



# 1Q22 Earnings Presentation

May 4<sup>th</sup>, 2022



**BCH**  
LISTED  
NYSE





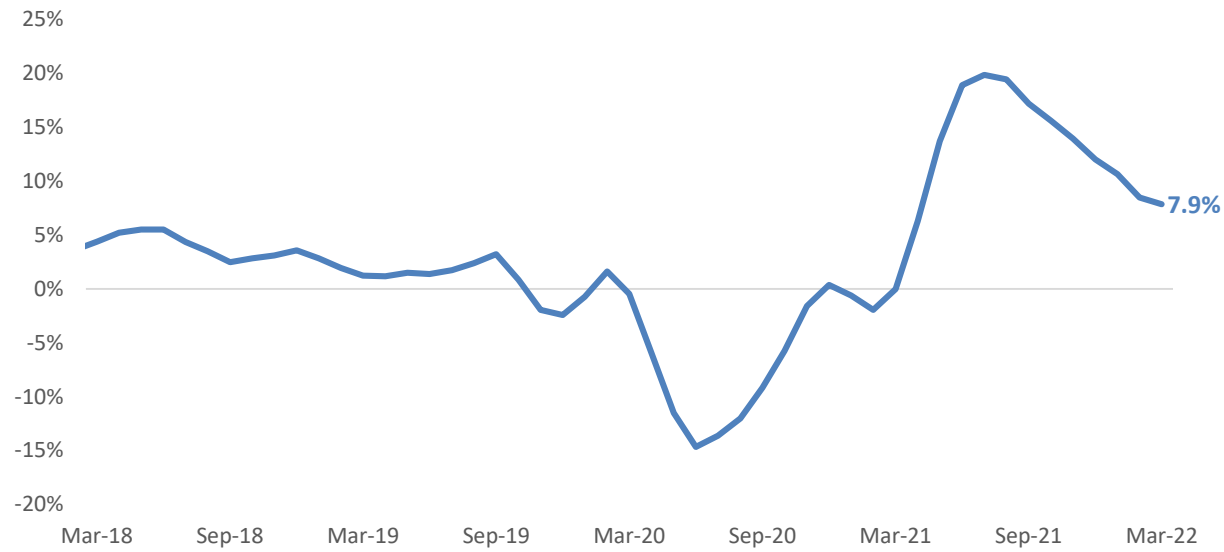
# Economic & Banking Industry Overview



# Despite the downward trend in GDP growth...

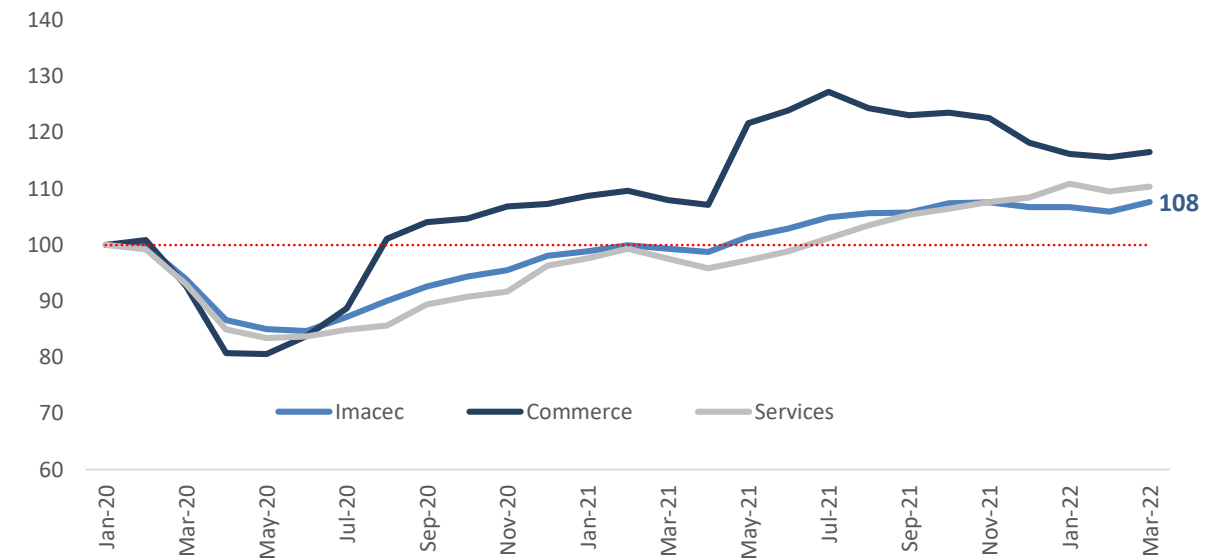
## Monthly Economic Growth

YoY, Ma3



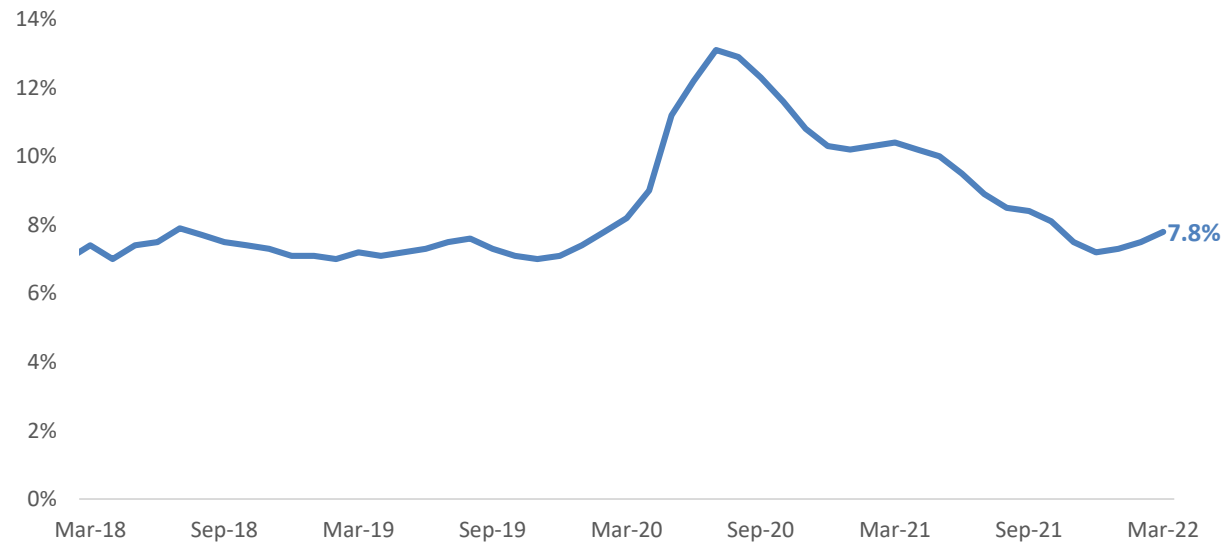
## Economic Activity

Jan 2020=100



## Unemployment Rate

% of Labor Force



## Employment

Thousands of people

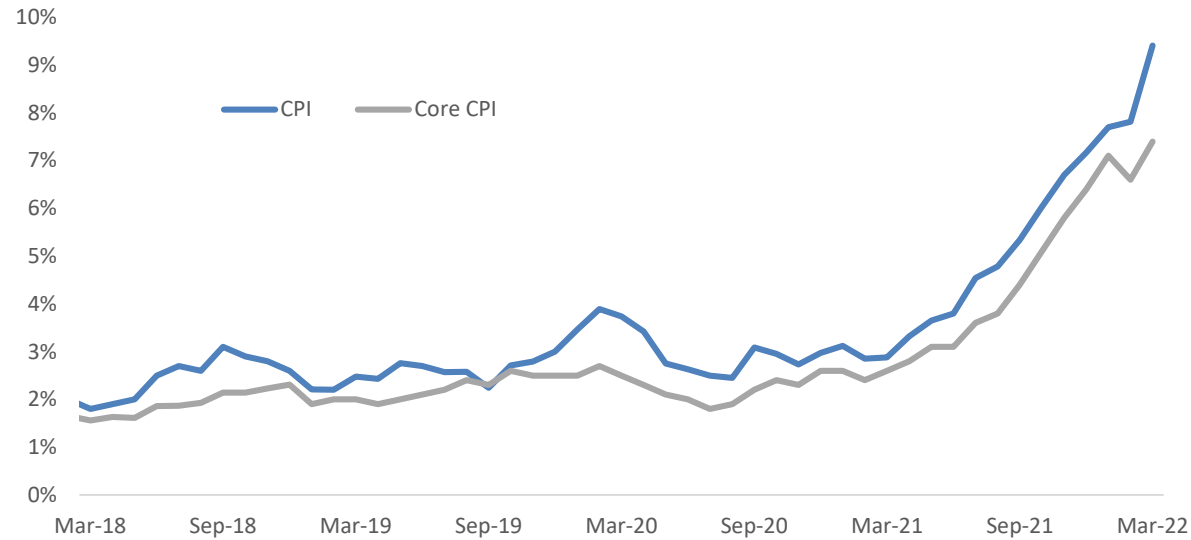




# ...inflation continues to rise

## Headline and Core Inflation

YoY



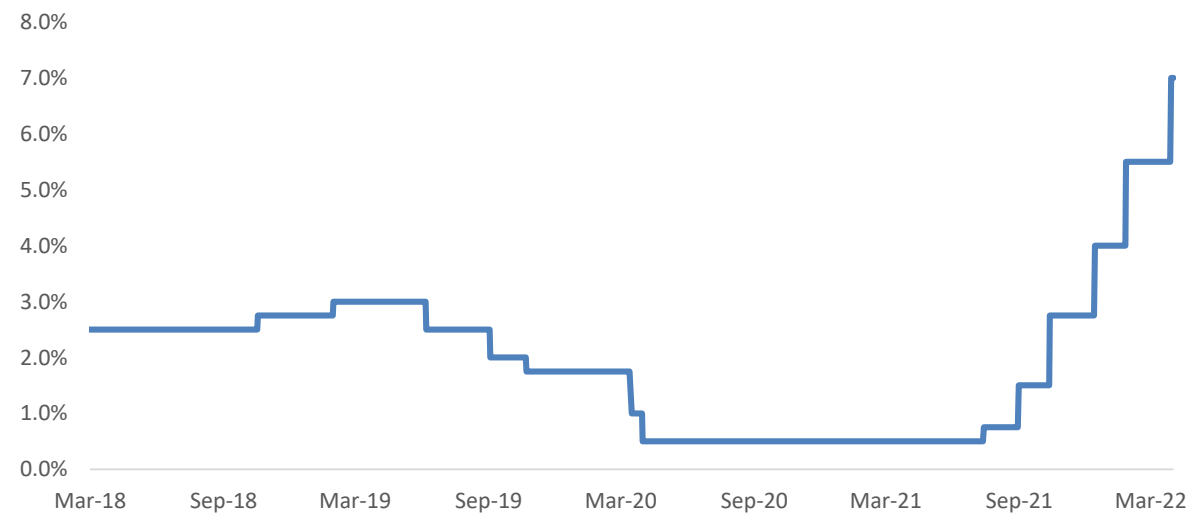
## Exchange Rate

CLP/USD



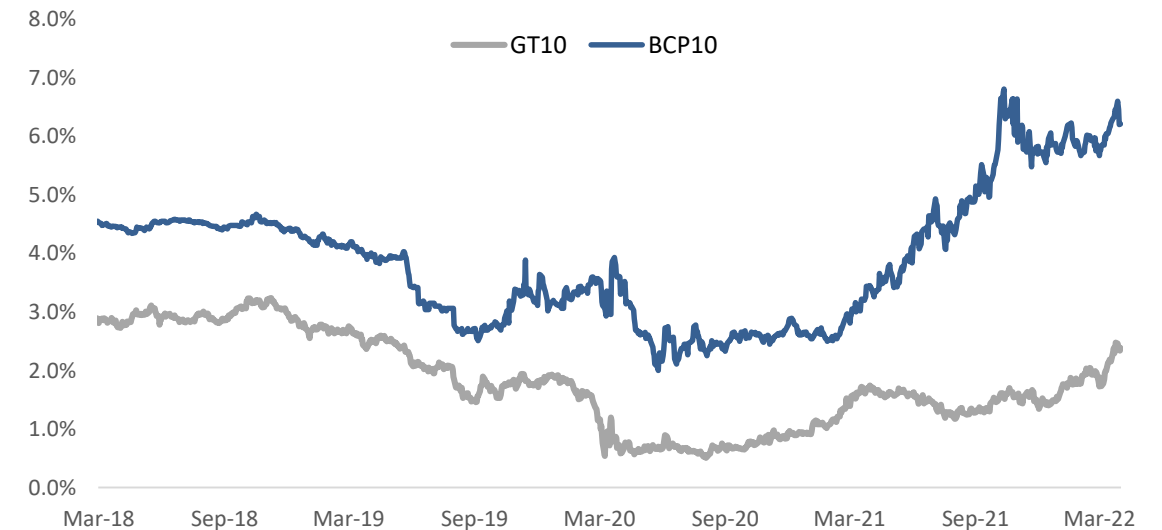
## Monetary Policy Rate

Daily rate



## Long Term Interest Rate

10 Year Treasury Bond Rate





## Our macro baseline scenario

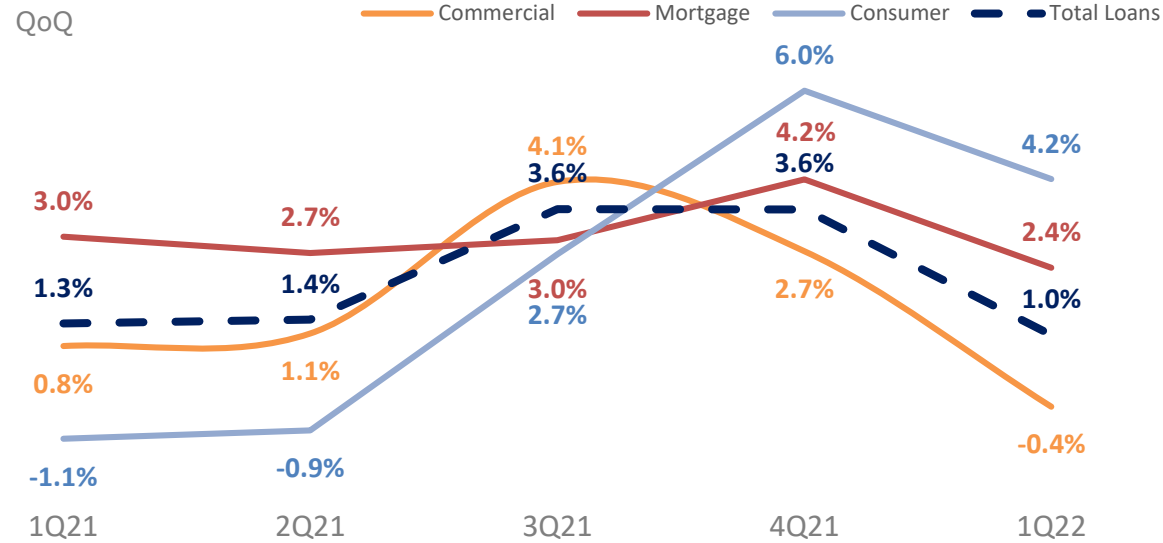
(YoY, %)	2019	2020	2021	2022f	2023f
GDP	0.8	-6.0	11.7	1.5	0.2
Consumption	0.7	-7.2	18.2	0.1	-1.5
Gross investment	4.7	-9.3	17.6	-3.6	-2.8
Exports	-2.5	-1.1	-1.5	3.5	2.8
Imports	-1.7	-12.7	31.3	-4.3	-2.0
CPI	3.0	3.0	7.2	8.0	4.8
Monetary Policy Rate (eop)	1.75	0.5	5.00	8.25	6.0
Fiscal Balance (% GDP)	-2.8	-7.3	-7.6	-4.3	-3.5
Current Account (% GDP)	-5.2	-1.7	-6.4	-2.8	-2.0





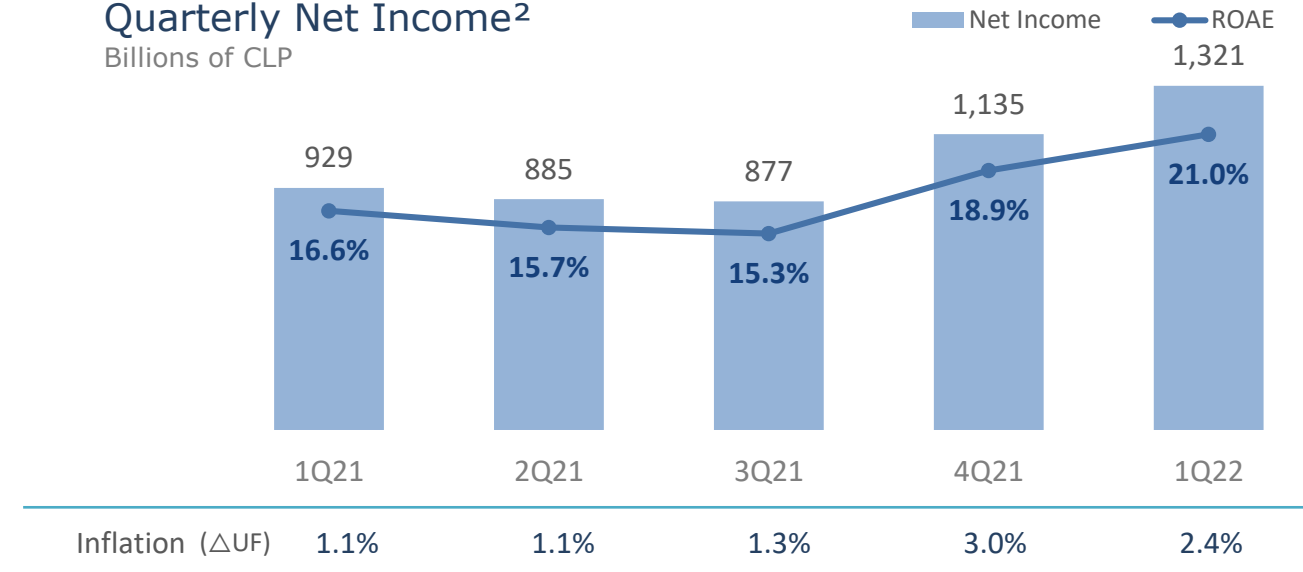
# Inflation continues driving profitability for the banking industry

## Nominal Loan Growth<sup>1</sup>



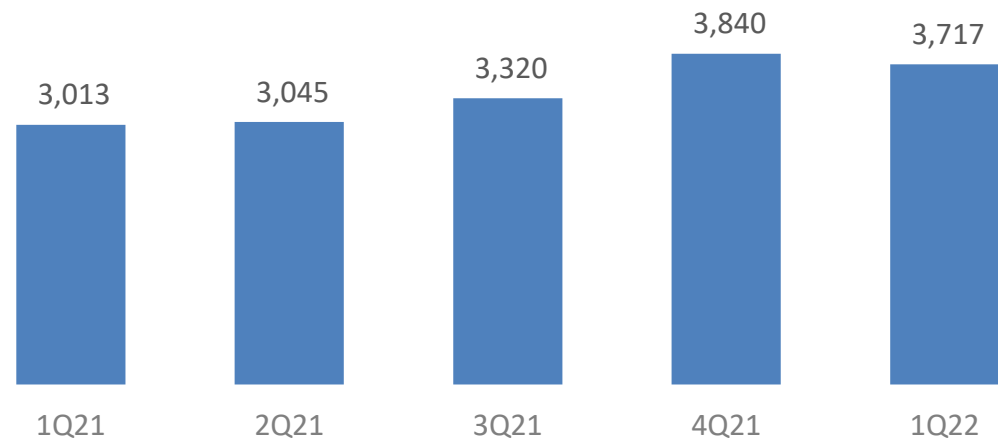
## Quarterly Net Income<sup>2</sup>

Billions of CLP



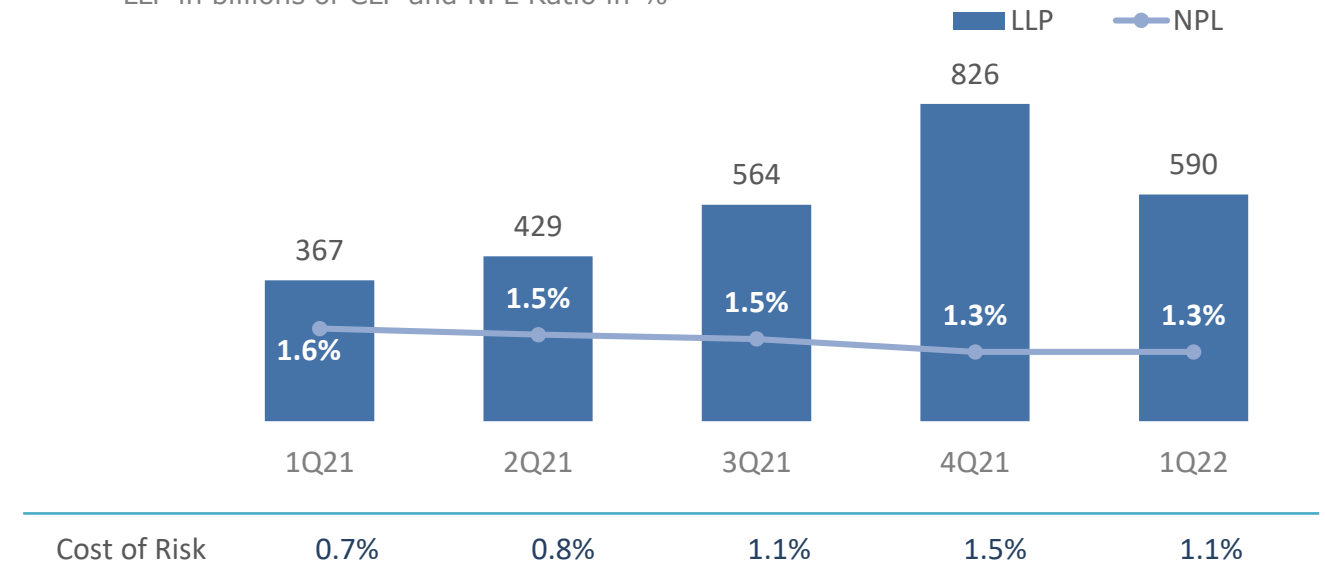
## Operating Income

Billions of CLP



## Asset Quality

LLP in billions of CLP and NPL Ratio in %



1. Excludes foreign subsidiaries. 2. Net income attributable to equity holders. Industry's data for 2021 quarters on proforma basis for the new local Compendium of Accounting Standards.

The background of the slide is a photograph of a grand, classical-style building with multiple stories and large columns. A Chilean flag is prominently displayed on the left side of the building. The image is partially obscured by a dark blue horizontal band that contains the title text.

# Strategic Priorities and Advances



## Key Pillars of our Strategy



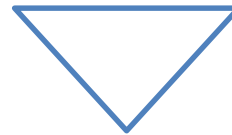
LEVERAGING  
DIGITAL BANKING



IMPROVING EFFICIENCY  
& PRODUCTIVITY



STRENGTHENING  
SUSTAINABILITY

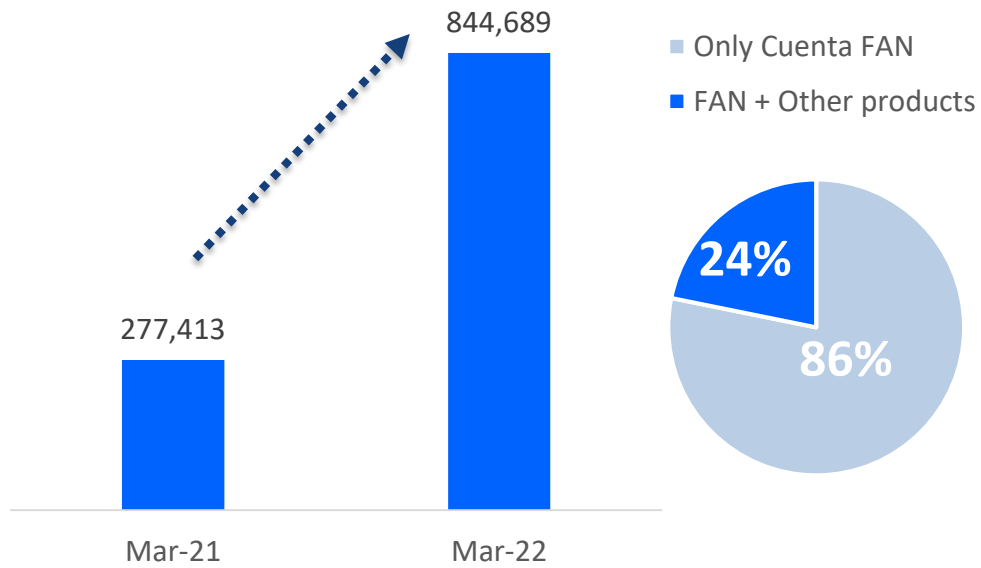


LONG-TERM PROFITABILITY



## Evolution of FAN customer base

Total of FAN account originations



New **Digital Current Account** that can be opened online, in **less than 5 minutes** in three simple steps

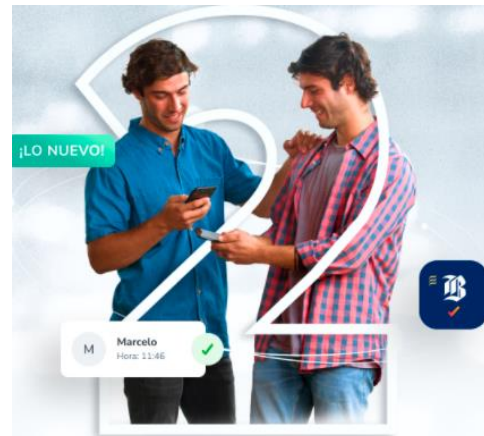
Our customers have increasingly adopted BCH digital channels  
1Q22 figures

**+33.5%** YoY  
Monetary transactions on Mi Banco (APP)

**50%**  
Of consumer loans were taken by our online channels



New App **Mi Inversión**  
Digital Investments for everyone!



Pay and collect easily through **Mi Pago App**

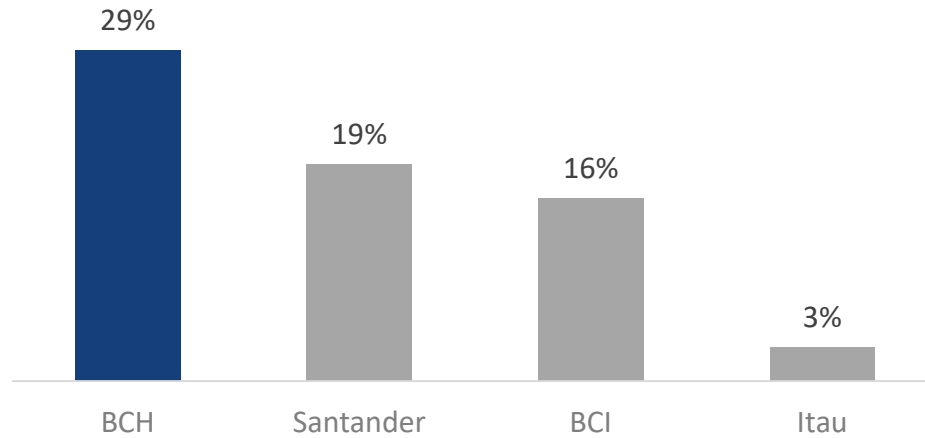
**+19.7%** YoY  
Monetary transactions made online



# The best service quality and the strongest brand

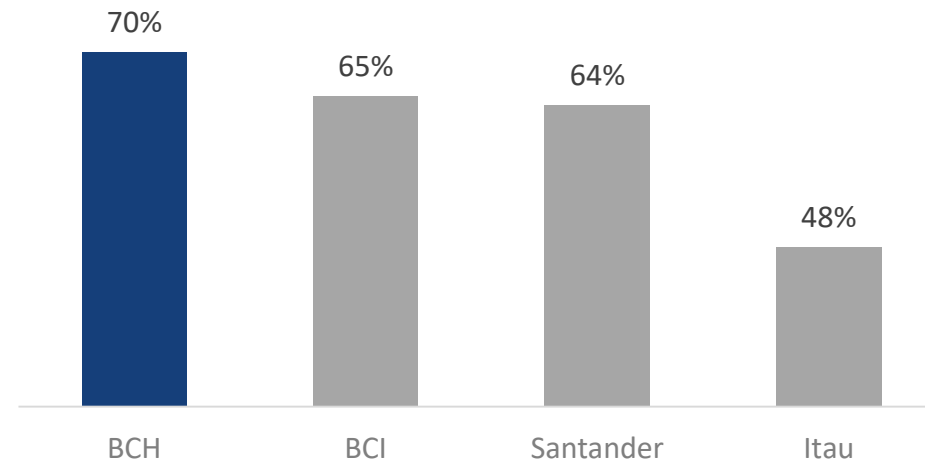
## Top of Mind<sup>1</sup>

% total mentions of our target market, as of Mar-22



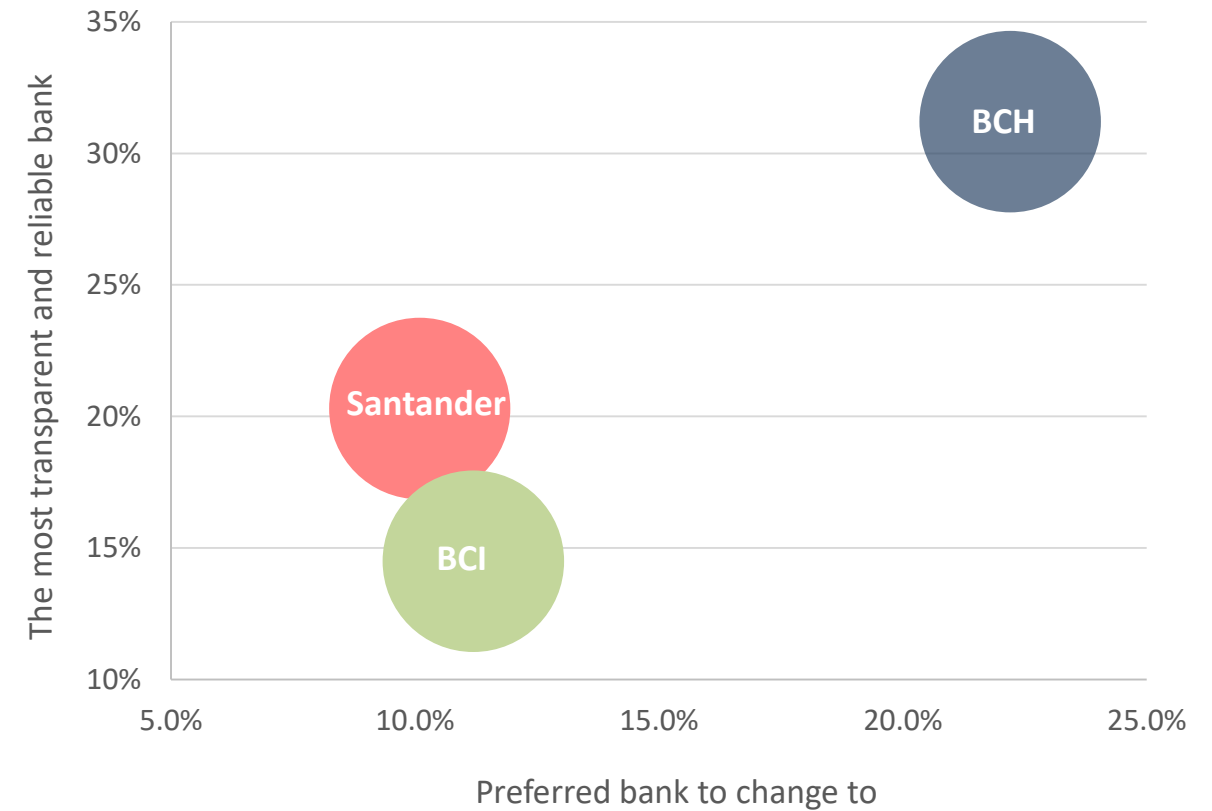
## Net Promoter Score<sup>2</sup>

% total mentions, as of Mar-22



## Most reliable and preferred bank<sup>3</sup>

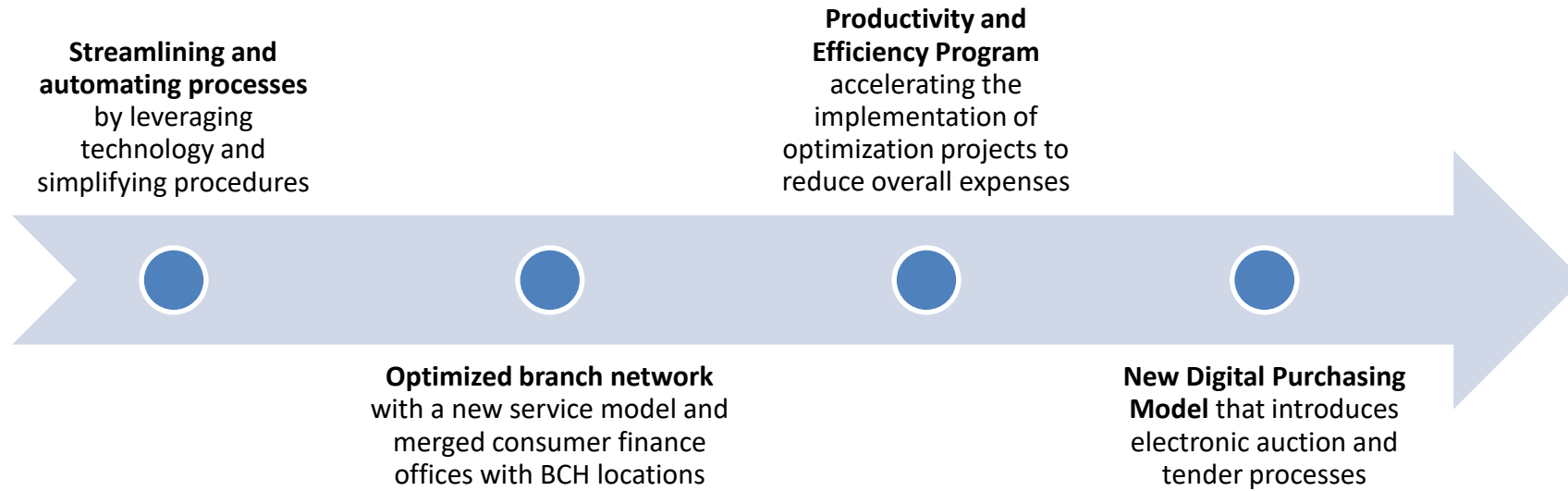
% total mentions, 1Q22







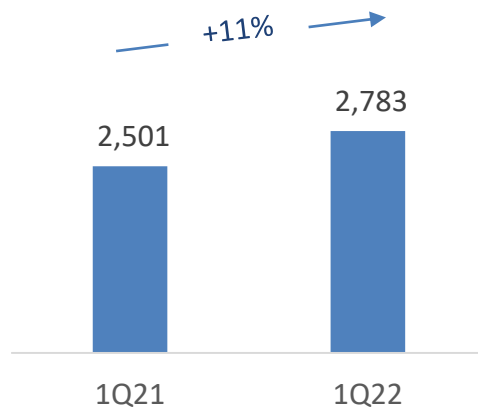
# A continuous improvement in efficiency supported by top line growth...



**1Q22**  
**Efficiency Ratio**  
**34.2%**

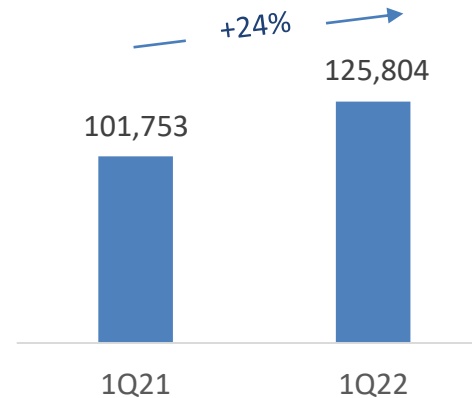
## Loans per Employee

Millions of CLP

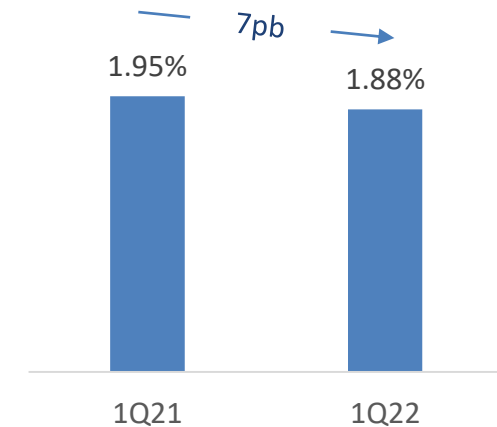


## Loans per Branches

Millions of CLP



## Total Expenses to Assets

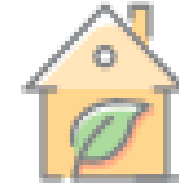




# Quarterly ESG Highlights



We started a new cycle of our **Financial Education Program** “Cuentas con el Chile”



Purchase process of **renewable energy certificates (I-RECs)** concluded



Participation in diverse initiatives to promote the inclusion of **women in the financial sector**



Creation of a **Sustainability Committee** that aims to boost our ESG strategy and initiatives



**Chilean Open Copa Banco de Chile**  
Tennis tournament in a wheelchair



mercoRESPONSABILIDAD  
ESG

3rd best Company in **ESG Responsibility** by Merco



**Glocal Pucón:** initiative to promote the sustainable development through **innovative solutions**



BCH improved its ESG Risk Score to **the best score among peers in Chile\***





Banco de Chile

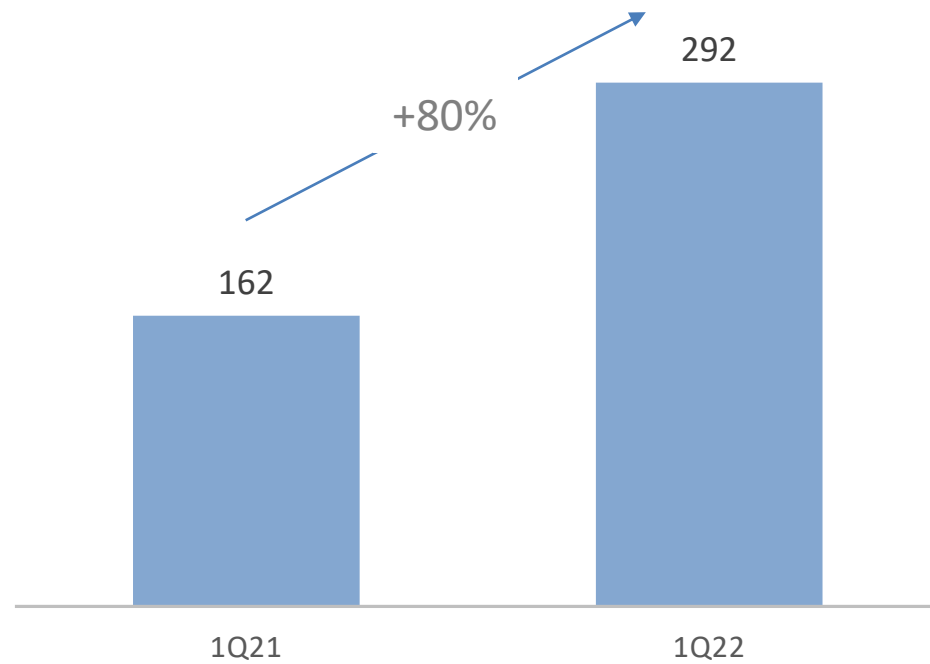
**1Q22  
Financial Results**



# The best investment for our shareholders

## Quarterly Net Income<sup>1</sup>

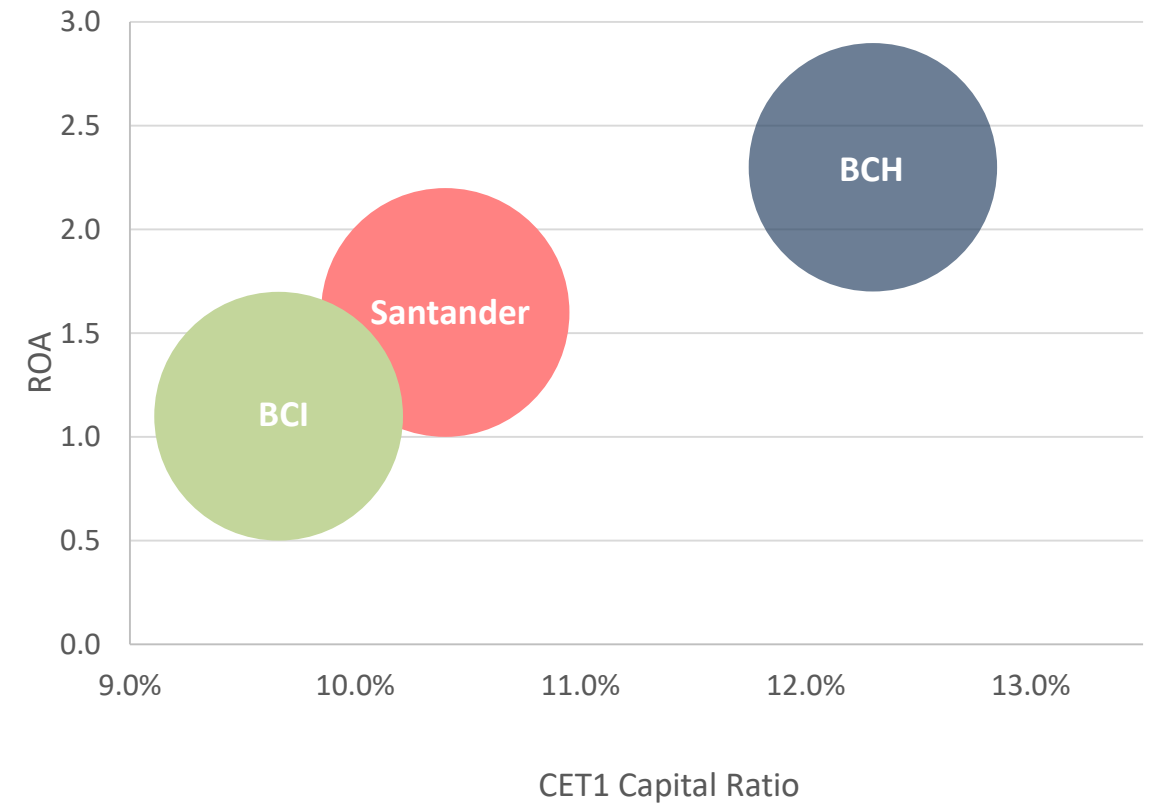
Billions of CLP



ROAE <sup>1</sup>	17.2%	27.1%
Var UF	1.1%	2.4%

## Leader in Profitability and Capital

As of March 2022



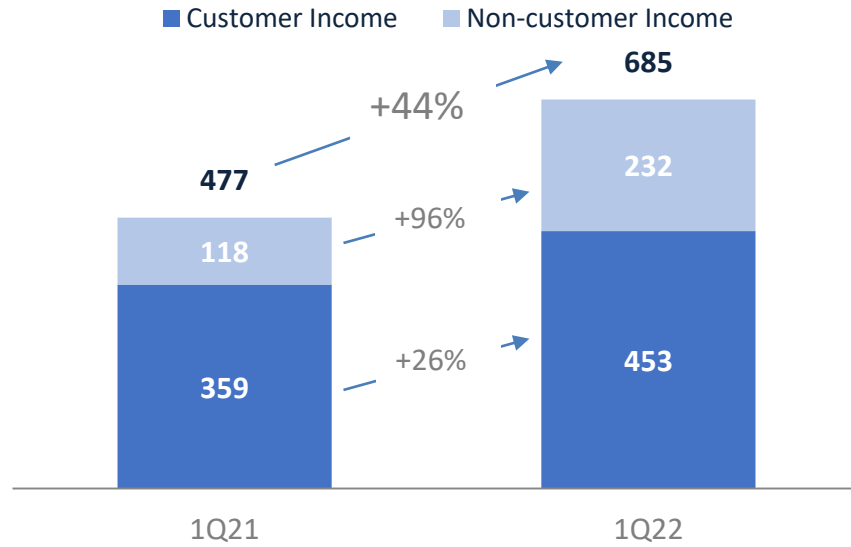
1. Net income attributable to equity holders.



# Customer income growth boosted by inflation

## Quarterly Operating Revenues

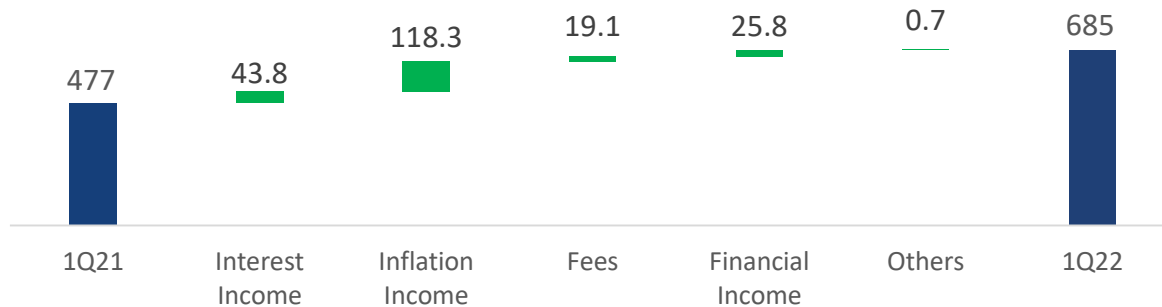
Billions of CLP



	1Q21	1Q22
Var UF	1.1%	2.4%
NIM	3.4%	4.9%

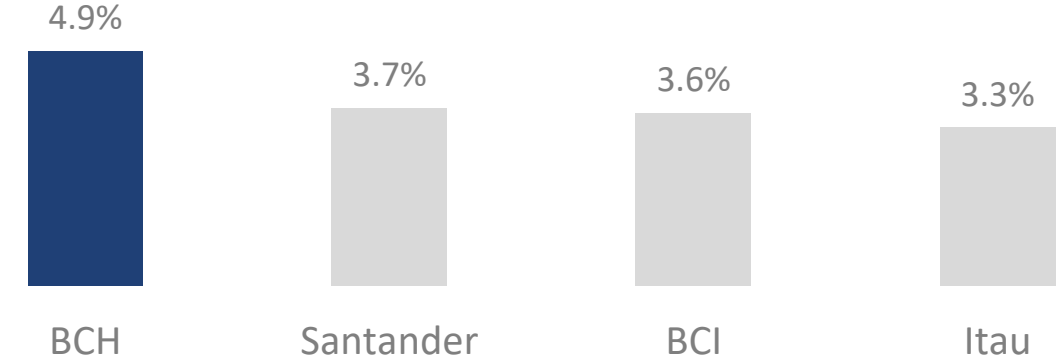
## Net Operating Income Breakdown

Billions of CLP



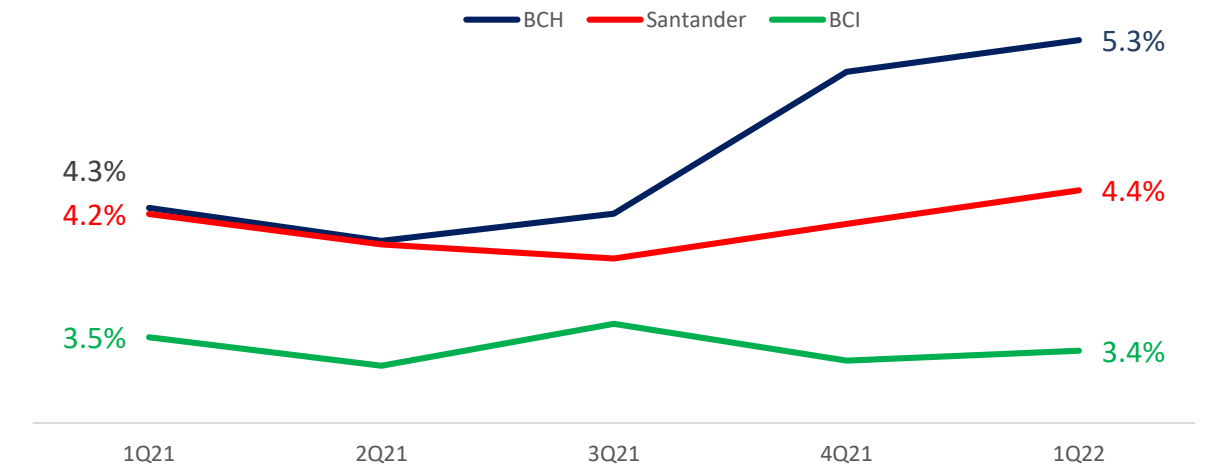
## NIM

Net Interest Income/Avg. Interest Earnings Assets, 1Q22 Annualized



## Operating Margin, net of Risk<sup>1</sup>

Net Operating Income/Avg. Interest Earnings Assets, 1Q22 Annualized.

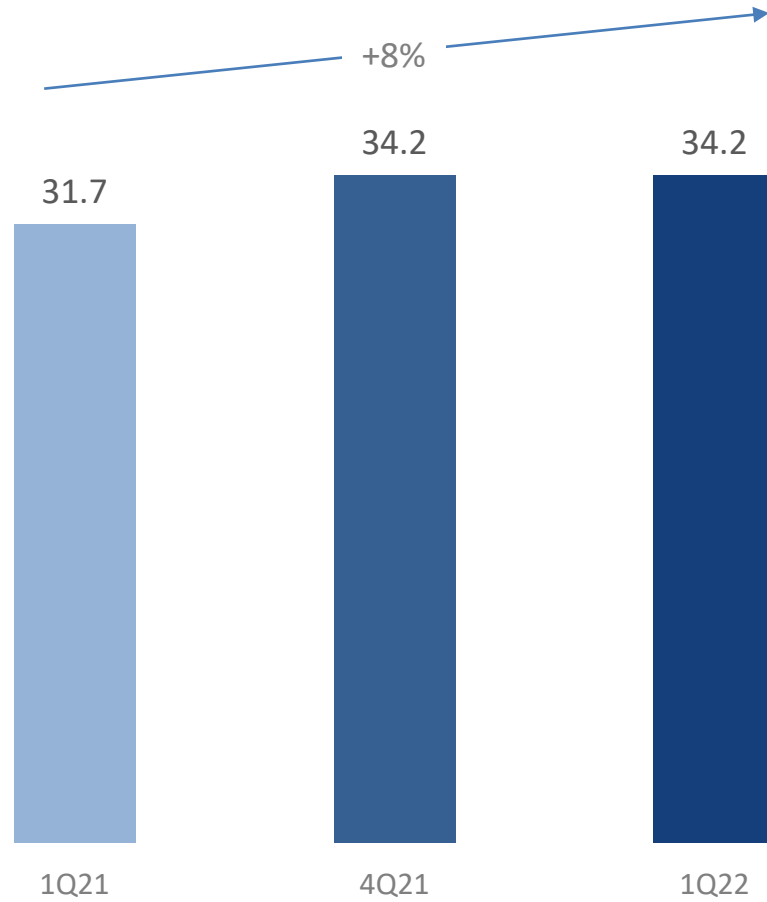


1. Data for 2021 quarters on proforma basis for the new local Compendium of Accounting Standards.

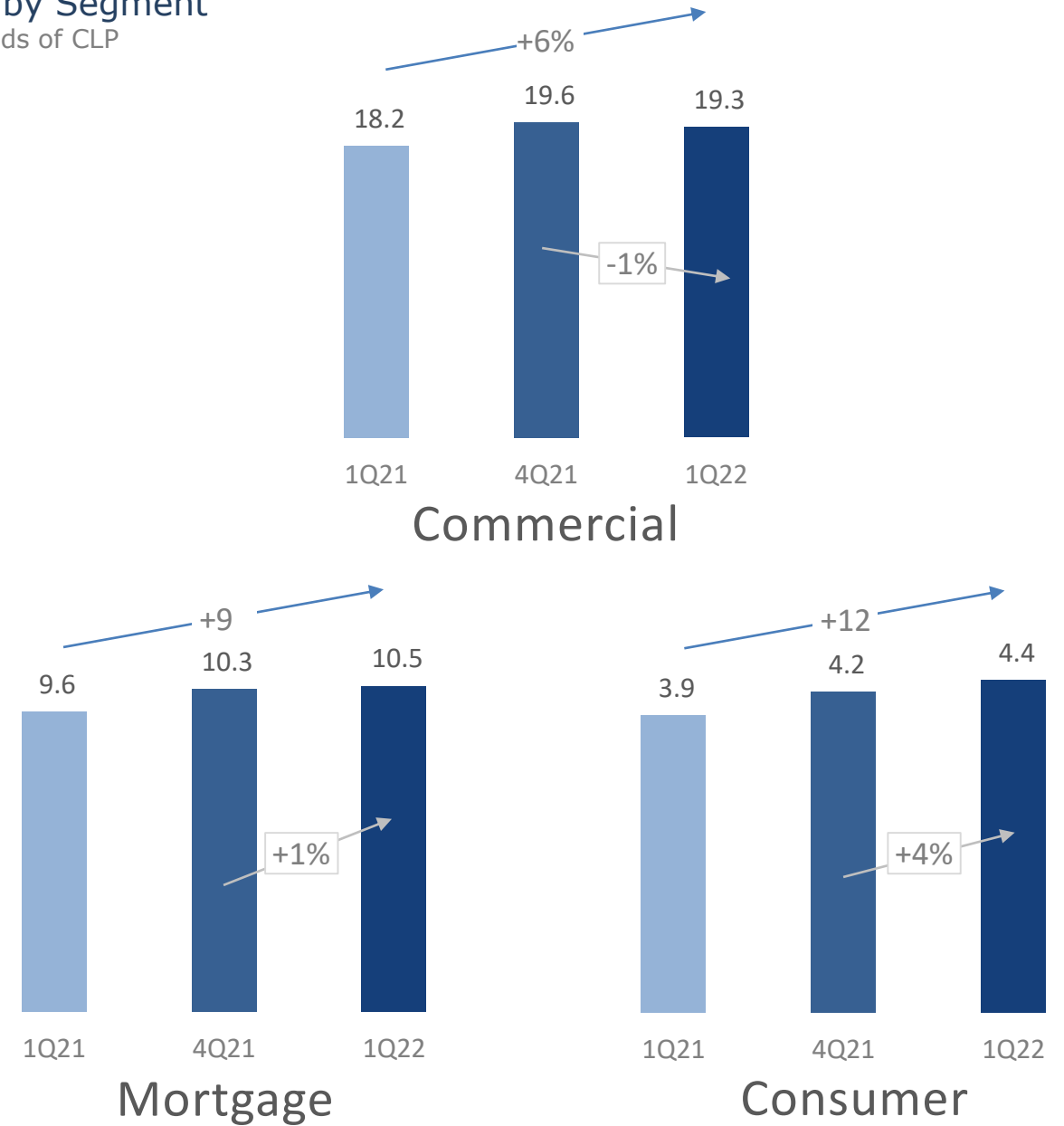


# Weaker loan growth, consistent with the GDP slowdown

Total Loans  
Trillions of CLP



Loans by Segment  
Thousands of CLP

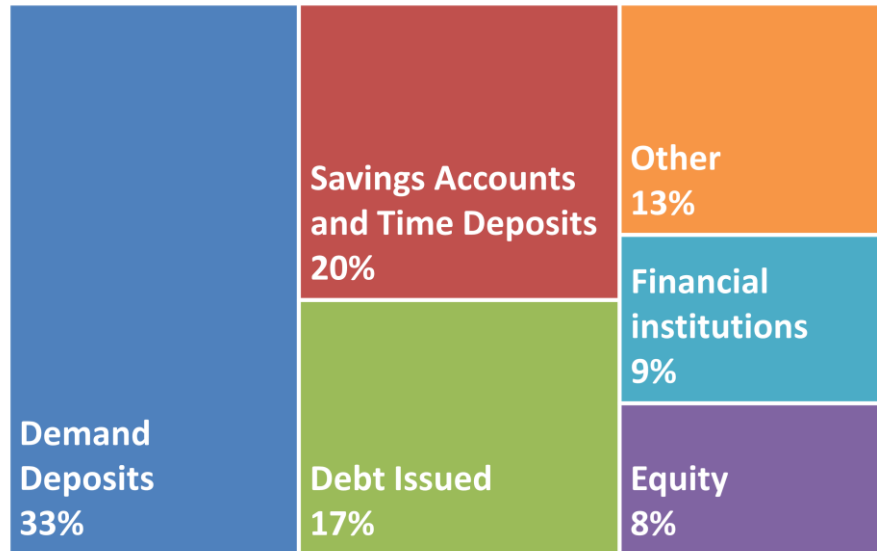




# Assets and liabilities better positioned for rising rates

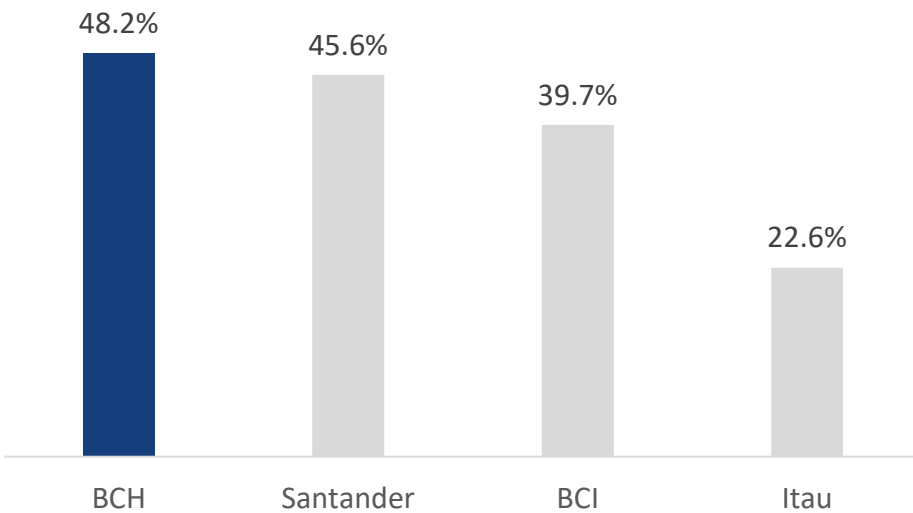
## Liability Structure

% Over Total Assets, as of March 2022



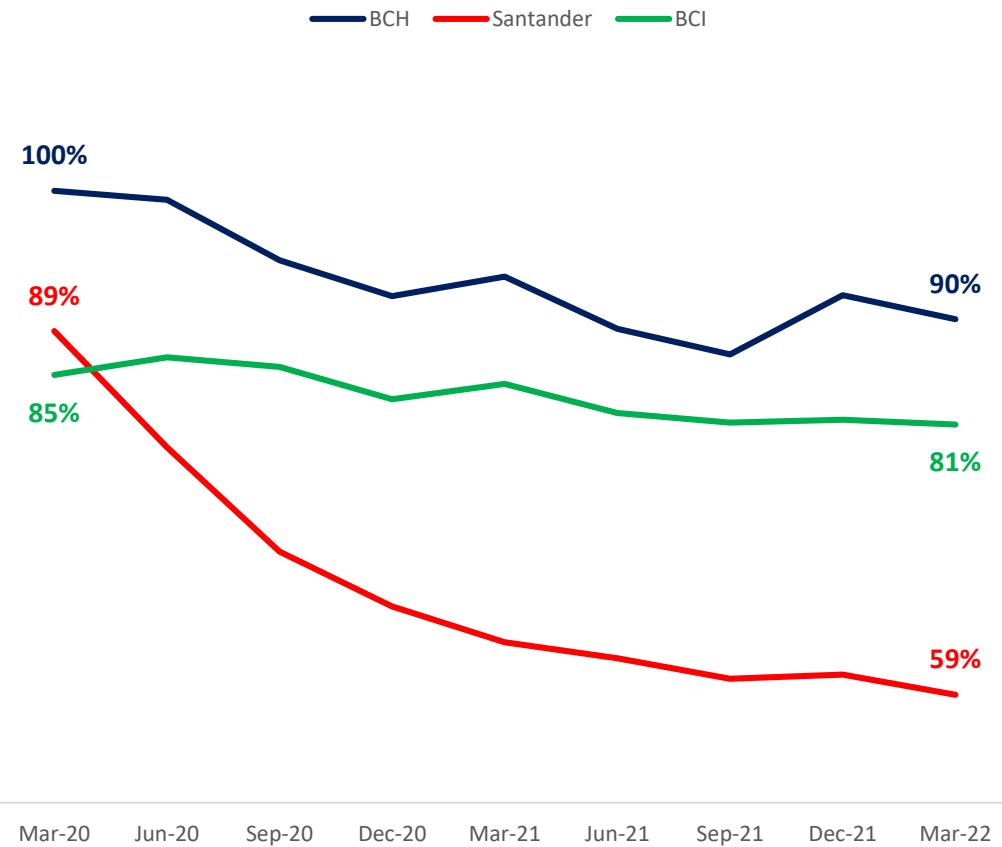
## Demand Deposits to Loans

As of March 2022



## Mortgage Loan Funding Gap

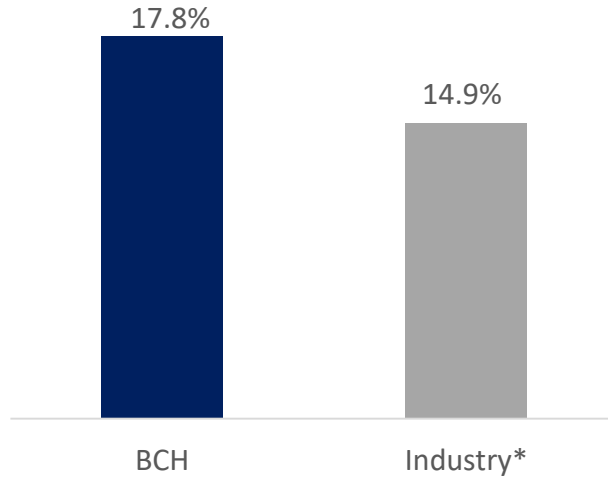
Bonds/Mortgage loans





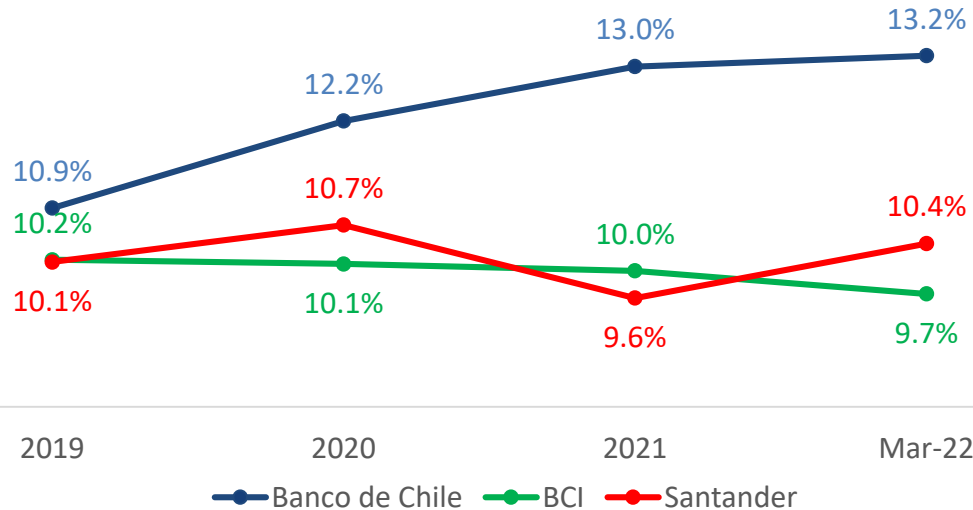
## Basel III Ratio

March 2022



## CET1 Ratio

Common Equity Tier 1 (CET1)/ Risk Weighted Assets (RWA)



## Basel III Implementation in Chile

Applicable for Banco de Chile

	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025
CET1 Regulatory Threshold	4.50%	4.50%	4.50%	4.50%	4.50%
Conservation Buffer	0.63%	1.25%	1.88%	2.50%	2.50%
Systemic Buffer	1.50%	1.31%	1.13%	0.94%	1.25%
Former Article 35 Bis Buffer	1.50%	1.00%	0.50%	-	-
Systemic Buffer Basel III*	-	0.31%	0.63%	0.94%	1.25%
CC Buffer**	-	-	-	-	-
Pillar 2 Buffer***	-	-	-	-	-
CET1	6.63%	7.06%	7.50%	7.94%	8.25%
AT1	1.50%	1.50%	1.50%	1.50%	1.50%
TIER1	8.13%	8.56%	9.00%	9.44%	9.75%
TIER2	2.00%	2.00%	2.00%	2.00%	2.00%
TOTAL CAPITAL	10.13%	10.56%	11.00%	11.44%	11.75%

\* Re-assessed on an annual basis on the methodology for DSIB. It may change from the current level.

\*\* The methodology and buffer have not yet been defined.

\*\*\*Re-assessed on an annual basis.

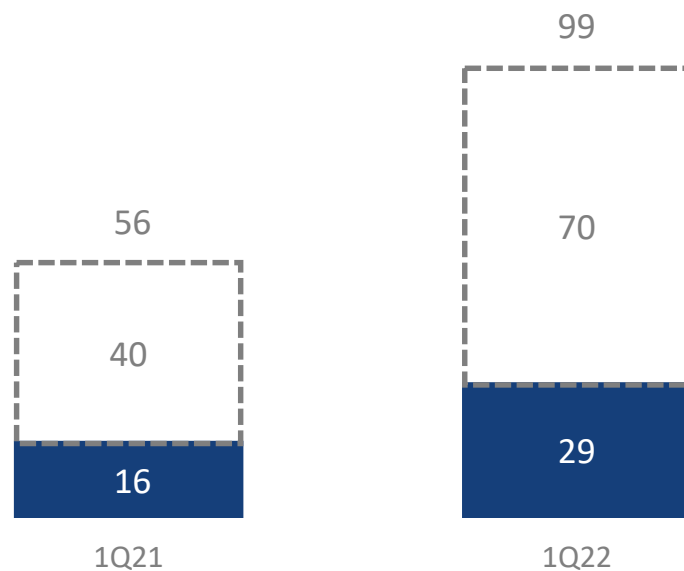


# Sound risk management

## Expected Credit Losses

Billions of CLP

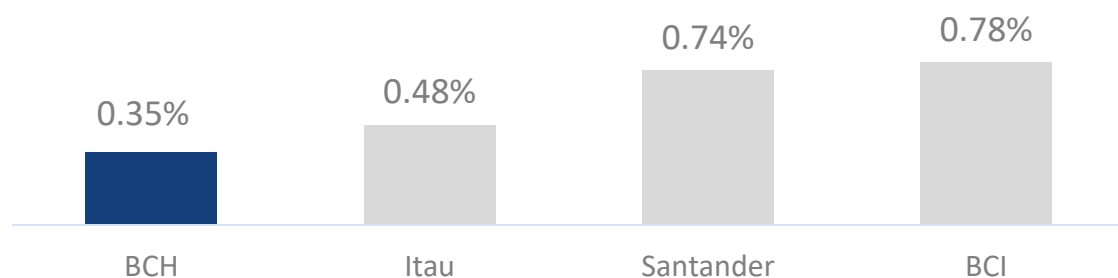
■ Add Prov ■ Loan Loss Provision



NPL	0.96%	0.88%
Cost of Risk	0.69%	1.17%
Adj. Cost of Risk <sup>1</sup>	0.18%	0.35%

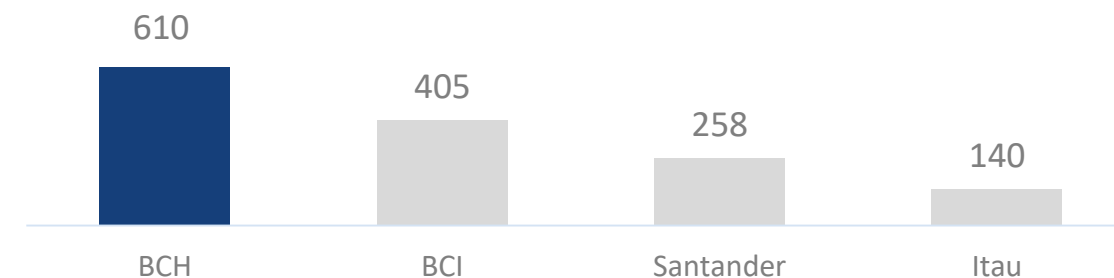
## Cost of Risk<sup>1</sup>

Excluding additional provisions, 1Q22 annualized



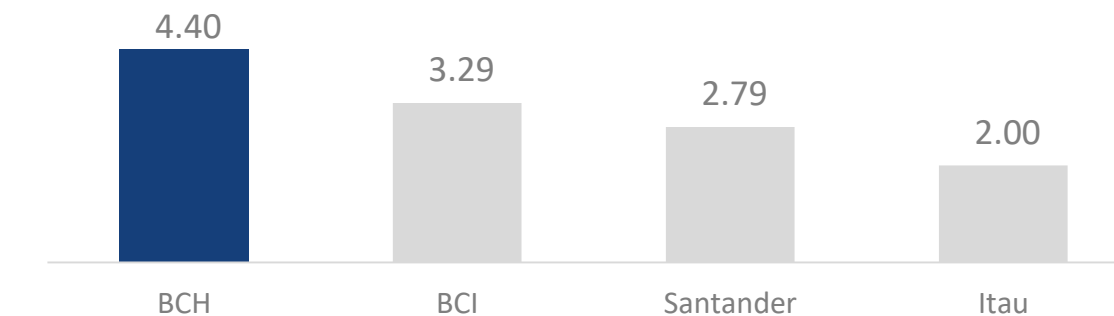
## Additional Provisions

Billions of CLP, stock as of March 2022



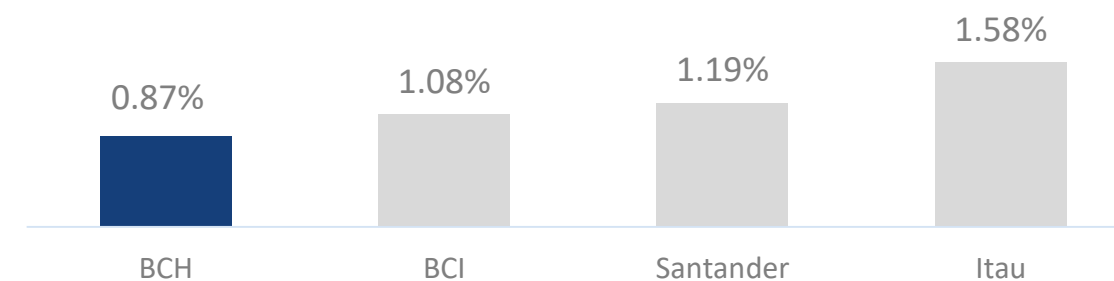
## Coverage Ratio

Allowances for loan losses + Additional Provisions to NPLs, March 2022



## Delinquency Ratio<sup>2</sup>

NPLs to Total Loans, March 2022



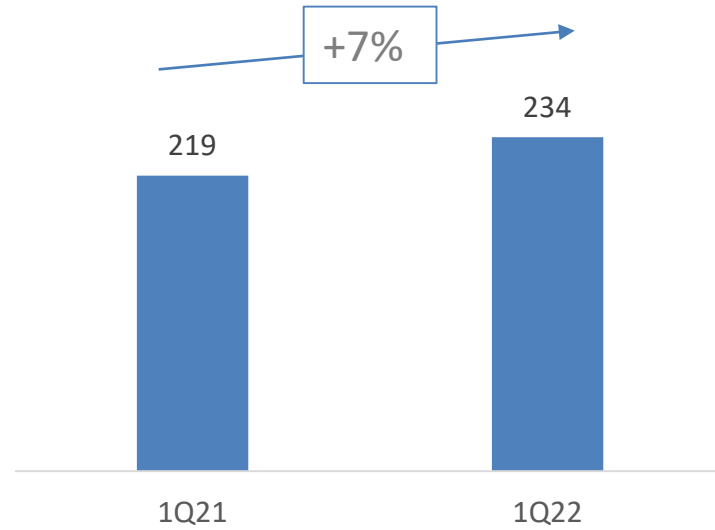
1. Cost of risk excluding additional provisions. 2. Excludes foreign subsidiaries.



# Successful cost control

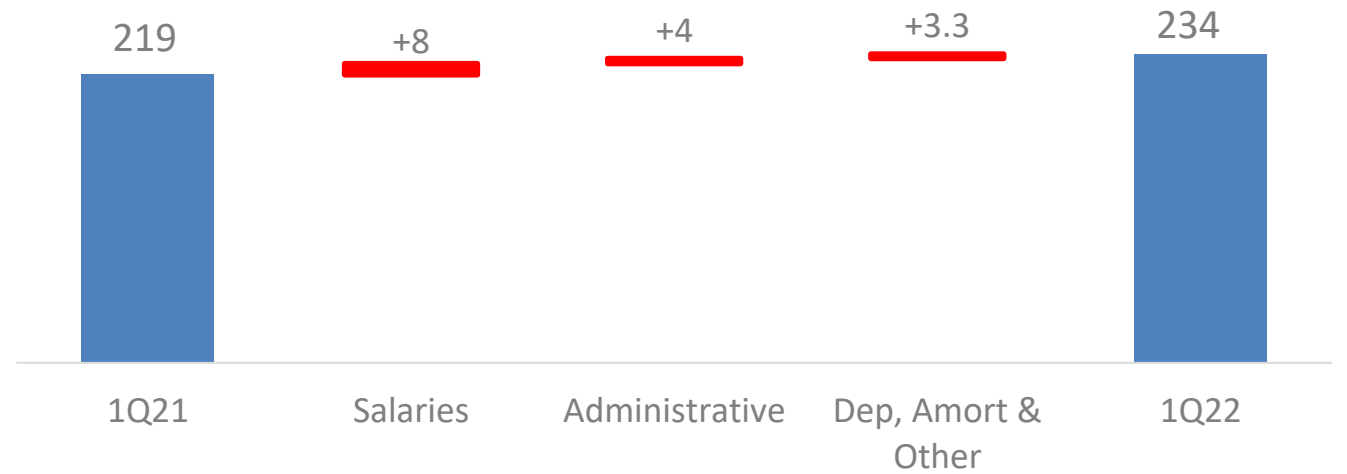
## Total Expenses

Billions of CLP



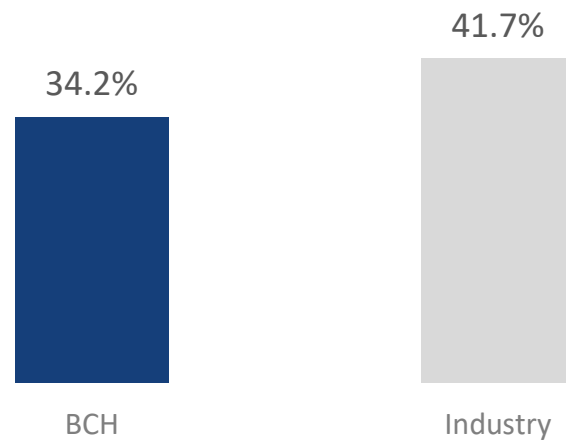
## Variation in Total Expenses

Billions of CLP



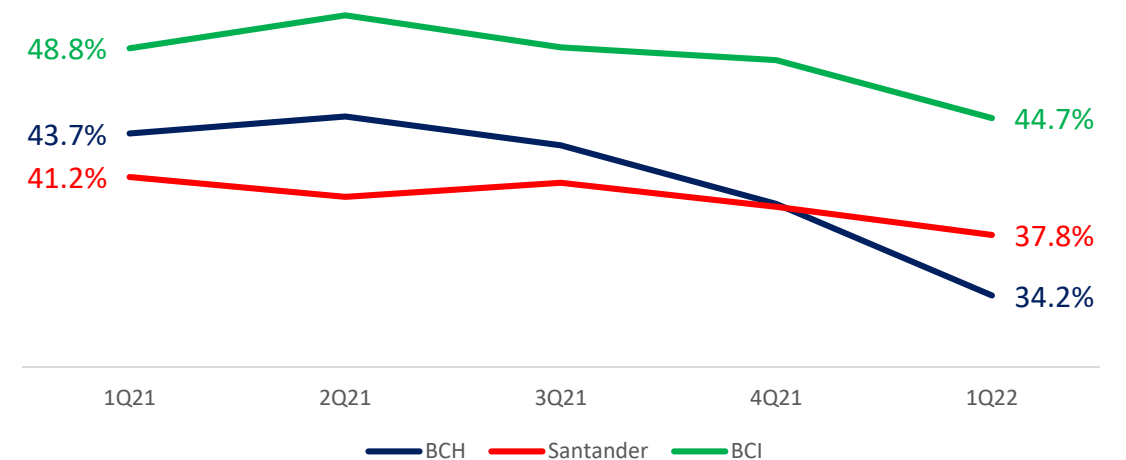
## Efficiency Ratio

Cost to Income, 1Q22



## Efficiency vs Peers<sup>1</sup>

Operating expenses to Op. Income



1. Data for 2021 quarters on proforma basis for the new local Compendium of Accounting Standards.





## 1Q22 Key Takeaways



- We expect a normalization on GDP Growth, to **1.5% in 2022**. Gradual recovery in the labor market.
- BCH posted a **strong bottom line** in 1Q22, **exceeding all competitors** in Chile.
- Solid balance sheet position to benefit more than peers on the rise on interest rates and inflation, which will support **profitability in 2022**.
- **NIM** should be positively impacted in the short-term by inflation.
- Long-term **ROE** is expected to converge to **pre pandemic levels**, with **cost of risk** around **1.1%**.
- BCH has once again demonstrated to be the **strongest bank in Chile** and the best investment for shareholders.



## Appendix: Main Financial Indicators

Key Performance Ratios	Quarter		Year Ended	
	1Q21	1Q22	Mar-21	Mar-22
<b>Earnings per Share <sup>(1) (2)</sup></b>				
Net income per Share (Ch\$)	1.60	2.89	1.60	2.89
Net income per ADS (Ch\$)	320.67	577.58	320.67	577.58
Net income per ADS (US\$)	0.45	0.74	0.45	0.74
Book value per Share (Ch\$)	37.85	41.58	37.85	41.58
Shares outstanding (Millions)	101,017	101,017	101,017	101,017
<b>Profitability Ratios <sup>(3) (4)</sup></b>				
Net Interest Margin	3.40%	4.91%	3.40%	4.91%
Net Financial Margin	3.68%	5.10%	3.68%	5.10%
Fees & Comm. / Avg. Interest Earnings Assets	1.13%	1.21%	1.13%	1.21%
Operating Revs. / Avg. Interest Earnings Assets	4.87%	6.35%	4.87%	6.35%
Return on Average Total Assets	1.44%	2.31%	1.44%	2.31%
Return on Average Equity	17.20%	27.08%	17.20%	27.08%
<b>Capital Ratios <sup>(6) (7)</sup></b>				
Common Equity Tier 1 (CET1) / Total Assets	7.91%	8.20%	7.91%	8.20%
Common Equity Tier 1 (CET1) / Risk Weighted Assets (RWA)	12.28%	13.16%	12.28%	13.16%
Tier1 Capital / Risk Weighted Assets (RWA)	13.78%	14.16%	13.78%	14.16%
Total Capital / Risk Weighted Assets (RWA)	16.11%	17.84%	16.11%	17.84%

(1) Figures are expressed in nominal Chilean pesos.

(2) Figures are calculated considering nominal net income, the shares outstanding and the exchange rate existing at the end of each period.

(3) Ratios consider daily average balances.

(4) Annualized data.

(5) Including additional allowances.

(6) Figures before Dec21 or the 4Q21 under Basel I (credit RWA only) and figures for Dec21 under Basel III (credit, market and operational RWA).

(7) Tier1 on a proforma basis before Dec21 or the 4Q21.



# Appendix: Main Financial Indicators

Key Performance Ratios	Quarter		Year Ended	
	1Q21	1Q22	Mar-21	Mar-22
<b>Credit Quality Ratios</b>				
Total Past Due / Total Loans to Customers	0.96%	0.88%	0.96%	0.88%
Allowance for Loan Losses / Total Past Due	235.97%	236.35%	235.97%	236.35%
Total Allowance for Loan Losses / Total Past Due <sup>(5)</sup>	354.14%	439.55%	354.14%	439.55%
Impaired Loans / Total Loans to Customers	3.47%	2.61%	3.47%	2.61%
Loan Loss Allowances / Impaired Loans	65.39%	79.62%	65.39%	79.62%
Loan Loss Allowances / Total Loans to Customers	2.27%	2.07%	2.27%	2.07%
Loan Loss Provisions / Avg. Loans to Customers <sup>(4)</sup>	0.72%	1.17%	0.72%	1.17%
<b>Operating and Productivity Ratios</b>				
Operating Expenses / Operating Revenues	45.82%	34.21%	45.82%	34.21%
Operating Expenses / Average Total Assets <sup>(3) (4)</sup>	1.95%	1.86%	1.95%	1.86%
<b>Balance Sheet Data <sup>(1) (3)</sup></b>				
Avg. Interest Earnings Assets (million Ch\$)	39,237,869	43,093,633	39,237,869	43,093,633
Avg. Assets (million Ch\$)	44,940,597	50,431,426	44,940,597	50,431,426
Avg. Equity (million Ch\$)	3,767,562	4,309,186	3,767,562	4,309,186
Avg. Loans to Customers (million Ch\$)	31,260,389	34,087,086	31,260,389	34,087,086
Avg. Interest Bearing Liabilities (million Ch\$)	21,189,806	23,477,780	21,189,806	23,477,780
Risk-Weighted Assets (Million Ch\$)	31,102,274	31,918,588	31,102,274	31,918,588
<b>Additional Data</b>				
Exchange rate (Ch\$/US\$) - EOP	719.00	784.30	719.00	784.30
Employees (#) - EOP	12,693	12,296	12,693	12,296
Branches (#) - EOP	312	272	312	272

(1) Figures are expressed in nominal Chilean pesos.

(2) Figures are calculated considering nominal net income, the shares outstanding and the exchange rate existing at the end of each period.

(3) Ratios consider daily average balances.

(4) Annualized data.

(5) Including additional allowances.

(6) Figures before Dec21 or the 4Q21 under Basel I (credit RWA only) and figures for Dec21 under Basel III (credit, market and operational RWA).

(7) Tier1 on a proforma basis before Dec21 or the 4Q21.





## Forward Looking Information

The information contained herein incorporates by reference statements which constitute “forward-looking statements,” in that they include statements regarding the intent, belief or current expectations of our directors and officers with respect to our future operating performance. Such statements include any forecasts, projections and descriptions of anticipated cost savings or other synergies. You should be aware that any such forward-looking statements are not guarantees of future performance and may involve risks and uncertainties, and that actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, without limitations, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates, and operating and financial risks related to managing growth and integrating acquired businesses), many of which are beyond our control. The occurrence of any such factors not currently expected by us would significantly alter the results set forth in these statements.

Factors that could cause actual results to differ materially and adversely include, but are not limited to:

- changes in general economic, business or political or other conditions in Chile or changes in general economic or business conditions in Latin America;
- changes in capital markets in general that may affect policies or attitudes toward lending to Chile or Chilean companies;
- unexpected developments in certain existing litigation;
- increased costs;
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms;
- natural disasters or pandemics, such as the coronavirus known as COVID19;
- the effect of tax laws or other kind of regulation on our business;
- other risk factors as reported in our form 20F filed with the U.S. SEC.

Undue reliance should not be placed on such statements, which speak only as of the date that they were made. Our independent public accountants have not examined or compiled the forward-looking statements and, accordingly, do not provide any assurance with respect to such statements. These cautionary statements should be considered in connection with any written or oral forward-looking statements that we may issue in the future. We do not undertake any obligation to release publicly any revisions to such forward-looking statements to reflect later events or circumstances or to reflect the occurrence of unanticipated events.

