

The background of the slide is a photograph of a building's exterior. A large, dark, metallic-looking sign with the 'LarrainVial' logo is mounted on the wall. The logo consists of the company name in a sans-serif font, with a small red square to its right. The building's glass windows are visible in the upper and lower portions of the image, reflecting the sky and surrounding environment.

LarrainVial

Chile Local Bond Market

Accessibility, Taxation, Issuers and
Liquidity

Ricardo Gomez - Head Trader Local Currency - LarrainVial

1. Chile vs Region
2. Latam Local Markets
3. Chile Local Sovereign Bonds
4. Chile Local Bond Market
5. Foreigners in Local Market
6. Hacienda

1: Chile vs Region

LarrainVial

Chile vs Region

Domestic and International Debt Securities Issues (by Resident issuers)

Source: BIS

Rating	CHILE Aa3/A+/AA-		COLOMBIA Baa2/BBB/BBB		PERU A3/BBB+/BBB+		BRAZIL Ba3/BB/BB+	
GDP (USD bn) 2015	240		274		180		1.800	
Local debt	USD bn	% GDP	USD bn	% GDP	USD bn	% GDP	USD bn	% GDP
Financial corporations	65	27	0	0	9	5	522	29
Non-Financial corporations	20	8	1	1	3	2	128	7
Government	34	14	69	25	15	8	1.156	64
Total	120	50	70	26	27	15	1.806	100
International debt	USD bn	% GDP	USD bn	% GDP	USD bn	% GDP	USD bn	% GDP
Financial corporations	14	6	8	3	14	8	56	3
Non-Financial corporations	40	17	14	5	11	6	38	2
Government	8	3	26	9	19	10	55	3
Total	61	25	48	17	44	24	149	8
Total Government	42	18	95	35	33	19	1.211	67

The background of the slide is a collage of modern skyscrapers with glass facades. A large, semi-transparent red rectangle is centered over the image, containing the title text. The skyscrapers are shown from low angles, looking up, and their glass surfaces reflect the sky and surrounding buildings. The red overlay has a subtle grid pattern.

2: Latam Local Markets

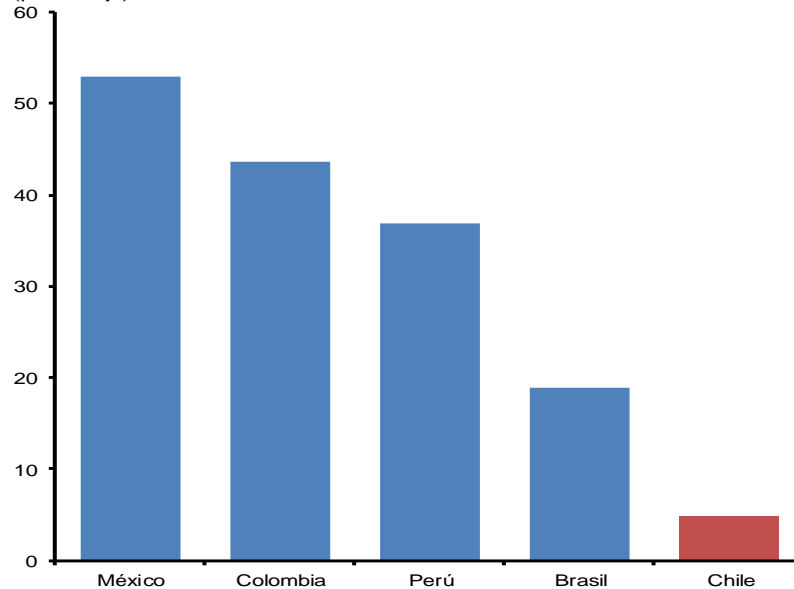
Latam Local Markets

Holdings

Gráfico II.12

Tenencia de bonos soberanos domésticos por parte de Inversionistas No Residentes en la región (*)

(porcentaje)



(*) Datos a Septiembre del 2015, excepto México y Colombia actualizados a Junio del 2015.

Fuente: Bancos Centrales respectivos y FMI

FUENTE: BCCH en IEF de Diciembre 2015

Latam Local Markets

JPM GBI Global Diversified Index - Andean Region

Country	Index Weight	PIB (usd bn)	Local Stock (usd bn)	Stock / PIB
Chile	0,10%	240	42	17%
Colombia	3,95%	274	95	35%
Peru	1,68%	180	33	18%

Source: JPM GBI Index Sep15; BIS

Latam Local Markets

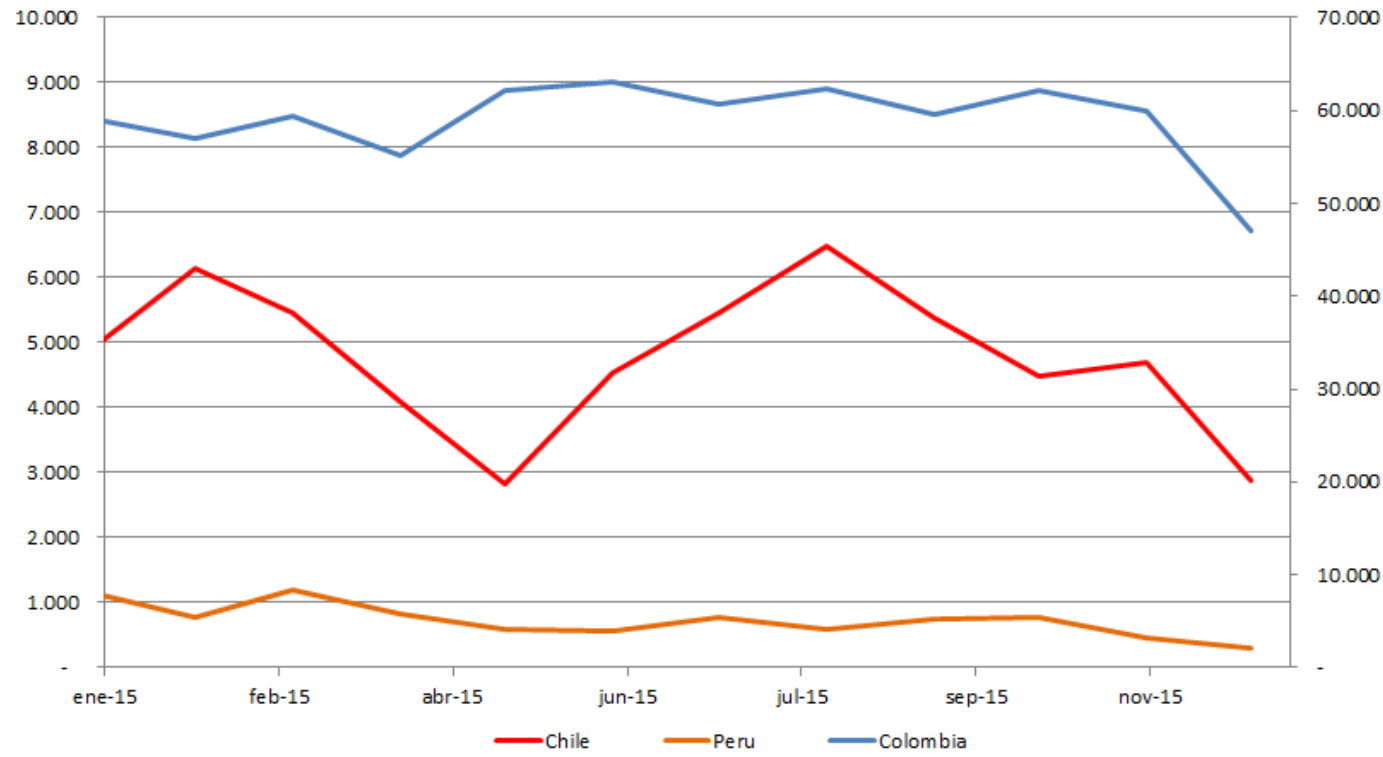
Tax - Andean Region

Country	CGT %	WHT	Transfer Tax	Euroclear
Chile	0%	4%	0%	no
Colombia	14%	0%	0,4%	no
Peru	0%	0%	0,005%	no

Source: JPM GBI Index Sep15; BIS

Andean Local Markets

Local Market Liquidity (usdmm)



Source: Datatec, BCS, BVC



3.- Chile Local Sovs Bond Market

Chile Local Sovs Bond Market

Issuers

- Treasury (Hacienda)
- Chile Central Bank

Currency

- Nominal Fixed Cupon
- Inflation Linked - Unidad de Fomento (UF)

Chile Local Sovs Bond Market

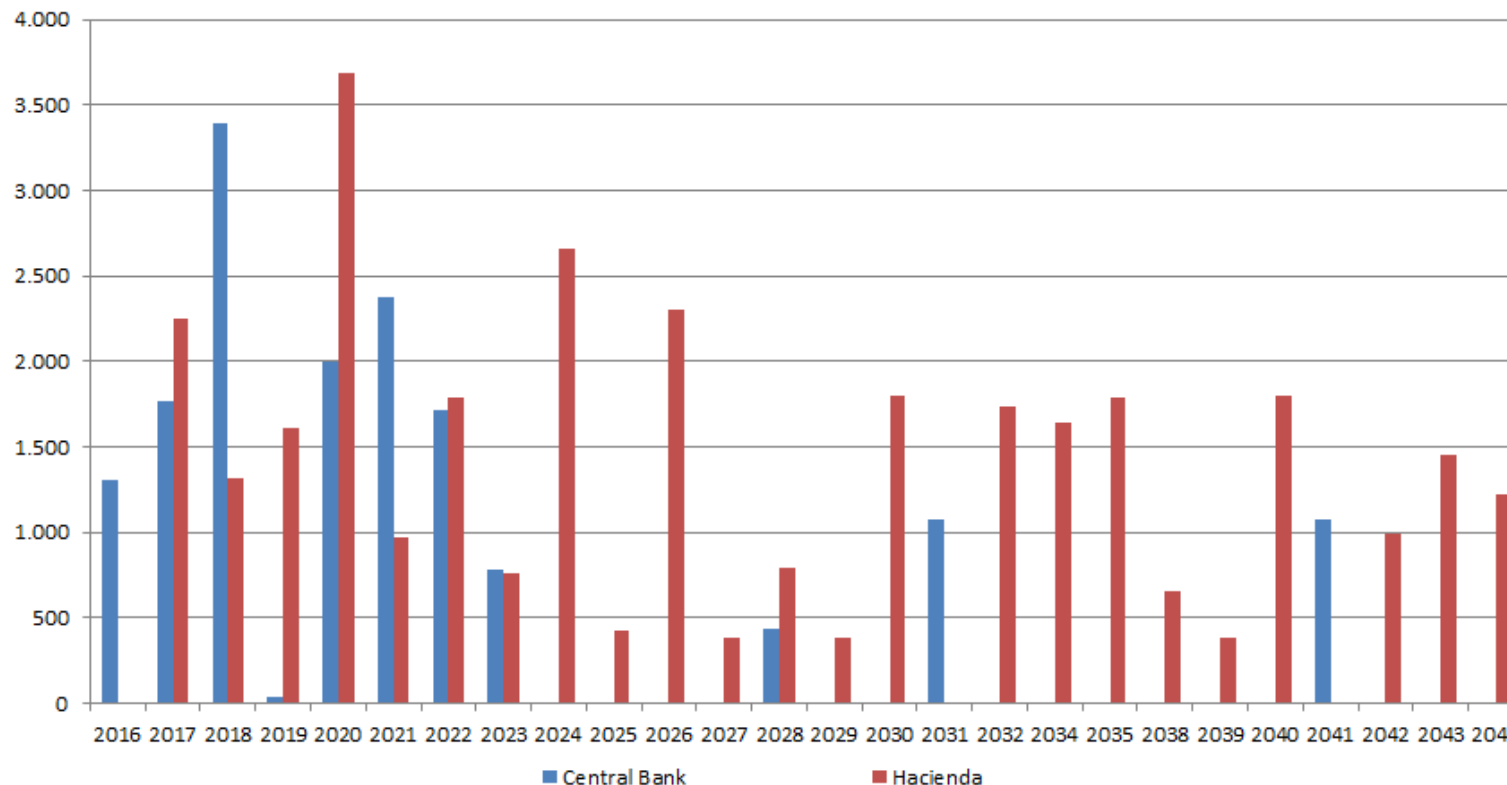
Outstanding and Issue Currency (usdmm)

Ccy / Issuer	Central Bank of Chile	Treasury	Total	nominal vs linkers
Linkers (CLF)	10.471	22.738	33.209	69%
Nominal (CLP)	5.368	9.810	15.178	31%
Total	15.839	32.548	48.387	100%

Source: Ministerio de Hacienda de Chile ; Banco Central de Chile

Chile Local Sovs Bond Market

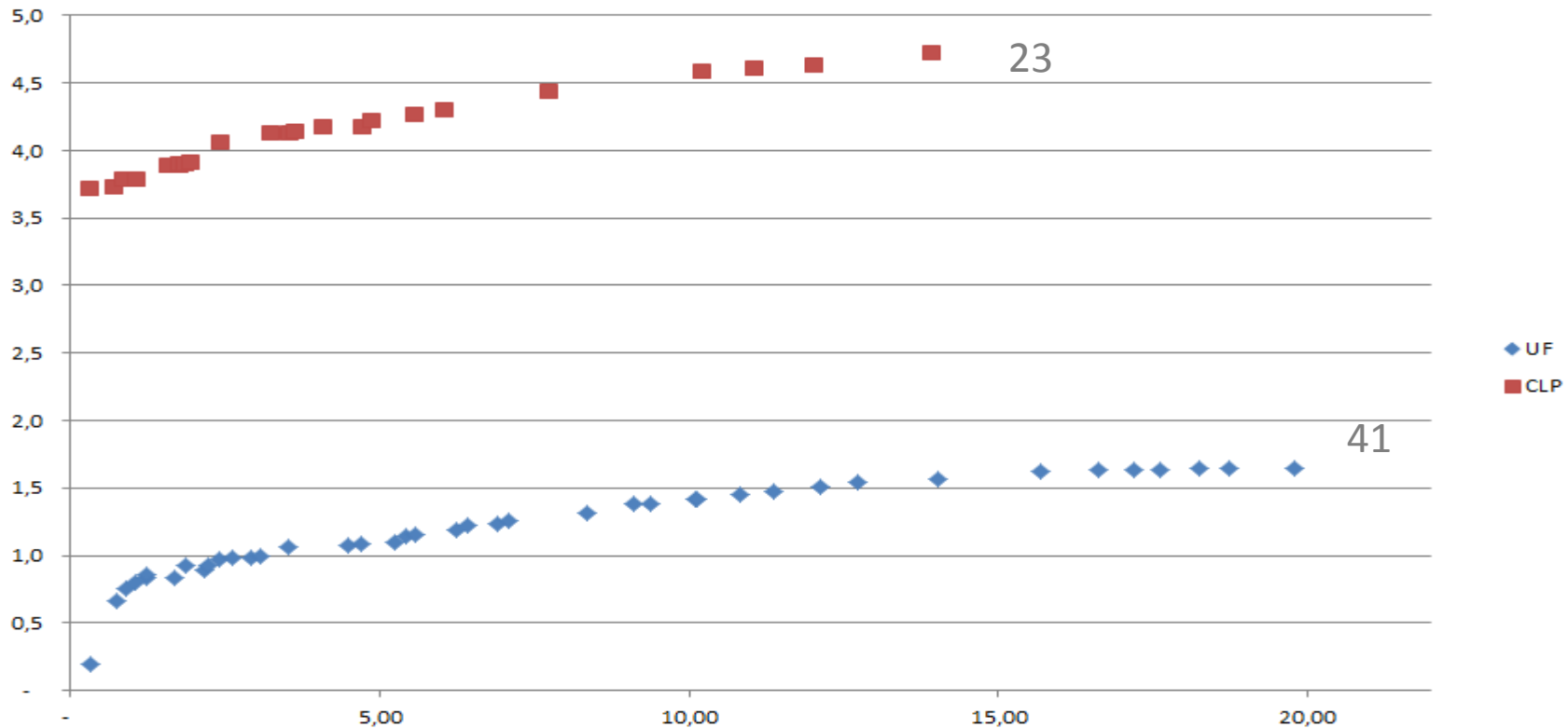
Maturity Profile (usdmm)



Source: Ministerio de Hacienda de Chile ; Banco Central de Chile

Chile Local Sovs Bond Market

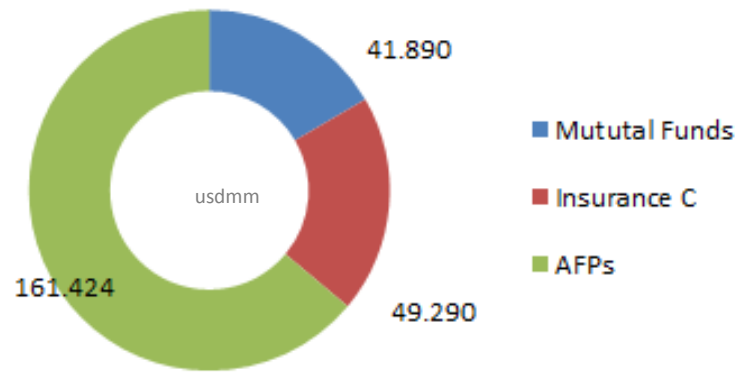
Yield Curve



Source: Bolsa Comercio de Santiago

Chile Local Sovs Bond Market

Institutional Investors - AUM (Usdbn)



Source: Superintendencia de Valores y Seguros ; Asociación de Fondos Mutuos

The background of the slide is composed of several overlapping rectangular blocks of color: a dark navy blue block in the top-left, a light blue block in the top-right, a dark grey-blue block in the middle-left, and a large red block in the center. A faint, semi-transparent image of a person is visible in the background, appearing to be looking at a screen or document. The person's face and upper body are partially obscured by the colored blocks.

5: Accessibility

Accessibility

Foreigners in Chile Local Market

- Article 104 Tax Income Law
 - 0% Capital Gains Tax
 - 4% Tax con Cupon Payments
- No withholding period
- Experienced Local Custodians

The background of the slide is a collage of various images. A large, solid red rectangle is centered on the page. Behind this rectangle and the rest of the slide, there are faded, overlapping images. One prominent image shows the word 'Larrain' in a stylized, white font, repeated multiple times in a grid-like pattern. Other images include a dark blue square in the top left, a light blue square in the top right, and a light beige square in the bottom right. The overall effect is a layered, artistic composition.

6: Hacienda

Hacienda

Market Developments

- Bond Exchange - Old Bonds vs New Bonds
- WHT modifications
- Euroclear
- Higher Participation in Indexes



LarrainVial

www.larrainvial.com

CHILE

Av. El Bosque Norte
0177, piso 1, Las
Condes, Santiago
T: +56 2 2339 8500

PERÚ

Av. Jorge Basadre
310, piso 8,
San Isidro, Lima 27
T: +51 1 611 4300

COLOMBIA

Carrera 7 No. 71-
21, Torre B, piso
10, oficina 1008,
Bogotá DC
T: +57 1 594 1600

ESTADOS UNIDOS

400 Madison
Avenue, suite 5C,
New York, NY
10017
T: +1 646 8526113