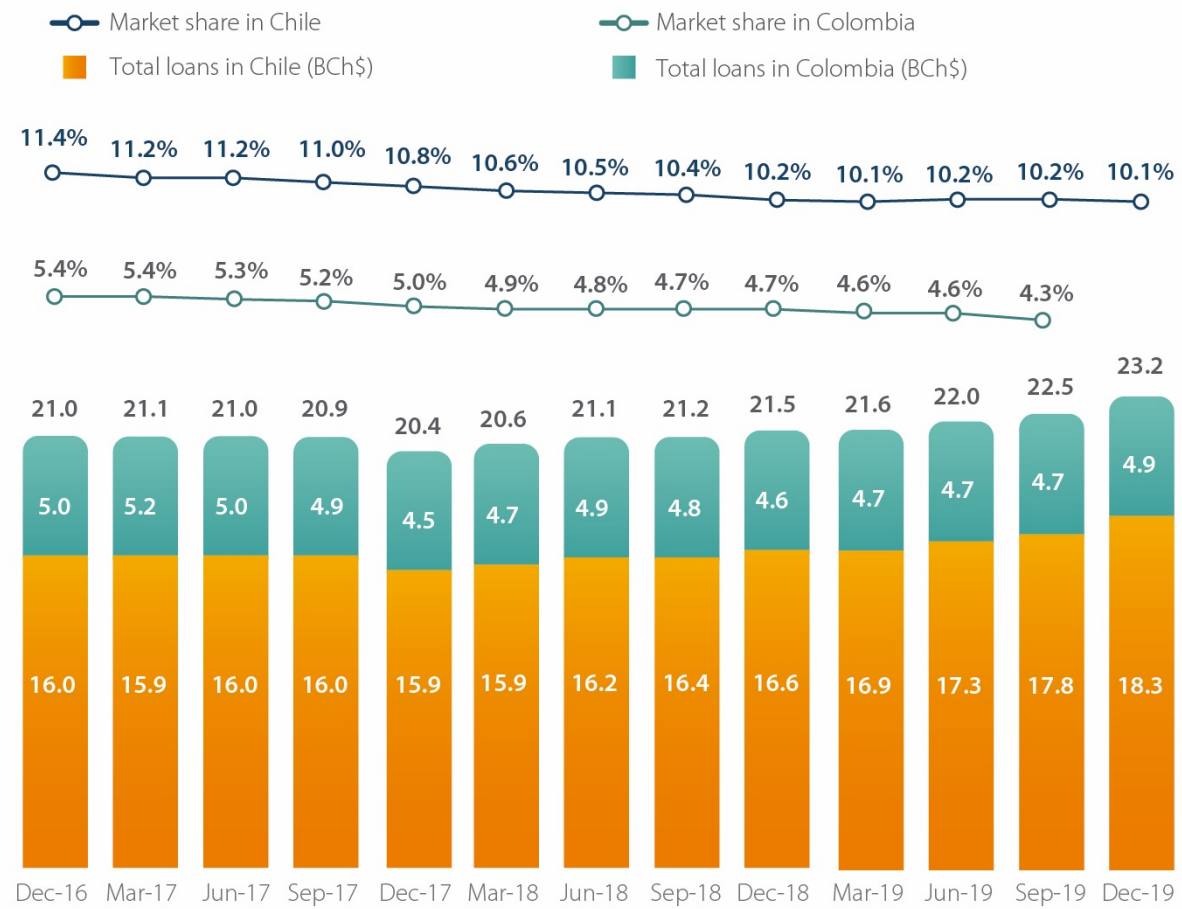
recover our growth rate and get closer to industry levels (9.9% v. 11.2%). Despite the resulting drop in our total loan market share in Chile, it began to stabilize around 8% in recent months.

Year on year, wholesale business in Colombia grew approximately 5% in the loan portfolio, while retail grew 2% in aggregate. However, repositioned products like mortgages and credit cards grew 12 and 13%, respectively, while consumer loans fell 7%. Payroll loans continue to be the detractor from retail business growth, down 23% compared to the same period in 2018. We hope this portfolio stabilizes in the coming months to prevent a negative vector on the road to growth for business in Colombia. In that context, Itaú Corpbanca Colombia's loan portfolio grew 4.2%, largely thanks to the increase in the commercial portfolio (5.3%).

Consequently, our market share in Chile and Colombia shrunk, as shown below:

Total Itaú Loans and Market Share in Chile and Colombia (2016-2019)

Sources: Itaú, Financial Market Commission (CMF) and Colombian Financial Superintendency (SFC).



Note: According to the most recent figure available from the Colombian Financial Superintendency as of the date of this report, Itaú Corpbanca Colombia had market share of 4.3% in November 2019.

Consolidated Loans by Industry

The following table shows positive diversification of the loan portfolio by industry, without significant concentration in any one industry.

Itaú Loans by Economic Sector

	Domestic Loans ThCh\$	Foreign Loans ThCh\$	Total ThCh\$	Total %
Commercial loans				
Manufacturing	988,739	111,000	1,099,739	4.75 %
Mining	292,263	259,352	551,615	2.38 %
Electricity, gas and water	685,749	439,792	1,125,541	4.86 %
Agriculture and livestock	309,648	174,295	483,943	2.09 %
Forestry	48,192	5,136	53,328	0.23 %
Industrial fishing	42,397	4,505	46,902	0.2 %
Transport	478,737	80,534	559,271	2.42 %
Telecom	25,209	9,717	34,926	0.15 %
Construction	1,757,874	348,955	2,106,829	9.1 %
Wholesale and retail trade	1,439,969	689,210	2,129,179	9.2 %
Service	2,864,307	1,080,264	3,944,571	17.04 %
Others	2,294,517	1,049,425	3,343,942	14.44 %
Subtotal	11,227,601	4,252,185	15,479,786	66.86 %
Mortgage loans	4,211,094	664,947	4,876,041	21.06 %
Consumer loans	1,923,745	874,484	2,798,229	12.09 %
Total	17,362,440	5,791,616	23,154,056	100 %

Source: Itaú

7.3.2. Funding Structure

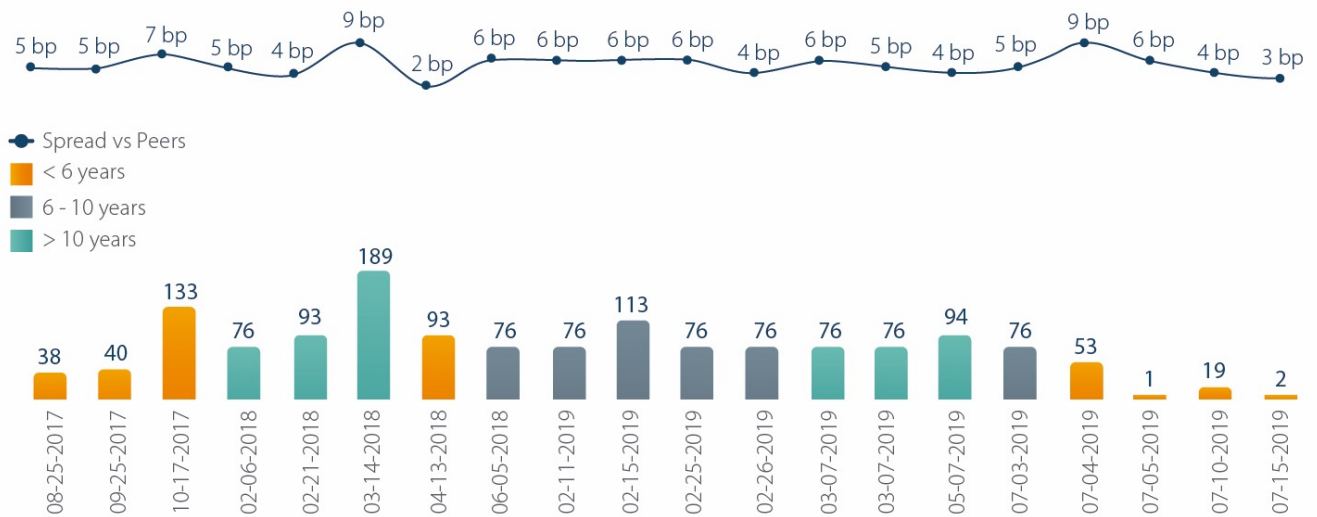
Our strategy is designed to diversify sources of funds according to cost, availability and in light of the Bank's asset and liability management, which aims to extend maturities.

Total funding, including interbank deposits, reached BCh\$26.1 as of December 31, 2019, up BCh\$2.3 (9.8%) from December 2018. Demand and time deposits were the main funding sources, up 14.4%, in line with the pace of commercial activity. Bonds and banks followed in order of funding importance

(8.3% and 13.7%, respectively), consistent with the diversification strategy and quest for longer maturities.

In order to extend the maturity profile and retain high liquidity levels, Itaú placed MUS\$742 in senior bonds on the Chilean market. The spreads generated by these issuances have continually improved the cost of funds.

Bonds Issued in Chilean Pesos and UF (Figures in millions of US\$)



Source: Itaú

Further diversification of our funding sources can be seen in two syndicated loans. The first is for MUS\$150 maturing in April 2020 and the second is a MUS\$100 AB Loan, led by the International Finance Corporation (IFC), with a term of 5 years (A Loan) maturing in December 2020.

7.3.3. Capital Adequacy

Itaú Regulatory Capital

Our minimum capital requirements remain within the definitions set forth by the Financial Market Commission (CMF) in Chile, which establishes capital requirements under Basel I standards. A new Banking Law was enacted on January 12, 2019, adopting Basel III and replacing the Superintendency of Banks and Financial Institutions (SBIF) with the CMF.

The CMF replaced the SBIF on June 1, 2019. Within 18 months, the new regulatory body will issue regulations for several key definitions, at which time we will know the full impact of implementation. These definitions include capital deductions, the size of specific cushions, possible changes to the density of risk-rated credit assets, as well as definitive market and operating risk models and the general implementation period. Between August 2019 and January 2020, the CMF has issued the following regulations for discussion:

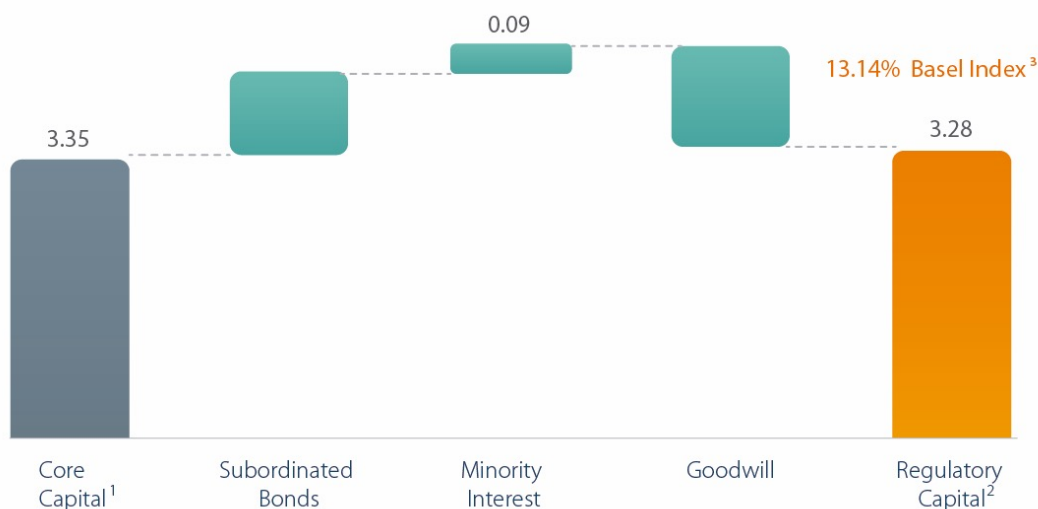
Banks of systemic importance, operating risk-weighted assets, regulatory capital, additional capital requirements and credit risk-weighted assets. As of the date of publication, these regulations have been aligned with our estimates.

Currently, our minimum capital requirements are still expressed as the ratio (quotient) of equity or total capital comprised of Tier I and Tier II and risk-weighted assets (RWA). Our minimum capital requirement is 10.0% of total capital.

Itaú strives to have an optimal capital ratio based on the greater of: 120% of minimum regulatory capital requirement or the average regulatory capital ratio of the three largest private banks in Chile and Colombia.

According to CMF data, as of November 30, 2019, the average regulatory capital of the three largest private banks in Chile was 12.5%. As of December 31, 2019, Itaú's regulatory capital ratio was 13.1%, broken down as follows:

Itaú Regulatory Capital



¹ Core capital = capital and reserves, in accordance with the CMF BIS I definition, includes pertinent adjustments from the business combination.

² Regulatory capital = capital required under the CMF BIS I definition. ³ Basel ratio = regulatory capital / RWA under the CMF BIS I definition.

The Basel ratio is down 146 base points relative to December 2018. This decrease is mainly attributable to:

(i) Acquisition of Itaú Corpbanca Colombia shares held by Helm LLC and Kresge Stock Holding Company Inc., in December 2019, which impacted regulatory capital. This impact was partially mitigated by the coverage previously provided in dollars and by capital efficiencies; and

(ii) 6.8% growth of risk-weighted assets, partially impacted by (a) the increase in fixed assets as a result of applying IFRS 16, which implied constitution of new right-of-use assets under lease agreements; and (b) fluctuation in foreign currency (COP and USD) in relation to the Chilean peso. In 2019, the Chilean peso depreciated 6.8% relative to the Colombian peso and 7.8% relative to the US dollar. Approximately 21% of our consolidated loans are denominated in Colombian pesos; 14% are denominated in US dollars.



US dollar
Ch\$748.77

+7.8%
(2019/2018)



Colombian peso
Ch\$0.2284

+6.8%
(2019/2018)

7.3.4. Financial Results for 2019

The consolidated results for December 2019 are profit of MCh\$127,065, comprised of MCh\$115,849 in Chile and MCh\$11,216 in Colombia, reflecting a decrease of 26.1% compared to 2018.

From a macroeconomic perspective, the events with the greatest impact on our results were: (i) the social unrest with peaceful protests and acts of vandalism that resulted in diminished economic activity in Chile and an increase in delinquency; (ii) lower monetary policy rate in Chile, which went from 2.75% at the beginning of the year to 1.75% at the beginning of November, putting pressure on our liability and capital margins; and (iii) lower variation in the observed UF in Chile (2.7% in 2019 compared to 2.9% in 2018), which impacts our net interest margin and effective tax rate.

Results and Comparisons for 2019 and 2018

(In millions of pesos)	2018	2019	Δ '18-'19 (\$)	Δ '18-'19 (%)
Net interest and indexation income	846,991	846,718	(273)	(0.03)
Net fee and commission income	186,129	174,404	(11,725)	(6.30)
Net financial operating income	174,199	169,060	(5,139)	(2.95)
Other operating income	(38,289)	(20,089)	18,200	(47.53)
Total operating income	1,169,030	1,170,093	1,063	0.09
Operating expenses	(673,328)	(674,984)	(1,656)	0.25
Net provisions and write-offs	(242,490)	(322,693)	(80,203)	33.07
Net operating income	253,212	172,416	(80,796)	(31.91)
Income attributable to investments in other companies	1,528	6,832	5,304	347.12
Income before income tax	254,740	179,248	(75,492)	(29.63)
Income tax expense	(77,894)	(46,784)	31,110	(39.94)
Profit for the year	176,846	132,464	(44,382)	(25.10)
Non-controlling interests	(4,799)	5,399	10,198	(212.50)
Profit attributable to owners of the bank	172,047	127,065	(44,982)	(26.15)

Additionally, the main factor explaining lower consolidated results is greater net provisions and write-offs of MCh\$80,203 (33.1%). The increase originated, to a great extent, as a result of the one-time events shown below, which were partially offset by a lower effective tax rate.

In order to illustrate the impact of Colombian operations on Itaú's consolidated results, the following table discloses Chilean and Colombian figures separately as of December 31, 2019.

Importantly, Itaú in Chile accounted for some expenses related to the operations in Colombia, particularly expenses related to the fiscal hedge position, which impacts the net interest margin and the hedge on net investments in a foreign operation, which affects net financial operating income. This is in addition to the inherent effect of the fiscal hedge on net financial operating income and income tax.

In our opinion, these adjusted results as of December 31, 2019, are the best approximation to Itaú's stand-alone operations in Chile.

Adjusted Results for Chile and Colombia for the Year Ended December 31, 2019

	Profit Attributable to Owners of the Bank		Chile		Colombia		Adjustments	Chile Adjusted	
	Accumulated as of Dec '19 MCh\$	Change (%) Dec '19/ Dec '18	Accumulated as of Dec '19 MCh\$	Change (%) Dec '19/ Dec '18	Accumulated as of Dec '19 MCh\$	Change (%) Dec '19/ Dec '18		Accumulated as of Dec '19 MCh\$	Change (%) Dec '19/ Dec '18
Net interest and indexation income	846,718	-0.03 %	595,014	3.66 %	251,704	-7.79 %	1,234	596,248	3.49 %
Net fee and commission income	174,404	-6.3 %	142,323	-7.63 %	32,081	0.12 %	-	142,323	-7.63 %
Net financial operating income (loss)	169,060	-2.95 %	126,714	-18.06 %	42,346	116.5 %	(11,639)	115,075	-2.65 %
Other operating income	(20,089)	-47.53 %	88,596	-61.17 %	(11,493)	-28.84 %	-	(8,596)	-61.17 %
Gross operating income	1,170,093	0.09 %	855,455	-0.6 %	314,638	2.02 %	(10,405)	845,050	2.27 %
Net provisions and write-offs	(322,693)	33.07 %	(243,133)	53.62 %	(79,560)	-5.53 %	-	(243,133)	53.62 %
Operating income, net of provisions and write-offs	847,400	-8.54 %	612,322	-12.82 %	235,078	4.85 %	(10,405)	601,917	-9.9 %
Operating expenses	(674,984)	0.25 %	(459,499)	-0.3 %	(215,485)	1.43 %	-	(459,499)	-0.3 %
Net operating income	172,416	-31.91 %	152,823	-36.71 %	19,593	66.81 %	(10,405)	142,418	587.44 %
Income attributable to investments in associates	6,832	347.12 %	4,900	1,607.32 %	1,932	55.68 %	-	4,900	1,607.32 %
Profit before taxes	179,248	-29.63 %	157,723	-34.76 %	21,525	65.74 %	(10,405)	147,318	-28.99 %
Income tax expense	(46,784)	-39.94 %	(41,750)	-47.23 %	(5,034)	-510.94 %	20,653	(21,097)	-40.10 %
Profit for the year	132,464	-25.1 %	115,973	-28.69 %	16,491	16.04 %	10,248	126,221	-26.72 %
Profit attributable to owners of the bank	127,065	-26.15 %	115,849	-28.76 %	11,216	18.82 %	10,248	126,097	-26.78 %

Net Interest and Indexation Income

The net interest margin fell to MCh\$273, down 0.03% relative to the prior year. These results are attributable to: (i) lower inflation in Chile (3.0%) reflecting the Bank's active inflation position and the adverse impact of lower indexation on the banking book; and (ii) the impact of holding the interest rate in Colombia (4.25%) in relation to the close of the prior year, which impacted the operating margin in Colombia, where the local balance sheet structure caused liabilities, like assets, to be significantly repriced.

Net Fee and Commission Income

Net fee and commission income totaled MCh\$174,404 in 2019, compared to MCh\$186,129 in 2018, which represents a drop of MCh\$11,725 (6.3%). The reduction is attributable to the MCh\$11,763 (7.6%) reduction in net fee and commission income in Chile, generated primarily by increased expense for credit card transactions only as a result of reclassification from other operating expenses to commissions in 2019. It also drove down income from commissions on lines of credit and overdrafts.

These impacts were partially offset by greater commissions on credit cards and current accounts, in line with our growth in the retail segment and, to a lesser extent, due to higher commissions on collections and payments.

Net Financial Operating Income

In 2019, net financial operating income from foreign exchange transactions fell 2.95%. This is attributable to (i) the impact of fiscal hedge derivatives – offset in alignment with taxes – and the investment hedge; (ii) greater opportunities observed in the market; and (iii) adjustments to the credit value adjustment (CVA).

Administrative Expenses

In 2019, administrative expenses rose MCh\$1,656 (0.25%) relative to the close of 2018. This was greatly attributable to an increase of MCh\$3,031 (1.4%) in operating expenses in Colombia, which was offset by a decrease of MCh\$1,375 (0.3%) in operating expenses in Chile.

Increased expenses in Colombia are primarily a reflection of applying IFRS 16, which brought new amortization and depreciation for right-of-use assets under lease agreements, which was offset by

reduced office lease expenses. Likewise, bonuses and gratifications rose and, as a consequence of personnel reductions, severance indemnities also rose.

Net Provisions and Write-Offs

In 2019, net provisions and write-offs were up 33.07%, the equivalent of MCh\$80,203. This is explained mainly by:

- Corporate credit events, one in Chile and another in Colombia.
- One-time provisions in Chile as a result of changes in regulatory and internal provision models (group commercial and consumer loan portfolios, respectively).
- Impact of the increase in exchange rate on the provisions associated with loans in foreign currency. However, this effect is neutralized by a financial hedge recorded in net financial operating income.
- Social unrest, including peaceful protests and acts of vandalism, resulted in slowed economic activity in the country and a subsequent increase in delinquency for the retail segment.

These negative impacts were partially offset by provisions released for the corporate portfolio.

Net expenses were down 5.53% in Colombia, making it a more favorable year for wholesale banking.

Itaú's active risk management policy extends to its operations in Colombia, with provisions of 119.4% for the consolidated portfolio.

Income Attributable to Investments in Associates

In 2019, income from equity investments rose MCh\$5,304 (4.5 times) compared to 2018 levels. This change originates primarily from the significant influence obtained in Nexus S.A. and Transbank S.A., with the election of a board member at each company. Consequently, in 2019, we began applying the equity method, thus generating income of MCh\$5,041 this year.

Income Tax Expense

Our effective tax rate is impacted by both volatility in the exchange rate and change in the UF. The first is related to the equity method value of the investment in Colombia, which, for this purpose, is

considered to be in US dollars. This volatility is neutralized and a financial hedge recorded in financial operating results. Meanwhile, change in the UF impacts the price-level restatement of equity.

Tax expense in 2019 fell MCh\$31,110 (39.94%) relative to 2018 levels, explained by reduction of MCh\$37,369 (47.23%) in Chile and MCh\$6,259 (4.11 times) in Colombia. For Chile, the reduction is the result of a lower increase in the exchange rate relative to the prior year (\$49 v. \$80). Consequently, reversal of income tax provisions was greater in relation to 2018. Meanwhile, in Colombia, tax credits had a positive impact.

7.4. Commercial Segments, Business Areas and Subsidiaries

7.4.1. Wholesale Banking

Corporate Banking

Corporate Banking serves customers and/or economic groups with annual sales over MUS\$100. It offers personalized financial and transactional products with tailor-made solutions supported by an advising model that facilitates customer growth.

Our mission is to create value. In order to do so, we get to know our corporate customers very well. This allows us to offer customers “tailor-made solutions” that are truly useful. Understanding and knowing our customers’ business is what sets our Corporate Banking service apart, making ours a bank that supports customers through a variety of processes.

In 2019, we continued leading major Project Finance operations, syndicated loans, refinancing and leveraged buyouts (LBO). For the second straight year, the Bank is among the country’s top-three lenders on the ranking of Chilean issuers on the local capitals market.

Furthermore, we reinforced the division’s business development area. Thanks to improved planning of commercial activity, loans and demand deposit balances rose, facilitating expansive, above-market growth in the segment. This sets the basis for 2020, improving our market share and customer reciprocity.

Beginning in October and due to social unrest in the country, the area focused on supporting our customers, business continuity and guaranteeing the physical safety of employees. As a result of these efforts, this business area kept operations within normal standards at all times.

Large Companies Banking

Large Companies Banking customers are legal entities or economic groups with annual sales between MUS\$8 and MUS\$100 that do not operate in the real estate, property rental and/or construction industries. We also serve educational establishments and individuals who hold current accounts with annual activity between the aforementioned amounts. We have national coverage through Business Centers in Santiago and Chile’s largest cities.

The service model includes a complete offering of financial products and services, which we make available to our customers through commercial executives and executives specializing in foreign trade products, leasing, factoring and cash management, which offer the broadest solutions to the needs and specifics of each customer.

In 2019, we expanded our customer relationships through increased Cash Service Agreements and structured term financing, increasing our financial system market share. We also expanded our customer base. These efforts were supported by several relationship activities, like talks on economic topics and events to build camaraderie, that brought together more than a thousand customers throughout the country. Among other indicators, this fueled a significant increase in demand balances for the segment, even exceeding industry levels.

We made strides on digital banking by optimizing our foreign trade web portal, cash services and self-processing for issuing performance and bid bonds, thereby rounding out a competitive product and service offering for the country’s major companies.

Real Estate and Construction Banking

This business area focuses on the financial needs of customers in the real estate development and sale, commercial, industrial and residential leasing and construction industry.

In 2019, we saw considerable improvement in loan volume and business in the area—resuming portfolio growth—primarily as a result of greater

construction activity and low mortgage rates. The leasing business has taken on an important role aligned with changes in the real estate sector.

At the end of the year, business volume adjusted to the market situation, delaying the beginning of new projects.

7.4.2. Retail Banking

Itaú Companies

Itaú Companies serves legal entities and individuals with a business license who have annual sales between US\$100,000 and MUS\$8.

For companies with sales between US\$100,000 and US\$1 million, the service model includes branch-based executives specializing in Small and Medium Enterprises (SMEs). We offer a wide range of financial products and services to these customers, primarily working capital and investment loans (with and without state guarantees), factoring, leasing, performance bonds, foreign trade financing, cash management and investment products such as certificates of deposit and mutual funds.

In 2019, we made progress on digitization, simplifying the risk model and records, reducing unnecessary documentation by 80% and increasing speed by 85%. Today nearly one third of our customers can access financing online through a flexible, easy-to-use system. They can access available credit from their private site with a single click.

We also invested in tools to strengthen customer relationships so that we can learn about their wants and needs in order to make our commercial strategies exclusive and targeted. Some of the improvements that have been most widely accepted and highly valued by our customers include planning visits and the issues to be addressed and introducing products of interest, commitments and time frames.

We seek sustainable results and our decisions are always customer-centered. In 2019, we continued our comprehensive management model, reinforcing it with ongoing training for our executives and assessment of adherence to the model. The ongoing improvements to our web processes—like opening current accounts and credit cards—also necessitated training for our SME customers. As part

of our commitment to financial literacy for the SME segment, we offered the Business Advising Program again in 2019.

In 2019, our SME platform led the industry in both bank and executive satisfaction.

At the customer level, the segment grew 2.4 times the market and more than 50% in loans.

Source: Servitest Pyme 2019.

For the Retail Companies segment, serving entities with annual sales between US\$1 million and US\$8 million, 2019 was a year of consolidating the comprehensive management model that we have promoted since creating the segment in 2017. The “on-site executive” value proposition has enabled us to lead the commercial area in terms of high-performance agents; provide customers with adequate solutions through service that is perceived as timely and effective (response time); and base productivity on knowledge of customers and their needs.

Based on these goals, our efforts have been successful. Customers with current accounts are up 12%. Liabilities grew 15% in demand deposits and 11% in investments. Annual growth in total loans is 20% with a sustained increase of 32% in overall business productivity compared to the previous year. Furthermore, the Bank reported increased earnings (13%) and results three times above annual projections.

Along with business results, we made consistent progress on digitalizing and simplifying our processes, thereby improving efficiency and security. For example, we were able to cut the time it takes to open a current account from 10 days to 48 hours. We also worked on improving the agility and simplicity of the loan, collections and payment processes.

In that vein, the digital token is worth mentioning. The innovation has made it possible to gradually eliminate customer coordinate cards, improving their experience during daily transactions while making them stronger, simpler and more secure.

Itaú Private Bank

This segment provides financial services to customers with income over US\$8 million and investments of US\$1 million or more. Our customers are individuals, legal entities, senior executives or directors of corporations and partners at medium and large companies.

Itaú Private Bank provides personalized financial services to high net-worth customers through a highly qualified team that provides a unique, personalized experience. The goal is to provide a broad, differentiated set of financial solutions aligned with their needs and challenges.

The relationship model is based on providing each customer with the comprehensive, personalized and professional advising service for managing their net worth, major investments, banking and credit structuring needs in a way that best fits the investor and financing profile.

Our specialized team of business executives and investment bankers aims to maximize gains for our customers based on their investor profile.

Itaú Private Bank offers customers a complete range of on- and off-shore products; mutual funds; stock, bond, currency and derivative brokerage; open investment funds; voluntary retirement savings (APV); structured products and alternative investments; as well as discretionary portfolios. We also provide custom credit products, structured to individual needs.

In 2019, we organized several relationship-building events, featuring Itaú's head economist, where we addressed the vision of the Bank as well as domestic and international economic realities. We also implemented a new customer loyalty program with differentiating and exclusive benefits.

Another important milestone for this segment occurred in May. Our Board of Directors decided to proceed with acquisition of MCC S.A. Corredores de Bolsa, which will enable us to provide services in international markets through Banco Itaú in Miami, Switzerland, Brazil and others. The transaction will add 35 new team members, including bankers and investment specialists.

Itaú Personal Bank

Itaú Personal Bank focuses on high-income customers, whose monthly income exceeds Ch\$2.5 million or who hold investments between Ch\$70 million and Ch\$700 million. Our service model is based on relationships and constant advising on financial products, investment and/or protection. Itaú Personal Bank offers a specialized, differentiated value proposition based on customer relationships. Its three pillars are highly qualified executives who are assigned smaller portfolios to facilitate management; investment consultants who specialize in providing exclusive, timely advising; and exclusive branches with extended hours to improve service.

The network includes 18 exclusive offices in Santiago and five elsewhere in Chile (Iquique, Antofagasta, Viña del Mar, Valparaíso and Concepción), each of which has a distinctive, safe and comfortable layout. In areas where the number of customers does not justify an exclusive office, differentiated spaces, or "corners", have been created within Itaú branches, bringing the total number of points of service for this business area to 54.

We implemented a digital, customer-centered transformation plan that enabled us to provide timely solutions through digital channels such as websites and applications. By the end of the year, the channels were being used to process about 80% of consumer transactions, 50% of insurance transactions and 33% of new account openings.

The Non-Financial Experience program involves customer relations activities aimed at strengthening our relationships and positioning the brand through memorable moments that set us apart. In the first phase, we organized exclusive events with groups of up to 300 customers in order to build closeness and value for them.

In 2019, we have grown considerably as a segment and we want to continue doing so with two major focuses: relationships and attracting new customers while providing service, quality and excellence—values that are present in all we do.

We have worked hard to train our executives on financial advising so that we do not just take orders from customers, but are able to offer more and better products to meet their needs.

The segment's most important milestone in 2019 was the creation of the first digital branch, where customers can do everything 100% online. As of the

date of publication, this new platform has 3,500 customers, works an extended schedule (8:00 am - 6:00 pm) and boasts high response time standards. In addition to traditional communication channels, the digital branch has a chat that enables customers to speak to their executives via the Personal Bank App.

Itaú Credit Card Benefits Program

In 2019, special campaigns sought to attract new customers. The first was "Travel in 90 days". Ninety days after opening an account plan and meeting a series of conditions (direct salary deposit, accumulation of purchases on credit card and using online purchasing platforms), the customer accumulated enough Itaú Points to exchange them for a ticket to one of several South American destinations.

In the next campaign, the customer was offered a choice of three benefit packages: dreamer, traveler or digital. Depending on their choice, they had access to different benefits, like financing for the customer's plans (dreamer), additional Itaú Points to cash in for tickets (traveler) and benefits for online purchases using the credit card (digital).

Itaú

This business area serves individuals with monthly income between Ch\$600,000 and Ch\$2.5 million as well as customers with investments of less than Ch\$70 million.

This mass model is focused on customer self-service through various channels: face-to-face at our branches, digitally through the website and App, through direct e-mail contact with account executives and through calls to the Contact Center. Our goal is to face our customers' changes and needs with them, offering agile, simple options that enable them interface with the Bank autonomously.

Banco Condell

This unit specializes in financing for middle and low-income segments who have low banking access and monthly income between Ch\$200,000 and Ch\$600,000. A financial inclusiveness mechanism, Banco Condell's business model enables it to provide services to people with informal, non-accreditable income.

Through Banco Condell we offer our customers insurance policies, certificates of deposit and consumer loans, products that represent the essence of our business.

We have continued the Condell efficiency model, adding six additional branches in 2019. The first inverse integration involved account executives from the Itaú branch working at the Condell branch in Melipilla. The plan is to follow along these lines to bring our different segments to more places while maintaining our customers' satisfaction.

7.4.3. Treasury

The Corporate Treasury division has four major purposes: i) to manage the Bank's market risks (including interest rate and inflation risk) and liquidation risk, acting in accordance with internal policies as well as regulatory and corporate limits; ii) to optimize the funding structure and assign transfer prices to the products it manages for the business channels; iii) to manage relationships with counterparties from international financial institutions, and iv) to distribute financial products, like currency, derivative and money market operations, to all the Bank's customer segments.

In 2019, we began upgrading the Treasury's main technology platforms in order to improve the customer experience for financial product transactions through the Trading Desk, the branches and the web. Upgrades were conducted with the customer's complete process in mind. They also aimed to improve the offering, time to market for new products and market risk management by automatizing middle and back office processes and reducing operating risk for transactions.

Murex, a world-class system used by more than 300 treasuries in 60 countries and by more than 50,000 users, was chosen as the main platform for the Treasury. Meanwhile, a new version of the eCambios system, with new functionalities, controls, automatic

processing and real-time connections to price sources was chosen for branches and the web. It will be complemented by new technology that integrates with bank systems for improved performance.

The Treasury seeks to establish a sound foundation for a differentiating customer experience and thus contribute to the Bank with results that are sustainable in the long term.

Liquidity

This unit of the Treasury has a two-pronged objective. In terms of liquidity, the Bank seeks to ensure that it maintains, at all times, sufficient liquidity to support timely compliance with its payment obligations at the most efficient cost while rigorously upholding policies, standards and limits, both internal and external.

In terms of markets, the segment is responsible for providing Funds

Transfer Pricing (FTP) curves that reflect marginal market conditions for the cost of money. These are used as an input for pricing these asset and liability entries on the balance sheet. It executes structural financing strategies in the market and helps establish a financing structure that minimizes short and long-term costs.

International Division

The International Division focuses on managing and interfacing with international counterparties that channel our customers' business cash flows to and from foreign markets, as well as international funding. The division's direct counterparties are financial, banking and multilateral institutions.

	2018	2019
Foreign currency liabilities (in millions)	US\$ 1,623	US\$ 1,895

Distribution Desk

This unit is responsible for distributing financial products to all the Bank's customers using teams and channels that are specialized by segment and product, enabling them to know and meet each customer's needs.

Our products are distributed through three channels (the trading desk, branches and web dollars). They are:

- FX: purchase and sale of currency, spots, forwards and options on the world's major financial markets.
- Interest rate derivatives: interest rate swaps, cross currency swap, inflation insurance.
- Investments: time deposits, mutual funds, repos, fixed-rate brokering.

In 2019, the Treasury remained the leader in inter-bank transactions for the purchase and sale of dollars through Chile's Electronic Exchange and its platform, Datatec.

Distribution of time deposits to Wholesale Banking customers represented approximately 25% of total deposits issued by the Bank, providing a stable basis and efficient funding.

In terms of technology, this year a project was put into place to change the area's main technology platform to a world-class system that is widely used on the world's leading financial markets.

Trading and Market Making

This area aims to provide competitive pricing so the sales desk (cooperative model) can distribute treasury products in the various commercial segments. It is also responsible for managing market risk rooted in sales activities, creating interbank markets on a daily basis through operations with local and foreign counterparts.

Asset and Liability Management (ALM)

This area is responsible for managing market, interest rate and currency risk as well as the Bank's balance sheet. It is also responsible for executing the institution's banking book/ledger strategy.

Market, balance sheet and ledger risks are managed with financial instruments, like derivatives and fixed-income securities, on the local and foreign markets.

7.4.4. Subsidiaries

Itaú Corredores de Bolsa Limitada

This year, the customer has been at the center of securities market operations. The subsidiary sought to boost its market share and provided a value offering that leveraged the Itaú regional franchise. One highlight, Analyst Day, was hosted along with Itaú Unibanco. About 80 institutional customers participated in the two-day event that includes road shows by Brazilian companies for local investors and press breakfasts with institutional analysts and senior management at local companies.

	2018	2019
Transaction volume (in billions)	Ch\$39.867	Ch\$44.535
Market share	6.0 %	5.8 %
Ranking by value of shares traded	6 th place	6 th place
Average AUM in custody (in billions)	Ch\$450	Ch\$397

Itaú Asesorías Financieras Limitada

Itaú Asesorías Financieras Limitada provides customers with specialized, customized solutions. Services include: (i) structure and implementation of corporate finance on the banking market, syndicated and bilateral loans; debt restructuring, project finance; (ii) debt structuring on capital markets through bond and commercial paper structuring, issuance and placement; (iii) mergers and acquisitions; capital increases; and (iv) advising and research, in general. These advising services all aim to support our customers in making the right financial and strategic planning decisions.

In 2019, we provided local and international customers with different advising services, debt restructuring, project finance as well as issuance and placement of corporate bonds. We are third on the ranking of Chilean issuances on the local capitals market.

While the area had a strong year commercially, the last quarter ended with a marked slowdown in the structured business and in debt issuance, which resulted in a change in financial and investment strategy for many customers. As a result, and depending on the situation in the country, economic activity is expected to increase along with the number of debt issuances by our customers.

Itaú Administradora General de Fondos S.A. (Itaú AGF)

This year, we strengthened our offer. In 2018, the focus was on developing products for retail and wholesale banking. In 2019, we complemented our offering with two products for institutional investors and high net worth customers: Brazil Stock Index and Brazil Bond Index Mutual Funds. Both are indexed funds that purchase Exchange Traded Funds (ETF) from our administrator in Brazil. They aim to give efficient, liquid access to the local stock market and Brazilian sovereign debt.

Finally, we expanded our leadership in the local Exchange Traded Funds (ETF) market, launching a second ETF in Chile that replicates the index of dividend shares developed by S&P Dow Jones (S&P CLX Dividend Index). This fund is a good investment alternative that widely appeals to our customer base, both institutional investors and retail customers.

Strengthening our offer of debt funds, we launched the Dinámico Plus mutual fund as a continuation of our traditional Dinámico mutual fund. The latter aims to implement the best ideas in debt and Latin American currency. At the same time, we implemented a new strategy in our Itaú Top USA mutual fund, which uses derivatives to replicate the S&P 500 index. We also granted greater flexibility to our fund of best ideas in stock from the Andean zone, Andino Retorno Total. At the end of the year, we launched the Itaú Renta Dinámica Mutual Fund, which grants access to global debt with exchange rate hedges. This fund is an interesting alternative for diversifying investment in local debt. It targets a wide customer base ranging from high net worth customers and family offices to retail banking customers.

We partnered with HMC Capital to launch the Itau HMC Mezzanine Investment Fund. This alternative to traditional preferential capital funds is the first to give access to mezzanine debt on the Chilean real estate market.

In keeping with our sustainable investments, we have formally incorporated environmental, social and governance (ESG) analysis, which was already incorporated into corporate debt, into our variable-income instrument process. To do so, we worked with our contacts in Brazil and the United States to align processes and analysis.

In terms of equity under management, we highlight growth of 12.1%, the equivalent of MCh\$253,138 in 2019, totaling MCh\$2,341,125 in assets under management with mutual fund market share of 4.6%.

Sustainability Leadership

Our commitment and concern for ESG variables as part of our investment process was once again recognized by Alas20. Itaú Administradora General de Fondos won first place in the three Alas20 Institution areas: Leader in Responsible Investment, Leader in Corporate Governance and Leader in Sustainability Research.

Principles of Responsible Investment

In order to monitor the impact of these environmental, social and governance issues on investment portfolios, Itaú Asset Management in Brazil joined the Principles for Responsible Investment, backed by the United Nations, in 2008. In Chile, we adhere to the same principles in our investment process.

Our responsible investment policy establishes the principles and guidelines for our responsible investment activities. The main objective is to protect our customers' economic interests.

Itaú Corredores de Seguros S.A.

The year 2019 was full of opportunity in the world of digitalization and more complex products for this subsidiary, which also underwent significant organizational change with the arrival of a new Chief Executive Officer in September. The offices also underwent change, moving to a new address, integrating the Itaú brand into its design and bringing the whole team to one open-plan floor to optimize collaborative work and agile decision making.

The digital transformation of the customer interface was one of the main advances. As of December, the new "online claims" website option lets customers file claims online. Eighty percent of the total claims filed with the insurance company can now be filed digitally.

Furthermore, there were improvements to commercial agreements through extension of the contract with Multiasistencia OK, which provides assistance services and after winning the HDI bid to cover lease agreements.

Furthermore, a direct claims process for debtor's life insurance improves the experience for beneficiaries, who can now avoid visiting the branch or inheriting the debt.

Call Center service was also improved with specialized executives who improved performance in terms of claims, satisfaction and response times. On the other hand, and as a function of the new CMF General Character Standard No. 420, a policy was created to address fair treatment of the

customer, transparency, managing conflicts of interest and data protection.

Training was held on these new regulations, which spurred us to review our products and offer a mix that adds even more value for our customers. The subsidiary's customer satisfaction results have been very positive with 6.2 complaints for every 10,000 customers in November, representing a 40% decrease compared to 2018.

Moving into 2020, the focus will be on four major pillars: development of individual insurance policies that enable us to round out our offer and create more engagement with our customers; customer experience, continuing to reduce complaints, improve our response times and offer more self-service options; digital transformation to make processes more efficient and agile; and culture, continue strengthening the way we work, keeping the customer at the center of our decisions and encouraging a team of performance fanatics.

Recaudaciones y Cobranzas Limitada

This subsidiary is a banking support company engaged in legal and out-of-court collections services for any type of loans, titles or notes on its own behalf or on behalf of third parties.

7.5. Responsible Banking

[Material issue] 103-2, 103-3, 102-11, Itaú 9

In the course of its operations, a bank can have a positive impact by: creating employment, developing businesses and encouraging business spirit. However, it can also have a negative impact,

including the social and environmental impact its customers have on society, people or the environment.

Itaú has created a Socio-Environmental Risk Policy that sets guidelines for incorporating social and environmental impact into the Bank's process for evaluating financing.

We have signed the Ecuador Principles, a frame of reference that allows us to ensure that the projects

we finance are carried out in a socially responsible manner and reflect rigorous environmental management practices.

Our assessment also includes Performance Standards set forth by the International Financial Corporation (IFC), the world's leading global development institution, which promotes sustainable investments through social and environmental standards.

Principles of the Socio-Environmental Risk Policy

1. Include socio-environmental risk assessment criteria as a component in addition to types of credit risk exposure.
2. Use segment-specific procedures to monitor the socio-environmental risk of Bank customers who are subject to this policy.
3. Uphold the Ecuador Principles as a management framework for assessing environmental and social risk and IFC Performance Standards for project financing transactions.
4. Avoid financing activities that contradict Itaú Chile's social or environmental values, especially those related to concern for people, ethics and customer benefits.

The Socio-Environmental Risk Assessment System is the management framework for assessing customers' environmental and social risks. It is a three-prong system:

- Socio-environmental questionnaires
- Socio-environmental assessment of projects
- Exclusions and conditioned exclusions lists

The socio-environmental risk questionnaires help us identify and assess the main social and environmental variables for customers with bank-approved credit lines. This assessment is the basis for generating guidelines and plans of action for managing their socio-environmental risk.

There are four types of questionnaires: three for Wholesale Banking (Corporate Banking, Large Companies Banking and Real Estate and Construction Banking) and one for Retail Banking that is applied to legal entities that are Itaú Companies segment customers.

Across the board, the issues covered in the questionnaires include: corporate governance, efficient use of natural resources, pollution prevention, community relations, human rights, occupational health and safety, cultural heritage and indigenous peoples.

In addition to the information provided by the customers on the Socio-environmental Questionnaire, we constantly monitor for fines or environmental sanctions issued by the Superintendency of the Environment.

In 2019, a total of 313 customers were evaluated using questionnaires. This figure is similar to the

previous year's, considering that the information obtained has focused on customers who are classified as having high and medium socio-environmental risk. Due to the activities they perform, a greater number of socio-environmental variables must be considered for these customers.

Socio-environmental Risk Questionnaires

Segment	No. of Customers Surveyed in 2018	No. of Customers Surveyed in 2019
Corporate Banking	11	37
Large Companies	193	210
Real Estate & Construction	9	9
Retail Companies	93	57
Total	306	313

Major infrastructure projects can significantly impact people and the environment. We work with our customers in a structured, ongoing manner to identify, evaluate and manage the environmental and social impacts as well as the risks that their projects pose.

In 2019, we monitored 32 projects: 26 of which were operational. The remaining 6 were under construction.

This process, which is based on a favorable Environmental Assessment Resolution, includes issues related to human rights, regular monitoring reports and on-site visits.

Socio-environmental Assessment of Projects

Project Category	Operational Projects	Projects under Construction	No. Total Projects
A	1	2	3
B	17	3	20
C	8	1	9
Total	26	6	32

Note: A: High Risk; B: Medium Risk; C: Low Risk

Finally, Itaú maintains exclusion and conditioned exclusion lists for economic activity sectors in which the Bank has decided not to work at all or to operate in a restricted manner, respectively. Such activities are identified as against the values of Itaú and/or impacting people and/or their environment.

The Sustainability Commission plays a key role in monitoring and disseminating these tools in order to make this strategic approach part of the way we do things. It also monitors proper compliance with the Socio-Environmental Risk Assessment System.

Exclusion List

The Bank will not issue credit to customers whose economic activity is or could be linked to:

Production or sale of any product considered illegal under Chilean legislation or any international regulation, convention or agreement or anything that is internationally prohibited such as pharmaceuticals, pesticides/herbicides, substances that harm the ozone layer, PBCs (polychlorinated biphenyls), wildlife or any product regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Production or sale of radioactive materials (except for the purchase of medical equipment, quality control, measurement or any other equipment whose source of radioactivity is considered insignificant or duly protected).

Production or activity that is considered harmful, exploitative or uses forced or child labor.

Production or sale of adherent asbestos fibers (except for the purchase and use of cement tiles in which the asbestos component does not exceed 20%).

Open sea (international waters) marine fishing where the net exceeds 2.5 km in length.

Commercial lumber operations in tropical or native forests.

Production or sale of wood or another forestry product that is not from sustainably managed forests.

Companies related to activities that encourage and/or are connected to prostitution.

Conditioned Exclusion List

The Bank will limit credit or financing to customers whose main activity is among the following:

Production or sale of weapons and ammunition. Excludes production and use of explosives for mining, construction and similar activities as well as parts and pieces of equipment that have another use.

Production or sale of alcoholic beverages (excluding wine and beer).

Production or sale of tobacco.

Gambling companies, casinos or similar entities.



8

Corporate Governance

Our Way	<ul style="list-style-type: none">• It is only good for us if it is good for the customer.• We think and act like owners
Stakeholdres	<ul style="list-style-type: none">• Shareholders/Investors• Authorities
Global Impact	<ul style="list-style-type: none">• Principle No. 10

Spotlight

We are the only Chilean bank on the 2019 **Institutional Investor** **ranking**

We were once again recognized as the only Chilean bank on Institutional Investor magazine's 2019 ranking, which recognizes Latin America's leading executive teams.

The Bank won first place on the CFO Ranking and third place on IR Professionals and IR Companies rankings.

8.1. Main Shareholders

Our share capital is divided into 512,406,760,091 single-series, common shares. Consequently, there are no privileges or preferences of any type. Each shareholder has one vote for each share that he or she owns or represents.

Shareholders / % Total Share Capital

December 31, 2019

Itaú Corpbanca

512,406,760,091 (# total shares)

Itaú Unibanco

38.14%

Saieh Family¹

28.57%

IFC

3.32%

Others

29.97%

154 bill (# shares)

Stock brokers

12.37%

ADRs and foreign
institutional investors

9.83%

Local institutional
investors

5.46%

Other

2.31%

¹ Includes 1,005,897,850 shares of Cía. Inmobiliaria y de Inversiones Saga SpA in custody.

The 30 main shareholders of Itaú and their respective percent ownership of the Bank's share capital as of December 31, 2019, are as follows:

Shareholders	as of 12.31.2019	
	No. of Shares	Ownership Interest
CORP GROUP BANKING SA ¹	136,127,850,073	26.57 %
ITAU UNIBANCO HOLDING SA ²	115,039,610,411	22.45 %
ITB HOLDING BRASIL PARTICIPACOES LTDA ²	57,008,875,206	11.13 %
BANCO SANTANDER ON BEHALF OF FOREIGN INVESTORS	28,691,938,686	5.60 %
BANCO ITAU CORPBANCA ON BEHALF OF FOREIGN INVESTORS	12,385,122,712	2.42 %
BTG PACTUAL CHILE S A C DE B	11,613,846,146	2.27 %
BANCO DE CHILE ON BEHALF OF NON-RESIDENT THIRD PARTIES	10,919,174,570	2.13 %
CGB II SPA ²	10,908,002,836	2.13 %
LARRAIN VIAL S A CORREDORA DE BOLSA	10,840,154,600	2.12 %
BOLSA DE COMERCIO DE SANTIAGO BOLSA DE VALORES	10,466,379,101	2.04 %
COMPANIA INMOBILIARIA Y DE INVERSIONES SAGA SPA ¹	10,266,690,535 ³	2.00 % ³
SAGA II SPA ²	7,000,000,000	1.37 %
BANCHILE C DE B S A	5,360,305,681	1.05 %
BICE INVERSIONES CORREDORES DE BOLSA S A	4,579,851,570	0.89 %
BANCO DE CHILE ON BEHALF OF CITI NA NEW YORK CLIE	4,532,925,378	0.88 %
SIERRA NEVADA INVESTMENTS CHILE DOS LTDA	4,320,219,096	0.84 %
SAGA III SPA ²	3,651,555,020	0.71 %
CONSORCIO C DE B S A	3,582,214,146	0.70 %
CIA DE SEGUROS DE VIDA CONSORCIO NACIONAL DE SEGUROS SA	3,270,336,814	0.64 %
MBI ARBITRAGE INVESTMENT FUND	3,051,826,746	0.60 %
MONEDA SA AFI FOR PIONERO INVESTMENT FUND	2,991,193,000	0.58 %
MBI CORREDORES DE BOLSA S A	2,781,406,422	0.54 %
INVERSIONES NEVADA	2,600,000,000	0.51 %
CREDICORP CAPITAL SA CORREDORES DE BOLSA	2,426,876,397	0.47 %
INMOB E INVERSIONES BOQUINENI LTDA	2,353,758,526	0.46 %
BCI C DE B S A	2,320,170,339	0.45 %
THE BANK OF NEW YORK MELLON ADRS	2,089,895,000	0.41 %
ITAU CORPBANCA CORREDORES DE BOLSA LIMITADA	2,011,380,560	0.39 %
SANTANDER CORREDORES DE BOLSA LIMITADA	1,863,130,160	0.36 %
CGB III SPA	1,800,000,000	0.35 %
INTERNATIONAL FINANCE CORPORATION	1,719,423,511	0.34 %
BTG PACTUAL CHILE ACCIÓN MUTUAL FUND	1,609,654,126	0.31 %
OTHER MINORITY SHAREHOLDERS	32,222,992,723	6.29 %
TOTAL		
ITAÚ CORPBANCA TREASURY SHARES	512,406,760,091	100.00 %

1 Companies owned by the Saieh family.

2 Companies that belong to the Itaú Unibanco group, Itaú Corpbanca's controlling shareholder.

3 Includes 1,005,897,850 shares of Cia. Inmobiliaria y de Inversiones Saga SpA under custody. Inmobiliaria y de Inversiones Saga SpA in custody.

The major changes in ownership as of December 31, 2019, relative to December 31, 2018, are detailed as follows:

Increases in Ownership as of December 31, 2019:

Name	Chilean Taxpayer ID	2019 Shareholding		2018 Shareholding		Change	
		Number of Shares	Ownership Interest (%)	Number of Shares	Ownership Interest (%)	Number of Shares	Ownership Interest (%)
BOLSA DE COMERCIO DE SANTIAGO BOLSA DE VALORES	97004000-0	10,466,379,101	2.0426	4,408,160,981	0.8603	6,058,218,120	137.43
BANCO DE CHILE ON BEHALF OF CITI NA NEW YORK CLIENT	97004000-5	4,532,925,378	0.8846	-	0.0000	4,532,925,378	-
INVERSIONES NEVADA S A	76681360-7	2,600,000,000	0.5074	-	0.0000	2,600,000,000	-
BTG PACTUAL CHILE S A C DE B	84177300-4	11,613,846,146	2.2665	9,022,911,266	1.7609	2,590,934,878	28.72
BTG PACTUAL CHILE ACCIÓN MUTUAL FUND	96966250-7	1,609,654,126	0.3141	64,667,009	0.0126	1,544,987,117	2,389.14
BANCHILE C DE B S A	96571220-8	5,360,305,681	1.0461	4,356,751,350	0.8503	1,003,554,331	23.03
BOLSA ELECTRONICA DE CHILE BOLSA DE VALORES	96551730-8	922,917,514	0.1801	-	-	922,917,514	-
BICE INVERSIONES CORREDORES DE BOLSA S A	79532990-0	4,579,851,570	0.8938	3,708,936,502	0.7238	870,915,068	23.48
BANCO DE CHILE ON BEHALF OF CITI NA LONDON CLIENT	97004000-5	758,924,540	0.1481	-	0.0000	758,924,540	-
AFP CAPITAL S A PENSION FUND TYPE A	98000000-1	1,302,924,778	0.2543	718,360,935	0.1402	584,563,843	81.37
MBI RENTA FIJA PLUS PRIVATE INVESTMENT FUND	76052365-0	589,705,344	0.1151	67,437,019	0.0132	522,268,325	774.45
BCI SELECCION MUTUAL FUND	95530900-4	411,896,342	0.0804	-	0.0000	411,898,342	-

Decreases in ownership as of December 31, 2018:

Name	Chilean Taxpayer ID	2018 Shareholding		2017 Shareholding		Change	
		Number of Shares	Ownership Interest (%)	Number of Shares	Ownership Interest (%)	Number of Shares	Ownership Interest (%)
SIERRA NEVADA INVESTMENTS CHILE DOS LTDA	76204737-3	4,320,219,096	0.8431	9,817,092,180	1.9159	(5,496,873,084)	-55.99
BANCO DE CHILE ON BEHALF OF NON-RESIDENT THIRD PARTIES	97004000-5	10,919,174,570	2.1310	16,051,579,664	3.1326	(5,132,405,094)	-31.97
SANTANDER CORREDORES DE BOLSA LIMITADA	96683200-2	1,863,130,160	0.3636	3,578,024,978	0.6983	(1,714,894,818)	-47.93
BANCO SANTANDER ON BEHALF OF FOREIGN INVESTORS	97036000-k	28,691,938,686	5.5994	30,227,340,977	5.8991	(1,535,402,291)	-5.08
ITAU CORREDORES DE BOLSA LIMITADA	96665450-3	2,011,380,560	0.3925	3,349,987,212	0.6538	(1,338,606,652)	-39.96
INVERSIONES TAURO LIMITADA	96808440-2	39,281,863	0.0077	1,085,181,332	0.2118	(1,045,899,469)	-96.38
AFP CAPITAL S A PENSION FUND TYPE C	98000000-1	1,305,913,925	0.2549	1,797,175,935	0.3507	(491,262,010)	-27.34
BCI TOP PICKS MUTUAL FUND	96530900-4	103,150,590	0.0201	561,907,505	0.1097	(458,756,915)	-81.64
BANCHILE ADM GENERAL DE FONDOS S A	96767630-6	619,370,379	0.1209	1-030972,910	0.2012	(411,602,531)	-39.92
PRINCIPAL CAPITALES MUTUAL FUND	91999000-7	115,560,958	0.0226	496,394,793	0.0969	(380,833,835)	-76.72
MBI CORREDORES DE BOLSA S A	96921130-5	2,781,406,422	0.5428	3,099,157,216	0.6048	(317,750,794)	-10.25
COMPANIA DE SEGUROS CONFUTURO SA	96571890-7	300-037,577	0.0586	613,303,921	0.1197	(313,266,344)	-51.08

8.1.1. Profit Distributions

At the Annual General Shareholders' Meeting on March 19, 2019, shareholders agreed to distribute dividends of Ch\$51,614,029,171, which corresponds to 30% of annual earnings in 2018.

Bank	Year Charged	Year Distributed	Profit for the Year MCh\$	% Distributed	Distributed Earnings MCh\$	Dividend per Share MCh\$
Banco Itaú Chile	2014	2015	85,693	31%	26,448	18,447.50
Corpbanca	2014	2015 ¹	266,260	50%	113,130	0.332384912
Corpbanca	Retained earnings	2015 ¹	239,860	100%	239,860	0.704728148
Banco Itaú Chile	2015	2016	104,336	50%	52,168	36,387.38
Corpbanca	2015	2016 ²	201,771	50%	100,886	0.296409834
Corpbanca	2015	2016 ²	201,771	UF 124,105	3,197	0.009391877
Itaú Corpbanca	2016	2017	2,059	30%	618	0.001205475
Itaú Corpbanca	2017	2018	57,447	40%	22,979	0.044844689
Itaú Corpbanca	2018	2019	172,047	30%	51,614	0.100728627

1 On March 13, 2015, Corpbanca paid an annual dividend of Ch\$0.33238491/share (equivalent to 50% of 2014 earnings). In addition, it paid a special dividend charged to retained earnings of Ch\$0.70472815/share on July 1, 2015.

2 On March 11, 2016, Corpbanca paid an annual dividend of Ch\$0.29640983/share. In addition, it paid the remaining undistributed UF 124,105 from the special dividend approved at the extraordinary shareholders' meeting on June 26, 2015, paid on July 1, 2015 (Ch\$0.00939188).

8.2. Our Governance

8.2.1. Nomination and Selection of Board Members

102-24

The Itaú Board of Directors manages the Bank and is comprised of:

11 Directors	2 Alternate Directors
Appointed at the Shareholders' Meetings, in accordance with the provisions of Law No.18,046 on Corporations.	
Of these, 4 are independent	8 Board Committees

There is not currently a policy on appointing board members. Our shareholders nominate, elect and appoint the members of the Board. They are completely free to nominate whoever they consider most suited to the position, taking into account aspects including experience, diversity and track record.

Directors hold office for three years and may be re-elected indefinitely. The Board is renewed in full at the end of each term. The Chairman and Vice Chairman are elected at the first meeting after the Annual General Shareholders' Meeting by the majority of directors with voting rights in attendance. The Board meets once a month.

The Board of Directors is appointed and selected in accordance with the provisions of the Corporations Law, the General Banking Law, Financial Market Commission (CMF) standards and Itaú bylaws. Furthermore, directors hold office for three years and may be re-elected indefinitely. The Board is renewed in full at the end of each term.

Corpgroup, Itaú Unibanco, the International Financial Corporation (IFC), Moneda Asset Management and representatives from minority shareholders participate in designating board members.

8.2.2. Independent Directors

The Board has independent board members in accordance with Article 50 bis of Law No. 18,046 on Corporations.

This provision establishes that publicly traded corporations with market value of UF 1,500,000 or more and at least 12.5% of the shares with voting rights issued and held by shareholders who individually control or hold less than 10% of these must appoint a Directors' Committee.

Law No. 18,046 requires that independent board members:

- Have not been in any of the circumstances listed in numerals 1 through 5 of paragraph three within the last 18 months.
- Be nominated by shareholders who represent 1% or more of the entity's shares for at least 10 days prior to the scheduled date of the shareholders' meeting at which the Board of Directors will be elected.
- The independent board member and respective alternate must make a sworn statement containing the information detailed in numbers (i) to (iv) of paragraph five of Article 50 bis available to the Chief Executive Officer no less than 2 days in advance of the respective meeting.

8.2.3. Our Board of Directors

102-18, 102-20, 102-22, 102-23, 102-27, 102-29, 102-32

The Board of Directors conducts an annual self-assessment that measures aspects like structure, function and performance in addition to a risk and management performance assessment.

On the other hand, and as an internal process, the Board of Directors establishes respect, transparency and ethics in their stakeholder relationships as key principles in addition to upholding legal demands within the framework of our Corporate Governance Policy, which includes the principles of the Organisation for Economic Cooperation and Development (OECD) and the Basel Committee on Banking Supervision.

Through instances and institutional initiatives that strengthen decision making at the bank, the Board of Directors seeks to maintain control and properly

manage risks as they aim to always adopted best practices in corporate governance and create sustainable value for customers and shareholders. The objective is to promote habits of respect for people and contribute to adoption of socio-environmentally responsible actions.

The Corporate Governance Committee is responsible for knowing, developing and harnessing economic, environmental and social issues at the Bank. It must report to the Board of Directors on these issues, the measures implemented and propose concrete action toward progress on sustainability issues. Each year, the Board of Directors reviews and approves the Bank's Integrated Report, thereby authorizing the sustainability management information herein.

At the Itaú Shareholders' meeting on March 19, 2019, the shareholders elected a new Board of Directors for a three-year term.

Board of Directors as of January 30, 2019

Position	Name	Independent	Years on Board	Economic, Environmental and Social Qualifications	Stakeholder Representation
Chairman of the Board	Jorge Andrés Saieh Guzmán	No	21 years 5 months	Degree in business administration, Universidad Gabriela Mistral; Master of Economics and MBA, University of Chicago	Nominated by Shareholder Agreement
Vice Chairman of the Board	Ricardo Vilella Marino	No	3 years 9 months	Degree in engineering and MBA, Sloan School of Management, MIT; master's degree, Harvard Business School	Nominated by Shareholder Agreement
Director	Jorge Selume Zaror	No	18 years 8 months	Degree in business administration, Universidad Católica de Chile; Master of Economics, University of Chicago	Nominated by Shareholder Agreement
Director	Fernando Aguad Dagach	No	23 years 7 months	Financial investor	Nominated by Shareholder Agreement
Director	Gustavo Arriagada Morales	Yes	9 years 4 months	Degree in business administration from Universidad de Chile	Nominated by Shareholder Agreement
Director	Caio Ibrahim David	No	1 year and 1 month	Degree in engineering from Mackenzie Presbyterian University with a postgraduate degree in economy and finance from the University of São Paulo. Master's in Internal Audit from the University of São Paulo and MBA from New York University.	Nominated by Shareholder Agreement
Director	Milton Maluhy Filho	No	1 year and 1 month	Degree in business administration from Fundação Armando Álvares Penteado ("FAAP").	Nominated by Shareholder Agreement
Director	Andrés Bucher Cepeda	No	2 years 11 months	Degree in industrial engineering from Pontificia Universidad Católica de Chile; MBA, the Wharton School at University of Pennsylvania	Nominated by Shareholder Agreement
Director	Pedro Samhan Escánder	Yes	3 years 4 months	Degree in industrial engineering from Universidad de Chile	Nominated by Shareholder Agreement
Director	Fernando Concha Ureta	Yes	3 years 9 months	Degree in business administration from Universidad Católica de Chile	Nominated by minority shareholders
Director	Bernard Pasquier	Yes	2 years 7 months	Degree in business administration from University of Montpellier, France; master's degree in public administration with a concentration in business and economic development from Harvard University	Nominated by the International Financial Corporation (IFC)
Alternate director	Jessica López Saffie	Yes	10 months	Degree in business administration with a minor in economics from Universidad de Chile	Nominated by Shareholder Agreement
Alternate director	Diego Fresco Gutiérrez	No	1 year 10 months	Degree in public accounting from Universidad de la República Oriental de Uruguay, Certified Public Accountant, Accountant registered with the Regional Accounting Council of the State of São Paulo.	Nominated by Shareholder Agreement

Note: None of the Directors holds an executive position at the company. The cut-off date is the day that Gabriel Amado de Moura became Chief Executive Officer at Itaú Corpbanca.

8.2.4. Progress Toward a More Diverse Board

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As previously mentioned, our shareholders freely nominate, elect and appoint the members of the Board. When voting, shareholders have access to

information about the nominees so that they can consider aspects like diversity of age and nationality.

The first woman joined the Itaú Board of Directors in 2019, representing 8% of the total members. Also, 38% of the board members are not from Chile and thereby contribute international perspective and experience.

Board Members by Gender	2018		2019	
Male	13	100 %	12	92 %
Female	0	0 %	1	8 %

Board Members by Nationality	2018		2019	
Chilean	8	62 %	8	62 %
Non-Chilean	5	38 %	5	38 %

Board Members by Age	2018		2019	
Under 30	0	62 %	0	0 %
30 - 50	3	23 %	4	31 %
Over 50	10	77 %	9	69 %

Board Members by Years of Service	2018		2019	
Less than 3 years	8	62 %	6	46 %
3 - 6 years	1	8 %	3	23 %
6 - 9 years	1	8 %	0	0 %
9 - 12 years	0	0 %	1	8 %
Over 12 years	3	23 %	3	23 %

8.2.5. Corporate Governance Support Committees

102-18, 102-22

Our Board of Directors is supported by eight committees comprised of directors, senior management and/or independent consultants. The members of these committees are appointed by the Board of Directors.

Directors' Committee

In compliance with article 50 bis of Law on Corporations, Directors' Committee must consist of three directors, the majority of whom must be independent directors.

In addition to the specific functions bestowed upon it by law, the Directors' Committee aims to strengthen self-regulation at the Bank and other entities under its jurisdiction. This increased oversight of management's activities enables the Board to perform more efficiently. The committee is also responsible for making the agreements necessary to protect shareholders, especially minority shareholders, examining executive compensation systems and approving related-party transactions.

Directors' Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Gustavo Arriagada Morales	Male	Non-executive	Director and Chairman of the Directors' Committee
Fernando Concha Ureta	Male	Non-executive	Director and Member of the Directors' Committee
Bernard Pasquier	Male	Non-executive	Director and Member of the Directors' Committee
Pedro Samhan Escáandar	Male	Non-executive	Director and Guest Member of the Directors' Committee

Annual Report on Directors' Committee Performance

In keeping with the provisions of item 5 of paragraph 8 of Article 50 bis of Law No. 18.046 on Corporations, the Directors' Committee has issued the following Annual Report on its performance as of December 31, 2019.

In 2019, the Directors' Committee convened 13 times to address the following matters under its jurisdiction, among others:

- a. Review and issue an opinion, in conjunction with the Audit Committee, on the annual and quarterly financial statements.
- b. Propose appointment of external auditors and risk rating agencies.
- c. Review and approve additional independent audit services.
- d. Review transactions with related parties.
- e. Examine compensation systems.

The following is a record, by session, of the matters addressed by the Directors' Committee in 2019:

1. Ordinary Meeting No. 66 (January 29, 2019)

- Review related party transaction (Itaú Administradora General de Fondos S.A. And MCC S.A. Corredores de Bolsa).
- Review and approve report on the annual performance of the Directors' Committee.

2. Ordinary Meeting No. 67 – Joint Session of the Directors' and Audit Committees (February 25, 2019)

- Hear independent auditors' presentation on the Bank's annual financial statements.
- Hear the Corporate Planning and Financial Control Division's presentation on the annual financial statements and the corresponding notes.
- Recommend that the Board retain PricewaterhouseCoopers as external auditors and Feller Rate Clasificadora de Riesgo Limitada and Clasificadora de Riesgo Humphreys Limitada as the Bank's local risk raters for 2019.

3. Ordinary Meeting No. 68 (March 26, 2019)

- Follow up on the status of drafting a list of related parties under section XVI of the Law on Corporations.
- Approve modification to the Policy on Transactions with Related Parties.
- Approve modification to the Policy on Hiring Independent Audit Services.
- Follow-up on purchase of MCC entities.

4. Extraordinary Meeting No. 69 – Joint Session of the Directors' and Audit Committees (April 8, 2019)

- Hear presentation by external auditors and the Corporate Planning and Financial Control Division on the Bank's full IFRS financial statements for presentation of the 20-F form to the Securities and Exchange Commission (SEC).

5. Ordinary Meeting No. 70 (April 22, 2019)

- Approve purchase of MCC entities
- Review transaction with related parties Itaú Administradora General de Fondos S.A. and MCC S.A. Corredores de Bolsa.

6. Extraordinary Meeting No. 71 – Joint Session of the Directors' and Audit Committees (April 24, 2019)

- Hear presentation by Corporate Planning and Financial Control Division on analysis of variations in financial statements.
- Hear presentation by external auditors on limited review and interoffice report and the Corporate Planning and Financial Control Division on the Bank's consolidated financial statements dated March 31, 2019.
- Hear presentation by the Corporate Planning and Financial Control Division on certain modifications to the Bank's full IFRS financial statements for presentation to the SEC on form 20-F.
- Examine the Bank's consolidated financial statements for 2018 and recommend that the Board of Directors approve them.

7. Ordinary Meeting No. 72 (May 27, 2019)

- Monitor acquisition process for MCC entities
- Review related-party transaction (Release Agreement - purchase of Helm LLC).

8. Ordinary Meeting No. 73 (June 25, 2019)

- Hear the Corporate Human Resources Division's presentation on the Bank's compensation model.

9. Ordinary Meeting No. 74 – Joint Session of the Directors' and Audit Committees (July 30, 2019)

- Hear presentation by external auditors on limited review and interoffice report and the Corporate Planning and Financial Control Division on the Bank's consolidated financial statements dated June 30, 2019.
- Examine the Bank's consolidated financial statements dated June 30, 2019, and recommend that the Board of Directors approve them.
- Review and approve additional independent audit services.
- Hear presentation by the Corporate Planning and Financial Control Division on the Disclosure Commission.

10. Ordinary Session No. 75 – (September 24, 2019)

- Monitor acquisition process for MCC
- Review related-party transaction (Release Agreement - purchase of Helm LLC).

11. Ordinary Meeting No. 76 – Joint Session of the Directors' and Audit Committees (October 28, 2019)

- Hear presentation by external auditors on limited review and interoffice report and the Corporate Planning and Financial Control Division on the

Bank's consolidated financial statements dated September 30, 2019.

- Hear presentation by the Corporate Planning and Financial Control Division on the new accounting pronouncements.
- Examine the Bank's financial statements dated September 30, 2019, and recommend that the Board of Directors approve them.

12. Ordinary Session No. 77 – (October 29, 2019)

- Hear presentation by the Corporate Planning and Financial Control Division on the transfer price report prepared by KPMG in relation to the purchase of MCC.
- Review current status of contracts with related parties.
- Hear presentation by the Corporate Human Resources Division on implementation of the Bank's Related-Party Transactions Policy and the status of control of contracts with related parties.

13. Ordinary Meeting No. 78 – Joint Session of the Directors' and Audit Committees (November 25, 2019)

- Hear presentations on the Bank's risk rating by Feller Rate and Humphreys.
- Approve the payment agreement and reimbursements from the Itaú Unibanco (Brazil) internal audit visits.

Regarding Directors' Committee compensation and expenses, in accordance with the agreement reached at the annual general shareholders' meeting on March 19, 2019, each director and guest member will receive monthly compensation of 150 UF. The chairman will receive 250 UF. The committee did not report any expenses or disbursements beyond the monthly stipend assigned to committee members.

In relation to the recommendations proposed by the Directors' Committee in 2019, the Directors' Committee and Audit Committee agreed to propose to the Board of Directors for subsequent consideration at the Ordinary Shareholders' Meeting, that PriceWaterhouseCoopers (PWC) be retained as the Bank's external auditors for 2019.

On the same date, the Directors' Committee and Audit Committee agreed to propose Feller Rate Clasificadora de Riesgo Limitada and Clasificadora de Riesgo Humphreys Limitada as the Bank's local risk rating agencies.

Audit Committee

The Audit Committee is responsible for the control environment. It must protect the efficiency of the Bank's internal control systems as well as compliance with its regulations as well as other internal regulations. For SOX purposes, the internal control references must be understood as the internal control systems for financial reporting. It is also responsible for supervising the different aspects of maintenance, application and functioning of the Bank's internal controls, closely monitoring compliance with standards and procedures regulating its practices, and having a clear understanding of the risks that can arise from the business conducted by the Bank as well as the corresponding mitigating factors.

The committee is linked to the Board through the participation of at least two board members named by the Board itself. These members must report to the Board situations and events analyzed by the Committee, thus holding the Bank's board members responsible for complying with both self-control policies established and practiced by the entity as well as laws and regulations to which it is subject.

The Committee shall strengthen and support the role of the Bank's Internal Audit Department (referred Comptroller in regulations issued by the former SBIF, currently the CMF) as well as its autonomy from management. It shall act as a liaison between the internal audit department and the independent audit firm as well as between the aforementioned groups and the Board.

Audit Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Andrés Bucher Cepeda	Male	Non-executive	Director and Chairman of the Audit Committee
Gustavo Arriagada Morales	Male	Non-executive	Director and Member of the Audit Committee
Juan Echeverría González	Male	Non-executive	Member of the Audit Committee
Diego Fresco Gutiérrez	Male	Non-executive	Director and Member of the Audit Committee
Antonio de Lima Neto	Male	Non-executive	Member of the Audit Committee

2019 Annual Report on Audit Committee Performance

Under the provisions of Chapter 1-15 of the Updated Compilation of Standards issued by the former Superintendency of Banks and Financial Institutions, currently the Financial Market Commission (CMF), the Audit Committee must report to shareholders at the Itaú Corpbanca annual general shareholders' meeting on the duties performed in 2019.

To that end, the Audit Committee has issued the following Annual Report on Audit Committee Performance as of December 31, 2019.

The committee fulfilled the duties set forth in its bylaws. Committee bylaws grant it the authority required to fulfill national regulations applicable to a foreign private issuer with shares registered in the United States.

In 2019, the Audit Committee convened every month to address the following matters under its jurisdiction, among others:

I. Risk Management Performance

- a)** The committee met with each of the Bank's corporate divisions and the Chief Executive Officer of each subsidiary to learn about management of the risks and audit points relevant to each division or subsidiary.
- b)** Heard a presentation and received training on the main aspects of managing the cybersecurity and fraud risk related to the company.
- c)** Received training on Audit Committee challenges in keeping with the new General Banking Law.

II. Financial Statements

- a)** Reviewed and, along with the Directors' Committee, recommended approval of the Quarterly Interim Consolidated Financial Statements along with the respective explanatory notes for the periods ending March 31, June 30 and September 30, 2019. At the meeting on February 25, 2019, the committee also reviewed and recommended approval for the Consolidated Annual Financial Statements for the Bank and its subsidiaries as of December 31, 2018.
- b)** Heard presentations by management and independent auditors on the significant accounting policies used in the preparation of the financial statements.
- c)** Heard quarterly reports by the Corporate Planning and Financial Control Division on regulatory changes on accounting matters.

III. Internal Audit

- a)** Assessed 2018 performance of the Corporate Internal Audit Division.
- b)** Heard monthly reports on progress of the Annual Internal Audit Plan for 2019. Also, approved the Internal Audit Plan for 2020.
- c)** Heard presentations on the main reports issued in conformity with the 2019 Internal Audit Plan and special requirements. Also, heard presentations on Internal Audit's follow up on its audit observations, observations made by independent auditors and the CMF, including proposed action plans and implementation status.
- d)** Approved the 2020 budget for the Corporate Internal Audit Division.

IV. Independent Auditors

- a) Agreed to recommend that the Directors' Committee propose PricewaterhouseCoopers as the company's independent auditors for 2019.
- b) Reviewed and approved the proposal on independent auditor scope and fees.
- c) Evaluated independent auditor's 2018 performance.

V. Other Activities

- a) The Committee met with the Chairman of the Board and, on a quarterly basis, with the Chief Executive Officer of the Bank.
- b) Met with the Financial Market Commission (CMF) to discuss the Bank's internal audit efforts and risk vision.
- c) Recommended risk rating agencies to the Directors' Committee.
- d) Met with local risk raters and hear presentations on their ratings.
- e) Heard presentations on the results of the Bank's 2019 Risk Management Self-Assessment and the subsequent report.
- f) Heard complaints received via the committee-established channel on accounting matters, internal

accounting and audit controls. Complaints on other matters were reported to the areas responsible.

Corporate Governance Committee

This committee was established as a consultation body of the Board of Directors whose mission is to ensure the existence and development of the best corporate governance practices for financial entities. The committee assesses current practices and policies in order to propose and recommend improvements, reforms or adaptations to the Board of Directors. The committee ensures proper implementation and application of board-defined corporate governance practices and policies. The committee performs these functions for the Bank, its subsidiaries and its foreign entities.

Likewise, the Corporate Governance Committee is responsible for knowing, developing and optimizing environmental, social and governance (ESG) issues at the Bank. To do so, it must report to the Board on these issues, report on the measures implemented and propose concrete action to advance on sustainability issues.

Corporate Governance Committee members as of January 30, 2020:

Member of the Audit Committee	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Ricardo Vilella Marino	Male	Non-executive	Vice Chairman of the Board and Member of the Corporate Governance Committee
Andrés Bucher Cepeda	Male	Non-executive	Director and Member of the Corporate Governance Committee
Cao Ibrahim David	Male	Non-executive	Director and Member of the Corporate Governance Committee
Bernard Pasquier	Male	Non-executive	Director and Member of the Corporate Governance Committee
Jessica López Saffie	Female	Non-executive	Director and Member of the Corporate Governance Committee
Alejandro Ferreiro Yazigi	Male	Non-executive	Member of the Corporate Governance Committee

Asset Laundering, Terrorism Financing and Bribery Prevention Committee (ALP Committee)

The committee's main objective is to plan and coordinate activities related to compliance with policies and procedures on asset laundering, terrorism financing, bribery. It must remain abreast

of the efforts by the Deputy Manager of Compliance and the AML, who has been designated Head of Crime Prevention in accordance with Law No. 20,393, and adopt agreements that aim to instate the improvements to control measures proposed by Compliance.

ALP Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Gustavo Arriagada Morales	Male	Non-executive	Director and Member of the ALP Committee
Gabriel Amado de Moura	Male	Executive	Chief Executive Officer and Member of the ALP Committee
Christian Tauber Dominguez	Male	Executive	Corporate Wholesale Banking Manager and Member of the ALP Committee
Mauricio Baeza Letelier	Male	Executive	Corporate Risk Manager and Member of the ALP Committee
Julián Acuña Moreno	Male	Executive	Corporate Retail Banking Manager and Member of the ALP Committee
Cristián Toro Cañas	Male	Executive	Corporate Legal Manager and Member of the ALP Committee
Cristóbal Ortega	Male	Executive	Deputy Manager of Compliance and AML and Member of the ALP Committee

Compliance Committee

The purpose of this committee is primarily to define, promote and ensure behavior with the highest standards of professional and personal excellence by all employees at Itaú. This should be guided at all times by the corporate principles and values that identify its spirit, philosophy and good business practices. It is also charged with ensuring application of the Standards Compliance Model,

within the context of the definitions established by this committee, and staying informed of the Deputy Manager of Compliance and AML's work in this area, as well as adopting agreements to improve the control measures proposed.

Compliance Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Gustavo Arriagada Morales	Male	Non-executive	Director and Member of the Compliance Committee
Gabriel Amado de Moura	Male	Executive	Chief Executive Officer and Member of the Compliance Committee
Cristián Toro Cañas	Male	Executive	Corporate Legal Manager and Member of the Compliance Committee
Mauricio Baeza Letelier	Male	Executive	Corporate Risk Manager and Member of the Compliance Committee
Marcela Jiménez	Female	Executive	Corporate Human Resources Manager and Member of the Compliance Committee

Performance and Talent Committee

The Performance and Talent Committee was created as an advisory and consultation body for issues related to managing people and the human resources at the Bank and other entities under its jurisdiction.

Performance and Talent Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Jorge Andrés Saieh	Male	Non-executive	Chairman of the Board and Member of the Performance and Talent Committee
Ricardo Villela Marino	Male	Non-executive	Vice Chairman of the Board and Member of the Performance and Talent Committee
Milton Maluhy Filho	Male	Non-executive	Director and Member of the Performance and Talent Committee
Caio Ibrahim David	Male	Non-executive	Director and Member of the Performance and Talent Committee
Fernando Agud Dagach	Male	Non-executive	Director and Member of the Performance and Talent Committee

Assets and Liabilities Committee (ALCO)

The committee's main purpose is to comply with the financial guidelines set by the Board. It must approve and monitor the financial strategies that guide the Bank with respect to the composition of its assets and liabilities, cash inflows and outflows and transactions with financial instruments. It also examines the available alternatives to make decisions that ensure the highest and most sustainable returns with financial risk levels that are compatible with the business, current regulations as well as current and applicable standards.

ALCO Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Jorge Andrés Saieh Guzmán	Male	Non-executive	Chairman of the Board and ALCO Member
Jorge Selume Zaror	Male	Non-executive	Director and ALCO Member
Gabriel Amado de Moura	Male	Executive	Chief Executive Officer and ALCO Member
Pedro Silva Yrarrázaval	Male	Executive	Corporate Treasury Manager and ALCO Member
Pedro Samhan Escándar	Male	Non-executive	Director and ALCO Guest Member

Executive Loan Committee

The Executive Loan Committee's objective is to approve transactions and matters submitted to it in accordance with defined limits and procedures, ensuring application and compliance of credit risk policies set forth by the Bank and in strict adherence of current and applicable regulations.

Executive Loan Committee members as of January 30, 2020:

Name	Gender	Level (Executive or Non-executive)	Significant Titles and Commitments
Jorge Andrés Saieh Guzmán	Male	Non-executive	Chairman of the Board and Member of the Executive Loan Committee
Fernando Aguad Dagach	Male	Non-executive	Director and Member of the Executive Loan Committee
Gabriel Amado de Moura	Male	Executive	Chief Executive Officer and Member of the Executive Loan Committee
Mauricio Baeza	Male	Executive	Corporate Risk Manager and Member of the Executive Loan Committee
Adriano Fernandes	Male	Executive	Wholesale Risk Manager and Member of Executive Loan Committee

8.2.6. Attendance

Minimum required attendance by directors at Board of Directors' Meetings is set forth in article 49 No. 9 of the General Banking Law. This provision indicates that directors who fail to attend board meetings for a period of three months, without permission from the Board, forfeit their position.

Furthermore, neither Itaú bylaws nor Chilean legislation sets term limits or restrict the maximum number of boards on which a director may serve. In 2019, board members had served an average of 10.69 terms.

	2018	2019
Number of directors who have served 4 terms or less	6	9

	2018	2019
Percent of directors who have served 4 terms or less	97.5 %	94.7 %

Ordinary Board Meetings	Attendance
January 30, 2019	100 %
February 26, 2019	100 %
March 27, 2019	100 %
April 23, 2019	100 %
May 28, 2019	100 %
June 26, 2019	100 %
July 31, 2019	100 %
August 27, 2019	100 %
September 25, 2019	100 %
October 30, 2019	100 %
November 26, 2019	100 %
December 18, 2019	100 %

Extraordinary Board Meetings	Attendance
January 14, 2019	90.9 %
March 8, 2019	100 %
March 22, 2019	81.8 %
April 8, 2019	81.8 %
April 24, 2019	72.7 %
July 30, 2019	72.7 %
October 28, 2019	100 %

8.2.7. Board and Committee Compensation

102-35

At the Itaú Annual General Shareholders' Meeting on March 19, 2019, shareholders agreed to provide monthly compensation equivalent to UF 100 to directors and alternate directors, UF 450 to the Vice Chairman and UF 600 to the Chairman of the Board.

At the same Annual General Shareholders' Meeting, shareholders agreed to provide compensation of UF 150 to members of the Directors' Committee and UF 250 to the Chairman. Thus, the 2019 budget for Board of Directors' compensation was UF 7,000.

At the same meeting, shareholders set the stipends for directors on the following committees:

- Audit Committee: UF 50/month for each member and UF 150/month for the Chairman
- Other Committees: UF 50 per committee meeting attended

The total amount paid for Board and committee compensation in 2019 was MCh\$1,208.

	2018	2019
Board Compensation (in millions)	Ch\$1,393	Ch\$1,208

8.3. Organizational Structure and Subsidiaries

8.3.1. Executives

102-19

The Board delegates management of the Bank's economic, social and environmental issues to the Chief Executive Officer and the executive team through the different corporate divisions that they lead. Itaú's management structure is as follows:



Note: Gabriel Amado de Moura became Chief Executive Officer at Itaú Corpbanca on January 30, 2020.

Gabriel Amado de Moura.

Mr. Amado holds an MBA from the Wharton School at University of Pennsylvania in the United States. He has more than 20 years of experience in asset and risk management as well as mergers and acquisitions. With the group since 2000, he became Director and partner at Itaú Unibanco in 2010. Mr. Amado has been Chief Investment Officer of the group's life and insurance businesses, endowments, foundations and pension funds. He headed financial planning on the Wholesale General Board and served as Chief Risk Officer (CRO) of the Wealth

Management and Services (WMS) area. He became Chief Financial Officer in 2016 and Chief Executive Officer of Itaú Corpbanca on January 30, 2020.

The Chief Executive Officer is supported by a senior management team comprised of the following executives:

Pedro Silva Yrarrázaval.

Mr. Silva holds a degree in business administration from Universidad de Chile and an MBA from the University of Chicago. He has served as Finance and

International Division Manager at Corpbanca since October 2006. Previously, beginning in June 2003, he was the Chief Executive Officer of CorpBanca Administradora General de Fondos S.A. He became Corporate Treasurer in 2016.

Marcela Jiménez Pardo.

Marcela Jiménez Pardo holds a degree in psychology from Pontificia Universidad Católica de Chile and graduate coursework in Human Resource Management from Universidad Adolfo Ibáñez. Ms. Jiménez has served as Corporate Human Resources Manager since July 2012. Previously, beginning in 2008, she headed the Global Banking Consulting Group at Banco de Chile.

Christian Tauber Domínguez.

Mr. Tauber holds a degree in business administration from Pontificia Universidad Católica de Chile. He was the Director of Company Banking at BBVA and joined Banco Itaú Chile as Corporate Banking Manager in October 2007. In 2011, he became Corporate Banking Division Manager. He has served as Corporate Wholesale Banking Manager since 2016.

Luis Antônio Rodrigues.

Mr. Rodrigues holds an MBA from Fundación Getúlio Vargas, Executive Leadership Development Program - IMD. He has served as Director since 2004, partner since 2010 and Executive Director since 2011. He joined the organization 32 years ago and, from the technology area, participated in all the Bank's mergers and acquisitions—Banco Francês e Brasileiro, Banerj, Bemge, Banestado and BankBoston. He was also central to integrating the Itaú and Unibanco systems. He became Corporate Operations and Technology Manager in 2016. Then, following separation of the Operations and Technology areas, he became Corporate Technology Manager in October 2017.

Luciana Hildebrandi Marchione.

Luciana Hildebrandi holds a degree in business administration with a specialization in marketing and an MBA from Fundación Getúlio Vargas. She joined Itaú Unibanco in 2005, reaching the executive level in 2015. She served as the Manager of Business Planning at Itaú Uniclass and Commercial Manager at Itaú Uniclass Digital, until becoming Vice President of Products, Franchises and Digital in

Colombia in 2016. She became Itaú Corpbanca Corporate Manager of Marketing, Products, Digital Channels and Franchises in January 2019.

Cristián Toro Cañas.

Mr. Toro holds a degree in law from Pontificia Universidad Católica de Chile and a master's in law from New York University School of Law. Following his 1999 internship with Shearman & Sterling law firm in New York, he was with Citibank Chile for more than 10 years. He became general counsel in May 2004 and served until December 2007, when he moved to LAN Airlines as Legal Senior Vice-President. He became Corporate Legal Manager at Itaú in 2016.

Mauricio Baeza Letelier.

Mr. Baeza holds a degree in civil engineering from Pontificia Universidad Católica de Chile. He has 30 years of banking experience and has held several executive positions in the risk divisions at local banks. Prior to April 2016, he had served for five years as Corporate Risk Manager at Banco de Chile. Mr. Baeza holds a leadership role on the Association of Banks and Financial Institutions Risk Committee. He became Corporate Risk Manager in October 2016.

Julián Acuña Moreno.

Mr. Acuña holds a degree in auditing from Universidad Diego Portales. He has experience in national and international banking, serving as Manager of the Commercial Division in Chile and Colombia in Banco Santander Chile and Banco Santander Colombia, respectively. He became Corporate Retail Banking Manager in September 2016.

Jorge Novis Neto.

Mr. Novis holds a degree in civil engineering, an MBA from Harvard Business School and a Master's of Science in Finance. He began working at Itaú Unibanco in 2014 and joined Itaú in May 2017 as Head of Strategic Planning, then Quality. He became Corporate Operations Manager in April 2018.

Emerson Bastián Vergara.

Mr. Bastián holds a degree in accounting from Universidad de Chile and an MBA from Universidad Adolfo Ibáñez. Prior to joining the group, he was a partner at Deloitte Chile in governance practices, regulation and risk strategy. He became Corporate Internal Audit Manager in April 2017.

8.3.2. Executive Compensation

102-35

Total compensation received by the Bank's executive team¹² in 2019 amounted to MCh\$23,315.

	2018	2019
Executive team compensation (in millions)	Ch\$21,185	Ch\$23,315

8.3.3. Companies and Chief Executive Officers

Itaú Corpbanca has the following subsidiaries:

	Subsidiary	CEO
Chile	Itaú Asesorías Financieras Limitada	Rodrigo Jordán
	Itaú Corredores de Bolsa Limita	Felipe Hurtado
	Itaú Administradora General de Fondos S.A.	Wagner Guida
	Recaudaciones y Cobranzas Limitada	Carlos Millar
	Itaú Corredores de Seguros S.A.	Felipe Benavente
Abroad	Itaú Corpbanca Colombia S.A.	Álvaro Pimentel
	Itaú Securities Services Colombia S.A. Sociedad Fiduciaria	María Susana Montero
	Itaú Comisionista de Bolsa Colombia S.A.	Félix Buendía
	Itaú Corredor de Seguros Colombia S.A.	Ernesto Sierra
	Itaú Asset Management Colombia S.A. Sociedad Fiduciaria	Camila Vásquez
	Itaú (Panamá) S.A.	Claudia Hernández
	Itaú Casa de Valores S.A. ⁸	Federico Soriano

Note: In January 2020, the Bank reported that Itaú Comisionista de Bolsa Colombia S.A., a subsidiary of Itaú Corpbanca Colombia S.A., completed the process of selling one hundred per cent (100%) of share capital that the commission agent held in its Panamanian subsidiary, Itaú Casa de Valores S.A.

¹² The executive team is comprised of bank employees at the deputy manager level or senior.



Methodology for
**2019 Integrated
Report**

9.1. Our Second Integrated Report

102-10, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54

This second Integrated Report published by Itaú Corpbanca reports on the efforts undertaken in 2019, consolidating the financial, social and environmental information about the organization.

It has been drafted in accordance with international reporting standards, including International Integrated Reporting Council (IIRC) and the new Global Reporting Initiative (GRI) standards, in accordance with the core option. This report is also a Communication of Progress (CoP) for the United Global Compact.

In 2019, we improved the quality of data reported, which required updating the information reported in 2018 for some indicators. All changes in scope or method for calculating that information were specified in the document itself.

The main changes in the organization are associated with:

- Dissolution of the Corplegal S.A. subsidiary as of May 20, 2019 as a result of Art. 13 No. 2 of Law No. 18,046 on Corporations, i.e., once ten uninterrupted days had passed with all subsidiary shares in the hands of a single shareholder, in this case, the Bank.

- The May 29, 2019, board agreement to proceed with the acquisition of MCC S.A., including certain related companies, with modifications to the provisions of the Transaction Agreement and in compliance with the provisions of Title XVI of Law No. 18,046 on Corporations. This share purchase by Itaú is subject to approval by the corresponding regulatory bodies, including the Financial Market Commission (CMF).

- Our representation office in Madrid closed on July 31, 2019.

- Acquisition of approximately 20.82% of share capital in Itaú Corpbanca Colombia from Helm LLC and Kresge Stock Holding Company Inc., for a total of MUS\$334 on December 3, 2019.

While the financial statements include the consolidated operations of the Bank and its subsidiaries in Chile, the non-financial information in this report excludes operations in Colombia and Panama.

Thus, the entities included in this annual report are:

1. Itaú Corpbanca S.A.
2. Itaú Asesorías Financieras Limitada
3. Itaú Corredores de Seguros S.A.
4. Itaú Corredores de Bolsa Limitada
5. Itaú Administradora General de Fondos S.A.
6. Recaudaciones y Cobranzas Limitada

9.2. Materiality 2019

102-43, 102-44, 102-46, 102-47

The 2019 exercise in materiality consisted of three stages: reviewing information from secondary sources, consulting executives and validating critical issues for the organization via a panel of experts.

Identification	Prioritization		Validation
PHASE 1: Desk research	PHASE 2: Consulting executives	PHASE 3: Consulting corporate managers	PHASE 4: Panel of experts
Secondary sources	24 interviews	10 interviews	Analysis panel
<p>Extensive review of secondary materials based on diverse sources of information to identify the state of the industry, trends and important topics.</p> <p>To that end, a press review, international benchmarking and a review of standards and/or principles in sustainability issues were conducted.</p>	<p>The organization's senior executives, i.e., those who report directly to the Chief Executive Officer as well as their direct subordinates</p>	<p>Interviews with the Chief Executive Officer and his direct subordinates.</p>	<p>The Itaú panel of experts aims to validate the material issues identified in previous stages. The panel is comprised of representatives from the worlds of sustainability, finance and economy, consumers, journalists as well as representatives from the social, academic and NGO worlds.</p> <p>This panel has met each year since 2016.</p>

The process resulted in a list of eight material issues:

1. Socio-environmental risk assessment
2. Financial Inclusiveness and Literacy
3. Ethics and regulatory compliance
4. Diversity and Inclusiveness
5. Responsible resource management
6. Social impact
7. Digital Transformation
8. Quality and customer satisfaction

9.3. Material Issues 2019

102-46, 102-47, 103-1

Material Issue	Limit	Indicator	Our Way	SDG	Global Compact
Customer-Centered					
Ethics and regulatory compliance	The impact occurs inside the organization and industry and affects customers and shareholders / investors.	In-house indicator: Description and analysis of new regulations.	Ethics are non-negotiable.	SDG 10 (10.5)	Principle 10
Quality and customer satisfaction	The impact occurs outside the organization and affects customers.	In-house indicator: Scores on customer satisfaction measures.	Performance fanatics.	-	-
Digital transformation	The impact occurs inside and outside the organization and affects employees and customers.	In-house indicator: Implementation of the digital branch. Cybersecurity developments. Digitalization of back and front office operations.	It is only good for us if it is good for the customer. Simple, always.	-	Principle 9
Human Capital					
Inclusiveness and diversity	The impact occurs inside the organization and impacts employees.	In-house indicator: Proportion of women in the organization's different hierarchical levels. Percentage of employees with disabilities.	The best argument wins.	SDG 5 (5.5) SDG 10 (10.2)	Principle 6
Social and Relationship Capital					
Social impact	The impact occurs outside the organization and affects society.	In-house indicator: Outstanding programs that contribute to the community.	People are everything to us.	SDG 4 (4.3)	-

Financial inclusiveness and literacy	The impact occurs inside and outside the organization and affects employees, customers and society.	In-house indicator: Activities and programs that favor financial inclusiveness. Actions to promote financial literacy.	People are everything to us.	SDG 9 (9.3) SDG 8 (8.3, 8.10)	-
Natural Capital					
Responsible management of resources	The impact occurs inside and outside the organization and affects society at large.	Disclosure 302-1: Energy consumption at the organization.	We think and act like owners.	SDG 7 (7.3)	Principle 7 Principle 8
Financial Capital					
Socio environmental risk assessment	The impact occurs inside and outside the the organization and affects customers, society and thus our shareholders/ investors.	In-house indicator: Implementation of Socio environmental Risk Assessment System	Ethics are non-negotiable.	SDG 13 (13.1)	Principle 1 Principle 2 Principle 7 Principle 8

9.4. Panel of Expert

We decided to make the process of drafting the 2019 Integrated Report more transparent. For the third straight year, Itaú invited experts from different areas related to the banking industry to talk about trends in banking sustainability and the role that the banking industry plays in the issue. The panel was comprised of eight professionals from different areas, thereby guaranteeing a broad perspective on sustainability. The panelists were:

- Raphael Bergoeing Vela, Vice Chairman of the Board of the National Productivity Commission
- Margarita Ducci Budge, Executive Director of Global Compact Network Chile

- David Falcón, Director of Risk Advisory and Sustainability at Deloitte
- Álvaro Gallegos Alfonso, Independent advisor to the Chilean National Consumers and Users Corporation
- Juan Esteban Laval Z., General Counsel at Chilean Association of Banks and Financial Institutions
- Diana Rubinstein Muchnik, Executive Director of ALAS20 Chile
- Germán Sáenz Escobar, Associate Director de Corporate Citizenship
- Gonzalo Stierling Aguayo, Founder and Director of CicloRecreoVía

The work focused on three objectives:

- Analyze trends and challenges in banking related to sustainability at global and local levels.
- Learn about and assess material issues, like the proposed structure of the Itaú Integrated Report 2019, adding external, expert perspective on related issues.

- Make recommendations and improvements to incorporate into the document given the current national context.

The panel of experts met on November 14, 2019.

9.4.1. Agreement Letter Panel of Experts

The panel of experts for the Itaú Integrated Report 2019 met to present their comments and recommendations on the process of drafting the document, in light of the latest sustainability trends and the industry's role in sustainability.

The panel contributed perspectives related to the issues analyzed and concluded that the methodology used to draft the Integrated Report 2019 was appropriate for objectively selecting the issues, as was the structure of the document.

The main strengths of Itaú's 2019 materiality process were:

- Continuity of the opportunity to participate in and review the process.
- Analysis of the national and international sustainability context as well as the role of the banking industry in sustainability.

The main points for reflection and analysis that arose from the conversation were:

1. The current context:

- Add information and indicators related to the main social demands, for example, the difference between minimum wage in the country and minimum wage at the company.

2. Methodology and content criteria:

- Move the socio-environmental risk assessment to the Financial Capital section given its ties to the essence of and way in which the Bank generates value.
- Change the name of the material issue from "social investment" to "social impact", understanding that the challenge is in progressing toward greater traceability of that investment.
- Include a list of issues and projects that the Bank does not (and will not) fund in order to establish a position on the projects, companies and/or industries that pass or fail the risk assessment.

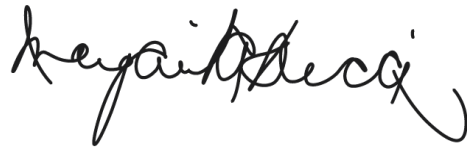
3. Aspects to improve in 2020:

- Integrate the topic of climate change from a more strategic viewpoint and not just from a socio-environmental risk assessment.
- Report on impact indicators and progress on commitments and/or standards upheld by Itaú in order to make the improvements that these agreements have had at the company more transparent.
- Analyze, in particular, the Bank's participation in investments in roadway infrastructure, given the climate change impact generated by that industry.
- Given that the context and global challenges adapt to industry priorities, it is worth asking how much leadership risk the Bank is willing to accept. In other words, is it willing to take a leadership position on sustainability matters?

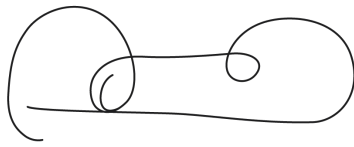
The above was agreed upon by the expert panel as a whole, the members of which have signed this Agreement Letter.



Raphael Bergoing Vela
**Vice Chairman of the Board
of the National
Productivity Commission**



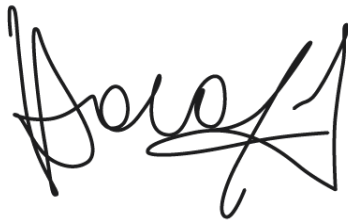
Margarita Ducci Budge
**Executive Director of Global
Compact Network Chile**



David Falcón Adasme
**Director Risk Advisory and
Sustainability at Deloitte**



Álvaro Gallegos Alfonso
**External Consultant for
Chilean National
Consumers and Users
Corporation**



Juan Esteban Laval
**General Counsel of the
Chilean Association of
Banks and Financial
Institutions**



Diana Rubinstein Muchnik
**Executive Director of
ALAS20 Chile**



Germán Sáenz Escobar
**Associate Director of
Corporate Citizenship**



Gonzalo Stierling Aguayo
**Founder and Director of
CicloRecreoVía**



EY Chile
Avda. Presidente
Riesco 5435, piso 4,
Las Condes, Santiago

Tel: +56 (2) 2676 1000
www.eychile.cl

Limited Assurance Statement of Itaú Corpbanca 2019 Integrated Memory (free translation from the original in Independent Spanish)

To the President and Directors of
Itaú Corpbanca

Scope

We have performed an independent limited assurance engagement on the information and data presented in Itaú Corpbanca 2019 Integrated Memory.

Preparation of the Integrated Memory is the responsibility of the Management of Itaú Corpbanca. The Management of Itaú Corpbanca is also responsible for the data and affirmations included in the Integrated Memory, definition of the scope and management and control of the information systems that have provided the reported information.

Standards and Assurance Procedures

Our review has been performed in accordance with the International Standard on Assurance Engagements ISAE 3000, established by the International Auditing and Assurance Board of the International Federation of Accountants and the version GRI Standards of the guidelines for the preparation of sustainability reports under the Global Reporting Initiative (GRI).

We conducted our assurance procedures in order to:

- ▶ Determine whether the information and data presented in the 2019 Integrated Memory are duly supported by evidence.
- ▶ Verify the traceability of the information disclosed by Itaú Corpbanca in its 2019 Integrated Memory.
- ▶ Determine whether Itaú Corpbanca has prepared its 2019 Integrated Memory in accordance with the Content and Quality Principles of the GRI Standards.
- ▶ Confirm Itaú Corpbanca self-declared "Core" option of the GRI Standards to its report.

Work Performed

Our assurance procedures included enquiries to the Management of Itaú Corpbanca involved in the development of the Integrated Memory process, in addition to other analytical procedures and sampling methods as described below:

- ▶ Interviews with key Itaú Corpbanca personnel, in order to assess the 2019 Integrated Memory preparation process, the definition of its content and its underlying information systems.
- ▶ Review of supporting documents provided by Itaú Corpbanca.
- ▶ Review of formulas and calculations by recalculation.
- ▶ Review of the 2019 Integrated Memory in order to ensure its phrasing and format does not mislead the reader regarding the information presented.

Our Responsibility

Our responsibility is limited to the procedures mentioned above, corresponding to a limited assurance which is the basis for our conclusions.

Conclusions

Subject to our limitations of scope noted above and on the basis of our procedures for this limited assurance of Itaú Corpbanca Integrated Memory, we conclude that nothing has come to our attention that would cause us to believe that:

- ▶ The information and data disclosed in Itaú Corpbanca 2019 Integrated Memory are not presented fairly.
- ▶ Itaú Corpbanca 2019 Integrated Memory has not been prepared in accordance with the GRI Standards for the preparation of sustainability reports under the Global Reporting Initiative.
- ▶ The Itaú Corpbanca self-declared option does not meet the GRI Standards requirements for this option.

Improvement Recommendations

Without affecting our conclusions as set out above, we have detected some improvement opportunities for Itaú Corpbanca 2019 Integrated Memory, which are detailed in a recommendations report presented to Itaú Corpbanca Administration.

Truly Yours,

EY Consulting SpA

Elyne Almeida

February 21th, 2020

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9.5. GRI Index

102-55

Disclosure Category	Type of Disclosure	Code	Contents	Page Number
GRI 102: Contents 2016 General Disclosures	Organizational profile	Disclosure 102-1	Name of the organization	6
		Disclosure 102-2	Activities, brands, products and/or services	15
		Disclosure 102-3	Location of headquarters	6
		Disclosure 102-4	Location of operations	14
		Disclosure 102-5	Ownership and legal form	6
		Disclosure 102-6	Markets served	14
		Disclosure 102-7	Scale of the organization	13
		Disclosure 102-8	Information on employees and other workers	57
		Disclosure 102-9	Supply chain	31, 93
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		Disclosure 102-12	External initiatives	6, 81
		Disclosure 102-13	Membership of associations	81
	Strategy	Disclosure 102-14	Statement from senior decision-maker	9, 11
		Disclosure 102-15	Key impacts, risks and opportunities	39
	Ethics and integrity	Disclosure 102-16	Values, principles, standards, and norms of behavior	22
		Disclosure 102-17	Mechanisms for advice and concerns about ethics	23
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		Disclosure 205-3	Confirmed incidents of corruption and actions taken	26
GRI 406: No Discrimination	Non-discrimination	Disclosure 406-1	Incidents of discrimination and corrective actions taken	26
GRI 206: Unfair competitive practices	Unfair competitive practices	Disclosure 206-1	Legal actions for anti-competitive behavior and anti-trust and monopoly practices	29
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Customer satisfaction				
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		Disclosure 103-3	Evaluation of the management approach	33
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Digital transformation				
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Financial inclusiveness and literacy				
GRI 103: Management Approach 2016	Management approach	Disclosure 103-1	Explanation of the material topic and its boundary	157
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GRI 103: Management Approach 2016	Management approach	Disclosure 103-1	Explanation of the material topic and its boundary	157
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GRI 103: Management Approach 2016	Management approach	Disclosure 103-1	Explanation of the material topic and its boundary	157
		Disclosure 103-2	The management approach and its components	126
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GRI 401: Employment	Employment	Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	63, 64
GRI 414: Supplier social assessment	Supplier social assessment	Disclosure 414-1	New suppliers that were screened using social criteria	95

10 Consolidated **Financial Statements**

**Consolidated Financial Statements for Itaú
Corpbanca and Subsidiaries as of December 31,
2019 and 2018 and for the years then ended.**

The Consolidated Financial Statements and their
notes are available at:

<https://ir.italu.cl/Spanish/home/default.aspx>

