

BANCO  BICE

Earnings Presentation

MARCH 2024



Company presenters

Alberto **Schilling**

CHIEF EXECUTIVE OFFICER



- Business Administration at Universidad de Chile
- AMP from Harvard Business School
- Worked in BICE for the past 32 years, named CEO in 2011
- Member of the Boards of Executive Committees of the Banks' affiliates
- Has been in the Board of Directors / of Non-profit organizations, sports clubs and chambers of commerce

Pablo **Jerez**

CHIEF FINANCIAL OFFICER



- Business Administration at Pontificia Universidad Católica de Chile
- MBA from Harvard Business School
- Named Vice President of Finance Planning and Financial Control in 2020
- Member of the board of BICE Agente de Valores Ltda and BICE Inversiones Corredores de Bolsa S.A.

Veronica **Pubill**

HEAD INVESTOR RELATIONS



- Business Administration at Universidad del Desarrollo
- Master in Finance from Universidad de Chile
- Named Head of Investor Relations in 2020
- Previous experience as head of Investor Relations at Colbun and Hortifrut

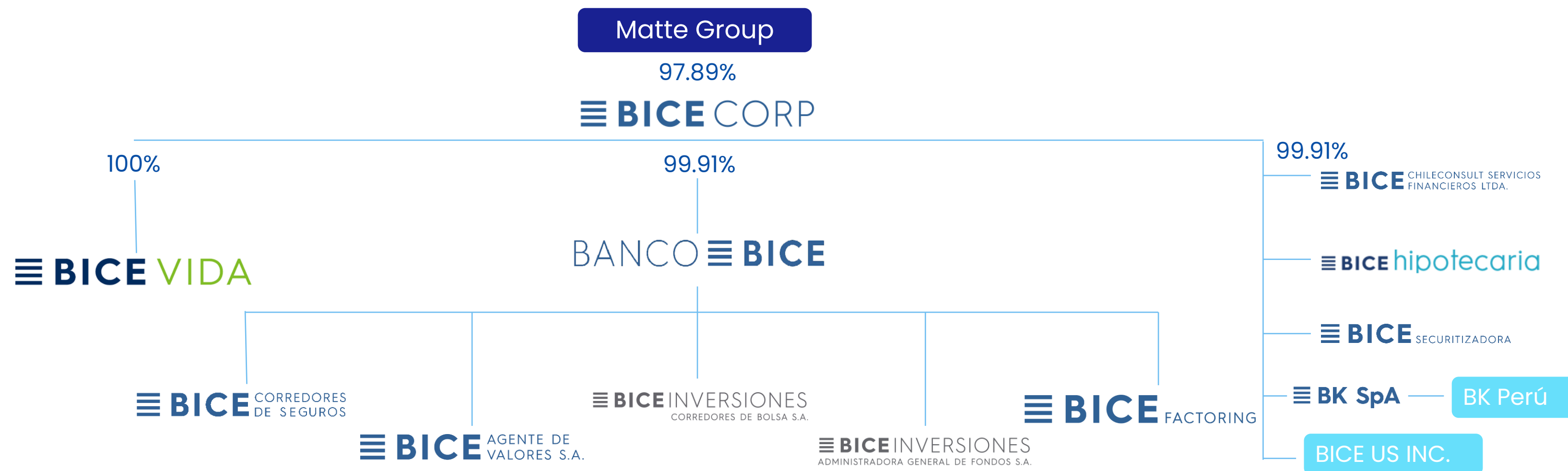
Josefina **Fuentes**

INVESTOR RELATIONS









- Bachelor in Business Administration at Universidad de Los Andes
- Investor Relations Analyst since January 2023
- Previous experience as consultant at Deloitte

A relevant & diversified economic group



Other businesses

						
Sector	Forestry. Pulp & paper	Power Generation	Telecom	Building materials	Conglomerate	Molybdenum Processing
Mkt. Cap ¹ (US\$bn)	4.4	2.5	1.0	0.2	8.7	0.5
% Ownership Matte Group	~56%	~50%	~18%	~45%	~11%	~10%

2

Sala de Reuniones
Clásica

Our Purpose

We promote your **well-being** by creating a unique **financial experience** with a **human touch**

Macroeconomic Highlights

Chilean Update

- During 2023, local economic activity was slowed down by the high levels of interest rates, which allowed inflation to decrease as expected, ending the year at levels of **3.9%** on a 12-month basis.
- The lower inflationary pressures support the expectation **that inflation could converge to the 3% target** by the second half of 2024.
- In July 2023, the Chilean Central Bank began the cycle of interest rate cuts, closing the year at **8.25%** (currently at 7.25%).
- The Chilean economy experienced **zero growth** for 2023 and is expected mildly during 2024 .
- Regarding the political landscape in Chile, **a second attempt for a new constitution failed again** in the voting session held in December 2023.
- In December 2023, the Chilean Financial Market Commission (CMF) released the results of Pillar 2 capital sufficiency assessment process for Basel III convergence. Consequently, **Banco BICE will incur in a capital charge of 0.5% of its Risk-Weighted Assets**, a fourth of which will be applied in June 2024. Industry wide capital charges ranged between 0.5% and 2.0%.

Global Update

- Global and local economic conditions continue to display uncertainty and instability during the transition phase as we overcome the effects of COVID-19.
- By the end of 2023, **the global economy displayed improved prospects compared to the beginning of the year**, reducing the chances of a global recession, mostly due to the resilience demonstrated by the main economies in the last quarter of the year.
- Regarding inflation, **it has continued to decrease globally**. There is a noticeable relative progress in Latin America, where the interest rate hike process began earlier.
- Financial markets have shown lower volatility than previous years, however risk factors are still present. Aside from the conditions mentioned above, China's real estate market and the collapse of certain banks in developed markets.

 CAJERO AUTOMÁTICO


TASAS DE INTERÉS

Depósitos a plazo

Período	Tasa de interés por período	Tasa de interés equivalente anual
CLP	30 días 0,54 %	6,48 %
	35 días 0,63 %	6,48 %
UF	90 días 1,91 %	1,91 %
	360 días 1,91 %	1,91 %
US\$	90 días 0,75 %	3,00 %
	360 días 3,45 %	3,45 %
€	90 días 0,00 %	0,01 %
	360 días 0,01 %	0,01 %

Cuenta de ahorro a plazo

Período	Tasa de interés por período	Tasa de interés equivalente anual
UF - Con giro inscondicional hasta 4 años*	0,01 %	0,01 %

* Sobre 4 años al año pierde responsabilidad
informarse sobre la garantía estatal de los depósitos en su banco
o en www.cmbf.cl

5 PÚBLICO GENERAL
PAGADORA - RECIBIDORA

4 PÚBLICO GENERAL
PAGADORA - RECIBIDORA

3 PÚBLICO GENERAL
PAGADORA - RECIBIDORA

2 TITULARES CUENTA CORRIENTE
PAGADORA - RECIBIDORA

1 TITULARES CUENTA CORRIENTE
PAGADORA - RECIBIDORA

 MESÓN ATENCIÓN CLIENTES

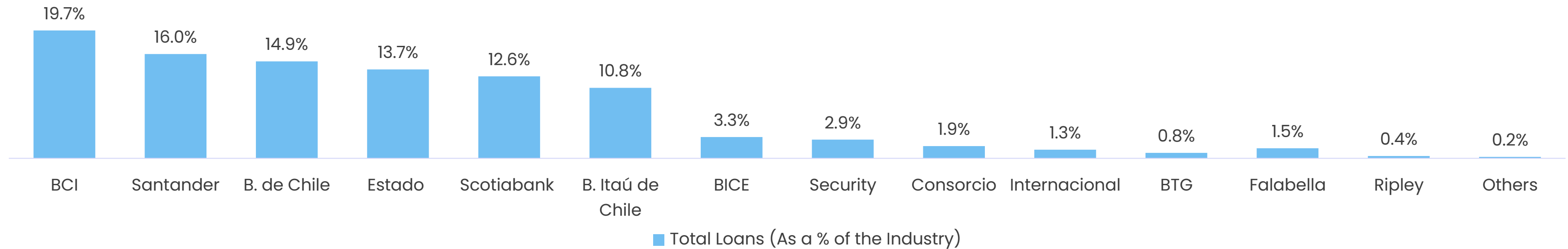
Our Purpose


We promote your well-being by creating a unique financial experience with a human touch

Chilean banking industry trends

Chilean banking industry


Overview






17 BANKS OPERATING IN CHILE


- 8 locally controlled
- 8 foreign controlled
- 1 state owned




Total assets
CL\$401,355,353
mm




Loan portfolio
CL\$255,036,051
mm




Equity
CL\$31,875,536
mm



ROAE
15,41%



Total Deposits
CL\$194,809,499
mm



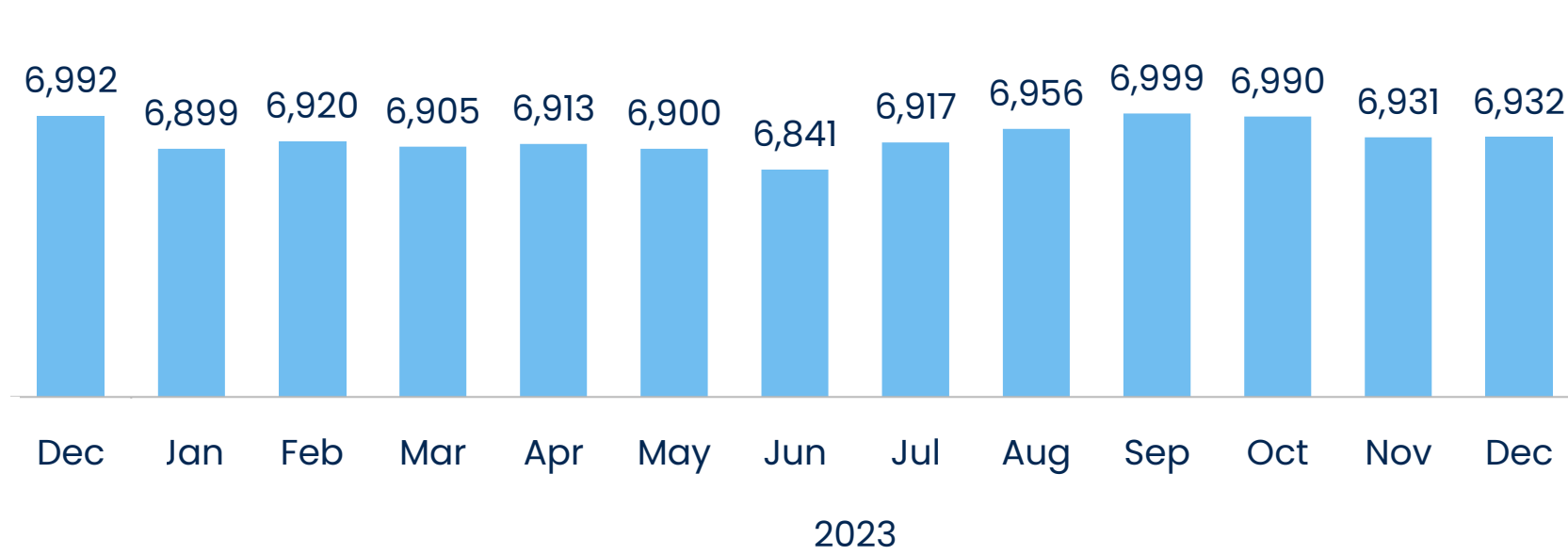
Loans to Term
Deposits
2.3x

Chilean banking industry

Overview

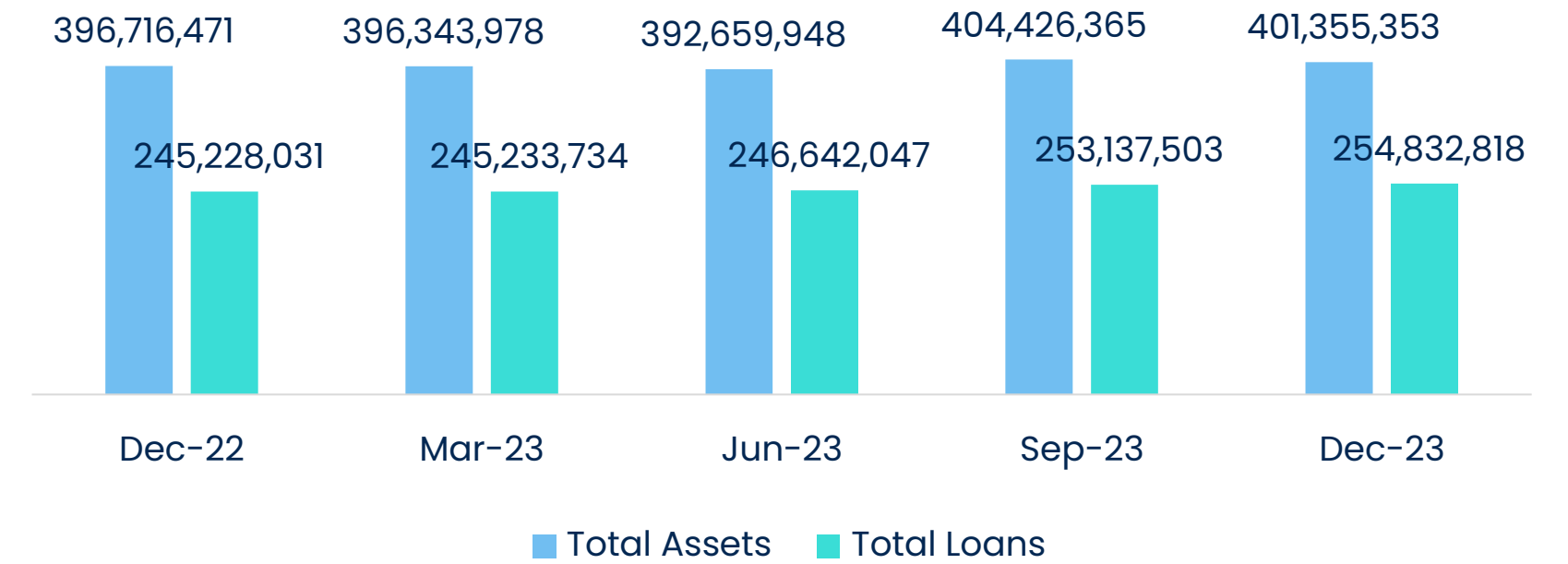
1.

TOTAL LOANS (UF mm)



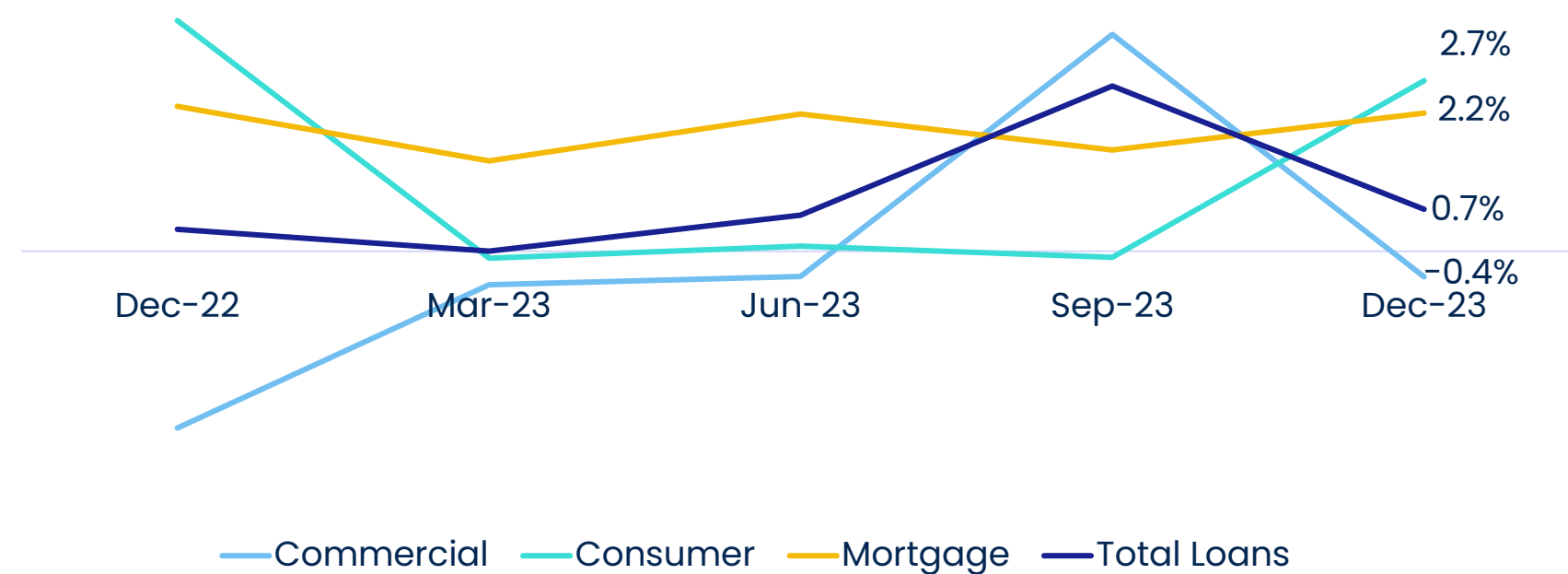
2.

ASSET & LOANS (\$mm)



3.

LOAN GROWTH (QoQ / %)



4.

RISK RATIO (%)

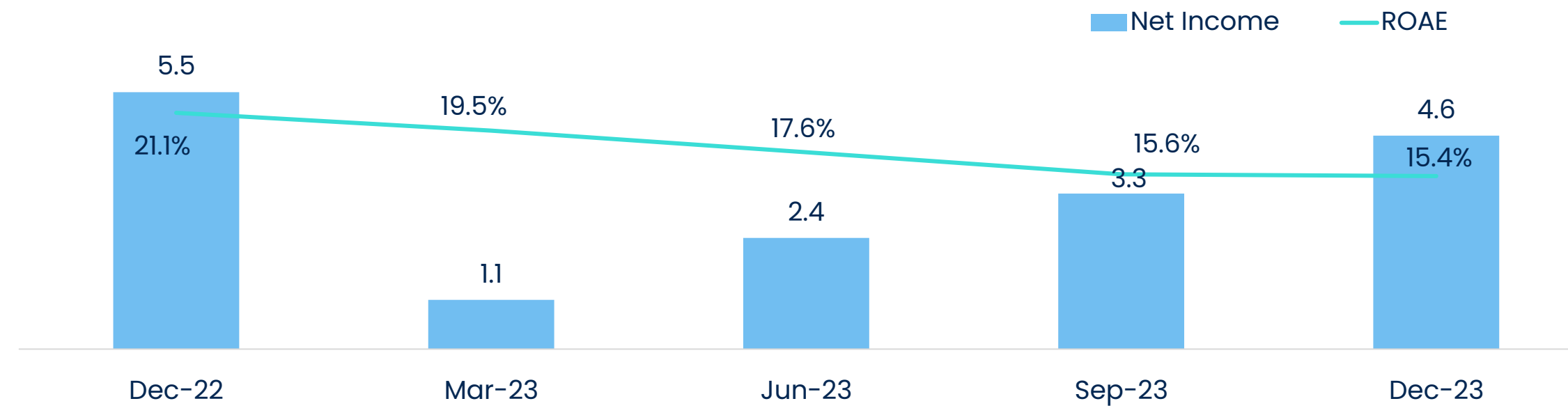


Chilean banking industry

Overview

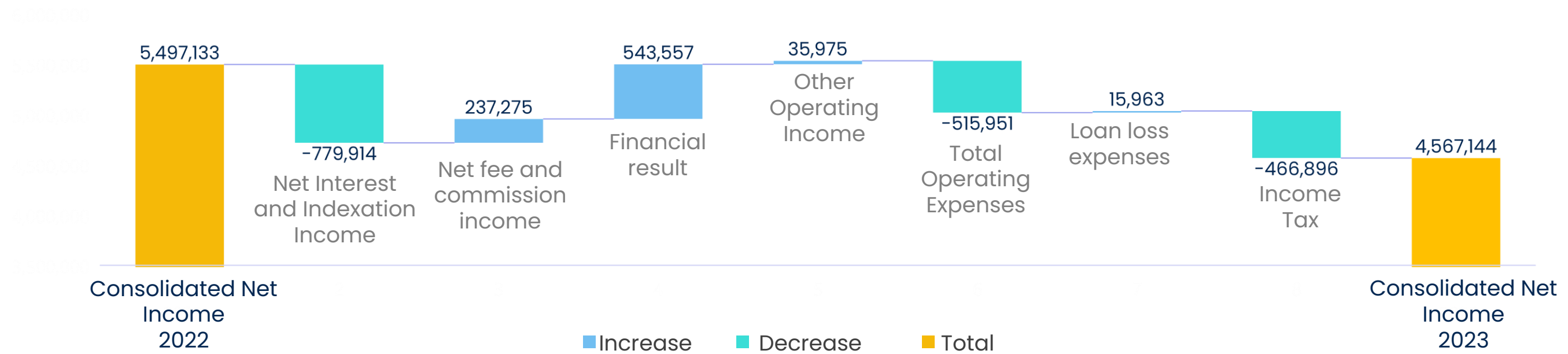
1.

NET INCOME & ROAE (\$bn / %)



2.

SUMMARY OF PROFIT VARIATIONS VS ACUM YoY (\$mm)

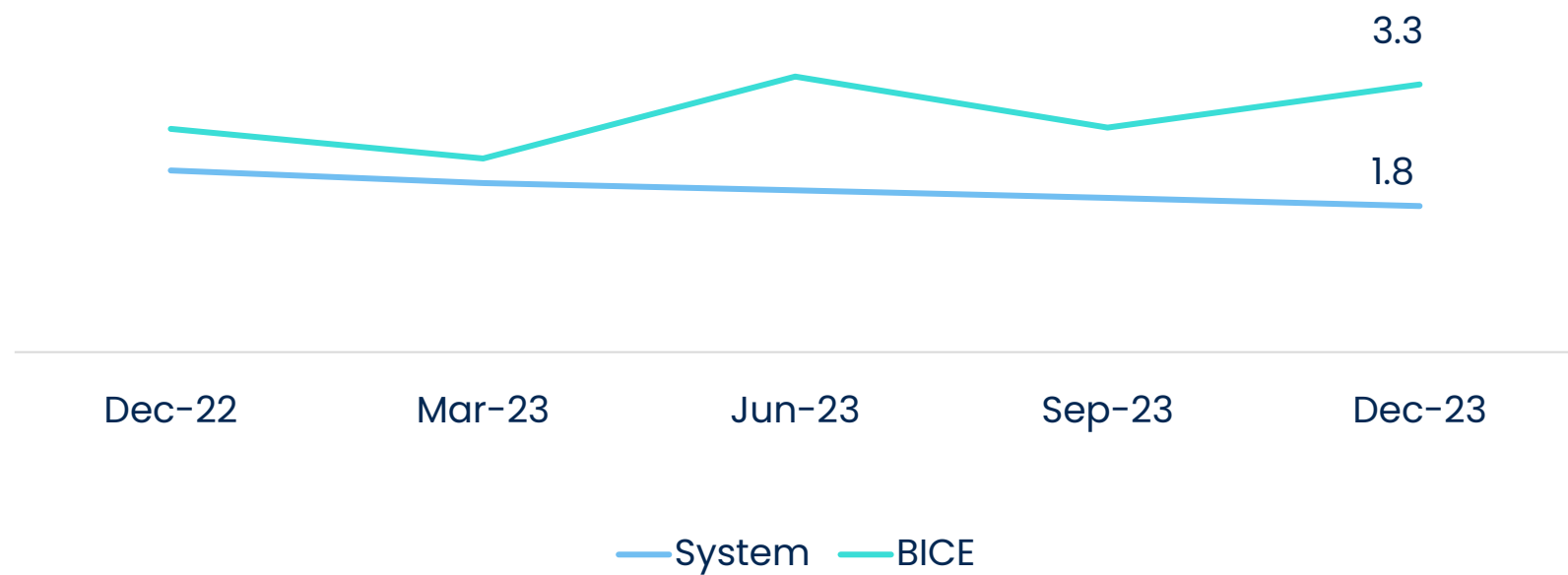


Figures as of Dec23.
 Source: Commission for the Financial Market (CMF).
 Bn: thousands of millions

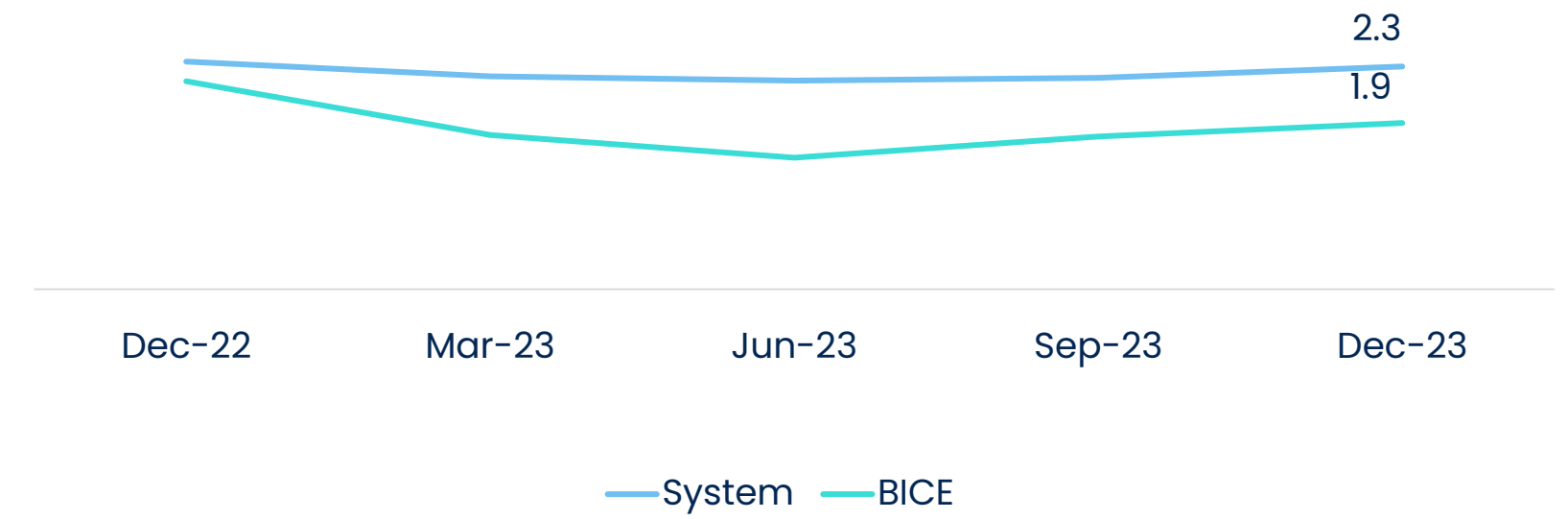
Chilean banking industry

Overview

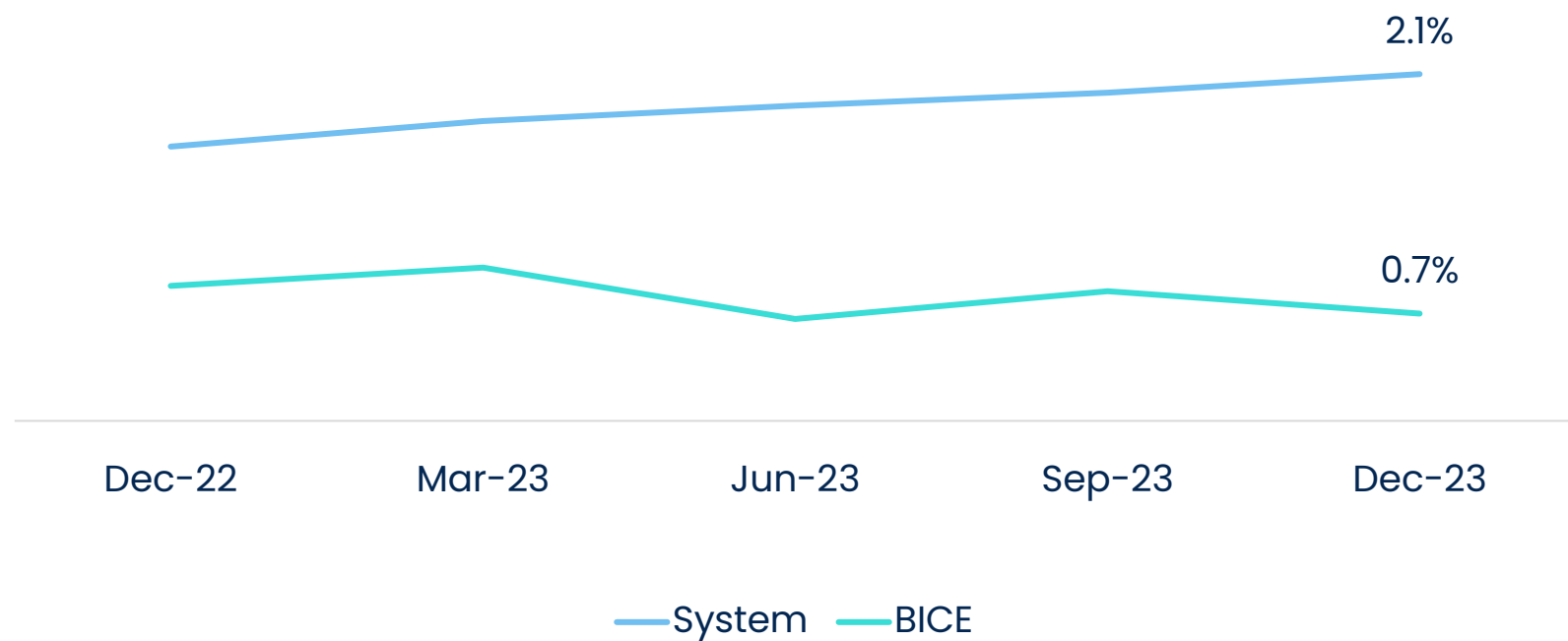
1.
COVERAGE RATIO (x)



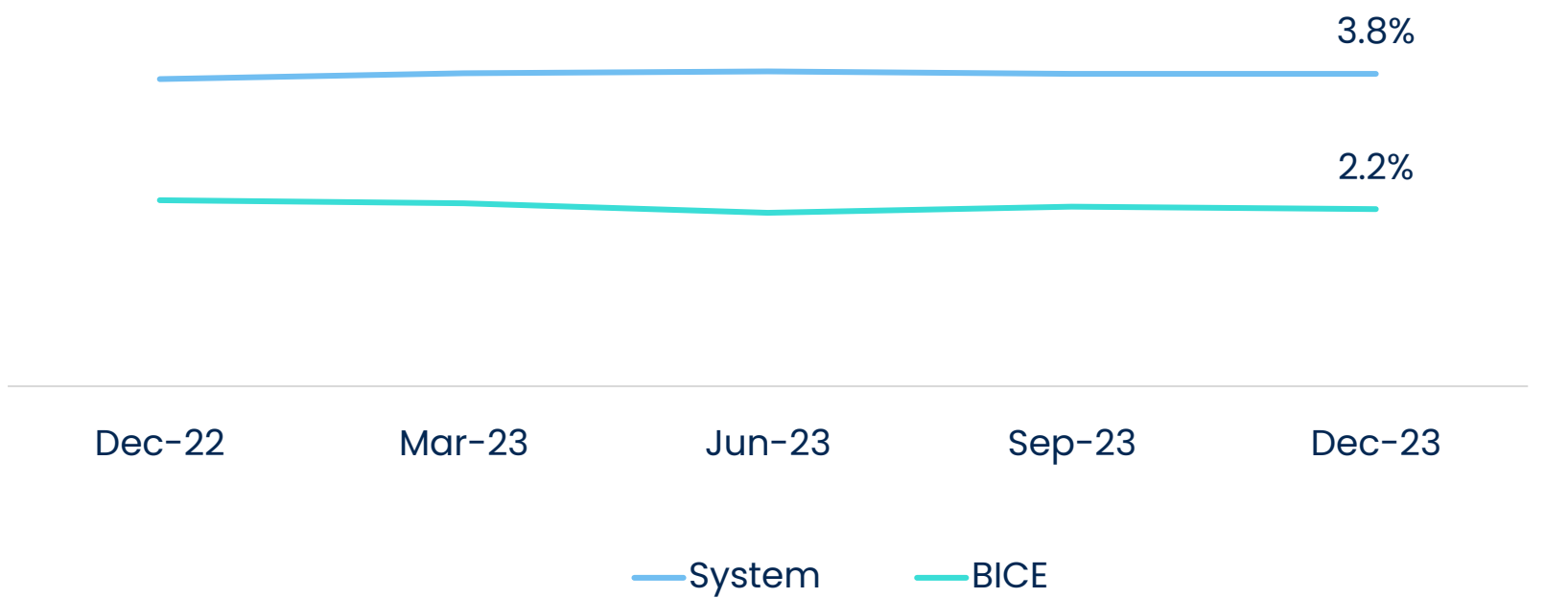
2.
LOANS TO TERM DEPOSITS (x)



3.
NPL RATIO (%)



4.
PROVISIONS / TOTAL LOANS (%)





Our Purpose

We promote your **well-being** by creating a unique **financial experience** with a **human touch**

BICE Business & ESG Strategy

Business & ESG Strategy

What is our ambition?

Banco BICE's **ambition** is the basis of our strategic plan.

Ambition

Sustained growth, addressing core businesses, new adjacent opportunities and disruptive and innovative businesses

 BICE



Sustained growth, safeguarding profitability during the process.



Keeping customers at the center, with value proposal that ensure crossselling and improving the experience to maintain top 3 in NPS.



Achieve high transactionality in all customer segments, promoting growth in sight balances.



Swift and flexible culture to face complex and changing environment.



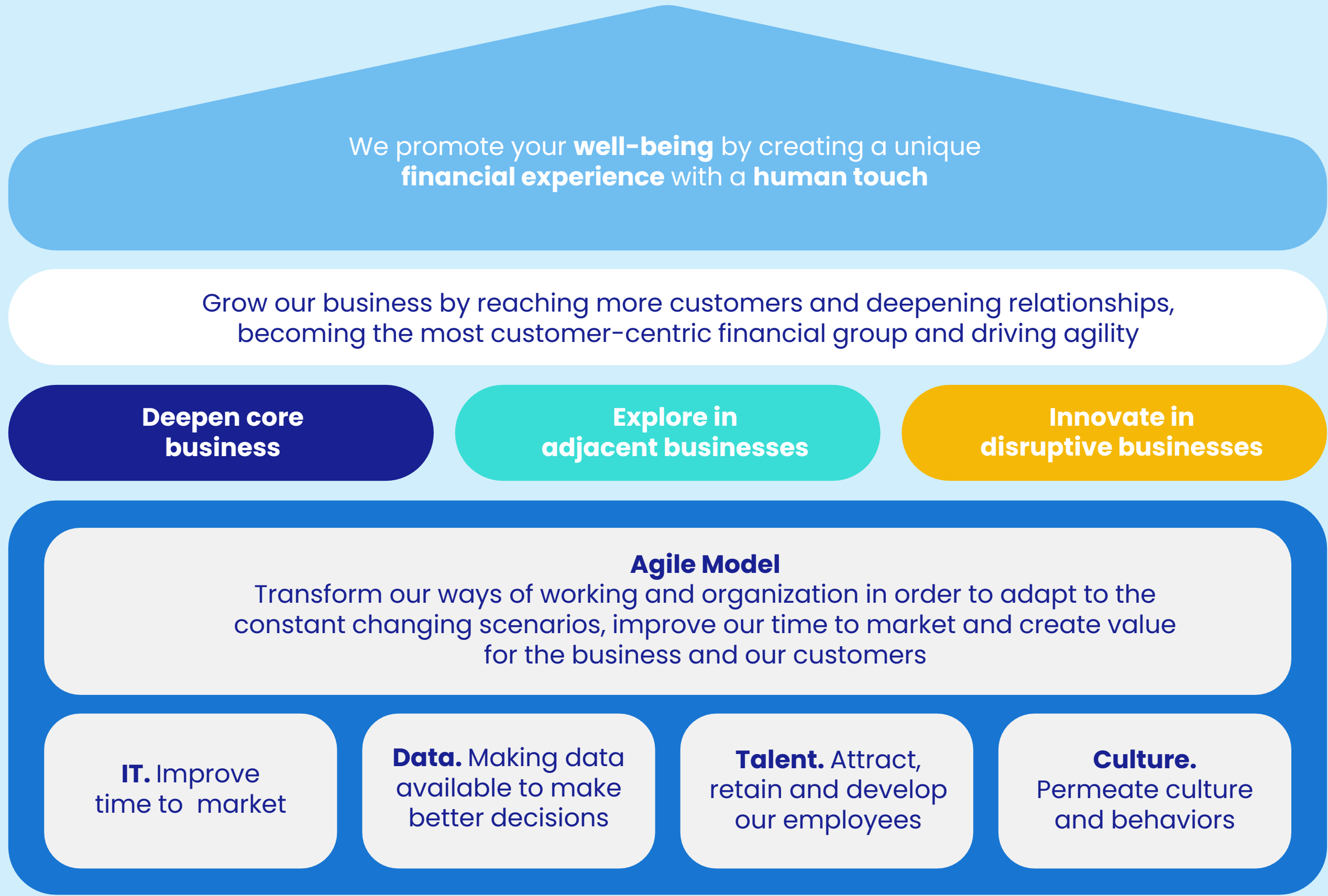
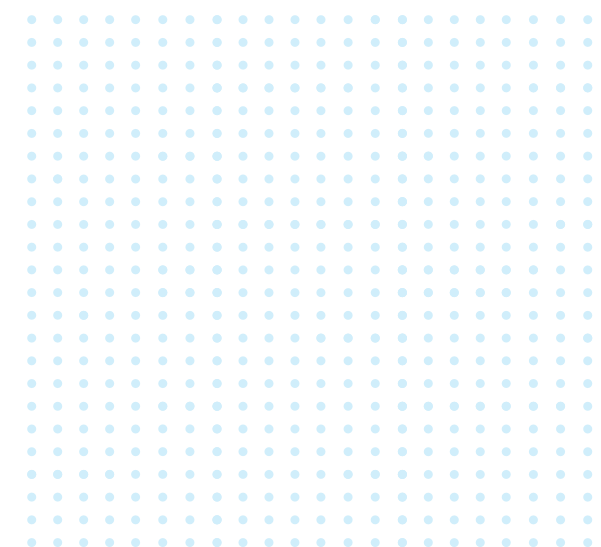
Maintain excellence in work environment, increasing 3% in employees eNPS.



Business Strategy

Strategic Initiatives

Our **purpose** is our reason to exist, it guides our strategy



Our model consists of three priority axes based on fundamental aspects: BICE People, Society and Environment

CUSTOMERS WELL-BEING



Everything concludes in our customers and their well-being...

We are obsessed with our customers well-being: customer experience and satisfaction are the ultimate goal of what we do.

Our sustainability strategy is key to creating a unique financial experience, with a human touch, that contributes to the society and environment sustainable development.

PRIORITY AXES

BICE PEOPLE



We seek to attract and retain the best human team, with people who form diverse and empowered teams that allow us to meet the requirements of our customers in the most effective and personalized way.

SOCIETY CONTRIBUTION



We procure that our activities contribute to a more humane world and have a positive impact on people.
We seek to establish programs, actions and initiatives with a strong human touch, aimed at promoting education, healthy living and sports for people and communities throughout the country.

ENVIRONMENT



We seek to encourage our stakeholders to adopt environmentally responsible behavior.
Our commitment goes beyond reducing the environmental impact of our operations and value chain.

FUNDAMENTALS OF OUR OPERATION

We strive for excellence in corporate governance, ethics, talent development, cybersecurity, data privacy, risk management and ESG integration.
Our fundamentals, together with our entrepreneurial mindset and quest to innovate in everything we do, are the basis of our sustainability strategy. Likewise, they act as the foundation for the three priority axes that we've defined.

1. CREDIT APPROVAL PROCESS

We included ESG criteria and guidelines into the Credit Approval Process in the Retail Banking segment.

2. CYBERSECURITY RISK WORKSHOP

We conduct workshops that deliver high-level content on the secure development process. Information has been provided about the most recurring and actionable vulnerabilities and how to mitigate them.

3. CHARGING POINTS

We installed in our corporate offices charging points for electric vehicles, bicycles and scooters, in order to promote electromobility among our employees.

4. BICE MARKET

Showcase for our clients where they can offer discounts or benefits to other BICE clients. We added an additional tab for companies with an environmental focus.

5. VOLUNTEERING

At Banco BICE we carry out volunteer programs annually with low-income schools, where employees and their families participate.

6. RECYCLING

Recycling centers were installed in each floor of our corporate offices. In addition, training sessions were carried out for all employees and ambassadors were appointed per floor.



Our Purpose

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2023 year-end results

A focused full banking program

Main Highlights

Universal Banking Model

Retail, Wholesale and Asset Wealth Management

Driving Digital Transformation

Go BICE: Onboarding Digital Investments

Founded in 1979 and controlled by the **Matte Group**,
a well-known Chilean shareholder

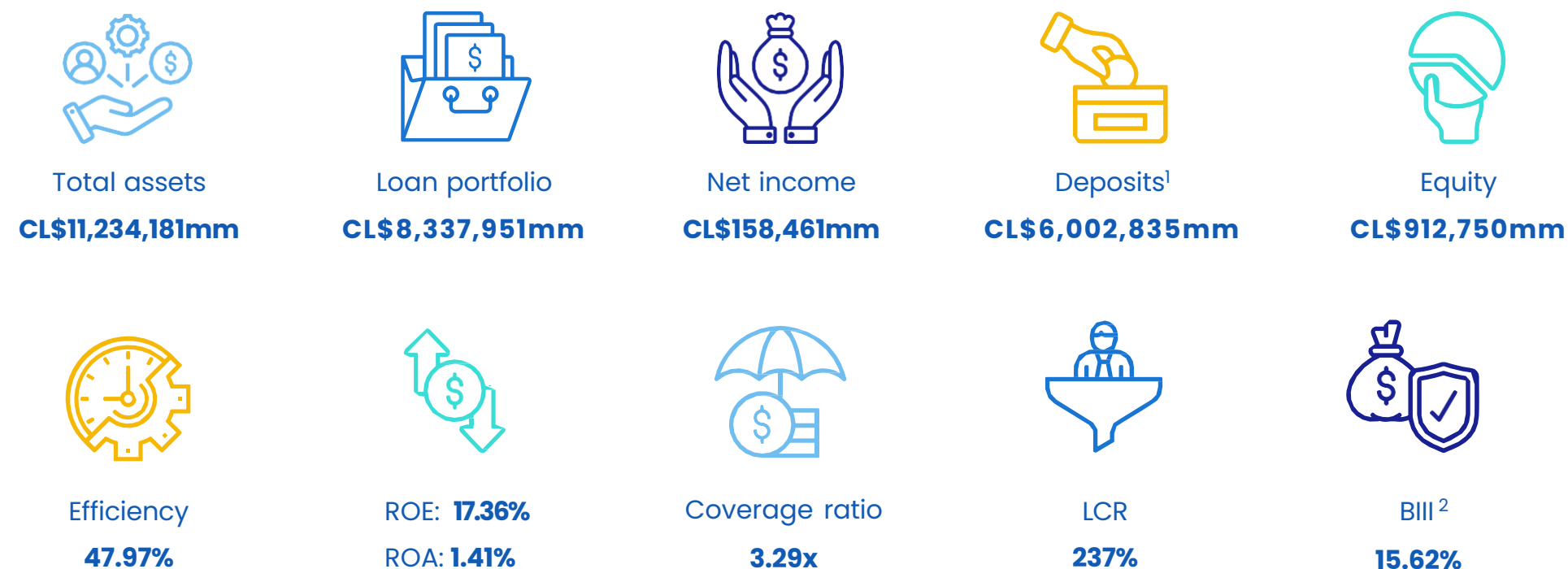
Expanding our customer base through digital platforms

45,578

GO BICE Clients

124,681

Checking Account Holders



Credit Ratings

	International	Local
S&P Global	BBB+	—
FitchRatings	BBB+	AA
Feller.Rate	—	AA+



BICE Inversiones
is signatory
since 2019

Figures as of Dec23.

¹ Demand deposits and other liabilities + Time deposits and other term liabilities

² Capital Adequacy Ratio

BANCO BICE

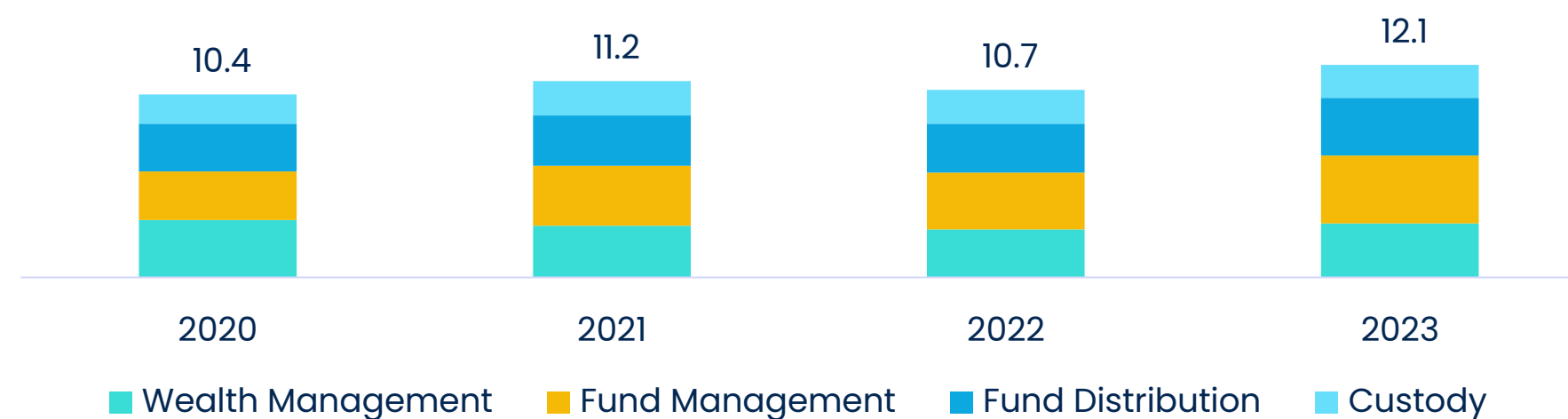
BICE Inversiones

Asset & Wealth Management

- BICE Inversiones value proposition:
 - Asset management
 - Wealth management
 - Financial instrument brokerage
 - Distribution of third-party products
 - Corporate finance
- Total assets under management (AUM) of CL\$12.1 bn and +56,904 clients as of December 2023.
- BICE Inversiones maintains a close relationship with a wide range of institutional, high net worth and retail investors, including life insurance companies, pension funds, family offices, mutual funds, banks and stockbrokers.

1.

AUM Evolution (CL\$ bn)



2.

Business

FUNDS

- Mutual funds
- Public investment funds
- Voluntary Pension Savings ("APV")
- Margin loans

DISTRIBUTION

- Offshore mutual funds
- ETFs
- Alternative funds (Goldman Sachs, Nordea, Nuveen, Mirae, VanEck, Global X, Stepstone, Blackrock, CommondFund)

BROKERAGE

- Stocks / Fixed income
- Foreign currency
- International investments
- Brokerage Nat. and Inter.

CORPORATE FINANCE

- M&A
- Capital markets
- Valuations
- Project finance
- Restructuring

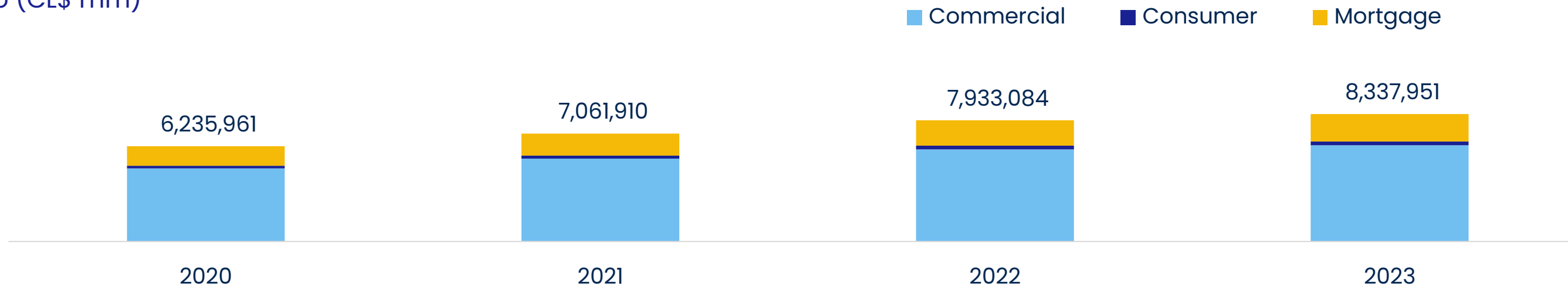
ASSET & WEALTH MANAGEMENT

- National and international portfolios management
- Multi family office service
- Discretionary and Non-Discretionary mandates
- Open architecture

Diversified loan portfolio

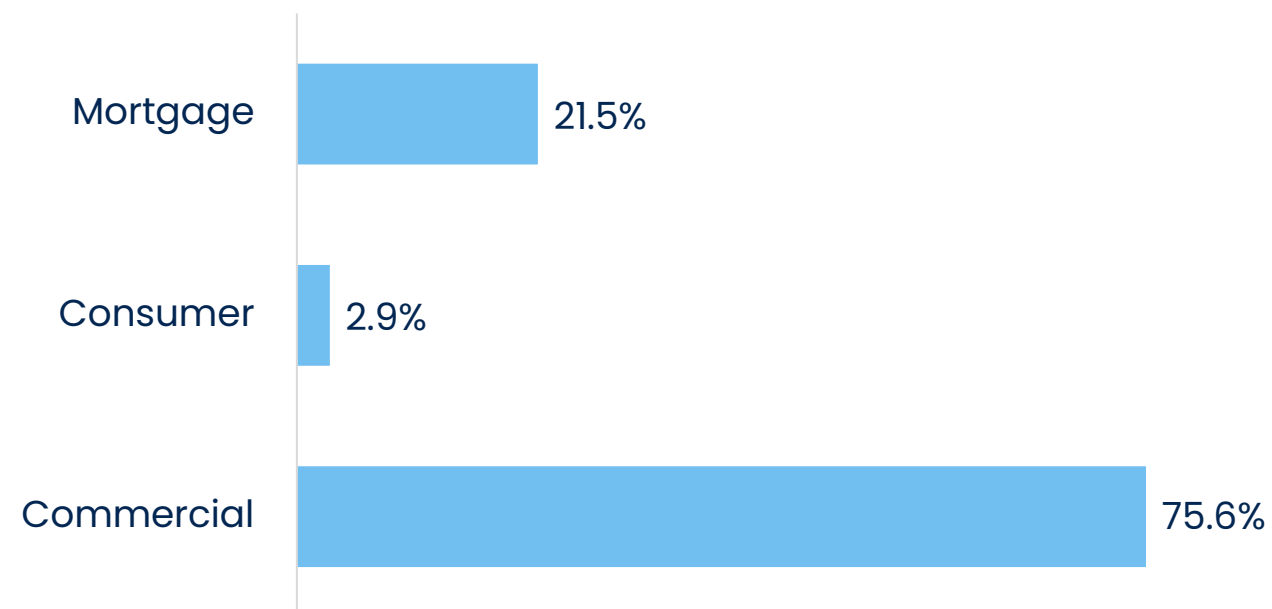
1.

Evolution of loan portfolio (CL\$ mm)



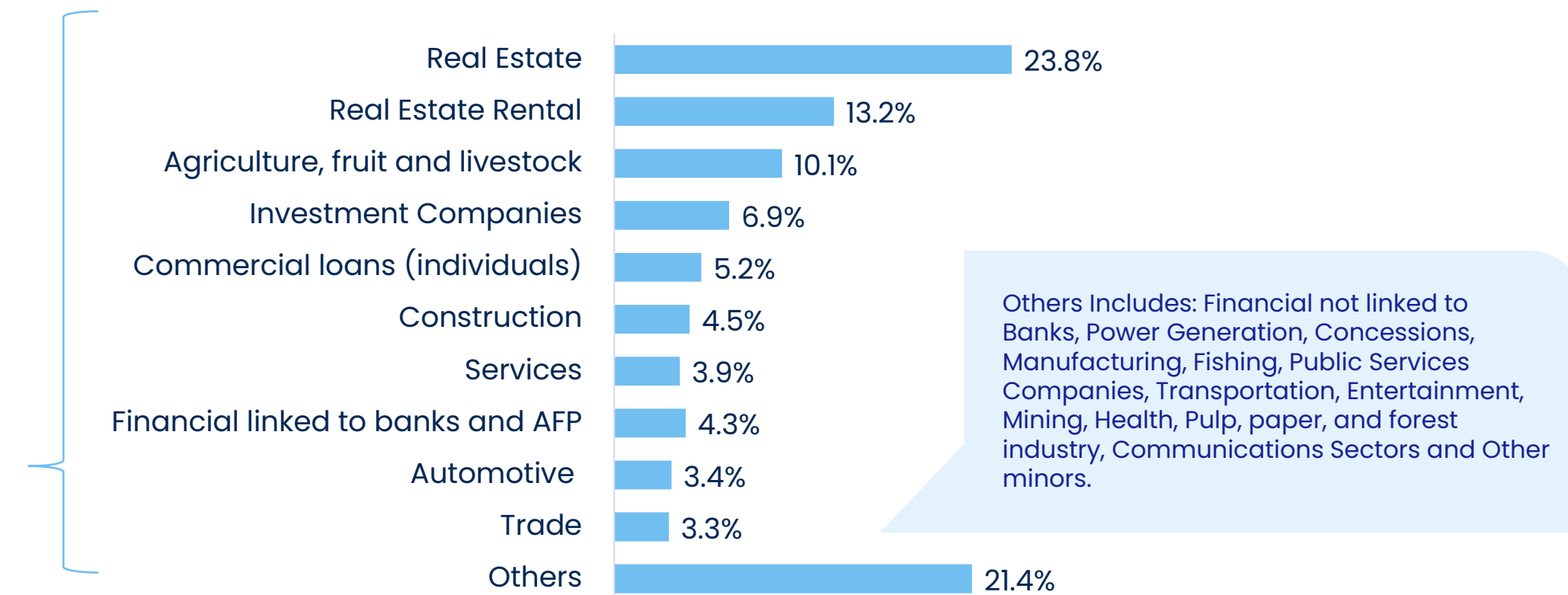
2.

Loan portfolio by type (%)



3.

Commercial Loan Portfolio by Economic Sector (%)

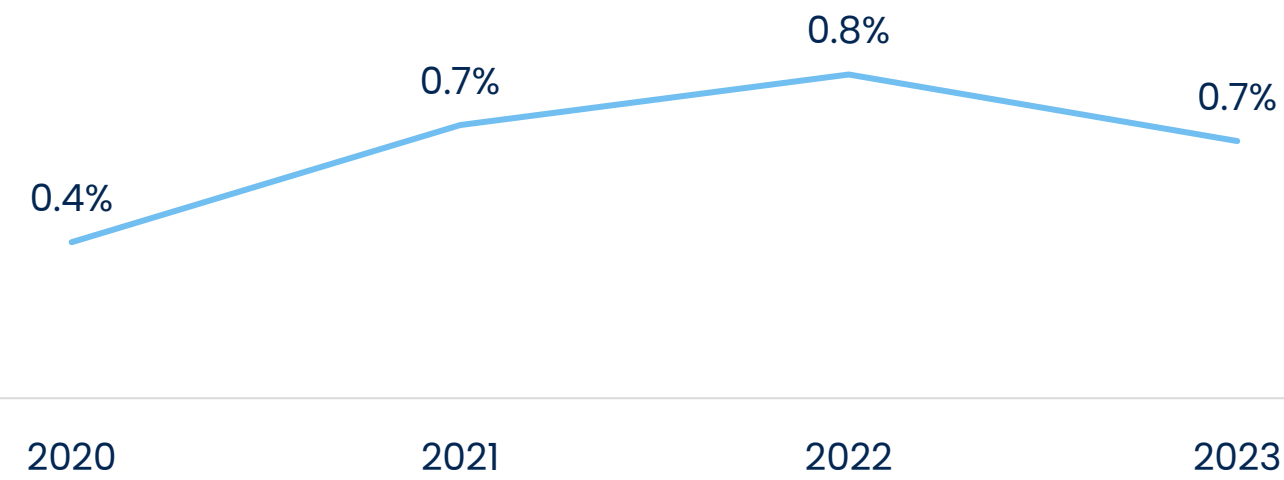


Asset Quality

Solid asset base due to prudent risk management

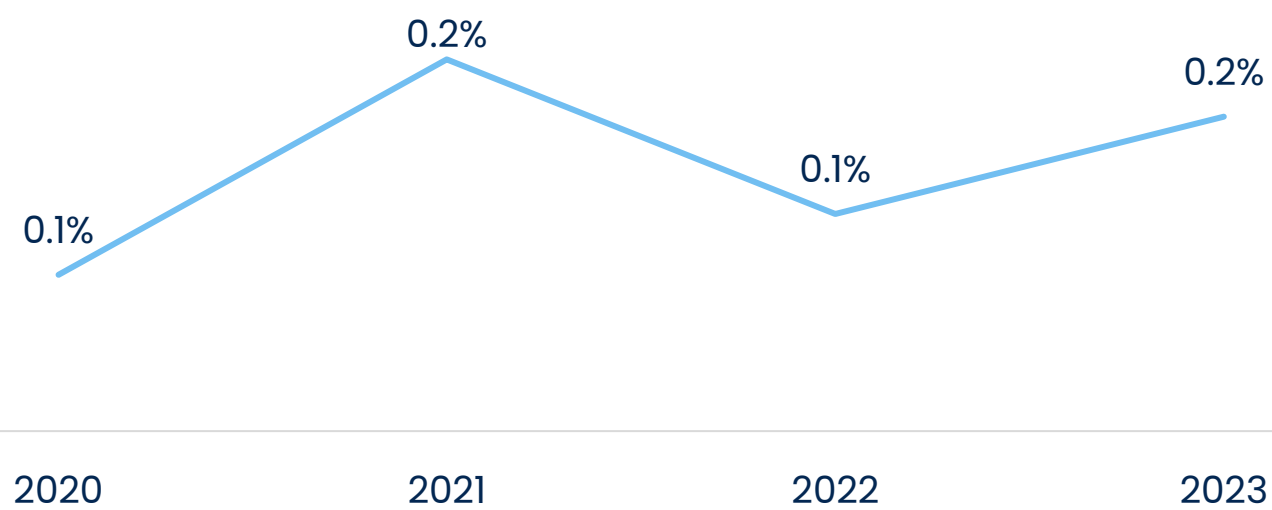
1.

NPL Ratio (%)



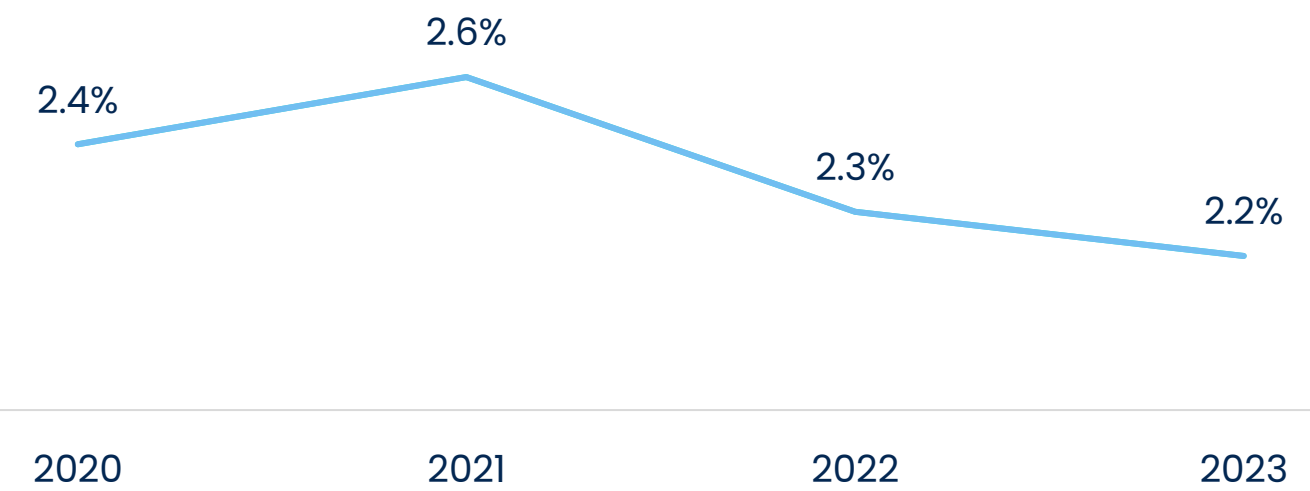
2.

Write offs / Total Loans (%)



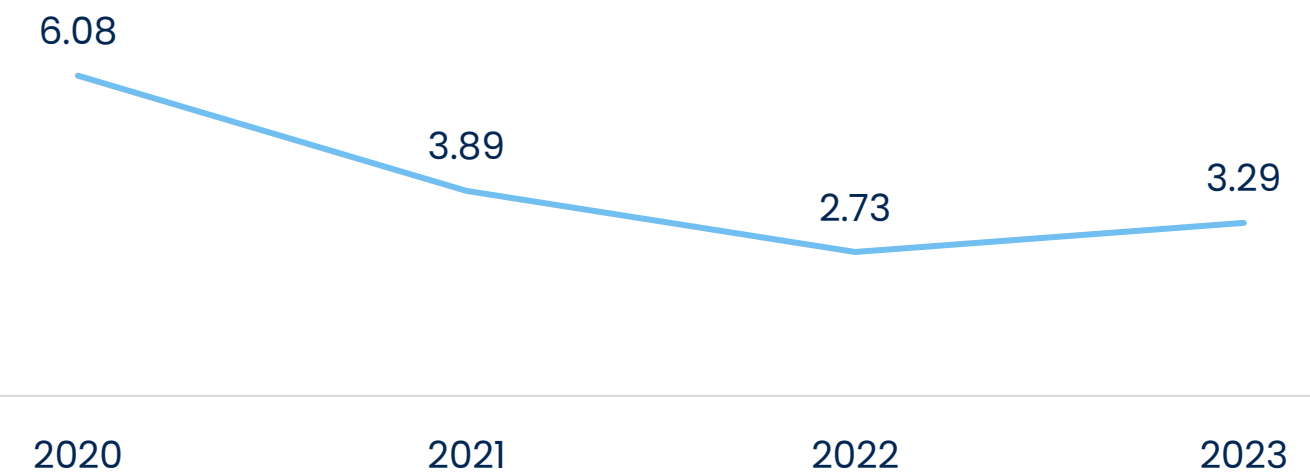
3.

Provisions / Total Loans (%)



4.

Coverage Ratio (x)

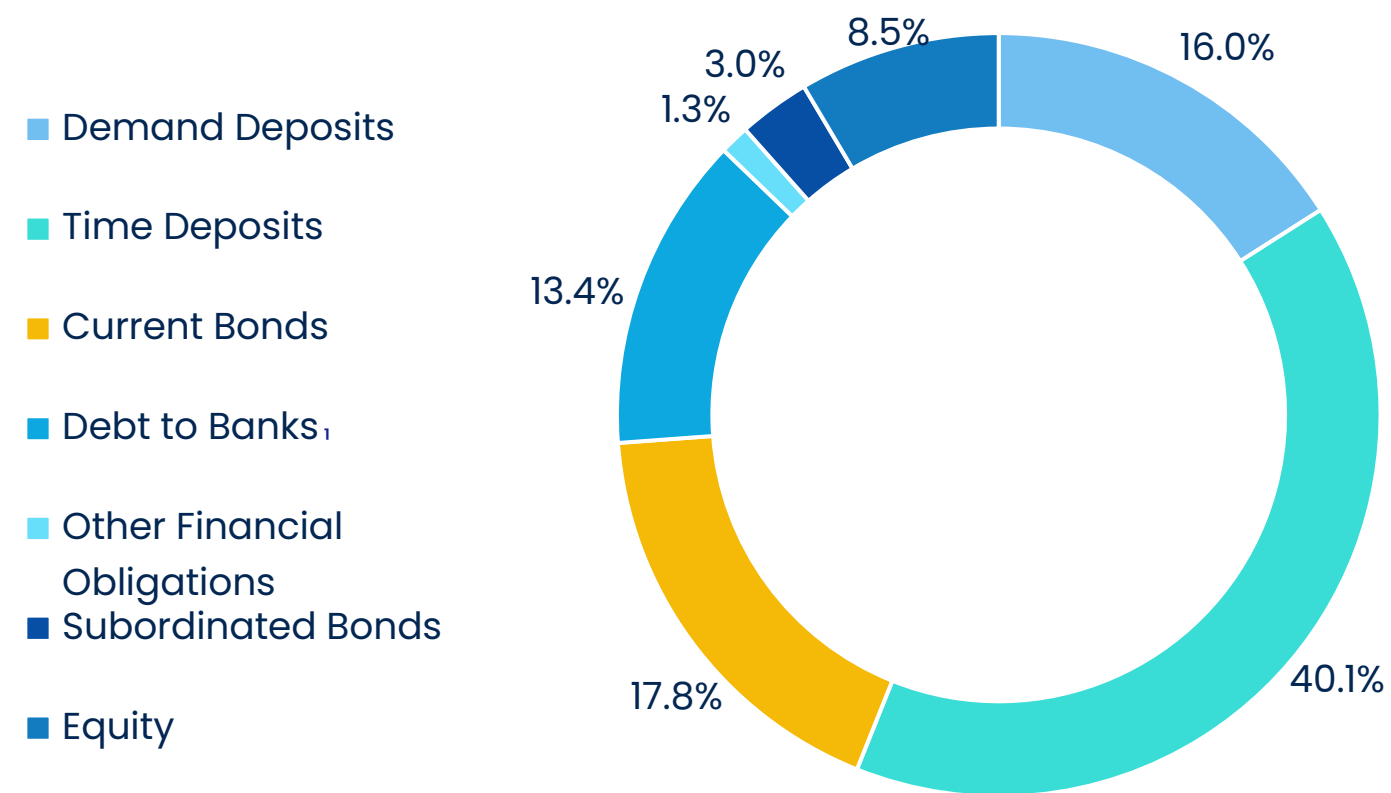


Funding

Solid financing base mainly with local sources, seeking to diversify into new markets

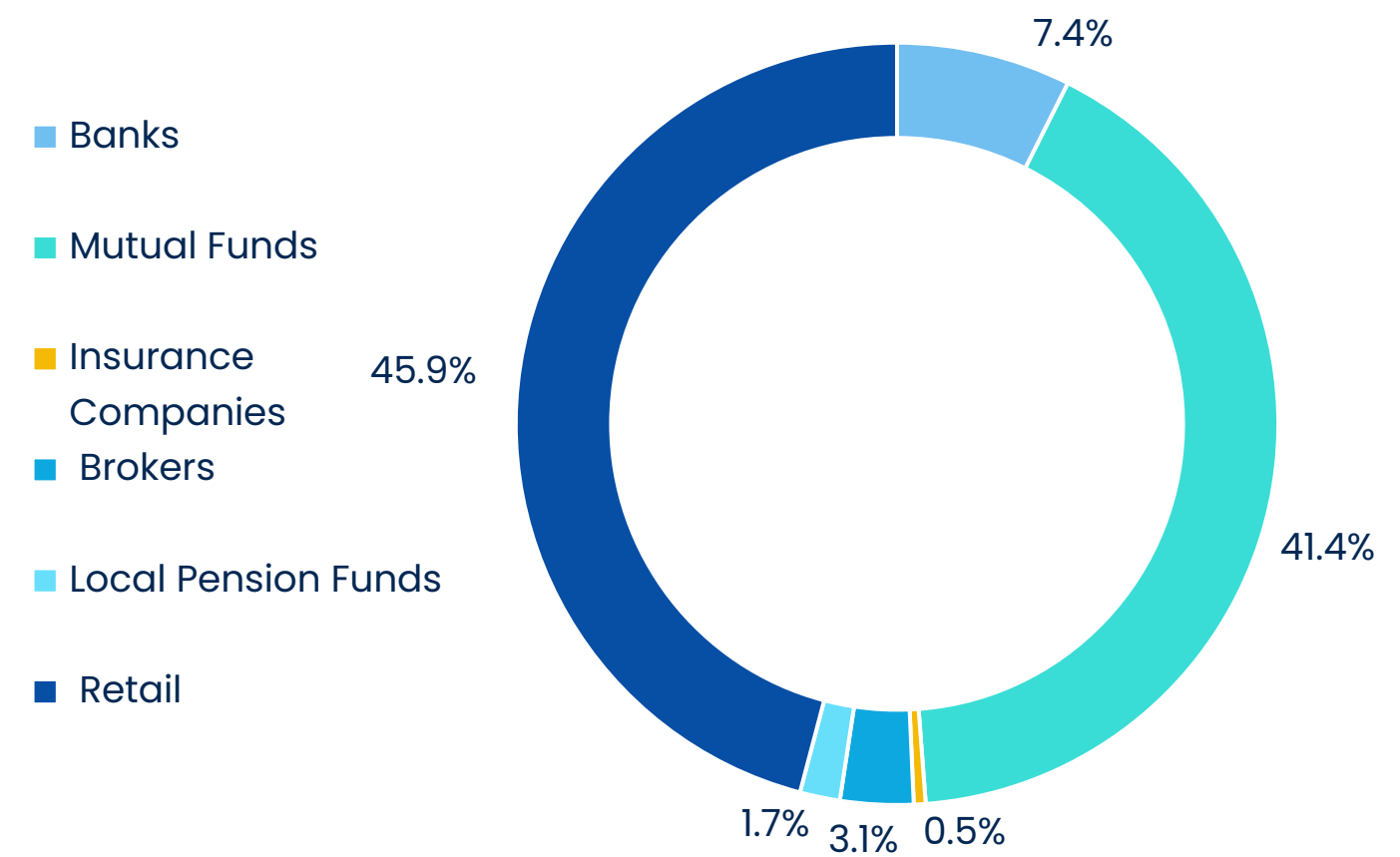
1.

Funding base Structure (%)



2.

Breakdown of Largest Time Depositors (%)

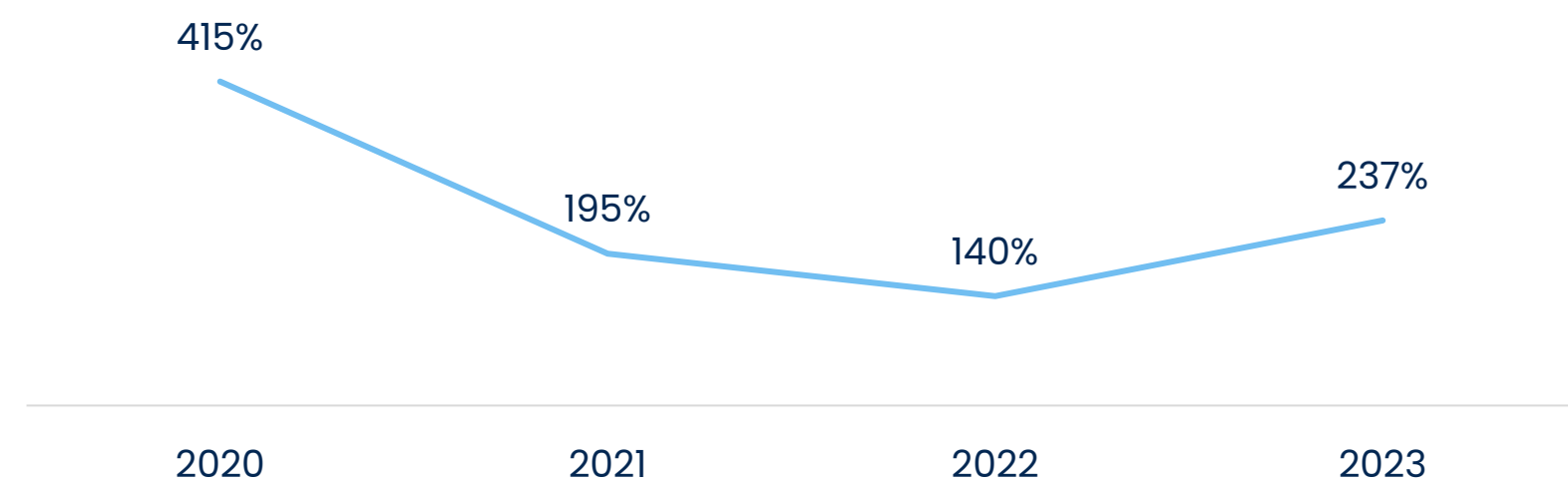


Figures as of Dec23.

¹ Includes FCIC

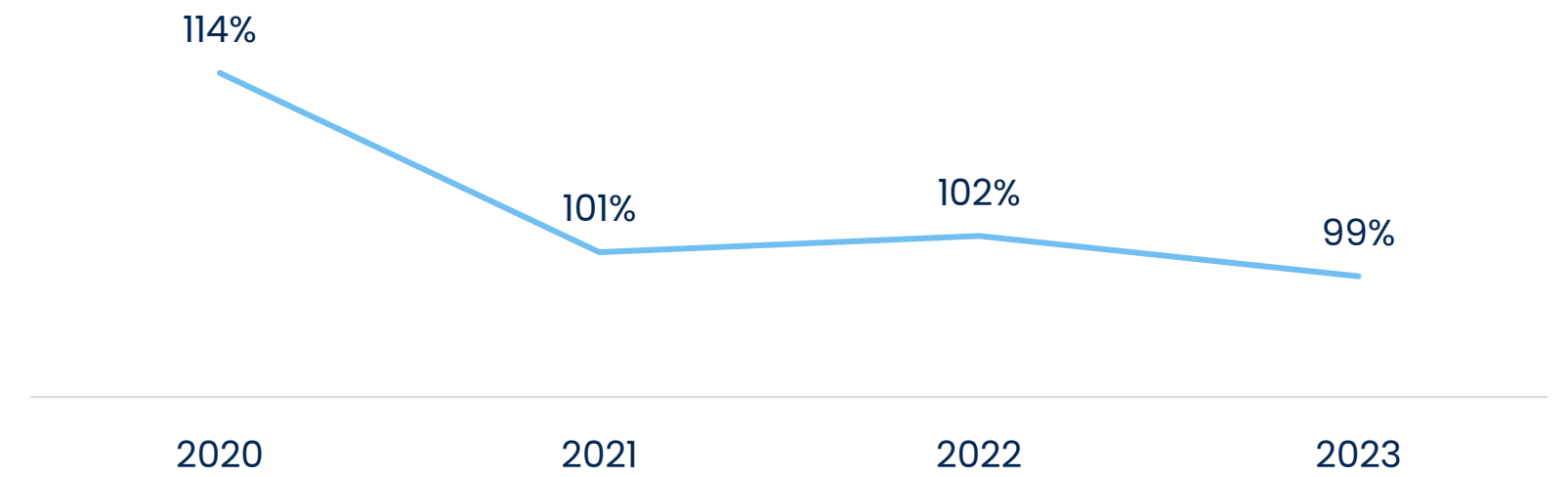
1.

LCR (%)



2.

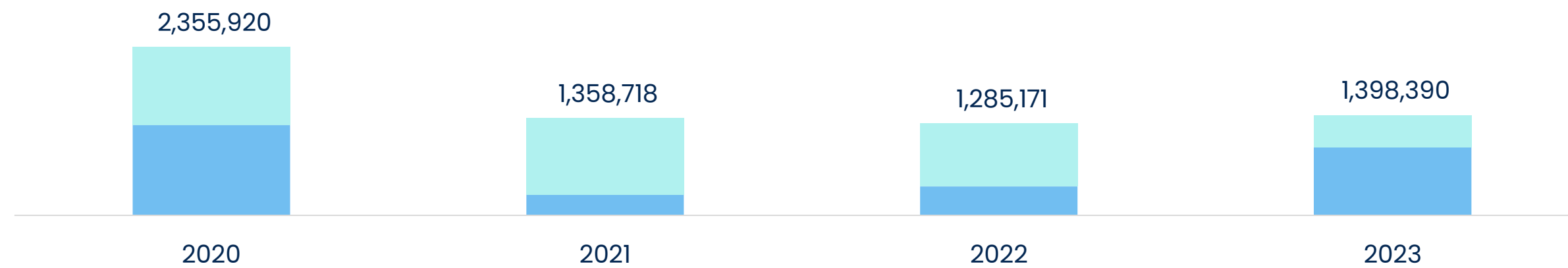
NSFR (%)



3.

Liquidity Buffer (mm \$CLP)

■ Available Funds ■ Financial Investments at Fair Value

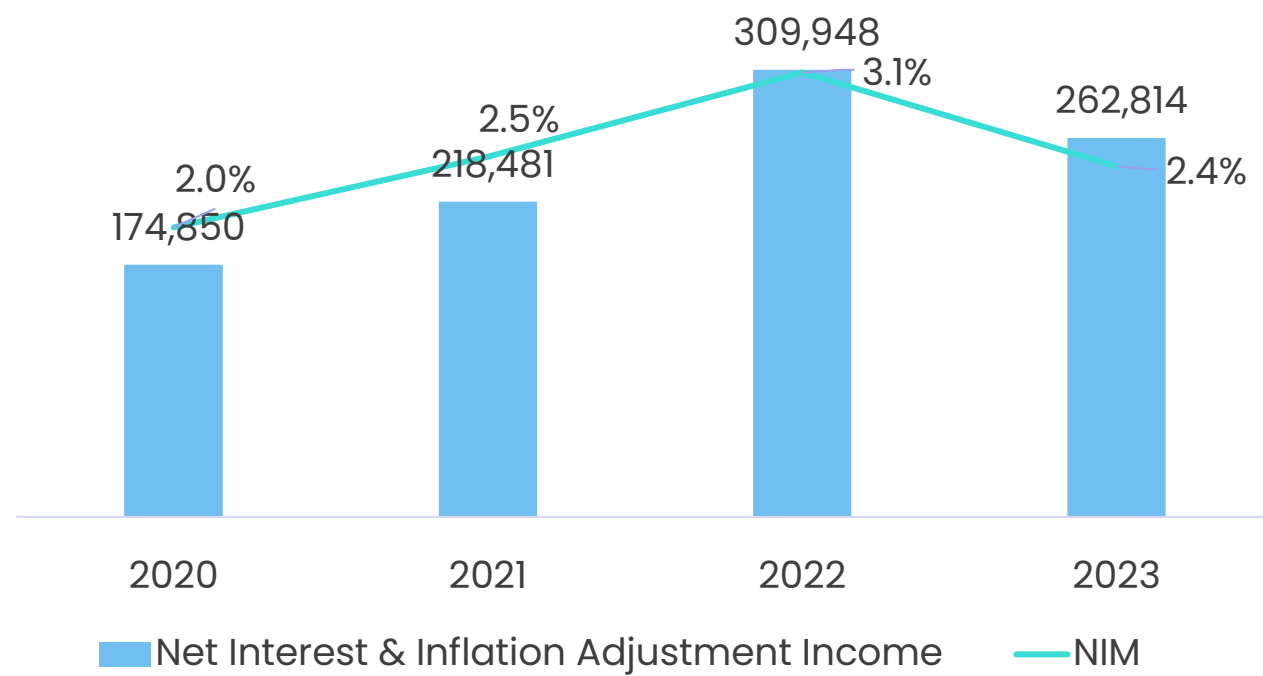


BANCO BICE

Financial Performance

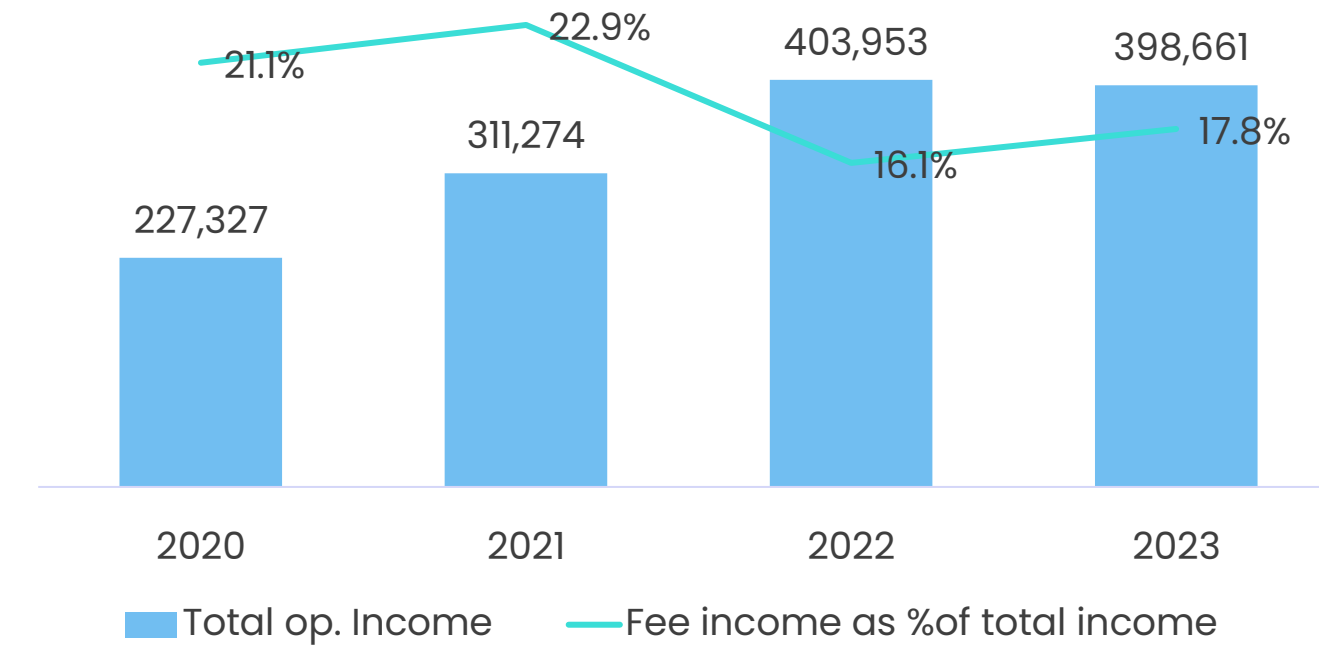
1.

Net Interest and Inflation Adjustment Income & NIM (\$mm / %)



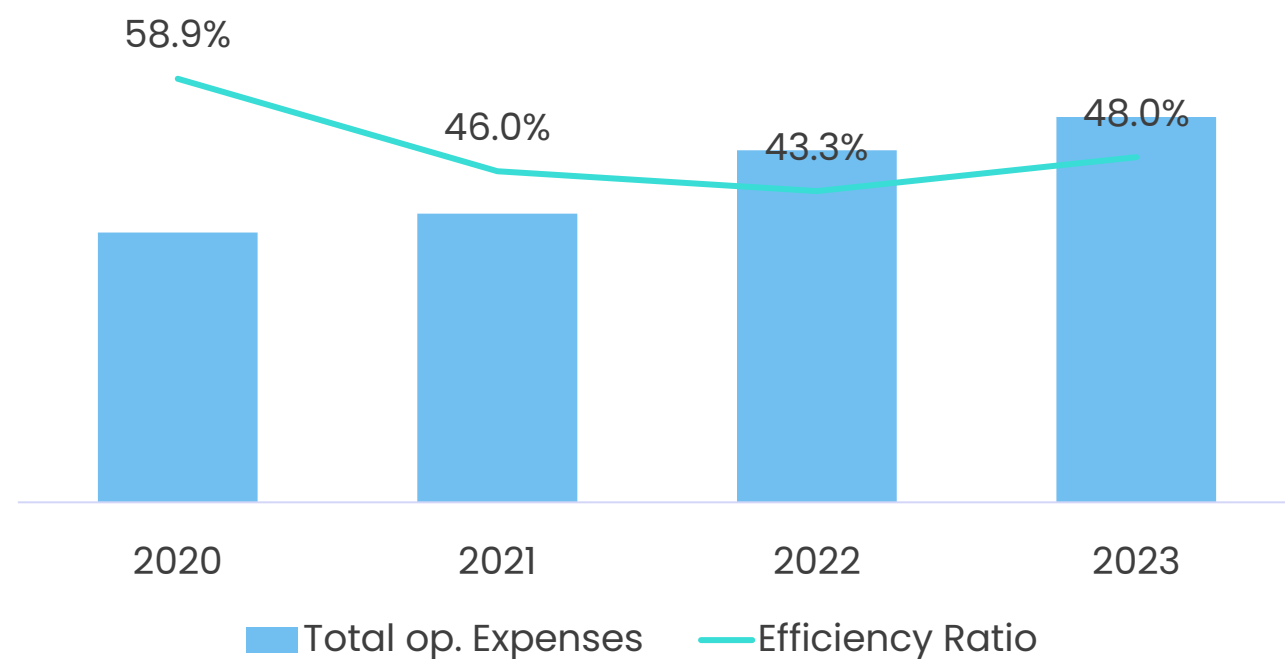
2.

Net Fee Income as % of total Op. Income (\$mm / %)



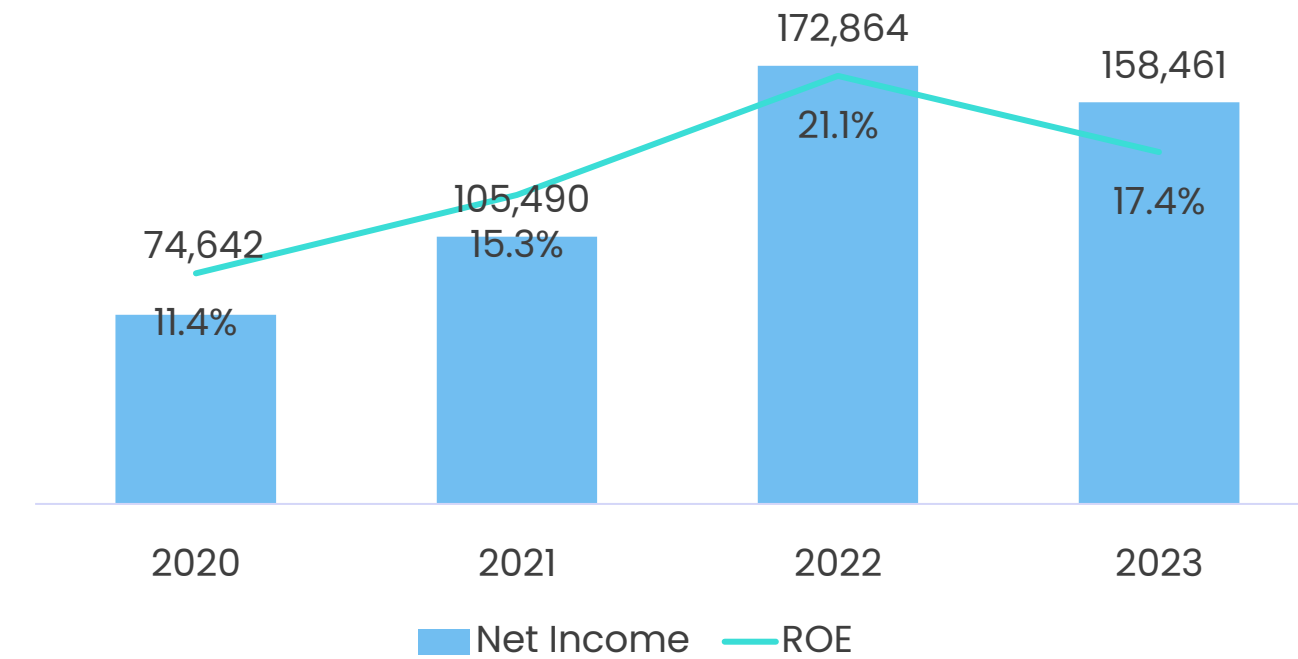
3.

Op. Expenses & Efficiency Ratio (\$mm / %)



4.

Net Income & ROE (\$mm / %)

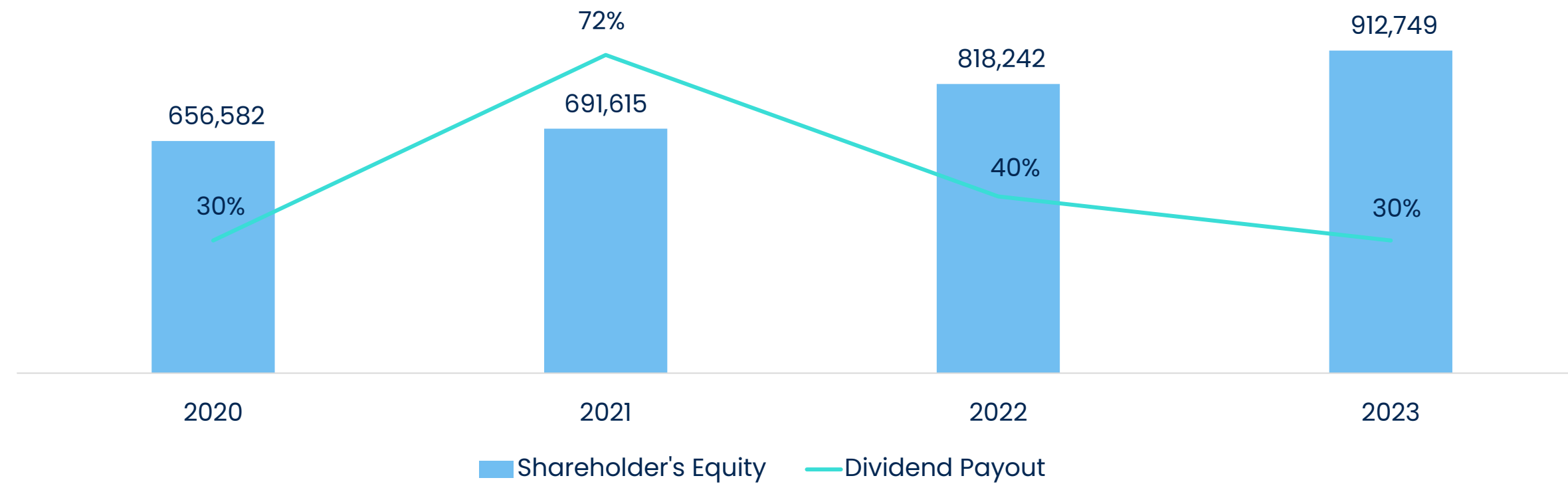


Capital Management

Our capital management aims to operate with a level of risk in line with your appetite and long-term strategy, thus allowing us to guarantee sustainable development of the business.

1.

Dividend Payout (\$mm / %)

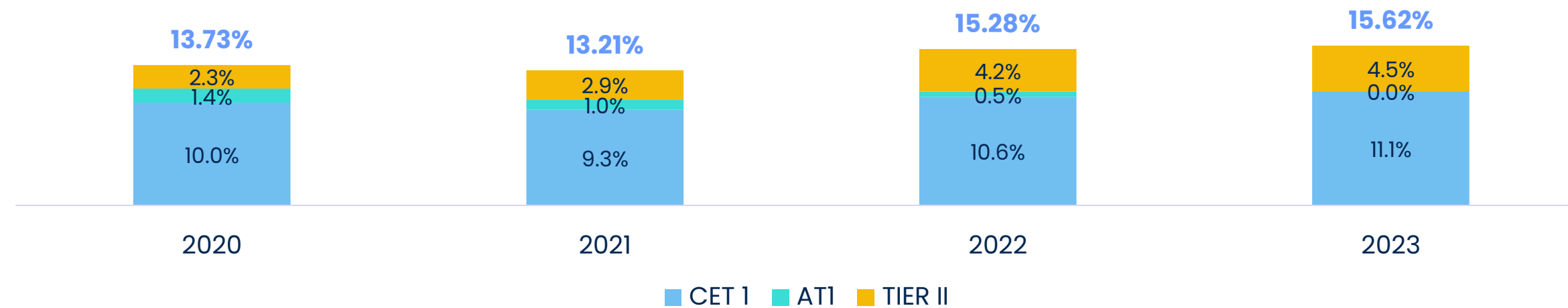


Dividend Policy

Banco BICE dividend policy is up to 50% of distributable net income.

2.

Capital Adequacy Ratio (%)





Sala de Reuniones Calán



Our purpose

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BICECORP & Grupo Security Merger Agreement

Highlights of BICECORP and Grupo Security's Announced Merger

- On January 24, 2024, Grupo Security S.A. shareholders, representing 65.23% of the issued voting shares, reached an agreement with BICECORP and its controlling shareholder, Forestal O'Higgins S.A, regarding the terms and conditions for the combination of the operations of BICECORP, Grupo Security and their respective subsidiaries.
- This operation requires the signing of a Share Purchase Agreement between the involved parties and is subject to a mutual confirmatory Due Diligence process and regulatory approval from the Financial Market Commission (CMF) and the national anti-trust regulator ("FNE" for its acronym in Spanish).
- The deal, will be implemented via a tender offer for up to 100% of Grupo Security's shares, with 20% to be purchased by Forestal O'Higgins at a price of \$285 per share and the remaining 80% through a stock swap involving newly issued BICECORP S.A. shares.
- The equity exchange ratio assumes relative valuations of 60% and 40% for BICECORP and Grupo Security, respectively.
- Following the tender offer, BICECORP and Grupo Security will merge. Subsequently, there will be a merger of the banks and life insurance companies, followed by the integration of their respective affiliates.
- The change in control of Grupo Security is expected to occur in the second half of 2024, following the completion of the tender offer, the success of which is dependent upon its acceptance by a minimum of 62% of Grupo Security S.A.'s voting shares.
- Operational and legal integration of Banco BICE and Banco Security will occur after regulatory approvals are met, after the change in control.

Holding Groups Main Figures (pro-forma as of Dec23)

33.7

Total Assets
(CL\$ bn)

2.4

Equity
(CL\$ bn)

17.7%

ROE

425,993

Net Income
(CL\$ mm)

6,600

Employees

+80

Branches in Chile

Two highly diversified financial groups with successful growth trajectories



Main figures of the merged banking business

	Banco BICE	Banco Security	Pro forma ¹
Figures as of December 2023 (\$mm)			
Gross loans	8,337,951	7,316,746	15,654,697
Total assets	11,234,181	10,645,145	21,879,325
Deposits	6,002,835	3,919,965	9,922,800
Equity	912,750	883,831	1,796,520
Net income	158,461	176,674	335,134
ROA (%)	1.41%	1.66%	1.53%
ROE (%)	17.36%	19.99%	18.65%
CET1 (%)	11.14%	10.84%	10.99%
Efficiency ratio ² (%)	47.97%	41.74%	44.51%
Risk index ³	1.25%	2.68%	1.92%

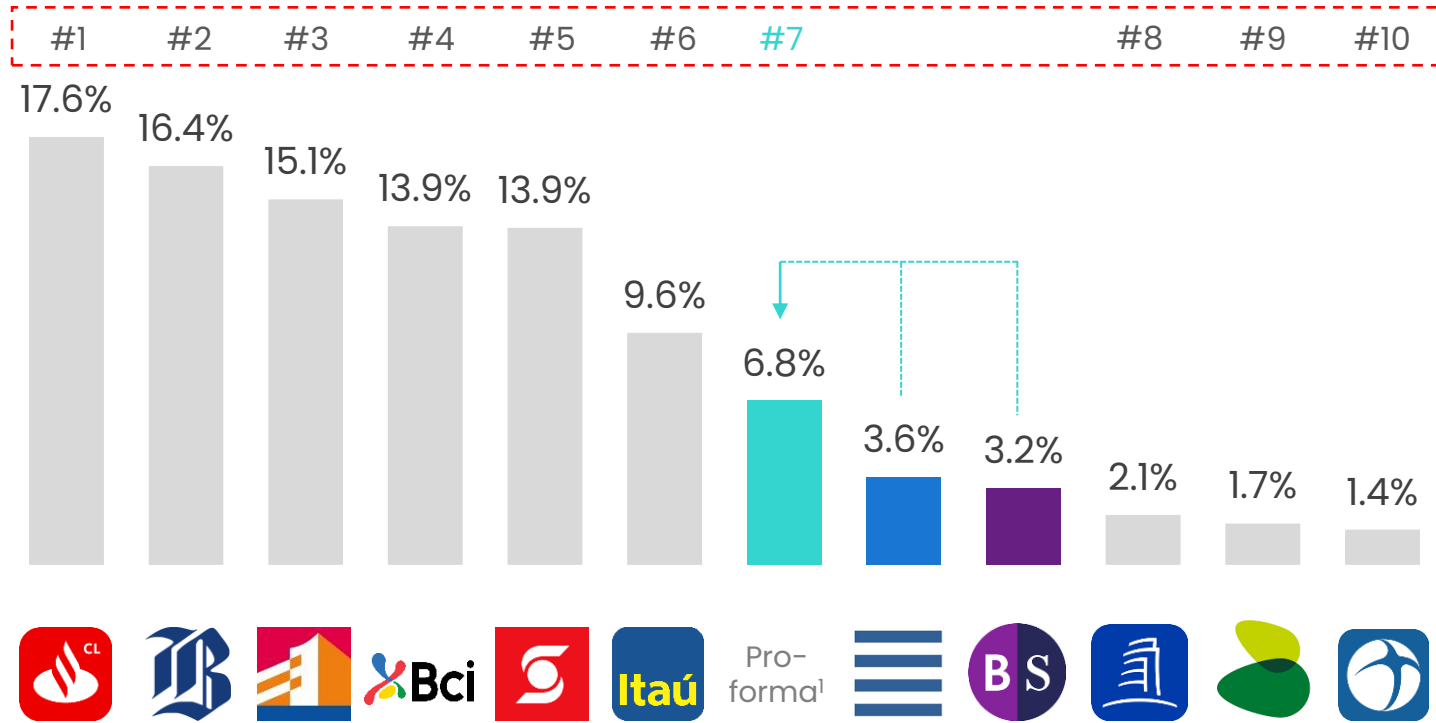
- Regarding the merger of the banking businesses, two banks with robust regulatory capital positions, recognized for their quality and financial performance, will be brought together.
- In terms of gross loans, Banco BICE holds 3.6% of the banking industry, while Grupo Security has a 3.2% market share. The integrated bank would be Chile's **seventh largest in terms of loan volume**.

Strengthening the competitive position of the banking business

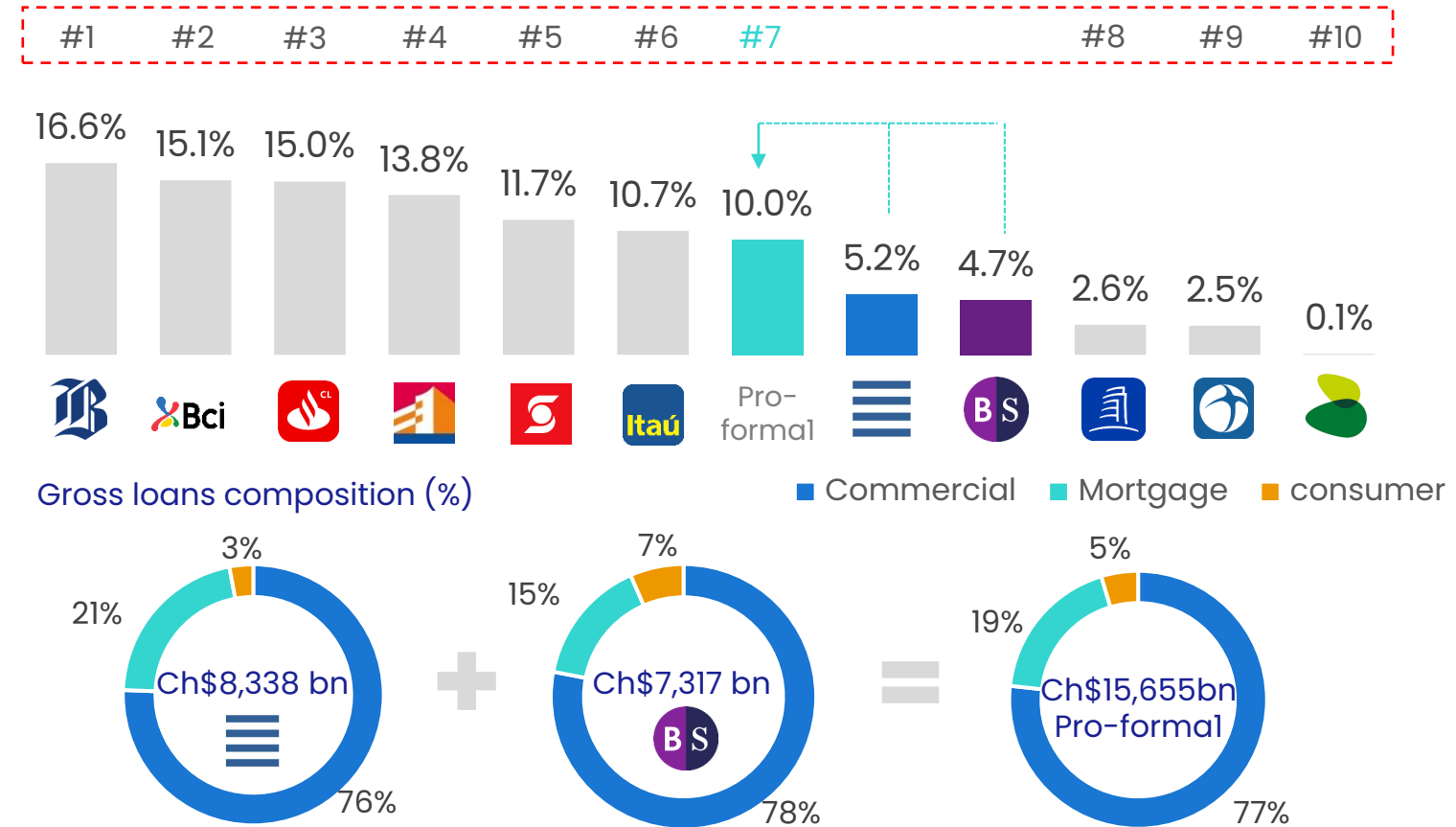
1.

Loans (Dec23)

Gross loan market share (%)



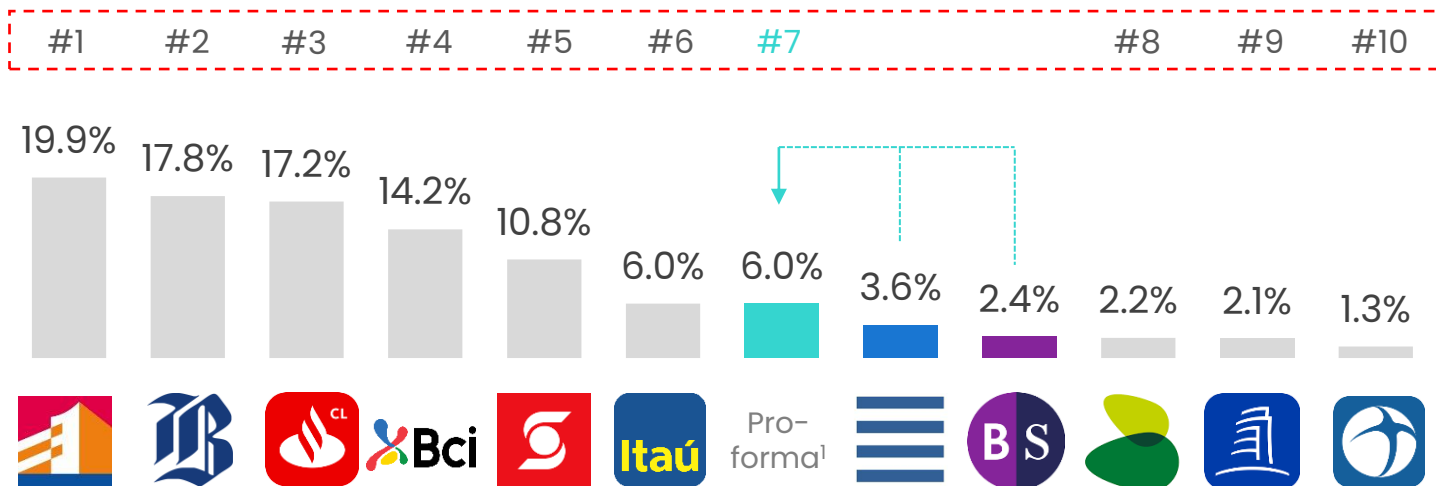
Commercial loan market share (%)



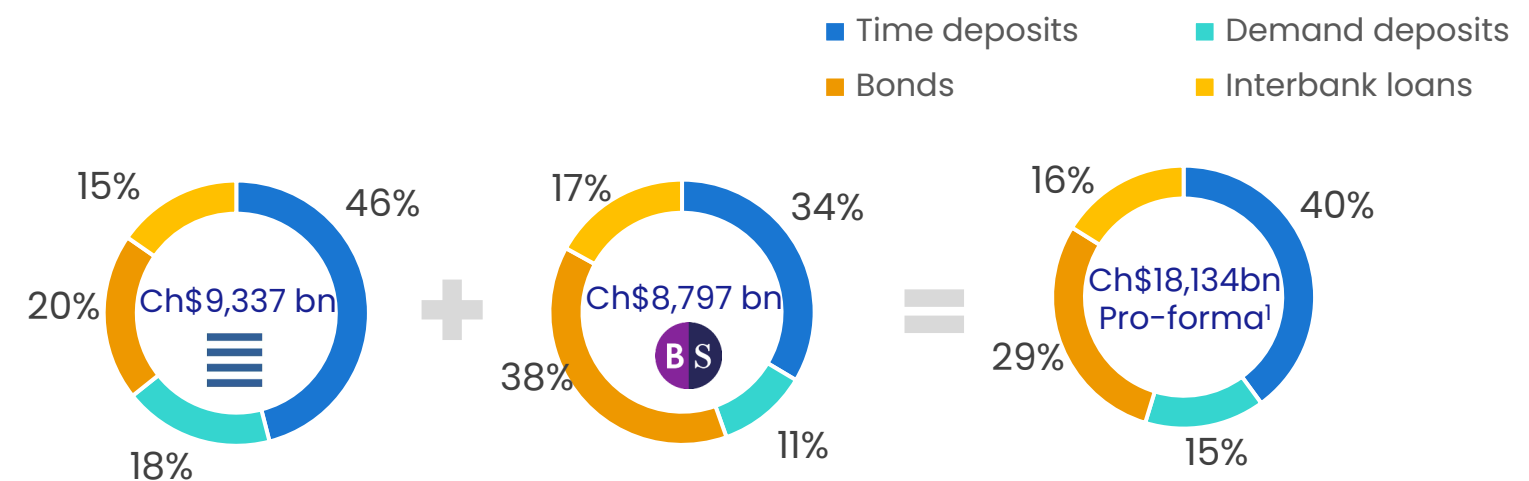
2.

Funding (Dec23)

Deposits market share (%)



Composition of funding (%)



Source: CMF, companies reports. Notes: Figures as of December 2023 (excludes foreign operations), Ch – Chilean Pesos. 1 Pro-forma figures do not account for consolidation adjustments. bn: Thousands of Millions

BANCO  BICE

Earnings Presentation

MARCH 2024

