US$4,000,000,000
Medium Term Notes Program

Banco de Crédito e Inversiones, acting directly or through its Miami Branch

US$4,000,000,000
Medium Term Notes Program

Under this US$4,000,000,000 Medium Term Notes Program (the "**Program**"), Banco de Crédito e Inversiones (the "**Issuer**," the "**Bank**" or "**Bci**") may from time to time issue medium term notes ("**Notes**") which may be issued on a subordinated or unsubordinated basis. The Notes will be offered (i) inside the United States of America (the "**United States**") in reliance on an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") only to qualified institutional buyers ("**QIBs**"), within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act, and/or (ii) outside the United States to non-U.S. persons (as such term is defined in Rule 904 under the Securities Act (a "**non-U.S. person**")) pursuant to Regulation S ("**Regulation S**") under the Securities Act. The Notes will be denominated in any currency agreed upon between the Issuer and the relevant Dealer (as defined below). The final terms of each Note will be specified in the Final Terms (as defined below). For more information, see "Description of the Notes."

Each initial and subsequent purchaser of the Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements intended to restrict the resale or other transfer of such Notes and may in certain circumstances be required to provide confirmation of compliance with such resale or other transfer restrictions below and as set forth in "Important Notices" and "Transfer and Selling Restrictions."

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms contemplated herein which are applicable to a particular issuance of Notes will be set out in the relevant Final Terms relating to such Notes.

See "Risk Factors" beginning on page 3 of this Prospectus for a discussion of certain significant risks you should consider in connection with an investment in the Notes.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**") or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Prospective investors are referred to the section headed "Important Notices" on page iii of this Prospectus (as defined below).

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Program (other than Indexed Notes (as defined below)) to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of MiFID II. Notes issued under the Program (other than Indexed Notes) may also be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF market of the Luxembourg Stock Exchange (an MTF for the purposes of MiFID II), any other or further stock exchange(s) or may not be admitted to trading or listed. Indexed Notes will not be admitted to trading on the Luxembourg Stock Exchange's regulated market and are not in the scope of the approval by the *Commission de Surveillance du Secteur Financier* under this Prospectus.

This document comprises a Base Prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). This Base Prospectus (the "**Prospectus**") may be used only for the purposes for which it has been prepared. This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as competent authority under Regulation (EU) 2017/1129. The CSSF only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. By approving this Prospectus in accordance with Article 20 of Regulation (EU) 2017/1129, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuer. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. You should make your own assessment as to the suitability of investing in the Notes.

Arrangers

BofA Securities **Standard Chartered Bank**

Dealers

BofA Securities, Inc. **BNP PARIBAS** **Citigroup** **Daiwa Capital Markets** **Goldman Sachs & Co. LLC** **HSBC** **J.P. Morgan** **Mizuho Securities** **MUFG** **Standard Chartered Bank** **Morgan Stanley**

July 5, 2022

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RESPONSIBILITY STATEMENT

The Issuer with its registered office in Santiago, Chile is solely responsible for the information given in this Prospectus and in any Final Terms for each Series or Tranche of Notes issued under the Program. The Issuer hereby declares that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus and in any Final Terms for each Series or Tranche of Notes issued under the Program is in accordance with the facts and contains no omission likely to affect its import.

IMPORTANT NOTICES

Copies of Final Terms (as defined below) will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below) (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the EEA or in the UK nor offered in the EEA or in the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation, including as it forms part of UK domestic law by virtue of the EUWA, will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the relevant Paying Agent as to its holding of Notes and identity).

This Prospectus should be read and understood in conjunction with any supplement hereto. Full information on the Issuer and any Notes issued under the Program is only available on the basis of the combination of this Prospectus (including any supplement) and the relevant Final Terms.

No person is or has been authorized to give any information or to make any representations, other than those contained in this Prospectus, in connection with the Program or the issue and sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorized by Bci. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Neither this Prospectus nor any other information supplied in connection with the Program or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Prospectus or any recipient of any other information supplied in connection with the Program or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of either Issuer or any of the Dealers to subscribe for or to purchase any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

This Prospectus is valid for twelve months upon its date of approval. This Prospectus has been approved on July 5, 2022 and will expire on July 5, 2023. This Prospectus and any supplement thereto as well as any Final Terms reflect the status as of their respective dates of issue. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained in the related documents is accurate and complete subsequent to the date hereof or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Program is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

For so long as any Notes remain outstanding, the Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus that is capable of affecting the assessment of any Notes, prepare a supplement to this Prospectus or publish a new prospectus for use in connection with any subsequent issue of Notes. The obligation to supplement this Prospectus in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus shall expire when this Prospectus is no longer valid.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by United States Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the EEA (and, in particular, without limitation, in Luxembourg, France, Italy and the Netherlands), the UK, Australia, Brazil, Chile, Dubai, Hong Kong, Japan, Peru, Singapore and Switzerland (see "Transfer and Selling Restrictions"). In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

In particular, Notes have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "Description of the Notes—Forms of Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer (see "Transfer and Selling Restrictions"). Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act (see "U.S. Information" below).

Neither this Prospectus nor any Final Terms may be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

Neither this Prospectus nor any Final Terms should be considered as a recommendation or a statement of an opinion (or a report of either of those things) by Bci, the Dealers or any of them that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own appraisal of the condition (financial or otherwise) of the Issuer.

None of the Dealers or the Issuer makes any representation to any purchaser of the Notes regarding the legality of its investment under any applicable laws. Any purchaser of the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer. The Dealers do not accept any liability in relation to the information contained in this Prospectus or any other information provided by the Issuer in connection with the Program.

U.S. Information

This Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under "Description of the Notes—Forms of Notes") for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorized. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A.

Each purchaser or Noteholder represented by a Rule 144A Global Note (as defined under "Registered Notes" below) or any Notes issued in registered form in exchange or substitution therefor (together "**Legended Notes**") will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "Transfer and Selling Restrictions." Unless otherwise stated, terms used in this paragraph have the meanings given to them in "Description of the Notes—Forms of Notes."

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**BMR**"). If any such reference rate does constitute such a benchmark, the relevant Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 (*Register of administrators and benchmarks*) of the BMR. Transitional provisions in the BMR may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms. The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

Amounts payable under the Notes may be calculated by reference to the reference rates described in this Prospectus. As of the date of this Prospectus, the European Money Markets Institute (as administrator of EURIBOR (as defined below)) appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the BMR.

As far as the Bank is aware, the transitional provisions in Article 51 of the BMR apply, such that ICE Benchmark Administration Limited is not currently required to obtain authorization or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

Any websites hyperlinks included in this Prospectus are for information purposes only and do not form part of this Prospectus.

NOTICE TO PROSPECTIVE INVESTORS IN CHILE

The Notes will not be registered in the securities registry (*registro de valores*) of the Chilean Financial Markets Authority (*Comisión para el Mercado Financiero*) ("**CMF**"), and, therefore, the Notes are not subject to the supervision of the CMF as unregistered securities, we are not required to disclose public information about the Notes in Chile. Accordingly, the Notes cannot and will not be publicly offered to persons in Chile. The Notes may only be offered in Chile in circumstances that do not constitute a "Public Offering" (as defined under Law No. 18,045 on securities market ("**Chilean securities market law**")). The Notes may be privately offered in Chile to certain Chilean "Qualified Investors" (such as banks, pension funds and insurance companies) which are required to comply with specific restrictions relating to the purchase of the Notes.

NOTIFICATION UNDER SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE

Unless otherwise stated in the Final Terms, in connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PROHIBITION OF SALES TO RETAIL INVESTORS IN THE UNITED KINGDOM

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

ADDITIONAL NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Prospectus is only being distributed to, and is only directed at, persons in the UK that are "qualified investors" within the meaning of the Prospectus Regulation, as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**") and that also (i) are "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "**Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**relevant persons**"). In the UK, this Prospectus is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Prospectus relates is available in the UK only to relevant persons and will be engaged in only with relevant persons.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

RATINGS

As of the date of this Prospectus, Moody's Investors Service, Inc. ("**Moody's**") has assigned an A2 senior unsecured debt rating to the Bank and Standard & Poor's International LLC ("**Standard & Poor's**") has assigned an A- long-term foreign issuer credit rating to the Bank.

Moody's and Standard & Poor's are not incorporated in the European Union or currently registered in accordance with the Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, amended by Regulation (EC) No. 513/2011, Directive 2011/61/EU and Regulation (EU) No. 462/2013 (the "**CRA Regulation**"), nor have the ratings given by these agencies been endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation. The European Securities and Markets Authority publishes on its website (www.esma.europa.eu) a list of credit rating agencies registered in accordance with the CRA Regulation. That list is updated within five working days following the adoption of a decision under Article 16, 17 or 20 of the CRA Regulation. The European Commission shall publish that updated list in the Official Journal of the European Union within 30 days following such update.

The rating of a certain Series or Tranche of Notes to be issued under the Program may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to a relevant Series or Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed clearly and prominently in the Final Terms.

A rating is not a recommendation to buy, sell or hold Notes issued under the Program and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Bank may adversely affect the market price of the Notes issued under the Program.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "**restricted securities**" within the meaning of the Securities Act, the Issuer has undertaken in the Dealer Agreement dated July 25, 2016 (the "**Dealer Agreement**") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

CERTAIN TERMS AND CONVENTIONS

General

Unless otherwise indicated or the context otherwise requires, all references in this Prospectus to the "Bank," "we," "our," "ours," "us" or similar terms refer to Banco de Crédito e Inversiones together with its Miami branch and its consolidated subsidiaries. We conduct our Chilean commercial banking activities through Bci and various non-banking activities through subsidiaries. See "Business." All references in this Prospectus to "City National Bank of Florida" or "CNB" refer to our subsidiary City National Bank of Florida and its subsidiaries, unless the context otherwise requires.

Currency Presentation

In this Prospectus, references to "US$," "U.S. dollars" and "dollars" are to United States dollars, references to "Chilean pesos", "pesos" or "Ch$" are to Chilean pesos, references to "CHF" are to Swiss francs and references to "JPY" are to the Japanese Yen.

References to "UF" are to *Unidades de Fomento*. The UF is an inflation-indexed Chilean monetary unit with a value in Chilean pesos that is adjusted daily to reflect changes in the official consumer price index of the *Instituto Nacional de Estadísticas* (the "**Chilean National Institute of Statistics**"). The UF is revalued in monthly cycles. Each day in the period beginning on the tenth day of the current month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the change in the Chilean consumer price index during the prior calendar month. As of December 31, 2019, 2020 and 2021, the value of the UF was Ch$28,309.94, Ch$29,070.33 and Ch$30,991.74, respectively.

This Prospectus contains translations of certain Chilean peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the Chilean peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated, at any particular rate or at all.

Unless otherwise indicated, the exchange rate used in converting Chilean pesos into U.S. dollars for amounts presented as of and for the years ended December 31, 2019, 2020 and 2021, as the case may be, were based on the observed exchange rate (*dólar observado*) reported by the Central Bank of Chile (*Banco Central de Chile*) for December 31, 2019, which was Ch$748.74 per US$1.00, December 31, 2020, which was Ch$710.95 per US$1.00 and December 31, 2021, which was Ch$844.69 per US$1.00, respectively.

The rates reported by the Central Bank of Chile for December 31, 2019, 2020 and 2021 are based upon the observed exchange rate which it publishes on the first business day following the respective date. The Federal Reserve Bank of New York (the "**FRBNY**") does not report a noon buying rate for pesos. See "Exchange Rates" for additional information regarding rates of exchange.

ENFORCEMENT OF CIVIL LIABILITIES

We are an open stock corporation (*sociedad anónima abierta*) organized under the laws of Chile and are licensed as a commercial bank by the CMF. Substantially all of our directors and officers and certain experts named herein reside outside the United States (principally in Chile). A substantial portion of our assets and the assets of these persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons or to enforce against us or them in U.S. courts judgments predicated upon the civil liability provisions of the laws of jurisdictions other than Chile, including any judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

We have been advised by our external Chilean counsel that no treaty exists between the United States and Chile for the reciprocal enforcement of foreign judgments. Chilean courts would enforce judgments rendered by U.S. courts by virtue of the legal principles of reciprocity and comity, subject to review in Chile of any such U.S. judgment in order to ascertain whether certain basic principles of due process and public policy have been respected, without retrial or review of the merits of the subject matter. If a U.S. court grants a final judgment, enforceability of this judgment in Chile will be subject to obtaining the relevant *exequatur* (i.e., recognition and enforcement of the foreign judgment) according to Chilean civil procedure law in force at that time and satisfying certain legal requirements. Currently, the most important of these requirements are:

- the existence of reciprocity, absent which the foreign judgment may not be enforced in Chile;
- the absence of any conflict between the foreign judgment and Chilean law (excluding for this purpose the laws of civil procedure) and public policy;
- the absence of a conflicting judgment by a Chilean court relating to the same parties and arising from the same facts and circumstances;
- the observance of all applicable laws to serve process on the defendant and protect the defendant's right to defense; and
- the absence of any further means for appeal or review of the judgment in the jurisdiction where judgment was rendered.

We have been advised by our external Chilean counsel that there is doubt as to the enforceability, in original actions in Chilean courts, of liabilities predicated solely on the U.S. federal securities laws and as to the enforceability in Chilean courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of the U.S. federal securities laws.

CAUTIONARY DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements appear throughout this Prospectus. Examples of such forward-looking statements include:

- expectations of revenues, net income (expense), capital expenditures, dividends, capital structure, liquidity, asset portfolios or other financial items or ratios;
- statements of our plans, objectives or goals, including those related to anticipated trends, competition or regulation;
- statements about our future economic performance and that of Chile or other countries in which we operate;
- statements about our exposure to market risks, including interest rate risks, foreign exchange risk and equity price risk; and
- statements of assumptions underlying such statements.

The sections of this Prospectus that contain forward-looking statements include, without limitation, "Risk Factors," "Overview of the Bank" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Words such as "believes," "expects," "anticipates," "projects," "intends," "should," "could," "may," "seeks," "aim," "combined," "estimates," "probability," "risk," "target," "goal," "objective," "future" or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. These statements may relate to (i) our asset growth and financing plans, (ii) trends affecting our financial condition or results of operations, and (iii) the impact of competition and regulations, but are not limited to such topics. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially and adversely from those described in such forward-looking statements included in this Prospectus as a result of various factors (including, without limitation, the actions of competitors, future global economic conditions, market conditions, foreign exchange rates and operating and financial risks), 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.

You should understand that the following important factors, in addition to those discussed elsewhere in this Prospectus, could affect our future results and could cause those results or other outcomes to differ materially and adversely from those expressed in our forward-looking statements:

- the pandemic of the coronavirus disease 2019 (COVID-19) caused by the 2019 coronavirus (SARS-CoV-2) has had and is currently having an indeterminable adverse impact on the world economy;
- changes in capital market conditions in general that may affect policies or attitudes towards lending to Chile or Chilean companies or securities issued by Chilean companies;
- changes in general economic, legal, business, social, political or other conditions in Chile or elsewhere in Latin America or in the United States;
- the monetary and interest rate policies of the Central Bank of Chile;
- inflation or deflation;
- unemployment;
- unanticipated movements or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices;
- changes in, or our failure to comply with, Chilean and foreign laws and regulations, including banking regulations and capital requirements;

- changes in taxes;
- changes in competition and pricing environments;
- credit and other lending risks, including an increase in defaults on our loan portfolio;
- acquisitions, and our ability to successfully integrate the operations of the businesses or assets that we acquire;
- our inability to hedge certain risks economically;
- the adequacy of allowances for loan losses;
- extraneous events, such as terrorist attacks, organized crime activities, geopolitical events, war or natural disasters, such as earthquakes, tsunamis, pandemics, including COVID-19, and wildfires;
- public health emergencies;
- changes in technology or failure of or interruptions to our technology systems, including those caused by cyberattacks;
- inability to timely and duly enforce our claims on collateral provided by borrowers;
- changes in consumer spending and saving habits;
- unanticipated increases in financing and other costs or the inability to obtain additional debt or equity financing on attractive terms;
- loss of reputation for our brands or services and maintenance of our relationships with customers;
- any loss of significant customers;
- our ability to retain our key personnel and to hire additional key personnel;
- changes in labor relations, including any increases in labor costs or any labor strikes; and
- the factors described under "Risk Factors" beginning on page 3.

You are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements contained in this document speak only as of the date of this Prospectus, and we do not undertake to update any forward-looking statement to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

GENERAL DESCRIPTION OF THE PROGRAM

General

Under this Program, the Issuer may from time to time issue Notes to one or more of the following Dealers: BofA Securities, Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Citigroup Global Markets Limited, Daiwa Capital Markets America Inc., Goldman Sachs & Co. LLC, HSBC Securities (USA) Inc., J.P. Morgan Securities LLC, Mizuho Securities USA LLC, MUFG Securities Americas Inc., Standard Chartered Bank, and any other Dealer appointed from time to time in accordance with the Dealer Agreement which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Prospectus to the "**relevant Dealer"** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Each Series of Notes is issued either in bearer form or in registered form and Notes comprising each such Series will be issued in each case in the nominal amount of the denomination specified (the "**Specified Denomination**") in the applicable final terms (the "**Final Terms**"). The maximum aggregate principal amount of all Notes from time to time outstanding under the Program will not exceed US$4,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement), subject to increase in accordance with the terms of the Dealer Agreement.

Notes will be issued by the Issuer, indistinctly, through its head office in Santiago, Chile, or its branch office in Miami, Florida, United States, as it will be specified in the applicable Final Terms.

Notes may be distributed by way of public offer (in jurisdictions in which a public offer of the Notes is permitted) or private placement and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.

Notes will be issued on a continuous basis in tranches (each a "**Tranche**"), each Tranche consisting of Notes which are identical in all respects (including as to admission to trading and listing). One or more Tranches which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (except for different issue dates, interest commencement dates, issue prices and dates for first interest payments) may form a series ("**Series**") of Notes. Further Notes may be issued as part of existing Series. The specific terms of each Tranche will be set forth in the applicable Final Terms.

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms. If the Notes are admitted to trading on a regulated market or other trading platform in the EEA or UK or offered to the public in a Member State of the EEA or in the UK in circumstances which would otherwise require the publication of a prospectus under the Prospectus Regulation or the UK Prospectus Regulation, the minimum Specified Denomination of the Notes will be Euro 100,000 (or, if the Notes are denominated in a currency other than the Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Notes having a maturity of less than 12 months will not be offered to the public or admitted to trading on a regulated market.

Notes may be issued at an issue price which is at par or at a discount to, or premium over par, as specified in the applicable final terms.

The offering of the Notes by the Dealers is subject to receipt and acceptance of orders and subject to the Dealers' right to reject any order in whole or in part.

References in this Prospectus to Notes which are intended to be listed (and all related references) shall mean that an application will be made for such Notes to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for purposes of MiFID II. The Program provides that the Notes (other than Indexed Notes) may be listed or admitted to trading on other or further stock exchanges including, but not limited to, the Frankfurt Stock Exchange and the SIX Swiss Exchange, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own financial situation. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer or any Dealer in that regard. See "Risk Factors" beginning on page 3.

Bearer Notes will be accepted for clearing through one or more Clearing Systems as specified in the applicable Final Terms. These Clearing Systems will include those operated by Clearstream Banking AG, Frankfurt ("**CBF**"), Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream, Luxembourg**") and Euroclear Bank S.A./N.V. ("**Euroclear**").

Registered Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of The Depository Trust Company ("**DTC**"), (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, or (iii) be deposited with a custodian or depositary for, and registered in the name of, a nominee of any other clearing system specified for a particular Tranche or Series of Notes, in each case, as specified in the applicable Final Terms. No beneficial owner of an interest in a Registered Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

Bank of America, National Association, (operating through its London branch) will act as fiscal agent (the "**Fiscal Agent**"), unless otherwise stated in the applicable final terms. Bank of America, National Association, (operating through its London branch) (the "**Non-U.S. Transfer Agent**") and Bank of America, National Association (the "**U.S. Transfer Agent**") will act as transfer agents (the "**Transfer Agents**"). Bank of America, National Association, (operating through its London branch) (the "**Non-U.S. Paying Agent**"), Bank of America, National Association (the "**U.S. Paying Agent**") and other institutions, all as indicated in the applicable final terms, as paying agents (the "**Paying Agents**"). Bank of America Europe DAC (successor in interest to Merrill Lynch Equity S.à.r.l.) will act as European registrar (the "**European Registrar**"). Bank of America, National Association will act as the U.S. registrar (the "**U.S. Registrar**," and together with the European Registrar, the "**Registrars**"). Bank of America, National Association, (operating through its London branch) will act as exchange agent ("**Exchange Agent**"). The Fiscal Agent, the Transfer Agents, the Paying Agents, the Registrars and the Exchange Agent are hereinafter referred to as the "**Agents**."

The Issuer reserves the right to vary such appointments and will publish notice of such change of appointment in a newspaper having a general circulation in Luxembourg (which is currently expected to be *LuxemburgerWort*) or on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

RISK FACTORS

An investment in the Notes is subject to risks and uncertainties. You should carefully consider the risks described below, in addition to the other information contained in this Prospectus, before deciding whether to purchase the Notes. Realization of any of these risks could have a material adverse effect on our business, financial condition, cash flows and results of operations or could materially and adversely affect the value or liquidity of the Notes and result in the loss of all or part of your investment in the Notes. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect us, which could also result in the loss of all or part of your investment in the Notes.

Risks Relating to our Business

Inflation and government measures to curb inflation may adversely affect the Chilean economy and our business and results of operations.

Chile experienced inflation of 2.3%, 2.6%, 3.0%, 3.0% and 7.2% during 2017, 2018, 2019, 2020 and 2021, respectively. The increase in inflation in 2021 was due to the measures adopted by the Chilean government to provide additional liquidity to the Chilean markets in order to mitigate the negative effects of the COVID-19 pandemic. Such additional liquidity was achieved mainly by authorizing withdrawals of pension funds. The measures taken by the Central Bank of Chile to control inflation have included maintaining a tight monetary policy with a recent increase of interest rates, thereby restricting the availability of credit and economic growth. On October 13, 2021, the Central Bank of Chile agreed to raise the Monetary Police Interest Rate from 1.50% to 2.75%, on December 14, 2021, the Central Bank of Chile agreed to raise it to 4%, and on February 10, 2022, the Central Bank of Chile agreed to raise again to 5.5%, the current rate as of the date of this Prospectus. Inflation, measures to control inflation and public speculation about possible additional actions have also contributed materially to economic uncertainty in Chile and to heightened volatility in its securities markets. High and extended levels of inflation in Chile could adversely affect the Chilean economy and have an adverse effect on our business, financial condition and results of operations. The possibility of a deflationary environment could also have an adverse effect on our business, financial condition and results of operations.

Our assets and liabilities are denominated in Chilean pesos, UF and foreign currencies. The UF is revalued in monthly cycles. On each day in the period beginning on the tenth day of any given month through the ninth day of the succeeding month, the nominal peso value of the UF is indexed up (or down in the event of deflation) in order to reflect a proportionate amount of the variation in the Chilean consumer price index during the prior calendar month. There can be no assurance that our business, financial condition and result of operations in the future will not be adversely affected by changing levels of inflation, including from extended periods of inflation that adversely affect economic growth or periods of deflation.

Our results of operations are affected by interest rate volatility.

Our results of operations depend to a great extent on our net interest income. Net interest income represented 69.9% of our operating income in 2019, 71.8% in 2020, and 73.9% in 2021. Changes in market interest rates could affect the interest rates earned on our interest-earning assets differently from the interest rates paid on our interest-bearing liabilities, leading to a reduction in our net interest income. In addition, increases in interest rates could increase the debt service obligations of our customers and result in higher levels of impaired loans.

Interest rates are highly sensitive to many factors beyond our control, including the reserve policies of the Central Bank of Chile, deregulation of the financial sector in Chile, domestic and international economic and political conditions, among other factors. In the current 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.

Global macroeconomic conditions have deteriorated as a result of the expansion of the COVID-19 pandemic and the associated financial turmoil, which has negatively affected and continues to negatively affect households, businesses and the economy. In response to these developments, central banks have adopted significant monetary stimulus aimed to facilitating the provision of liquidity and the normal functioning of credit markets. On March 16, 2020, the Central Bank of Chile announced a reduction of 75 basis points in the monetary policy interest rate bringing it down to 1%, and on March 31, 2020, the Central Bank of Chile announced a further reduction in the monetary policy interest rate to 0.5%, a technical minimum. In 2021, as economic activity resumed and inflation increased, the Central Bank of Chile began to phase out monetary stimulus. On August 28, 2021, as inflation levels increased in Chile and the region, the Central Bank of Chile announced that in order to curb inflation it would double the benchmark interest rate from 0.75% to 1.5%. In December

2021, the monetary policy rate reached 4.0%. On February 10, 2022, the Central Bank of Chile raised the monetary police interest rate to 5.5%, the current rate as of the date of this Prospectus.

Any changes in interest rates could adversely affect our business, our future financial performance and the price of our securities. The following table shows the monetary policy interest rate as reported by the Central Bank of Chile at the dates indicated.

Date	Average Monetary Policy Interest Rate (%)
December 31, 2012	5.0
December 31, 2013	4.9
December 31, 2014	3.7
December 31, 2015	3.1
December 31, 2016	3.5
December 31, 2017	2.7
December 31, 2018	2.6
December 31, 2019	2.4
December 31, 2020	0.8
December 31, 2021	1.4

Source: Central Bank of Chile.

The COVID-19 pandemic resulted in recognition of credit losses in our loan portfolios and increase in our additional provisions for credit losses, and has affected and may continue to affect our capacity to provide services to our customers.

The COVID-19 pandemic could influence the recognition of credit losses in our loan portfolios and increase our additional provisions for credit losses, particularly as businesses remain closed and as more customers are expected to draw on their lines of credit or seek additional loans to help finance their businesses. For the year ended December 31, 2021, we added US$217 million to our additional provisions for loan losses generated from our commercial real estate loan portfolio, primarily as a result of the COVID-19 pandemic.

In response to the pandemic, we have implemented loan programs to allow borrowers to defer loan principal and interest payments. The extent to which the COVID-19 pandemic continues to negatively impact our business, results of operations, and financial condition, as well as our regulatory capital and liquidity ratios, will depend on future developments, which are highly uncertain and cannot be predicted, including the scope and duration of the COVID-19 pandemic and actions taken by governmental authorities and other third parties in response to the pandemic.

In addition, the spread of COVID-19, or actions taken to mitigate this spread, could have material and adverse effects on our ability to operate effectively, including as a result of the complete or partial closure of facilities or labor shortages. Disruptions in public and private infrastructure, including communications, financial services and supply chains, could materially and adversely disrupt our normal business operations and those of our customers and borrowers. We transitioned a significant subset of our employee population to a remote work environment in an effort to mitigate the spread of COVID-19, as have a number of our third-party service providers, which may exacerbate certain risks to our business, including an increased demand for information technology resources, increased risk of phishing and other cybersecurity attacks, and increased risk of unauthorized dissemination of sensitive personal information or proprietary or confidential information about us or our members or other third-parties.

Such an increase in traffic in telephone and digital channels over a short period of time has caused and may continue to cause network congestion and result in longer customer waiting times for our clients, thereby affecting our capacity to service their needs, which could have a material and adverse effect on our business and results of operations. We may also take further actions that alter our business operations, as may be required by federal, state or local authorities, or that we determine are in the best interests of our employees, suppliers and clients.

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

The Chilean market for financial services is highly competitive. We compete with other private sector Chilean and non-Chilean banks, with Banco del Estado de Chile (the only public sector bank) and with department stores and larger supermarket chains that make consumer loans and sell other financial products to a large portion of the Chilean population. The lower middle- to middle-income segments of the Chilean population and the small- and medium-sized corporate segments have become the target markets of numerous other banks, and competition in these segments is likely to increase. As a result, net interest margins in these segments are likely to decline generally, and we cannot assure you that our net interest margins will be maintained at their current levels. In addition, there has been a trend towards consolidation in the Chilean banking industry in recent years, which has created larger and stronger banks with which we must now compete. There can be no assurance that this increased competition will not adversely affect our growth prospects and operations by decreasing the net interest margins we are able to generate. We also face competition from non-banks (such as leasing, factoring and automobile finance companies, as well as savings associations), non-finance competitors (principally department stores and large supermarket chains), and insurance companies with respect to some of our credit products, such as credit cards, consumer loans and insurance brokerage, mutual funds, pension funds and savings products.

Non-traditional providers of banking services, such as internet based e-commerce providers, mobile telephone companies and internet search engines may offer and/or increase their offerings of financial products and services directly to customers. These non-traditional providers of banking services currently have an advantage over traditional providers because they are not subject to banking regulation. Several of these competitors may have long operating histories, large customer bases, strong brand recognition and significant financial, marketing and other resources. They may adopt more aggressive pricing and rates and devote more resources to technology, infrastructure and marketing.

The persistence or acceleration of this shift in demand towards internet and mobile banking may necessitate changes to our retail distribution strategy, which may include closing and/or selling certain branches and restructuring our remaining branches and work force. These actions could lead to losses on these assets and may lead to increased expenditures to renovate, reconfigure or close a number of our remaining branches or to otherwise reform our retail distribution channel. Furthermore, our failure to swiftly and effectively implement such changes to our distribution strategy could have an adverse effect on our business, financial condition and results of operations.

Our ability to maintain our competitive position depends, in part, on the success of new products and services we offer our clients and our ability to continue offering products and services from third parties, and we may not be able to manage the various risks we face as we expand our range of products and services, which could have a material adverse effect on us.

The success of our operations and our profitability depends, in part, on the success of new products and services we offer our clients. However, we cannot guarantee that our new products and services will be responsive to client demands, or that they will be successful.

In addition, our clients' needs or desires may change over time, and such changes may render our products and services obsolete, outdated or unattractive and we may not be able to develop new products that meet our clients' changing needs. Our success is also dependent on our ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry and our failure to effectively anticipate or adapt to emerging technologies or changes in customer behavior, including among younger customers, could delay or prevent our access to new digital-based markets, which would in turn have an adverse effect on our business, financial position and results of operations. Technological changes, including cryptocurrencies and payment systems, may further intensify and complicate the competitive landscape and influence client behavior and could require substantial expenditures to modify or adapt our existing products and services as we continue to grow our internet and mobile banking capabilities. Our customers may choose to conduct business or offer products in areas that may be considered speculative or risky. Such new technologies could negatively impact our investments in bank, premises, equipment and personnel for our branch network. If we cannot respond in a timely fashion to the changing needs of our clients or our competitors are better able to anticipate market trends, we may lose clients and market share, which could in turn materially and adversely affect us.

We are vulnerable to disruptions and volatility in the global financial markets.

Since the beginning of the financial crisis in 2008, the global financial system has experienced changing financial conditions. Initially, the negative effects of the crisis meant tighter financial conditions that led to greater volatility, general widening of interest rates spreads, tighter liquidity conditions and, in some cases, a lack of price transparency in interbank lending. As a result, the world economy deteriorated significantly from the second half of 2008 and many countries, including the United States, fell into recession. Many major financial institutions, including some of the world's largest commercial banks, investment banks, mortgage lenders, mortgage guarantors and insurance companies have experienced significant difficulties. In many parts of the world, there were runs on deposits, and a number of institutions had to be capitalized, while many savers and institutional investors reduced or ceased providing funding (including other financial institutions). Although many countries have recovered, this recovery may not be sustainable.

A contraction of the global financial system or a rapid reversal of favorable financial conditions could adversely affect our ability to access capital and liquidity on financial terms acceptable to us. If capital market financing ceases to become available, or becomes excessively expensive, we may be forced to raise the rates we pay on deposits to attract customers. Any such increase in capital market funding costs or in deposit rates could have a material adverse effect on our interest margins.

In Chile, the global economic recession of 2008 caused an increase in unemployment, a decline in consumption, housing market and economic activity in general. However, helped by a significant increase in investment in mining, the economy was able to grow about 5.5% between 2010 and 2013. Thereafter, as the mining investing boom started to come to an end and international financial conditions started to normalize, the rate of growth decreased towards levels that are closer to Chile's current potential growth. Chilean GDP grew 1.2% in 2017, 3.9% in 2018, and 1.1% in 2019. Although GDP contracted 5.8% in 2020, mainly due to the negative effects of the COVID-19 pandemic on the Chilean economy, GDP grew 12% in 2021, mainly due to an increase in fiscal transfers to households and the pension funds withdrawals approved by the Chilean government in 2020 and 2021.

The global economy remains fragile and the consequences for the Chilean economy from a slowdown in the world economy are a source of risk. In particular, the COVID-19 pandemic has had and continues to have a significant adverse impact on the world economy of a magnitude that is not yet determinable over the long term. In addition, social and political circumstances in Chile and around the world (including wars and other forms of conflict) may also contribute to increased market volatility and economic uncertainties or deterioration in Chile and worldwide. Any consequent disruptions in the Chilean economy, as a consequence of global disruptions, such as the COVID-19 pandemic, may lead to a decrease in demand for individual and corporate borrowing, a decrease in demand for financial services, a decrease in credit card spending and an increase in past due or delinquent loans which may in turn materially and adversely affect our financial condition and results of operation.

We are currently operating in a period of economic uncertainty and capital markets disruption, which has been significantly impacted by geopolitical instability due to the ongoing military conflict between Russia and Ukraine.

Our business, financial condition and results of operations may be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions. Global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the start of the military conflict between Russia and Ukraine. On February 24, 2022, a full-scale military invasion of Ukraine by Russian troops was reported. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices (in particular oil and gas), credit and capital markets, increase in our energy and other input costs, and supply chain interruptions for some of our and our customers' equipment and vehicles' components, including as a result of uncertainties with regard to Russia's production and export of oil and gas, aluminum and other materials. We are continuing to monitor the situation in Ukraine and globally and assessing its potential impact on our business.

Additionally, Russia's prior annexation of Crimea, recent recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military interventions in Ukraine have led to sanctions and other penalties being levied by the United States, European Union and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic, and the so-called Luhansk People's Republic, including agreement to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication payment system. Additional potential sanctions and penalties have also been proposed and/or threatened. Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets, potentially making it more difficult for us to obtain additional funds. Specifically, the ongoing conflict between Russia and Ukraine, the sanctions and restrictive actions imposed against Russia, and the resulting market volatility, could adverseley affect the Chilean economy and could lead to a decrease in demand for individual and corporate borrowing, a decrease in demand for financial services, and an increase in past due or delinquent loans, which may in turn materially and adversely affect our business, financial condition and results of operation.

Any of the abovementioned factors could affect our business, prospects, financial condition, and operating results. The extent and duration of the military action, sanctions and resulting market disruptions are impossible to predict, but could be substantial. Any such disruptions may also magnify the impact of other risks described in this Prospectus.

Our allowances for loan losses may not be adequate to cover the future actual losses on our loan portfolio.

As of December 31, 2021, our total amount recorded to cover loan losses was Ch$1,102,203 million which consists of our allowance for loan losses (contra-asset account) plus an additional voluntary provision recorded in provisions which, in turn, are recorded in liabilities. The ratio of this total amount to our total loan portfolio as of December 31, 2021 was 2.69%. The amount of allowances is based on our current assessment of, and expectations relating to, various factors affecting the quality and the expected losses of our loan portfolio. These factors are beyond our control and include, among other things, our borrowers' financial condition, repayment abilities and repayment intentions, the realizable value of any collateral, the prospects for support from any guarantor, Chile's economic situation, government macroeconomic policies, interest rates and the legal and regulatory environment.

In addition, as these factors evolve, we may from time to time change our level of allowance for loan losses which can lead to increased provision expense. If our assessment of, and expectations relating to, the above mentioned factors differ from actual developments, or if the quality of our loan portfolio deteriorates or the future actual losses exceed our estimates, our allowances for loan losses may not be adequate to cover actual losses and we may need to make additional provisions which may materially and adversely affect our results of operations and financial condition.

Our exposure to individuals and small businesses could lead to higher levels of past due loans, allowances for loan losses and charge-offs.

A substantial number of our corporate customers consists of small- and mid-sized companies (those with annual revenues of between approximately UF2,400 and UF80,000) and individual customers in the lower-middle to middle income range (those with monthly income between approximately Ch$450,000 and Ch$3,000,000) of the Chilean population. A substantial portion of our loan portfolio consists of residential mortgage and consumer loans to lower-middle to middle income customers and commercial loans to small- and medium-sized companies.

As of December 31, 2021, loans to retail and to small- and medium-sized companies represented together approximately 37.5% of our loan portfolio at such date. In addition, important features of our strategy are to increase lending and the provision of other services to, and gain new customers in, these customer segments. The quality of our portfolio of loans to retail and small and medium-sized companies is dependent to a significant extent on economic conditions prevailing from time to time in Chile. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Overview—Impact of Economic Conditions in Chile." Small and medium-sized companies and lower-middle to middle income individuals are more likely to be more severely affected by adverse developments in the Chilean economy than large corporations and high-income individuals. As a result, lending to these segments represents a relatively higher degree of risk than lending to such other market segments. Consequently, we may experience higher levels of past due amounts, which could result in higher provisions for loan losses. In addition, large scale consumer and mortgage lending is a relatively new business segment in the Chilean banking system, having existed for about 20 years. Therefore, there can be no assurance that the levels of past due amounts and subsequent charge-offs will not be materially higher in the future.

The growth of our loan portfolio may expose us to increased loan losses.

During the period from December 31, 2020 to December 31, 2021, our consumer loan portfolio increased 1.23% to Ch$3,430,998 million compared to a decrease of 13.9% during 2020, and our aggregate commercial loan portfolio increased 15.60% from Ch$23,173,727 million to Ch$26,788,920 million as of December 31, 2021. The further expansion of our loan portfolio (particularly in the consumer, small- and medium-sized companies and real estate segments) can be expected to expose us to a higher level of loan losses and require us to establish higher levels of provision for loan losses, particularly if our loans to borrowers in certain riskier industries do not perform as we expect.

Our loan portfolio may not continue to grow at the same or similar rates as it has grown in the past.

Our acquisitions of TotalBank in June 2018, the four entities forming part of Walmart Chile Servicios Financieros (Servicios Financieros y Administración de Créditos Comerciales S.A., Administradora de Tarjetas Servicios Financieros Limitada, SSFF Corredores de Seguros y Gestión Financiera LTDA, and Servicios y Cobranzas SEYCO LTDA, which we refer to collectively as "Servicios Financieros") in December 2018, and Executive National Bank by City National Bank of Florida in October 2020 led to growth of our loan portfolio.

Past performance of our loan portfolio may not be indicative of future performance. Our loan portfolio may not continue to grow at the same or similar rates as the growth rate that we historically experienced, particularly in light of the ongoing COVID-19 pandemic. Additionally, changes in the Chilean economy, a slowdown in the growth of customer demand, an increase in market competition or changes in governmental regulations could also adversely affect the rate of growth of our loan portfolio and our risk index.

The value of the collateral securing our loans may not be sufficient or may be less than initially estimated, and we may be unable to realize the full value of the collateral securing our loan portfolio.

The value of the collateral securing our loan portfolio may significantly fluctuate or decline due to factors beyond our control, including macroeconomic factors affecting Chile's economy. For instance, the real estate market is particularly vulnerable in the context of negative economic conditions. Decreased real estate prices may adversely affect us because real estate represents a significant portion of the collateral securing our residential mortgages loan portfolio. We may also not have sufficient information on the value of collateral, which may result in an inaccurate assessment for impairment losses of our loans secured by this collateral. If this were to occur, we may need to make additional provisions to cover actual losses of our loans, which may materially and adversely affect our results of operations and financial condition.

In addition, there are certain provisions under Chilean Law No. 19,335 that may limit our ability to foreclose upon and dispose of mortgaged residential property if the real estate in question has been declared "family property" by a court. There can also be no assurance that the assumptions relied on to assess the value of such collateral are accurate measures and thus the value of such collateral may be evaluated inaccurately. Consequently, the price at which we are able to sell any collateral in the event of an attachment or foreclosure may be lower than the valuation of such collateral. All of this may have an adverse effect on our results of operations and financial condition.

A sudden shortage of deposits could cause an increase in costs of funding and an adverse effect on our revenues.

Deposits (current accounts and demand deposits plus term deposits and saving accounts as shown in our consolidated financial statements) are our primary source of funding, representing 59.6% of our total liabilities as of December 31, 2021. As of the same date, 73% of our deposits had remaining maturities of one year or less or were payable on demand. A significant portion of our assets have longer maturities, resulting in a mismatch between the maturities of liabilities and the maturities of assets. If a substantial number of our depositors withdraw their demand deposits or do not roll over their deposits upon maturity, our liquidity position, results of operations and financial condition may be materially and adversely affected. For example, large-denominations in deposits from institutional investors may be a less stable source of funding than savings and bonds under some circumstances, such as during periods of significant changes in market interest rates for these types of deposits and any resulting increased competition for these funds. In the event of a sudden or unexpected shortage of funds in the banking system, the money markets in which we operate may not be able to maintain the levels of funding and we may not have access to funding without incurring higher costs or the liquidation of certain assets. If this were to happen, our results of operations and financial condition may be materially and adversely affected.

Liquidity risk may impair our ability to fund our operations and adversely affect our financial condition.

Ready access to funds is essential to any banking business, including ours. We rely on access to financial markets for short- and long-term financing. An inability on our part to access funds or to access the markets from which we raise funds may put our positions in assets at risk and lead us to be unable to finance our operations adequately. These and other factors also could lead creditors to form a negative view of our liquidity, which could result in less favorable credit ratings, higher borrowing costs and less accessible funds. We may be unable to secure additional funding in the capital markets if conditions in these markets or our credit ratings were to deteriorate. As an integral part of our liquidity management strategy involves accessing capital markets in order to ensure that a significant portion of our funding matures at a predictable rate, an inability to secure funding at favorable rates in the capital markets could affect the soundness of our liquidity position and have a material adverse effect on our business, financial condition and results of operations.

In addition, our ability to raise or access funds may be impaired by factors that are not specific to our operations, such as general market conditions, severe disruption of the financial markets or negative views about the prospects of the industries to which we provide a large proportion of our loans. Strains on our liquidity caused by any of these factors or otherwise could adversely affect our business, financial condition and results of operations.

We have exposure to certain clients and groups of related companies.

We have loan exposure to certain groups of companies that are related to each other and/or under common control. As of December 31, 2019, 2020 and 2021, our loans to borrowers in each of the related companies with respect to which we had our highest levels of loan exposure accounted for 3.7%, 4.9% and 5.9%, respectively, of our total loan portfolio. The percentage of these loans to borrowers as of December 31, 2021 considers clients with loans of more than Ch$5,000 million. The deterioration of the financial condition of one or more of these related companies and/or their principal shareholders could materially and adversely affect the group of related companies which in turn could adversely affect our asset quality, results of operations and financial condition.

If we are unable to maintain the quality of our loan portfolio, our financial condition and results of operations may be materially and adversely affected.

As of December 31, 2019, 2020 and 2021, our impaired loans were Ch$1,402,433 million, Ch$1,507,897 million and Ch$1,502,866 million, respectively, and the ratio of our impaired loans to total loans was 4.1%, 4.3% and 3.7%, respectively. Although we seek to continue to improve our credit risk management policies, procedures and systems, they may have deficiencies. Failure of credit risk management policies is likely to result in an increase in the level of impaired loans and adversely affect the quality of our loan portfolio. In addition, the quality of our loan portfolio may also deteriorate due to various other reasons, including factors beyond our control, such as the macroeconomic factors affecting Chile's economy. Any such deterioration could materially and adversely affect our financial condition and results of operations.

The effectiveness of our credit risk management is affected by the quality and scope of information available in Chile.

In assessing customers' creditworthiness, we rely largely on the credit information available from our own internal databases, the CMF, Dicom (a Chilean nationwide credit bureau) and other sources. Due to limitations in the availability of information and the developing information infrastructure in Chile, our assessment of the credit risks associated with a particular customer may not be based on complete, accurate or reliable information. In addition, our credit scoring systems may not be able to collect complete or accurate information reflecting the actual behavior of customers and customers' credit risk may be assessed incorrectly. Without complete, accurate and reliable information, we have to rely on other publicly available resources and our internal resources, which may not be accurate and effective. As a result, our ability to effectively manage our credit risk may be materially and adversely affected.

We may generate less income from fee- and other commission-based transactions.

Market downturns as well as below-market performance of the assets we manage usually result in a decrease in the number of transactions carried out by us on behalf of our clients and, consequently, a decrease in our fee income. Furthermore, as the portfolio management fees charged by us to our clients are often based on the value or performance of these portfolios, below-market performance which reduces the value of our client portfolios or which increases the number of fund withdrawals may reduce our income derived from portfolio management, private banking and securities deposits. Below-market performance of our investment funds may also cause client investments to be withdrawn or reduced, thereby reducing our asset management income.

The legal restrictions on the exposure of Chilean pension funds may affect our access to funding.

Chilean regulations impose restrictions on the share of assets that a Chilean pension fund management company (*Administradora de Fondos de Pensión*, or "**AFPs**," and each, an "**AFP**") may allocate to a single issuer, which is currently 7.0% per fund managed by an AFP (including any securities issued by the issuer and any bank deposits with the issuer of the securities). If the exposure of an AFP to a single issuer exceeds the 7.0% limit, the AFP is required to reduce its exposure below the limit within three years. If the exposure of any AFP to us exceeds the regulatory limit or the regulatory limit is reduced, we would need to seek alternative sources of funding, which could be more expensive and, as a consequence, may have a material adverse effect on our financial condition and results of operations. As of December 31, 2021, no AFP that had term deposits with us had exceeded the regulatory limit.

Pension funds must also comply with other investment limits. In 2007, approved legislation in Chile (*Reformas al Mercado de Capitales II*, also known as "**MK2**") loosened the limits on making investments abroad in order to allow pension funds to further diversify their investment portfolios. As of December 31, 2021, the limit on investments abroad was within a range of 70% to 90%, depending on the nature of the fund. If the AFPs significantly change the composition of their portfolios and withdraw a considerable part of their term deposits with us, we may not be able to substitute these institutional funds with retail deposits, which would have a material adverse impact on our business, financial condition and results of operations.

In January 2020, the Chilean government introduced a new bill to the Chilean Congress (*Congreso Nacional de Chile*) to reform the country's pension system. The potential adverse effect of the proposed law on our financial condition and results of operations cannot yet be ascertained. For more information, see "—Chile's banking regulatory and capital markets environment is continually evolving, and new regulation of the financial services industry in Chile could increase our costs and result in lower profits."

In the context of the COVID-19 pandemic, Law No. 21,248, Law No. 21,295 and Law No. 21,330 were enacted in Chile in 2020 and 2021, which allowed taxpayers, including retirees, to withdraw up to 10% of the funds accumulated in the individual capitalization account of each taxpayer with a cap of 150 UF (US$5,600 approximately) and with a minimum of 35 UF (US$1,300 approximately). As of December 31, 2021, pension fund withdrawals totalized US$50 billion, which is equivalent to approximately 20% of Chile's GDP. In February 2022, the Chilean Congress approved a new law in order to make supplemental payments to individuals with low pension contributions. Such supplemental payments will be financed with the reallocation of public sources and new taxes.

We may be unable to meet requirements relating to capital adequacy.

Chilean banks are required by the Chilean General Banking Law (*Ley General de Bancos*) to maintain regulatory capital of at least 8% of consolidated risk-weighted assets, net of required loan loss allowance and deductions, and paid-in capital and reserves ("basic capital") of at least 4.5% of their risk-weighted assets and 3.0% of their total consolidated assets, both net of required loan loss allowances. As of December 31, 2021, the ratio of our regulatory capital to consolidated risk-weighted assets, net of loan loss allowance and deductions, was 13.51%. As of the same date, we had a basic capital to consolidated risk-weighted assets ratio of 9.99%. Certain developments could affect our ability to continue to satisfy the current capital adequacy requirements applicable to us, including:

- the increase of risk-weighted assets as a result of the expansion of our business;
- the failure to increase our capital correspondingly;
- losses resulting from a deterioration in our asset quality;
- declines in the value of our investment instrument portfolio;
- changes in accounting rules;
- changes in the guidelines regarding the calculation of the capital adequacy ratios of banks in Chile; and
- changes in the guidelines regarding required additional allowances for loan losses.

On January 12, 2019, the Chilean government passed Law No. 21,130 that amends, among others, the General Banking Law (the "**Amendment to the General Banking Law**") and establishes new capital regulations for banks in Chile in line with Basel III standards. Pursuant to the Amendment to the General Banking Law, the CMF assumed the authority of the Superintendency of Banks and Financial Institutions's ("**SBIF**"), the former Chilean regulator for banks and financial institutions, as of June 1, 2019, and the CMF (or other regulators, as applicable) must enact all applicable regulations implementing the changes provided for in the Amendment to the General Banking Law. The implementation of the Basel III standards has been scheduled for December 31, 2025.

Further, pursuant to the Amendment to article 66 of the General Banking Law, we will also be required to maintain basic capital requirements at or above 4.5% of our risk-weighted assets and not lower than 3% of our total assets net of required allowances for loan losses, and additional basic capital equivalent to 2.5% of our risk-weighted assets, net of required allowances for loan losses, over the required effective equity. Banks in Chile must implement capital buffers in addition to the minimum legal requirement established about systemic charge and Pillar II of the General Banking Law. As a result, we will be required to maintain a conservation buffer corresponding to a fixed amount equal to 2.5% of our risk-weighted assets, over the effective equity required in accordance with article 66 of the General Banking Law, using basic capital. Additionally, the Central Bank of Chile may activate an additional basic capital requirement in article 66 of the General Banking Law, equivalent to the countercyclical buffer, which may range between 0% and 2.5% of our risk-weighted assets. In order for us to maintain our solvency classification at level A (the highest level), we must fully satisfy the aforementioned capital buffers. If we have a deficit in compliance with the capital buffers, distribution of profits for the year will be limited, and our shares will be restricted from being acquired by its controlling shareholders, unless we have prior authorization from the CMF.

See "Regulation and Supervision—The Banking System—Capital Adequacy Requirements."

We may be required to raise additional capital in the future in order to maintain our capital adequacy ratios above the minimum required levels. Our ability to raise additional capital may be limited by numerous factors, including: our future financial condition, results of operations and cash flows; any necessary government regulatory approvals; our credit ratings; general market conditions for capital raising activities by commercial banks and other financial institutions; and domestic and international economic, political and other conditions.

If we require additional capital in the future, we may not be able to obtain such capital on favorable terms, in a timely manner or at all. Furthermore, the CMF may increase the minimum capital adequacy requirements applicable to us and we may face difficulties in meeting these requirements in the future. If we fail to meet the capital adequacy requirements, we may be required to take corrective actions. These measures could materially and adversely affect our business reputation, financial condition and results of operations. In addition, if we are unable to raise sufficient capital in a timely manner, the growth of our loan portfolio and other risk-weighted assets may be restricted, and we may face significant challenges in implementing our business strategy. As a result, our financial condition and results of operations could be materially and adversely affected.

The Pillar II banking supervision process will be carried out annually by the CMF, and may impose additional equity requirements on those banks that have risks not sufficiently covered with the requirements set forth in Pillar II. Such requirements may be satisfied through additional basic capital, or with AT1 (perpetual bonds and preferred shares) and/or T2 instruments (subordinated bonds and voluntary provisions). The equity requirement imposed on the Bank may not exceed 4% of its risk-weighted assets. In April 2021, banks in Chile delivered their first Effective Equity Self-Assessment Report, which describes the process to identify, measure and add risks, and determine the effective equity necessary to cover them in the short and medium-term horizon (at least three years). In the event of an equity deficit in the projection horizon, with respect to the internal objective or regulatory minimums in the stress scenarios, the bank must propose mitigation actions to overcome this deficit, which may consider, among others: (i) reductions in loan targets or changes in the risk-weighted assets profile, (ii) adjustments to the credit granting policy and its effects on expected losses, (iii) adjustments to the dividend policy, (iv) adjustments to the business profile, (v) adjustments to the risk management policy, and (vi) capital increases of level 1 or 2.

Our trading activities expose us to volatility in market prices, declines in market liquidity or fluctuations in foreign currency exchange rates, which may result in losses that could have a material adverse effect on our business, financial condition and results of operations.

As part of our treasury operations, we trade various financial instruments and other assets, including debt, fixed income, currency and related derivatives both as agent and as principal, and we derive a portion of our non-interest income from trading revenues. Our Assets and Liabilities Committee sets position limits for Chilean pesos, UF and foreign currency-denominated securities in accordance with our overall risk management policy as well as the requirements of the CMF. In addition, a major part of our trading activity is related to customer transactions and we may still be exposed to a number of risks related to the variation of market prices in the underlying instruments, including the risk of unfavorable market price movements relative to our long or short positions, a decline in the market liquidity of the related instruments, volatility in market prices, interest rates or foreign currency exchange rates relating to these positions and the risk that the instruments that we use to hedge certain positions do not provide an effective hedge to the risk of those positions. If we incur any losses from these exposures, it would reduce our trading activity revenues or cause us to suffer losses from trading activities, either of which could have a material adverse effect on our business, financial condition and results of operations.

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. A partial or a complete failure of any of these primary systems could materially and adversely affect our decision-making process, our risk management and internal control systems as well as our ability to respond on a timely basis to changing market conditions. In addition, we may experience difficulties in upgrading, developing and expanding our information technology systems quickly enough to accommodate our growing customer base.

We have an architecture that operates based on two data centers that cover all our critical systems and multichannel services that are used on an ongoing basis 24-hours a day, seven days per week, which allows us to run the business and also covers the event of a catastrophe or a failure of our primary systems. However, we do not operate all of our back-up systems on a real-time basis and our business activities may be materially disrupted if there were a partial or complete failure of any of these primary information technology systems or communication networks. System failures may occur as a result of a variety of causes including software bugs, computer virus or other cyberattacks or conversion errors due to system upgrading. The corporate cybersecurity strategy is based on the Federal Financial Institutions Examination Council ("**FFIEC**") and the risks mentioned before are permanently monitored by three defense lines (Cybersecurity, Information Security and Risk Compliance). In addition, any security breach caused by unauthorized access to information or systems, or intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment could have a material adverse effect on our business. If we cannot maintain an effective data collection and management system or if there is any substantial failure to improve or upgrade our information technology systems effectively or on a timely basis to meet the changing circumstances of our business, our business, our ability to compete, our financial condition and our results of operations could be materially and adversely affected. In 2020, the Chilean banking industry suffered a hostile cyber threat scenario, as a result of which Chilean and foreign banks, customers, and suppliers were negatively affected by cybersecurity incidents, an increase in malware threats, Distributed Denial-of-Service ("**DDOS**") attacks and attacks to cybersecurity companies. Even though we did not lose any customer data and no information or infrastructure compromise points were identified, we cannot assure you that we will be able to contain or fend off those threats in the future.

During 2021, we faced new technological challenges in the context of the COVID-19 pandemic, including in relation to remote work and the greater use of remote communication channels by our clients. As a result, we increased our security controls in order to mitigate the risks of cyberattacks, including through remote connections and service providers. Cybersecurity training was focused on remote work issues and we were able to maintain the existing pre-pandemic controls, which include disaster recovery plan testings, vendor reviews, ethical hacking and cyber defense combat. As a result, we did not experience any material cybersecurity incidents during 2021.

Failure to protect personal information could materially and adversely affect our business, financial condition and results of operations.

The secure transmission of confidential information over the internet is essential to maintain our clients' confidence in our online services. 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 services. We are responsible for protecting customers' proprietary information as well as their accounts with us. As a result, we could be liable for breaches of security in our online banking services, including cybersecurity breaches.

We have a cybersecurity strategy based on the FFIEC, and have security measures and processes in place to defend against these cybersecurity risks. However, these cyber-attacks (including computer viruses, malicious code, phishing or other information security threats) are rapidly evolving, and we may not be able to anticipate or prevent all such attacks, which could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of our or our customers' confidential, proprietary and other information. In 2018, we and several other Chilean banks were subject to attempted cyberattacks. In 2020, other Chilean banks, customers and suppliers, were subject to malware threats, DDOS attacks and attacks directed at cybersecurity companies. Due to our security measures and processes, our systems were not breached. During 2021, we did not experience any material cybersecurity incidents. However, failure to protect against or mitigate breaches of security or other unauthorized disclosures could constitute a breach of privacy or other laws, subject us to legal actions and administrative sanctions as well as damages, adversely affect our ability to offer and grow our online services, result in the loss of customer relationships, negatively impact our reputation, and have an adverse effect on our business, results of operations and financial condition.

Operational problems or errors can have a material adverse impact on our business, financial condition and results of operations.

Like all large financial institutions, we are exposed to many types of operational risks, including the risk of fraud by employees and outsiders, failure to obtain proper internal authorizations, failure to properly document transactions, equipment failures and errors by employees. Fraud or other misconduct by our employees or third parties may be difficult to detect and prevent and subject us to financial losses and sanctions imposed by governmental authorities. Furthermore, potential or actual fraud or other misconduct by our employees may seriously harm our reputation. Although we maintain a system of operational controls, operational problems or errors may occur and their occurrence may have a materially adverse impact on our business, financial condition and results of operations.

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. For example, IFRS 9 established a new impairment model of expected loss and made changes to the classification and measurement requirements for financial assets, effective for Chilean banks for annual periods beginning on or after January 1, 2019, with certain exceptions, such as the recording and calculation of the provision for credit losses. The application of this new standard had no effect on the Bank's consolidated annual statements. IFRS 9 is applied by the Bank as of January 2022 with the exception of Chapter 5.5 indicated in the Accounting Standards Compendium issued by the Financial Market Commission on impairment of loans classified as financial assets at amortized cost. See "—Banking regulations may restrict our operations and thereby adversely affect our financial condition and results of operations."

In addition, IFRS 15, which became effective on January 1, 2018, establishes a new model for the recognition of recurrent revenue, which could have differed to some extent from the previous criteria. Further, we adopted IFRS 16 as of January 1, 2019, which implemented new standards for recognition, measurement, presentation and disclosure of leases. On the same date, we also adopted a new standard method for provisioning for commercial loans evaluated on a group basis. Changes made to accounting standards can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements. For further information about developments in financial accounting and reporting standards, see Note 1 to our Audited Consolidated Financial Statements.

Our insurance coverage may not adequately cover losses resulting from the risks for which we are insured.

We maintain insurance policies for our operations, including insurance for property, our money transport and directors' and officers' liability, as well as insurance against computer crimes and for employee dishonesty and mistakes, theft and fraudulent use of credit cards, central processing and automatic teller errors and our vehicles. Due to the nature of our operations and the nature of the risks that we face, there can be no assurance that the coverage that we maintain is adequate to cover the losses for which we believe we are insured.

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

We are subject to regulation by the CMF. In addition, we are subject to regulation by the Central Bank of Chile with regard to certain matters, including reserve requirements, interest rates, foreign exchange mismatches and market risks.

During the Chilean financial crisis of 1982 and 1983, the Central Bank of Chile and the former SBIF strictly controlled the funding, lending and general business matters of the banking industry in Chile. Since June 1, 2002, the Central Bank of Chile has allowed banks to pay interest on checking accounts. If new regulations, or other factors such as competition, amendment of interest rates to be paid on checking accounts, expansion of the conditions under which interest can be paid or increase in the number of checking accounts on which interest can be paid are enacted, such changes could have a material adverse effect on our financial condition or results of operations.

As a result of the global financial crisis, there has been an increase in government regulation of the financial services industry in many countries. Such regulation will also be increased in Chile, including the imposition of higher capital requirements, as mentioned above, heightened disclosure standards and restrictions on certain types of transaction structures, including limitations on the distribution of dividends to bank shareholders when new capital requirements are not met.

In addition, numerous regulatory proposals have been and will continue to be discussed or proposed in Chile. New regulations could require us to inject further capital into our business as well as in businesses we acquire, restrict the type or volume of transactions we enter into, or set limits on or require the modification of rates or fees that we charge on certain loans or other products, any of which could lower the return on our investments, assets and equity. We may also face increased compliance costs and limitations on our ability to pursue certain business opportunities. In December 2013, the Chilean Congress passed Law No. 20,715 (*Ley de Protección a Deudores de Créditos en Dinero*) modifying the maximum interest rate a bank may charge. For example, the product of the respective principal and the greater of (i) 1.5 times the current interest rate governing at the time of the transaction, as determined by the CMF for each type of credit transaction, and (ii) the current interest rate governing at the time of the transaction, increased by two annual percentage points.

For credit transactions denominated in local currency (not subject to indexation), amounting to 200 UF or less, for periods greater than or equal to ninety days, and except for transactions (a) entered into with foreign or international banks or financial entities; (b) agreed in foreign currency to finance foreign trade, (c) entered between the Central Bank of Chile and financial entities; and (d) where the borrower is a bank, it is legally prohibited to stipulate an interest rate exceeding the market interest rate existing at the time of the transaction with respect to which the increased value will be: (i) 14 percentage points, on an annual basis, for transactions exceeding 50 UF, and (ii) 21 percentage points, on an annual basis, for transactions equal to or under 50 UF. Other limits apply to special cases and credit card transactions. Other ceilings apply to small loans and consumer loans. Due to these changes, we may face a decrease in our income as a result of a decrease in the interest rate we may be able to charge our clients.

In January 2019, the Amendment to the General Banking Law was passed by the Chilean government. Among other things, the Amendment to the General Banking Law provides new minimum capital requirements in line with Basel III regulations, and new regulations regarding the corporate governance of the CMF and bank liquidation. These regulations require Chilean banks to comply with certain requirements in terms of equity strength. In the event of an equity deficit, with respect to the internal objective or regulatory minimums, banks must propose mitigation actions to overcome this deficit, with measures such as (i) a reduction in loan targets, which may lead to a decrease in our credit available to grant loans, restricting our operations and therefore adversely affecting our financial condition and results of operations, (ii) adjustments in the dividend policy, as a result of deficits in meeting capital buffers, and/or (iii) performing tier 1 or 2 capital increases. See "Regulation and Supervision—Banking Legislation."

In addition, the Consumer Protection Act was amended in March 2012 by Law No. 20,555 and in March 2019 by Law No. 21,081 (*Ley sobre Protección de los Derechos de Consumidores*), which introduced additional provisions relating to consumer's rights and the obligations of providers of financial products and services and granted supervision and oversight powers to the Bureau of Consumer Protection (*Servicio Nacional del Consumidor* or "**SERNAC**") in connection with financial services and products.

Law No. 20,555 introduced, among others, the provisions providing for: (1) new financial consumer's rights such as the right to request information from the provider regarding the total cost of a product or service (including prices, taxes, charges, commissions and fees, among others), the right to know the terms and conditions required by the provider to render the service or deliver the product, such as minimum income thresholds, the right to request updated information about the financial products and services and the right to receive with each financial contract a one-page summary including its key provisions; (2) prohibitions for the providers of financial products and services such as the prohibition to modify prices, fees, commissions, costs and charges of certain products or services under certain circumstances, the prohibition to mail unsolicited offers of financial products or agreements to consumers or to include offers to sell products or services attached to a different product or service; (3) the creation of a voluntary certification of financial products and services by the Bureau of Consumer Protection, which certifies that the relevant financial contract fulfills the applicable legal and regulatory requirements; and (4) special dispute resolution mechanisms such as mediation and arbitration for certain cases. Pursuant to this amendment of the Consumer Protection Act, providers of financial products and services had until June 5, 2012 to conform their contracts for the provision of financial services and products to meet the new requirements set forth by the amended Consumer Protection Act and comply with the new voluntary certification of the Bureau of Consumer Protection.

In addition, Law No. 21,081 aims to strengthen SERNAC by providing it with the authority to: (i) enact rules and guidelines, (ii) interpret legal or administrative regulations, (iii) preside over proceedings against financial institutions, and (iv) impose fines, exercise class actions, and carry out collective mediations, among other functions. In addition, this law increases fines for non-compliance up to the maximum amount of UTA 45,000 (*Unidades Tributarias Anuales*), which represented approximately Ch$29,252 million (or US$346 million) as of December 31, 2021.

On May 29, 2020, Law No. 21,234 established that transactions that customers of payment services, including those made by electronic means, do not recognize must be returned to the holder of the credit or debit card that was used in the transaction. This law does not allow payment service providers, such as banks, to offer fraud insurance for the use of credit or debit cards and holds payment service providers liable for damages caused as a result of security and protection deficiencies in their technological systems through which payment services are provided.

In June 2020, the President of the Republic enacted Law No. 21,236 which sets forth an inalienable right to financial portability for clients, i.e. all individuals or legal entities that are either considered consumers pursuant to the Law No. 19,496, or micro or small enterprises, pursuant to the Law No. 20,416, and that have any valid financial product or service with a financial provider. Better credit conditions offered by competing banks may result in the loss of our clients and a negative impact on our results of operations.

In January 2021, Law No. 21,307 was enacted in order to amend Law Decree No. 3,472 of 1980 that created the Collateral Fund for Small Business Owners ("**FOGAPE**") and under which an extraordinary credit facility was granted last year through Supreme Decree No. 130 of 2020, to deal with the pandemic impact. This amendment allows deferring mortgage loan installments under certain circumstances taking into account the "FOGAPE-Covid Loan" and extends the coverage of the state security granted by the FOGAPE for a maximum of five years to secure the deferred installments (until April 30, 2026); provided an agreement is reached between the lender and the borrower. This law also allowed the Chilean Government to introduce a new credit facility guaranteed by FOGAPE through Supreme Decree No. 32 of 2021, called "*Reactiva*". This 7-year term credit facility (which matures on 2028) is available for disbursement until December 31, 2021, and seeks to stimulate the reactivation and recovery of the national economy. Companies and entrepreneurships whose annual sales do not exceed UF 1,000,000 are eligible under this program; however, the coverage of this loan is higher for negatively affected economic sectors such as hotels, restaurants and tourism.

On December 25, 2021, Law No. 21,398 was enacted in order to protect consumers' rights. This law sets forth the obligation of financial institutions to inform consumers about their rights to sue such financial institutions. Any stipulation that limits the possibilities to sue would constitute an infringement to Law 21,398 and will be considered void. It also establishes the parties' right to submit a dispute to mediation, conciliation or arbitration. On December 24, 2021, Law No. 18,010 was amended to reduce the amount of down payments (from 20% to 10%) that consumers must make upon the execution of certain credit agreements with financial institutions.

In addition, several bills have been recently introduced by members of the Chilean Congress to regulate matters related to loans and credit products, such as interest rate ceilings, prepayment fees, the possibility of capitalizing interest, the creation of a registry of consolidated debts, the protection of consumers in debt collection and renegotiation proceedings, the promotion of competition and financial inclusion through innovation and technology in the supply of financial services, the amendment to various provisions on money laundering, reporting obligations with respect to transactions involving motor vehicles that are paid for in cash, among others. The Chilean Congress is currently discussing bills aiming to ease the financial burden on certain borrowers, such as micro or small enterprises and individuals. In February 2022, a proposal to amend Chilean regulations on consumer information was introduced to the Chilean Congress and is expected to be implemented during the last quarter of 2022. This proposal seeks to make information comparing financial products offered by different financial institutions available to consumers in order to enhance their understanding of such products. There is no certainty as to whether any or all of these bills will be passed by the Chilean Congress, or as to when or how these bills could change the current regulatory framework. Therefore, we cannot determine or assure you whether they will materially affect our results of operations in the future.

Furthermore, the CMF regulations may also impose restrictions that may adversely affect our business. For instance, Circular No. 3,573 passed by the former SBIF, dated December 30, 2014, amended the Compendium of Accounting Standards (*Compendio de Normas Contables*) (the "**Compendium**") to establish a standard method to calculate allowances for residential loans applicable from 2016, and to incorporate new instructions on provisions and allowances on impaired portfolio. Circular No. 3,585 passed by the former SBIF, dated July 31, 2015, amended several rules related to the management and measurement of liquidity positions of banks. Circular No. 3,638 passed by the former SBIF, dated July 6, 2018, introduced changes to provisioning rules for commercial loans evaluated on a group basis. Circular No. 3,645 passed by the former SBIF, dated January 11, 2019, amended the Compendium to clarify the application of IFRS 16 with respect to commercial leases. Circular No. 3,647 passed by the former SBIF, dated January 31, 2019, amended Chapter B-1 of the Compendium to introduce changes to provisioning rules for commercial loans evaluated on a group basis, which we have implemented from January 1, 2019, considering its application as a change in accounting estimates pursuant to IAS 8. The effect of such changes in accounting estimates has been recognized prospectively by including it in our consolidated income statement, resulting in an increase of approximately 4% of the total stock of provisions for loan losses when compared to the previous year. Circular No. 2,243 of CMF, dated December 20, 2019, fully updated the instructions of the Compendium, effective on January 1, 2021.

Through Circular No. 2,249, dated April 20, 2020, the CMF modified chapter E "*Disposiciones Transitorias*" and postponed the first application period of the new provisions of the Compendium. As a result, banks may have flexibility to reallocate their technical and human resources. The text of Chapter E of the referred Compendium was replaced by the following: "The effective date of the updated version of the Compendium was January 1, 2022, with a transition on January 1, 2021 for the purposes of comparative financial statements that will be published on March 2022."

With regard to our business in the United States, comprehensive financial regulatory reform legislation was enacted on July 21, 2010. Known as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), the law has significantly changed the regulation of financial institutions and the U.S. financial services industry in general. The Dodd-Frank Act includes provisions affecting large and small financial institutions alike, including provisions that affect the lending, deposit, investment, trading and operating activities of banks and their holding companies.

The Dodd-Frank Act, as well as future related legislation, may have an adverse effect on the financial services industry, generally, and/or on Bci's U.S. operations, specifically. The current regulatory environment in the United States may be impacted by future legislative developments, such as amendments to key provisions of the Dodd-Frank Act. For example, on May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "Reform Act") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including by, in some ways, reducing the regulatory burden on smaller financial institutions. In October 2019, the Federal Reserve Board issued a final rule to implement the Reform Act's changes to the application of enhanced prudential standards with respect to U.S. bank holding companies and the U.S. operations of non-U.S. banking organizations, including capital, liquidity, and risk management requirements. The ultimate consequences of the Reform Act and other legislative and regulatory developments on Bci and our activities (particularly of our U.S. banking operations) remain uncertain. There can be no assurance that regulators will not in the future impose more restrictive limitations on the activities of banks, including us, or that we will not in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership. Any such change could have a material adverse effect on our financial condition or results of operations.

For more information about the current U.S. and Chilean banking legal framework, see "Regulation and Supervision."

We are subject to regulatory inspections and examinations.

We are subject to various inspections, examinations, inquiries, audits and other regulatory requirements by Chilean regulatory authorities. With respect to our U.S. operations, we are subject to supervision, regulation and examination by the Board of Governors of the Federal Reserve System (the "**Federal Reserve**") as a result of our ownership and control of CNB, a U.S. national bank subsidiary that is subject to regulatory oversight by the Office of the Comptroller of the Currency (the "**OCC**"). In addition, our Miami branch is subject to examinations by the Federal Reserve and the Florida Office of Financial Regulation. CNB is subject to examination by the OCC. We may not be able to meet all of the applicable regulatory requirements and guidelines, and we may be subject to sanctions, fines and restrictions on our business or other penalties in the future as a result of our noncompliance. If sanctions, fines, restrictions on our business or other penalties are imposed on us for failure to comply with applicable requirements, guidelines or regulations, our financial condition and results of operations, and our reputation and ability to engage in business, may be materially and adversely affected.

Our loan and investment portfolios are subject to risk of prepayment, which may result in reinvestment of assets on less profitable terms.

Our loan and investment portfolios are subject to prepayment risk, which results from the ability of a borrower or issuer to pay a debt obligation prior to maturity. Generally, in a declining interest rate environment, prepayment activity increases, which reduces the weighted average lives of our earning assets and adversely affects our operating results. Prepayment risk also has an adverse impact on our residential mortgage portfolio, since prepayments could shorten the weighted average life of this portfolio, which may result in a mismatch in funding or in reinvestment at lower yields. Prepayment risk is inherent to our commercial activity and an increase in prepayments could have a material adverse effect on our business, financial condition and results of operations.

Political uncertainty and monetary policy normalization in the United States may adversely affect the results of operations of City National Bank of Florida.

City National Bank of Florida's business and financial performance are impacted by market interest rates and movements in those rates. Since a high percentage of City National Bank of Florida's assets and liabilities are interest bearing or otherwise sensitive in value to changes in interest rates, such changes in rates, in the shape of the yield curve or in spreads between different types of rates can have a material impact on its results of operations and the values of its assets and liabilities.

Interest rates are highly sensitive to many factors over which City National Bank of Florida has no control and which we may not be able to anticipate adequately, including general economic conditions and the monetary and tax policies of various governmental bodies, particularly the Federal Reserve. In response to the recession in 2008 and the following uneven recovery, the Federal Reserve implemented a series of domestic monetary initiatives. Several of these have emphasized so-called quantitative easing strategies, which ended during 2014. Between 2015 and 2019, the Federal Reserve raised rates nine times and decreased rates three times, in each case by a modest 25 basis points. However, in 2019 the Federal Reserve reversed course, lowering rates in a sign that growth was beginning to slow. On March 15, 2020, in response to the escalating outbreak of the COVID-19 pandemic, the Federal Reserve reduced short-term rates to a range between 0% and 0.25%, which have been maintained since then. A policy change was announced in August 2020 to the way the Federal Reserve sets interest rates that will likely keep interest rates in the U.S. relatively low until it is confident that the economy is on track to achieve its maximum employment and price stability goals, and launched a new round of quantitative easing to purchase US$700 billion worth of asset purchases including U.S. Treasury securities and mortgage-backed securities. On June 10, 2020, the Federal Reserve extended its quantitative easing program, committing to buy at least US$80 billion of Treasury Securities and US$40 billion in mortgage-backed securities. Since then, the economic recovery has accelerated and GDP increased by 5.7% in 2021. Inflation, however, increased to 7.2% in 2021. In response, the Federal Reserve announced the end of the quantitative easing program by March 2022 and raised the federal funds rate several times during 2022 in order to curb inflationary pressures. On May 5, 2022, the Federal Reserve raised the interest rate paid on reserve balances to 0.9% and on June 15, 2022 the Federal Reserve further raised such interest rate to 1.65%.

City National Bank of Florida's earnings and cash flows depend upon the level of its net interest income. The current persistent low level of market interest rates limits our ability to add higher yielding assets to the balance sheet. If this prolonged period of low rates continues beyond current forecasts, it may exacerbate downward pressure on City National Bank of Florida's interest margin and have a negative impact on its net interest income in the future. A flattening or inversion of the yield curve or a negative interest rate environment in the United States could create downward pressure on City National Bank of Florida's interest margin.

See also "—Risks Relating to Our Business—Banking regulations may restrict our operations and thereby adversely affect our financial condition and results of operations."

The geographic concentration of City National Bank of Florida's markets in Florida makes its business highly susceptible to local economic conditions.

Unlike some larger financial institutions that are more geographically diversified, City National Bank of Florida's operations are concentrated in Florida. Additionally, a significant portion of City National Bank of Florida's loans secured by real estate are secured by commercial and residential properties in this geographic region. Accordingly, the ability of borrowers to repay their loans, and the value of the collateral securing such loans, may be significantly affected by economic conditions in this region or by changes in the local real estate markets.

The business and earnings of City National Bank of Florida are directly affected by general conditions in the U.S. economy and, in particular, economic conditions in Florida. These conditions include legislative and regulatory changes, inflation, and changes in government and monetary and fiscal policies, increases in unemployment rates, and declines in real estate values, all of which are beyond our control. Florida has historically experienced deeper recessions and more dramatic slowdowns in economic activity than other states. The Florida economy and City National Bank of Florida's sub-markets in particular were affected by the most recent downturn in commercial and residential property values, and the decline in real estate values in Florida during the downturn was higher than the national average. Additionally, the Florida economy relies heavily on tourism and seasonal residents. Disruption or deterioration in economic conditions in the Florida markets we serve, including declines in home prices and the volume of home sales in Florida, could result in one or more of the following:

- an increase in loan delinquencies;
- an increase in problem assets and foreclosures;
- a decrease in the demand for our products and services; or

- a decrease in the value of collateral for loans, especially real estate, in turn reducing customers' borrowing power, the value of assets associated with problem loans and collateral coverage.

In addition, declines in home prices coupled with high or increased unemployment levels and increased interest rates can cause losses which adversely affect our earnings and financial condition, including our capital and liquidity. Because of City National Bank of Florida's concentration in Florida, it is less able to respond or diversify credit risk among multiple markets. These factors could result in an increase in the provision for loan losses, thus reducing net income.

Exposure to government debt could have an adverse effect on our business, financial condition and results of operations.

We invest in debt securities issued by the Chilean government, and other government debt securities that, for the most part, are short-term and highly liquid instruments. If these governments default on the timely payment of such securities, our business, financial condition and results of operations may be adversely affected.

Our anti-money laundering and anti-terrorist financing measures may not prevent third parties from using us as a conduit for those activities, which could damage our reputation and expose us to fines, sanctions or legal enforcement, which, in turn, could have a material adverse effect on our business, financial condition and results of operation.

We believe that we are in compliance with applicable anti-money laundering and anti-terrorist financing laws and regulations and we have adopted various policies and procedures, including internal controls and "know-your customer" procedures, aimed at preventing money laundering and terrorist financing. We believe that our anti-money laundering policies and procedures are based upon, and are in material compliance with, the applicable provisions of Chilean law and, as applicable, with the provisions of laws of the other countries in which Bci operates. In addition, because we also rely on our correspondent banks having their own appropriate anti-money laundering and anti-terrorist financing procedures, we use what we believe are commercially reasonable procedures for monitoring our correspondent banks. Despite these measures, procedures and compliance, third parties may use us (and our correspondent banks) as a conduit for money laundering (including illegal cash operations) or terrorist financing without our (and our correspondent banks') knowledge. If we were to be associated with money laundering (including illegal cash operations) or terrorist financing, our reputation could be harmed and we could become subject to fines, sanctions or legal enforcement (including being added to any "blacklists" that would prohibit certain parties from engaging in transactions with us), which could have a material adverse effect on our business, financial condition and results of operation.

Any loss of key personnel may materially and adversely affect our business.

Our success depends, in large measure, on the skills, experience and efforts of our senior management team and other key personnel. While we believe that we have depth throughout our management team and in all key skill levels of our employees, the loss of the services of key members of our senior management or of employees with critical skills could have a negative effect on our business, financial condition and results of operations. If we are not able to attract or retain highly skilled, talented and committed senior managers or other key personnel, our ability to fully implement our business objectives may be materially and adversely affected.

A worsening of labor relations in Chile could impact our business.

As of December 31, 2021, we had 11,588 employees on a consolidated basis, of whom 5.9% were unionized in Chile. We have traditionally enjoyed good relations with our employees and their unions. Our current collective bargaining agreements are scheduled to expire in November 2022. In May 2016, our employees affiliated with the Telecanal Union, who represented approximately 2.7% of our total number of employees at that date, initiated a strike that ended on July 27, 2016. We cannot assure you that further strikes will not occur in the future. Any strike or work stoppage by our unionized or other employees could materially and adversely affect our business, financial condition or results of operations.

We engage in transactions with related parties that could result in conflicts of interest.

Certain parties related to us have been involved, directly or indirectly, in credit transactions with us. In accordance with the General Banking Law, related parties include directors, certain principal executive officers and holders that own, directly or indirectly, more than 5% of our shares, and companies controlled (for purposes of the General Banking Law) by any of them. The CMF regulates related-party transactions and establishes a limit on aggregate related-party transactions equivalent to 5.0% of a bank's regulatory capital (and up to 25.0% of our regulatory capital if any loan granted in excess of the 5.0% is secured by collateral) (on an unconsolidated basis, which includes subsidiaries as related parties). Our loans to related parties (excluding loans receivables from Banks), on a consolidated basis, represented 5.6%, 5.5% and 4.2% of our regulatory capital as of December 31, 2019, 2020 and 2021, respectively.

As of December 31, 2021, our outstanding loans to related parties were Ch$244,554 million in the aggregate, representing 0.6% of our total loan portfolio.

We believe we are in compliance with all related-party transaction requirements imposed by the General Banking Law and the CMF. Although we intend to enter into transactions with related parties only on terms similar to those that would be offered by or to an unaffiliated third party, such transactions create the potential for, or could result in, conflicts of interest. See "Related Party Transactions."

Our principal shareholders have substantial influence over our management, and the interests of our principal shareholders may differ from those of the holders of the Notes.

As of the date of this Prospectus, 63.55% of our outstanding common shares were beneficially owned, directly or indirectly, by members of the Yarur family. Common shares are our only class of capital stock and the holders are entitled to elect our board of directors. As our controlling shareholder group, the Yarur family controls our business through its power to elect a majority of our board of directors and to determine the outcome of almost all actions that require shareholder approval. See "Principal Shareholders" and "Related Party Transactions." In circumstances involving a conflict of interest between the controlling shareholders and other shareholders or the holders of the Notes, the controlling shareholders may exercise their ability to control us in a manner that would benefit the controlling shareholders to the detriment of other shareholders or the holders of the Notes. If members of our controlling shareholder group purchase Notes of any Series, there is no restriction on their ability to vote the notes in the event of a modification, amendment or acceleration of the Notes of such Series.

Damage to our reputation connected to various proceedings could cause harm to our business prospects.

We are exposed to risk of loss from legal and regulatory proceedings, including tax proceedings, which could subject us to monetary judgments, regulatory enforcement actions, fines and penalties. The current regulatory environment in which we operate, which reflects an increased supervisory focus on enforcement, may lead to material operational and compliance costs. The impact of any or multiple unfavorable outcomes related to the aforementioned proceedings could cause reputational damage which may harm our business prospects.

Risks Relating to our Recent Acquisitions

The value of our investment in Servicios Financieros may be adversely affected by unforeseen liabilities for which we will not be indemnified.

In connection with our acquisition of Servicios Financieros, we had only limited access to information related to the target companies, including their respective books and records. As a general matter and subject to certain exceptions, our right to be indemnified by the sellers for breaches of their obligations and/or representations in the relevant stock purchase agreement is subject to expiration and an overall limit. We cannot assure you that this limit will be sufficient to compensate us for all breaches of the respective sellers' obligations and/or representations, or that we will not be subject to legal, administrative, and/or arbitration claims relating to liabilities of Servicios Financieros, and be required to pay damages for which we may be not entitled to indemnification from the sellers. Moreover, we may be the successor to potential contingencies that are unknown and not identified in our due diligence investigation, or whose impact is underestimated at the time of the acquisition with respect to which we may not have a successful defense. If our business judgments concerning each respective acquisition target's value, strengths and weaknesses prove incorrect, the acquisition of Servicios Financieros may adversely affect our consolidated financial condition.

We may not be able to realize the anticipated benefits of our acquisition of Servicios Financieros.

The success of our acquisition of Servicios Financieros will depend in part on our ability to execute our strategic plan successfully and achieve certain operating synergies. We expect that it will support our strategy of international expansion and diversification. However, we may not be able to realize the benefits of our integration in the time or manner that we seek. Challenges we face in the integration process include, among others, the following:

- integrating different commercial and operational practices as well as company cultures in order to provide a unified and superior client experience in both markets;

- maintaining client loyalty;
- retaining key employees of Servicios Financieros to drive business forward;
- integrating different accounting, information technology and management systems; and
- encountering unforeseen expenses, delays or liabilities that could exceed the savings that we seek to achieve from the elimination of duplicative expenses and cost savings.

Our integration plan for Servicios Financieros has presented and continues to present significant management challenges and has been and continues to be time-consuming. As a result, implementation of this plan may divert our management's attention from the day-to-day operation of our core business. Any such diversion could adversely affect our ability to maintain good relations with our customers, employees, regulators and other constituencies or otherwise adversely affect our business, financial condition, results of operations and our business prospects. If we fail to implement our integration plan with Servicios Financieros effectively and within the contemplated timeline, our business, financial condition, results of operation and business prospects could be materially and adversely affected.

Furthermore, even if we are able to implement our integration plan for Servicios Financieros, we may not be able to realize the potential synergies and revenue enhancements that were anticipated from the strategic plan, either in the amount or within the timeframe that we expect, and the costs of achieving these benefits may be higher than, and the timing may differ from, what we expect. If we fail to realize anticipated synergies or revenue enhancements, our financial results and results of operations may be adversely affected.

Risks Relating to Chile

The spread of the coronavirus disease, or COVID-19, has disrupted and may continue to disrupt the world economy in a magnitude that is not yet determinable, which could materially affect our operations and results of operations.

The strain of the SARS-CoV-2 virus, which causes the disease known as "COVID-19," was first identified in Wuhan, China in December 2019 and has spread around the world, including in Chile, the rest of the countries in Latin America, and the United States. On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020 the United States declared a national emergency with respect to COVID-19. In an effort to prevent the virus from spreading, governments around the world have implemented strategies that restrict social gathering and promote social distancing, such as quarantines, travel restrictions, and closing of schools, workplaces, stadiums, theaters and shopping centers, among others. These measures have had dramatic adverse consequences for the global economy, including demand, operations, supply chains and financial markets. The magnitude and scope of the effects of the pandemic have been significant, although they continue to be difficult to evaluate and predict. The disruption of the global economy, which is expected to continue at least in the near term, the global economic recession, including its effects in Latin America and Chile, the potential interruptions to our operations and the significant volatility and negative pressure in the financial markets as a result of the COVID-19 pandemic may have a significant adverse impact on our business, including affecting the timing of our collections as well as the value of our investment portfolio. Furthermore, if the impact of the COVID-19 pandemic continues for an extended period of time, it could adversely affect our ability to operate our business and may have a negative impact on our revenues.

Governmental and non-governmental organizations may not be effective in combatting the spread and severity of COVID-19. On March 18, 2020, the Chilean government decreed a constitutional state of emergency, providing for restrictions in meetings and ensuring the distribution of food and services. Additionally, the Chilean government launched a US$11.7 billion economic rescue package as a response to the general shutdown. The aid package provided for protection to workers' income and tax relief for small and medium-sized enterprises. On March 16, 2020, the Central Bank of Chile announced a reduction of 75 basis points in the monetary policy interest rate, bringing it down to 1%, and on March 31, 2020, the Central Bank of Chile announced a further reduction in the monetary policy interest rate to 0.5%. The Central Bank of Chile also announced loan facilities to banks, and a buyback program for bonds issued by financial institutions. On May 29, 2020 the International Monetary Fund approved a two-year Flexible Credit Line Arrangement for Chile in an amount equivalent to SDR 17.443 billion (about US$23.93 billion). On June 24, 2020 the Central Bank of Chile announced that it obtained access to the Temporary Foreign and International Monetary Authorities (FIMA) Repo Facility. Fiscal and monetary authorities in Chile have continued to deliver several economic packages aid to households and companies, in response to the evolution of the pandemic and its subsequent impact over economic activity. In January 2021, the Central Bank of Chile announced a complementary line for liquidity to banks which would disburse remaining amounts under the 2020 programs equivalent to US$10 billion. Additionally, on June 14, 2020 the Chilean government announced a US$12 billion program in social aid, which seeks to mitigate the social and economic impact of the pandemic over the next two years. In March 2021, the Chilean government announced an extension of the rescue package until June, representing a 50% increase in amount of aid, to US$18 billion, or 2% of Chile's GDP. The emergency family income (or "**IFE**") involves a monthly payment of Ch$100,000 (US$142) per household member and covers 13 million Chileans. In August 2021, the Chilean government extended the IFE until December 2021, and most recently the Chilean government further extended the IFE until June 2022. As of December 31, 2021, the Chilean government has made payments under the IFE in a total amount of US$12 billion.

On December 27, 2020, the United States Congress passed the Consolidated Appropriations Act of 2021 ("**CAA**") was enacted to provide further relief measures in response to the COVID-19 pandemic. The CAA, among other things, temporarily extends through December 31, 2025, certain expiring tax provisions, including look-through treatment of payments of dividends, interest, rents and royalties received or accrued from related controlled foreign corporations, and further extends certain provisions originated within the Coronavirus Aid, Relief and Economic Security Act, including an extension of time for repayment of the deferred portion of employees' payroll tax through December 31, 2021.

In Chile, Law No. 21,248, Law No. 21,295 and Law No. 21,330 were enacted in 2020 and 2021, which allowed taxpayers, including retirees, to withdraw up to 10% of the funds accumulated in the individual capitalization account of each taxpayer with a cap of 150 UF (US$5,600 approximately) and with a minimum of 35 UF (US$1,300 approximately). It has been estimated that approximately US$50 billion has been withdrawn from private pension funds, which is equivalent to approximately 20% of Chile's GDP. A fourth round of early withdrawals is being discussed in the Chilean Congress. A lower house committee approved the bill on September 2, 2021, and the text is expected to go to the Chamber of Deputies and later to the Senate. A further round of withdrawals could exacerbate existing inflationary pressure, which could adversely affect the Chilean economy, and thereby our business, financial condition and results of operation. In 2021, as the Chilean economy recovered, the Central Bank of Chile began to gradually phase out monetary stimulus. On August 28, 2021, as inflation levels increased in Chile and the region, the Central Bank of Chile raised the benchmark interest rate from 0.75% to 5.5%, the current rate as of the date of this Prospectus.

Despite greater visibility on the impact of the pandemic when compared to 2020, we may still suffer changes in our operational performance, which may in turn adversely affect our financial position. We also recognize that unfavorable operating results may have an adverse impact on our financial metrics. At the same time, we may experience increases in general customer default rates in connection with the pandemic and a resulting increase in our expected credit losses. The possible deterioration in the credit cycle of our customers may adversely affect our results, financial position and cash flows in the future.

Although vaccination campaigns are underway in many countries, including in Chile, the virus and certain variants, including the recent Delta and Omicron variants, continue to spread globally and cause significant social and market disruption. This situation is changing rapidly, and additional impacts may arise that we are not aware of currently. Also, the additional preventive measures adopted by our management team might not be sufficient to address the negative impacts of the COVID-19 pandemic and government bodies and regulatory agencies in Chile might take additional mitigating measures or policies that could impact our business and operations. As such, there is no assurance that the COVID-19 pandemic will not have an adverse effect on our business, financial condition and results of operations.

Our growth and profitability depend on the level of economic activity in Chile and elsewhere.

A substantial amount of our loans are to borrowers doing business in Chile. Accordingly, the recoverability of these loans in particular, our ability to increase the amount of loans outstanding and our results of operations and financial condition in general, are dependent to a significant extent on the level of economic activity in Chile. The Chilean economy has been influenced, to varying degrees, by economic conditions in other countries, especially the United States and China. Changes in Chilean economic growth in the future or developments affecting the Chilean economy, including consequences from a monetary policy normalization in the United States or a deceleration of economic growth in China or other developed nations to which Chile exports a majority of its goods, could materially and adversely affect our business, financial condition or results of operations.

Although economic conditions are different in each country, investors' reactions to economic and political developments in one country may affect the prices of the securities of issuers in other countries, including Chile. For example, the 1994 devaluation of the Mexican peso, the 1997 crisis in the Asian markets, the 1998 crisis in Russia, the 1999 devaluation of the Brazilian real had a significant impact on the Chilean stock market. The 2008 housing crisis in the United States and the concerns over the sovereign debt obligations of several European countries (including Greece, Portugal, Spain, Ireland, and to a lesser extent, Italy) in the second half of 2011 and 2012 caused a slowdown in world economic growth and a significant fall in copper prices which, together with significant tax and social reforms, diminished both investment and consumption in Chile.

Chilean GDP grew 1.189% in 2017, 3.949% in 2018, and 1.054% in 2019. Although GDP contracted 5.8% in 2020, mainly due to the negative effects of the COVID-19 pandemic on the Chilean economy, similar to other emerging countries, GDP grew 12% in 2021. Historically, lower economic growth has adversely affected the overall asset quality of the Chilean banking system and our loan portfolio. The table below shows the risk index of the banks comprising the Chilean financial system according to information published by the former SBIF, now the CMF:

Year Ended	**Risk Index**(1)
December 31, 2017	2.5%
December 31, 2018	2.4%
December 31, 2019	2.6%
December 31, 2020	2.7%
December 31, 2021	2.4%

(1) Provisions divided by total loans.

Following a rapid recovery of the Chilean economy and record highs in the price of copper during the first quarter of 2021, along with massive fiscal transfers to households and a successful vaccination process during the year, Chile's GDP grew 12% in 2021, representing one of the largest increases worldwide. Furthermore, the Chilean economy could face several risk scenarios in the coming years, in addition to the ongoing COVID-19 pandemic. On the internal side, the biggest risks are associated with the evolution of business sentiment and private direct investment, in the context of a volatile political and social situation. Additionally, the central region of Chile has experienced low rainfall for the eleventh consecutive year. The central region of Chile concentrates most of the country's agricultural output, which represents an important percentage of the economy. If low rainfall conditions persist, Chile's economy may be adversely affected.

In the foreign markets, the continuing trade war between the United States and China as well as the evolution of the Chinese economy and the impact that a slowdown would have on the price of copper may have an adverse effect on international trade. Persistent declines in the price of copper would impact negatively the Chilean economy and would adversely affect investment in the Chilean mining sector, which has been a major source of growth in recent years. Additionally, volatility in the global financial markets in recent periods has also resulted in volatility in the credit, equity and fixed income markets. This volatility has limited companies' access to funding from time to time. In particular, the recent outbreak of COVID-19 has resulted in major disruptions in the global financial markets, including in Europe and the United States. If access to credit tightens and borrowing costs rise, our costs could be adversely affected.

A deterioration in global business and economic conditions, which may erode consumer and investor confidence levels or increased volatility of global financial markets, also could adversely affect financial results for our fee-based businesses, including our financial planning products and services.

In addition, we also have material loan exposure to borrowers doing business in certain foreign countries. As a result, adverse political or economic developments in one or more of such countries where we have material credit exposure could have a material adverse effect on the quality of our loan portfolio. Furthermore, crisis and political uncertainty in other Latin American countries may have an adverse effect on Chile's economic activity, the price of our securities or our business.

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

Our business is exposed to fluctuations in currency exchange rates. Any future changes in the value of the Chilean peso against the U.S. dollar will affect the U.S. dollar value of our securities. The Chilean peso has been subject to large devaluations and appreciations in the past and could be subject to significant fluctuations in the future. The main drivers of exchange rate volatility in past years were the significant fluctuations of commodity prices as well as general uncertainty and trade imbalances in the global markets and, more recently, the impact of the COVID-19 pandemic and political uncertainty surrounding Chile's new constitution and related protests.

The Central Bank of Chile has intervened more recently in 2019, 2020 and 2021 in response to the political uncertainty and the COVID-19 pandemic, but the Chilean peso has nevertheless fluctuated during this period. Following the widespread protests and social unrest that began in Chile in October 2019, the value of the Chilean peso experienced increased volatility. As a result, the Central Bank of Chile launched a US$20 billion foreign exchange intervention program to mitigate exchange rate volatility until January 2021, through spot and forward operations. In January 2021, the Central Bank of Chile unveiled a new program to reboost international reserves and as of December 2021, international reserves reached 16% of total GDP. The Chilean peso is now subject to renewed volatility as a result of the economic impact of the COVID-19 pandemic and Chile's general election process during 2021, which was reflected in a 19.6% currency depreciation against the U.S. Dollar in 2021.

Our results of operations may be affected by fluctuations in the exchange rates between the peso and the dollar despite our policy and Chilean regulations relating to the general avoidance of material exchange rate exposure. In order to avoid material exchange rate exposure, we enter into forward currency exchange transactions. The following table shows the value of the Chilean peso relative to the U.S. dollar, as reported by the Central Bank of Chile as of the last day of the years indicated and the appreciation/depreciation of the Chilean peso relative to the U.S. dollar during years periods.

Year Ended	Exchange rate (Ch$) Year-end	Appreciation (Depreciation) (%)
December 31, 2017	615.22	8.5
December 31, 2018	695.69	(11,6)
December 31, 2019	744.62	(6.6)
December 31, 2020	711.24	4.5
December 31, 2021	851.81	(16.6)

Source: Central Bank of Chile.

We may decide to change our policy regarding exchange rate exposure. Regulations that limit such exposures may also be amended or eliminated. Greater exchange rate risk may increase our exposure to the devaluation of the peso, and any such devaluation may impair our capacity to service foreign currency obligations and may, therefore, materially and adversely affect our financial condition and results of operations. Notwithstanding the existence of general policies and regulations that limit material exchange rate exposures, the economic policies of the Chilean government and any future fluctuations of the peso against the dollar could affect our financial condition and results of operations.

Our business may be affected by political, legal and economic uncertainty, as well as political developments and the drafting of a new constitution in Chile.

Beginning on October 18, 2019, widespread protests took place in Chile. These protests began over the government's announcement of an increase in subway fares in Santiago and quickly grew into broader unrest over economic inequality, including claims about transportation costs, funding for education, health care costs and pension amounts, among others. Demonstrations spread across the country and resulted in violent, and sometimes deadly acts, causing significant damage to subway stations in Santiago, shops, houses and other public and private property. The government imposed a state of emergency and nighttime curfews in Santiago and other cities; however, protests and violence continued.

In response, the Chilean government announced a reshuffling of the cabinet and a series of social and economic reforms to tackle issues at the heart of the unrest, including cancellation of the increased subway fares, increases in government-subsidized pension, a guaranteed minimum monthly income, affordable medical insurance, lowering the price of medicine and a cancellation of energy price hikes.

The Chilean Congress also reached an agreement to reform the Chilean Constitution. Following an agreement among Chilean political parties, the Chilean congress convened a nationwide referendum to vote for a new Chilean Constitution initially to be held in March 2020, which was rescheduled to October 25, 2020 due to the COVID-19 outbreak and the Chilean constituents to the nationwide referendum, in which Chileans voted to amend the Chilean Constitution. A second vote to elect the members of the constitutional convention was held on May 15 and 16, 2021 and a third vote to approve the new constitution that the constitutional convention will draft is currently expected to take place before September 2022. There is still significant uncertainty regarding the process to approve a new constitution and further protests and political instability cannot be ruled out. Furthermore, the existing constitution has been in place since November 11, 1980 and any new constitution could change the political situation of the country, potentially affecting the Chilean economy and business outlook, and ultimately our business, financial condition and results of operations.

In addition, Chile's general elections to elect the president of the country and congressional members were held on November 21, 2021. The candidates for president, Mr. Jose Antonio Kast Rist and Mr. Gabriel Boric Font obtained the highest number of votes but neither had an outright majority, leading to a presidential run-off that was held on December 19, 2021, with Mr. Gabriel Boric Font elected as the new President of Chile. As a result, Mr. Gabriel Boric Font took office on March 11, 2022. The Congress members will be politically split, mainly in the Chilean Senate.

We cannot predict the extent to which the Chilean economy will be affected by the constitutional and political processes currently underway. These processes may result in further social unrest and changes in laws and policies that could result in a less favorable environment for private businesses. We cannot assure you that measures taken by the new government impacting private investment, such as higher taxation, will not be implemented, and we cannot assure you whether the newly-elected Chilean government will continue to pursue business-friendly and open-market economic policies that stimulate economic growth and stability. Further, there can be no assurance that future developments in or affecting the Chilean political landscape, including economic, social or political instability in Chile, will not materially and adversely affect our business, financial condition and results of operation.

Chile's banking regulatory and capital markets environment is continually evolving, and new regulation of the financial services industry in Chile could increase our costs and result in lower profits.

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 banking sector and financial institutions are continually evolving and changing.

In 2007, new regulations governing the Chilean capital markets known as MK2 were approved. These regulations, among other things, modified certain provisions set forth in the General Banking Law. Under MK2, the limit on the amount that a bank is allowed to grant as an unsecured loan to a single individual or entity was increased to 10% of its regulatory capital (and up to 30% of its regulatory capital if any loans granted in excess of the 10% is secured by collateral). Previously, these limits were set at 5% and 25%, respectively. Although any such increase may increase our lending activity, it may also increase the risks associated with the growth of our loan portfolio and increase competition as the number of banks that can compete in the corporate segment increases.

The Chilean Congress passed a bill on June 1, 2010 that aims to increase securities trading in Chile, Latin America's third-biggest securities market, by allowing trading of new instruments such as exchange-traded funds and guaranteed bonds. The bill also seeks to improve access to credit for consumers and small companies. For example, the bill makes it easier for foreign banks to offer loans in Chile, reduces securitization costs, allows banks to sell bonds backed by mortgages, offers tax breaks to foreign investors in Chilean mutual funds and strikes down a law that prevented foreign banks from advertising loans. The bill also aims to reduce the cost of setting up mutual funds, in part by removing limits on employing non-Chileans, and creates an exchange-traded funds industry by modifying mutual fund rules to allow secondary trading and enable pension funds to invest in such mutual funds. The new class of bonds that would be authorized by the law, known as "mortgage bonds", will be backed by the debt of the company that sells them as well as by a pool of mortgages, as is the case with European covered bonds. Unlike guaranteed bonds, they may be issued by banks and non-banks. In addition, Law No. 20,448, enacted in August 2010, allows non-Chilean banks with representative offices in Chile to offer their credit products to customers directly. This change further increased competition by increasing the number of banks that can compete directly in Chile.

In 2010, the government promoted another package of reforms, the Financial Market Reforms Bicentennial, also known as "MKB", which have been implemented. The MKB reforms include a number of administrative changes and new regulations, which includes among others, the improvement of the financial consumer protection agency.

The following laws were passed under the auspices of the MKB: (i) Law No. 20,555, which has the objective of enhancing the protection of financial services consumer rights by establishing that any entity that extends credit to consumers must provide them with complete information about the total cost of financing, such as fees and commissions, default rates, prepayment costs and applicable taxes; (ii) Law No. 20,950 that governs the issuance and operation by non-banking entities of pre-funded payment methods or any similar system, when these systems involve the issuer or the operator regularly engaging in monetary obligations with the public in general or specific sectors or groups thereof; (iii) Law No. 20,956, known as the Law to Boost Productivity, which introduced several amendments to existing laws and regulations in order to enhance Chile's productivity through the expansion of the financial system and the promotion of the exportation of services; (iv) Law No. 21,000 that created the CMF, a technical commission that replaced the Chilean Securities and Insurances Commission (*Superintendencia de Valores y Seguros*) ("**SVS**") effective December 2017; and (v) Law No. 20,945 that establishes enhancements of competition regulations.

On January 19, 2019, the Chilean government passed a law that amends, among others, the Amendment to the General Banking Law and establishes new capital regulation for banks in Chile in line with Basel III standards. See "Regulation and Supervision—Banking Legislation." In the event of an equity deficit, the banks must propose mitigation actions to overcome this deficit, with measures such as (i) a reduction in loan targets, (ii) adjustments to dividend policy, and/or (iii) carrying out level 1 or 2 capital increases. In the latter case, the issuance of capital instruments (AT1, T2) may be limited by numerous factors, such as complying with the general conditions for access to the capital market by banks; and national and international economic, political and other conditions. If the market conditions are not given, it will be more difficult, in the short term, to raise enough additional capital to comply with the demands of the regulator, while the creation of available credit to grant loans could be affected, as well as limit dividend distributions.

In February 2020, the Chilean government enacted Law No. 21,210 containing the Tax Modernization Project. Among its changes, this law provides for (i) the elimination of the "attributed system", (ii) a 27% rate of corporate income tax for large companies, (iii) a simplified tax regime for small and medium-sized companies with yearly gross income below UF75,000 and that comply with certain requirements regarding their activities, (iv) a new 40% rate bracket of personal income tax for those earning more than approximately Ch$15 million a month and a new surtax to properties worth more than approximately Ch$440 million, (v) application of the 19% value-added tax to digital services provided by persons, not domiciled or resident in Chile, and modification to the exemption of value-added tax to imports of certain capital goods, and (vi) reforms to tax proceedings, among others.

In September 2020, Law No. 21,256 was enacted by the Chilean government, which established new tax measures and modifies some existing ones, as part of the emergency plan for the reactivation of the economy and employment due to the COVID- 19 related crisis. Among its changes, this law provides for (i) the reduction to 10% of the rate of the corporate income tax for small and medium-sized companies; (ii) the possibility of claiming reimbursement of remaining VAT tax credit for small and medium-sized companies under certain circumstances for the months of July, August or September 2020; (iii) the release under certain circumstances of payment of the contribution for regional development, established by means of Law No. 21,210; (iv) a transitory immediate depreciation and amortization of 100% of investments in fixed assets and certain intangible assets until December 31, 2022; and (v) the temporary extension of the VAT deferral period from 2 to 3 months, until December 31, 2021.

In April 2021 and August 2021, respectively, the Chilean government enacted amendments to Laws No. 19,946 on consumer rights and to Law No. 19,986 on service agreements, respectively. These amendments had been under discussion since 2019 and adopt measures that seek to protect the rights of consumers. The amendments provide that consumers have a right to obtain a copy of credit checks performed by financial institutions prior to credit operations, prohibits institutions of higher education from offering financial services, seeks to better regulate the right of withdrawal in online purchases and pre-formulated standard contracts, and expands the rights of financial consumers, among others. It is unclear whether these new regulations will have an adverse impact on our financial condition and results of operations.

In September 2021, the former Chilean President submitted a bill to the Chilean Congress setting forth the legal framework applicable to FinTech companies in Chile and certain types of services based on FinTech technologies, including crowdfunding platforms, alternative transaction systems, credit and investment advisory services, custody of financial instruments, and order routers and financial instrument intermediaries (the "FinTech Law"). The FinTech Law sets forth a framework for the implementation and operation of open banking, which would allow the exchange of information among different lenders through remote and automated access interfaces, generating an interconnection and direct communication among the institutions participating in this open banking system. While the law is still under consideration by the Chilean Congress, an increase in the market share of FinTech companies and their role in the financial system could increase competition with our services and thus affect our results of operations. While the outcome of the proposed legislation is uncertain at this time, we cannot assure you that we would not be negatively impacted by the FinTech Law.

Changes in Chilean tax laws may increase our tax burden and adversely affect our profitability.

The statutory corporate tax ("**First Category Income Tax**") rate in Chile was 20% on income from 2011 to 2013. Under Law No. 20,780, published in the Official Gazette of Chile (*Diario Oficial*) on September 29, 2014, as amended by Law No. 20,899, with the purpose of generating additional financial resources to improve the quality of Chilean education, the First Category Income Tax rate was gradually increased to 25% or 27%, depending on the system chosen by the taxpayer. In February 2020, the Chilean government enacted Law No. 21,210 that modernizes the tax legislation. The current regulations provide for (i) the elimination of the "attributed system", (ii) a 27% rate of corporate income tax for large companies, (iii) a simplified tax regime for small and medium-sized companies with yearly gross income below UF75,000 and that comply with certain requirements regarding their activities, (iv) a new 40% rate bracket of personal income tax for those earning more than approximately Ch$15 million a month and a new additional surtax to properties worth more than approximately Ch$440 million, (v) application of the 19% value-added tax (VAT) to digital services provided by persons, not domiciled or resident in Chile, and modification to the exemption of value-added tax to imports of certain capital goods, and (vi) reforms to tax proceedings, among others.

In addition, on February 4, 2022, Law No. 21,420 was published in order to eliminate or reduce certain tax exemptions previously established by the Chilean tax regulations, including: (i) capital gains tax for shares with stock market presence; (ii) tax benefits for the third and subsequent homes; and (iii) inheritance tax for life insurance. In addition, Law No. 21,420 imposed a new tax on the purchase of luxury goods.

Under current regulations we are also subject to a 27% corporate income tax rate and only 65% of the First Category Income Tax paid will be allowed to be a credit against final taxes, unless there is an enforceable tax treaty to avoid double taxation between the final taxpayer's country of residence and Chile or, until 2026, a signed tax treaty even if it has not yet entered into force, in which case the final taxpayer will be allowed to use 100% of the First Category Income Tax paid as a credit against final taxes.

In response to the global economic, political and social unrest as a result of the COVID-19 pandemic, the Chilean government, through the Ministry of Finance, called a commission, which is formed by a group of expert economists, to analyze potential tax exemptions in Chile. Likewise, the International Monetary Fund and the OECD have made recommendations to the Chilean government to analyze the Chilean tax system with the aim of reducing inequality in Chile. Consequently, the Chilean tax system may be modified in the upcoming years.

These and further changes, as well as interpretations by the Chilean tax authorities thereto, may result in an increase in tax liabilities, which could adversely affect industry profitability, increase costs, restrict our ability to do business and cause negative effects to our financial results. We cannot assure you that we will be able to maintain our projected cash flow and profitability following any increases in Chilean taxes applicable to us and our operations.

Future natural phenomena such as earthquakes, tsunamis, wildfires, the climactic phenomenon El Niño or floods may adversely affect lending volume and the quality of our loan portfolio.

Chile lies on the Nazca tectonic plate, making it one of the world's most seismically active regions. Chile has been adversely affected by powerful earthquakes in the past, including an 8.0 magnitude earthquake that struck Santiago in 1985 and a 9.5 magnitude earthquake in 1960 which was the strongest earthquake ever recorded.

On February 27, 2010, an 8.8 magnitude earthquake struck central Chile. The earthquake and its aftershocks, as well as tsunamis from adjacent coastal waters, caused severe damage to Chile's infrastructure, including roads, bridges, ports and Santiago's international airport. As a result of the earthquake and the tsunami that followed, 525 people died. Major earthquakes also struck in April 2014 near Iquique (8.0 magnitude), 1092 miles north of Santiago and in September 2015 near Coquimbo (8.4 magnitude), 285 miles northwest of Santiago. The damage to Chile's roads, ports and other infrastructure had an adverse impact on the Chilean economy, and in particular on export businesses that operate in the affected areas. During 2010, we allocated additional allowances to prevent deterioration of asset quality and an increase in provision expenses. As of the end of that year the direct impact on charge-offs due to the earthquake was not material; however, we cannot assure you that such would be the case in the event of future earthquakes.

El Niño is an oceanic and atmospheric phenomenon that causes a warming of temperatures in the Pacific Ocean, resulting in heavy rains off the coast of Chile, Peru and Ecuador and various other effects in other parts of the world. The effects of El Niño, which typically occurs every two to seven years, include (among other things) flooding and the negative effects on fish populations and agriculture, and accordingly, it can have a negative effect on Chile's economy. In the past, El Niño has negatively affected our agricultural and fishing loan portfolio.

If these and other natural phenomena occur in the future, we may suffer damage to, or destruction of, properties and equipment, which may negatively affect our business, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. In addition, if a significant number of our local employees and managers were unavailable in the event of a disaster, our ability to effectively conduct business could be severely compromised. A natural disaster could damage some of our branches, force us to close damaged facilities or locations, increase recovery costs as well as cause economic damage to our clients. Furthermore, these events may affect customers and industries to which we have exposure through our loan portfolio, which in turn may have a material adverse effect on our business.

With regard to our business in the United States, our market areas in Florida are susceptible to hurricanes, tropical storms and related flooding and wind damage. Such weather events can disrupt operations, result in damage to properties and negatively affect the local economies in the markets where we operate. Our business and results of operations may be adversely affected by these and other negative effects of future hurricanes, tropical storms, related flooding and wind damage and other similar weather events. As a result of the risks associated to these weather events, many of our customers have incurred significantly higher property and casualty insurance premiums on their properties located in our markets, which may adversely affect real estate sales and values in our markets.

The perception of higher risk in other countries, especially in Latin American or other emerging economies, may adversely affect the Chilean economy, our business and the market price of Chilean securities issued by Chilean issuers, including the Notes.

Emerging markets like Chile are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt business in Chile and adversely affect the price of the Notes. Moreover, financial turmoil in any important emerging market country may adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. An increase in the perceived risks associated with investing in Latin American or other emerging markets could dampen capital flows to Chile and adversely affect the Chilean economy in general, and the interest of investors in securities issued by Chilean issuers. We cannot assure you that the value of the notes will not be negatively affected by events in Latin American or other emerging markets or the global economy in general.

Any downgrading of Chile's debt credit rating for domestic and international debt by international credit rating agencies may also affect our ratings, our business, our future financial performance, stockholders' equity and the value of our securities, and any downgrading of our credit ratings could increase our cost of funding and adversely affect our interest margins and results of operations.

On October 19, 2021, Fitch Ratings affirmed the credit rating of Chile's long-term international debt as A-, with stable outlook. In March 2021, Standard & Poor's lowered the credit rating of Chile's long-term international debt to A with stable outlook. On August 25, 2021 Moody's confirmed the credit rating of Chile's long-term international debt of A1 and maintained Chile's negative outlook. As of the date of this Prospectus, our foreign currency deposit ratings are A2, according to Moody's and Standard & Poor's, and are one notch below the Chilean sovereign ratings given by Moody's, which is A1.

Any additional adverse revisions to Chile's credit ratings for domestic and international debt by international rating agencies may adversely affect our ratings, our business, future financial performance, stockholders' equity and the value of our securities.

In addition, credit ratings affect the cost and other terms upon which we are able to obtain funding. Rating agencies regularly evaluate us and their ratings of our debt are based on a number of factors, including our financial strength and conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the current ratings or outlooks, and any downgrading in our debt credit ratings would likely increase our borrowing costs and could limit our access to capital markets and adversely affect our operating results and financial condition.

Chile has different corporate disclosure and accounting standards than those you may be familiar within the United States.

Accounting, financial reporting and securities disclosure requirements in Chile differ in certain significant respects from those required in the United States. Accordingly, the information about us available to you will not be the same as the information available to holders of notes issued by a U.S. financial institution. See a description of certain significant differences between Chilean GAAP and IFRS (equivalent to the differences between Chilean GAAP and IFRS as adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002) as applied to us in "Annex A—Significant Differences Between Chilean GAAP and IFRS."

As a regulated financial institution, we are required to submit unaudited stand-alone balance sheets and income statements prepared in accordance with Chilean GAAP to the CMF on a monthly basis and audited consolidated and stand-alone balance sheets and income statements prepared in accordance with Chilean GAAP on an annual basis. We are required to publish our income statements for the periods ended March 31, June 30 and September 30 of each calendar year in a newspaper of national circulation. Such publication must be made no later than the last day of the month following the date of the income statement. Such unaudited financial information is prepared in summary form, is not sent directly to our security holders and differs in other significant respects from information generally available in the United States with respect to U.S. financial institutions. The CMF also has discretionary power to require a bank to publish its income statements for periods in addition to those specified above.

The Chilean Securities Market Law which governs open or publicly listed companies, such as us, impose disclosure requirements that are more limited than those in the United States in certain important respects. In addition, although Chilean law imposes restrictions on insider trading and price manipulation, applicable Chilean laws are different from those in the United States, and the Chilean securities markets are not as highly regulated and supervised as the U.S. securities markets.

We cannot assure you of the accuracy or comparability of facts, forecasts and statistics contained in this Prospectus with respect to Chile, its economy and banking industry.

Facts, forecasts and statistics in this document relating to Chile, Chile's economy and the Chilean banking industry, including market share information, are derived from various official and other publicly available sources that we generally believe to be reliable. However, we cannot vouch for the quality and reliability of such official and other sources of materials. In addition, these facts, forecasts and statistics have not been independently verified by us and, therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside of Chile and may not be complete or up to date. We have taken reasonable care in reproducing or extracting the information from such sources. However, because of possibly flawed or ineffective methodologies underlying the published information or discrepancies between the published information and market practice and other problems, these facts, forecasts or statistics may be inaccurate and may not be comparable from period to period or to facts, forecasts or statistics produced for other economies, and you should not unduly rely upon them.

A change in the law governing the judicial recovery of overdue loans or in the organization of our courts could adversely affect our overall rate of recovery of overdue loans.

The Chilean judicial system is constantly evolving to suit the needs of the population and is gradually incorporating the use of new technological tools as these facilitate the intervention of the court. On October 10, 2014, the Chilean Congress enacted Law No. 20,720, which amends the procedural and substantive regulation of the judicial reorganization or settlement for individuals and businesses declared insolvent or bankrupt. The main purposes of the aforementioned law are: (a) to facilitate the negotiation and approval of the debtor's reorganization agreements; (b) to improve the repayments of creditors in insolvency proceedings, creating a more effective and efficient process; and (c) to regulate the effects of cross-border insolvency proceedings. Although changes in this area could increase the rate of legal recovery of overdue loans and improve our operating results, it could also adversely affect them.

Changes in labor laws may adversely affect our profitability.

On July 9, 2014, Law No. 20,760 was enacted, setting forth a new kind of legal entity concept, preventing companies from hiding their identity by using multiple taxpayer numbers. This law deems as the same employer for labor and social security purposes, two or more companies that have a common labor management and comply with some conditions like having a common controller among them, or having similar or supplementary products or services.

On September 8, 2016, Law No. 20,940 was published in the Official Gazette of Chile and became effective on April 1, 2017. The purpose of this law is to promote and empower the collective negotiation procedure between employers and employees, providing that the labor unions shall be the most favored party in such negotiations as well as the "owner" of the rights achieved through them. Consequently, the employers may not extend those rights to non-unionized employees, which was previously allowed (provided that the non-unionized employees paid the 75% of the labor union fee). Some of the main measures are the following: (i) to forbid the replacement of employees when work stoppages or strikes are ongoing, regardless if they are replaced through external or internal personnel; (ii) to give employees access to the financial and tax information of their employers, as well as to their investment plans, and to payroll information regarding both unionized an non-unionized employees; (iii) recognize the benefits achieved in the past collective negotiation as a minimum for the upcoming negotiation; (iv) possibility for inter-company unions to engage in collective bargaining procedures, which will be binding to the employer subject to the fulfillment of certain legal requirements; and (v) extension of the right to collective bargaining to employees formerly not entitled to do so, and also in respect of matters that were not previously subject to collective bargaining. On May 2019, the President of Chile sent to the Chilean Congress a new bill of law on labor modernization to improve balance between work and family, and inclusion (Bulletin 12618-13). The main changes proposed in the bill are to: (i) amend the working schedule from fixed 45 hour per week to the possibility of agreeing on a monthly working schedule of 180 hours per month; (ii) allow the distribution of the workweek from a minimum of 4 to a maximum of 6 days (allowing 4x3 shifts with no prior request to the Labor Board); (iii) introduce a new regulation on services provided through technological platforms; (iv) introduce a new regulation for free-lance or informal employments; and (v) introduce amendments to the regulation of services provided by teenagers and under aged employees. Simultaneously, a group of congresswomen from opposition parties proposed a bill of law aimed to reduce the weekly working schedule from 45 to a 40 hours per week. According to the current text of the bill, the reduction should become effective after 12 months of its publication in the Official Gazette, considering a gradual implementation for smaller companies. Both the government sponsored and the opposition draft are currently being discussed at the Chilean Congress. Any assessment regarding the impacts of these legislative changes on the bank's operations is subject to the final outcome of the legislative process. These potential changes in labor laws may increase our labor costs or prevent us from increasing operational efficiency which in turn could also significantly affect our results of operations and ability to pay the Notes. Due to the global contingency caused by COVID-19 and its impact on forms of employment and labor relations in Chile, some of the laws that were being discussed in the Chilean Congress have lost their urgency and are currently on standby, such as the aforementioned reforms of labor flexibility and reduction of working hours.

On April 1, 2020, and in connection with the COVID-19 related crisis, Law No. 21,220 was enacted, introducing certain amendments to the Labor Code in order to regulate remote working. This new law establishes a series of special regulations for employees who provide services remotely and creates a number of obligations for the employer when agreeing on working remotely, a matter that until then was almost entirely unregulated. The main elements of this law are: (i) the employee's right to disconnect from work; (ii) additional minimum content in employment contracts for remote working services; (iii) requirement on certain tools, elements and costs associated to the performance of services by the employee are assumed by the employer; (iv) a prohibition for employers to force their employees to use their own tools or to incur in non-reimbursable expenses to render services out of the regular work place; and (v) specific regulation of working schedules. This law may generate new labor costs that shall be assumed by the employer, especially in companies where remote work exists as a permanent practice.

On April 6, 2020, Law No. 21,227 was enacted in order to establish extraordinary and transitory measures to protect the stability of income and labor sources for a significant group of workers who, having formal jobs, (i) cannot provide services due to mandatory measures adopted by Chilean authorities in the context of the pandemic; or (ii) have agreed with their employers to suspend their employment contract. This law allows the suspension of the employment contracts or reduction of hours and wages under various specific scenarios and conditions, making available to affected employees a subsidy from unemployment insurance. On February 2021, Law No. 21,312 was published in the Official Gazette, which extends until December 2021 the enforcement of the benefits and entitlements established in Law No. 21,227 and in Law No. 21,263, and grants new provisions with charge to the unemployment mutual aid fund. In the event that it is necessary to invoke this law for the suspension of employment contracts or reduction of working hours, the company would be subject to several restrictions, including, but not limited to: (i) hiring personnel; (ii) termination of employment contracts; (iii) prohibition on corporations to distribute dividends during certain period and upon fulfillment of certain conditions; and (iv) prohibition for directors of open stock companies to receive fees for said position that are higher than the percentages corresponding to the unemployment insurance, during the suspension period agreed with its employees.

In 2021, a large list of new labor laws was enacted by the Chilean Congress, including Law 21,237 regarding modernization of the Chilean Labor Bureau, Law 21,342 regarding health and safety protocols for returning to work in the context of the COVID-19 pandemic, Law 21,360 establishing a new minimum monthly wage, Law 21,351 regarding a temporary extension of some benefits regulated in Law 21,247, Law 21,325, Law 21,275 establishing the obligation of companies with more than one hundred employees to hire employees who have knowledge about labor inclusion of people with disabilities, Law 21,389 that creates a National Registry of Alimony Debtors, and Law 21,419 that creates the universal guaranteed pension.

The changes in legislation could have an adverse effect on our business, results of operation or financial condition in the future.

Changes in social security legislation may adversely affect our profitability.

In January 2020, the Chilean government sent a new bill to the Chilean Congress to reform the Chilean pension system. Amongst other measures, the bill is expected to include a gradual increase of up to 6% in employer contributions to employee pension schemes. As of January 2021, the bill was in the Senate's second constitutional stage, its discussion being delayed due to the COVID-19 pandemic and the extraordinary withdrawals of pension funds. On March 2, 2021, the Senate authorized the Labor and Social Security Commission to discuss the project in general and in particular. On March

3, 2021 the Labor Commission of the Senate approved the bill in general. Also on March 3, 2021, the President announced that the government was introducing modifications to the bill for social security reform, although maintaining the gradual increase of up to 6% in employer contributions to employee pension schemes.

Considering that this is currently being discussed in the Chilean Congress, we are unable to predict the final content of the law. The potential adverse effect of the proposed law on our financial condition and results of operations cannot yet be ascertained. As a result, potential impacts over the Chilean economy in the short and long run are not yet determinable.

Changes in insurance supervision may adversely affect our profitability.

Two of our related companies, Bci Seguros de Vida S.A. and Bci Seguros Generales S.A., are insurance companies subject to the supervision of the CMF. A bill of law being discussed by the Chilean Congress contemplates the implementation of a risk-based supervision model in the Chilean insurance market which would eventually establish supervisory capital requirements. These requirements are risk based, and as the risk levels within the insurer increases, the capital level must increase as well.

Risks Relating to the Notes

Notes issued under the Program may not be a suitable investment for all investors. Each potential investor in Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in such Notes and the information contained in this Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such Notes will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more Specified Currencies, or where the Specified Currency for principal or interest payments is different from the potential investor's usual currency for holding investments;

- understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment in the relevant Notes and its ability to bear the applicable risks.

Risks Relating to the Notes Generally

Set out below is a brief description of certain risks relating to the Notes generally:

There is no trading market for the Notes; you may be unable to sell your Notes if a trading market for the Notes does not develop or is not developed and maintained.

Each Series of Notes will constitute a new issue of securities with no established trading market. Application may be made to the Luxembourg Stock Exchange for Notes (other than Indexed Notes) issued under the Program to be listed on the Official List of the Luxembourg Stock Exchange and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange. In addition, Notes (other than Indexed Notes) may be listed or admitted to trading on other or further stock exchanges including, but not limited to, the Frankfurt Stock Exchange and the SIX Swiss Exchange, as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. The Issuer cannot assure you, however, that the application will be accepted or an active trading market for the Notes will develop or, if developed, be maintained. If a trading market does not develop or is not maintained, holders of the Notes may experience difficulty in reselling the

Notes or may be unable to sell them at all. Even if a market develops, the liquidity of any market for the Notes will depend on many factors, including the number of holders of the Notes, the interest of securities dealers in making a market in the Notes and other factors. The price of each Series of Notes will depend on many factors, including prevailing interest rates, general economic conditions, our operating results and the market for similar securities. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes, the ability of holders to sell the Notes or the prices at which the Notes could be sold. Because the market for any Series of Notes may not be liquid, you may have to bear the economic risk of an investment in the Notes for an indefinite period of time. If an active trading market does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes (other than Indexed Notes) are traded, they may trade at a discount from their initial offering price depending upon prevailing interest rates, the market for similar securities, general economic conditions, the Issuer's performance and business prospects and other factors.

Market price risk.

The market price of each Series of Notes depends on various factors, such as the spread and impact of the COVID-19 pandemic, including government actions taken to control the spread of the virus, changes of interest rate levels, the policy of central banks, overall economic developments, inflation rates or the supply and demand for the relevant type of Note. The market price of each Series of Notes may also be negatively affected by an increase in the Issuer's credit spreads (*i.e.,* the difference between yields on the Issuer's debt and the yield of government bonds or swap rates of similar maturity). The Issuer's credit spreads are mainly based on its perceived creditworthiness but also influenced by other factors such as general market trends as well as supply and demand for such Series of Notes.

Exchange rate risk and exchange controls.

An investment in Notes that are denominated in, or the payment of which is to be or may be made in or related to the value of, a currency or composite currency other than the currency of the country in which the purchaser is a resident or the currency in which the purchaser conducts its business or activities (the "home currency") entails significant risks that are not associated with a similar investment in a security denominated in the home currency. Such risks include the possibility of significant changes in rates of exchange between the home currency and the various foreign currencies (or composite currencies) after the issuance of such Note and the possibility of the imposition or modification of foreign exchange controls by either the U.S. or foreign governments. Such risks generally depend on economic and political events over which each Issuer has no control. In recent years, rates of exchange between certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of any Note. Depreciation of the currency in which a Note is denominated against the relevant home currency would result in a decrease in the effective yield of such Note below its coupon rate and, in certain circumstances, could result in a loss to the investor on a home currency basis. In addition, depending on the specific terms of a currency linked Indexed Note, changes in exchange rates relating to any of the currencies involved may result in a decrease in the effective yield of such currency linked Indexed Note and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of a currency linked Indexed Note to the investor.

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. Dollar. National governments, however, rarely voluntarily allow their currencies to float freely in response to economic forces. Governments in fact use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rate of their currencies. Governments may also issue a new currency to replace an existing currency, or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing non-home currency denominated Notes or currency linked Indexed Notes is that their home currency-equivalent yields could be affected by governmental actions, which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces, and the movement of currencies across borders. There will be no adjustment or change in the terms of such Notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the U.S. Dollar or any applicable Specified Currency.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal and of premium, if any, or interest, if any, on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note not denominated in U.S. Dollars would not be available at such Note's maturity. In that event, the Issuer would make required payments in U.S. Dollars on the basis of the market exchange rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the market exchange rate as of the most recent practicable date. See "Special Provisions Relating to Foreign Currency Notes—Payments on Foreign Currency Notes."

Interest rate risk.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

The Issuer may not effectively manage risks associated with the replacement of benchmark indices.

Interest rate, equity, foreign exchange rate and other types of indices which are deemed to be "benchmarks," including those in widespread and long-standing use, have been the subject of ongoing international, national and other regulatory scrutiny and initiatives and proposals for reform. Some of these reforms are already effective while others are still to be implemented or are under consideration. These reforms may cause benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences, which cannot be fully anticipated.

Any of the benchmark reforms which have been proposed or implemented, or the general increased regulatory scrutiny of benchmarks, could also increase the costs and risks of administering or otherwise participating in the setting of benchmarks and complying with regulations or requirements relating to benchmarks. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks or lead to the elimination, discontinuance or obsolescence of certain "benchmarks," or result in other consequences that cannot be predicted. Even prior to the implementation of any changes, uncertainty as to the nature of potential alternative reference rates and as to the nature and effect of potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, as well as the value of, the return on and/or trading market for Notes linked to such benchmark. See "Risk Factors—Risks Relating to the Notes Generally—Changes or uncertainty about the future of EURIBOR and the potential discontinuance of EURIBOR could adversely affect the market value of any EURIBOR Notes, limit your ability to resell them and/or the payment of interest under such EURIBOR Notes"—Changes in the method for determining LIBOR and the potential replacement of LIBOR may adversely affect the value of and return on any LIBOR Notes, as well as our cost of capital and net investment income."

Any of these developments, and any future initiatives to regulate, reform or change the administration of benchmarks, could result in material adverse consequences to the return on, value of and market for loans, mortgages, securities, derivatives and other financial instruments whose returns are linked to any such benchmark, including those issued, funded or held by the Issuer.

The benchmark reform could have a material impact on Notes linked to such benchmark, including the discontinuance in use of a benchmark if its administrator does not obtain the requisite authorization or satisfy other applicable requirements. In such event, depending on the particular benchmark and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted. Furthermore, the benchmark reform could also result in a change in the methodology or terms of the benchmark in order to comply with the requirements of the benchmark reform and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including, in certain circumstances, the selection of a substitute or successor reference rate.

Various regulators, industry bodies and other market participants in the U.S. and other countries are engaged in initiatives to develop, introduce and encourage the use of alternative rates to replace certain benchmarks. There is no assurance that these new rates will be accepted or widely used by market participants, or that the characteristics of any of these new rates will be similar to, or produce the economic equivalent of, the benchmarks that they seek to replace. If a particular benchmark were to be discontinued and an alternative rate has not been successfully introduced to replace that benchmark, this could result in widespread dislocation in the financial markets, engender volatility in the pricing of securities, derivatives and other instruments, and suppress capital markets activities, all of which could have adverse effects on the Issuer's results of operations. In addition, the transition of a particular benchmark to a replacement rate could affect hedge accounting relationships between financial instruments linked to that benchmark and any related derivatives, which could adversely affect the Issuer's results.

Changes or uncertainty about the future of EURIBOR and the potential discontinuance of EURIBOR could adversely affect the market value of any EURIBOR Notes, limit your ability to resell them and/or the payment of interest under such EURIBOR Notes.

Various interest rate benchmarks (including Euro Interbank Offered Rate (EURIBOR)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective, including the Benchmark Regulation, while others are still to be implemented.

Under the Benchmark Regulation, which applies from January 1, 2018, new requirements apply with respect to the provision of a wide range of benchmarks (including EURIBOR), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorized or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognized or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevents certain uses by EU-supervised entities of benchmarks of administrators that are not authorized or registered (or, if non-EU-based, deemed equivalent or recognized or endorsed). It is not possible to predict the effect of these changes, other reforms, or the establishment of alternative reference rates in the European Union or elsewhere. The resulting uncertainty could adversely affect the market value of any EURIBOR Notes and/or limit your ability to resell them.

If EURIBOR rate is not published, the rate of interest on the Notes limited to EURIBOR will be determined using alternative methods. See "Description of the Notes—Interest and Interest Rates—EURIBOR Notes." These alternative methods may result in lower interest payments than would have been made if EURIBOR were published in its current form. The alternative methods may also be subject to factors that make the EURIBOR impossible or impracticable to determine. If a published EURIBOR is unavailable and banks are unwilling to provide quotations, the rate of interest on EURIBOR Notes for an interest period will be the same as the immediately preceding interest period, and could remain the rate of interest for the remaining life of such EURIBOR Notes.

Changes in the method for determining LIBOR and the potential replacement of LIBOR may adversely affect the value of and return on any LIBOR Notes, as well as our cost of capital and net investment income.

On July 27, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the "**FCA**"), which regulates the London interbank offered rate ("**LIBOR**"), announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. On March 5, 2021, the FCA confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative (i) immediately after December 31, 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and (ii) immediately after June 30, 2023, in the case of the remaining US dollar settings. In addition, the European Money Market Institute (EMMI) announced the discontinuation of the EONIA after January 3, 2022 and that from October 2, 2019 until its total discontinuation it will be replaced by the €STR plus a spread of 8.5 basis points.

In June 2017, the Alternative Reference Rates Committee (the "**ARRC**") convened by the Board of Governors of the FRBNY announced the SOFR as its recommended alternative to the London interbank offered rate for U.S. dollar obligations ("**U.S. dollar LIBOR**"). On September 10, 2020, the ARRC released a Request for Proposals seeking a potential administrator to publish forward-looking SOFR term rates, which followed the publication of the ARRC's 2020 Objectives, which aimed to publish forward-looking term SOFR rates in the first half 2021 if liquidity in SOFR derivatives markets had developed sufficiently. On July 29, 2021, the ARRC announced that it formally recommends SOFR as its preferred alternative rate for the 1-week and 2-month U.S. dollar LIBOR settings.

The effect of any potential replacement of LIBOR on net investment income cannot yet be determined and any changes to benchmark interest rates could decrease net investment income, which could impact our results of operations, liquidity, or the market value of our investments. In addition, any significant change to the setting or existence of LIBOR could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should consider these matters when making their investment decision with respect to LIBOR Notes.

SOFR differs fundamentally from U.S. dollar LIBOR and there is no guarantee that SOFR is a comparable substitute, successor or replacement for U.S. dollar LIBOR.

SOFR is a broad treasury repo financing rate that represents overnight secured funding transactions and differs fundamentally from U.S. dollar LIBOR. SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. dollar LIBOR in part because it is considered to be a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. While SOFR is a secured overnight rate, U.S. dollar LIBOR is an unsecured rate that represents interbank funding over different maturities. In addition, because SOFR is a transaction-based rate, it is backward-looking, whereas U.S. dollar LIBOR is forward-looking. Because of these and other differences, there can be no assurance that SOFR will perform the same way as U.S. dollar LIBOR, including, without limitation, as a result of changes in interest and yield rates in the market, bank credit risk, market volatility or global or regional economic, financial, political, regulatory, judicial or other events. As a result, there is no guarantee that SOFR is a comparable substitute, successor or replacement for U.S. dollar LIBOR.

The secondary trading market for floating rate securities with rates based on SOFR may be limited or unpredictable.

If SOFR does not prove to be widely used as a benchmark in securities that are similar or comparable to Floating Rate Notes based on SOFR, the trading price of such Floating Rate Notes may be lower than those of debt securities with interest rates that are based on rates that are more widely used. Similarly, market terms for debt securities with rates that are based on SOFR, including, but not limited to, the spread over the reference rate reflected in the interest rate provisions or manner of compounding the reference rate (if applicable), may evolve over time, and as a result, trading prices of any Floating Rate Notes based on SOFR may be lower than those of later-issued debt securities that are based on SOFR. Investors in any such Floating Rate Notes may not be able to sell such Notes at all or may not be able to sell them at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

The manner of adoption or application of reference rates based on SOFR in the bond market may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any potential inconsistencies between the adoption of reference rates based on SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of such Floating Rates Notes.

Investors should not rely on indicative or historical data concerning the SOFR.

The FRBNY started publishing the SOFR in April 2018. FRBNY has also published historical indicative Secured Overnight Financing Rates dating back to 2014, although such historical indicative data inherently involves assumptions, estimates and approximations. The SOFR over time may bear little or no relation to the historical actual or historical indicative data and investors should not rely on such historical indicative data or on any historical changes or trends in the SOFR as an indicator of the future performance of the SOFR. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR, such as correlations, may change in the future. Therefore, no future performance of SOFR may be inferred from any of the historical actual or historical indicative SOFR data. Hypothetical or historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR.

The interest rate on the Floating Rate Notes may be based on a Compounded SOFR rate and the SOFR Index, which are relatively new in the marketplace.

For each Determination Period, the interest rate on the Floating Rate Notes may be based on Compounded SOFR or SOFR Index, as specified in the Final Terms. Very limited market precedent exists for securities that use Compounded SOFR or SOFR Index as the interest rate and the method for calculating an interest rate based upon SOFR in those precedents varies. In addition, the FRBNY only began publishing the SOFR Index on March 2, 2020. Accordingly, the use of the SOFR Index or the Compounded SOFR rate used in the Floating Rate Notes may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that would likely adversely affect the market value of the Notes.

SOFR may be more volatile than other benchmark or market rates.

Since the initial publication, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or market rates, such as U.S. dollar LIBOR, during corresponding periods. In addition, although changes in Term SOFR, Compounded SOFR and weighted average daily SOFR generally are not expected to be as volatile as changes in SOFR on a daily basis, the return on, value of and market for the SOFR notes may fluctuate more than floating-rate debt securities with rates of interest based on less volatile rates. The Federal Reserve Bank of New York has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the Federal Reserve Bank of New York will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain and could be materially adverse to investors in the floating rate notes.

Compounded SOFR with respect to a particular interest period will only be capable of being determined near the end of the relevant interest period.

The level of Compounded SOFR applicable to a particular interest period and, therefore, the amount of interest payable with respect to such interest period, will be determined on the Interest Determination Date (as determined in the Final Terms) for such interest period. Because each such date is near the end of such interest period, you will not know the amount of interest payable with respect to a particular interest period until shortly prior to the related Interest Payment Date (as defined below) and it may be difficult for you to reliably estimate the amount of interest that will be payable on each such Interest Payment Date (as defined below). In addition, some investors may be unwilling or unable to trade the floating rate notes without changes to their information technology systems, both of which could adversely impact the liquidity and trading price of the floating rate notes.

SOFR may be modified or discontinued, and changes in the SOFR could adversely affect holders of Floating Rate Notes.

Because the Secured Overnight Financing Rate is published by FRBNY based on data received from other sources, we have no control over its determination, calculation or publication. The FRBNY, or any successor thereof, as the administrator of the SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. If the manner in which SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on Floating Rate Notes based on SOFR, which may adversely affect the trading prices of such Floating Rate Notes. FRBNYM, or any successor thereof, may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SOFR in its sole discretion and without notice and has no obligation to consider the interests of holders of such Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing SOFR. There can be no assurance that the Secured Overnight Financing Rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of such Floating Rate Notes. For purposes of the formula used to calculate the rate of interest during the Interest Reset Period, SOFR in respect of a particular date will not be adjusted for any modifications or amendments to SOFR data that the administrator of SOFR may publish after the rate of interest for that day has been determined in accordance with the terms and provisions set forth in this Base Prospectus and any Benchmark Replacement Conforming Changes. Further, if the interest rate on such Floating Rate Notes during the applicable floating rate period on any day or for any interest period declines to zero or becomes negative, it will have a negative effect on the rate for the period, although the rate for that period may still be positive and interest may still accrue for that day.

The selection of a Benchmark Replacement could adversely affect the return on, value of or market for Floating Rate Notes based on SOFR during the Interest Reset Period.

At any time when the Benchmark with respect to Floating Rate Notes during the Interest Reset Period is Term SOFR or Compounded SOFR, if the Issuer or its designee, after consulting with the Issuer, determines that a Benchmark Transition Event and related Benchmark Replacement Date have occurred with respect to Term SOFR or Compounded SOFR, as applicable, the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes relating to such Floating Rate Notes. If a particular Benchmark Replacement or Benchmark Replacement Adjustment cannot be determined, then the next-available Benchmark Replacement or Benchmark Replacement Adjustment will apply. See "Description of the Notes—Types of Floating Rate Notes—LIBOR Notes."

The application of a Benchmark Replacement and Benchmark Replacement Adjustment, and any implementation of Benchmark Replacement Conforming Changes, could result in adverse consequences to the amount of interest payable on any Floating Rate Notes based on U.S. dollar LIBOR or, subsequently, Term SOFR or Compounded SOFR, which could adversely affect the return on, value of and market for such Floating Rate Notes.

Further, (i) the composition and characteristics of any Benchmark Replacement in respect of Term SOFR or Compounded SOFR, as applicable, will not be the same as those of the Term SOFR or Compounded SOFR, as applicable, (ii) the Benchmark Replacement will not be the economic equivalent of Term SOFR or Compounded SOFR, as applicable, (iii) there can be no assurance that the Benchmark Replacement will perform in the same way as Term SOFR or Compounded SOFR, as applicable, would have at any time, (iv) there is no guarantee that the Benchmark Replacement will be a comparable substitute for Term SOFR or Compounded SOFR, as applicable (each of which means that a Benchmark Transition Event could adversely affect the return on, value of and market for the applicable Floating Rate Notes), (v) any failure of the Benchmark Replacement to gain market acceptance could adversely affect such Floating Rate Notes, (vi) the Benchmark Replacement may have a very limited history and the future performance of the Benchmark Replacement may not be able to be predicted based on historical performance, (vii) the secondary trading market for debt securities linked to the Benchmark Replacement may be limited and (viii) the administrator of the Benchmark Replacement may make changes that could change the value of the Benchmark Replacement or discontinue the Benchmark Replacement and would not have any obligation to consider the interests of holders of any Floating Rate Notes in doing so.

Credit ratings may not reflect all risks, and the Issuer cannot assure you that such ratings will not be lowered, suspended or withdrawn by the rating agencies.

One or more independent credit rating agencies may assign credit ratings to the Notes. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes to be issued under the Program. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. The credit ratings of the Notes may change after issuance. Such ratings are limited in scope, and do not address all material risks relating to an investment in the Notes, but rather reflect only the views of the rating agencies at the time the ratings are issued. An explanation of the significance of such ratings may be obtained from the rating agencies. The Issuer cannot assure you that such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market price and marketability of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any ratings assigned to Notes as at the date of this Prospectus are not indicative of future performance of the Issuer's business or its future creditworthiness.

Changes in tax laws could lead to the Issuer redeeming the Notes.

Payments of interest in respect of the Notes made by the Issuer to foreign holders will be subject to Chilean interest withholding tax currently assessed at a rate of 4.0%. Subject to certain exemptions, the Issuer will pay Additional Amounts (as defined in "Description of the Notes—Payment of Additional Amounts") so that the amount received by the holder after Chilean withholding tax will equal the amount that would have been received if no such taxes had been applicable. The Notes can be redeemable at the Issuer's option, subject to applicable Chilean law, in whole but not in part, at any time, at the principal amount thereof plus accrued and unpaid interest and any Additional Amounts due thereon if, as a result of changes in the laws or regulations affecting taxation in a Relevant Taxing Jurisdiction (as defined in "Description of the Notes—Payment of Additional Amounts"), the Issuer becomes obligated to pay Additional Amounts on the Notes based on a rate of withholding or deduction in excess of 4.0%. The Issuer cannot assure you that an increase in withholding tax rate will not be presented to or enacted by the Chilean Congress; however, if such an increase were enacted, the Notes would be redeemable at the option of the Issuer. See "Description of the Notes—Redemption Prior to Maturity Solely for Taxation Reasons" and "Taxation—Chilean Taxation."

The Notes are subject to certain transfer restrictions.

The Notes have not been registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities law. See "Transfer and Selling Restrictions."

Holders of Notes may find it difficult to enforce civil liabilities against the Issuer or its directors, executive officers and controlling persons.

The Issuer is organized under the laws of Chile and its principal place of business (*domicilio social*) is in Santiago, Chile. None of its directors are residents of the United States, and most of its executive officers and controlling persons reside outside of the United States.

In addition, a substantial portion of the assets of the Issuer and its directors, executive officers and controlling persons are located outside of the United States. As a result, it may be difficult for holders of Notes to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the U.S. federal securities laws. Based on the opinion of the Issuer's Chilean counsel, there is doubt as to the enforceability against such persons in Chile, whether in original actions or in actions to enforce judgments of U.S.

courts, of liabilities based solely on the U.S. federal securities laws. See "Service of Process and Enforcement of Civil Liabilities."

The Issuer's obligations under the Notes will be subordinated to certain statutory liabilities and the liabilities of our subsidiaries.

Under Chilean bankruptcy law, the Issuer's obligations under the Notes are subordinated to certain statutory preferences. In the event of the Issuer's liquidation, such statutory preferences, including among others, claims for salaries, wages, secured obligations, social security, taxes and court fees and expenses related thereto, will have preference over any other claims, including claims by any investor in respect of the Notes. The aforementioned statutory preferences have not been included in a legal order. In addition, the liabilities of our subsidiaries are structurally senior to the Notes.

In addition, the Issuer's creditors may hold negotiable instruments or other instruments governed by local law that grant rights to attach the assets of the Issuer at the inception of judicial proceedings in the relevant jurisdiction, which attachment is likely to result in priorities benefitting those creditors when compared to the rights of holders of the Notes.

The Notes contain provisions which may permit their modification without the consent of all investors.

The Notes contain provisions for calling meetings of holders of Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Notes of a Series, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

We may commit to allocate the net proceeds from the sale of the Notes to the financing or refinancing of eligible green and/or social projects and, in such event, the market price of the Notes may be adversely affected by our failure to allocate an amount equal to the net proceeds from the Notes to such eligible projects or to satisfy related reporting requirements and other undertakings.

We may commit to allocate the net proceeds from the sale of the Notes to the financing or refinancing of new and existing projects and activities that promote environmental purposes (the "**Eligible Green Projects**") and/or social purposes (the "**Eligible Social Projects**" and, together with the Eligible Green Projects, the "**Eligible Projects**"). Prospective investors should refer to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

In this event, the market price of the Notes may be impacted by any failure by us to allocate the net proceeds from the sale of the Notes to such Eligible Projects or to meet or continue to meet, whether in whole or in part, the investment expectations, guidelines, criteria or requirements (whether by any present or future applicable law or regulations or by other governing rules or investment portfolio mandates or otherwise) of certain environmentally or socially focused investors with respect to the Notes, particularly with regard to any direct or indirect environmental, sustainability or social impact of the Eligible Projects. There can be no assurances that any Eligible Projects will deliver any environmental or social benefits, that adverse environmental, social or other impacts will not occur during the design, construction, commissioning and operation of any Eligible Projects or that the Eligible Projects will be capable of being implemented in accordance with any timing schedule. Any such failure to apply the net proceeds from the sale of the Notes to any Eligible Projects, any failure of Eligible Projects to achieve the results or outcome originally expected or anticipated by us, or the withdrawal of any Second Party Opinion (as defined below) or any attestation that we are not complying in whole or in part with any matters subject to such opinion or certification may have a material adverse effect on the value of the Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. Furthermore, neither any such failure to apply the net proceeds from the sale of the Notes to any Eligible Projects, any such failure of Eligible Projects of Eligible Projects to achieve the results or outcome originally expected or anticipated by us, nor any such withdrawal of any Second Party Opinion or attestation, will constitute a covenant breach or an event of default under the Notes.

Furthermore, any opinion or certification of any third party (the "**Second Party Opinion**") with respect to the Eligible Projects and the sale of the Notes may not reflect the potential impact of all risks related to the Eligible Projects and other factors that may affect the value of the Notes. Such Second Party Opinion will be expected to provide an opinion on certain environmental, social or related considerations and is not intended to address any credit, market or other aspects of an investment in Notes including without limitation market price, marketability, investor preference or suitability of any security. No assurance can be provided as to the suitability of any Second Party Opinion, in particular as it regards the ability of an Eligible Project to fulfill any social, sustainability or other criteria, and, if there were to be one, it is not nor it should be deemed to be, a recommendation by us or any other person to purchase, sell or hold Notes. Any such Second Party Opinion would only be current as of the date that opinion was initially issued and may be updated, suspended or withdrawn by the relevant provider(s) at any time. For the avoidance of doubt, any Second Party Opinion is not, nor shall be deemed to be, incorporated in and/or form part of this Prospectus or the Final Terms.

There can be no assurance that the use of net proceeds from the sale of the Notes to finance or refinance Eligible Projects will be suitable for the investment criteria of any investor.

There is currently no market consensus on what precise attributes are required for a particular project to be defined or classified as "green," "social," "sustainable" or an equivalently-labelled project. In addition, it is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives. Therefore, no assurance can be provided to investors that the Eligible Projects will meet, whether in whole or in part, all investor expectations with regard to environmental impact and sustainability performance.

Furthermore, we have significant flexibility in allocating the net proceeds from the Notes, including reallocating the net proceeds in the event we determine in our discretion that projects receiving allocation no longer meet the criteria for Eligible Projects. In such event, there can be no assurance that the use of the proceeds for any Eligible Projects will satisfy, whether in whole or in part, any present or future investor expectations or requirements, taxonomies or standards or other investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own bylaws or other governing rules or investment portfolio mandates, ratings criteria, taxonomies or standards or other independent expectations, in particular with regard to any direct or indirect environmental, sustainability or social impact of any Eligible Projects. Accordingly, each prospective purchaser of the Notes should seek advice from their independent financial advisor or other professional advisor and consider the factors described herein to determine for itself the relevance of the information contained in the Base Prospectus, any Second Party Opinion and the applicable Final Terms regarding the use of proceeds and its purchase of any Notes, based upon such investigation as it deems necessary.

The examples of Eligible Green Projects and Eligible Social Projects referred to in any Final Terms are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by the Issuer during the term of any Notes. Any failure to use the net proceeds from any Notes on Eligible Projects or to meet or continue to meet the investment requirements of certain environmentally focused investors with respect to any Notes may affect the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green investments.

In the event that any Notes are listed or admitted to trading on any dedicated "green," "environmental," "social," "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under any governing rules or investment portfolio mandates. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Notes.

Interests in global Bearer Notes and Specified Denominations – investors who purchase interests in global Bearer Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Bearer Notes are subsequently required to be issued.

In relation to any issue of Notes in global bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that interests in such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in their account with the relevant clearing system at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should definitive Notes replace the applicable global

Bearer Notes) and would need to purchase or sell a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes in bearer form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures.

Unless issued in definitive form, Notes issued under the Program will be represented on issue by one or more global Notes that may be deposited with or registered in the name of a nominee for a common depositary or a common safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg or may be deposited with or registered in the name of a nominee for DTC. Except in the circumstances described in the applicable global Note, investors in a global Note will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each global Note held through it. While the Notes are represented by a global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

Except in the case of a Registered Global Note denominated in a specified currency other than U.S. Dollars and registered in the name of DTC or its nominee and in respect of which a participant in DTC has elected to receive any part of such payment in that specified currency, for so long as the Notes are represented by Registered Global Notes, the Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any global Note.

Holders of beneficial interests in a global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Risks Relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Program. Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the relevant Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact such investment will have on the potential investor's overall investment portfolio. Certain Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer.

Notes with an optional redemption are likely to have a limited market value. During any period when the Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable rate notes with a multiplier or other leverage factor.

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse floating rate notes.

Inverse floating rate notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse floating rate notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Fixed/Floating rate notes.

Fixed/Floating rate notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating rate notes may be less favorable than then prevailing spreads on comparable floating rate notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Indexed notes.

An investment in Indexed notes entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. If the interest rate of a Note is indexed, it may result in an interest rate that is less than that payable on a conventional fixed-rate debt security issued by the Issuer at the same time, including the possibility that no interest will be paid, and, if the principal amount of a Note is indexed, the principal amount payable at maturity may be less than the original purchase price of such indexed note, including the possibility that no principal will be paid (but in no event shall the amount of interest and principal paid with respect to an indexed note be less than zero). The secondary market for indexed notes will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable currency, commodity, interest rate or other index, including, but not limited to, the volatility of the applicable currency, commodity, interest rate or other index, the time remaining to the maturity of such indexed notes, the amount outstanding of such indexed notes and market interest rates. The value of the applicable currency, commodity, interest rate or other index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used to determine the principal amount or interest payable with respect to such indexed notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, interest rate or other index may be increased. The historical experience of the relevant currencies, commodities, interest rate or other indices should not be taken as an indication of future performance of such currencies, commodities, interest rate or other indices during the term of any indexed note. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in indexed notes and the suitability of indexed notes in light of their particular circumstances.

Notes issued at a substantial discount.

The market values of securities issued at a substantial discount from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing Notes with comparable maturities.

Particular tax consequences of holding Bearer Notes.

Any potential investor should consult its own independent tax adviser for more information about the tax consequences of acquiring, owning and disposing of Bearer Notes in its particular circumstances. Bearer Notes generally may not be offered or sold in the United States or to United States persons. Unless an exemption applies, a United States person holding a Bearer Note or coupon will not be entitled to deduct any loss on the Bearer Note or coupon and must treat as ordinary income any gain realized on the sale or other taxable disposition of the Bearer Note or coupon.

Risks Relating to Renminbi-Denominated Notes

Set forth below is a brief description of certain risks related to the Notes by reason of being denominated in Chinese Yuan Renminbi ("**Renminbi**", "**RMB**", "**CNY**"). The Notes will be denominated and settled in Renminbi deliverable in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), which represents a different market from that of Renminbi deliverable in the People's Republic of China (excluding Hong Kong, Macau and Taiwan, the "**PRC**").

Renminbi is not a freely convertible currency; and there are significant restrictions on remittance of Renminbi into and outside the PRC which may affect the liquidity of the Notes.

Renminbi is not a freely convertible currency at present. The government of the PRC continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong Dollar. However, there has been significant reduction in control by the PRC government in recent years, particularly over the trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into and out of the PRC for the purposes of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are developing gradually.

Although starting from October 2016 Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund , there is no assurance that the PRC Government will continue to liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Notwithstanding the Renminbi internationalisation efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC, which may negatively impact on the liquidity of the Notes and the value of the Notes. In addition, if Renminbi outside the PRC is unavailable, this will impact on the availability of the Issuer to source Renminbi to perform its obligations under Notes denominated in Renminbi.

Investment in the Notes is subject to exchange rate risks.

The value of Renminbi against the New Taiwan dollar, Hong Kong dollar, the U.S. dollar and other currencies fluctuates and is affected by developments in or affecting the PRC, international political and economic conditions and many other factors. All payments of interest on and principal of the Notes will be made in Renminbi, except in the case of inconvertibility, non-transferability or illiquidity, in which case the Issuer shall be entitled to settle any such payments in U.S. dollars at the U.S. Dollar Equivalent. As a result, the value of Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the relevant currency, the value of the investment in relevant currency will have declined.

Investment in the Notes is subject to currency risk.

Investors cannot be assured that payments in respect of the Notes will be made in Renminbi. If the Issuer is not able, or it is impracticable for the Issuer, to satisfy its obligation to pay interest or principal on the Notes as a result of inconvertibility, non-transferability or illiquidity, the Issuer shall be entitled to settle any such payment in U.S. dollars at the U.S. Dollar Equivalent of any such interest or principal, as the case may be.

Investment in the Notes is subject to interest rate risk.

The PRC government has gradually liberalized the regulation of interest rates over the past years. Further liberalization may increase interest rate volatility. The Notes offered hereunder may carry a fixed or floating interest rate.

Consequently, the trading price of the Notes will vary with the fluctuations in the Renminbi interest rates. If a holder of the Notes tries to sell the Notes before their maturity, that holder may receive an offer that is less than its original investment.

Payments in respect of the Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong, except in limited circumstances.

Except as provided below, so long as the Notes are represented by a global note certificate held with the common depositary for Clearstream, Luxembourg and Euroclear, all payments in respect of the Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong by the holder of such global note certificate. Any further credit of such amounts will be made in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures. In the case of inconvertibility, non-transferability or illiquidity, the Issuer may make payments on the Notes in U.S. dollars. If the Notes are issued in definitive form, all payments in respect of any such Note will be made by transfer to a Renminbi bank account maintained by the holder of such the Note in Hong Kong in accordance with prevailing rules and regulations. The Issuer will not be required to make payment by any other means, including, for example, in any other currency or by transfer to a bank account in the PRC.

Gains on the transfer of the Notes may become subject to income taxes under the PRC tax laws.

Under the PRC Enterprise Income Tax Law and its implementation rules which took effect on January 1, 2008, any gain realized on the transfer of Notes by non-resident enterprise holders may be subject to enterprise income tax if such gain is regarded as income derived from sources within the PRC. However, there remains uncertainty as to whether the gain realized from the transfer of Notes denominated in Renminbi would be treated as income derived from sources within the PRC and be subject to PRC tax. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and its implementation rules. According to the arrangement between the PRC and Hong Kong, residents of Hong Kong, including enterprise holders and individual holders, will not be subject to PRC tax on any capital gains derived from a sale or exchange of the Notes.

If non-resident enterprise holders are required to pay PRC income tax on gains on the transfer of the Notes (such enterprise income tax is currently levied at the rate of 10% of the gross proceeds, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-resident enterprise holders of the Notes reside that reduces or exempts the relevant tax), the value of their investment in the Notes may be materially and adversely affected.

Remittance of Renminbi into and outside the People's Republic of China.

In the event that the Issuer decides to remit some or all of the proceeds of the offering into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and registration with, the relevant PRC government authorities. However, the Issuer cannot assure you that the necessary approvals from and registration with the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

The Issuer cannot assure you that the PRC government will continue to gradually liberalize the control over cross-border Renminbi remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Issuer does remit some or all of the proceeds of the offering into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, the Issuer would need to source Renminbi outside the PRC to finance its obligations under the Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

ROC taxation.

The following overview of certain taxation provisions under Republic of China ("**ROC**") law is based on current law and practice and that the Notes will be issued, offered, sold and re-sold only to professional institutional investors as defined under Paragraph 2, Article 19-7 of the Regulations Governing Securities Firms of the ROC. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

Interest on the Notes.

Bci is not a ROC statutory tax withholder, and consequently, there is no ROC withholding tax on the interest paid on the Notes.

ROC corporate holders must include the interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17% (unless the total taxable income for a fiscal year is under NT$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The alternative minimum tax ("**AMT**") is not applicable.

Sale of the Notes.

In general, the sale of corporate bonds or financial bonds is subject to a 0.1% securities transaction tax ("**STT**") on the transaction price. Any sale of the Notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in effect at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the Income Tax Act of the ROC, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over five years to offset capital gains of the same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business or a business agent in the ROC, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

ROC settlement and trading.

Bci has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation ("**TDCC**") and have no intention to do so.

In the future, if Bci enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the Notes through the account of TDCC with Euroclear or Clearstream if it applies to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the GTSM as domestic bonds. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

OVERVIEW OF THE PROGRAM

This overview must be read as an introduction to this Prospectus and is provided as an aid to investors when considering whether to invest in the Notes, but is not a substitute for the Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any Final Terms.

Conditions for determining price to be included in the Prospectus

The price and amount of Notes to be issued under the Program will be determined by the Issuer and each relevant Dealer at the time of issuance in accordance with prevailing market conditions.

Risk Factors

There are certain factors that may affect the ability of the Issuer to fulfill its obligations under Notes issued under the Program. Such factors include liquidity, credit and event risks. In addition, there are certain factors that are material for the purpose of assessing the market risks associated with the Notes issued under the Program, including the structure of a particular issue of Notes and risks related to the market generally. See "Risk Factors" beginning on page 3.

The Notes and the Program

Issuer:	Banco de Crédito e Inversiones
LEI (Legal Entity Identifier):	549300E9E5Y3PKW24142
Dealers:	BofA Securities, Inc. Standard Chartered Bank BNP Paribas Securities Corp. Citigroup Global Markets Inc. Citigroup Global Markets Limited Daiwa Capital Markets America Inc. Goldman Sachs & Co. LLC HSBC Securities (USA) Inc. J.P. Morgan Securities LLC Mizuho Securities USA LLC MUFG Securities Americas Inc. Notes may also be issued to other dealers and to third parties other than dealers.
Fiscal Agent, Non-U.S. Paying Agent, Transfer Agent and Exchange Agent:	Bank of America, National Association (operating through its London branch).
European Registrar:	Bank of America Europe DAC.
U.S. Paying Agent, U.S. Registrar and U.S. Transfer Agent:	Bank of America, National Association.
Distribution:	Notes may be distributed (i) to qualified institutional buyers (as defined in Rule 144A under the Securities Act) and (ii) outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the Securities Act), in each case on a syndicated or non-syndicated basis, subject to the selling restrictions described under "*Transfer and Selling Restrictions*."

Specified Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms).
Maximum Amount:	The aggregate principal amount of Notes outstanding at any time shall not exceed US$4,000,000,000 or the approximate equivalent thereof in another currency calculated as at the issue date of the relevant Notes.
Maturities:	Notes may be issued in such maturities as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms as the stated maturity), subject to such minimum or maximum term as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency (as defined below).
Issue Price:	Notes may be issued at an issue price which is equal to, less than or more than their principal amount, as provided in the applicable Final Terms.
Form of Notes:	Notes will be issued in either registered or bearer form as specified in the applicable Final Terms.

Each Bearer Note will be represented initially by a temporary global Note, without interest coupons, or a permanent global Note, to be deposited with either a Common Safekeeper (if the global Note is intended to be issued in new global note ("**NGN**") form) or a Common Depositary (if the global Note is not intended to be issued in NGN form) for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the purchaser thereof. The interests of the beneficial owner or owners in a temporary global Note will be exchangeable after the Exchange Date (as defined under "Description of the Notes – Forms of Notes") for an interest in a permanent global Note to be held by either a Common Safekeeper (if the permanent global Note is intended to be issued in NGN form) or a Common Depositary (if the permanent global Note is not intended to be issued in NGN form) for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the beneficial owner thereof, or for definitive Bearer Notes or for definitive Registered Notes (as defined below), as provided in the applicable Final Terms. The interests of the beneficial owner or owners in a permanent global Note will be exchangeable for definitive Bearer Notes or for definitive Registered Notes, as provided in the applicable Final Terms.

If specified in the applicable Final Terms, Notes of each Tranche will be in fully registered form ("**Registered Notes**"). The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in the Supplement for Registered Notes and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered**

Global Notes").

Registered Global Notes exchangeable for definitive Notes shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

Fixed Rate Notes: .... The Issuer will pay interest on Fixed Rate Notes on the dates specified in the applicable Final Terms. Fixed interest on Notes will be calculated on the basis of such Fixed Day Count Fraction (as defined under "Description of the Notes—Interest and Interest Rates") as may be set forth in the applicable Final Terms.

Floating Rate Notes: .... The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Final Terms. Each Series of Floating Rate Notes will have one or more interest rate bases as indicated in the applicable Final Terms. Interest on Floating Rate Notes will be calculated on the basis of such Floating Day Count Fraction (as defined under "Description of the Notes—Interest and Interest Rates") as may be set forth in the applicable Final Terms.

Interest Period(s) or Interest Payment Date(s) for Floating Rate Notes: .... Such period(s) or date(s) as may be indicated in the applicable Final Terms.

Indexed Notes: .... Notes may be issued with the principal amount payable at maturity, or interest to be paid thereon, or both, to be determined with reference to the price or prices of specified commodities or stocks, indices, formulae or other assets or bases of reference as may be specified in such Note and the applicable Final Terms. A separate prospectus comprising the relevant Note and an overview document (as the case may be) will be used for the documentation of an issuance of Indexed Notes.

Redemption: .... The Final Terms relating to each Tranche of Notes will indicate (i) that the Notes of that Series can be redeemed prior to their stated maturity for taxation reasons, and (ii) whether the Notes of that Series can be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders, in each case upon giving not more than 60 nor less than 10 days irrevocable notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as are indicated in the applicable Final Terms; provided, however, that Notes denominated in currencies other than U.S. Dollars may be subject to different restrictions on redemption as described in "Description of the Notes—Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption."

Denomination of Notes: .... Notes may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms. If the Notes are admitted to trading on, or offered to the public in a market in the EEA or in the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation or the UK Prospectus Regulation, the minimum Specified Denomination of the Notes will be Euro 100,000 (or, if the Notes are denominated in a currency other than the Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.

Taxation:	All payments with respect to the Notes will be made without withholding or deduction for or on account of taxes imposed by any Relevant Taxing Jurisdiction (as described in "Description of the Notes—Payment of Additional Amounts"), unless such withholding is required by law, in which case, subject to certain exceptions, the Issuer will generally pay Additional Amounts as described in "Description of the Notes—Payment of Additional Amounts." See also "Taxation."
Status of the Notes:	Each Note will be unsecured and will be either a senior or a subordinated debt obligation of the Issuer. Notes which are senior debt obligations will rank equally in right of payment with all other unsecured and unsubordinated debt obligations of the Issuer (except as otherwise provided by applicable law). Notes which are subordinated debt obligations will rank junior in right of payment to all senior indebtedness of the Issuer (except as otherwise provided by applicable law) as specified in the applicable Final Terms, which will set forth the precise terms of such subordination. See "Description of the Notes—General."
Rating:	The Notes of each Tranche issued under the Program may be rated or unrated. Where the Notes of a Tranche are rated, such rating (i) will be set out in the Final Terms and (ii) will not necessarily be the same as the rating(s) assigned to the Program. Moreover, the Final Terms will set out whether the rating agency has been registered within the European Union. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Modification and amendment of the Notes: ...	Except for certain matters that require unanimous consent of the holders of each Note of any Series directly and adversely affected thereby, the Fiscal Agency Agreement and the terms and conditions of the Notes of a Series may be modified or amended (and future compliance therewith or past Events of Default may be waived) by holders of a majority in aggregate principal amount of the Notes of such Series or, in each case, such lesser amount as shall have acted at a meeting of holders of such Notes. See "Description of the Notes—Modification of Fiscal Agency Agreement and Notes." Notes owned by the Issuer or any of its subsidiaries shall not be deemed to be outstanding for purposes of making any modification or amendment of the Notes of such Series.
Listing and admission to trading:	Except for the Indexed Notes which will not be listed on the Official List of the Luxembourg Stock Exchange or admitted to trading on the Luxembourg Stock Exchange's regulated market, each Series of Notes may be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or listed or admitted to trading on or by such other or additional stock exchange(s), competent authority(ies) and/or market(s) or may be unlisted, in each case as specified in the applicable Final Terms. See "Transfer and Selling Restrictions."
Clearing System:	As specified in the applicable Final Terms.
Governing Law:..	New York law.
Selling Restrictions:	The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in accordance with Rule 144A or outside the United States to non-U.S. persons in reliance on Regulation

	S under the Securities Act or pursuant to another exemption from the registration requirements of the Securities Act. In addition, Notes issued in bearer form are subject to U.S. tax law requirements. For a description of certain restrictions on offers, sales and deliveries of Notes in the United States, the EEA, Australia, Canada, UK and certain other jurisdictions, see "Transfer and Selling Restrictions."
Risk Factors:..	Prospective purchasers of the Notes should consider carefully all of the information set forth in this Prospectus or any supplement hereto and, in particular, the information set forth under the caption "Risk Factors" beginning on page 3.

USE OF PROCEEDS

We intend to use the net proceeds from the sale of each issue of our Notes for general corporate purposes or as otherwise set forth in the Final Terms applicable to a particular issue of the Notes, which may include funding, in whole or in part, the financing or refinancing of Eligible Projects (which will be described in the relevant Final Terms for any such issue).

The use and allocation of the net proceeds is influenced by a number of factors outside of our control, including market conditions, and is based on our analysis, estimates and current views on future events and trends. Changes to these and other factors may require us to revise, at our discretion, our intended use of the net proceeds of the offering. See "Risk Factors—Risks Relating to our Business" and "—Risks Relating to Chile."

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Statements

This Prospectus includes (i) our audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020, and as of and for the years ended December 31, 2020 and 2021 and (ii) our unaudited interim consolidated financial statements as of March 31, 2022 and for the three months ended March 31, 2021 and 2022, in each case, together with the notes thereto, prepared in accordance with Chilean GAAP. Our audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020 have been audited by Deloitte Auditores y Consultores Limitada, independent auditors ("**Deloitte**"). The audit opinion of Deloitte on the financial statements as of and for the years ended December 31, 2019 and 2020 is included herein. Our audited consolidated financial statements as of and for the year ended December 31, 2021 have been audited by KPMG Auditores Consultores SpA, independent auditors ("**KPMG**"). The audit opinion of KPMG on the financial statements as of and for the year ended December 31, 2021 is included herein and includes a paragraph referring to the unmodified audit opinion of Deloitte over the consolidated financial statements as of and for the year ended December 31, 2020 issued on January 26, 2021. The above-mentioned audits were performed under auditing standards generally accepted in Chile. See "Independent Auditors." Our unaudited interim consolidated financial statements as of March 31, 2022 and for the three months ended March 31, 2021 and 2022 have not been audited or reviewed by any independent auditors. This unadited interim financial information is provisional until accepted by the CMF.

Chilean GAAP

We are a Chilean bank, and we maintain our financial books and records in Chilean pesos. We prepare our audited consolidated financial statements and our unaudited interim consolidated financial statements in accordance with the Compendium issued by the CMF (former SBIF), which came into effect on January 1, 2009 and differs in certain significant aspects from International Financial Reporting Standards ("**IFRS**"). See "Annex A—Significant Differences Between Chilean GAAP and IFRS." We refer to accounting standards, as issued by the CMF (and, formerly, by the SBIF) as "Chilean GAAP."

Chilean GAAS

Deloitte conducted its audits under auditing standards generally accepted in Chile, which differ in certain significant aspects from International Standards on Auditing. See "Annex B—Significant Departures from International Standards on Auditing."

KPMG Auditores Consultores SpA conducted its audit as of December 31, 2021 under auditing standards generally accepted in Chile, which differ in certain significant aspects from International Standards on Auditing. See "Annex B—Significant Departures from International Standards on Auditing."

Loans

Unless otherwise specified, all references herein to loans are to loans and receivables to customers before deductions for loan loss allowances.

Our past due ("past due") loans include only the portion of principal and interest that is overdue (as defined below) for 90 or more days and do not include the installments of such loans that are not overdue or that are overdue for less than 90 days, unless (i) any portion of the loan is overdue for 180 days or more, in which case the entire loan is considered past due, or (ii) legal proceedings have been commenced for the entire outstanding balance according to the terms of the loan, in which case the entire loan is considered past due within 90 days after initiation of such proceedings. This practice differs from the practice normally followed in the United States, under which the amount classified as past due would include the entire amount of principal and interest on any and all loans that have any portion overdue. Overdue portfolio ("overdue") includes only the portion of principal and interest that is overdue for one day or more. Once an overdue loan becomes overdue for 90 days or more, it does not continue to be considered "overdue" but is part of the "past due" portfolio. Our impaired loans include the entire amount of principal and interest on any and all loans that have any portion overdue. Restructured loans for which no payments are overdue are not ordinarily classified as past due loans or impaired loans.

We present information on "impaired" loans in accordance with guidelines for classifying and provisioning loan portfolios that were issued by the former SBIF and became mandatory as of January 1, 2011. Impaired loans are loans with respect to which we have evidence indicating that the borrower will not perform its payment obligations in accordance with the terms and conditions of the loan. For purposes of assessing our loan portfolio, we assess certain loans on an "individual" basis and other loans on a "collective" basis. We perform individual assessments of loans that we consider significant relative to our loan portfolio, based on the amount of the loan and its size, complexity and the credit profile of the borrower. Generally, we perform individual assessments of loans equal to or greater than UF 18,000 and collective assessments of loans of less than UF 18,000. We assess on a collective basis all of our loans that we do not assess individually, grouping them according to certain common characteristics such as the amount of the loan and the borrower's credit profile.

Under the guidelines issued by the CMF (former SBIF), our individually assessed loans are considered impaired when they are classified as B3, B4, C1, C2, C3, C4, C5 or C6. Our collectively assessed loans are considered non-performing when (i) they are 90 days or more in default or (ii) they are restructured past due loans until we re-classify them as performing loans based on our periodic reassessment of such loans. See "Regulation and Supervision—Classification of Loan Portfolio—2010 Guidelines of the Former SBIF."

Effect of Rounding

Certain figures included in this Prospectus have been rounded for ease of presentation. Percentage figures included in this Prospectus have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts in this Prospectus may vary from those obtained by performing the same calculations using the figures in our consolidated financial statements. Certain other amounts that appear in this Prospectus may not sum due to rounding.

Economic and Market Data

In this Prospectus, unless otherwise indicated, macroeconomic data related to the Chilean economy is based on information published by the Central Bank of Chile, and all market share and other data related to the Chilean financial system is based on information published by the CMF.

Information Published by the CMF

In this Prospectus, we present certain financial information as published and calculated by the CMF. Certain information published and calculated by the CMF differs from such information as presented in our financial statements. As published and calculated by the CMF (but not in our consolidated financial statements), our total assets include gross tax receivables and our total loans include inter-bank loans. For this reason, certain financial information in this Prospectus may vary from information presented in our consolidated financial statements. In addition, certain information published by the CMF is not always published on a quarterly basis.

OVERVIEW OF THE BANK

The following overview highlights selected information about us and the rights to subscribe for our Notes that are offered hereby. This overview does not contain all of the information that an investor should consider before subscribing to rights to acquire our Notes. Before making an investment decision, you should read this entire Prospectus carefully for a more complete understanding of our business and this offering, including our financial statements and respective notes thereto and the notes to those financial statements and the sections named "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

This overview is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Prospectus. As used in this overview, unless the context otherwise requires, references to "Bci" are to Banco de Crédito e Inversiones, the unconsolidated entity, and references to "us" or "we" are to Bci, its consolidated subsidiaries and its Miami branch. See "Business."

Overview

We are the largest commercial bank in Chile in terms of total net loans, deposits and assets, according to information published and calculated by the CMF. Our market share of total net loans, deposits and total assets, in the Chilean banking system was 18.7%, 21.3% and 19.1% respectively, as of December 31, 2021, in each case according to the CMF and taking into consideration Itaú CorpBanca's investment in Colombia and our acquisition of City National Bank of Florida and the subsequent mergers effected in connection therewith. Our risk index, calculated as allowances for loan losses as a percentage of our total loans (excluding loans and receivables from banks), was 1.8%, as of December 31, 2021, compared to a weighted average of 2.4% for the Chilean banking system as a whole on such date, according to the CMF.

We combine what we believe are a full service banking platform and a solid franchise with a growing international presence, particularly in the U.S., where we acquired City National Bank of Florida in October 2015, TotalBank in June 2018 and Executive National Bank in 2020, as discussed below.

In addition to traditional banking products such as lending and deposit taking, our banking services for our approximately 117,302 active commercial checking account customers (not including individual clients in the retail segment) include working capital financing, lines of credit, foreign trade financing, mortgage loans, foreign exchange and non-credit services such as cash management, payroll and payment services, and a wide range of treasury and risk management products.

We provide our approximately 613,201 active retail checking account customers with deposit services such as checking and savings accounts and also offer residential mortgage and consumer loans, lines of credit, credit cards and diversified products such as mutual funds, stock brokerage services, financial advisory services, insurance brokerage, and private and public investment fund management services. We serve our retail customers through a nationwide network of points of contact, which include 254 multiservice branches, cash agencies, point of sale branches, private banking commercial platforms and automated branches, and 1,080 ATMs. We have made significant investments in alternate distribution channels, including online banking, telephonic banking and other electronic financial services, to facilitate implementation of our market segmentation strategy and strengthen our competitive position in electronic payment transfers.

We offer international banking services through our branch in Miami, our representative offices in Lima, São Paulo, Mexico City, Bogotá and Shanghai, and a worldwide network of correspondent banks. As part of our international expansion strategy, in October 2015 we acquired 100% of BCI Financial Group, Inc., formerly known as CM Florida Holdings, Inc., a registered U.S. bank holding company that owns 99.9% of City National Bank of Florida, for a purchase price of US$947 million. Established in 1946 and headquartered in Miami, City National Bank of Florida is a local commercial bank focused on mid-sized (middle market) and small companies, real estate business and high net worth and affluent clients, particularly professionals and company owners. City National Bank of Florida offers a range of financial products, including real estate, commercial and consumer banking, to approximately 62,487 clients. With 31 branches and 957 employees located in four counties in Florida, City National Bank of Florida has historically emphasized a target market segment of small to medium-sized companies. See "City National Bank of Florida."

In June 2018, our subsidiary City National Bank of Florida acquired (and absorbed by way of merger) TotalBank, an integrated retail-commercial bank in South Florida, which offered a comprehensive range of traditional banking products and services for businesses and individuals. TotalBank (a Florida-chartered state non-member bank supervised by the

FDIC) focused on relationship-driven business model organized in several business segments including Banking Centers, Corporate Lending and International Personal Banking. As of December 31, 2021, City National Bank of Florida's total assets grew by US$3.4 billion, or 18.4%, compared to December 31, 2020, reaching US$21.9 billion. Most of this growth was primarily due to the consolidation of TotalBank's assets and continues to come from loans and leases. The TotalBank acquisition positioned City National Bank of Florida as the third largest Florida-based bank based on in terms of term deposits, according to the FDIC.

In December 2018, we acquired Walmart Chile Servicios Financieros, which became our fifth reporting segment. This reporting segment includes the results of operations of four entities forming Walmart Chile Servicios Financieros. These four entities that constituted the financial services division of Walmart Chile provide financing for its customers with the Líder MasterCard and Presto credit cards, along with other products. The Servicios Financieros reporting segment operates as an independent unit under the supervision of our senior management in Chile. Servicios Financieros, the name under which the four entities operate, continues to market the financial products and services offered before by Walmart Chile, which include the issue and operation of Líder Bci MasterCard, along with the origination of cash advances, super cash advances and personal insurance, among others. This business is undertaken as a ten-year commercial cooperation agreement between Bci and Walmart, a leading global company in the retail sector. We believe Servicios Financieros enables Bci to bolster its position among the credit card market leaders, enhance the development of products and services and generate value with the complementary capacities of two partners that are leaders in their respective industries. This acquisition is part of our strategy to continuously seek growth opportunities in Chile and abroad and consistent with our goal of becoming a major player in the credit card industry in Chile. This acquisition helped us grow our credit card market share 1.7 times as of December 2018, compared to the 7.9% as of November, right before the acquisition (both figures exclude City National Bank of Florida and Executive National Bank), as Servicios Financieros allows us to reach approximately 1.5 million credit card customers through digital channels.

In October 2020, City National Bank acquired 100% of the outstanding shares of Executive National Bank, a Florida commercial bank, for approximately US$62 million. The primary objective of the purchase was to increase the Bank´s market share in its core market and achieve synergies through the operating expenses of the combined operations.

We intend to venture into the Peruvian market with a new subsidiary: Bci Peru S.A. With an initial capital of US$60 million, we expect this subsidiary to operate in Peru focusing on corporate clients and large companies for Peruvian and Chilean customers. We have been present in Peru for 20 years through a representative office. This operation will allow Bci to offer a three-country platform - along with Chile and the United States - that will act as a single bank in the region. We have already obtained most of the required authorizations from Chilean and Peruvian regulators, including most recently from the Peruvian Superintendency of Banks, Insurance and Private Pension Fund Administrators (*Superintendencia de Banca, Seguros y AFPs*, or the "SBS") and our executive team, and we expect to begin operations during the second quarter of 2022.

On December 31, 2021, shareholders related to the Yarur family held 63.55% of our issued and outstanding shares. Such shareholders are parties to a shareholders' agreement dated December 30, 1994, last amended as of March 10, 2020, pursuant to which they agree to vote their shares as a group. In addition, they reiterated their intention to preserve the principles upon which the management of the institution has been based.

Bci's subsidiary group includes BCI Financial Group, Inc. BCI Asesoría Financiera S.A., BCI Asset Management Administradora General de Fondos S.A., BCI Corredor de Bolsa S.A., BCI Corredores de Seguros S.A., BCI Factoring S.A., BCI Securitizadora S.A., BCI Securities Inc., BCI Corredores de Bolsa de Productos S.A, Servicio de Normalización y Cobranza Normaliza S.A. and the five entities that comprise Servicios Financieros (as defined in this Prospectus).

The following table represents the entities over which the Bank exercises control and therefore are included in the consolidation:

	Participation			
	Direct		**Indirect**	
	2021	**2020**	**2021**	**2020**
	%	%	%	%
Análisis y Servicios S.A.	—	99.00	—	1.00
BCI Asset Management Administradora General de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05

	Participation			
	Direct		Indirect	
	2021	2020	2021	2020
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Credito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities Inc.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group, Inc. and Subsidiaries	100.00	100.00	-	-
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada.	-	99.99	-	-
Servicios Financieros y Administración de Créditos Comerciales S.A.	99.98	99.98	0.02	0.02
Administradora de Tarjetas Servicios Financieros Limitada.	99.99	99.99	0.01	0.01
SSFF Corredores de Seguros y Gestión Financiera Limitada.	99.00	99.00	1.00	1.00
Servicios y Cobranzas SEYCO Limitada.	99.00	99.00	1.00	1.00
Bci Peru S.A.	99.99	-	-	-

On December 31, 2021 we had a total shareholder's equity of Ch$4,501,476 million and for the year ended December 31, 2021, we had a consolidated net income of Ch$520,545 million.

On December 31, 2021, we had a regulatory capital ratio of 13.5% (including Tier 1 and Tier 2 capital), computed in accordance with guidelines of the CMF.

We are registered and headquartered in Santiago, Chile and had 11,588 employees worldwide as of December 31, 2021. We are a public company in Chile whose common shares are listed on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*).

Corporate Strategy

Our ultimate goals are to be the best bank for our national and international stakeholders, increase the impact of our operations on social, environmental and economic aspects, and become our customers' overall "Brand of choice." We intend to pursue these goals through the following strategic pillars:

- ***Our commitment to develop a personalized customer experience through digital innovation and responsibility in the use of data.*** We believe that we differentiate ourselves from our competitors because of our customer-driven, rather than product-driven, focus, combined with a world class customer experience. We value loyal customers that are a source of stable, recurring revenues, and we seek to establish long-term relationships by providing all the banking and financial products that the law allows us, and adapted to our customers' specific needs, coupled with high-quality service. We seek to further enhance our customers' experience by (i) focusing on and investing in digital innovation and a responsible data-driven decision-making, particularly in our retail and small- to medium-size enterprises ("SMEs") operating segments, using new technologies and data-analytics (such as software for credit scoring and fraud detection) to achieve better insights and expand the digitalization of our customers' multi-channel experience that we strive to make as seamless as possible, (ii) combining our diversified, full service model with our capacity to adapt to customer needs and our local and international experience, to provide superior service and deepen our relationship with our corporate and investment banking clients, (iii) expanding our client coverage and enhancing our payments and cash management services through state-of-the-art technology by offering new services, (iv) implementing our strong commitment to mobile banking, focusing on the development of mobile services to improve our customer experience, and (v) responding to the evolving needs of our customers. In addition, we believe that our focus on digital innovation will also continue to help us improve our operating efficiency. Examples of our pioneering efforts in digital innovation include our online checking accounts, our 100% digital approval process for mortgage loans for new properties (the first bank in Chile to offer such service), and our person-to-person payments "MACH" mobile app, with 3.3 million accounts, which provides seamless payments in less than 15 seconds, as well as more than 2 million MACH prepaid cards. See "—Our Digital Transformation Plan."

2021 was a year of digital transformation and adaptation, which enhanced the omnichannel experience due to the development of new capabilities and the growth of those that were already enabled, such as the implementation of work-from-hme measures in the context of the COVID-19 pandemic. For example, the increase in our app downloads, which reached 672,289 users as of March 2022, representing a growth of 30% from 2019, the launch of new app functionality (e.g., for the sale/origination of consumer loans and invoice payment), and the implementation of our new private website, which is more user-friendly and offers new functionalities.

The different initiatives in the digital world and remote channels achieved promising figures as of December 2021. More than 69% of product sales and more than 90% of service requests were made through remote channels for our Retail segment. Our payment products (credit and debit cards) grew significantly as a result of the increase in digital transactions, which amounted to 46.2 million in 2021 compared to 33 million in 2020. Additionally, we reduced our expenses related to operational risks by 75% from Ch$2,787 million in 2020, as a result of our operational and fraud prevention improvements.

- ***Pursuing sustainable growth and profitability while maintaining our focus on conservative risk and capital management***. We intend to continue pursuing growth and profitability by (i) expanding penetration of our market segments and increasing cross-selling of our products and services with a particular focus on customer-targeted offerings, (ii) continuing to strengthen our capital position to support a sustainable growth, with the goal of achieving and maintaining a tier 1 capital ratio of at least 10%, (iii) seeking to optimize our technology infrastructure to reduce costs and create value for our customers through simpler and more flexible processes and develop greater in-source capabilities, and (iv) developing traditional and non-traditional analytics for an adequate, precise and responsible evaluation of the credit risk of current and new clients. Furthermore, we intend to pursue growth and profitability while maintaining our focus on conservative and holistic view of credit, operational, financial and reputational risk management. We have a dedicated risk management team that focuses on monitoring risks across all areas of our business, and we have implemented an algorithmic model to monitor and manage our exposure to market risk. In 2021, Bci carried out an exhaustive Capital Self-assessment Process (PAC) with the objective of identifying, measuring and determining the levels of internal and regulatory capital necessary to cover the material corporate risks of ourselves and our subsidiaries for the short and medium term. Our strategic plan is the basis for defining the internal capital objective, which helps us (i) monitor the capital adequacy index and its projection, (ii) define capital limits within the framework of risk tolerance, and (iii) evaluate the adequacy of our capital in stress exercises. Once the minimum regulatory requirements are satisfied, we review and assess our relevant risks and estimate the equity safeguards necessary to cover all of our material risks and maintain adequate buffers to face fluctuations in the value of balance exposures and the respective capital effects. We also define the inherent risk profile for ourselves and our subsidiaries, controlling environmental risk events and likely impacts. As part of our future planning, hybrid capital instruments, such as AT1 instruments, are included in our internal capital objectives, and we reevaluate the levels of core capital and T2 capital, according to the results of the quantification of material risks addressed in Pillar II.

- ***Pursuing our international strategy.*** We expect to continue to evaluate and selectively pursue growth opportunities outside Chile that complement our existing operations. This strategy is focused on (i) generating new sources of revenue, (ii) geographic diversification allowing us to diversify risk as well as providing existing clients with regional solutions and access to new markets, and (iii) enhancing our pre-existing regional platform. After acquiring TotalBank in 2018 and Executive National Bank in 2020 through our subsidiary City National Bank of Florida, we now have approximately 27% of our assets outside of Chile and are among the 100 largest commercial banks in the United States, a country whose industry is made up of more than 4,300 commercial banks. We expect CNB to continue consolidating in order to become the first largest Florida-based bank. We believe that the Florida market offers attractive prospects for growth outside of Chile as it is the fourth largest state in the United States in terms of GDP (according to the U.S. Bureau of Economic Activity) and financial assets (deposits) (according to the FDIC), as well as the third largest in terms of population, according to the U.S. Census Bureau. We believe that the state of Florida has favorable demographics with strong population and personal income growth. In addition, it has an attractive and fragmented banking system, which we believe offers organic and inorganic growth opportunities. Florida has a deep-rooted cultural and economic connection with Latin America, as evidenced by the high levels of trade and investment flow to and from the region.

  We have benefited from City National Bank of Florida's established banking platform to drive growth in this strategic market and to continue its focus primarily on its core segments, which include mid-sized (middle market) and small companies, real estate business and high net worth individuals, by offering a wide range of credit and non-credit products and services to our corporate and retail customers. In addition, we have integrated non-banking financial products, such as factoring, financial leasing, insurance brokerage, securitization, investment funds management and securities brokerage services, to maximize the value represented by our branch network and other distribution channels.

Additionally, in 2019 we established a subsidiary in Peru after having a representation office in that country for more than 20 years, and we intend to establish a new subsidiary that will be focused on the commercial and corporate segments of the Peruvian market, serving both Peruvian companies and Chilean corporate groups operating in Peru. We have already obtained most of the required authorizations from Chilean and Peruvian regulators, including most recently from the SBS, and our executive team, and we expect to begin operations during the second quarter of 2022.

- ***Culture that seeks to promote and enhance leadership, collaboration and innovation.*** We seek to promote a culture of leadership and collaboration through a set of best practices with a particular focus on our customers and disciplined execution. In addition, we focus on creating an environment that fosters innovation over marginal improvement through our award-based innovation framework. In 2020 and 2021, we obtained the Most Innovative Companies (Financial Sector) award given by ESE business school. Furthermore, because we believe that employee talent, motivation and satisfaction are key to our business and success, we strive to attract the best talent, promote their embrace of our core cultural values and keep our high employee satisfaction levels. We were also recognized as one of the best employers for young professionals by Employers for Youth and are recognized as one of the top 10 companies in Chile for young professionals in technology industries. We intend to continue to concentrate on the development of talented and motivated employees who are committed to our mission and institutional values of leadership, collaboration and innovation.

- ***Commitment to progress and impact on ESG strategy.*** We have a strong commitment with the communities in which we operate. This stems from our corporate motto "We dare to make a difference," which inspires us to promote a more inclusive and equitable society, through accessible financial solutions, responsible investments, and transparency. We are committed to accompanying our clients in their transition towards a more sustainable future and generating social and environmental impact from our core business in order to increase and sustain profitability.

  In 2020, we designed and set out our own ESG strategy and sustainability index, which measures our key results and the impact of our commercial and non-commercial activities. In 2021, (i) our MSCI ESG rating improved from BBB to A, (ii) we became the first bank in Chile to adhere to the Task Force on Climate-Related Financial Disclosures, (iii) Bci was included in the Dow Jones Sustainability Index for the MILA and Chile categories for the fourth and sixth consecutive years, respectively, (iv) Bci remained ranked first in Corporate Governance by MERCO's local corporate reputation ranking for the seventh consecutive year, and (v) Bci remained among the top 3 entities in the Great Place To Work local ranking for the fifth consecutive year. In 2022, Bci was the first Chilean bank to issue a public green bond in the foreign capital markets.

Recent Developments

Environmental, Social and Governance Responsibility Developments

Green, Social and Sustainable Financing Framework

In September 2021, we established a Green, Social and Sustainable Financing Framework (the "Framework") to ensure the transparency and quality of our green, social and sustainable debt issuances. Eligible Projects under the Framework include projects that support activities related to renewable energy, energy efficiency, sustainable water and wastewater management, clean transportation, green buildings, affordable housing and affordable basic infrastructure.

Green Bond Issuance

In March 2021, we issued US$54 million in 2.365% Fixed Rate Notes due 2029, the net proceeds of which were allocated to Eligible Green Projects.

In December 2021, we issued JPY5,000 million in 0.50% Fixed Rate Notes due 2027, the net proceeds of which were allocated to Eligible Green Projects.

In January 2022, we issued CHF200 million in 0.5994% Senior Fixed Rate Notes due 2027, the net proceeds of which were allocated to Eligible Green Projects.

Corporate Information

We are a corporation incorporated on May 7, 1937 under the law of Chile and listed with the Santiago Stock Exchange. Our principal executive offices are located at Avenida El Golf 125, Las Condes, Santiago, Chile, and our telephone number is +5622 692-7000. Our website is www.bci.cl. Any information contained or accessible through our website is not part of this Prospectus.

Selected Consolidated Financial Information

The following table presents selected consolidated financial information as of and for the years indicated, in each case in accordance with Chilean GAAP. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements, and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing elsewhere in this Prospectus.

The selected consolidated financial information as of and for the years ended December 31, 2019, 2020 and 2021 has been derived from our audited consolidated financial statements included elsewhere in this Prospectus.

Chilean GAAP differs in certain significant respects from IFRS. See "Presentation of Financial and Other Information." We have included a description of certain significant differences between Chilean GAAP and IFRS as applied to us in "Annex A—Significant Differences Between Chilean GAAP and IFRS."

	As of and for the year ended December 31,			
	2019	2020	2021	2021
	(in millions of Ch$)[1]			(in millions of US$)[2]
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DATA				
Assets				
Cash and deposits in banks	3,153,760	4,597,867	3,960,497	4,689
Items in course of collection[3]	310,602	236,710	350,073	414
Securities held for trading	2,212,257	1,147,279	873,869	1,035
Agreements to repurchase and securities lending	196,015	190,248	186,753	221
Derivative financial agreements and hedge accounting	4,261,289	5,451,897	6,781,524	8,028
Loans and receivables to banks, net[4]	457,640	356,669	639,533	757
Commercial loans	21,253,077	22,707,117	26,299,808	31,135
Mortgage loans	8,292,339	8,897,471	10,707,374	12,676
Consumer loans	3,667,041	3,114,093	3,223,200	3,816
Total loans	**33,212,457**	**34,718,681**	**40,230,382**	**47,627**
Financial investments available for sale	4,011,029	7,996,040	11,204,593	13,265
Financial investments held to maturity	7,369	25,144	2,297,355	2,720
Investments in other companies	27,823	26,625	32,762	39
Intangible assets	404,215	395,276	440,958	522
Property, plant and equipment, net	250,194	251,217	252,736	299
Right-of-use asset	231,344	204,807	189,025	224
Current income tax	89,495	36,270	19,977	24
Deferred income taxes	103,329	211,224	251,196	297
Other assets	1,407,802	1,310,345	1,447,401	1,714
Total assets	**50,336,620**	**57,156,299**	**69,158,634**	**81,875**
Liabilities				
Deposits and other on-demand liabilities	14,180,699	19,726,574	27,653,442	32,738
Items in course of collection[3]	200,976	201,438	258,686	306
Liabilities under agreements to repurchase	909,391	350,314	141,178	167
Deposits and other term loans	13,372,756	10,839,611	10,865,148	12,863
Derivative financial agreements and hedge accounting	4,412,365	5,793,354	6,587,047	7,798
Bank borrowings	3,482,261	6,270,699	6,970,962	8,253
Debt issued	7,016,742	7,431,624	8,761,131	10,372
Other financial liabilities	1,450,586	911,044	1,027,978	1,217
Lease liabilities	206,376	186,293	173,726	206
Current income tax	1,240	9,072	141,535	168
Deferred income taxes	23,829	22,188	926	1
Provisions	309,040	441,577	710,889	842
Other liabilities	977,839	1,077,806	1,364,510	1,615
Total liabilities	**46,544,100**	**53,261,594**	**64,657,158**	**76,545**
Shareholders' Equity				
Attributable to equity holders of the Bank:				
Capital	3,394,799	3,655,828	3,862,386	4,573
Reserves	109	109	109	–
Accumulated other comprehensive income	114,719	22,223	273,307	324
Retained earnings:				
Net income for prior periods	–	(6,758)	–	–
Profit or loss for the year	402,645	317,454	520,391	616
Less: Accrual for minimum dividends	(120,794)	(95,236)	(156,117)	(185)
Non-controlling interest	1,042	1,085	1,400	2
Total shareholders' equity	**3,792,520**	**3,894,705**	**4,501,476**	**5,329**
Total liabilities and shareholders' equity	**50,336,620**	**57,156,299**	**69,158,634**	**81,875**

	As of and for the year ended December 31,			
	2019	2020	2021	2021
	(in millions of Ch$)[1]			(in millions of US$)[2]
CONSOLIDATED STATEMENT OF INCOME DATA				
Interest and indexation income	2,206,557	2,088,604	2,359,133	2,793
Interest and indexation expense	(885,063)	(630,063)	(761,611)	(902)
Net interest and indexation income	**1,321,494**	**1,458,541**	**1,597,522**	**1,891**
Fee and commission income	462,313	433,887	474,401	562
Fee and commission expense	(110,553)	(98,303)	(127,876)	(151)

	As of and for the year ended December 31,			
	2019	2020	2021	2021
Net fee and commission income	351,760	335,584	346,525	410
Net gain from financial operations	183,805	148,799	139,777	165
Foreign exchange gain, net	(18,334)	44,765	22,547	27
Other operating income	53,063	44,639	54,932	65
Provisions for loan losses	(415,519)	(653,911)	(400,545)	(474)
Operating income, net of allowance for credit risk	1,476,269	1,378,417	1,760,758	2,085
Staff costs	(483,886)	(522,080)	(540,053)	(639)
Administrative expenses	(326,149)	(319,202)	(333,625)	(395)
Depreciation and amortization	(103,649)	(109,010)	(106,931)	(127)
Other operating expenses	(43,569)	(80,496)	(60,388)	(71)
Impairment of property, plant and equipment and intangible assets	(478)	(5,073)	(23)	(0)
Total operating expenses	**(957,731)**	**(1,035,861)**	**(1,041,020)**	**(1,232)**
Total net operating income	**518,538**	**342,556**	**719,738**	**852**
Share of profit/loss on investments accounted for using the equity method	12,638	(358)	2,290	3
Profit before tax	531,176	342,198	722,028	855
Income tax expense	(128,437)	(24,665)	(201,483)	(239)
Consolidated profit for the year	**402,739**	**317,533**	**520,545**	**616**

	As of and for the year ended December 31,			
	2019	2020	2021	2021
		(in millions of Ch$)[1]		(in millions of US$)[2]
CONSOLIDATED STATEMENTS OF CASH FLOW DATA				
Net cash from operating activities	1,132,009	1,809,572	1,005,386	1,190
Net cash (used in) / from investing activities	(284,270)	283,256	44,201	52
Net cash from / (used in) financing activities	344,130	(109,578)	355,557	421
Change in cash and cash equivalents after the effect of exchange rate changes on cash and cash equivalents	1,191,869	1,983,250	1,405,144	1,664

	As of and for the year ended December 31,		
	2019	2020	2021
		(in millions of Ch$)[1]	
CONSOLIDATED RATIOS			
Profitability and performance			
Net interest margin[5]	3.6%	3.1%	3.2%
Fee and commission income as a % of average interest-earning assets	1.2%	0.9%	0.9%
Fee and commission income as a % of administrative expense	141.7%	135.9%	142.2%
Return on average total assets[6]	0.9%	0.6%	0.9%
Return on average shareholders' equity[7]	10.7%	7.7%	15.4%
Dividend payment ratio[8]	33.7%	35.2%	32.8%
Capital			
Average shareholders' equity as a % of average total assets	8.3%	7.2%	5.6%
Regulatory capital as a % of risk-weighted assets	12.00%	13.39%	13.51%
Regulatory capital as a % of minimum regulatory capital required	150.0%	167.4%	168.9%
Liabilities as a multiple of regulatory capital	1,040.2%	1,071.3%	1,105.7%
Asset Quality[*]			
Loans overdue less than 90 days as a % of total loans[9]	1.6%	4.0%	4.1%
Past due loans as a % of total loans[10]	0.8%	0.8%	0.5%
Impaired loans as a % of total loans[11]	4.1%	4.2%	3.7%
Allowance for loan losses as a % of loans overdue less than 90 days[9]	123.4%	55.6%	45.1%
Allowance for loan losses as a % of past due loans[10]	232.2%	279.6%	336.2%
Allowance for loan losses as a % of impaired loans[11]	47.7%	52.4%	50.0%

	As of and for the year ended December 31,		
	2019	2020	2021
Allowance for loan losses as a % of total loans(12)	2.0%	2.2%	1.8%
Consolidated risk index(13)	2.0%	2.3%	1.9%
Efficiency			
Operating expenses as a % of operating income, plus provision for loan losses	50.6%	51.0%	48.2%
Operating expenses as a % of average total assets(14)	2.1%	2.3%	1.7%
Liquidity			
Loans as a % of total deposits(15)	120.5%	113.6%	104.4%
Liquid assets as a % of total deposits(16)	12.6%	15.8%	11.2%
OTHER DATA			
Inflation rate(17)	3.0%	3.0%	7.2%
Number of branches and offices	271	271	254
Number of employees	10,405	11,675	11,588

(*) Excluding loans and receivables from banks.
(1) Except percentages and ratios.
(2) For the reader's convenience, we have converted the original Chilean peso amounts into U.S. dollars at the observed exchange rate as published by the Central Bank of Chile on the first business day following the respective period. The exchange rate used for purposes of this conversion was Ch$844.69 per US$1.00, as of December 31, 2021. We make no representation that the Chilean peso or the U.S. dollar amounts referred to herein actually represent, could have been or could be converted into U.S. dollars or Chilean pesos, as the case may be, at the rates indicated, at any particular rate or at all.
(3) Transactions pending settlement which will increase or decrease our funds deposited with the Central Bank of Chile or with foreign banks within 24 business hours of the execution of such transactions.
(4) Net of allowances for loan losses.
(5) Net interest income as a percentage of monthly average interest earning assets.
(6) Net income as a percentage of monthly average total assets.
(7) Net income as a percentage of monthly average shareholder's equity for the last 12 months.
(8) Dividends paid divided by net income.
(9) Loans overdue less than 90 days consist of loans overdue for one to 89 days.
(10) Past due loans consist of loans for which either principal or interest are overdue for at least 90 days and which do not accrue interest. Past due loans include, with respect to any loan, only the portion of principal and interest that is overdue for 90 or more days, and do not include the installments of such loan that are not overdue or that are overdue for less than 90 days, unless (i) any portion of the loan is overdue for 180 days or more, in which case the entire loan is considered past due, or (ii) legal proceedings have been commenced for the entire outstanding balance according to the terms of the loan, in which case the entire loan is considered past due within 90 days after initiation of such proceedings. This practice differs from that normally followed in the United States where the amount classified as past due would include the entire amount of principal and interest on any and all loans which have any portion overdue.
(11) Impaired loans consist of our (i) "individually" assessed loans which have been classified as B3, B4, C1, C2, C3, C4, C5 and C6 according to the categories set forth by the CMF (former SBIF) and (ii) "collectively" assessed loans that are (a) past due loans, or (b) restructured past due loans until we re-classify them as performing loans based on our periodic reassessment of such loans. See "Regulation and Supervision—Classification of Loan Portfolio."
(12) Allowance for loan losses as a percentage of total loans before allowances for loan losses.
(13) The risk index is calculated as allowances for loan losses as a percentage of total loans net of allowances for loan losses.
(14) Average total assets are calculated on the basis of average monthly balances of our consolidated assets.
(15) Total deposits consist of current accounts and demand deposits plus term deposits and saving accounts.
(16) Liquid assets consist of cash and deposits in banks and items in course of collection.
(17) Based on the Chilean consumer price index, as reported by the Chilean National Institute of Statistics.

CAPITALIZATION

The following table sets forth our capitalization defined as our financial obligations on an accrued basis determined in accordance with Chilean GAAP and which represent our main sources of funding as of December 31, 2021. There has been no material change in our capitalization since December 31, 2021. For additional information, see our consolidated financial statements included in this Prospectus.

	As of December 31, 2021	
	Historical	**Historical[1]**
	(in millions of Ch$)	**(in millions of US$)**
Liabilities		
Borrowings from customers[2]	38,518,590	45,601
Liabilities under agreements to repurchase	141,178	167
Bank borrowings	6,970,962	8,253
Bonds:		
Letters of credit	3,887	5
Subordinated bonds	1,332,936	1,578
Ordinary bonds	7,424,308	8,789
Other financial liabilities	1,027,978	1,217
Derivative financial liabilities[3]	6,587,047	7,798
Subtotal	62,006,886	73,408
Shareholders' equity		
Shareholders' equity and other funds:		
Paid-in capital and reserves	3,862,495	4,573
Other equity accounts[4]	117,190	139
Net income for the period	520,391	616
Total equity of equity holders of the Bank	4,500,076	5,327
Total capitalization[5]	66,506,962	78,735

(1) Amounts in the table stated in pesos have been translated into U.S. dollars at the Observed Exchange Rate as published by the Central Bank of Chile on the first business day following the respective period. The exchange rate used for purposes of this conversion were Ch$844.69 per US$1.00 as of December 31, 2021.

(2) Borrowings from customers correspond to the sum of deposits and other on-demand liabilities, and deposits and other term loans.

(3) Derivative financial liabilities correspond to the sum of derivative financial agreements plus hedge accounting.

(4) Other equity accounts correspond to accumulated other comprehensive income less accrual for minimum dividends.

(5) Excludes non-controlling interest of Ch$1,400 million.

EXCHANGE RATES

Chile has a floating exchange rate system in which the Central Bank of Chile has the authority to intervene, if necessary. Chile has two currency markets, the Formal Exchange Market (*Mercado Cambiario Formal*) and the Informal Exchange Market (*Mercado Cambiario Informal*). The Formal Exchange Market is comprised of banks and other entities authorized by the Central Bank of Chile. The Informal Exchange Market is comprised of entities that are not expressly authorized to operate in the Formal Exchange Market, such as certain foreign exchange houses and travel agencies, among others, but that can trade under current laws and regulations. The Central Bank of Chile is empowered to require that certain purchases and sales of foreign currencies be carried out on or through the Formal Exchange Market. The main difference between both markets is that regulation requires the participants in the formal market to inform the Central Bank of Chile about the transactions they carry out. In case that the Central Bank of Chile decides to intervene, it does so by buying or selling foreign currency on the Formal Exchange Market.

The *dólar observado* (the "**Observed Exchange Rate**"), which is reported by the Central Bank of Chile and published daily in the Official Gazette of Chile, is the weighted average exchange rate of the U.S. dollar of the previous business day's transactions in the Formal Exchange Market. On September 2, 1999, the Central Bank of Chile eliminated the band within which the Observed Exchange Rate could fluctuate, in order to provide greater flexibility to the exchange market. Even though the Central Bank of Chile is authorized to carry out its transactions at the Observed Exchange Rate, it generally uses spot rates for its transactions. Other banks generally carry out authorized transactions at spot rates as well.

The Informal Exchange Market reflects transactions carried out at an informal exchange rate (the "Informal Exchange Rate"). There are no limits imposed on the extent to which the rate of exchange in the Informal Exchange Market can fluctuate above or below the Observed Exchange Rate. In recent years, the variation between the Observed Exchange Rate and the Informal Exchange Rate has not been significant.

The following table sets forth the annual low, high, average and period-end Observed Exchange Rate for U.S. dollars in Chilean pesos for the years indicated, as reported by the Central Bank of Chile.

Year	Low(1)	High(1)	Average(2)	Period End(3)
2017	615.22	679.05	649.33	649.33
2018	588.28	698.56	640.29	694.77
2019	649.22	828.25	702.63	744.62
2020	710.26	867.83	792.22	711.24
2021	693.74	868.76	759.27	850.25

Source: Central Bank of Chile.

(1) Exchange rates are the actual low and high, on a daily basis for each period.

(2) The yearly or monthly average rate is calculated as the average of the exchange rates on the first business day of each month during the period.

(3) Each year period ends on December 31, and the respective period-end exchange rate is published by the Central Bank of Chile on the first business day of the following year. Each month period ends on the last calendar day of such month, and the respective period end exchange rate is published by the Central Bank of Chile on the first business day of the following month.

We make no representation that the Chilean peso or the U.S. dollar amounts referred to herein actually represent, could have been or could be converted in U.S. dollars or Chilean pesos, as the case may be, at the rates indicated, at any particular rate or at all. The Federal Reserve Bank of New York does not report a noon buying rate for pesos.

EXCHANGE CONTROLS

The Central Bank of Chile is the entity responsible for monetary policies and exchange controls in Chile. Chilean issuers are authorized to offer securities internationally provided they comply with, among other things, the provisions of Chapter XIII of the Compendium of Foreign Exchange Regulations of the Central Bank of Chile (the "**Central Bank Compendium**").

Pursuant to the provisions of Chapter XIII of the Central Bank Compendium, it is not necessary to seek the Central Bank of Chile's prior approval in order to purchase and pay the Notes. The Central Bank of Chile only requires that (i) the remittance of funds obtained from the purchase of the Notes into Chile be made through the Formal Exchange Market and disclosed to the Central Bank of Chile as described below; and (ii) all remittances of funds to make the payment of principal and of premium, if any, or interest, if any, on a Note made from Chile be made through the Formal Exchange Market and disclosed to the Central Bank of Chile as described below.

The proceeds of the sale of the Notes may be brought into Chile or held abroad. If we remit the funds obtained from the sale of the Notes into Chile, such remittance must be made through the Formal Exchange Market and we must deliver to the Central Bank of Chile directly or through an entity of the Formal Exchange Market a report, through a form contained in Chapter XIV of the Central Bank Compendium, providing information about the transaction, together with a letter instructing such entity to deliver us the foreign currency or the peso equivalent thereof. If we do not remit the funds obtained from the sale of the Notes into Chile, we have to provide the same information to the Central Bank of Chile directly or through an entity of the Formal Exchange Market within the first 10 days of the month following the date on which we received the funds. The regulations require that the information provided describe the financial terms and conditions of the securities offered, related guarantees and the schedule of payments.

All payments in connection with the Notes made from Chile must be made through the Formal Exchange Market. Pursuant to Chapter XIII of the Central Bank Compendium, no prior authorization from the Central Bank of Chile is required for such payments in U.S. dollars. The participant of the Formal Exchange Market involved in the transfer must provide certain information to the Central Bank of Chile on the banking business day following the day of payment. In the event payments are made outside Chile using foreign currency held abroad, we must provide the relevant information to the Central Bank of Chile directly or through an entity of the Formal Exchange Market within the first 10 days of the month following the date on which the payment was made.

Under Chapter XIII of the Central Bank Compendium, payments and remittances of funds from Chile are governed by the rules in effect at the time the payment or remittance is made. Therefore, any change made to Chilean laws and regulations after the date hereof will affect foreign investors who have acquired the Notes. We cannot assure you that further Central Bank of Chile regulations or legislative changes to the current foreign exchange control regime in Chile will not restrict or prevent us from acquiring U.S. dollars or that further restrictions applicable to us will not affect our ability to remit U.S. dollars for payment of interest or principal on the Notes.

The above is an overview of the Central Bank of Chile's regulations with respect to the issuance of debt securities, including the Notes, as in force and effect as of the date of this Prospectus. We cannot assure you that restrictions will not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed. This overview does not purport to be complete and is qualified in its entirety by reference to the provisions of Chapter XIII and XIV of the Central Bank Compendium, a copy of which is available from us upon request.

City National Bank of Florida

Overview

As part of our international expansion strategy, in October 2015 we acquired 100% of BCI Financial Group, Inc., formerly known as CM Florida Holdings, Inc., a U.S. bank holding company which owns 99.9% of City National Bank of Florida, for a purchase price of US$947 million. Established in 1946 and headquartered in Miami, Florida, City National Bank of Florida is a local commercial bank focused on mid-sized (middle market) and small companies, real estate business and high net worth and affluent clients, particularly professionals and company owners. City National Bank of Florida offers financial products, including real estate, commercial and consumer banking, to approximately 62,487 clients through 31 banking centers strategically located in four counties in Florida. City National Bank of Florida has approximately 957 employees as of December 31, 2021. As part of the portfolio of related financial products and services offered, we also began to provide lease financing services in 2016. In order to provide a comprehensive service to our clients, in July 2017 we invested in a lease subsidiary, City National Capital Finance ("**CNCF**"). CNCF is 100% owned by CNB, and provides equipment loans and leasing services.

To further diversify our income stream and businesses, in June 2018, City National Bank of Florida acquired and absorbed (by way of merger by incorporation) TotalBank, an integrated retail-commercial bank in South Florida, which offered a comprehensive range of traditional banking products and services for businesses and individuals. TotalBank focused on relationship-driven business model organized in several business segments including Banking Centers, Corporate Lending and International Personal Banking.

In October 2020, City National Bank acquired 100% of the outstanding shares of Executive National Bank, a Florida commercial bank, for approximately US$62 million. The primary objective of the purchase was to increase the Bank´s market share in its core market and achieve synergies through the operating expenses of the combined operations.

City National Bank of Florida, the main BCI Financial Group, Inc. subsidiary, reached US$21.9 billion in assets by the end of 2021, becoming one of the largest financial institutions based in the state of Florida.

On December 31, 2021, 70.0% of City National Bank of Florida's loans had mortgage collateral, 26.5% were commercial and industrial, 3.0% were financial leases and 0.5% were consumer loans. On December 31, 2021, City National Bank of Florida had deposits and borrowings of US$19.5 billion (US$18.4 billion in deposits), shareholders' equity of US$2.2 billion and a risk based Tier 1 regulatory capital ratio of 9.7%, computed in accordance with guidelines promulgated by the FDIC, the OCC and the Federal Reserve. For the years ended December 31, 2019, 2020 and 2021, City National Bank of Florida had consolidated net income of US$162.5 million, US$126.0 million, and US$243.0 million, respectively. The 92.8% increase in net income in 2021 compared to 2020 was primarily due to a decrease in allowances for loan losses and a decrease in the total interest expense. As of December 31, 2021, assets in this operating segment represented approximately 27.1% of our total assets and BCI Financial Group, Inc. and subsidiaries accounted for 25.1% of our consolidated net interest revenue and 9.1% of our consolidated net fee income. Regarding risk ratios, nonperforming loans ("**NPLs**") are at significantly low levels as of December 31, 2021, comprising approximately 0.45% of total loans.

The U.S. tax reform included a reduction of the federal tax rate in the U.S. from 35% to 21%. This tax rate change had two effects on CNB: (i) a negative one-time effect on income of approximately US$38.0 million in the financial statements for the year ended on December 31, 2017, resulting from the effect of such rate reduction on tax loss carryforwards and deferred taxes recorded on intangibles at the time of purchase of CNB, and (ii) a positive effect, on net income from 2018 onwards due to a lower current tax expense. We estimate that, in the current scenario and maintaining pre-tax net income of 2017, we have realized the benefit through current tax expense of an amount equivalent to the negative effect of the debit to deferred taxes recorded in 2017.

We believe that the market for banking services in Florida offers attractive prospects for growth due to its favorable characteristics, such as a large depositary base. We also believe that the following factors distinguish City National Bank from its competitors: (i) it operates in a state with affluent individuals and sizable businesses relocating from the Northeast and other parts of the United States to Florida, (ii) it has been named one of American Bankers "Best Banks to Work For" for four out of the last six years, including the last two years, (iii) it continues to invest in technology and its digital transformation initiative and continues to build upon its recent digital investments that enabled many of its key accomplishments during the recent year, (iv) there is ample opportunity in expanding its presence in Central Florida in addition to capitalizing on more opportunities in the Palm Beach and Fort Lauderdale markets that are close to its Miami headquarters, and (v) it has a strong brand in Florida that has been developed and earned since it first started operating in Miami over 75 years ago.

Through City National Bank of Florida, we increased our international revenues by combining our experience and capabilities in Chile with an established and scalable banking platform that is managed by an experienced management team in the strategic Florida market, where we have operated an international branch for over 20 years. However, we cannot assure you that we will be able to realize all of the anticipated benefits that we seek.

Selected Consolidated Financial Information of City National Bank of Florida

The following table presents selected consolidated financial information of City National Bank of Florida (including TotalBank) as of and for the years indicated, in accordance with U.S. GAAP. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," appearing elsewhere in this Prospectus.

Our acquisition of City National Bank of Florida in October 2015 has been accounted for under the acquisition method of accounting by BCI Financial Group, Inc., which elected to push down such transaction to City National Bank of Florida. The acquisition method of accounting also required that all assets and liabilities purchased be recorded at fair market value at the date of acquisition.

	As of and for the year ended December 31,		
	2019	2020	2021
		(in thousands of US$)	
CONSOLIDATED BALANCE SHEET DATA			
Assets			
Interest-earning assets:			
Real estate loans	7,989,302	7,881,182	9,328,580
Commercial and other business loans and leases	2,906,780	4,491,557	3,940,600
Consumer loans	66,991	39,079	71,922
Total loans	**10,963,073**	**12,411,818**	**13,341,102**
Net loan discount	(17,150)	(21,613)	(15,477)
Deferred loan fees	2,392	(32,130)	(22,447)
Allowance for loan losses	(49,046)	(129,543)	(137,189)
Loans – net	**10,899,269**	**12,274,629**	**13,211,559**
Loans held for sale	24,387	45,374	68,300
Securities available-for-sale	3,330,030	3,923,472	4,482,751
Securities held-to-maturity	10,158	35,158	1,490,516
Equity securities	30,653	31,409	30,500
Investments under agreements to sell	–	–	–
Interest-bearing balances with financial institutions	306,468	742,165	1,179,664
Total interest-earning assets	**14,600,965**	**17,052,207**	**20,463,290**
Cash and due from banks	120,894	197,530	137,658
Accrued interest receivable	42,424	79,041	71,821
Bank premises and equipment – net	86,259	97,177	92,544
Operating lease equipment – net	195,546	179,417	193,245
Other real estate owned	209	5,965	1,183
Intangible assets-net	94,590	80,484	62,358
Goodwill	120,926	124,791	108,623
Federal Home Loan Bank and Federal Reserve Bank Stock(1)	136,597	111,067	95,637
Other assets – net(2)	442,593	593,245	701,020
Total	**15,841,003**	**18,520,925**	**21,927,379**
Liabilities and Stockholders' Equity			
Deposits	11,854,263	14,960,842	18,405,448
Other borrowings(3)	1,850,000	1,210,973	1,110,852
Federal funds purchased and liabilities under agreements to repurchase	82,039	115,193	100,510
Total deposits and borrowings	**13,786,302**	**16,287,008**	**19,616,810**
Other liabilities	163,263	161,428	84,452
Total liabilities	**13,949,565**	**16,448,436**	**19,701,262**
Stockholders' equity(4):			
Common stock	14,211	14,211	14,211
Capital surplus	1,488,415	1,503,864	1,502,266
(Accumulated deficit) retained earnings	390,230	510,599	753,560
Accumulated other comprehensive (loss) income - net of tax	(1,418)	43,815	(43,920)
Total stockholders' equity	**1,891,438**	**2,072,489**	**2,226,117**
Total liabilities and stockholders' equity	**15,841,003**	**18,520,925**	**21,927,379**
CONSOLIDATED INCOME STATEMENT DATA			
Total interest income	577,154	556,632	572,516
Total interest expense	171,859	95,479	45,794
Net interest income after provision for loan losses	388,967	359,553	533,722

	As of and for the year ended December 31,		
	2019	2020	2021
		(in thousands of US$)	
Service charges, commissions, and fees	37,334	43,269	38,430
Gain on sale of loans	5,761	11,071	5,217
Gain on sale of premises and equipment	5,232	1,300	363
Gain on sale of investment securities – net	2,316	10,052	3,966
Unrealized gains recognized on equity securities	900	(756)	909
Other	16,413	19,302	36,510
Total other operating income	**67,956**	**84,238**	**85,395**
Total other operating expenses	**245,710**	**295,465**	**296,381**
Net income[5]	162,513	125,994	242,961
CONSOLIDATED CASH FLOW DATA			
Net cash provided by operating activities	224,147	179,927	255,379
Net cash used in investing activities[6]	(1,490,094)	(1,671,566)	(3,207,676)
Net cash provided by financing activities	1,306,149	2,043,180	3,329,923
Net (decrease) increase in cash and cash equivalents	40,202	551,541	377,626
CONSOLIDATED RATIOS			
Capital			
Average shareholders' equity as a % of average total assets	12.0%	11.5%	10.4%
Regulatory capital as a % of risk-weighted assets[7]	10.9%	14.7%	14.1%
Regulatory capital as a % of minimum regulatory capital required[7]	271.7%	249.0%	242.6%
Liabilities as a multiple of regulatory capital[7]	8.4	9.1	9.7
Asset quality			
Impaired loans as a % of total loans[8]	0.4%	0.6%	1.2%
Special mentioned loans as a % of total loans[9]	0.4%	4.2%	0.4%
Substandard loans as a % of total loans[10]	0.7%	1.2%	1.2%
Substandard and special mentioned loans as a % of total loans[9][10]	1.1%	5.4%	2.4%
Allowance for loan losses as a % of impaired loans[8]	103.6%	189.5%	217.0%
Allowance for loan losses as a % of sub standard loans[10]	66.0%	91.0%	80.8%
Allowance for loan losses as a % of sub standard and special mentioned loans[9][10]	40.0%	20.3%	40.1%
Allowance for loan losses as a % of total loans	0.4%	1.1%	1.0%

(1) As member banks of the Federal Home Loan Bank (the "FHLB") increase their borrowings, they also must increase their equity share in the FHLB. The FHLB stock yields an annual dividend of approximately 3.7%. In 2019 the borrowings increased 82%, as the FHLB stock increased 66%. In 2020, the borrowings decreased 34%, but the FHLB stock increased 19%. In 2021, the borrowings decreased by 8% and FHLB stock decreased by 14%.

(2) Other assets, net in 2019 includes US$10 million in deferred tax assets and US$347 million in bank owned life insurance. Other assets, net in 2020 includes US$26 million in deferred tax assets and US$378 million in bank owned life insurance. Other assets, net in 2021 includes US$57 million in deferred tax assets and US$502 million in bank owned life insurance.

(3) In 2019, borrowings from the FHLB, included in Other Borrowings, increased by US$835 million. In 2020, borrowings from FHLB, included in Other Borrowings, decreased by US$639 million. In 2021, borrowings from the FHLB, included in Other Borrowings, decreased by US$100 million.

(4) During 2019, stockholders' equity increased by US$189 million due to the net income from 2019. During 2020, stockholders' equity increased US$156 million due to the net income and unrealized gains in 2020. In October 2020 (at closing of our acquisition of ENB), all of the assets and liabilities of ENB were adjusted to fair market value and the equity of ENB was adjusted to the purchase price. During 2021, stockholders' equity increased by US$154 million mainly due to a net income of US$243 million.

(5) Net income in 2020 included Executive National Bank from October 2020 to December 2020. In 2019, all of City National Bank of Florida's net income was attributable to us. We acquired CNB in October 2015.

(6) During 2019, investment activity decreased by 7% due to a reduction in acquisitions as compared to the previous year. During 2020, investment activity increased 7% as a result of increased liquidity from the Paycheck Protection Program established by the U.S. Small Business Administration and Main Street Lending programs established by the Federal Reserve. During 2021, investment activity increased by 50% due to increased liquidity from significant deposit growth.

(7) Regulatory Capital is defined in US 12 CFR, sections 3.20 through 3.22. City National Bank of Florida calculates Common Equity Tier 1 Capital (CET 1 capital) as the sum of the following CET 1: any common stock instruments (plus any related surplus) plus retained earnings, minus the following regulatory adjustments and deductions: goodwill, intangible assets, deferred tax assets (DTAs) that arise from new operating losses, accumulated net gains and losses on cash flow hedges related to items that are not fair-valued on the balance sheet, accumulated losses on available-for-sale equity exposures, and DTAs related to temporary difference exceeding 10% of CET1 capital deduction threshold. City National Bank of Florida does not have Additional Tier 1 Capital as defined in US 12 CFR section 3.20(c). Therefore, Tier 1 capital equals CET 1 capital. Tier 2 capital includes allowance for loan losses up to 1.25% of standardized total risk-weighted assets, calculated as indicated in US 12 CFR section 3.20(d)(3). Tier 1 capital is used in the calculation of regulatory capital as a % of minimum regulatory capital required and liabilities as a multiple of regulatory capital.

(8) We place loans on impaired status when we believe the borrower may be unable to meet payment obligations as they become due, which is typically 90 days, as well as when required by regulatory provisions. In 2020, the increase in this ratio was a direct result of additional provisioning due to impact of COVID-19. In 2021, the decrease in this ratio is a direct result of loan growth and improved asset quality.

(9) Special mentioned loans are loans not individually analyzed but nevertheless identified for monitoring.

(10) Substandard loans include performing and impaired loans. For performing loans, which are loans which we determine to have several characteristics requiring increased scrutiny to determine that the loans are not impaired, or require an additional reserve. The characteristics we have identified to be relevant to substandard loans are (a) indication that the borrower(s) financial condition is deteriorating due to other debt maturing, the borrower's liquidity, weakness in the borrower's business, and other financial or borrower-specified indicators, (b) if the borrower has other outstanding loans

with us which are non-performing, or if we have a significant concentration of the borrower's debt, (c) weakness in underlying collateral, such as land, condominiums, and commercial real estate, (d) if the loan is beginning to show signs of nonperformance (loans overdue 30-60 days), (e) the loan to value has increased to a level that requires additional scrutiny, (f) the appraised value of the collateral is less than the loan balance or (g) the loan is considered non-performing.

Loan Portfolio

The following table sets forth City National Bank of Florida's loans by type of loan.

	As of December 31,		
	2019	2020	2021
	(in thousands of US$)		
Commercial and other business loans and leases	2,400,733	4,066,842	3,541,059
Residential real estate	2,195,438	2,059,644	2,341,444
Commercial real estate	5,069,512	5,263,276	6,171,517
Commercial leases	506,047	424,715	399,541
Consumer	66,991	39,079	71,922
Construction and land real estate	724,352	558,262	815,619
Total	**10,963,073**	**12,411,818**	**13,341,102**

The loan categories are as follows:

Commercial and other business loans and leases are comprised of long-term and short-term loans and leases granted to corporations and individuals in U.S. dollars on an adjustable or fixed rate basis, primarily to finance working capital or investments. Interest accrues daily on actual/365 basis, in most of the cases. Loan payments are scheduled monthly, quarterly, semi-annually or yearly, depending on the terms of the loan.

As of December 31, 2021, commercial loans constituted 26.5% of City National Bank of Florida's loan portfolio.

Residential real estate loans are comprised of the following:

Mortgage loans. Mortgage loans are fixed, variable, or adjustable rate long-term loans with monthly payments of principal and interest secured by a mortgage over one to four family residential properties. At the time of approval, the principal amount of this type of mortgage loan depends on the occupancy status, number of units, and loan amount, but cannot be higher than 80.0% of the appraised value of the mortgaged property.

Home Equity Lines (HELOC). HELOCs are revolving, open-end lines of credit extended to a homeowner secured by, typically, a junior lien over one to four family residential property.

As of December 31, 2021, residential real estate loans constituted 17.6% of City National Bank of Florida's loan portfolio.

Commercial real estate loans are comprised of the following:

Owner and non-owner occupied commercial real estate loans are adjustable or fixed rate loans used to purchase or refinance owner occupied or investment commercial real estate property. The owner occupancy should be greater or equal to 51% of the leasable space. Loan to value cannot be higher than 75%. The bank has a first lien position over the real estate property. Underwriting parameters include mandatory escrow for taxes and insurances, maximum vacancy, in case of nonowner occupied loans, minimum management fees and debt service coverages.

As of December 31, 2021, commercial real estate loans constituted 46.3% of City National Bank of Florida's loan portfolio.

Commercial leases are comprised of the following:

Commercial leasing operations: equipment finance services provided by City National Capital Finance, a wholly-owned subsidiary of City National Bank of Florida.

As of December 31, 2021, commercial leases constituted 3.0% of City National Bank of Florida's loan portfolio.

Consumer loans are comprised of the following:

Personal line of credit: revolving variable rate line of credit targeted for personal use. Payback generally occurs within 24 months. These lines can be unsecured or secured by a CD.

Unsecured term loans: Personal purpose fixed rate loan with relatively short time periods, with payback generally occurring within 60 months.

Automobile, boat, and airplane loans: Loans used to purchase or refinance these types of assets, secured by a first lien position on those assets.

As of December 31, 2021, consumer loans constituted 0.5% of City National Bank of Florida's loan portfolio.

Construction and land real estate loans are comprised of the following:

Construction loans: Fixed or variable rate loans made to construct commercial real estate or one to four family residences.

Land loans: Fixed or variable rate loans made for the purpose of acquiring land for the future construction of commercial real estate or one to four family residences.

As of December 31, 2021, construction and land real estate loans constituted 6.1% of City National Bank of Florida's loan portfolio.

At December 31, 2021, 70.0% of City National Bank of Florida's loan portfolio constituted loans secured by mortgages.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The following discussion should be read in conjunction with our audited consolidated financial statements, included elsewhere in this Prospectus and the section entitled "Presentation of Financial and Other Information" included in this Prospectus. Certain amounts (including percentage amounts) that appear herein have been rounded for ease of presentation. Percentage figures included herein have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts may vary from those obtained by performing the same calculations using the figures in our audited consolidated financial statements. Certain other amounts may not sum due to rounding.

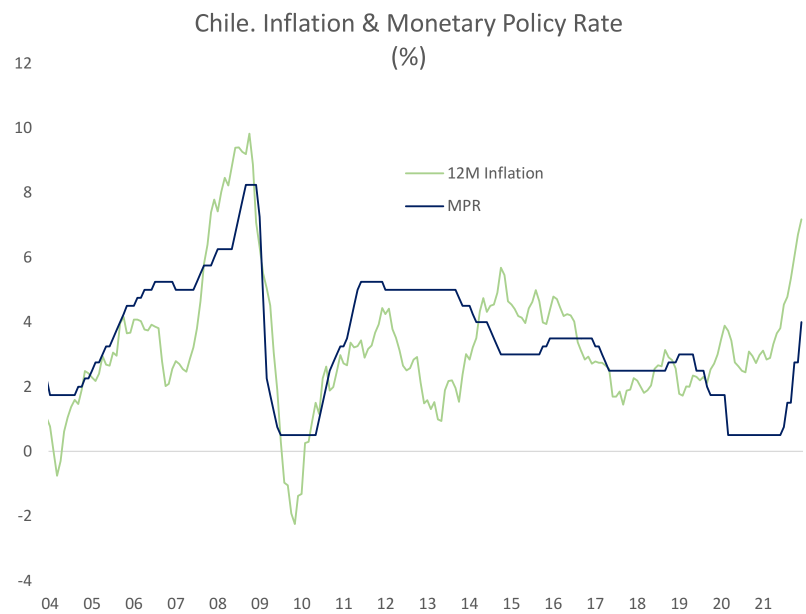
The financial data presented herein as of and for the years ended December 31, 2019, 2020 and 2021 is stated in nominal Chilean pesos.

Impact of Economic Conditions in Chile

Substantially all of our operations and our customers (other than those of CNB) are located in Chile. Accordingly, our financial condition and results of operations are substantially dependent upon economic conditions prevailing in Chile.

Chile experienced profound economic reforms during the second half of the 1980s and the second half of the 1990s that led to economic growth rates averaging more than 7% per annum from 1985 until the onset of the Asian economic crisis in 1997. Afterwards, the average rate of growth from 1998 to 2007 slowed to 4.4% per annum. The Chilean economy suffered the effects of the international financial crisis in 2008 that originated in the U.S. real estate sector, and in 2009 economic activity in Chile decreased 1.6%. In December 2009, the Organization for Economic Co-operation and Development ("**OECD**") invited Chile to become a full member, after a two year period of compliance with organizational mandates, and in May 2010 Chile signed the OECD Convention, becoming the first South American country to join the OECD. Beginning in 2010, the Chilean economy experienced a boom in investment, which was particularly associated with mining activities during the commodities super cycle between 2010 and 2013, and boosted economic activity led to an average GDP growth of 5.3% during that three-year period. In 2014, the price of copper declined rapidly and the Chilean government launched a series of political and economic reforms which led to a significant decrease in economic confidence. Investment across all economic sectors declined and household consumption stalled. GDP growth was 1.8%, 2.3%, 1.3% and 1.2% in 2014, 2015, 2016 and 2017, respectively. During 2018, the new administration took office and business and consumer confidence surged, resulting in an improvement in private consumption and a significant impulse to investment, which grew for the first time in two years. Chilean GDP rose 4.0% in 2018. In 2019, the Chilean GDP grew 1.1%, explained by an increase in consumption of services and investment in construction, partially offset by a decrease in activity levels as a result of social unrest during the second half of 2019. In October 2019, widespread protests began in Chile over the government's announcement of an increase in subway fares in Santiago and quickly grew into broader unrest over economic inequality, including claims about transportation costs, funding for education, health care costs and pension amounts, among others. Following an agreement among Chilean political parties, the Chilean congress convened a nationwide referendum to vote for a new Chilean Constitution initially to be held in March 2020, which was rescheduled to October 25, 2020 due to the COVID-19 outbreak and the Chilean constituents voted to enact a new Chilean Constitution. A second vote to elect the members of the constitutional convention was held on May 15 and 16, 2021, and a third vote to approve the new constitution that the constitutional convention will draft is currently expected to take place before September 2022. There is still significant uncertainty regarding the process to approve a new constitution and further protests and political instability are possible. Furthermore, the existing constitution has been in place since November 11, 1980, and any new constitution could change the political situation of the country, potentially affecting the Chilean economy and business outlook, and ultimately our business, financial condition and results of operations. If the protests and social crisis continue or worsen, future government policies to preempt, or in response to, unrest may materially affect the Chilean economy, and thereby our business, financial condition and results of operation. See "Risks Relating to Chile—Our growth and profitability depend on the level of economic activity in Chile and elsewhere." In 2020, a pandemic crisis emerged with significant worldwide impact over health conditions and economic activity. The COVID-19 pandemic has had and continues to have a significant adverse impact on the world economy of a magnitude that is not yet fully determinable. The strategies that restrict social gathering and promote social distancing, such as quarantines and travel restrictions, and other measures implemented by governments around the world to prevent the virus from spreading, have had a dramatic adverse consequences for the global economy, including demand, operations, supply chains and financial markets. See "Risk Factors—Risks Relating to our Business—The COVID-19 pandemic resulted in recognition of credit losses in our loan portfolios and increase in our additional provisions for credit losses, and has affected and may continue to affect our capacity to provide services to our customers" and "Risk Factors—Risks Relating to Chile—The spread of the coronavirus disease, or COVID-19, has disrupted and may continue to disrupt the world economy in a magnitude that is not yet determinable, which could materially affect our operations and results of operations." In 2020, Chilean GDP decreased 5.8% mainly due to the lower activity in the economy related to the pandemic. To face the pandemic crisis, the Chilean government implemented several mobility restrictions, including curfews and quarantines, delivered a plan to protect incomes for formal and informal jobs, deferred tax payments and fiscal backed loans to SMEs, and provided wage subsidies for new jobs. The Central Bank of Chile lowered the monetary policy rate to 0.5%, unveiled a Conditional Financing Facility Fund (FCIC) to ease bank loans to the private sector and purchased bank bonds in order to provide liquidity to financial markets, and the CMF allowed flexibility with respect to the deadlines to implement Basel III standards. In August 2020, the Chilean Congress approved a partial pension fund withdrawal, imposing a one-time liquidity injection to household income, but with a negative long-term effect over private pension fund and macroeconomic balance. A second pension fund withdrawal was approved in November 2020 and a third one in April 2021. The second pension fund withdrawal expired in December 2021 and the third pension fund withdrawal expired in April 2022. In 2021, GDP grew 12%, mainly due to an increase in fiscal transfers to households and the partial pension funds withdrawals approved by the Chilean government in 2020 and 2021. The economic recovery was also supported by a successful vaccination process, with approximately 90% and 60% of the Chilean population having received a second and third dose of the vaccine against the COVID-19, respectively. As of December 31, 2021, pension funds withdrawals amounted approximately to US$50 billion and the Chilean government provided economic support to households in an aggregate amount beyond 20% of Chile's GDP, mainly as a result of direct fiscal transfers to households in an amount of US$50 billion. Although private consumption had decreased in 2020 by 8.0% compared to 2019, it increased by 20.3% in 2021 compared to 2020, respectively. The unemployment rate in Chile increased to 13.1% in July 2020, the highest rate level since the beginning of the COVID-19 pandemic. During 2021, the labor market in Chile has recovered, mainly as a result of the employment support measures implemented by the Chilean government. In January 2022, the unemployment rate decreased to 7.3%, reaching its pre-pandemic levels.

With respect to inflation, the Central Bank of Chile started using a partial inflation targeting framework for its monetary policy in 1990, moving to its full adoption in September 1999, in combination with a flexible foreign exchange regime. Since 2001, the annual inflation target range has been between 2% and 4% and the average inflation has been 3.15%, except during the global economic crisis in 2007 and 2008, with an inflation rate of 7.1% in 2008. In 2014 and 2015, the consumer price index ("**CPI**") ended at 4.7% and 4.4%, respectively, exceeding the upper end of the inflation rate (primarily due to a bigger exchange rate pass-through to imported goods from the Chilean peso depreciation). In 2016, the CPI went back to the target range, ending at 3.78%. In 2017, 2018 and 2019, the ending CPI was 2.18%, 2.43% and 2.55, respectively. In 2020, the inflation lowered in the first half, but ended at 3.0% for the year. During 2021, inflation increased to 7.2% due to an increase in demand for goods, a 17% currency depreciation during 2021, as well as increasing oil prices and global supply chain disruptions. In response, the Central Bank of Chile moved from an extraordinary expansionary monetary policy to contractive monetary policies. The monetary policy rate increased from 0.5% in June 2021 to 4.0% in December 2021. The following graph shows the inflaction rate and the monetary policy rate in Chile from 2004 to 2021.



Source: Central Bank of Chile

The following graph shows GDP increase/decrease from 2006 to 2021 and includes the latest International Monetary Fund projections for 2022:

Source: Central Bank of Chile, IMF

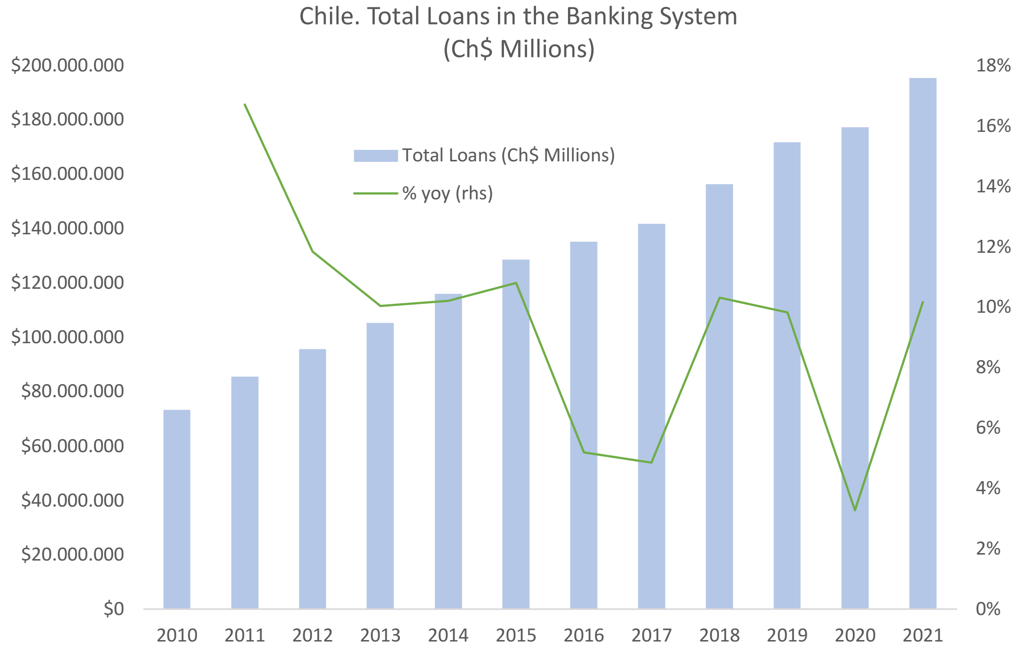
With respect to credit rating, Chile's long-term international debt credit rating has been gradually downgraded by the main rating agencies. On October 19, 2021, Fitch Ratings affirmed the credit rating of Chile's long-term international debt on A-, with stable outlook. On September 29, 2021, Standard & Poor's affirmed the credit rating of Chile's long-term international debt on A with stable outlook. On August 25, 2021, Moody's confirmed the credit rating of Chile's long-term international debt of A1 and maintained Chile's negative outlook. Credit ratings affect the cost and other terms upon which we are able to obtain funding. See "Risk Factors—Risks Relating to Chile—Any downgrading of Chile's debt credit rating for domestic and international debt by international credit rating agencies may also affect our ratings, our business, our future financial performance, stockholders' equity and the value of our securities, and any downgrading of our credit ratings could increase our cost of funding and adversely affect our interest margins and results of operations."

The Chilean Banking Industry

During the last twenty years, the Chilean banking industry experienced increased consolidation and had many new players enter the market. In 1998, 32 financial institutions operated in Chile and the five largest banks had a combined market share of approximately 75%. That year, CorpBanca acquired Financiera Condell and the assets of Corfinsa and Citibank Chile acquired Corporación Financiera Atlas. The market experienced two mergers in 2002: Banco de Chile with Banco Edwards and Banco Santander with Banco Santiago. During that same year, Banco Ripley began operating. In 2003, Banco del Desarrollo merged with Sudameris and in 2004 Banco Penta and Banco Paris commenced operations. Then in 2005, we acquired Financiera Conosur. In 2008, Banco de Chile merged with Citibank and Scotiabank acquired Banco del Desarrollo. Thus, by the end of 2008, only 25 financial institutions were operating in Chile. In December 2013, Ripley consolidated its retail and banking credit cards, with the consolidated results reported under Banco Ripley since January 31, 2014. In January 2015, Banco BTG Pactual started operating in Chile, in May 2015, Scotiabank began operating Banco Paris credit cards and consumer loans and in October 2015, we completed the purchase of City National Bank of Florida. In April 2016, the merger between Itaú and CorpBanca was completed, with the new bank operating under the name of Itaú CorpBanca. In June 2016, China Construction Bank began operating in Chile, in September 2016, Deutsche Bank exited the market and in December 2016, Scotiabank purchased the remaining portion of Banco Paris. The merger between Itaú and CorpBanca in 2016 and our acquisition of CNB in October 2015 affected the comparability of industry data between 2015 and 2016. The Chilean banking system continued to experience changes during 2017. Banco Penta ceased its operations in February 2017, as did Rabobank in April 2017.

In June 2018, we closed the acquisition of TotalBank through our subsidiary, CNB, for which we paid US$528,939 thousand. After closing this acquisition, Bci became the second largest bank in Chile in terms of consolidated total loans. In July 2018, Scotiabank closed the purchase of a majority stake in BBVA Chile. Both banks merged in September 2018, under the name of Scotiabank Chile, consolidating the Canadian bank as one of the largest players in the industry. In addition, Bank of China started its operations in the Chilean financial system. In December 2018, we also closed the acquisition of the five entities that composed Walmart Chile Servicios Financieros, while Banco Falabella incorporated *Promotora CMR Falabella* data to its loan portfolio, resulting in a 20.2% year-over-year increase in consumer loans for the whole industry. During October 2020, CNB closed the acquisition of Executive National Bank in Florida (United States), for which we paid US$62 million. As of December 31, 2021, the Chilean banking system is composed of one public-sector bank and 16 private-sector banks (of which 13 were Chilean banks and three were Chilean branches of foreign banks). As of the same date, private-sector Chilean banks and the Chilean branches of foreign banks accounted for 86.88% and 0.09% of all outstanding loans in the Chilean financial system, respectively, according to information published by the CMF.

Between 2005 and 2008, the Chilean banking sector grew at annual nominal rates over 17%. Due to the changes in accounting standards, data for the Chilean banking industry from 2009 to date is not comparable to that for 2008 and prior years. Starting in 2010, the banking industry has experienced a decrease in the loans growth rate. The following graph shows the nominal increase or decrease in loans from 2010 to 2021 for the Chilean banking industry:



Source: CMF

Since the last quarter of 2007, loan approval conditions became more restrictive for both large corporations and real estate companies as well as small and medium enterprises or SMEs. According to Bank Loan Survey Results, a quarterly publication of the Central Bank of Chile, by March 2009, 60% of financial institutions displayed more restrictive loan approval standards for large companies, compared to December of 2008, attributed principally to deteriorating economic conditions and prospects and a less favorable perception of client risk. However, this scenario changed during 2009, and in December of 2009, the percentage of lenders that continued to tighten the lending standards dropped to only 4.8%, compared to 8.6% in December 2008. Through 2010, this percentage dropped to zero. In 2011, the percentage of lenders that tightened their lending standards increased each quarter to reach 33.3% in December 2011. During 2012, favorable economic conditions brought an ease in lending to large corporations and SMEs, with 11.1% and 14.3% of the financial institutions reporting less restrictive approval conditions, respectively, in December 2012. Since then, the lending standards tightened each quarter, with a brief easing during December 2013. The tightening of lending standards was mainly attributed to a perception of increased risk given the deterioration of the prospects of the economy. During 2014, 29% of financial institutions displayed more restrictive loan approval standards for large companies, compared to 2013. This scenario continued during 2015, but in 2016 to 2017, this percentage dropped to zero. During 2018, favorable economic conditions brought an ease in lending to large corporations and SMEs, with the percentage of financial institutions displaying more restrictive loan approval standards for large companies constant at zero. In 2019, the conditions for extending loans to households became more restrictive in the fourth quarter of the year. The proportion of banks that reported more restrictive conditions increased from zero to 50% for consumer loans and from 9% to 18% for mortgage loans in 2019. In 2020, mainly due to the Chilean government funding and liquidity programs, the proportion of banks that reported an increase in less restrictive conditions increased 33.3% for consumer loans and from zero to 27.3% for mortgage loans in the last quarter of the year. In 2021, the proportion of banks that reported an increase in more restrictive conditions decreased to 17% for consumer loans and increased 36% for mortgage loans compared to 2020.

During the last decade, restrictive loan approval standards prevailed and peaked in June 2016, with 63.6% of lenders reporting a restriction in their credit standards. As of December 31, 2017, 9% of lenders reported more restrictive approval conditions compared to 2016, while in December 2018 that percentage dropped to zero. Although these conditions generally remained unchanged during 2019, a material increase in restrictive conditions was observed towards the end of the year, when 45.5% of lenders reported stricter loan approval conditions for real estate companies, primarily a function of the uncertainty resulting from the social unrest that began in October 2019. In 2020, due to the pandemic and the economic conditions, partially offset by the government programs, the percentage of lenders that reported more restrictive loan approval conditions decreased to 27.3%. In 2021, such percentage increased to 39% for large companies and to 46% for SMEs mainly due to the increase in interest rates.

The slowdown of the Chilean economy had an impact on commercial loans, with low rates of lending in 2016, and growth in loans of only 1.9% in 2017. In 2018, commercial loans grew 12.3% as a reflection of a better macroeconomic outlook. In 2019, commercial loans decreased 10.4% as compared to 2018, mainly due to the deterioration in macroeconomic conditions during the last quarter. In 2020, commercial loans increased 3.64%, mainly due to government support to this segment. In 2021, commercial loans increased 9%, mainly due to the recovery of the Chilean economy during 2021.

The retail segment has also experienced increased loan approval restrictions. Despite the slowdown of the economy in 2016, the unemployment rate remained low, at 6.1% and 6.4% as of December 31, 2016 and 2017, respectively, and consumer loans grew 8.5% as of December 31, 2017 compared to December 31, 2016. In 2018, consumer loans grew 20.21% in the domestic market, which is mainly explained by the incorporation of Promotora CMR Falabella into the portfolio of Banco Falabella and the acquisition of Walmart Servicios Financieros by Bci in December 2018. In 2019, consumer loans growth reached 6.74% and decreased 13.80% in 2020. In 2021, consumer loans growth increased 6.7% mainly due to the economic aid programs to households and the pension fund withdrawal measures implemented by the Chilean government during 2021.

Mortgage loans have been very active since 2013, though usually lagging behind in growth rates when compared to other loans. Mortgage loans grew 11.2%, 7.39% and 13.5% in 2019, 2020 and 2021, respectively. The growth in the portfolio of consumer and mortgage loans since 2010 was due, in part, to the decline in the unemployment rate and the growth of the economy in Chile.

Net interest income in the Chilean banking industry grew only 3.65% in 2011 as compared to 2010, and 5.15% in 2012 compared to 2011. The competitiveness of the Chilean financial system, as well as inflation and the US$/Ch$ exchange rate, had a negative impact on the growth of net interest income, which did not increase to the same extent as the volume of loans. 2013 saw an increase in inflation and a better US$/Ch$ exchange, allowing interest income to grow 10.78% when compared to 2012 and 18.34% in 2014 when compared to 2013. The lower value of the UF (currency indexed to inflation) during the first months of 2015 had a negative impact on interest income, with a decrease of 3.0% in 2015 when compared to 2014. Net interest income decreased 6.8% in 2017 when compared to 2016. However, due to the merger between Itaú and CorpBanca in 2016, 2016 data is not directly comparable to 2017. In 2018, net interest income increased 8.64% as compared to 2017. In 2019, net interest income increased 15.54% as compared to 2018, mainly due to increased inflation in Chile. In 2020, the net interest income increased 3.23% despite the macroeconomic adversity due to the COVID-19 pandemic. In 2021, net interest income increased 11.92% mainly due to the increase of inflation in Chile.

The risk index for the Chilean banking industry, calculated as allowances for loan losses as a percentage of total loans, decreased to 2.38% in 2015, due to a reduction in consumer loans risk index. Regulatory changes in allowances for loan losses in mortgage loans and Itaú CorpBanca's decision to lower the risk exposure in the merged bank caused the risk index of the banking industry to increase to 2.49% as of December 31, 2017, decreasing slightly to 2.44% as of December 2018. The risk index of the banking industry increased again to 2.56% in 2019, partly explained by the fact that in July 2019 the CMF (former SBIF) started the implementation of new regulatory requirements for standard models (group lending), which led to an increase in industry allowances for loan losses. During 2020 the risk index reached 2.71% due to the deterioration of the employment rates that affected the retail business as well as the effect of the pandemic-related lockdown over companies and businesses. In 2021, the risk index increased and reached 2.37%, mainly attributable to the larger liquidity of households as a result of an increase in fiscal transfers and pensions funds withdrawals.

Because of the tax reform passed in Chile during 2015, the industry as a whole recorded a positive one-off effect on deferred taxes which, coupled with a rise in the inflation, resulted in an increase in net income. The almost nil variation of the UF during the first quarter of 2015, compared to December 31, 2014, coupled with an increase in expenses had a negative impact on the net income of the Chilean banking industry, which translated into a return on equity of 14.71% as of December 31, 2015. The return on equity decreased to 11.63% as of December 31, 2016 but increased to 12.39% in 2017, in part explained by Banco Paris, Penta and Rabobank leaving the Chilean banking system, all of them with a negative return on equity as of December 31, 2016. Also, due to the merger between Itaú and CorpBanca consummated in 2016, data of 2016 is not directly comparable to 2017. In 2019, the return on equity decreased to 12.39%, from 12.52% in 2018, mainly due to lower interest rates. In 2020, it reached 5.56% due to lower margins and more allowances for loan losses. In 2021, however, return on equity increased to 16.62%, one of the largest in recent years. See "The Chilean Banking Industry."

City National Bank of Florida and the Impact of Economic Conditions in the Florida Real Estate Market

City National Bank of Florida operates in the strategic Florida market, with a primary focus on mid-sized and small companies, real estate business and high net worth and affluent clients. On December 31, 2021, 70.0% of City National Bank of Florida's loans had mortgage collateral, 26.5% were commercial and industrial, 3.0% were financial leases and 0.5% were consumer loans. See "City National Bank of Florida." According to the Bureau of Economic Analysis, Florida's real GDP decreased 2.9% year-over-year in 2020. During the third quarter of 2021, Florida's GDP grew 3.8% year-over-year, and represented 5.4% of total U.S. GDP, the fourth most important U.S. state in terms of GDP. According to estimates from the United States Census Bureau, in July 2021, Florida had a total population of 21.78 million and a median household annual income of US$55,660. The Florida unemployment rate decreased to 3.5% at December 31, 2021, below the U.S. national unemployment rate of 3.9%. The Case-Shiller home price index for Florida (Miami) reflected a year-over-year increase of 26.6% at November 1, 2021. Conditions affecting the real estate loan market in Florida have a direct impact on City National Bank of Florida's business and results of operations.

Our acquisition of Executive National Bank through City National Bank of Florida in October 2020 had a direct impact on the comparability of our results of operations in 2020 relative to 2021, as our consolidated results of operations for 2021 reflect twelve months of results of their operations merged with Executive National Bank, and our consolidated results of operations for 2020 reflect three months of results of their operations merged with Executive National Bank.

Effects of Inflation

Because we are a bank, substantially all of our assets and liabilities are monetary. Substantially all monetary assets and liabilities in Chile are denominated in (i) UFs, a unit of account developed during the 1960s whose value in pesos is indexed to Chilean inflation, (ii) nominal pesos or (iii) foreign currencies (primarily the U.S. dollar). A significant portion of the loans made by us with a maturity greater than 90 days are denominated in UFs, as are savings accounts and certain term deposits (generally those having maturities in excess of 90 days). The nominal peso value of UF-denominated loans and deposits will increase or decrease in tandem with changes in the Chilean consumer price index. The effect of any changes in the nominal peso value of the UF on UF-denominated assets or liabilities is reflected in our statement of income as an increase or decrease in interest income or expense.

Our net interest income will be positively affected by an inflationary environment to the extent that our average assets denominated in UFs exceed our average liabilities denominated in UFs. Our net interest income will be negatively affected by inflation in any period in which our average liabilities denominated in UFs exceed our average assets denominated in UFs. In addition, we have peso-denominated, non-interest earning assets and non-interest bearing liabilities, the value of which is particularly susceptible to inflation, which decreases their value in real terms.

Interest Rates

Interest rates earned and paid on our assets and liabilities reflect to a certain degree inflation and expectations regarding inflation as well as shifts in short-term rates related to the Central Bank of Chile's monetary policies. The Central Bank of Chile manages short-term interest rates based on its objectives of balancing low inflation and economic growth. Because our liabilities generally re-price to reflect interest rate changes faster than our assets, changes in the rate of inflation or short-term rates in the economy are reflected in the rates of interest we pay on our liabilities before such changes are reflected in the rates of interest we earn on our assets. Accordingly, our net interest margin on assets and liabilities tends to be adversely affected in the short term by increases in inflation or short-term rates and to benefit in the short term from decreases in inflation or short-term rates.

In addition, because our peso-denominated liabilities have relatively short repricing periods, they are generally more responsive to changes in inflation or short-term rates than our UF-denominated liabilities. As a result, during periods when current inflation or expected inflation exceeds the previous month's inflation, customers often switch funds from UF-denominated deposits to more expensive peso-denominated deposits, thereby adversely affecting our net interest margin.

Foreign Exchange Rates

A portion of our assets and liabilities is denominated in foreign currencies, principally the U.S. dollar, and we historically have maintained gaps between the balances of such assets and liabilities. At December 31, 2019, 2020 and 2021 the gaps between our average foreign currency-denominated assets and our average foreign currency-denominated liabilities (where the liabilities exceeded such assets in 2019, 2020 and 2021) were Ch$1,884,111 million, Ch$4,883,886 million and Ch$2,356,059 million, respectively. Because such assets and liabilities, as well as interest earned or paid on such assets and liabilities, and gains (losses) realized upon the sale of such assets, are translated to pesos in preparing our financial statements, our reported income is affected by changes in the value of the peso with respect to foreign currencies. See "Exchange Rates" and "Management's Discussion and Analysis of Results of Operations and Financial Condition—Financial Condition—Asset and Liability Management—Exchange Rate Sensitivity."

We enter into derivative financial instruments to reduce our exposure to exchange rates volatility. See "Quantitative and Qualitative Disclosures about Market Risk—Disclosures Regarding Derivative Financial Instruments."

Critical Accounting Policies

We have identified certain key accounting policies on which our financial position and results of operations are dependent. These key accounting policies generally involve complex quantitative analyses or are based on subjective judgments or decisions which are evaluated on an ongoing basis. Management bases its estimates and assumptions on historical experience and on various other factors that it believes to be reasonable under the circumstances. Actual results in future periods could differ from those estimates and assumptions.

Our most critical accounting policies under the Compendium are those related to the establishment of allowances for loan losses, fair value of financial assets and liabilities and impairment of investment securities. For a description of our significant accounting policies, see Note 2 to our audited consolidated financial statements included elsewhere in this Prospectus.

(a) Allowance for loan losses

The allowances required to cover expected losses on outstanding loans have been recognized in accordance with the regulations of the CMF (former SBIF). The allowance for loan losses for our loan portfolio is calculated primarily based on the classification and rating of loan portfolios set forth under the regulations issued by the CMF (former SBIF) into prescribed categories. There are two components of a bank's allowance for loan losses: individual and collective. All loans which exceed a certain threshold are individually assessed for impairment. Impairment allowances for portfolios of smaller balance and homogeneous loans that are below the individual assessment thresholds are determined on a collective basis. See "Presentation of Financial and Other Information—Loans."

To calculate our allowance for loan losses, the Compendium requires that we follow a methodology to classify loans considering the borrower's industry or sector, owners or managers, financial condition, payment ability and payment behavior, among others, in the loan's rating analysis to estimate a probable loss and define the percentage of necessary reserves.

Our allowance for loan losses is presented net from the account of loans and receivable of each customer and all write-offs of uncollectible loans are charged against this account if certain conditions established by the CMF (former SBIF) are met. In addition, Chilean banks are required to inform the CMF (former SBIF) after such write-offs have been recorded. The allowance for loan losses is an estimate and differences between the estimate and the actual loss will be reflected in our financial statements at the time of write-off.

(b) Fair value measurements

Financial assets and liabilities designated at fair value and derivative instruments are recorded at fair value on the balance sheet. Fair values are obtained from quoted market prices and by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially identical, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. If market information is limited or in some instances not available, we use our own judgment, which adds a degree of subjectivity to such determinations of fair value.

(c) Impairment of Financial Assets

We assess at each reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and prior to the reporting date and that those loss events that have had an impact over the estimated cash flows of the financial asset or portfolio can be reliably estimated.

The amount of impairment loss is measured as the difference between the carrying value and the present value of the estimated cash flows of the asset.

Management judgment is required in determining whether factors exist that indicate that an impairment loss has been incurred at the balance sheet date. Our assessment of impairment involves risks and uncertainties depending on market conditions.

Segment Reporting

(a) Overview

In accordance with IFRS 8, we aggregate operating segments with similar economic characteristics based on the aggregation criteria specified in such standard. Thus, a reporting segment comprises clients (within aggregated operating segments) to whom differentiated products are addressed, which are homogeneous and whose performance is measured in a similar way. We present our reporting segments based on a defined business structure, which is focused on optimizing assistance to clients with products and services according to relevant commercial characteristics.

The following are our five reporting segments:

- ***Retail Banking Segment.*** This reporting segment includes individuals and entities with sales of less than UF80,000 with the following operating segments:

    - *Retail*: The operating units in this segment are: Individuals, Preferential, and Nova.

    - *Small and Medium Enterprises*: This operating segment includes entrepreneurs and entities (with sales of between UF2,400 and UF80,000) and microenterprises (with sales of less than UF2,400).

- ***Wholesale Banking Segment.*** This reporting segment mainly includes companies whose annual sales exceed UF80,000. The operating units in this operating segment are: large companies (companies, large business companies and real estate), corporate bank and institutional clients.

- ***Corporate & Investment Banking Finance Division Segment.*** This reporting segment includes our investment portfolio and our wealth management unit, which is addressed to high net worth investors with financial needs of high value added financial services, including private banking. The private banking unit was previously under the Wholesale Banking segment.

- ***BCI Financial Group, Inc., and Subsidiaries (BCIFG) Segment.*** This reporting segment includes the businesses and operations we carry out in the United States through City National Bank of Florida, which operates as an independent unit, under the supervision of our senior management in Chile.

- ***Financial Services.*** This reporting segment includes businesses associated with the five entities forming Servicios Financieros, which we acquired in December 2018, and mainly includes the issuance and operation of Bci Lider Mastercard and Presto credit cards, the origination of advances and brokerage of personal insurance, among others. This business operates as an independent unit, under the supervision of our senior management in Chile.

- ***Others.*** In this category, we include those expenses and/or income, which by their nature are not directly identifiable within the five reportable segments above and therefore are not assigned.

Consistent with our client-focused strategy, each segment includes the income and expenses generated by the subsidiaries under each segment derived from services to our clients in those respective segments.

For more information on our reporting segments, see Note 5 to our consolidated financial statements included in this Prospectus.

(b) Allocation of Expenses

We allocate administrative expenses of our subsidiaries using an "activity based costing" system, an internal methodology that takes into account the business activities of our subsidiaries and assigns these expenses to our different reporting segments regardless of which of our subsidiaries incurred the expense. We assign expenses to our different reporting segments in three ways:

- first, we assign the cost directly attributable to each cost center of each segment which are clearly recognizable and assignable, such as personnel expenses, materials and equipment and depreciation, among others;
- second, we assign to each segment's cost center the centralized expenses that are booked in our collective cost centers. For example, the telephone expenses that are booked in our collective cost centers are allocated to each segment according to the number of employees of each segment, among other factors; and
- third, we assign to each segment the expenses that are incurred by such segment to support our management according to the time and resources spent by each segment in connection with these management support activities.

(c) Results of Operations by Segment

The following tables set forth certain income statement data for the years indicated:

	Year ended December 31, 2021							
	Retail Banking							
	Retail	Small and Medium Enterprise	Wholesale Banking	Corporate and Investment Banking Finance Division[4]	BCI Financial Group	Financial Services	Others[5]	Consolidated
	(in millions of Ch$)							
Net interest income	525,979	184,352	415,016	(183,283)	401,505	112,877	141,077	1,597,524
Net fee and commission income	169,055	37,794	75,895	8,034	31,576	26,252	(2,081)	346,522
Other operating income[1]	4,644	11,831	52,123	275,644	21,601	13,987	(162,574)	217,256
Total operating income	**699,678**	**233,977**	**543,034**	**100,395**	**454,682**	**153,116**	**(23,579)**	**2,161,303**
Provision for loan losses[2]	(83,991)	(63,323)	(48,797)	(6,073)	8,253	(48,144)	(158,470)	(400,545)
Operating income, net of loan losses, interest and commissions	615,687	170,654	494,237	94,322	462,935	104,972	(182,049)	1,760,758
Total operating expenses	**(377,323)**	**(108,634)**	**(167,491)**	**(68,992)**	**(197,657)**	**(84,236)**	**(36,687)**	**(1,041,020)**
Total net operating income by segment[3]	**238,364**	**62,020**	**326,746**	**25,330**	**265,278**	**20,736**	**(218,736)**	**719,738**

(1) Includes trading and investment income, net and foreign exchange loss, net.
(2) This amount includes Ch$158,470 million of "Additional and other contingency provisions" as permitted by the Chilean regulation, which are related to Retail, Small and Medium Enterprise, Wholesale Banking, and Corporate and Investment Banking Finance Division, but pursuant to Chilean regulations has been grouped and allocated to the other segments.
(3) The breakdown of consolidated net operating income shown is used for internal reporting, planning and marketing purposes and is based on, among other things, our estimated funding cost and direct and indirect cost allocations. This breakdown may differ in some respects from breakdowns of our net operating income for financial and regulatory purposes. See "Financial Services" for additional information with respect to the operations, assets, liabilities and income of our financial service subsidiaries.
(4) Private banking unit was relocated from Wholesale Banking to Corporate and Investment Banking Finance Division for the year ended December 31, 2021.
(5) Income and expenses that, due to their nature, are not directly identified with or allocated to one of our specific segments.

	Retail Banking							
	Year ended December 31, 2020							
	Retail	Small and Medium Enterprise	Wholesale Banking	Corporate and Investment Banking Finance Division[(3)]	BCI Financial Group	Financial Services	Others[(4)]	Consolidated
				(in millions of Ch$)				
Net interest income	461,225	176,689	360,692	84,824	369,743	125,392	(120,024)	1,458,541
Net fee and commission income	158,158	36,488	62,345	6,108	45,908	27,892	(1,315)	335,584
Other operating income[(1)]	5,953	10,363	56,954	38,607	4,965	25,444	95,917	238,203
Total operating income	**625,336**	**223,540**	**479,991**	**129,539**	**420,616**	**178,728**	**(25,422)**	**2,032,328**
Provision for loan losses	(241,624)	(80,764)	(108,644)	1,908	(84,065)	(76,127)	(64,595)	(653,911)
Operating income, net of loan losses, interest and commissions	383,712	142,776	371,347	131,447	336,551	102,601	(90,017)	1,378,417
Total operating expenses	**(388,726)**	**(103,595)**	**(147,990)**	**(67,005)**	**(204,433)**	**(84,245)**	**(39,867)**	**(1,035,861)**
Total net operating income by segment[(2)]	**(5,014)**	**39,181**	**223,357**	**64,442**	**132,118**	**18,356**	**(129,884)**	**342,556**

(1) Includes trading and investment income, net and foreign exchange loss, net.
(2) The breakdown of consolidated net operating income shown is used for internal reporting, planning and marketing purposes and is based on, among other things, our estimated funding cost and direct and indirect cost allocations. This breakdown may differ in some respects from breakdowns of our net operating income for financial and regulatory purposes. See "Financial Services" for additional information with respect to the operations, assets, liabilities and income of our financial service subsidiaries.
(3) Private banking unit was relocated from Wholesale Banking to Corporate and Investment Banking Finance Division for the year ended December 31, 2021. The segment data for the year ended December 31, 2020 in this table has been recast to align with the segment presentation as described above. The segment data as of and for the year ended December 31, 2020 in the audited consolidated financial statements as of and for the years ended December 31, 2020 and 2021 included in this Prospectus has been recast for the segment change as described above. However, the segment data in the audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020 included in this Prospectus has not been recast for the segment change as described above.
(4) Income and expenses that, due to their nature, are not directly identified with or allocated to one of our specific segments.

Results of Operations for the Years Ended December 31, 2020 and 2021

This section presents consolidated and other financial and operating information for the years ended December 31, 2020 and 2021. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements appearing elsewhere in this Prospectus.

The following table sets forth the principal components of our net income for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of nominal Ch$)		% Change
Interest income	2,088,604	2,359,133	13.0%
Interest expense	(630,063)	(761,611)	20.9%
Net interest income	1,458,541	1,597,522	9.5%
Fee and commission income	433,887	474,401	9.3%
Fee and commission expense	(98,303)	(127,876)	30.1%
Net fee and commission income	335,584	346,525	3.3%
Trading and investment income, net	148,799	139,777	(6.1)%
Foreign exchange results, net	44,765	22,547	(49.6)%
Other operating income	44,639	54,932	23.1%
Provision for loan losses and impairment of repossessed assets	(653,911)	(400,545)	(38.7)%
Operating income, net of provisions for loan losses	1,378,417	1,760,758	27.7%
Staff costs	(522,080)	(540,053)	3.4%
Administrative expenses	(319,202)	(333,625)	4.5%
Depreciation and amortization	(109,010)	(106,931)	(1.9)%
Impairment of property, plant and equipment and intangible assets	(5,073)	(23)	(99.5)%
Other operating expenses	(80,496)	(60,388)	(25.0)%
Total operating expenses	(1,035,861)	(1,041,020)	0.5%
Total net operating income	342,556	719,738	110.1%
Share of profit of investment accounted for using the equity method	(358)	2,290	n.m.
Income before income tax	342,198	722,028	111.0%
Income tax expense	(24,665)	(201,483)	716.9%
Consolidated Net Income for the year	317,533	520,545	63.9%

"n.m." connotes not meaningful.

Net Interest Income

The following table sets forth information with respect to our net interest income and net interest margin for the years ended December 31, 2020 and 2021.

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Total income from interest and indexation for inflation	2,088,604	2,359,133	13.0%
Total interest expenses and indexation for inflation	(630,063)	(761,611)	20.9%
Net interest income	1,458,541	1,597,522	9.5%
Net interest margin(1)	3.1%	3.2%	2.8%

(1) Net interest margin is net interest income divided by monthly average interest-earning assets.

The following table sets forth the effects of the changes in monthly average volume of interest-earning assets and interest-bearing liabilities and average nominal interest rates on our net interest income between December 31, 2020 and 2021.

	2020/2021
	(in million of Ch$)
Due to changes in average volume of interest-earning assets and interest-bearing liabilities	164,704
Due to changes in average nominal interest rate	(25,723)
Net change	138,981

Our net interest income increased Ch$138,981 million, or 9.5%, from Ch$1,458,541 million for the year ended December 31, 2020 to Ch$1,597,522 million for the year ended December 31, 2021, primarily as a result of a 13.0% increase in our interest income. Ch$164,704 of the increase in our net interest income was attributable to the changes in average volume of interest-earning assets and interest-bearing liabilities, with a growth in our loans, mainly in the mortgage loans, which increased 11.2% compared to 2020.

Ch$31,762 million of our Ch$138,981 million increase in net interest income for the year ended December 31, 2021 was attributable to CNB, primarily as a result of a decrease in interest expense due to higher volumes of non-interest-bearing and term deposits in 2021 compared to 2020.

Interest Income

The following table sets forth information regarding our interest income and average interest-earning assets for the year ended December 31, 2020 and 2021:

	As of and for the year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Interest income	2,088,604	2,359,133	13.0%
Average interest earning assets(1):			
Commercial loans	24,181,043	24,373,385	0.8%
Mortgage loans	8,766,863	9,752,864	11.2%
Consumer loans	3,686,827	3,315,383	(10.1)%
Loans and receivables to banks	443,441	427,714	(3.5)%
Total loans	37,078,174	37,869,346	2.1%
Investments	6,807,545	10,287,543	51.1%
Other assets	2,517,816	1,974,102	(21.6)%
Total average interest-earning assets	46,403,535	50,130,991	8,0%
Average nominal rates earned(1):			
Loans(2)	5.5%	6.4%	16.6%
Investments	1.7%	1.8%	5.9%
Other assets	(2.6)%	(12.5)%	380.8%

	As of and for the year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Average nominal rates earned	4.5%	4.7%	4.4%
Annual inflation rates	3.0%	7.2%	140.0%

(1) Average interest-earning and average nominal rates earned are determined on a monthly average basis for the corresponding year.
(2) Includes loans and receivables to banks, including commercial interbank loans, foreign trade credits Chilean exports, foreign trade credits between third countries, and allowance for loans with foreign banks.

The following table sets forth the effects of the changes in average volume of interest-earning assets and average nominal interest rates on our interest income between the years ended December 31, 2020 and 2021.

	Year Ended December 31,
	2020/2021
	(in millions of Ch$)
Due to changes in average volume of interest-earning assets	202,012
Due to changes in average nominal interest rate	68,517
Net change	**270,529**

Our interest income increased Ch$270,529 million, or 13.0% for the year ended December 31, 2021, from Ch$2,088,604 million for the year ended December 31, 2020 to Ch$2,359,133 million for the year ended December 31, 2021, primarily as a result of an increase of 8.0% in our average interest earning assets for the year ended December 31, 2021, compared to, together with an increase of 4.4% in our average nominal rates for 2021 compared to 2020.

The increase in our average interest earning assets was mainly attributable to a 51.5% increase in average investments and an 11.2% increase in mortgage loans in the year ended December 31, 2021 compared to 2020, partially offset by a 10.1% decrease in consumer loans for the same period, due to more restrictive risk measures taken by us in 2021. We define average investments as the sum of our average investments in Chilean pesos, UF, foreign currency, and investments in CNB. The average investments were part of the collateral required by the Central Bank of Chile in order to access the liquidity programs in place, which were kept under a low rate environment by the Central Bank of Chile.

Of our Ch$270,529 million increase in interest income for the year ended December 31, 2021 compared to 2020, a decrease of Ch$4,237 was attributable to CNB, whose interest income decreased 1.1% in the year ended December 31, 2021 compared to the same period in 2020, from Ch$439,146 million for the year ended December 31, 2020 to Ch$434,909 million for the year ended December 31, 2021.

Interest Expense

The following table sets forth certain information concerning our interest expense and average interest-bearing liabilities for the years ended December 31, 2020 and 2021:

	As of and for the year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Interest expense	(630,063)	(761,611)	20.9%
Average interest bearing liabilities(1):			
Term deposits	19,830,221	19,452,161	(1.9)%
Savings accounts	52,249	61,667	18.0%
Liabilities under agreements to repurchase	402,255	254,298	(36.8)%
Debt issued	7,431,917	8,079,939	8.7%
Other interest-bearing liabilities	8,032,594	8,223,206	2.4%
Total average interest bearing liabilities	35,749,236	36,071,271	0.9%
Average nominal rates paid(1):			
Term deposits	1.1%	0.6%	(47.2)%
Debt issued	4.4%	6.9%	57.8%
Other interest bearing liabilities	1.0%	0.9%	(6.0)%
Average nominal rates paid(1):	1.8%	2.1%	19.8%

	As of and for the year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Average real rates paid:	(2.5)%	(0.5)%	(81.3)%

(1) Average interest-bearing liabilities are determined on a monthly average basis for the corresponding year.
(2) Calculated taking into account average interest-bearing liabilities determined on a monthly average basis.

The following table sets forth the effects of the changes in average volume of interest-bearing liabilities and average nominal interest rates on our interest expense between the years ended December 31, 2020 and 2021:

	Year Ended December 31, 2020/2021
	(in millions of Ch$)
Due to changes in average volume of interest-bearing liabilities	37,308
Due to changes in average nominal interest rate	94,240
Net change	**131,548**

Our interest expense increased 20.9% for the year ended December 31, 2021, from Ch$630,063 million for the year ended December 31, 2020 to Ch$761,611 million for the year ended December 31, 2021, primarily due to:

- a 57.8% increase in average nominal rates paid on debt issued in 2021, from 4.4% in the year ended December 31, 2020 to 6.9% in the year ended December 31, 2021, together with an 8.7% increase in debt issued, from Ch$7,431,917 million in 2020 to Ch$8,079,939 million in 2021. The increase in interest rates paid was mainly attributable to a higher financing cost for local debt in Chile, due to an increase in market rates.

- a 2.4% increase in other interest-bearing liabilities, from Ch$8,032,594 million for the year ended December 31, 2020 to Ch$8,223,206 million for the year ended December 31, 2021, and a 6.0% decrease in average nominal rates paid on other interest-bearing liabilities, from 1.0% in the year ended December 31, 2020 to 0.9% in the year ended December 31, 2021.

- partially offset by a 1.9% decrease in volume of term deposits, from Ch$19,830,221 million for the year ended December 31, 2020 to Ch$19,452,161 million for the year ended December 31, 2021. This decrease was primarily driven by lower term deposits by institutional investors, and a greater volume of higher non-interest-bearing deposits which contributed to a lower average nominal rate paid from 1.1% to 0.6%.

- and partially offset by a decrease of Ch$35,999 million on interest expense in 2021 attributable to CNB, whose average term deposits decreased from Ch$1,114,805 million in 2020 to Ch$641,527 million in 2021, due to the low rate environment.

Net Fee and Commission Income

The following table sets forth information with respect to our net fee and commission income for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Fee and commission income	433,887	474,401	9.3%
Fee and commission expense	(98,303)	(127,876)	30.1%
Net fee and commission income	**335,584**	**346,525**	**3.3%**

Our net fee and commission income increased Ch$10,941 million, or 3.3%, in the year ended December 31, 2021, from Ch$335,584 million in the year ended December 31, 2020 to Ch$346,525 million in the year ended December 31, 2021, primarily as a result of a 9.3% increase in fee and commission income, partially offset by a 30.1% increase in fee and commission expenses.

The increase in fee and commission income was primarily attributable to increases in commissions for other services provided and other commissions, and commissions for credit card services. Those increases were partially offset by a decrease in commissions for insurance brokerage.

The increase in fee and commission expense was primarily attributable to increases in other commissions.

Net fee and commission income represented 16.0% of our total operating income for the year ended December 31, 2021, compared to 16.5% in the year ended December 31, 2020.

Fee and Commission Income

The following table sets forth the principal components of our fee and commission income for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	**2021**	**2020/2021**
	(in millions of Ch$)		**% Change**
Commissions for credit lines and overdrafts	3,284	3,772	14.9%
Commissions for guarantees and letters of credit	24,457	25,842	5.7%
Commissions for administration of accounts	48,567	52,811	8.7%
Commissions for collection services	62,496	68,352	9.4%
Commissions for management of mutual and investment funds	54,226	58,802	8.4%
Commissions for credit card services	87,069	99,307	14.1%
Commissions for securities brokerage	6,972	8,112	16.4%
Commissions for insurance brokerage	72,188	60,296	(16.5)%
Commissions for other services provided and other commissions	74,628	97,107	30.1%
Total fee and commission income	**433,887**	**474,401**	**9.3%**

Our fee and commission income increased 9.3% for the year ended December 31, 2021, from Ch$433,887 million for the year ended December 31, 2020 to Ch$474,401 million for the year ended December 31, 2021, primarily as a result of:

- a 30.1% increase in commissions for other services provided and other commissions from Ch$74,628 million for the year ended December 31, 2020 to Ch$97,107 million for the year ended December 31, 2021. This increase was attributable to an increase in commissions for financial advisory and other remuneration for services rendered, mainly directed to our MACH card business.

- a 14.1% increase in commissions for credit card services from Ch$87,069 million for the year ended December 31, 2020 to Ch$99,307 million for the year ended December 31, 2021, explained mainly due to higher commissions for credit card holders.

- a 9.4% increase in commissions for collection services, from Ch$62,496 million for the year ended December 31, 2020 to Ch$68,352 million for the year ended December 31, 2021, mainly driven by a slightly higher collection fees coming from customers, due to a recovery of the collection process during the COVID-19 pandemic.

The increase in our fee and commission income was partially offset by a 16.5% decrease in commissions for insurance brokerage from Ch$72,188 million for the year ended December 31, 2020 to Ch$60,296 million for the year ended December 31, 2021. This decrease was mainly attributable to a decrease in the income generated by our subsidiary Bci Servicios Financieros.

In addition, from the Ch$40,514 million total increase in fee and commission income in the year ended December 31, 2021, CNB had a decrease of Ch$14,735 million, which was mainly attributable to a decrease in commissions for debit card holders.

Fee and Commission Expenses

The following table sets forth the principal components of our fee and commission expense for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	**2021**	**2020/2021**
	(in millions of Ch$)		**% Change**
Commissions on operations with credit cards	(48,989)	(48,328)	(1.3)%
Commissions on securities trading	(25,194)	(30,278)	20.2%
Other commissions	(24,120)	(49,270)	104.3%
Total fee and commissions expenses	**(98,303)**	**(127,876)**	**30.1%**

Our fee and commission expenses increased 30.1% for the year ended December 31, 2021, from Ch$98,303 million for the year ended December 31, 2020 to Ch$127,876 million for the year ended December 31, 2021, primarily as a result of:

- a 104.3% increase in other commissions, from Ch$24,120 million in the year ended December 31, 2020 to Ch$49,270 million in the year ended December 31, 2020, attributable mainly to an increase in commissions expenses in connection with the FOGAPE loans.

- a 20.2% increase in commissions on securities trading, from Ch$25,194 million in the year ended December 31, 2020 to Ch$30,278 million in the year ended December 31, 2021, due to an increase in commissions associated with custody services.

In the year ended December 31, 2021, CNB had a decrease of Ch$402 million in fee and commission expenses, which was mainly attributable to a decrease in credit card services and other commissions.

Trading and Investment Income, Net

The following table sets forth information with respect to our net trading and investment income for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	**2021**	**2020/2021**
	(in millions of Ch$)		**% Change**
Trading instruments	114,243	38,952	(65.9)%
Derivative financial agreements	(20,094)	135,117	n.m
Gain on sale of financial investments available for sale	55,051	(42,954)	n.m.
Others instruments at fair value through profit or loss	(401)	(497)	23.9%
Other	-	9,159	100.0%
Total	**148,799**	**139,777**	**(6.1)%**

"n.m." connotes not meaningful.

Net trading and investment income consists of net gains from trading and related fair value adjustments. Our net trading and investment income decreased 6.1% in 2021 compared to 2020, from Ch$148,799 million in 2020 to Ch$139,777 million in 2021. This decrease was primarily attributable to a Ch$98,005 million decrease in gain on sale of financial investmens available for sale, followed by a Ch$75,291 million decrease in the gain/loss on trading instruments, which was partially offset by a Ch$155,211 million increase in derivative financial agreements.

The Ch$98,005 million decrease in realized gain from sale of available for sale investments was related to a decrease of 82% in the notional amount of available for sale instruments sold and an associated realized loss of Ch$(21,582) million during 2021.

The Ch$75,291 million decrease in trading instruments was primarily attributable to Ch$25,265 million decrease in profit/loss for the sale of trading instruments, Ch$34,908 million decrease in fair value adjustments of trading instruments and Ch$11,851 million decrease in accrued interests and revaluations.

The Ch$155,211 million increase in derivative financial agreements was mainly due to a better result associated with the dismantling of positions as a result of structured products.

Foreign Exchange Results, Net

The following table sets forth information with respect to our net foreign exchange results for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Gain/(Loss) from exchange differences	61,487	(410,931)	n.m.
Foreign currency indexation[(1)]	(16,722)	433,478	n.m.
Total	**44,765**	**22,547**	**(49.6)%**

"n.m." connotes not meaningful.

(1) Foreign currency indexation includes the sum of net results for assets and liabilities denominated in foreign currency and hedge accounting results (related to the foreign currency effects hedged).

Our net foreign exchange result decreased Ch$22,218 million, or 49.6%, during 2021 as compared to 2020. This decrease was primarily attributable to a Ch$472,418 million decrease in gains from exchange differences in 2021 as compared to 2020, which was partially offset by a Ch$450,200 million increase in foreign currency indexation.

The Ch$472,418 million decrease in gains from exchange differences for 2021 was primarily attributable to an increase in the exchange rate during 2021 (appreciation of the U.S. dollar) of about Ch$150. The Ch$450,200 million increase in foreign currency indexation is mainly attributable to our hedging strategies which recorded a gain of Ch$380,796 million for 2021.

Other Operating Income

The following table sets forth the components of our other operating income for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Income from repossessed assets	2,595	5,296	104.1%
Reversal of provisions for credit commitments	323	-	(100.0)%
Other income	41,721	49,636	19.0%
Total	**44,639**	**54,932**	**23.1%**

Our other operating income increased 23.1% in the year ended December 31, 2021, from Ch$44,639 million in the year ended December 31, 2020 to Ch$54,932 million in the year ended December 31, 2021, primarily due to:

- a 19.0% increase in other income, from Ch$41,721 million in 2020 to Ch$49,636 million in 2021, mainly explained by an increase in insurance reimbursements.

- a 104.1% increase in income from repossessed assets, from Ch$2,595 million in 2020 to Ch$5,296 million in 2021, mainly due to an increase in other income included in income from repossessed assets, a result of an increase in fees from our program "Main Street Lending Program," which is designed to support SMEs.

Provision for Loan Losses and Impairment of Repossessed Assets

Chilean banks are required to maintain allowances to cover possible credit losses in an amount at least equal to their loans to customers multiplied by their risk index. The allowances for loan losses as a percentage of total loans are derived from our classification of our portfolio according to objective criteria relating to the performance of the loans and in accordance with the regulations of the CMF (former SBIF). The amount of provision charged to income in any period consists of adjustments to the loan loss reserve including direct write-offs against income (equal to the portion of loans written off that is not covered by a reserve at the time of write-off).

The following table sets forth information for our allowances for loan losses and their principal components, provision for loan losses and write-offs, for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Provisions:			
Allowances for loan losses at beginning of period	668,321	790,032	18.2%
Provisions established for loan losses, net of reversal of provisions	570,945	286,879	(49.8)%
Write-offs	(449,234)	(324,751)	(27.7)%
Allowances for loan losses at end of the period	**790,032**	**752,160**	**(4.8)%**
Other asset quality data:			
Total loans and receivables from customers	35,508,713	40,982,542	15.4%
Consolidated risk index (%)[(1)]	2.22%	1.84%	(17.5)%
Additional voluntary provision	160,176	350,143	118.6%
Allowances for loan losses including additional voluntary provision (presented as a liability)	950,208	1,102,303	16.0%
Allowances for loan losses including additional voluntary provision (presented as a liability) as a percentage of total loans and receivables from customers	2.68%	2.69%	0.5%

(1) The risk index of our loan portfolio is calculated as allowances for loan losses as a percentage of total loans.

Our allowances for loan losses including additional voluntary provisions increased 16.0% as of December 31, 2021, from Ch$950,208 million as of December 31, 2020 to Ch$1,102,303 million as of December 31, 2021, an increase that was relatively high compared to the 15.4% increase in total loans and receivables from customers in 2021 compared to 2020, which resulted in a 0.5% increase in the percentage of allowances for loan losses including additional voluntary provision as a percentage of total loans and receivables from customers in 2021.

In addition, the provisions established for loan losses, net of reversal of provisions decreased 49.8% from Ch$570,945 million in 2020 to Ch$286,879 million in 2021, mainly driven by consumer and commercial portfolios, where governmental support for companies and individuals, together with the withdrawals from the pension funds to individuals, have strengthened their payment capacity.

Our additional voluntary provisions increased 118.6% as of December 31, 2021, from Ch$160,176 million as of December 31, 2020 to Ch$350,143 million as of December 31, 2021, primarily as a result of our proactive management to anticipate future risks related to consequences of the pandemic and a possible deterioration of the macroeconomic conditions. As of December 2021, the risk of the portfolio is not reflecting any significant impairment mainly due to the government measures to support clients and the financial system.

Our write-offs decreased 27.7% in 2021, from Ch$449,234 million in 2020 to Ch$324,751 million in 2021. This decrease is mainly due to a more conservative criteria in the credit renegotiation policy of consumer loans. In the case of Servicios Financieros portfolio, this decrease has been partially offset by the effect of the pension fund withdrawals, since a part of these pension fund withdrawals were used by consumers to repay their loans.

CNB's allowances for loan losses decreased Ch$92,319 million in 2021, mainly due to the effects of a reduction of the commercial portfolio. Our CNB additional voluntary provisions decreased Ch$73,570 million as of December 31, 2021, from additional provisions of Ch$47,263 as of December 31, 2020, to a release of additional provisions of Ch$26,307 million as of December 31, 2021.

As a result, our allowance for loan losses as a percentage of total loans, increased from 2.68% in 2020 to 2.69% in 2021. Our total loans as of December 31, 2021 increased 15.4% compared to December 31, 2020.

Operating Expenses

The following table sets forth the principal components of our operating expenses for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	**2021**	**2020/2021**
	(in millions of Ch$)		**Change**
Staff costs	(522,080)	(540,053)	3.4%
Administrative expenses	(319,202)	(333,625)	4.5%
Depreciation and amortization	(109,010)	(106,931)	(1.9)%
Impairment of property, plant and equipment and intangible assets	(5,073)	(23)	(99.5)%
Other operating expenses	(80,496)	(60,388)	(25.0)%
Total operating expenses	**(1,035,861)**	**(1,041,020)**	**0.5%**
Efficiency ratio[(1)]	51.0%	48.2%	(5.5)%

(1) Operating expenses as a percentage of operating income.

Our total operating expenses increased 0.5% in the year ended December 31, 2021, from Ch$1,035,861 million for the year ended December 31, 2020 to Ch$1,041,020 million for the year ended December 31, 2021, primarily as a result of:

- a 3.4% increase in staff costs in 2021, mainly due to a Ch$15,151 million increase in bonuses paid to employees.
- a 4.5% increase in administrative expenses in 2021, mainly due to an increase in IT and communication expenses, and other general administration expenses.
- a 25.0% decrease in other operating expenses due to a Ch$10,681 million decrease in provisions for contingencies which were higher in 2020 in order to mitigate the potential negative impact as a result of the COVID-19 pandemic.

Our efficiency ratio (operating expenses as a percentage of net operating income) decreased from 51.0% as of December 31, 2020, to 48.2 % as of December 31, 2021.

Share of Profit of Investment Accounted for Using the Equity Method

The 739.7% or Ch$2,648 million increase in our share of profit of investment accounted for using the equity method for the year ended December 31, 2021 as compared to the year ended December 31, 2020 was primarily due to an increase in the share of profit of our investment in Operadoras de Tarjetas de Crédito Nexus S.A. and Centro de Compensación Automatizado S.A.

Income Tax

Law No. 20,780, enacted and published in the Official Gazette of Chile in September 2014, as amended by Law No. 20,899, introduced certain amendments to Chilean income tax law that impact the calculation of our income tax. Article 14 of the Income Tax Law (Law Decree No. 824), as amended by Law No. 20,780 and Law No. 20,899, established two alternative systems of taxation for taxpayers obliged to declare their actual income determined under full accounting records: the Attributed System and the Partially Integrated System. Law No. 21,210 of 2020 eliminated the Attributed System and established the Partially Integrated System as the general regime for large companies. See "Risk Factors—Risks Relating to Chile—Changes in Chilean tax laws may increase our tax burden and adversely affect our profitability" for a description of such taxation systems. Since Bci is a stock corporation *(sociedad anónima),* we are subject to the general regime for large companies.

The following table sets forth our income before income tax and effective tax rate for the years ended December 31, 2020 and 2021:

	Year ended December 31,		
	2020	2021	2020/2021
	(in millions of Ch$)		% Change
Income before income tax	342,198	722,028	111.0%
Income tax expense	(24,665)	(201,483)	716.9%
Effective income tax rate(1)	7.2%	27.9%	287.1%

(1) Effective income tax rate is equal to income tax expense divided by income before income tax.

The 716.9% or Ch$176,818 million increase in income tax expense, from Ch$24,665 million in 2020 to Ch$201,483 million in 2021, was primarily attributable to (i) higher taxable income in 2021 compared to 2020, and (ii) an increase in income tax expense derived from the tax effects generated by the obligation to apply monetary correction to foreign investments (under which tax law the investment in CNB falls).

Net Income

As a result of the foregoing factors, our net income increased 63.9% for the year ended December 31, 2021, from Ch$317,533 million for the year ended December 31, 2020 to Ch$520,545 million for the year ended December 31, 2021.

Results of Operations for the Years Ended December 31, 2019 and 2020

This section presents consolidated and other financial and operating information for the years ended December 31, 2019 and 2020. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements appearing elsewhere in this Prospectus.

The following table sets forth the principal components of our net income for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	2020	2019/2020
	(in millions of nominal Ch$)		% Change
Interest income	2,206,557	2,088,604	(5.3)%
Interest expense	(885,063)	(630,063)	(28.8)%
Net interest and indexation income	1,321,494	1,458,541	10.4%
Fee and commission income	462,313	433,887	(6.1)%
Fee and commission expense	(110,553)	(98,303)	(11.1)%
Net fee and commission income	351,760	335,584	(4.6)%
Trading and investment income, net	183,805	148,799	(19.0)%
Foreign exchange results, net	(18,334)	44,765	n.m.
Other operating income	53,063	44,639	(15.9)%
Provision for loan losses and impairment of repossessed assets	(415,519)	(653,911)	57.4%
Operating income, net of provision for loan losses	1,476,269	1,378,417	(6.6)%
Staff costs	(483,886)	(522,080)	7.9%
Administrative expenses	(326,149)	(319,202)	(2.1)%
Depreciation and amortization	(103,649)	(109,010)	5.2%
Impairment of property, plant and equipment and intangible assets	(478)	(5,073)	961.3%
Other operating expenses	(43,569)	(80,496)	84.8%
Total operating expenses	(957,731)	(1,035,861)	8.2%
Total net operating income	518,538	342,556	(33.9)%
Share of profit (loss) of investment accounted for using the equity method	12,638	(358)	n.m.
Income before income tax	531,176	342,198	(35.6)%
Income tax expense	(128,437)	(24,665)	(80.8)%
Consolidated net income for the year	402,739	317,533	(21.2)%

"n.m." connotes not meaningful.

Net Interest Income

The following table sets forth information with respect to our net interest income and net interest margin for the years ended December 31, 2019 and 2020.

	Year ended December 31,		
	2019	**2020**	**2019/2020**
	(in millions of Ch$)		% Change
Total income from interest and indexation for inflation	2,206,557	2,088,604	(5.3)%
Total interest expenses and indexation for inflation	(885,063)	(630,063)	(28.8)%
Net interest income	1,321,494	1,458,541	10.4%
Net interest margin(1)	3.6%	3.1%	(12.9)%

(1) Net interest margin is net interest income divided by monthly average interest-earning assets.

The following table sets forth the effects of the changes in monthly average volume of interest-earning assets and interest-bearing liabilities and average nominal interest rates on our net interest income between December 31, 2019 and 2020.

	2019/2020
	(in million of Ch$)
Due to changes in average volume of interest-earning assets and interest-bearing liabilities	357,128
Due to changes in average nominal interest rate	(220,081)
Net change	137,047

Our net interest income increased Ch$137,047 million, or 10.4%, from Ch$1,321,494 million for the year ended December 31, 2019 to Ch$1,458,541 million for the year ended December 31, 2020, primarily as a result of a 28.8% decrease in our interest expenses, which was partially offset by a 5.3% decrease in our interest income. Our interest income for 2020 decreased at a lower pace than our interest expense. Ch$357,128 million of the increase in our net interest income was attributable to the changes in average volume of interest-earning assets and interest-bearing liabilities (primarily growth in our loan and investment portfolios in 2020, due to the governmental support during the COVID-19 pandemic to clients and the collateral required for the liquidity programs, respectively), and Ch$220,081 million of the decrease in our net interest income was attributable to changes in average nominal interest rate. The average nominal interest rate we paid (primarily on term deposits) in 2020 had a higher impact on our net interest income than the average nominal interest rate we earned (primarily on commercial loans and investments), as explained below. As a result, net interest margin decreased from 3.6% in 2019 to 3.1% in 2020.

Ch$72,794 million of our Ch$137,057 million increase in net interest income for the year ended December 31, 2020 was attributable to CNB, due to an increase in interest income related to higher volumes in commercial loans and leasing and a decrease in average nominal rates paid in term deposits in 2020 compared to 2019.

Interest Income

The following table sets forth information regarding our interest income and average interest-earning assets for the year ended December 31, 2019 and 2020:

	As of and for the year ended December 31,		
	2019	**2020**	**2019/2020**
	(in millions of Ch$)		% Change
Interest income	2,206,557	2,088,604	(5.3)%
Average interest earning assets(1):			
Commercial loans	20,085,057	24,181,043	20.4%
Mortgage loans	7,773,266	8,766,863	12.8%
Consumer loans	3,825,999	3,686,827	(3.6)%
Loans and receivables to banks	355,037	443,441	24.9%
Total loans	32,039,359	37,078,174	15.7%
Investments	3,472,270	6,807,545	96.1%
Other assets	1,490,524	2,517,816	68.9%

	As of and for the year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Total average interest-earning assets	37,002,153	46,403,535	25.4%
Average nominal rates earned[(1)]:			
Loans[(2)]	6.5%	5.5%	(16.4)%
Investments	4.5%	1.7%	(62.2)%
Other assets	(4.4)%	(2.6)%	(40.9)%
Average nominal rates earned	6.0%	4.5%	(25.0)%
Annual inflation rates	3.0%	3.0%	-

(1) Average interest-earning and average nominal rates earned are determined on a monthly average basis for the corresponding twelve-month period.
(2) Includes loans and receivables to banks, including commercial interbank loans, foreign trade credits Chilean exports, foreign trade credits between third countries, and allowance for loans with foreign banks.

The following table sets forth the effects of the changes in average volume of interest-earning assets and average nominal interest rates on our interest income between the years ended December 31, 2019 and 2020.

	Year Ended December 31,
	2019/2020
	(in millions of Ch$)
Due to changes in average volume of interest-earning assets	435,019
Due to changes in average nominal interest rate	(552,972)
Net change	**(117,953)**

Our interest income decreased Ch$117,953 million, or 5.3% for the year ended December 31, 2020, from Ch$2,206,557 million for the year ended December 31, 2019 to Ch$2,088,600 million for the year ended December 31, 2020, primarily as a result of a decrease of 25% in our average nominal rates earned in 2020 compared to 2019, which was partially offset by an increase in average interest earning assets of 25.4% for the same period.

The decrease in our average nominal rates earned was mainly attributable to (i) a 62.2% decrease in our nominal average rate earned on investments, which decreased from 4.5% in 2019 to 1.7% in 2020, (ii) a 16.4% decrease in the nominal average rate earned on our loans, which decreased from 6.5% in 2019 to 5.5% in 2020, and (iii) a 40.9% decrease in the nominal average rate earned on other assets, which decreased from 4.4% in 2019 to 2.6% in 2020. The primary drivers of this decrease in average nominal rates earned were (i) the 20.4% increase in commercial loans in 2020 compared to 2019, due to the support programs extended by the government during the COVID-19 pandemic in 2020, which in turn allowed lower rates for customers, and (ii) the 96.1% increase in average investments which were part of the collateral required by the Central Bank of Chile in order to get access to the liquidity programs in place, which were kept under a low rate environment by the same regulator.

Ch$19,161 million of our Ch$117,953 million decrease in interest income for the year ended December 31, 2020 was attributable to CNB, whose interest income increased 5% in 2020 compared to 2019, from Ch$360,601 million in 2019 to Ch$379,762 million in 2020.

Interest Expense

The following table sets forth certain information concerning our interest expense and average interest-bearing liabilities for the years ended December 31, 2019 and 2020:

	As of and for the year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Interest expense	(885,063)	(630,063)	(28.8)%
Average interest bearing liabilities[(1)]:			
Term deposits	17,687,168	19,830,221	12.1%
Savings accounts	47,406	52,249	10.2%
Liabilities under agreements to repurchase	496,841	402,255	(19.0)%
Debt issued	6,682,848	7,431,917	11.2%

	As of and for the year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Other interest-bearing liabilities	4,823,774	8,032,594	66.5%
Total average interest bearing liabilities	29,738,037	35,749,236	20.2%
Average nominal rates paid(1):			
Term deposits	2.5%	1.1%	(56.0)%
Debt issued	4.7%	4.4%	(6.4)%
Other interest bearing liabilities	2.6%	1.0%	(61.5)%
Average nominal rates paid(1):	3.0%	1.8%	(40.0)%
Average real rates paid:	2.0%	(2.5)%	(225.0)%

(1) Average interest-bearing liabilities are determined on a monthly average basis for the corresponding year.
(2) Calculated taking into account average interest-bearing liabilities determined on a monthly average basis.

The following table sets forth the effects of the changes in average volume of interest-bearing liabilities and average nominal interest rates on our interest expense between the years ended December 31, 2019 and 2020:

	Year Ended December 31, 2019/2020
	(in millions of Ch$)
Due to changes in average volume of interest-bearing liabilities	77,891
Due to changes in average nominal interest rate	(332,838)
Net change	**(254,947)**

Our interest expense decreased 28.8% for the year ended December 31, 2020, from Ch$885,063 million for the year ended December 31, 2019 to Ch$630,063 million for the year ended December 31, 2020, primarily due to:

- the decrease in average nominal rates paid for term deposits, from 2.5% in 2019 to 1.1% in 2020, which was influenced by the monetary policy implemented by the Central Bank of Chile. This decrease was partially offset by a 12.1% increase in volume of term deposits, from Ch$17,687,168 million in 2019 to Ch$19,830,221 million in 2020, primarily driven by our commercial and marketing actions to grow the volume of our term deposits and also influenced by the need of customers to keep liquidity due to the pandemic.

- a 6.4% decrease in average nominal rates paid on debt issued in 2020, from 4.7% in 2019 to 4.4% in 2020, partially offset by a 11.2% increase in debt issued, from Ch$6,682,848 million in 2019 to Ch$7,431,917 million in 2020. The decrease in interest rates paid was mainly attributable to a lower financing cost for local debt in Chile, due to a decrease in market rates, partly driven by a reduction in interest rates by the Central Bank of Chile.

- a 61.5% decrease in average nominal rates paid on other interest-bearing liabilities in 2020, from 2.6% in 2019 to 1.0% to 2020, partially offset by a 66.5% increase in other interest-bearing liabilities, from Ch$4,823,774 million in 2019 to Ch$8,032,594 million in 2020.

- Ch$53,633 million of the decrease in our interest expense in 2020 was attributable to CNB, whose average term deposits decreased from Ch$1,374,140 million in 2019 to Ch$1,114,805 million in 2020, due to the low rate environment, which was partially offset by an increase in our average other interest bearing liabilities from Ch$1,060,388 million in 2019 to Ch$1,445,939 million in 2020.

Net Fee and Commission Income

The following table sets forth information with respect to our net fee and commission income for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Fee and commission income	462,313	433,887	(6.1)%
Fee and commission expense	(110,553)	(98,303)	(11.1)%
Net fee and commission income	**351,760**	**335,584**	**(4.6)%**

Our net fee and commission income decreased Ch$16,181 million, or 4.6%, in the year ended December 31, 2020, from Ch$351,760 million in the year ended December 31, 2019 to Ch$335,584 million in the year ended December 31, 2020, primarily as a result of a 6.1% decrease in fee and commission income, only partially offset by a 11.1% decrease in fee and commission expenses.

The decrease in fee and commission income was primarily attributable to decreases in commissions from operations with credit cards and collection services. Those decreases were partially offset by increases in commissions for operations with guarantees and letter of credit, and other commissions.

The decrease in fee and commission expense was primarily attributable to decreases in commissions for operations with securities trading.

Net fee and commission income represented 16.5% of our total operating income for the year ended December 31, 2020, compared to 18.6% in the year ended December 31, 2019.

Fee and Commission Income

The following table sets forth the principal components of our fee and commission income for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Commissions for credit lines and overdrafts	3,752	3,284	(12.5)%
Commissions for guarantees and letters of credit	20,819	24,457	17.5%
Commissions for administration of accounts	48,994	48,567	(0.9)%
Commissions for collection services	72,690	62,496	(14.0)%
Commissions for management of mutual and investment funds	57,225	54,226	(5.2)%
Commissions for credit card services	106,670	87,069	(18.4)%
Commissions for securities brokerage	6,395	6,972	9.0%
Commissions for insurance brokerage	84,895	72,188	(15.0)%
Commissions for other services provided and other commissions	60,873	74,628	22.6%
Total fee and commission income	**462,313**	**433,887**	**(6.1)%**

Our fee and commission income decreased 6.1% for the year ended December 31, 2020, from Ch$462,313 million for the year ended December 31, 2019 to Ch$433,886 million for the year ended December 31, 2020, primarily as a result of:

- a 18.4% decrease in commissions for credit card services from Ch$106,670 million for the year ended December 31, 2019 to Ch$87,068 million for the year ended December 31, 2020. An important component of this decrease was caused by the new four-party scheme, which we started to progressively implement in 2020. Under this four-party scheme, where the acquirer and the issuer play different roles as opposed to the three-party model where the issuer is out of the chain, we receive net commission income, in contrast with the prior model (three-party model), where the commissions received and paid were split and accounted for separately.

These two models coexisted from June to December 2020, and from January 2021 there is only one model outstanding, the four-party scheme. Another factor driving the decrease was lower commissions coming from the debit card business, due to customer behavioural changes due to the pandemic that partially redirected payments to their credit cards.

- a 15.0% decrease in commissions for insurance brokerage from Ch$84,895 million for the year ended December 31, 2019 to Ch$72,188 million for the year ended December 31, 2020;

- a 14.0% decrease in commissions for collection services, from Ch$72,690 million for the year ended December 31, 2019 to Ch$62,496 million for the year ended December 31, 2020, due to higher established commission rates for credit cards and holders commission rates for debit cards; all of which was partially offset by

- a 22.6% increase in commissions for other services provided and other commissions, from Ch$60,873 million for the year ended December 31, 2019 to Ch$74,628 million for the year ended December 31, 2020, due to an increase in commissions for financial advisory and other remuneration for services rendered; and

- a 17.5% increase in commissions for guarantees and letters of credit, from Ch$20,819 million for the year ended December 31, 2019 to Ch$24,456 million for the year ended December 31, 2020.

In addition, from the Ch$28,429 million total decrease in fee and commission income in the year ended December 31, 2020, CNB had an increase of Ch$18,088 million, which was mainly attributable to the increase in debit card services and administration of corporate accounts.

Fee and Commission Expenses

The following table sets forth the principal components of our fee and commission expense for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Commissions on operations with credit cards	(46,539)	(48,989)	5.3%
Commissions on securities trading	(20,581)	(25,194)	22.4%
Other commissions	(43,433)	(24,120)	(44.5)%
Total fee and commissions expenses	**(110,553)**	**(98,303)**	**(11.1)%**

Our fee and commission expenses decreased 11.1% for the year ended December 31, 2020, from Ch$110,553 million for the year ended December 31, 2019 to Ch$98,303 million for the year ended December 31, 2020, primarily as a result of:

- a 44.5% decrease in other commissions in 2020, attributable mainly to less commercial and marketing actions taken to grow the volume of our term deposits in 2020 compared to 2019; partially offset by

- a 5.3% increase in commissions for operations with cards, from Ch$46,539 million in the year ended December 31, 2019 to Ch$48,990 million in the year ended December 31, 2020, due to a change in the clients' behavior in relation to credit and debit cards during the COVID-19 pandemic due to the lockdown, where commissions from credit cards increased 80.4%, which was partially offset by a decrease of 43.5% in the debit card business. This increase occurred despite the effect of the new four-party scheme referred to above;

- a 22.4% increase in commissions and securities trading mainly related to the custody of securities services in 2020 and

- Ch$483 million of the decrease in fee and commission expenses is attributable to CNB, from Ch$2,576 million in the year ended December 31, 2019 to Ch$2,093 million in the year ended December 31, 2020.

Trading and Investment Income, Net

The following table sets forth information with respect to our net trading and investment income for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	**2020**	**2019/2020**
	(in millions of Ch$)		**% Change**
Trading instruments	144,519	114,243	(20.9)%
Derivative financial agreements	15,752	(20,094)	n.m.
Gain on sale of financial investments available for sale	23,765	55,051	131.6%
Others instruments at fair value through profit or loss	(231)	(401)	73.6%
Total	**183,805**	**148,799**	**(19.0)%**

"n.m." connotes not meaningful.

Net trading and investment income consists of net gains from trading and related fair value adjustments. Our net trading and investment income decreased 19.0% in 2020 compared to 2019, from Ch$183,805 million in 2019 to Ch$148,799 million in 2020. This decrease was primarily attributable to a 20.9% decrease in net profit from trading instruments in 2020, from Ch$144,519 million in 2019 to Ch$114,243 million in 2020, and a 227.6% decrease in fair value adjustments from derivative financial agreements in 2020 compared to 2019. These decreases were partially offset by a 131.6% increase in gain on sale of financial investments available for sale in 2020, from Ch$23,765 million in 2019 to Ch$55,051 million in 2020.

The decrease in gains from trading instruments in 2020 was primarily attributable to a dynamic management of our Central Bank of Chile, General Treasury of the Republic (*Tesorería General de la República*) and corporate trading bonds' portfolio in an economic environment of lower interest rates in 2020 compared to 2019 due to the macroeconomic conditions. The Ch$31,286 million, or 131.6%, increase in realized gain from sale of available-for-sale investments was primarily attributable to sales of foreign currency bonds from our portfolio in a scenario of low interest rates.

Foreign Exchange Results, Net

The following table sets forth information with respect to our net foreign exchange results for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	**2020**	**2019/2020**
	(in millions of Ch$)		**% Change**
Gain/(Loss) from exchange differences	(199,263)	61,487	n.m.
Foreign currency indexation(1)	180,929	(16,722)	n.m.
Total	**(18,334)**	**44,765**	**n.m.**

"n.m." connotes not meaningful.

(1) Foreign currency indexation includes the sum of net results for assets and liabilities denominated in foreign currency and hedge accounting results (related to the foreign currency effects hedged).

Our net foreign exchange result increased Ch$63,100 million, or 344.2%, during 2020 as compared to 2019. This increase was primarily attributable to a Ch$260,751 million increase in gains from exchange differences in 2020 compared to a loss in 2019, which was partially offset by a Ch$164,207 million decrease in foreign currency indexation.

Ch$260,751 million of the increase in gains from exchange differences for 2020 was primarily attributable to an increase in the volume of transactions in different financial products (FX Spot, FX Forwards and another financial solutions offered by Sales & Trading Management) and our hedging of certain trade derivative financial products and the management of the related foreign currency position.

Additionally, the Ch$197,651 million decrease in foreign currency indexation in 2020 compared to 2019 was due to a decrease of Ch$174,940 million in 2020 due to our hedging results, Ch$19,390 million of which decrease was the result of fair value hedging strategies and Ch$155,550 million of which decrease was the result of our cash flow hedging strategies.

Other Operating Income

The following table sets forth the components of our other operating income for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Income from repossessed assets	4,966	2,595	(47.7)%
Reversal of provisions for credit commitments	154	323	109.7%
Other income	47,943	41,721	(13.0)%
Total	**53,063**	**44,639**	**(15.9)%**

Our other operating income decreased 15.9% in the year ended December 31, 2020, from Ch$53,063 million in the year ended December 31, 2019 to Ch$44,639 million in the year ended December 31, 2020, primarily due to:

- a 13.0% decrease in other income, from Ch$47,943 million in 2019 to Ch$41,721 million in 2020, mainly explained by CNB due to a decrease of 110.4% in gain from sale of fixed asset due to the sale of a corporate building office during 2019; and

- a 47.7% decrease in income from repossessed assets, from Ch$4,966 million in 2019 to Ch$2,595 million in 2020; partially offset by

- a 109.7% increase in reversals of provisions for credit commitments, from Ch$154 million in 2019 to Ch$323 million in 2020 mainly due to a decrease in risk provision for country risk.

Provision for Loan Losses and Impairment of Repossessed Assets

Chilean banks are required to maintain allowances to cover possible credit losses in an amount at least equal to their loans to customers multiplied by their risk index. The allowances for loan losses as a percentage of total loans are derived from our classification of our portfolio according to objective criteria relating to the performance of the loans and in accordance with the regulations of the CMF (former SBIF). The amount of provision charged to income in any period consists of adjustments to the loan loss reserve including direct write-offs against income (equal to the portion of loans written off that is not covered by a reserve at the time of write-off).

The following table sets forth information for our allowances for loan losses and their principal components, provision for loan losses and write-offs, for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	2020	2019/2020
	(in millions of Ch$)		% Change
Provisions:			
Allowances for loan losses at beginning of period	556,767	668,321	20.0%
Provisions established for loan losses, net of reversal of provisions	507,831	570,945	12.4%
Write-offs	(396,277)	(449,234)	13.4%
Allowances for loan losses at end of the period	**668,321**	**790,032**	**18.2%**
Other asset quality data:			
Total loans and receivables from customers	33,880,778	35,508,713	4.8%
Consolidated risk index (%)[(1)]	1.97%	2.22%	12.8%
Additional voluntary provision	16,692	160,176	859.6%
Allowances for loan losses including additional voluntary provision (presented as a liability)	685,013	950,208	38.7%
Allowances for loan losses including additional voluntary provision (presented as a liability) as a percentage of total loans and receivables from customers	2.02%	2.68%	32.4%

(1) The risk index of our loan portfolio is calculated as allowances for loan losses as a percentage of total loans.

Our allowances for loan losses including additional voluntary provisions increased 38.7% as of December 31, 2020, from Ch$685,013 million as of December 31, 2019 to Ch$950,208 million as of December 31, 2020, an increase that was relatively high compared to the 4.8% increase in total loans and receivables from customers in 2020 compared to 2019, which resulted in a 32.4% increase in the percentage of allowances for loan losses including additional voluntary provision as a percentage of total loans and receivables from customers in 2020.

In addition, the provisions established for loan losses, net of reversal of provisions increased 12.4% from Ch$507,831 million in 2019 to Ch$570,945 million in 2020, mainly due to Ch$30,303 million of provisions in the consumer loan portfolio which was affected by the implementation of the standard provision model for consumer loans. Furthermore, Ch$29,276 million of the increase in provisions established for loan losses, net of reversal of provisions was due to a regulatory requirement to record the deductible part of the FOGAPE loan as provisions for loan losses.

Our additional voluntary provisions increased 859.6% as of December 31, 2020, from Ch$16,692 million as of December 31, 2019 to Ch$160,176 million as of December 31, 2020, primarily as a result of our proactive management to anticipate future risks related to consequences of the pandemic and a possible deterioration of the macroeconomic conditions. As of December 2020, the risk of the portfolio is not reflecting any significant impairment mainly due to the government measures to support clients and the financial system.

Our write-offs increased 13.4% as of December 31, 2020, from Ch$396,277 million as of December 31, 2019 to Ch$449,234 million as of December 31, 2020, primarily attributable to Ch$52,099 million in write-offs in our consumer loans due to more conservative criteria in our credit renegotiation policy and, in the case of Servicios Financieros portfolio, this was partially offset by the pension fund withdrawal effect, which resulted in part of these funds withdrawn from pension funds being used by customers to repay loans.

CNB's allowances for loan losses increased Ch$17,738 million in 2020, from Ch$19,728 million in 2019 to Ch$37,466 million in 2020, mainly due to the effects on the commercial portfolio which increased Ch$17,819 million in 2020. Our CNB additional voluntary provisions increased Ch$47,263 million as of December 31, 2020, from zero additional provisions as of December 31, 2019, all of these provisions relate to the commercial portfolio.

As a result, our allowance for loan losses as a percentage of total loans, increased from 2.02% as of December 31, 2019 to 2.68% as of December 31, 2020. Our total loans as of December 31, 2020 increased 4.8% compared to December 31, 2019.

Operating Expenses

The following table sets forth the principal components of our operating expenses for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	**2020**	**2019/2020**
	(in millions of Ch$)		**Change**
Staff costs	(483,886)	(522,080)	7.9%
Administrative expenses	(326,149)	(319,202)	(2.1)%
Depreciation and amortization	(103,649)	(109,010)	5.2%
Impairment of property, plant and equipment and intangible assets	(43,569)	(80,496)	84.8%
Other operating expenses	(478)	(5,073)	961.3%
Total operating expenses	**(957,731)**	**(1,035,861)**	**8.2%**
Efficiency ratio(1)	50.6%	51.0%	0.7%

(1) Operating expenses as a percentage of operating income.

Our total operating expenses increased 8.2% in the year ended December 31, 2020, from Ch$957,731 million for the year ended December 31, 2019 to Ch$1,035,843 million for the year ended December 31, 2020, primarily as a result of:

(i) a 961.3% increase in intangible asset depreciation/impairment from Ch$478 million to Ch$5,073 million due to an update in the valuation models of the goodwill related to Servicios Financieros.

(ii) an increase of 84.7% in other operating expenses due to a one-time effect on CNB of an unwind position (in FHLB funding and its swap) in order to take advantage of a lower interest rate, and also the release of contingency provisions related to leasing contracts.

(iii) a 7.9% increase in personnel expenses due mainly to the integration of Executive National Bank with City National Bank and the lower use of the vacations provisions due to the pandemic.

Our efficiency index (operating expenses as a percentage of operating income) increased from 50.6% in the year ended December 31, 2019 to 75.2% in the year ended December 31, 2020.

Share of Profit of Investment Accounted for Using the Equity Method

The 102.8% or Ch$12,996 million decrease in our share of profit of investment accounted for using the equity method for the year ended December 31, 2020 as compared to the year ended December 31, 2019 was due to a one-time event in 2019 consisting of the sale of our remaining investment in Credicorp Ltd.

Income Tax

Law No. 20,780, enacted and published in the Official Gazette of Chile in September 2014, as amended by Law No. 20,899, introduced certain amendments to Chilean income tax law that impact the calculation of our income tax. Article 14 of the Income Tax Law (Law Decree No. 824), as amended by Law No. 20,780 and Law No. 20,899, established two alternative systems of taxation for taxpayers obliged to declare their actual income determined under full accounting records: the Attributed System and the Partially Integrated System. Law No. 21,210 of 2020 eliminated the Attributed System and established the Partially Integrated System as the general regime for large companies. See "Risk Factors—Risks Relating to Chile—Changes in Chilean tax laws may increase our tax burden and adversely affect our profitability" for a description of such taxation systems. Since Bci is a stock corporation *(sociedad anónima),* we are subject to the general regime for large companies.

The following table sets forth our income before income tax and effective tax rate for the years ended December 31, 2019 and 2020:

	Year ended December 31,		
	2019	**2020**	**2019/2020**
	(in millions of Ch$)		**% Change**
Income before income tax	531,176	342,198	(35.6)%
Income tax expense	(128,437)	(24,665)	(80.8)%
Effective income tax rate[(1)]	(24.2)%	7.2%	n.m.

"n.m." connotes not meaningful.

(1) Effective income tax rate is equal to income tax expense divided by income before income tax.

The 80.8% or Ch$103,772 million decrease in income tax expense, from Ch$128,437 million in 2019 to Ch$24,665 million in 2020, was primarily attributable to (i) lower income before taxes in 2020 compared to 2019, from Ch$531,176 million in 2019 to Ch$342,198 million in 2020, which constitutes a lower tax base upon which to calculate tax payable, and (ii) a decrease in income tax expense resulting from tax effects generated by the requirement to apply monetary correction to foreign investments (under which tax law the investment in CNB falls).

Net Income

As a result of the foregoing factors, our net income decreased 21.2% for the year ended December 31, 2019, from Ch$402,739 million for the year ended December 31, 2019 to Ch$317,533 million for the year ended December 31, 2020.

Liquidity and Capital Resources

Sources of Liquidity

Our liquidity depends upon our capital, reserves and financial investments, including investments in government securities. To cover any liquidity shortfalls and to augment our liquidity position, we have established lines of credit with foreign and domestic banks and we also have access to Central Bank of Chile borrowings.

The following table sets forth our financial obligations by time remaining to maturity. On December 31, 2021, the scheduled maturities of our financial obligations on an accrued basis, were as follows:

	As of December 31, 2021			
	up to 1 year	1 to 5 years	Over 5 years	Total
		(in millions of Ch$)		
Current accounts and demand deposit	27,653,442	-	-	27,653,442
Items in course of collection	258,686	-	-	258,686
Liabilities under agreements to purchase	133,734	7,444	-	141,178
Time deposit and saving accounts	10,819,242	45,595	311	10,865,148
Derivative financial agreements	2,670.824	2,543,383	1,372.840	6,587,047
Borrowings from financial institutions	2,576,758	4,394,204	-	6,970,962
Debt issued	1,097,367	3,408,475	4,255,289	8,761,131
Other financial liabilities	1,026,910	1,068	-	1,027,978
Lease Liabilities	76,675	49,508	47,543	173,726
Total	**46,313,638**	**10,449,677**	**5,675,983**	**62,439,298**

Capital and Reserves

We currently have regulatory capital in excess of the minimum requirement under the current Chilean regulations. According to the General Banking Law, a bank must have regulatory capital of at least 8.0% of its risk-weighted assets, net of required loan loss allowances, and total equity of equity holders of the Bank (the basic capital) of at least 3.0% of its total assets, net of required loan loss allowances. For these purposes, the regulatory capital of a bank is the sum of (1) the bank's basic capital, (2) subordinated bonds issued by the bank valued at their placement price for an amount up to 50% of its basic capital; provided that the value of the bonds shall decrease by 20% for each year that elapses during the period commencing six years prior to their maturity, and (3) its contingency allowances for loan losses, for an amount of up to 1.25% of its risk-weighted assets. When calculating risk-weighted assets, we also include off-balance sheet contingent loans. For purposes of weighing the risk of a bank's assets, the General Banking Law considers five different categories of assets, based on the nature of the issuer, the availability of funds, and the nature of the assets and the existence of collateral securing such assets.

The CMF, following the mandate set forth in Law 21,130 that amended the General Banking Act, has adopted certain recommendations of Basel III, and has issued guidelines to adopt all Basel III recommendations. Since December 2021, the new regulation for the adoption of Basel III began to apply gradually. The implementation of the Basel standards came into effect on December 1, 2020, and is subject to a transition period of 5 years, thus the total implementation of the requirements is expected to be completed in December 2025. For more information, see "Regulation and Supervision—Banking Legislation."

The following table sets forth our regulatory capital at the dates indicated. See Note 24 f) to our audited consolidated financial statements appearing elsewhere in this Prospectus for a description of the minimum capital requirements.

	As of December 31,		
	2019	2020	2021
	(in millions of Ch$, except percentages)		
Basic capital	3,791,478	3,893,620	4,324,895
3% of total assets	(1,549,129)	(1,705,597)	(2,036,469)
Excess over minimum required basic capital	2,242,349	2,188,023	2,288,426
Basic capital to consolidated assets	7.34%	6.85%	6.37%
Regulatory capital	4,474,573	4,971,521	5,847,479
Risk-weighted assets	37,281,341	37,125,566	43,289,784
8% of risk-weighted assets	(2,982,507)	(2,970,045)	(3,463,183)
Excess over minimum required regulatory capital	1,492,066	2,001,476	2,384,296
Regulatory capital as a % of 8% of risk-weighted assets	105.03%	167.39%	168.85%
Regulatory capital as a % of risk-weighted assets	12.00%	13.39%	13.51%

We must calculate the credit risk involved on all derivatives contracted over-the-counter with a net asset position and this is included as a risk-weighted asset. Since April 2009, if we have a net liability in a derivative position and if this derivative, under certain stress and volatility measures, becomes a net asset position, then we must also include this derivative as a risk-weighted asset.

Liquidity Management

Liquidity management seeks to ensure that, even under adverse conditions, we have access to the funds necessary to cover client needs, maturing liabilities and capital requirements. Liquidity risk arises in the general funding for our financing, trading and investment activities. It includes the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates, the risk of being unable to liquidate a position in a timely manner at a reasonable price and the risk that we will be required to repay liabilities earlier than anticipated.

Our general policy is to maintain liquidity adequate to ensure our ability to honor withdrawals of deposits, make repayments of other liabilities at maturity, extend loans and meet our own working capital needs. Our minimum amount of liquidity is determined by the statutory reserve requirements of the Central Bank of Chile. Deposits are subject to a statutory reserve requirement of 9.0% for demand deposits and 3.6% for Chilean peso, UF-denominated and foreign currency-denominated term deposits with a term of less than a year. See "Regulation and Supervision—The Banking System—Reserve Requirements." The Central Bank of Chile has statutory authority to increase these percentages to up to 40.0% for demand deposits and up to 20.0% for term deposits. In addition, a 100% special reserve (*reserva técnica*) applies to demand deposits, deposits in checking accounts, other demand deposits received or obligations payable on sight and incurred in the ordinary course of business, other than deposits unconditionally payable immediately or within a term of less than 30 days and other term deposits payable within 10 days. This special reserve requirement applies to the amount by which the total of such deposits exceeds 2.5 times the amount of a bank's regulatory capital. Loans and receivables to banks are deemed to have a maturity of more than 30 days, even if payable within the following 10 days.

The Central Bank of Chile also requires us to comply with the following liquidity limits:

- Our total liabilities with maturities of less than 30 days cannot exceed our total assets with maturities of less than 30 days by an amount greater than our capital. This limit must be calculated in local currency and foreign currencies together as one measurement.

- Our total liabilities with maturities of less than 90 days cannot exceed our total assets with maturities of less than 90 days by more than twice of our capital. This limit must be calculated in local currency and foreign currencies together as one measurement.

We have set other liquidity limits and ratios that help manage liquidity risk. See "Quantitative and Qualitative Disclosures About Market Risk."

Cash Flow Information

No legal or economic restrictions exist on the ability of subsidiaries to transfer funds to us in the form of loans or cash dividends as long as these subsidiaries abide by the regulations of the Chilean Corporations Law (*Ley de Sociedades Anónimas*) regarding loans to related parties and minimum dividend payments. U.S. federal banking law imposes restrictions on Bci and certain of its affiliates from borrowing from CNB, unless certain requirements are satisfied. U.S. federal banking law also imposes limitations on the payment of dividends by CNB. In addition to dividend restrictions set forth in statutes and regulations, the OCC may prohibit or limit the payment of dividends by CNB if, in the OCC's opinion, payment of a dividend would constitute an unsafe or unsound practice. See the consolidated statements of cash flows in our audited consolidated financial statements for a detailed breakdown of our cash flow.

Year ended December 31, 2020 and 2021

Cash flows provided by operating activities decreased in 2021, from Ch$1,809,572 million in December 2020 to Ch$1,005,386 million in December 2021, primarily due to a decrease in proceeds from loans as a result of the recovery of the Chilean economy during 2021.

Cash flows from investing activities decreased from Ch$283,256 million used in investing activities in 2020 to Ch$44,201 million used by investing activities in 2021, mainly due to the absence of any acquisitions during 2021, compared to the acquisition of Executive National Bank in 2020 for Ch$57,852 million, and the lower investing activity in other assets and liabilities.

Cash flows provided by financing activities increased from Ch$(109,578) million in December 2020 to a positive result of Ch$355,557 million in December 2021, mainly due to an increase of Ch$876,497 million in bond issuances, partially offset by an increase of Ch$450,449 million in bond redemptions as result of the recovery of the Chilean economy during 2021.

Year ended December 31, 2019 and 2020

Cash flows provided by operating activities increased in 2020, from Ch$1,132,009 million in 2019 to Ch$1,809,572 million in December 2020, primarily due to the increase in net proceeds from loans from the Central Bank of Chile (long term), from Ch$(10,503) million in 2019 to Ch$3,904,285 million in 2020 due to the government programs to support the financial system during the COVID-19 pandemic.

Cash flow from investing activities varied from Ch$284,270 million used in investing activities in 2019 to Ch$283,256 million provided by investing activities in 2020 mainly due to the acquisition of Executive National Bank of Ch$57,852 million.

Cash flow provided by financing activities decreased from Ch$344,130 million in 2019 to Ch$(109,578) million in December 2020, mainly due to a decrease in bond issuance from Ch$1,273,626 million to Ch$405,992 million due to the economic conditions during the COVID-19 pandemic and the offset of the government programs in terms of liquidity in 2020.

Deposits and Other Borrowings

The following tables set forth our average monthly balance of deposits upon which we disburse interest for the years indicated, in each case together with the related average nominal interest rates paid thereon.

	Year ended December 31,					
	2019		2020		2021	
	Average balance	Average Nominal Rate	Average balance	Average Nominal Rate	Average balance	Average Nominal Rate
Term deposits	17,687,168	2.5%	19,830,221	1.1%	19,452,161	0.58%
Savings accounts	47,406	2.7%	52,249	2.7%	61,667	6.45%
Total	**17,734,574**		**19,882,470**		19,513,828	

Our most important source of funding is term deposits. Average term deposits represented 32.4% of our average total liabilities and shareholders' equity as of December 31, 2021. Our current funding strategy is to continue to utilize all sources of funding in accordance with their cost, their availability and our general asset and liability management strategy. Special emphasis is being placed on lengthening the maturities of term deposits with institutional clients and increasing our deposits from retail customers. We also intend to continue to broaden our customer deposit base and to emphasize core deposit funding.

Maturity of Deposits

The following tables set forth information regarding the currency and maturity of our deposits at December 31, 2019, 2020 and 2021. UF-denominated deposits are similar to peso-denominated deposits in all respects, except that the principal is readjusted periodically based on variations in the Chilean consumer price index.

	As of December 31, 2021				
	Ch$	UF	Foreign Currency (other than US$)	US$	Total
	(in millions of Ch$, except percentages)				
Current accounts and demand deposits	11,640,462	72,576	42,250	15,898,154	27,653,442
Savings accounts	-	66,960	-	-	66,960
Term deposits:					
Maturity within 3 months	5,775,338	62,191	7,422	2,359,444	8,204,395
Maturity after 3 but within 6 months	468,783	3,930	82	493,496	966,291
Maturity after 6 but within 12 months	739,820	34	-	802,225	1,542,079
Maturity after 12 months	370	509	-	84,544	85,423
Total term deposits	**6,984,311**	**66,664**	**7,504**	**3,739,709**	**10,798,188**
Total deposits	**18,624,773**	**206,200**	**49,754**	**19,637,863**	**38,518,590**

	As of December 31, 2020				
	Ch$	UF	Foreign Currency (other than US$)	US$	Total
	(in millions of Ch$, except percentages)				
Current accounts and demand deposits	8,409,014	56,420	35,275	11,225,865	19,726,574
Savings accounts	-	55,176	-	-	55,176
Term deposits:					
Maturity within 3 months	6,482,395	63,813	5,836	2,720,315	9,272,359
Maturity after 3 but within 6 months	828,708	4,403	58	228,373	1,061,542
Maturity after 6 but within 12 months	430,984	128	-	5,105	436,217
Maturity after 12 months	81	0	-	14,236	14,317
Total term deposits	**7,742,168**	**68,344**	**5,894**	**2,968,029**	**10,784,435**
Total deposits	**16,151,182**	**179,940**	**41,169**	**14,193,894**	**30,566,185**

	As of December 31, 2019				
	Ch$	UF	Foreign Currency (other than US$)	US$	Total
	(in millions of Ch$, except percentages)				
Current accounts and demand deposits	5,696,464	50,693	35,275	8,398,267	14,180,699
Savings accounts	–	48,668	–	–	48,668
Term deposits:					
Maturity within 3 months	6,288,861	72,131	5,490	3,014,559	9,381,041
Maturity after 3 but within 6 months	1,300,026	12,213	28	187,614	1,499,881
Maturity after 6 but within 12 months	1,336,815	2,528	–	829,592	2,168,935
Maturity after 12 months	101	239	–	273,891	274,231
Total term deposits	**8,925,803**	**87,111**	**5,518**	**4,305,656**	**13,324,088**
Total deposits	**14,622,267**	**186,472**	**40,793**	**12,703,923**	**27,553,455**

The following tables set forth information regarding the maturity of our outstanding term deposits in excess of US$100,000 at December 31, 2019, 2020 and 2021:

	As of December 31, 2021				
	Ch$	UF	Foreign Currency	US$	Total
	(in millions of Ch$, except percentages)				
Time deposits					
Maturity within 3 months	4,586,655	162	2	940,627	5,527,446
Maturity after 3 but within 6 months	36,479	-	-	42,383	78,862
Maturity after 6 but within 12 months	94,700	-	-	112,666	207,366
Maturity after 12 months	-	-	-	1,252	1,252
Total deposits in excess of US$100,000	**4,717,834**	**162**	**2**	**1,096,928**	**5,814,926**

	As of December 31, 2020				
	Ch$	UF	Foreign Currency	US$	Total
	(in millions of Ch$, except percentages)				
Time deposits					
Maturity within 3 months	5,557,833	22,870	1,323	2,656,066	8,238,092
Maturity after 3 but within 6 months	814,082	1,775	-	226,274	1,042,131
Maturity after 6 but within 12 months	427,507	79	-	4,912	432,498
Maturity after 12 months	-	-	-	14,236	14,236

	As of December 31, 2020				
	Ch$	UF	Foreign Currency	US$	Total
	(in millions of Ch$, except percentages)				
Total deposits in excess of US$100,000	**6,799,422**	**24,724**	**1,323**	**2.901,488**	**9,726,957**

	As of December 31, 2019				
	Ch$	UF	Foreign Currency	US$	Total
	(in millions of Ch$, except percentages)				
Time deposits					
Maturity within 3 months	5,420,614	21,667	1,601	2,952,419	8,396,301
Maturity after 3 but within 6 months	1,277,464	8,931	–	–	1,470,842
Maturity after 6 but within 12 months	1,330,796	2,227	–	–	2,162,047
Maturity after 12 months	–	–	–	273,686	273,686
Total deposits in excess of US$100,000	**8,028,874**	**32,825**	**1,601**	**4,239,576**	**12,302,876**

Total borrowings

Our long-term and short-term borrowings are summarized below. Borrowings are generally classified as short-term when they have original maturities of less than one year or are due on demand. All other borrowings are classified as long-term, as long as their remaining maturity is longer than one year; otherwise, they are considered short-term borrowing. The following table sets forth, at the dates indicated, the components of our borrowings.

	As of December 31, 2021		
	Long-term	Short-term	Total
	(in millions of Ch$)		
Other liabilities to Central Bank of Chile	3,786,458	754,944	4,541,402
Credit loans for renegotiation of loans	-	-	-
Loans received from foreign financial institutions	1,117,396	895,437	2,012,833
Loans received from domestic financial institutions	256,709	160,018	416,727
Subtotal	**5,160,563**	**1,810,399**	**6,970,962**
Liabilities under agreements to repurchase	3,648	137,530	141,178
Subtotal	**3,648**	**137,530**	**141,178**
Mortgage finance bonds	1,971	1,916	3,887
Subordinated bonds	1,315,186	17,750	1,332,936
Ordinary bonds	6,362,989	1,061,319	7,424,308
Subtotal	**7,680,146**	**1,080,985**	**8,761,131**
Other financial liabilities	953,592	74,386	1,027,978
Subtotal	**953,592**	**74,386**	**1,027,978**

	As of December 31, 2020		
	Long-term	Short-term	Total
	(in millions of Ch$)		
Other liabilities to Central Bank of Chile	3,904,339	-	3,904,339
Credit loans for renegotiation of loans	-	-	-
Loans received from foreign financial institutions	238,447	872,934	1,111,381
Loans received from domestic financial institutions	12,101	1,242,878	1,254,979
Subtotal	**4,154,887**	**2,115,812**	**6,270,699**
Liabilities under agreements to repurchase	57,814	292,500	350,314
Subtotal	**57,814**	**292,500**	**350,314**
Mortgage finance bonds	4,028	2,482	6,510
Subordinated bonds	1,242,948	15,705	1,258,653
Ordinary bonds	5,618,192	548,269	6,166,461
Subtotal	**6,865,168**	**566,456**	**7,431,624**
Other financial liabilities	1,779	909,265	911,044
Subtotal	**1,779**	**909,265**	**911,044**

	As of December 31, 2019		
	Long-term	Short-term	Total
		(in millions of Ch$)	
Other liabilities to Central Bank of Chile	–	–	–
Credit loans for renegotiation of loans	–	–	–
Loans received from foreign financial institutions	424,812	1,246,236	1,671,048
Loans received from domestic financial institutions	–	1,811,213	1,811,213
Subtotal	**424,812**	**3,057,449**	**3,482,261**
Liabilities under agreements to repurchase	285,639	623,752	909,391
Subtotal	**285,639**	**623,752**	**909,391**
Mortgage finance bonds	6,824	2,805	9,629
Subordinated bonds	927,122	13,499	940,621
Ordinary bonds	5,910,948	155,544	6,066,492
Subtotal	**6,844,894**	**171,848**	**7,016,742**
Other financial liabilities	2,820	1,447,766	1,450,586
Subtotal	**2,820**	**1,447,766**	**1,450,586**

Central Bank of Chile borrowings

The maturities of the outstanding amounts due under these Central Bank of Chile borrowings are as follows:

	As of December 31,		
	2019	2020	2021
		(in millions of Ch$)	
Due within 1 year	–	-	754,944
Due after 1 year but within 2 years	–	781,885	-
Due after 2 years but within 3 years	–	-	3,786,458
Due after 3 years but within 4 years	–	3,122,454	-
Due after 4 years but within 5 years	–	-	-
Due after 5 years	–	-	-
Total other liabilities to Central Bank of Chile	–	**3,904,339**	**4,541,402**

Liabilities under agreements to repurchase

The maturities of the outstanding amounts due under these obligations under agreements to repurchase are as follows:

	As of December 31,		
	2019	2020	2021
		(in millions of Ch$)	
Due within 1 year	623,752	292,500	141,178
Due after 1 year but within 2 years	208,493	13,908	-
Due after 2 years but within 3 years	42,017	103	-
Due after 3 years but within 4 years	26,560	31,994	-
Due after 4 years but within 5 years	–	9,424	-
Due after 5 years	8,569	2,386	-
Total liabilities under agreements to repurchase	**909,391**	**350,315**	**141,178**

Mortgage finance bonds

These bonds were used to finance the granting of mortgage loans. The outstanding principal amounts of the bonds are amortized on a quarterly basis. The range of maturities of these bonds is between five and twenty years. The bonds are linked to the UF index and in 2021 bore a real weighted-average annual interest rate of 3.5%. The following table sets forth the remaining maturities of our mortgage finance bonds at the dates indicated.

	As of December 31,		
	2019	2020	2021

		(in millions of Ch$)	
Due within 1 year	2,805	2,482	1,915
Due after 1 year but within 2 years	2,597	2,150	1,143
Due after 2 years but within 3 years	2,232	1,198	560
Due after 3 years but within 4 years	1,247	379	214
Due after 4 years but within 5 years	423	229	49
Due after 5 years	325	73	6
Total mortgage finance bonds	9,629	**6,511**	**3,887**

Bonds

The following table sets forth, at the dates indicated, our outstanding bonds. The bonds are denominated principally in UF and are principally used to fund our general activities. The UF-denominated bonds bore an annual average interest rate of 2.1%, 1.9% and 1.9% as of the respective dates indicated.

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Bonds denominated in UF	4,024,183	4,130,793	4,394,363
Bonds denominated in CLP and in foreign currencies	2,042,309	2,035,668	3,029,945

The maturities of these bonds are as follows:

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Due within 1 year	155,544	548,269	1,061,319
Due after 1 year but within 2 years	494,184	1,004,552	969,307
Due after 2 years but within 3 years	962,383	880,681	1,273,004
Due after 3 years but within 4 years	873,832	1,173,421	490,056
Due after 4 years but within 5 years	1,153,091	455,690	587,261
Due after 5 years	2,427,458	2,103,848	3,043,361
Total ordinary bonds	**6,066,492**	6,166,461	**7,424,308**

The following table sets forth, at the dates indicated, our outstanding subordinated bonds. The bonds are denominated principally in UF and are principally used to fund our general activities and are considered in our regulatory capital. The UF-denominated subordinated bonds bore an annual average interest rate of 4.4% as of December 31, 2019 and 2020, and a rate of 3.9% as of December 31, 2021.

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Subordinated bonds denominated in UF	940,621	1,258,653	1,332,936

The maturities of these bonds are as follows:

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Due within 1 year	13,499	15,705	17,750
Due after 1 year but within 2 years	14,225	16,551	23,781
Due after 2 years but within 3 years	14,992	22,175	23,503
Due after 3 years but within 4 years	20,086	21,916	22,657
Due after 4 years but within 5 years	19,851	21,127	23,237
Due after 5 years	857,968	1,161,179	1,222,008
Total subordinated bonds	**940,621**	**1,258,653**	**1,332,936**

Borrowings from domestic institutions

The following table sets forth, at the dates indicated, our borrowings from domestic institutions. These borrowings are denominated principally in UF, are all due within one year of the date hereof and are principally used to fund our general activities. The UF-denominated borrowings bore an annual average interest rate of 2.1%, 1.9% and 1.3% at December 31, 2019, 2020 and 2021, respectively. The maturities of these borrowings are as follows.

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Due within 1 year	1,811,213	1,242,879	416,727
Due after 1 year but within 2 years	–	12,100	-
Due after 2 years but within 3 years	–	–	–
Due after 3 years but within 4 years	–	–	–
Due after 4 years but within 5 years	–	–	–
Due after 5 years	–	–	–
Total loans received from domestic financial institutions	**1,811,213**	**1,254,979**	**416,727**

Borrowings from foreign institutions

These are short-term and long-term borrowings from foreign banks used to fund our foreign trade business. The maturities of these borrowings are as follows.

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Due within 1 year	1,246,234	872,934	895,829
Due after 1 year but within 2 years	349,624	71,178	397,721
Due after 2 years but within 3 years	75,190	167,269	719,283
Due after 3 years but within 4 years	–	–	–
Due after 4 years but within 5 years	–	–	–
Due after 5 years	–	–	–
Total loans received from foreign financial institutions	**1,671,048**	**1,111,381**	**2,012,833**

The foreign borrowings are denominated principally in U.S. dollars, are principally used to fund our foreign trade loans, and bore an annual average nominal interest rate of 2.9%, 2.7% and 2.6%, at December 31, 2019, 2020 and 2021, respectively.

Commercial paper program

On August 3, 2012, we established a U.S. commercial paper program for up to an aggregate maximum amount of US$2,000,000,000. As of December 31, 2021, the outstanding balance of the issued notes under this program was US$747,219,000.

International bond offerings

The following are our international bond offerings as of December 31, 2021. Outstanding balances referred to below include principal plus accrued interest.

On February 11, 2013, we placed notes pursuant to Rule 144A and Regulation S of the Securities Act of 1933 for up to an aggregate maximum amount of US$500,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$501,677,456.

On September 23, 2016, we issued notes under the Program in an aggregate principal amount of EUR20,000,000. As of December 31, 2021, the outstanding balance of the issued notes was EUR19,951,956.

On August 1, 2017, we issued notes under the Program in an aggregate principal amount of US$50,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$50,148,197

On October 6, 2017, we issued notes under the Program in an aggregate principal amount of US$50,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$50,624,970.

On October 12, 2017, we issued notes under the Program in an aggregate principal amount of US$500,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$500,906,234

On October 19, 2017, we issued notes under the Program in an aggregate principal amount of US$50,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$50,003,058.

On October 20, 2017, we issued notes under the Program in an aggregate principal amount of US$40,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$40,003,982.

On November 15, 2017, we issued notes under the Program in an aggregate principal amount of AUD$80,000,000. As of December 31, 2021, the outstanding balance of the issued notes was AUD$79,827,433.

On June 1, 2018, we issued notes under the Program in an aggregate principal amount of JPY5,000,000,000. As of December 31, 2021, the outstanding balance of the issued notes was JPY4,965,188,128.

On July 25, 2018, we issued notes under the Program in an aggregate principal amount of AUD$40,000,000. As of December 31, 2021, the outstanding balance of the issued notes was AUD$40,489,365.

On September 13, 2018, we issued notes under the Program in an aggregate principal amount of US$50,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$49,862,836.

On September 14, 2018, we issued notes under the Program in an aggregate principal amount of AUD$60,000,000. As of December 31, 2021, the outstanding balance of the issued notes was AUD$60,284,711.

On October 4, 2018, we issued notes under the Program in an aggregate principal amount of US$100,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$101,510,935.

On October 19, 2018, we issued notes under the Program in an aggregate principal amount of US$45,000,000. As of December, 2021, the outstanding balance of the issued notes was US$45,598,799.

On October 24, 2018, we issued notes under the Program in an aggregate principal amount of AUD$40,000,000. As of December 31, 2021, the outstanding balance of the issued notes was AUD$39,710,059.

On December 07, 2018, we issued notes under the Program in an aggregate principal amount of US$25,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$24,880,369.

On April 23, 2019, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,962,313.

On May 22, 2019, we issued notes under the Program in an aggregate principal amount of CHF175,000,000. As of December 31, 2021, the outstanding balance of the issued notes was CHF174,454,807.

On June 14, 2019, we issued notes under the Program in an aggregate principal amount of US$50,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$50,090,965.

On July 10, 2019, we issued notes under the Program in an aggregate principal amount of US$50,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$49,952,087.

On August 28, 2019, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,995,886.

On September 24, 2019, we issued notes under the Program in an aggregate principal amount of CHF100,000,000. As of December 31, 2021, the outstanding balance of the issued notes was CHF99,233,735.

On October 29, 2019, we issued notes under the Program in an aggregate principal amount of CHF105,000,000. As of December 31, 2021, the outstanding balance of the issued notes was CHF104,189,707.

On December 2, 2019, we issued notes under the Program in an aggregate principal amount of US$20,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$19,846,253.

On December 2, 2019, we issued notes under the Program in an aggregate principal amount of AUD$30,000,000. As of December 31, 2021, the outstanding balance of the issued notes was AUD$29,277,509.

On March 18, 2020, we issued notes under the Program in an aggregate principal amount of CHF125,000,000. As of December 31, 2021, the outstanding balance of the issued notes was CHF123,858,958.

On March 17, 2021, we issued notes under the Program in an aggregate principal amount of US$54,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$53,701,039.

On April 27, 2021, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,928,347.

On June 23, 2021, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,948,357.

On July 15, 2021, we issued notes under the Program in an aggregate principal amount of CHF100,000,000. As of December 31, 2021, the outstanding balance of the issued notes was CHF98,637,894.

On August 18, 2021, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,900,971.

On September 16, 2021, we issued notes under the Program in an aggregate principal amount of US$30,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$29,679,670.

On September 21, 2021, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,855,876.

On September 24, 2021, we issued notes under the Program in an aggregate principal amount of US$133,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$131,103,773.

On September 27, 2021, we issued notes under the Program in an aggregate principal amount of US$10,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$9,881,113.

On October 14, 2021, we issued notes under the Program in an aggregate principal amount of US$500,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$488,000,499.

On October 19, 2021, we issued notes under the Program in an aggregate principal amount of US$17,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$16,842,051.

On October 27, 2021, we issued notes under the Program in an aggregate principal amount of US$20,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$19,844,643.

On December 1, 2021, we issued notes under the Program in an aggregate principal amount of US$20,000,000. As of December 31, 2021, the outstanding balance of the issued notes was US$19,801,591.

Outstanding balances referred to above include principal plus accrued interest.

Off-Balance Sheet Arrangements and Commitments

We are party to transactions with off-balance sheet risk in the normal course of our business. These transactions expose us to credit risk in addition to amounts recognized in the consolidated financial statements.

Contingent loans and commitments consist of guarantees granted by us in Chilean pesos, UF and foreign currencies (principally U.S. dollars), as well as open and unused letters of credit, among others. The total amount held off-balance sheet as of December 31, 2019, 2020 and 2021, were Ch$10,183,550 million, Ch$10,303,770 million and

Ch$12,373,040 million, respectively. Contingent loans are considered in the calculation of risk-weighted assets and capital requirements as well as for provisions for contingent loan requirements.

Other off-balance sheet arrangements include commitments to extend credit such as overdraft protection and credit card lines of credit. Such commitments are agreements to lend to a customer at a future date, subject to the customer compliance with the contractual terms. The aggregate amount of these commitments was Ch$12,073,991 million as of December 31, 2021, which will be financed with our deposit base. Since a substantial portion of these commitments is expected to expire without being drawn upon, the total amount of commitments does not necessarily represent our actual future cash requirements. We use the same credit policies in making commitments to extend credit as we do for granting loans. In the opinion of our management, our outstanding commitments do not represent an unusual credit risk.

From time to time, we enter into agreements to securitize certain assets by selling those assets to unconsolidated and unaffiliated entities, which then sell debt securities secured by those assets. These sales are non-recourse to us. However, in the past, we have occasionally purchased a subordinated bond issued by one of these unconsolidated entities. At December 31, 2021, we did not hold any of these subordinated bonds in our investment portfolio.

Asset and Liability Management

See "Quantitative and Qualitative Disclosures about Market Risk—Asset and Liability Management" regarding our policies with respect to asset and liability management.

Dividends

Under the current General Banking Law, a Chilean bank may only pay a single dividend per year and interim dividends are not permitted. Our annual dividend is proposed by our board of directors and is approved by our shareholders at the annual ordinary shareholders' meeting held the year following that in which the dividend is generated. For example, our 2015 dividend was proposed and approved during the first four months of 2016. Following shareholder approval, the proposed dividend is declared and paid. Historically, the dividend for a particular year has been declared and paid no later than two months following the shareholders' meeting. Dividends are paid to shareholders of record on the fifth day preceding the date set for payment of the dividend.

Under the General Banking Law, a bank must distribute cash dividends in respect of any fiscal year in an amount equal to at least 30% of its net income for that year, provided the dividend may not result in the infringement of minimum capital requirements. The balance of our distributable net income is generally retained for use in our business (including for the maintenance of any required legal reserves). Although our board of directors currently intends to pay regular annual dividends, the amount of dividend payments will depend upon, among other factors, our then-current level of earnings, capital and legal reserve requirements, and market conditions, and there can be no assurance as to the amount or timing of future dividends.

The following table presents dividends declared and paid by us in nominal terms in the years indicated:

Year Paid	Outstanding common shares	Dividend (in millions of Ch$)	Per share Ch$/share	% of Earnings[(1)]
2017	123,564,219	123,565	1,000	36.3%
2018	124,944,872	131,192	1,050	35.3%
2019	135,892,980	135,893	1,000	34.3%
2020	141,616,409	141,616	1,000	35.2%
2021	148,767,940	104,138	700	32.8%

(1) Calculated by dividing dividend paid in the year by net income for the previous year.

Capital Additions

The following table reflects capital additions in each of the years indicated:

	Year ended December 31,		
	2019	2020	2021
Land and buildings	8,491	4,871	193
Machinery and equipment	12,417	7,527	3,201
Other	12,735	11,392	11,892
Subtotal	**33,643**	**23,790**	**15,286**

	Year ended December 31,		
	2019	2020	2021
Intangible Assets	80,255	75,517	75,275
Total	**113,898**	**99,307**	**90,561**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

General

This section describes the market risks to which we are exposed in our business activities. Additionally, an explanation is included of the internal tools and regulatory methods used to control these risks, portfolios over which these tools and methods are applied, and quantitative disclosures that demonstrate the level of exposure to financial risk we have assumed.

The principal types of risk inherent in our business are market, liquidity, operational and credit risk. The effectiveness with which we are able to manage the balance between risk and reward is a significant factor in our ability to generate long-term stable earnings growth. Our senior management places great emphasis on risk management.

Market Risk

Market risk is the risk of losses due to unexpected changes in interest rates, inflation, foreign exchange rates and prices in general, including risk premiums associated with credit, counterparty and liquidity risks inherent in different financial instruments.

Our market risk analysis focuses on managing risk exposure relating to (i) the interest rate risk inherent in our fixed income portfolio (comprised of a "trading" portfolio and "an available-for-sale" portfolio), which contains mainly Chilean government bonds, corporate bonds, mortgage finance bonds issued by third parties and interest rate derivatives and U.S. treasury bonds as part of the CNB portfolio; (ii) the interest rate risk relating to asset and liability positions; (iii) liquidity risk; and (iv) our net foreign currency position, which includes all of our assets and liabilities in foreign currencies (mainly U.S. dollars), including derivatives that hedge certain foreign currency mismatches that arise between investments and the funding thereof.

We are exposed to market risk mainly as a result of the following activities:

- trading in financial instruments, which exposes us to interest rate risk and foreign exchange rate risk;
- engaging in banking activities, which subjects us to interest rate risk, since a change in interest rates affecting gross interest income, gross interest expense and customer behavior;
- engaging in banking activities, which exposes us to inflation rate risk, since a variation in the Chilean consumer price index or expected inflation affects gross interest income, gross interest expense and customer behavior;
- trading in the local equity market, which subjects us to potential losses caused by fluctuations of the stock market; and
- investing in assets or funding with liabilities whose returns or accounts are denominated in currencies other than the peso, which subjects us to foreign exchange risk between the peso and such other currencies.

Interest Rate Sensitivity

A key component of our asset and liability risk management policy is the management of interest rate sensitivity. Interest rate sensitivity is the relationship between market interest rates and net interest revenue due to the maturity or reprice characteristics of interest earning assets and interest bearing liabilities. For any given period, the pricing structure is matched when an equal amount of such assets or liabilities mature or reprice in that period. Any mismatch of interest earning assets and interest bearing liabilities is known as a gap position. A positive gap denotes asset sensitivity and normally means that an increase in interest rates would have a positive effect on net interest revenue, while a decrease in interest rates would have a negative effect on net interest revenue.

Our interest rate sensitivity strategy takes into account not only the rates of return and the underlying degree of risk, but also liquidity requirements, including minimum regulatory cash reserves, mandatory liquidity ratios, withdrawal and maturity of deposits, capital costs and additional demand for funds. We monitor our maturity mismatches and positions and we manage them within established limits.

Exchange Rate Sensitivity

Our operating income is affected from fluctuations in the exchange rate of the Chilean peso with foreign currencies, mainly the U.S. dollar, and with the UF, the local inflation-linked unit. Although we may record foreign currency-related gain or losses, our current policy is to attempt to avoid significant impact on our results from fluctuations in the exchange rates between the Chilean peso and the U.S. dollar or any other foreign currency. Chilean banking regulation limits the maximum net foreign currency exposure that a bank is allowed to hold to 20% of its regulatory capital plus reserves. As of December 31, 2021, our net exposure was Ch$563,796 million (US$667 million), or 9.87% of our regulatory capital plus reserves. See "Asset and Liability Management" and "Exchange Controls."

The rate of devaluation or revaluation of the peso against the U.S. dollar can be expected to have the following principal effects:

- if we maintain a net asset position in U.S. dollars and a devaluation of the peso against the U.S. dollar occurs, we would record a related gain, and if an appreciation of the peso occurs, we would record a related loss;

- if we maintain a net liability position in U.S. dollars and a devaluation of the peso against the dollar occurs, we would record a related loss, and if an appreciation of the peso occurs, we would record a related gain;

- if the inflation rate for a period exceeded the devaluation of the peso against the U.S. dollar during the same period, we would record a related gain if we had a net asset position in UFs that exceeded a net liability position in U.S. dollars, and we would record a related loss if we had a net liability position in U.S. dollars that exceeded a net asset position in UFs. The same effect would occur if there were an appreciation of the peso against the U.S. dollar; and

- if the inflation rate for a period is lower than the rate of devaluation of the peso against the U.S. dollar during the same period, we would record a related gain if we maintained a net asset position in U.S. that exceeds a net liability position in UFs and would record a related loss if we had a net liability position in U.S. dollars that exceeds a net asset position in UFs. The same effect would occur if there were an appreciation of the peso against the U.S. dollar.

Policies

Our asset and liability management policies are developed by our Assets and Liabilities Committee, following guidelines established by our Board of Directors. The Assets and Liabilities Committee includes the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Treasurer, and the Heads of Financial Risk Management, Sales and Trading Desks, Control & Planning and Retail and Commercial Banking Divisions. The role of the Assets and Liabilities Committee is to ensure that our treasury and international divisions' operations are consistently in compliance with our internal risk policies as well as applicable regulatory supervision and limits. The Assets and Liabilities Committee typically meets on a monthly basis. Senior members of our Risk and Treasury departments meet regularly in a Finance and Risk Committee to address specific topics of these areas such as market risk limits or counterparty exposure.

Our Treasury and International divisions manage the banking book and the trading portfolios following the guidelines set by the Assets and Liabilities Committee and the Market Risk and Credit Risk departments. The Market Risk department's main activities consist of (i) estimating and controlling the price risk of marked to market positions applying value-at-risk and other statistical techniques (as discussed below); (ii) estimating and controlling the interest rate and foreign currency risks of our portfolio; (iii) setting minimum liquidity limits for the treasury asset and liability operations; and (iv) setting the guidelines for the pricing of derivatives instruments and fixed income instruments when prices are not readily available.

Our policy on asset and liability management is to maximize net interest income and return on assets and equity in light of interest rate, liquidity and foreign exchange risks and within the limits of Chilean banking regulation. See "Regulation and Supervision."

As of December 31, 2021, maturity and currency analysis of our assets and liabilities were as follows:

	As of December 31, 2021				
Assets	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	15,740,121	7,950,021	1,472,613	313,889	25,476,644
UF	4,511,405	8,378,920	4,207,817	3,356,785	20,454,926
MX	15,222,370	8,053,535	4,300,810	1,762,063	29,338,778
Total	**35,473,896**	**24,382,475**	**9,981,239**	**5,432,737**	**75,270,347**
Liabilities	1Y	5Y	10Y	10Y+	Total
Ch$	15,653,182	11,849,361	336,711	258,674	28,097,927
UF	2,354,663	7,609,467	4,093,110	1,568,915	15,626,155
MX	9,044,499	16,169,435	2,131,540	113,196	27,458,670
Total	**27,052,344**	**35,628,263**	**6,561,361**	**1,940,785**	**71,182,753**
Mismatch	1Y	5Y	10Y	10Y+	Total
Ch$	86,940	(3,899,340)	1,135,902	55,215	(2,621,283)
UF	2,156,742	769,452	114,706	1,787,870	4,828,770
MX	6,177,871	(8,115,900)	2,169,269	1,648,867	1,880,107
Total	**8,241,553**	**(11,245,788)**	**3,419,878**	**3,491,952**	**4,087,594**

Regulatory Method to Control Market Risk

On a stand alone basis, we must divide our balance sheet into two separate categories: (i) a trading portfolio (*Libro de Negociación*) and (ii) a stand alone non-trading, or structural, portfolio (*Libro de Banca*). The trading portfolio, as defined by the CMF (former SBIF), includes all instruments valued at market prices, free of any restrictions for their immediate sale, frequently traded by us and kept with the intention to be sold in the short-term in order to profit from short-term price variations. The non-trading portfolio is defined as all instruments in the balance sheet not considered in the trading portfolio.

We must also report the following absolute risk levels:

Trading Portfolio:

- Exposure to interest rate risk: the interest rate risk is calculated using sensitivity analysis to measure potential losses assuming an increase in nominal rate yield curves, real rates and foreign currency rates of 75 to 350 basis points.

- Exposure to foreign currency risk: the foreign currency risk is calculated using sensitivity factors linked to the credit risk rating of the issuing country.

- Market risk exposure of options: options risk is calculated using sensitivity factors called delta, gamma and vega that basically measure the sensitivity of the value of the options to changes in price of the underlying security and its volatility.

Non-trading Portfolio:

- Exposure to short-term interest rate risk: sensitivity analysis that is calculated for assets and liabilities with maturities of less than one year, assuming a 200 basis point parallel shift of the nominal yield curve, a 400 basis point parallel shift for real rates and a 200 basis point parallel shift for foreign interest rates.

- Exposure to inflation risk: sensitivity analysis that is calculated for our net position in assets and liabilities, comprised of UF-denominated instruments, assuming a 200 basis point adverse impact on the related yield curve.

- Exposure to long-term interest rate risk: sensitivity analysis that is calculated for assets and liabilities with maturities over one year, assuming a 200 basis point parallel shift of the nominal yield curve, a 400 basis point parallel shift for real rates and a 200 basis point parallel shift for foreign interest rates.

The CMF (former SBIF) has defined various limits for these risks:

1. Limit on exposure to market risk of our trading portfolio. Our regulatory capital must be greater or equal to the sum of the exposure to market risk multiplied by the minimum capital adequacy ratio defined in the General Banking Law, as shown in the following formula:

$$RC - ((k * RWA) + EMR) \geq 0$$

Where:

RC: Regulatory capital as defined by the General Banking Law.
k: Minimum capital adequacy ratio. We are required to use a 8.0% minimum capital adequacy ratio.
RWA: Consolidated risk-weighted assets as defined by the General Banking Law.
EMR: Exposure to market risk. Our exposure to market risk is equal to the total market risk of our unconsolidated trading portfolio.

2. Limit on exposure to short-term interest rate and inflation risk of our non-trading portfolio. Our exposure to short term interest rate and inflation risk of the non-trading portfolio cannot exceed 25% of our stand alone net interest income plus fees sensitive to interest rate volatility.

3. Limit on exposure to long-term interest rate risk of our non-trading portfolio. Our exposure to long-term interest rate risk of the stand alone non-trading portfolio cannot exceed 20% of our regulatory capital.

The following is a description of the models adopted by local regulators for measuring each component of market risk.

Interest Rate Risk of Trading Portfolio (1)

The interest rate risk of the trading portfolio as defined by the Central Bank of Chile is equal to the sum of:

- Sensitivity analysis of the trading portfolio;
- Vertical adjustment factor; and
- Horizontal adjustment factor.

The sensitivity factor of the trading portfolio is calculated using the following formula:

$$\sum_{m}^{M} \left| \sum_{i-1}^{14} (a_{mt} \times A_{mt} - a_{mt} \times P_{mt}) \right|$$

Where:
Amt = Trading assets (pesos, inflation-linked and foreign currency)
Pmt = Liabilities funding trading positions (pesos, inflation-linked and foreign currency)
amt = Sensitivity factor to increase in interest rate
M = Highest currency value
m = Currency (pesos, inflation-linked and foreign currency)
t = Time period
∑ = Summation
| | = Absolute value

The vertical adjustment factor is calculated as follows:

$$\sum_{m}^{M} \sum_{i=1}^{14} \beta \times Min(a_{mt} \times A_{mt} - a_{mt} \times P_{mt})$$

Where:
ß = Vertical adjustment factor, equal to 10%
Min = Compensated net position

A horizontal adjustment must be made following the vertical adjustment. To determine the horizontal adjustment the horizontal adjustment factor must be multiplied by the compensated net position for Zone 1, Zone 2, Zone 3; Zones 1 and 2; Zones 2 and 3; and Zones 1 through 3.

Horizontal adjustment = Adjusted net position

Compensated net position Zone 1, 2 or 3: .... Min (adjusted net asset position; absolute value of adjusted net liability position in Zone 1, 2 or 3).

Compensated net position Zones 1 and 2: .... Min (adjusted net asset position in Zones 1 and 2, absolute value of adjusted net liability position in Zones 1 and 2).

Compensated net position Zones 2 and 3: .... Min (adjusted net asset position in Zone 3 and Zone 2 (deducting adjusted net asset position that have been compensated for with net liability positions in Zone 1), absolute value of adjusted net liability position in Zone 3 and Zone 2 (deducting adjusted net liability positions that have been compensated for with net liability positions in Zone 1).

Compensated net position Zones 1- 3: .... Min (Adjusted net asset position in Zone 3 and Zone 1 (deducting adjusted net asset position that have been compensated for with net liability positions in Zone 2), absolute value of adjusted net liability position in Zone 3 and Zone 1 (deducting adjusted net liability positions that have been compensated for with net liability positions in Zone 2).

(1) In compliance with current regulations of the Central Bank of Chile and the CMF.

The following table illustrates the value of the different factors used for calculating the interest rate risk of the trading portfolio:

			Change in interest rate (bp)			Sensitivity factor				Horizontal adjustment factor		
Zone		**Period**	**Ch$**	**UF**	**FX**	**Ch$**	**UF**	**FX**	**Vertical adjustment factor**	**Within the zones**	**Between adjacent zones**	**Between zones 1 and 3**
Zone 1 .	1	Up to 30 days	125	350	125	0.0005	0.0014	0.0005	ß = 10%	λ1 = 40%	λ 12 = 40%	λ 13 = 100%
	2	31 days to 3 months	125	300	125	0.0019	0.0047	0.0020	ß = 10%	λ1 = 40%	λ 12 = 40%	λ 13 = 100%
	3	3 - 6 months	125	250	125	0.0042	0.0088	0.0044	ß = 10%	λ1 = 40%	λ 12 = 40%	λ 13 = 100%
	4	6 - 9 months	125	200	125	0.0069	0.0116	0.0072	ß = 10%	λ1 = 40%	λ 12 = 40%	λ 13 = 100%
	5	9 months – 1 year	125	175	125	0.0095	0.0140	0.0100	ß = 10%	λ1 = 40%	λ 12 = 40%	λ 13 = 100%
Zone 2 .	6	1 - 2 years	100	125	100	0.0124	0.0166	0.0133	ß = 10%	λ2 = 30%	λ 12 = 40%	λ 13 = 100%
	7	2 -3 years	100	100	100	0.0191	0.0211	0.0211	ß = 10%	λ2 = 30%	λ 12 = 40%	λ 13 = 100%
	8	3 - 4 years	100	100	100	0.0248	0.0281	0.0281	ß = 10%	λ2 = 30%	λ 23 = 40%	λ 13 = 100%
Zone 3 .	9	4 - 5 years	75	75	75	0.0221	0.0258	0.0258	ß = 10%	λ3 = 30%	λ 23 = 40%	λ 13 = 100%
	10	5 - 7 years	75	75	75	0.0263	0.0320	0.0320	ß = 10%	λ3 = 30%	λ 23 = 40%	λ 13 = 100%
	11	7 - 10 years	75	75	75	0.0307	0.0401	0.0401	ß = 10%	λ3 = 30%	λ 23 = 40%	λ 13 = 100%
	12	10 - 15 years	75	75	75	0.0332	0.0486	0.0486	ß = 10%	λ3 = 30%	λ 23 = 40%	λ 13 = 100%
	13	15-20 years	75	75	75	0.0317	0.0534	0.0534	ß = 10%	λ 3 = 30%	λ 23 = 40%	λ 13 = 100%
	14	> 20 years	75	75	75	0.0278	0.0539	0.0539	ß = 10%	λ 3 = 30%	λ 23 = 40%	λ 13 = 100%

Foreign Currency Risk

The foreign currency risk as defined by the Central Bank of Chile is equal to:

$$Max\left[\left\{\sum_{i} NAP_{i}\times\sigma_{i}-\sum_{j} NAP_{j}\times\sigma_{j}\right\}\left\{\left|\sum_{i} NLP_{i}\times\sigma_{i}-\sum_{j} NLP_{j}\times\sigma_{j}\right|\right\}\right]+\left|NP_{gold}\times\sigma_{i}\right|$$

Where:
NAP = Net asset position.
NLP = Net liabilities position.
NPgold = Net gold position.
i = Foreign currency of countries with AAA sovereign rating.
j = Foreign currency of countries with sovereign rating lower that AAA.
σi = Sensitivity factor for i (8)%.
σj = Sensitivity factor for j (35)%.

∑ = Summation.

| | = Absolute value.

Max = Maximum value.

Interest Rate and Inflation Risk of Non-trading Portfolio

The short-term interest rate risk and inflation risk of non-trading portfolio as defined by the Central Bank of Chile is equal to:

$$\sum_{m}^{M}\left|\sum_{i-1}^{5}(A_{m}\times P_{m})\times U_{i}\right|+\left|PN_{UR}\times\tau\right|+\left|\Delta\emptyset\right|$$

The long-term interest rate risk of the non-trading portfolio is calculated according to the following formula:

$$\sum_{m}^{M}\left|\sum_{i-1}^{14}(A_{m}\times P_{m})\times\rho_{m}\right|$$

Where:
Amt = Non-trading assets (Ch$, inflation linked and foreign currency).
Pmt = Non-trading liabilities (Ch$, inflation linked and foreign currency).
μt = Sensitivity factor associated with interest rate movement.
NPur = Net position in inflation linked instruments, including those subject to price level restatement.
t = Inflation index sensitivity factor. This factor is equal to 2%.
Δϕ = Effect on fees from shifts in interest rate and assumes a 200 basis point movement.
ρ = Sensitive factor to increase in interest rates.
t = Time period.
m = Currency (pesos, inflation linked and foreign currency).
∑ = Summation.
| | = Absolute value.

The following table illustrates the value of the different factors used for calculating the interest rate risk and inflation risk of the non-trading portfolio:

Period		Change in interest rate (bp) Ch$	UF	FX	Sensitivity factor short-term (t)	Sensitivity factor long-term (mt)[1] Ch$	UF	FX
1	Up to 30 days	200	400	200	0.0192	0.0008	0.0016	0.0008
2	31 days to 3 months	200	400	200	0.0167	0.0030	0.0063	0.0031
3	3 - 6 months	200	400	200	0.0125	0.0067	0.0140	0.0070
4	6 - 9 months	200	400	200	0.0075	0.0110	0.0231	0.0116
5	9 months - 1 year	200	400	200	0.0025	0.0152	0.0320	0.0160
6	1 - 2 years	200	300	200	–	0.0248	0.0399	0.0266
7	2 - 3 years	200	200	200	–	0.0382	0.0422	0.0422
8	3 – years	200	200	200	–	0.0496	0.0563	0.0563
9	4 - 5 years	200	200	200	–	0.0591	0.0690	0.0690
10	5 - 7 years	200	200	200	–	0.0702	0.0856	0.0856
11	7 -10 years	200	200	200	–	0.0823	0.1076	0.1076
12	10 - 15 years	200	200	200	–	0.0894	0.1309	0.1309
13	15 - 20 years	200	200	200	–	0.0860	0.1450	0.1450
14	> 20 years	200	200	200	–	0.0762	0.1480	0.1480

(1) Currency positions over time.

As of December 31, 2021, our interest rate risk gap for short-term assets and liabilities of the non-trading portfolio, measured according to the methodology described above, was 0.90% of our gross margin. Our interest rate risk gap for long-term assets and liabilities was 5.89% of our regulatory capital. In each case, the interest rate risk gaps were in compliance with current Chilean regulations.

Options Risk

The exposure to market risk of options is calculated using sensitivity factors delta, gamma and vega.

Delta

Delta of a derivative financial instrument is the rate of change of its price relative to the price of the underlying asset. It is the first derivation of the curve that relates the price of such derivative to the price of the underlying security. When delta is high, the price of the derivative financial instrument is sensitive to small changes in the price of the underlying security.

Gamma

Gamma of a derivative financial instrument is the rate of change of delta relative to the price of the underlying asset. It is the second derivation of the option price relative to the security price. When gamma is low, the change in delta is low. The gamma impact is calculated using the following formula:

Gamma impact = *Gamma* * (Variation of underlying security)^2 / 2

Vega

Vega is one of the factor sensitivities used to measure sensitivity to the implied volatilities of the underlying security. Vega is the rate of change in the price of a derivative financial instrument relative to the volatility of the underlying security. When vega is high, the derivative financial instrument is sensitive to small changes in volatility. In general, a long option position will benefit from rising implied volatilities and suffer from declining implied volatilities. Short option positions display opposite behavior. As defined by the Central Bank of Chile, the Vega Risk is the sum in absolute value of the vega impacts for each option held by a bank. These impacts will be calculated assuming a change of 25% in the volatility rate.

Assumptions and Limitations of Scenario Simulations / Sensitivity Analysis

Our scenario simulation methodology should be interpreted in light of the limitations of our models, which include:

- The scenario simulation assumes that the volumes remain on balance sheet and that they are always renewed at maturity, omitting the fact that credit risk considerations and prepayments may affect the maturity of certain positions.

- This model assumes set shifts in interest rates (*movimientos paralelos de tasa*) and sensitivity factors for different time periods and does not take into consideration any other scenario for each time period or other sensitivity factors.

- The model does not take into consideration the sensitivity of volumes to these shifts in interest rates.

- The model does not take into consideration our subsidiaries which are subject to market risks.

Quantitative Disclosures about Market Risk

The following table illustrates our market risk exposure as of December 31, 2019, 2020 and 2021, calculated according to the Chilean regulatory method. Our maximum exposure to long-term interest rate fluctuations is set at 20% of regulatory capital and is approved by our board of directors.

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$)	
Market risk of trading portfolio	311,108	285,162	344,455
8% x risk-weighted assets	2,984,712	3,075,244	3,509,744
Subtotal	3,295,820	3,360,406	3,854,199
Limit = regulatory capital	4,474,573	5,041,621	5,709,951
Available margin	1,178,753	1,681,215	1,855,752
Market risk of short-term non-trading portfolio	169,886	141,336	146,159
Limit = 28% of (net interest revenue + net interest income sensitive to interest rates)	252,994	249,221	363,061
Available margin	83,108	107,886	216,902
Market risk of long-term non-trading portfolio	313,863	504,502	563,796
Limit = 20% of regulatory capital	910,388	1,008,324	1,141,990
Available margin	596,525	503,822	578,194

Internal Methods to Control Market Risk

Below is a quantitative and qualitative description of our markets risks tools according to our internal guidelines. Our policies establish a set of tools to monitor market risks using both statistical and non-parametric approaches. The main tools are Value-at-Risk (VaR) for the trading portfolios and sensitivity analysis for the loan portfolio. We complement both tools with a series of stress tests using historical, parametric and non-parametric scenarios.

VaR Methodology

General

We use value-at-risk methodology to measure and control the price risk of our trading portfolio. We also use this tool for other securities and portfolios subject to mark to market valuation, mainly bond holdings available for sale. Variation in VaR is generally a result of interest rate and foreign exchange rates fluctuations, portfolio rebalancing, or both.

VaR is an estimate of the expected loss in the market value of a portfolio over a 10-day horizon at one-tailed 99% confidence interval. Given our accounting currency, VaR is measured in Chilean pesos. VaR is calculated daily, after the end of the trading session. We perform one day profits and losses forecasts relying on historical simulation of relevant risk factors. We use almost four years of daily data and perform volatility updating to account for volatility clusters. We scale our forecast to a 10-day regulatory window with the square root rule.

VaR Limits

VaR limits are revaluated periodically at the Asset Liability Committee or other senior committee. Although there is not an explicit rule for its calculation, we use 1% of equity as a benchmark.

Assumptions and Limitations of VaR Model

Whereas value-at-risk provides a valuable tool for managing market risk, our management recognizes its limitations. The pros and cons of the different VaR approaches had been widely documented in the risk management literature. But regardless of the methodology chosen, it is dangerous to rely in the VaR as the sole market risk barometer. Amongst the main limitations of our historic simulation model, we can name the following:

- Historic simulation methodology assumes the past is the best forecast for future VaR.
- Risk factors dependencies not realized in history will remain as model risk.
- Fat tails may be only partially captured. Fat tail is a cumulative density distribution in which extreme events are more likely to occur than, for example, a standard normal distribution.
- Our portfolio value-at-risk changes during the trading session are not accounted for.

Stress Tests and Scenario Analysis

Given the limitations of these models, we perform different stress analysis as a complement to VaR calculations:

- Normative (internal) variations in risk factors (i.e. shifts to the IR (interest rates) term structure; foreign exchange shocks).
- Stress Test (Expected Shortfall, Worst Case, Stressed VaR, VaR without volatility scaling).
- Model sensibilities (variations to the historical data window and/or to model parameters).

Other Limits

We have also set position limits for certain portfolios like foreign exchange exposure and options portfolio. Profit and Loss (PnL) limits are also in place to preserve capital from unexpected losses.

We also include descriptive statistics for both, trading and non-trading portfolios during 2020 and 2021. The following chart shows the evolution of our 10-day VaR measure during 2021:

The following table shows descriptive statistics for our trading and non-trading portfolios as of December 31, 2019, 2020 and 2021.

	As of December 31, 2021			
	Average	Maximum	Minimum	Close
	(in millions of Ch$)			
VaR trading portfolio by type of risk				
Fx risk	814	3,442	20	390
Interest rate risk	3,546	7,000	601	2,562
Diversification(1)	201	1,832	48	125
VaR total	4,159	8,610	669	2,827
VaR Non-trading portfolio by type of risk	557	3,696	11	706
Fx risk	1,967	4,950	146	2,765
Interest rate risk	379	3,152	100	648
Diversification(1)	2,145	5,494	257	2,823
VaR total	–	–	–	–

	As of December 31, 2020			
	Average	Maximum	Minimum	Close
	(in millions of Ch$)			
VaR trading portfolio by type of risk				
Fx risk	1,058	5,784	3	106
Interest rate risk	2,830	5,165	481	1,853
Diversification(1)	423	3,291	116	96
VaR total	3,465	7,658	600	1,863
VaR Non-trading portfolio by type of risk	1,884	5,176	101	908
Fx risk	779	2,902	5	531
Interest rate risk	394	3,034	292	409
Diversification(1)	2,269	5,045	398	1,030
VaR total	–	–	–	–

	As of December 31, 2019			
	Average	Maximum	Minimum	Close
	(in millions of Ch$)			
VaR trading portfolio by type of risk				
Fx risk	1,045	8,646	8	156
Interest rate risk	4,047	6,470	2,628	4,330
Diversification(1)	778	4,267	287	224
VaR total	4,314	10,849	2,923	4,262
VaR Non-trading portfolio by type of risk				
Fx risk	1,636	6,470	378	5,513
Interest rate risk	449	2,657	76	184
Diversification(1)	412	2,705	257	269
VaR total	1,673	6,422	197	5,428

(1) Diversification is defined as the effect of correlation of Total VaR.

Asset and Liability Management

Sensitivity Analysis

We perform sensitivity analysis by monitoring the changes in the present value of our assets and liabilities associated with changes in the reference yield of 100 basis points. We perform this analysis for the whole banking book through our Market Value Sensitivity (MVS) model, and for the short-term portion of our balance sheet through our Spreads-at-Risk (SaR) Model. As of December 31, 2021 our overall MVS limit was set at 12.0% of our regulatory capital, whereas the overall SaR limit was set at 13% of our net interest income. We perform these analyses for pesos, UF and foreign currency denominated assets and liabilities.

The following chart compares our actual MVS and SaR indicators for the year ended December 31, 2021, against their respective limits.

The table below sets forth our detailed MVS analysis as of December 31, 2021:

	Up to 3 months	3 months – 1 year	1 year to 5 years	5 years to 10 years	Over 10 years	Total
			(in millions of Ch$)			
Cash and due from banks	2,447,597	0	0	0	0	2,447,597
Commercial loans	6,455,427	5,142,811	7,499,861	2,675,289	1,068,551	22,841,938
Consumer loans	412,230	656,356	7,499,861	103,890	37,646	2,645,839
Mortgages	753,947	1,326,453	4,615,074	3,225,310	2,081,135	12,721,918
Securities purchased under resale agreements	36,833	0	0	0	0	36,833
Investments instruments	3,496,661	1,303,160	4,919,197	1,670,914	1,382,318	12,772,250
Financial derivative instruments	5,721,780	2,345,362	5,620,130	2,262,011	123,188	16,072,471
Other assets	5,484,853	510,427	282,496	43,826	19,899	6,351,501
Total assets	24,809,328	11,284,568	24,382,475	9,981,239	5,432,737	75,890,347
Total (%)	33%	15%	32%	13%	7%	100%
Deposits and other liabilities payable on demand	6,128,034	135,961	20,510,548	0	0	26,774,544
Savings account and time deposits	8,013,535	1,190,439	45,648	203	127	9,249,952
Securities sold under repurchase agreements	85,876	0	2,337,586	0	0	2,423,462
Liabilities with domestic creditors	1,410,161	127,020	2,789,219	0	0	4,326,400
Liabilities with foreign creditors	629,712	22,527	22,334	665,414	0	1,339,987
Bonds	364,460	1,055,273	3,799,183	3,453,704	1,421,791	10,094,412
Financial derivative instruments	4,692,535	1,761,133	6,123,225	2,435,095	502,290	15,514,276
Other liabilities	815,884	619,794	521	6,945	16,578	1,459,722
Total liabilities	22,140,196	4,912,148	35,628,263	6,561,361	1,940,785	71,182,753
Total (%)	31%	7%	50%	9%	3%	100%
Total	2,669,132	6,372,421	(11,245,788)	3,419,878	3,491,952	4,707,594
Total (%)	57%	135%	(239)%	73%	74%	100%

Stress Test and Scenario Analysis

In addition to the sensitivity analysis described above, we perform stress testing of our balance sheet to account for extreme scenarios. We develop historic scenarios for interest rate risk, currency risk and inflation risk of our loan portfolio. The results of the stress tests are presented quarterly to the Asset Liability Committee.

Disclosures Regarding Derivative Financial Instruments

We enter into transactions involving derivative financial instruments, particularly foreign exchange forward contracts and interest rates swaps, as part of our asset and liability management and as part of our dealer activities in response to our clients' needs.

Derivative financial instruments are carried at fair value at market price on the balance sheet and the net unrealized gain (loss) on them is classified as a separate line item on the income statement. Banks operating in Chile generally must mark to market their derivative financial instruments. Derivative financial instruments that are classified as being held for trading purposes must be marked to market and the unrealized gain or loss must then be recognized in the income statement. With respect to our derivative financial instruments held for hedging purposes, changes in book value of hedged items are included in the mark-to-market and trading line items, except to the extent set forth below.

The CMF (former SBIF) recognizes three kinds of hedge accounting: (i) cash flow hedges, (ii) fair value hedges and (iii) hedging of foreign investments:

- When a cash flow hedge exists, the fair value movements on the part of the hedging instrument that is effective are recognized in equity. The loss or gain is transferred to the consolidated statement of income to the extent that the hedged item impacts the income statement because of the hedged risk, offsetting the effect in the same line of the consolidated statement of income. Any ineffective portion of the fair value movement on the hedging instrument is recognized in the income statement.

- When a fair value hedge exists, the fair value movements on the hedging instrument and the corresponding fair value movements on the hedged item are recognized in the income statement. Hedged items in the balance sheet are presented at their market value.

- When a hedge of foreign investment exposure exists (i.e. investment in a foreign branch), the fair value movements on the part of the hedging instrument that is effective are recognized in equity. The accumulated difference is to be transferred to the consolidated statement of income at the date at which the sale on disposal occurs. Any ineffective portion of the fair value movement on the hedging instrument is recognized in the income statement.

Although we classify some of our derivative financial instruments as being held for trading, in accordance with the guidelines set forth by the CMF, only a minor portion of our derivative financial instruments are actually used for speculative purposes or trading.

Foreign exchange forward contracts involve an agreement to exchange payments denominated in a certain currency for payments denominated in another currency at an agreed-upon price and settlement date. These contracts are generally standardized contracts, normally for periods between one and 180 days and are not traded in a secondary market; however, in the normal course of business and with the agreement of the original counterparty, they may be terminated or assigned to other counterparties.

When we enter into a foreign exchange forward contract, we analyze and approve the credit risk (the risk that the counterparty might default on its obligations). Subsequently, on an ongoing basis, we monitor the possible losses involved in each contract. To manage the level of credit risk, we deal with counterparties of good credit standing, enter into master netting agreements whenever possible and, when appropriate, obtain collateral.

The Central Bank of Chile requires that foreign exchange forward contracts be made only in U.S. dollars and other major foreign currencies. Most of our forward contracts are made in U.S. dollars and pesos or UFs. In September 1997, the Central Bank of Chile changed its regulations with respect to foreign currency forward contracts, allowing Chilean companies to enter into foreign currency forward contracts with companies organized and located outside of Chile, including foreign subsidiaries of Chilean companies.

Interest rate swaps allow our treasury to manage our loan portfolio risk adjusting gaps along the interest rate curve by swapping fixed rate for floating rate payments or vice versa. Conversely, cross currency swaps are used when either funding or loans are denominated in a foreign currency.

In addition, our trading desk routinely enters into derivative financial instruments for purposes of both covering sales desk transactions and proprietary trading.

The following table summarizes our derivative financial instruments portfolio as of December 31, 2021 and 2020:

	Fair value amounts as of December 31, 2021		
Type of derivative	Up to 3 months	From 3 to 12 months	More than 12 months
		(in millions of Ch$)	
Foreign currency forwards (includes UF)	22,179	72,341	(53,086)
Cross currency swaps	9,649	(42,233)	51,979
Interest rate forwards / futures	(1.5)	-	-
Interest rate swaps	(11,865)	(19,288)	120,802

	Fair value amounts as of December 31, 2020		
Type of derivative	Up to 3 months	From 3 to 12 months	More than 12 months
		(in millions of Ch$)	
Foreign currency forwards (includes UF)	(7,601)	13,361	(40,239)
Cross currency swaps	(12,007)	(28,363)	(279,110)
Interest rate forwards / futures	(0.3)	-	-
Interest rate swaps	(7,564)	(12,932)	(59,652)

Liquidity Risk

Liquidity risk arises in connection with the funding of our financing, trading and investment activities. It includes the risk of unexpected increases in the cost of funding the portfolio of assets at appropriate maturities and rates, the risk of being unable to liquidate a position in a timely manner at a reasonable price and the risk that we will be required to repay liabilities earlier than anticipated. Our general policy is to maintain sufficient liquidity to ensure our ability to honor withdrawals of deposits, make repayments of other liabilities at maturity, extend loans and meet our working capital needs.

Since the early stages of the global financial crisis initiated in 2007, our board of directors has resolved to maintain a countercyclical liquidity policy, in line with the amendment proposals to Basel II. We implement this policy by owning a certain amount of liquid assets, like Chilean treasury bonds or short-term commercial paper. As of December 31, 2021, this maintenance of a certain amount of liquid assets which we define as our liquidity buffer is over Ch$985 million.

Regulatory Compliance

Our minimum liquidity position is determined by the reserve requirements set by the Central Bank of Chile. These reserve requirements are currently 9.0% of demand deposits and 3.6% of time deposits. We are currently in compliance with these requirements. In addition, we are subject to a technical requirement applicable to Chilean banks, pursuant to which we must hold certain amount of assets in cash or in highly liquid instruments if the aggregate amount of the following liabilities exceeds 2.5 times the amount of our net capital base:

- deposits in checking accounts;
- other demand deposits or obligations payable on demand and incurred in the ordinary course of business;
- other deposits unconditionally payable immediately or within a term of less than 30 days; and
- term deposits payable within ten days.

Furthermore, under Chilean regulations a bank's gaps between assets and liabilities maturing within 30 days may not exceed the bank's net capital base, and a bank's gaps between assets and liabilities maturing within 90 days may not exceed twice the bank's net capital base.

The following tables set forth an overview of our regulatory liquidity indicators, presented as the ratio of the respective gap between assets and liabilities to our net capital base, as of December 31, 2021 and 2020, all of which comply with a limit of 100%:

	December 31, 2021			
	Average	**Maximum**	**Minimum**	**Month End**
Short-term mismatch Ch$ - UF (% on basic capital)				
Mismatch 30 days	(7.76)%	41.76%	(39.35)%	38.93%
Short-term mismatch Fx (% on basic capital)				
Mismatch 30 days	6.43%	41.76%	(16.14)%	(2.54)%
Short-term mismatch (% on basic capital)				
Mismatch 30 days	(1.34)%	44.13%	(35.19)%	36.39%
Mismatch 90 days	10.34%	35.15%	(4.09)%	29.97%

	December 31, 2020			
	Average	**Maximum**	**Minimum**	**Month End**
Short-term mismatch Ch$ - UF (% on basic capital)				
Mismatch 30 days	4.72%	37.90%	(33.93)%	15.65%
Short-term mismatch Fx (% on basic capital)				
Mismatch 30 days	5.65%	22.28%	(17.77)%	(15.27)%
Short-term mismatch (% on basic capital)				
Mismatch 30 days	10.37%	50.91%	(24.98)%	0.39%
Mismatch 90 days	30.68%	50.90%	8.29%	35.07%

THE CHILEAN BANKING INDUSTRY

Overview

As of December 31, 2021, the Chilean banking system was comprised of one public-sector bank and 16 private-sector banks (of which 13 were Chilean banks and 3 were Chilean branches of foreign banks). The seven largest banks (in terms of total net loans outstanding), of which we are the largest with a 18.66% market share, together accounted for 90.96% of all outstanding loans by Chilean financial institutions as of December 31, 2021. As of the same date, Chilean private banks and the Chilean branches of foreign banks accounted for 86.88% and 0.09% of all outstanding loans (including interbank loans) in the Chilean financial system, respectively, according to information published by the CMF. Unless otherwise indicated, we obtained the statistical information included in this section from the CMF. The Chilean financial services market consists of a variety of distinct sectors. The most important, the commercial banking sector, includes private-sector banks and one public-sector bank, Banco del Estado de Chile (which operates within the same legal and regulatory framework as the private-sector banks).

The Chilean banking industry has experienced increased competition in recent years which has led to, among other things, consolidation in the industry, reduction of the net interest margin and some banks leaving the market. Further consolidation may occur, and it is possible that the Chilean regulatory authorities may be more open to allowing new market entrants. In addition, increased competition may result from non-banking industries entry to the credit and debit card market under the recently amended General Banking Law and changes due to new capital requirements. See "Risks Factors—Risks Relating to our Business."

Competition

As a major commercial bank, offering a full range of services to all types of businesses and individual customers, we face a variety of competitors as to different aspects of its business, ranging from the other large private-sector commercial banks to more specialized entities like "niche" banks. The principal private-sector commercial banks in Chile, other than us, include Banco Santander Chile, Banco de Chile, Itaú Corpbanca and Scotiabank. Commercial banks also face increasing competition from other financial intermediaries that can provide larger companies with access to the international and domestic capital markets as an alternative to bank loans. To the extent permitted by the General Banking Law, we seek to maintain a competitive position in domestic capital markets through the investment banking activities of our subsidiaries.

In the retail banking business, we compete with other private-sector Chilean banks and Banco del Estado de Chile. As of December 31, 2021, we held 10.09% of the total number of checking accounts in the Chilean banking system. Among private-sector Chilean banks, we believe that our strongest competitors in the consumer retail market are Banco Santander Chile, Banco de Chile, Scotiabank Chile and Itau Corpbanca, as each of these banks has also developed business strategies that focus on the middle to high-middle income segments of the Chilean population and small- and medium-sized corporate segment. Consumer lending in the Chilean banking system increased 6.74% in 2019, decreased 13.80% in 2020, and increased 7.27% in 2021, according to information published by the CMF. Our consumer lending increased 6.97% in 2019, decreased 13.90% in 2020 and increased 1.23% in 2021. Commercial banks in Chile compete in the retail market with retail companies such as supermarkets and department stores that offer limited financial services like credit cards and consumer loans. The financial services provided by retail companies are regulated and overseen by the CMF.

The following table sets forth certain statistics on the Chilean commercial banking system as of December 31, 2021:

	As of December 31, 2021							
	Assets		Net Loans[1]		Deposits[2]		Shareholders' Equity	
	Amount	Share	Amount	Share	Amount	Share	Amount	Share
	(in millions of Ch$, except percentages)							
Domestic private-sector bank	306,351,600	84.75%	193,815,800	86.88%	148,103,513	81.94%	22,105,199	89.18%
Foreign-owned banks	1,515,706	0.42%	202,667	0.09%	364,485	0.20%	443,828	1.79%
Private-sector total	307,867,306	85.17%	194,018,467	86.97%	148,467,998	82.14%	22,549,027	90.97%
Banco del Estado	53,586,003	14.83%	29,061,269	13.03%	32,278,607	17.86%	2,237,907	9.03%
Chilean banking system	361,453,309	100%	223,079,736	100%	180,746,605	100%	24,786,934	100%

Source: CMF.

(1) Includes loans and receivables to banks and provisions

(2) Excludes the investment of CorpBanca in Colombia and excludes our subsidiary City National Bank of Florida.

Net Loans

The following table sets forth the market shares in terms of net loans in the Chilean financial system (comprising all commercial banks) for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
	(in millions of Ch$, except percentages)					
Bci[(1)]	**34,338,923**	**17.48%**	**35,865,745**	**17.85%**	**41,622,874**	**18.66%**
Banco Santander Chile	32,731,735	16.66%	34,409,170	17.12%	36,634,768	16.42%
Banco de Chile	30,529,608	15.54%	31,496,591	15.68%	34,636,016	15.55%
Banco del Estado	26,273,621	13.37%	27,344,432	13.61%	29,061,269	13.03%
Scotiabank[(2)]	25,349,436	12.90%	25,430,916	12.66%	28,960,854	12.98%
Itaú CorpBanca	23,255,995	11.84%	22,642,691	11.27%	24,871,442	11.15%
Banco Bice	6,228,650	3.17%	6,235,961	3.10%	7,061,910	3.17%
Total for seven banks	178,707,968	90.97%	183,425,506	91.29%	202,909,133	90.96%
Chilean banking system	196,453,788	100%	200,932,289	100%	223,079,736	100%

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.
(2) Includes BBVA Chile.

Total Assets

The following table sets forth the total asset amounts and market shares for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
	(in millions of Ch$, except percentages)					
Bci[(1)]	**50,336,620**	**17.33%**	**57,156,299**	**17.69%**	**69,158,634**	**19.13%**
Banco Santander Chile	50,578,246	17.41%	55,776,077	17.26%	63,671,025	17.62%
Banco del Estado	43,354,976	14.92%	53,119,190	16.44%	53,586,003	14.83%
Banco de Chile	41,273,333	14.21%	46,095,131	14.27%	51,702,439	14.30%
Scotiabank[(2)]	34,653,490	11.93%	36,795,961	11.39%	41,597,895	11.51%
Itaú CorpBanca	33,785,687	11.63%	35,687,490	11.04%	37,823,050	10.46%
Banco Bice	8,593,893	2.96%	9,140,598	2.83%	9,992,454	2.76%
Total for seven banks	262,576,245	90.39%	293,770,746	90.91%	327,531,500	90.62%
Chilean banking system	290,500,257	100.00%	323,126,841	100%	361,453,309	100%

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.
(2) Includes BBVA Chile.

Risk Index

The following table sets forth the risk index, calculated as allowances for loan losses as a percentage of total loans, for the seven banks in Chile which are the largest in terms of total assets and the financial system as a whole as of the dates indicated:

	As of December 31,		
	2019	2020	2021
Banco Bice	1.29	1.60	1.67
Scotiabank	2.11	1.99	1.54
Bci[(1)]	**1.95**	**2.20**	**1.81**
Banco de Chile	2.25	2.37	2.07

	As of December 31,		
	2019	2020	2021
Banco Santander Chile	2.73	2.84	2.62
Banco del Estado	3.13	3.30	3.04
Itaú CorpBanca	3.36	3.99	3.21
Chilean banking system	2.56	2.71	2.37

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.

Asset Quality

The following table sets forth the ratio of past due loans to total loans for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,(1)		
	2019	2020	2021
Banco Bice	0.34	0.40	0.67
Banco de Chile	1.37	0.95	0.83
Bci[(2)]	**1.34**	**1.16**	**0.82**
Banco Santander Chile	2.05	1.41	1.23
Scotiabank	1.9	1.47	0.95
Itaú CorpBanca	2.81	2.23	1.87
Banco del Estado	3.66	2.73	1.97
Chilean banking system	2.07	1.58	1.24

Source: CMF.
(1) According to the CMF, the asset quality ratio equals to past due loans divided by total loans.
(2) The information includes City National Bank of Florida and Servicios Financieros.

Deposits

We had deposits (which is defined as current account and demand deposit plus term deposits and saving accounts in our financial statements) of Ch$38,518,590 million (US$45,601 million) as of December 31, 2021. We were the first largest bank in terms of deposits, with 21.31% of the market for deposits. The following table sets forth the deposits market share for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	(in millions of Ch$, except percentages)					
	Amount	Share	Amount	Share	Amount	Share
Bci[(1)]	**27,553,455**	**18.10%**	**30,566,185**	**18.65%**	**38,518,590**	**21.31%**
Banco del Estado	27,047,435	17.77%	33,157,313	20.23%	32,278,607	17.86%
Banco Santander Chile	23,490,249	15.43%	25,142,684	15.34%	28,031,993	15.51%
Banco de Chile	22,182,751	14.57%	24,066,770	14.68%	27,682,797	15.32%
Itaú CorpBanca	16,493,635	10.84%	17,630,470	10.76%	17,673,538	9.78%
Scotiabank[(2)]	15,989,560	10.50%	15,645,249	9.54%	16,684,772	9.23%
Banco Bice	5,433,374	3.57%	5,155,027	3.14%	5,284,413	2.92%
Total for seven banks	138,190,459	90.78%	151,363,698	92.34%	166,154,710	91.93%
Chilean banking system	152,220,783	100.00%	163,918,623	100.00%	180,746,605	100.00%

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.
(2) Includes BBVA Chile.

Checking Accounts

As of December 31, 2021, we had the third highest number of current accounts (checking accounts) among Chilean banks. The following table sets forth the number of checking accounts for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,				As of December 31,	
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
Banco Santander Chile	1,108,284	21.70%	1,441,110	25.91%	1,992,802	28.86%
Banco de Chile	1,033,343	20.23%	1,071,044	19.25%	1,157,220	16.76%
Bci(1)	**718,044**	**14.06%**	**723,999**	**13.02%**	**754,420**	**10.93%**
Banco del Estado	691,175	13.53%	705,522	12.68%	713,110	10.33%
Scotiabank(2)	486,167	9.52%	494,710	8.89%	600,432	8.70%
Itaú CorpBanca(3)	354,191	6.93%	387,687	6.97%	439,446	6.37%
Banco Bice	106,900	2.09%	113,605	2.04%	121,930	1.77%
Total for seven banks	4,498,104	88.05%	4,937,677	88.76%	5,779,360	83.71%
Chilean banking system	5,108,324	100%	5,562,748	100%	6,904,028	100%

Source: CMF.
(1) Information excludes City National Bank of Florida.
(2) Includes BBVA Chile.
(3) Information excludes Itaú CorpBanca's business in Colombia.

Capital and Reserves

As of December 31, 2021 we had Ch$3,862.410 million (US$4,573 million) in capital and reserves. The following table sets forth the level of capital and reserves for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
	(in millions of Ch$, except percentages)					
Bci(1)	**3,394,823**	**18.88%**	**3,655,852**	**19.15%**	**3,862,410**	**19.49%**
Banco Santander Chile	3,012,451	16.75%	3,233,289	16.94%	3,440,268	17.36%
Itaú CorpBanca	3,058,675	17.01%	3,058,675	16.03%	3,159,004	15.94%
Banco de Chile	3,122,105	17.36%	3,122,039	16.36%	3,122,437	15.75%
Banco del Estado	1,847,642	10.28%	2,039,859	10.69%	2,117,754	10.68%
Scotiabank(2)	1,493,103	8.30%	1,743,103	9.13%	1,743,103	8.79%
Banco Bice	38,183	0.21%	38,183	0.20%	38,064	0.19%
Total for seven banks	15,966,982	88.81%	16,891,000	88.50%	17,483,040	88.20%
Chilean banking system	17,979,746	100.00%	19,086,193	100%	19,822,136	100%

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.
(2) Includes BBVA Chile.

Shareholders' Equity

As of December 31, 2021 we were the largest commercial bank in Chile in terms of shareholders' equity. As of December 31, 2021, we had Ch$4,501,476 million (US$5,329 million) in shareholders' equity. The following table sets forth the level of shareholders' equity for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
	(in millions of Ch$, except percentages)					
Bci[1]	**3,792,520**	**17.37%**	**3,894,705**	**17.57%**	**4,501,476**	**18.16%**
Banco de Chile	3,528,223	16.16%	3,726,268	16.81%	4,223,014	17.04%
Banco Santander Chile	3,470,317	15.89%	3,652,599	16.48%	3,494,580	14.10%
Itaú CorpBanca	3,440,385	15.76%	2,388,326	10.77%	3,352,342	13.52%
Scotiabank[2]	2,143,917	9.82%	2,505,546	11.30%	2,801,123	11.30%
Banco del Estado	1,811,808	8.30%	2,019,095	9.11%	2,237,907	9.03%
Banco Bice	601,111	2.75%	656,582	2.96%	646,697	2.61%
Total for seven banks	18,788,281	86.05%	18,843,121	84.99%	21,257,139	85.76%
Chilean banking system	21,833,823	100.00%	22,170,344	100.00%	24,786,934	100.00%

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.
(2) Includes BBVA Chile.

Return on Equity

The following table sets forth the return on equity for the seven banks in Chile for the dates indicated:

	For the year ended December 31,		
	2019	2020	2021
Banco Santander	16.02%	14.31%	22.46%
Banco de Chile	16.81%	12.43%	18.78%
Banco del Estado[1]	10.06%	7.64%	16.87%
Banco Bice)	11.50%	11.37%	16.26%
Scotiabank[2]	12.75%	16.07%	16.07%
Bci[3]	**10.62%**	**8.15%**	**11.56%**
ItaúCorpBanca	3.86%	(38.91)%	8.32%
Chilean banking system	12.10%	5.64%	15.44%

Source: CMF.
(1) This bank is subject to a different tax regime.
(2) Includes BBVA Chile
(3) The information includes City National Bank of Florida and Servicios Financieros.

Efficiency

The table below sets forth the efficiency ratios (operating expenses to gross operating income) of the seven banks in Chile which are the largest in terms of total assets for the years indicated:

	For the year ended December 31,		
	2019	2020	2021
ItaúCorpBanca	54.89%	360,25%	49,68%
Banco del Estado	53.00%	53.27%	45.92%
Bci[1]	**47.78%**	**47.20%**	**44.99%**
Banco Bice	46.69%	49.35%	42.76%
Banco de Chile	43.20%	43.61%	37.70%
Scotiabank[2]	46.49%	41.98%	40.52%
Banco Santander Chile	38.30%	38.30%	35.35%
Average of seven banks	47.19%	51.23%	41.80%
Chilean banking system	45.04%	48.98%	41.60%

Source: CMF.
(1) The information includes City National Bank of Florida and Servicios Financieros.
(2) Includes BBVA Chile.

Branch Networks

As of December 31, 2021, we had the fourth largest branch network among Chilean banks with 221 branches. The following table sets forth the number of full service branch offices for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
Banco del Estado	413	20.74%	410	21.58%	400	24.69%
Banco Santander Chile	377	18.94%	307	18.84%	270	16.67%
Banco de Chile	359	18.03%	331	17.58%	271	16.73%
Bci[(1)]	**239**	**12.00%**	**233**	**12.53%**	**221**	**13.64%**
ItaúCorpBanca[(3)]	164	8.24%	154	8.11%	136	8.40%
Scotiabank[(2)]	162	8.14%	143	7.53%	129	7.96%
Banco Bice	26	1.31%	24	1.26%	23	1.42%
Chilean banking system	1,991	100.00%	1,788	100.00%	1,620	100.00%

Source: CMF.

(1) The information presented by the CMF does not include all of our "points of contact," some of which are not considered branches by the CMF. Points of contact include multiservice branches, cash agencies, point of sale branches, premier branches, private banking commercial platforms and automated branches. Information as of December 31, 2021 does not include City National Bank of Florida or Servicios Financieros.
(2) Includes BBVA Chile.
(3) Information excludes Itaú CorpBanca's branches in Colombia.

Credit Cards

As of December 31, 2021, we had the second highest number of credit cards outstanding among Chilean banks, representing 14.32% of the Chilean banking system. The following table sets forth the number of credit cards for the seven banks in Chile which are the largest in terms of total assets as of the dates indicated:

	As of December 31,					
	2019		2020		2021	
	Amount	Share	Amount	Share	Amount	Share
Scotiabank[(2)]	3,073,046	17.90%	2,830,458	20.23%	2,605,172	18.56%
Bci[(1)]	**2,310,208**	**13.45%**	**2,045,085**	**14.61%**	**2,010,126**	**14.32%**
Banco Santander Chile	1,804,910	10.51%	1,726,527	12.34%	1,769,875	12.61%
Banco de Chile	1,566,042	9.12%	1,355,425	9.69%	1,471,584	10.48%
Banco del Estado	1,092,652	6.36%	749,614	5.36%	720,661	5.13%
ItaúCorpBanca[(3)]	334,517	1.95%	306,619	2.19%	279,326	1.99%
Banco Bice	54,909	0.32%	55,751	0.40%	57,925	0.41%
Total for seven banks	10,236,284	59.61%	9,069,479	63.82%	8,914,669	63.51%
Chilean banking system	17,171,047	100.00%	13,993,720	100.00%	14,035,574	100.00%

Source: CMF.
(1) Information excludes City National Bank of Florida.
(2) Includes BBVA Chile.
(3) Information excludes CorpBanca's business in Colombia.

Net Income

We have the third highest net income for the year ended December 31, 2021 among Chilean banks. For the year ended December 31, 2021, our net income was Ch$520,545 million (US$616 million). The following table sets forth the amounts of net income and the corresponding market shares for the seven Chilean banks which are the largest in terms of total assets for the years indicated:

	For the year ended December 31,					
	2019		2020		2021	
	Amount	**Share**	**Amount**	**Share**	**Amount**	**Share**
Banco de Chile…………………...	593,009	22.47%	463,109	37.30%	792,923	20.72%
Banco Santander Chile……………	554,176	21.00%	522,563	42.08%	784,920	20.51%
Bci[1] …………………………...	**402,739**	**15.26%**	**317,533**	**25.57%**	**520,545**	**13.60%**
Scotiabank[2] ……………………...	273,414	10.36%	286,369	23.06%	450,162	11.76%
Banco del Estado …………………	182,335	6.91%	154,278	12.42%	377,458	9.86%
ItaúCorpBanca ……………………	132,464	5.02%	(938,617)	(75.59)%	278,810	7.29%
Banco Bice ……………………….	69,144	2.62%	74,642	6.01%	105,140	2.75%
Total for seven banks …………….	2,207,281	83.63%	880,758	70.88%	3,309,958	86.50%
Chilean banking system ………….	2,639,390	100.00%	1,241,721	100.00%	1,242,602	100.00%

Source: CMF.

(1) Information includes City National Bank of Florida and Servicios Financieros.

(2) Includes BBVA Chile.

BUSINESS

Overview

We are the largest commercial bank in Chile in terms of total net loans, deposits and assets, according to information published and calculated by the CMF. Our market share of total net loans, deposits and total assets, in the Chilean banking system was 18.7%, 21.3% and 19.1% respectively, as of December 31, 2021, in each case according to the CMF and taking into consideration Itaú CorpBanca's investment in Colombia and our acquisition of City National Bank of Florida and the subsequent mergers effected in connection therewith. Our risk index, calculated as allowances for loan losses as a percentage of our total loans (excluding loans and receivables from banks), was 1.8%, as of December 31, 2021, compared to a weighted average of 2.4% for the Chilean banking system as a whole on such date, according to the CMF.

We combine what we believe are a full service banking platform and a solid franchise with a growing international presence, particularly in the U.S., where we acquired City National Bank of Florida in October 2015, TotalBank in June 2018 and Executive National Bank in 2020.

In addition to traditional banking products such as lending and deposit taking, our banking services for our approximately 117,302 active commercial checking account customers (not including individual clients in the retail segment) include working capital financing, lines of credit, foreign trade financing, mortgage loans, foreign exchange and non-credit services such as cash management, payroll and payment services, and a wide range of treasury and risk management products.

We provide our approximately 613,201 active retail checking account customers with deposit services such as checking and savings accounts and also offer residential mortgage and consumer loans, lines of credit, credit cards and diversified products such as mutual funds, stock brokerage services, financial advisory services, insurance brokerage, and private and public investment fund management services. We serve our retail customers through a nationwide network of points of contact, which include 254 multiservice branches, cash agencies, point of sale branches, private banking commercial platforms and automated branches, and 1,080 ATMs. We have made significant investments in alternate distribution channels, including online banking, telephonic banking and other electronic financial services, to facilitate implementation of our market segmentation strategy and strengthen our competitive position in electronic payment transfers.

We offer international banking services through our branch in Miami, our representative offices in Lima, São Paulo, Mexico City, Bogotá and Shanghai, and a worldwide network of correspondent banks. As part of our international expansion strategy, in October 2015 we acquired 100% of BCI Financial Group, Inc., formerly known as CM Florida Holdings, Inc., a registered U.S. bank holding company that owns 99.9% of City National Bank of Florida, for a purchase price of US$947 million. Established in 1946 and headquartered in Miami, City National Bank of Florida is a local commercial bank focused on mid-sized (middle market) and small companies, real estate business and high net worth and affluent clients, particularly professionals and company owners. City National Bank of Florida offers a range of financial products, including real estate, commercial and consumer banking, to approximately 62,487 clients. With 31 branches and 957 employees located in four counties in Florida, City National Bank of Florida has historically emphasized a target market segment of small to medium-sized companies. See "City National Bank of Florida."

In June 2018, our subsidiary City National Bank of Florida acquired (and absorbed by way of merger) TotalBank, an integrated retail-commercial bank in South Florida, which offered a comprehensive range of traditional banking products and services for businesses and individuals. TotalBank (a Florida-chartered state non-member bank supervised by the FDIC) focused on relationship-driven business model organized in several business segments including Banking Centers, Corporate Lending and International Personal Banking. As of December 31, 2021, City National Bank of Florida's total assets grew by US$3.4 billion, or 18.4%, compared to December 31, 2020, reaching US$21.9 billion. Most of this growth was primarily due to the consolidation of TotalBank's assets and continues to come from loans and leases. The TotalBank acquisition positioned City National Bank of Florida as the third largest Florida-based bank based on in terms of term deposits, according to the FDIC.

In December 2018, we acquired Walmart Chile Servicios Financieros, which became our fifth reporting segment. This reporting segment includes the results of operations of four entities forming Walmart Chile Servicios Financieros. These four entities that constituted the financial services division of Walmart Chile provide financing for its customers with the Líder MasterCard and Presto credit cards, along with other products. The Servicios Financieros reporting segment operates as an independent unit under the supervision of our senior management in Chile. Servicios Financieros, the name under which the four entities operate, continues to market the financial products and services offered before by Walmart Chile, which include the issue and operation of Líder Bci MasterCard, along with the origination of cash advances, super cash advances and personal insurance, among others. This business is undertaken as a ten-year commercial cooperation agreement between Bci and Walmart, a leading global company in the retail sector. We believe Servicios Financieros enables Bci to bolster its position among the credit card market leaders, enhance the development of products and services and generate value with the complementary capacities of two partners that are leaders in their respective industries. This acquisition is part of our strategy to continuously seek growth opportunities in Chile and abroad and consistent with our goal of becoming a major player in the credit card industry in Chile. This acquisition helped us grow our credit card market share 1.7 times as of December 2018, compared to the 7.9% as of November, right before the acquisition (both figures exclude City National Bank of Florida and Executive National Bank), as Servicios Financieros allows us to reach approximately 1.5 million credit card customers through digital channels.

In October 2020, City National Bank acquired 100% of the outstanding shares of Executive National Bank, a Florida commercial bank, for approximately US$62 million. The primary objective of the purchase was to increase the Bank's market share in its core market and achieve synergies through the operating expenses of the combined operations.

We intend to venture into the Peruvian market with a new subsidiary: Bci Peru S.A. With an initial capital of US$60 million, we expect this subsidiary to operate in Peru focusing on corporate clients and large companies for Peruvian and Chilean customers. We have been present in Peru for 20 years through a representative office. This operation will allow Bci to offer a three-country platform - along with Chile and the United States - that will act as a single bank in the region. We have already obtained most of the required authorizations from Chilean and Peruvian regulators, including most recently from the SBS, and our executive team, and we expect to begin operations during the second quarter of 2022.

On December 31, 2021, shareholders related to the Yarur family held 63.55% of our issued and outstanding shares. Such shareholders are parties to a shareholders' agreement dated December 30, 1994, last amended as of March 10, 2020, pursuant to which they agree to vote their shares as a group. In addition, they reiterated their intention to preserve the principles upon which the management of the institution has been based.

Bci's subsidiary group includes BCI Financial Group, Inc. BCI Asesoría Financiera S.A., BCI Asset Management Administradora General de Fondos S.A., BCI Corredor de Bolsa S.A., BCI Corredores de Seguros S.A., BCI Factoring S.A., BCI Securitizadora S.A., BCI Securities Inc., BCI Corredores de Bolsa de Productos S.A, Servicio de Normalización y Cobranza Normaliza S.A. and the five entities that comprise Servicios Financieros (as defined in this Prospectus). The following table represents the entities over which the Bank exercises control and therefore are included in the consolidation:

	Participation			
	Direct		**Indirect**	
	2021	**2020**	**2021**	**2020**
	%	%	%	%
Análisis y Servicios S.A.	—	99.00	—	1.00
BCI Asset Management Administradora General de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Credito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group, Inc. and Subsidiaries	100.00	100.00	-	-
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada.	-	99,99	-	-
Servicios Financieros y Administración de Créditos Comerciales S.A.	99.98	99.98	0.02	0.02
Administradora de Tarjetas Servicios Financieros Limitada.	99.99	99.99	0.01	0.01
SSFF Corredores de Seguros y Gestión Financiera Limitada.	99.00	99.00	1.00	1.00
Servicios y Cobranzas SEYCO Limitada.	99.00	99.00	1.00	1.00
Bci Peru S.A.	99,99	-	-	-

On December 31, 2021 we had total shareholder's equity of Ch$4,501,476 million and for the year ended December 31, 2021, we had consolidated net income of Ch$520,545 million.

On December 31, 2021, we had a regulatory capital ratio of 13.5% (including Tier 1 and Tier 2 capital), computed in accordance with guidelines of the CMF.

We are registered and headquartered in Santiago, Chile and had 11,588 employees worldwide as of December 31, 2021. We are a public company in Chile whose common shares are listed on the Santiago Stock Exchange (*Bolsa de Comercio de Santiago*).

Corporate Strategy

Our ultimate goals are to be the best bank for our national and international stakeholders, increase the impact of our operations on social, environmental and economic aspects, and become our customers' overall "Brand of choice." We intend to pursue these goals through the following strategic pillars:

- ***Our commitment to develop a personalized customer experience through digital innovation and responsibility in the use of data.*** We believe that we differentiate ourselves from our competitors because of our customer-driven, rather than product-driven, focus, combined with a world class customer experience. We value loyal customers that are a source of stable, recurring revenues, and we seek to establish long-term relationships by providing all the banking and financial products that the law allows us, and adapted to our customers' specific needs, coupled with high-quality service. We seek to further enhance our customers' experience by (i) focusing on and investing in digital innovation and a responsible data-driven decision-making, particularly in our retail and SMEs operating segments, using new technologies and data-analytics (such as software for credit scoring and fraud detection) to achieve better insights and expand the digitalization of our customers' multi-channel experience that we strive to make as seamless as possible, (ii) combining our diversified, full service model with our capacity to adapt to customer needs and our local and international experience, to provide superior service and deepen our relationship with our corporate and investment banking clients, (iii) expanding our client coverage and enhancing our payments and cash management services through state-of-the-art technology by offering new services, (iv) implementing our strong commitment to mobile banking, focusing on the development of mobile services to improve our customer experience, and (v) responding to the evolving needs of our customers. In addition, we believe that our focus on digital innovation will also continue to help us improve our operating efficiency. Examples of our pioneering efforts in digital innovation include our online checking accounts, our 100% digital approval process for mortgage loans for new properties (the first bank in Chile to offer such service), and our person-to-person payments "MACH" mobile app, with 3.3 million accounts, which provides seamless payments in less than 15 seconds, as well as more than 2 million MACH prepaid cards. See "—Our Digital Transformation Plan."

  2021 was a year of digital transformation and adaptation, which enhanced the omnichannel experience due to the development of new capabilities and the growth of those that were already enabled, such as the implementation of work-from-hme measures in the context of the COVID-19 pandemic. For example, the increase in our app downloads, which reached 672,289 users as of March 2022, being this a growth of 30% from 2019, the launch of new app functionality (e.g., for the sale/origination of consumer loans and invoice payment), and the implementation of our new private website, which is more user-friendly and offers new functionalities.

  The different initiatives in the digital world and remote channels achieved promising figures as of December 2021. More than 69% of product sales and more than 90% of service requests were made through remote channels for our Retail segment. Our payment products (credit and debit cards) grew significantly as a result of the increase in digital transactions, which amounted to 46.2 million in 2021 compared to 46.2 million in 2021. Additionally, we reduced our expenses related to operational risks by 75% from Ch$2,787 million in 2020, as a result of our operational and fraud prevention improvements.

- ***Pursuing sustainable growth and profitability while maintaining our focus on conservative risk and capital management***. We intend to continue pursuing growth and profitability by (i) expanding penetration of our market segments and increasing cross-selling of our products and services with a particular focus on customer-targeted offerings, (ii) continuing to strengthen our capital position to support a sustainable growth, with the goal of achieving and maintaining a tier 1 capital ratio of at least 10%, (iii) seeking to optimize our technology infrastructure to reduce costs and create value for our customers through simpler and more flexible processes and develop greater in-source capabilities, and (iv) developing traditional and non-traditional analytics for an adequate, precise and responsible evaluation of the credit risk of current and new clients. Furthermore, we intend to pursue growth and profitability while maintaining our focus on conservative and holistic view of credit, operational, financial and reputational risk management. We have a dedicated risk management team that focuses on monitoring risks across all areas of our business, and we have implemented an algorithmic model to monitor and manage our exposure to market risk. In 2021, Bci carried out an exhaustive Capital Self-assessment Process (PAC) with the objective of identifying, measuring and determining the levels of internal and regulatory capital necessary to cover material corporate risks for ourselves and our subsidiaries for the short and medium term. Our strategic plan is the basis for defining the internal capital objective, which helps us (i) monitor the capital adequacy index and its projection, (ii) define capital limits within the framework of risk tolerance, and (iii) evaluate the adequacy of our capital in the stress exercises. Once the minimum regulatory requirements are satisfied, the we review and assess our relevant risks and estimate the equity safeguards necessary to cover all our material risks and maintain adequate buffers to face fluctuations in the value of the balance exposures and the respective capital effect. We also define the inherent risk profile for ourselves and our subsidiaries, controlling environmental risk events and likely impacts. As part of our future planning, hybrid capital instruments, such as AT1 instruments, are included in our internal capital objectives, and we revaluate the levels of core capital and T2 capital, according to the results of the quantification of material risks addressed in Pillar II.

- ***Pursuing our international strategy.*** We expect to continue to evaluate and selectively pursue growth opportunities outside Chile that complement our existing operations. This strategy is focused on (i) generating new sources of revenue, (ii) geographic diversification allowing us to diversify risk as well as providing existing clients with regional solutions and access to new markets, and (iii) enhancing our pre-existing regional platform. After acquiring TotalBank in 2018 and Executive National Bank in 2020 through our subsidiary City National Bank of Florida, we now have approximately 27% of our assets outside of Chile and are among the 100 largest commercial banks in the United States, a country whose industry is made up of more than 4,300 commercial banks. We expect CNB to continue consolidating in order to become the largest Florida-based bank. We believe that the Florida market offers attractive prospects for growth outside of Chile as it is the fourth largest state in the United States in terms of GDP (according to the U.S. Bureau of Economic Activity) and financial assets (deposits) (according to the FDIC), as well as the third largest in terms of population, according to the U.S. Census Bureau. We believe that the state of Florida has favorable demographics with strong population and personal income growth. In addition, it has an attractive and fragmented banking system, which we believe offers organic and inorganic growth opportunities. Florida has a deep-rooted cultural and economic connection with Latin America, as evidenced by the high levels of trade and investment flow to and from the region.

  We have benefited from City National Bank of Florida's established banking platform to drive growth in this strategic market and to continue its focus primarily on its core segments, which include mid-sized (middle market) and small companies, real estate business and high net worth individuals, by offering a wide range of credit and non-credit products and services to our corporate and retail customers. In addition, we have integrated non-banking financial products, such as factoring, financial leasing, insurance brokerage, securitization, investment funds management and securities brokerage services, to maximize the value represented by our branch network and other distribution channels.

  Additionally, in 2019 we established a subsidiary in Peru after having had a representation office in that country for more than 20 years, and we intend to establish a new subsidiary that will be focused on the commercial and corporate segments of the Peruvian market, serving both Peruvian companies and Chilean corporate groups operating in Peru. We have already obtained most of the required authorizations from Chilean and Peruvian regulators, including most recently from the SBS, and our executive team, and we expect to begin operations during the second quarter of 2022.

- ***Culture that seeks to promote and enhance leadership, collaboration and innovation.*** We seek to promote a culture of leadership and collaboration through a set of best practices with a particular focus on our customers and disciplined execution. In addition, we focus on creating an environment that fosters innovation over marginal improvement through our award-based innovation framework. In 2020 and 2021, we obtained the Most Innovative Companies (Financial Sector) award given by ESE business school. Furthermore, because we believe that employee talent, motivation and satisfaction are key to our business and success, we strive to attract the best talent, promote their embrace of our core cultural values and keep our high employee satisfaction levels. We were also recognized as one of the best employers for young professionals by Employers for Youth and are recognized as one of the top 10 companies in Chile for young professionals in technology industries. We intend to continue to concentrate on the development of talented and motivated employees who are committed to our mission and institutional values of leadership, collaboration and innovation.

- ***Commitment to progress and impact on ESG strategy.*** We have a strong commitment with the communities in which we operate. This stems from our corporate motto "We dare to make a difference," which inspires us to promote a more inclusive and equitable society, through accessible financial solutions, responsible investments, and transparency. We are committed to accompanying our clients in their transition towards a more sustainable future and generating social and environmental impact from our core business in order to increase and sustain profitability.

  In 2020, we designed and set our own ESG strategy and sustainability index, which measures our key results and the impact of our commercial and non-commercial activities. In 2021, (i) our MSCI ESG rating improved from BBB to A, (ii) we became the first bank in Chile to adhere to the Task Force on Climate-Related Financial Disclosures, (iii) we were included in the Dow Jones Sustainability Index for the MILA and Chile categories for the fourth and sixth consecutive years, respectively, (iv) we remained ranked first in Corporate Governance by MERCO's local corporate reputation ranking for the seventh consecutive year, and (v) we remained among the top 3 entities in the Great Place To Work local ranking for the fifth consecutive year. In 2022, we were the first Chilean bank to issue a public green bond in the foreign capital markets.

Our Segments

We offer a wide range of credit and non-credit products and services to our corporate and retail customers. In addition, we have integrated non-banking financial products, such as factoring, financial leasing, insurance brokerage, securitization, investment funds management and securities brokerage services, to maximize the value represented by our branch network and other distribution channels.

The following chart sets forth our principal reporting segments:

In accordance with IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria specified in the standard. Thus, a reporting segment comprises clients to whom differentiated products are addressed, which are homogeneous and whose performance is measured in a similar way, thus part of the same reporting segment. Segment reporting is presented by the Bank based on a defined business structure, which is focused on optimizing assistance to clients with products and service, according to relevant commercial characteristics.

The Retail Banking Segment is designed to provide financial services to natural persons. The SME Bank segment is addressed to companies that register sales of up to UF80,000 per year. The Wholesale Banking segment is addressed to all companies with sales of more than UF80,000 per year. The Corporate and Investment Banking Finance Division segment includes brokerage of financial positions and portfolio management services. It is also addressed to high net worth clients and investors who are provided high-value financial services, including private banking. The BCI Financial Group segment corresponds to the business and operations carried out in the United States through City National Bank of Florida. It operates as an independent unit and is supervised by our senior management in Chile. The Financial Services segment is addressed to businesses which operations include BCI Leader Mastercard and Presto credit cards, and the origination of advances and personal insurance brokerage. It operates as an independent unit and is supervised by our senior management in Chile. The references to "Other" segments in this Prospectus include those expenses and/or income that by their nature are not directly identifiable within the reportable segments and therefore are not assigned.

As of June 2021, the private banking unit was relocated from Wholesale Banking to Corporate and Investment Banking Finance Division segment in order to promote investment opportunities. The segment data as of and for the year ended December 31, 2020 in the audited consolidated financial statements as of and for the years ended December 31, 2020 and 2021 included in this Prospectus has been recast for this segment change. However, the segment data in the audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020 included in this Prospectus has not been recast for this segment change.

Retail Banking Segment

This segment includes individuals and certain entities as described below. As of December 31, 2021, we had approximately 613,201 checking account customers in our Individuals, Preferential, and Nova banking operating segment.

At and for the year ended December 31, 2021, loans in this operating segment represented 17.9% of our total asset, and our Retail banking segment accounted for 32.9% of our consolidated net interest income and 48.9% of our consolidated fee income.

At December 31, 2021, the risk index calculated as allowances for loan losses as a percentage of our total loans to retail banking customers was 1.8%.

The following table sets forth, as of each of the dates indicated, the number of accounts in our Retail banking segment:

	As of December 31,		
	2019	2020	2021
Checking accounts	580,120	584,757	613,201

We offer our retail banking customers a broad range of products and services, including consumer loans credit cards, auto loans, commercial loans, residential mortgage loans, checking accounts, savings products, broker-dealer services, mutual funds and insurance brokerage.

We divide our retail banking operating segment into the following operating segments:

Individuals and Preferential

We have historically targeted the middle-income segment of the Chilean population, which has been rapidly growing both in terms of size and purchasing power. The individual banking line of business includes those middle-income individuals who have monthly income between Ch$450,000 (approximately US$550) and Ch$3 million (approximately US$3,700) and upper-income individuals who have monthly income higher than Ch$3 million. As of December 31, 2021, we had 79.8% of our outstanding retail/individual banking loans classified as loans to "classic" or middle-income individuals, representing 57.9% of our individual total loans as of such date. As of the same date, around 22.0% of our outstanding retail individual banking loans were classified as loans to "preferential" or upper-income individuals.

SME Bank Segment

This operating segment includes entrepreneurs and entities with sales up to UF80,000. As of December 31, 2021, we had approximately 80,974 checking account customers in our small and medium enterprises operating segment. As of and for the year ended December 31, 2021, assets in this operating segment represented approximately 4.3% of our total assets, and our customers accounted for 11.5% of our consolidated net interest income and 10.9% of our consolidated fee income. As of December 31, 2021, the risk index for our loans to small and medium-sized enterprises customers was 2.28%.

Microenterprises

This line of business includes businesses with annual net sales up to UF2,400 (approximately Ch$74.38 million or US$88,056) and we offer our products and services to both the small businesses and their owners individually. This segment represents approximately 0.5% of our outstanding loans in our Small and Medium Enterprises operating segment. This segment only includes currents and saving accounts.

Entrepreneurs

This line of business includes businesses with annual net sales between UF2,400 (approximately Ch$74.38 million or US$88,056) and UF12,000 (approximately Ch$372 million or US$440,281), and we offer our products and services to both the small businesses and their owners individually. This segment represents approximately 52% of our outstanding loans in our Small and Medium Enterprises operating segment.

Enterprises

This line of business includes businesses with annual net sales between UF12,000 (approximately Ch$372 million or US$440,281) and UF80,000 (approximately Ch$2,479 million or US$2.94 million), and we offer our products and services to both the small businesses and their owners individually. This segment represents approximately 47% of our outstanding loans in our Small and Medium Enterprises operating segment.

We have two programs specifically designed for customers in the small businesses line of business, whose characteristics are unique in the Chilean market: (i) the "Nace" program, which is designed for assisting and supporting entrepreneurial projects from a financing and business perspective, with no maximum limit in funding and an exposure limited to Ch$50 million per customer; and (ii) the "Renace" program, tailored to provide financing and business support to entrepreneurs who need a second chance after experiencing failures with prior entrepreneurial projects, consists of a Ch$10,000 million fund, with no maximum limit of exposure per customer.

Products

We offer the following products and services, among others, to our retail and small and medium enterprise customers:

- *Checking Accounts and Other Deposit Products.* We offer checking accounts denominated in Chilean pesos and U.S. dollars. In Chile, checking accounts have been historically non-interest bearing accounts and therefore have provided us with an important source of low-cost funding. Since June 1, 2002 the Central Bank of Chile has allowed banks to pay interest on checking accounts and currently there are no applicable restrictions on the interest paid on checking accounts. However, we currently pay interest on only a small portion of our checking accounts.

- We offer our customers interest bearing deposits, including term deposits and savings accounts. Term deposits are offered in Chilean pesos, UF and U.S. dollars, bear interest at a fixed rate and have terms of seven to 360 days. Savings accounts are generally denominated in UF and bear interest at a fixed rate.

- *Mortgage Loans.* As of December 31, 2021, we had outstanding mortgage loans of Ch$10,762,624 million, representing 26.3% of our total loans at such date. Our residential mortgage loans are denominated in UF, bear interest at a fixed rate (which is at a fixed spread above the mortgage finance bonds referred to below) and have maturities between 5 and 30 years. By the end of 2021, 30 year maturity mortgage loans were restricted and the maximum given maturity is 25 years.

- As of December 31, 2021, the average life of our residential mortgage loans was approximately 16 years, reflecting an expansion of available maturities in recent years in the Chilean market. Although from time to time we use other sources of financing to fund our residential mortgage loans, we generally fund these loans through the issuance of mortgage finance bonds, which are recourse obligations with payment terms generally matched to the related mortgage loans and bearing interest at a rate below such loans.

- *Consumer Loans.* As of December 31, 2021, we had outstanding consumer loans, lines of credit outstanding (including overdraft lines) of Ch$3,430,998 million, representing 8.4% of our consolidated loans at such date, around 117 basis points below 2020 as a consequence of the pandemic and higher liquidity in the market as a result of the government support programs and pension funds withdrawals. Lines of credit are generally provided on a revolving basis up to an approved credit limit. Consumer loans are generally repayable in installments over terms of up to 36 months. Consumer loans include loans for purchases of automobiles, home furnishings and other durable consumer items. For such items (particularly automobiles), we generally obtain a lien on the purchased item to securer payment.

- *Credit Cards.* As December 31, 2021, we had Ch$1,358,813, credit cards outstanding under our logo according to the CMF, which includes Servicios Financieros and City National Bank of Florida. As of December 31, 2021, this represented 3.3% of our total loans at such date. We have non-exclusive agreements with Visa International Inc. and MasterCard Inc. under which we issue Visa and MasterCard credit cards under the Bci brand. We earn interest revenue on outstanding credit card balances, transaction commissions from merchants, late fees on overdue payments and annual fees from cardholders. Interest on credit card balances is charged at variable nominal rates which for the year ended December 31, 2020 averaged approximately 13.52% annual, calculated as interest over average loans.

- *Other Products.* In addition, we market mutual funds, insurance products and other financial services offered through subsidiaries. See "—Non-Banking Financial Services."

Wholesale Banking Segment

This segment includes companies with annual sales exceeding UF80,000 and the following operating units: Real Estate and Entities, which comprises large companies and real estate companies; Wholesale Banks; and Corporate Bank and Institutional Clients. As of and for the year ended December 31, 2021, assets in the wholesale banking reporting segment represented approximately 15.0% of our total assets and our commercial banking customers accounted for 26.0% of our consolidated net interest revenue and 21.9% of our consolidated fee income.

As of December 31, 2021, the risk index, calculated as our allowances for loan losses as a percentage of our total loans, for our loans to commercial banking customers was 2.0%.

We offer our corporate customers a broad menu of banking products and services, including short- and long-term commercial loans, state-guaranteed loans, working capital financing, lines of credit, foreign trade financing, mortgage loans, savings accounts, time-deposits and checking accounts in domestic and foreign currency, and transactional banking (cash management including electronic payroll payment and payment services for accounts payable). In addition, we cross-sell to them our non-banking financial products and services, such as broker-dealer services, insurance, factoring, fund and asset management, and financial advisory services.

Corporate and Investment Banking Finance Division Segment

This segment includes our investment portfolio and our wealth management unit, which is addressed to high net worth investors with financial needs of high value added financial services, including private banking. For the year ended December 31, 2021, our corporate and investment banking financial division segment accounted for 5.4% of our net operating income. This segment covers our money market, investments and trading. Our activities are subject to guidelines set out by our board of directors, the Central Bank of Chile and the CMF. We enter into transactions involving fixed-income instruments and related repurchase agreements, foreign currencies (in the spot and forward markets), negotiable mortgage instruments, derivative financial agreements and other securities traded in secondary markets.

BCI Financial Group, Inc. and Subsidiaries Segment

As part of our international expansion strategy, in October 2015 we acquired 100% of BCI Financial Group, Inc., formerly known as CM Florida Holdings, Inc., a U.S. bank holding company which owns 99.9% of City National Bank of Florida, for a purchase price of US$947 million. Established in 1946 and headquartered in Miami, Florida, City National Bank of Florida is a local commercial bank focused on mid-sized (middle market) and small companies, real estate business and high net worth and affluent clients, particularly professionals and company owners. City National Bank of Florida offers financial products, including real estate, commercial and consumer banking, to around 62,487 clients through 31 banking centers strategically located in four counties in Florida. City National Bank of Florida had approximately 957 employees and more than US$21.9 billion in assets by the end of 2021, becoming one of the largest financial institutions based in the state of Florida.

As of December 31, 2021, we generated loans under this segment in an amount of US$6.2 billion, including loans under our paycheck protection program in an amount of US$790 million. The loans we generated are diversified. The 41%, 21% and 19% of these loans are considered Commercial Real Estate loans, with commercial and industrial loans, and mortgage loans, respectively. As of December 31, 2021, client deposits increased by US$3.5 billion year-over- year, while the cost of customer deposits decreased by 35 basis points year to date as a result of the decrease in customer deposit rates. A significant amount of the deposit growth was deployed to the investment portfolio, which amounted to US$6.1 billion as of December 31, 2021. Net income totaled US$243 million as of December 31, 2021, representing a US$117 million increase year-over-year. Additionally, CNB continues to have a strong capital base with a leverage ratio of 9.70% and a Total Risk Based Capital ratio of 15.12%. Regarding asset quality, the NPL ratio declined from 1.11% in 2020 to 0.45% as of December 31, 2021.

Through City National Bank of Florida, we expect to continue increasing our international revenues based on combining our experience and capabilities in Chile with an established and scalable banking platform that is managed by an experienced management team in the strategic Florida market, where we have operated an international branch for over 18 years. However, we cannot assure you that we will be able to realize all of the anticipated benefits that we seek.

Financial Services Segment

On December 5, 2018 the former SBIF approved our acquisition of the five entities forming Walmart Chile Servicios Financieros, the financial services division of Walmart Chile, which provides financing for its customers with the Líder MasterCard and Presto credit cards, along with other products. The Financial Services reporting segment operates as an independent unit under the supervision of our senior management in Chile.

On January 26, 2021, the CMF authorized the merger of Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada with and into Servicios Financieros y Administración, with Servicios Financieros y Administración being the surviving entity. On January 31, 2021, the merger was finalized. The purpose of the merger was to improve the profitability of the assets and liabilities of Servicios Financieros y Administración and Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada, and to facilitate the supervision and control of, and simplify, our credit card business.

Servicios Financieros, the name under which the four entities operate, continues to market the financial products and services offered before by Walmart Chile, which include the issue and operation of the new Líder Bci MasterCard, along with the origination of cash advances, super cash advances and personal insurance, among others. This business is undertaken as a ten-year commercial cooperation agreement between Bci and Walmart, a leading global company in the retail sector. Such agreement aims to assure the collaboration of both companies with the goal of providing the best benefits and conditions for customers.

The four entities that comprise Servicios Financieros are Servicios Financieros y Administración de Créditos Comerciales S.A. (f/k/a Servicios y Administración de Créditos Comerciales Lider S.A.); Administradora de Tarjetas Servicios Financieros Limitada (f/k/a Operadora de Tarjetas Lider Servicios Financieros Limitada); SSFF Corredores de Seguros y Gestión Financiera LTDA (f/k/a Lider Corredores de Seguros y Gestión Financiera Limitada); and Servicios y Cobranzas SEYCO LTDA (f/k/a Servicios y Cobranzas Limitada).

Such entities have different roles in the business. Servicios Financieros y Administración de Creditos Comerciales Líder S.A. issues credit cards, grants loans to the customers, and advertises the financial products of *Servicios Financieros*. Administradora de Tarjetas Servicios Financieros Limitada supports the credit card operations of the business. Servicios y Cobranzas SEYCO LTDA collects on the overdue loans and credit cards. Finally, SSFF Corredores de Seguros y Gestión Financiera LTDA brokers insurance.

In December 2021, Servicios Financieros completed its third year of operation as our subsidiary. As of December 31, 2021, its portfolio and customer growth increased to 3.32% year-over-year, with more than 1 million credit cards issued. The ratio of past due loans to total loans ended the year close to 2.2%. The improvements of risk were to a large extent the result of effective communications to clients focused on reinforcing the diversity of payment channels and means available to pay invoices or collecting recovery of loans previously written off.

Others

"Others" includes those expenses and/or income that by their nature are not directly identifiable within the reportable segments and therefore are not assigned.

Distribution Channels and Electronic Banking

Chile

Our distribution network provides integrated financial services and products to our customers through a wide range of channels. This network includes ATMs, branches, on-line banking and phone-banking devices. Our 1,080 ATMs (which as of December 2021 represented 14.2% of the ATM network in Chile, according to the CMF, versus 14.3% same month in 2020) allow our customers to conduct self-service banking transactions during banking and non-banking hours.

As of December 31, 2021, we had a network of points of contact throughout Chile, which serve as a distribution network for all of the products and services we offer to our customers. Our 223 full-service branches accept deposits, disburse cash, offer the full range of our retail banking products such as consumer loans, automobile financing, credit cards, mortgage loans and checking accounts and provide information to current and potential customers.

We offer electronic banking services to our commercial customers 24 hours a day through our internet website, which have homepages that are segmented by market. Our corporate homepage offers services including our office banking service which enables our corporate customers to perform most of their banking transactions from their offices. Our retail website offers a broad range of services, including the payment of bills, electronic fund transfers, stop payment and non-charge orders, as well as a wide variety of account inquiries. Both websites offer our customers the sale of third-party products with exclusive benefits. We also have a website designed for our investor customers through which they can perform transactions such as stock trading, time deposit taking and opening savings accounts.

Our foreign trade customers can rely on our international business website which enables them to inquire about the status of their foreign trade transactions and perform transactions such as opening letters of credit, recording import collection and hedging on instructions and letters of credit.

In 2021, 90% of our operations were made through digital channels, with the Retail banking segment accounting for 70% share of digital sales.

International

We have historically maintained a network of international banking relationships, including alliances and commercial relationships with more than 700 correspondent banks in North America, Europe, Asia and South America, a foreign branch and several representation offices in strategic cities abroad. We have formalized commercial alliances with several banks, including Wells Fargo (USA), Intesa Sanpaolo (Italy), Banco de Crédito del Peru (Peru), Bicsa (Costa Rica), MUFG (Japan) and Export Import Bank of China (China). We have representative offices in Lima, Sao Paulo, Mexico City, Bogota and Shanghai.

Our international relationships provide an additional source of interbank funding and offer opportunities for short-term loans. More importantly, our international network facilitates the offer of products and services to our clients pursuing cross-border business activities. These products include foreign trade financing, letters of credit and foreign exchange transactions.

Our Miami branch was established in 1999 and offers a range of general banking products and services in the United States to our clients. As of December 31, 2021, our Miami branch had total assets of US$5,650 million, including a gross loan portfolio of US$2,376 million, representing the net loan portfolio a 41.6% of our total assets at such date. The Miami branch's loan portfolio consists mainly of working capital loans, trade financing loans, personal loans, syndicated loans, and discounted acceptances. Additionally, the branch has off-balance contingent loans (letters of credit, stand-by letters of credit and commitments to extend credits) of US$621 million. In December 31, 2021, our Miami branch had a net profit of US$25.6 million.

Investments in bonds and foreign securities by our Miami branch aggregated US$699 million at December 31, 2021, most of which consisted of Chilean government debt securities. As of December 31, 2021, our Miami branch had US$24.9 million in allowances for loan losses. Although our Miami branch manages its assets and liabilities locally, it follows the same credit processes that we follow in Santiago, and all credit decisions are made in conjunction with members of the credit committees in Santiago.

Funding sources for our Miami branch include demand deposit accounts, money market accounts and other deposits of US$873 million, term deposits of US$2,392 million, borrowings of US$747 million, and related party liabilities of US$1,385 million. Following the outbreak of social unrest in Chile in the second half of 2019, many of our Chile-based customers have migrated their accounts to our Miami branch.

The following table sets forth, as of December 31, 2021, the composition of our portfolio of loans originated through our Miami branch:

	As of December 31, 2021
	(in US$)
Foreign trade loans	466,394,818
Commercial loans	1,225,304,909
Loans and receivables to banks	681,844,309
Individual loans	2,928,000
Contingent loans	621,346,000
Past due loans	-
Total loans & Contingencies	**2,997,818,036**

The following table sets forth, as of December 31, 2021, the sources of funding for our Miami branch:

	As of December 31, 2021	
	(in US$, except for percentages)	
Current accounts & other demand deposits	872,822,190	16%
Certificates of deposits and time deposits	2,392,215,306	44%
Foreign borrowings	746,695,783	14%
Related Party Liabilities	1,385,309,163	26%
Total	**5,397,042,442**	**100.00%**

Our Digital Transformation Plan

We collaborate closely with leaders in global technology like Google and Microsoft, and are regularly advised by consulting firms, including the Boston Consulting Group and McKinsey, to attain major scale and speed of execution and innovation. Regarding technological architecture, we have made progress in terms of optimization through the development of application programming interfaces (APIs) and microservices architecture to support our new business model, which we believe will help us adapt to the upcoming open banking system and financial environment with consolidated information about loan and financial obligations.

In Chile, we were the first bank to offer a fully digitized mortgage loan application, in partnership with real estate companies and real estate listing websites. As a result, in the retail banking for 2021, 54% of the consumer loans, 79% of the commercial loans and 97% of time deposits transactions are now carried out through digital channels

In addition, the new Bci mobile application is used by 70% of our checking account customers. Data analytics and artificial intelligence have allowed the development of "My Finance," a dedicated tab in our mobile and website application allowing users to visualize their income and expenses, as well as the projection of their cash flows. We have also pioneered in the market with our person-to-person payments MACH mobile app, with 3.3 million accounts, which provides seamless payments in less than 15 seconds, as well as more than 2 million MACH prepaid cards. In addition, we recently deployed MACH Junior, a digital platform that offers account to teenagers.

We have a joint venture with EVO Payments, a leading global provider of payment technology integration and acquirer solutions. This joint venture takes place in an environment where government authorities and market players are working together for Chile's national payment system to evolve from a single acquirer model to one with multiple acquirers with increased capabilities and competition. With this initiative, along with MACH, Google, Visa, Garmin Pay and Bci Servicios Financieros, our subsidiary through which we offer credit cards to Walmart clients in Chile, we aim to become a significant player in the acquisition and payment solutions market in Chile. Our strategy in this market is to create a system of digital and payments solution, with a unique loyalty program and a full enterprise solution, which would allow us to increase our operative income and the amount of our deposits, and decrease our funding cost.

Competition

Chile

The Chilean market for financial services is highly competitive. In the commercial banking segments, we face competition from larger Chilean banks in terms of assets, some of which have substantially greater resources, and major international banking institutions. Our principal private-sector competitors include Banco Santander-Chile, Banco de Chile, Itau-CorpBanca, and Scotiabank, as well as Banco del Estado de Chile, which is government owned. In addition, we are subject to competition in other segments of our business from market participants such as broker-dealers, insurance companies and other specialized providers of non-banking financial services, including department stores and larger supermarket chains. See "The Chilean Banking Industry—Competition."

We believe that the consolidation experienced in the Chilean banking system during the last 18 years is likely to continue and result in a further reduction in the number of private-sector banks currently active in Chile. See "Risk Factors—Increased competition and industry consolidation may adversely affect our results of operations" and "The Chilean Banking Industry" for a more extensive discussion of the competitive environment and comparative financial and operating information for the principal banking institutions.

United States

Our markets are highly competitive. Our markets contain not only a large number of community and regional banks, but also a significant presence of the country's largest commercial banks. We compete with other state, national and international financial institutions located in our market areas as well as savings associations, savings banks and credit unions for deposits and loans. In addition, we compete with financial intermediaries such as consumer finance companies, mortgage banking companies, insurance companies, securities firms, mutual funds and several government agencies as well as major retailers, all actively engaged in providing various types of loans and other financial services. Our largest banking competitors in the Florida market include Bank of America, JPMorgan Chase, Sabadell, SunTrust Banks, Bank United, Stonegate Bank, TD Bank and Wells Fargo among others.

Employees

As of December 31, 2021, we had 11,588 employees. For 2021, we invested approximately Ch$2,377 million in employee training for approximately 37 training hours per employee during the year and for 2022 we expect to maintain this level of investment. We also have a scholarship program that promotes the completion of basic and specialized studies. During the year ended December 31, 2021, we had a 1.1% monthly turnover rate. Our current employees have been with us for 8.6 years on average in Chile. As of December 31, 2021, 531 of our employees were affiliated with four unions. Bci has three collective bargaining agreements: (1) with National Union of Workers Banco de Crédito y Inversiones (North), which expired in August 2018 and is being reviewed by the Ministry of Labor, (2) with Telecanal, which is scheduled to expire in April 2022 and (3) with Union of Financial Services Corporation Bci (Santiago), which is scheduled to expire in November 2022.

Properties

Our headquarters are located in Chile in a building we own at El Golf 125, Las Condes, Santiago. As of December 31, 2021, we owned 61% of the locations on which our full-service branches were located and leased the remaining branch locations. Our branches are located in all fifteen of Chile's regions. In determining whether to expand into a new location, we conduct extensive analysis and market studies, prepare business plans and consult with existing clients in the proposed new location to determine the appropriateness of opening such branch. Although we believe that our existing physical facilities are adequate for our current needs, we regularly evaluate the profitability of each of our branches to make decisions concerning the expansion, relocation or closing of branches.

City National Bank of Florida's headquarters are located in Miami, Florida, with 31 branches located in four counties in Florida.

Legal Proceedings

We are a party to certain legal proceedings in Chile and the United States arising in the normal course of our business. We do not believe that these proceedings are likely to have a material adverse effect on our financial condition or results of operations.

Capital Stock

As of December 31, 2021, our paid-in capital is represented by 148,767,940 ordinary shares, fully paid and distributed. Our ordinary shares have no par value and full voting rights. There are no legal restrictions on the payment of dividends from our net income, except that we may pay only a single dividend per year (i.e., interim dividends are not permitted). Under the Chilean Corporations Law and regulations issued thereunder, Chilean public corporations are generally required to distribute at least 30% of their consolidated annual earnings as dividends, except to the extent they have accumulated losses. Previously, a bank was permitted to distribute less than such minimum amount in any given year with approval of the holders of at least two-thirds of the bank's outstanding stock. In 2006, however, this possibility was eliminated by law. Under the General Banking Law, a Chilean bank may pay dividends upon approval of its shareholders from (i) net earnings of previous fiscal years (i.e., interim dividends are not permitted), (ii) the reserve kept for that purpose or (iii) other funds permitted under Chilean law. Banks cannot pay dividends if part of their capital has been lost and such loss has not been recovered, additionally, banks cannot pay dividends from net earnings or reserves kept for that purpose, if as a consequence of such payment, the bank is in contravention of the financial ratios established under article 66 of the General Banking Law.

Selected Statistical Information

The following information presents our selected statistical information as of and for the years ended December 31, 2019, 2020 and 2021, in accordance with Chilean GAAP, and is included for analytical purposes. This information should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this Prospectus. The financial data in the following tables have been stated in nominal Chilean pesos.

Average Balance Sheets and Interest Rate Data

Average balances for interest earning assets, interest bearing liabilities, non-interest earning assets and non-interest bearing liabilities for the years ended December 31, 2019, 2020 and 2021 have been calculated on the basis of monthly balances of Bci and our subsidiaries and derived from our financial information presented under Chilean GAAP. Data computed using more frequent balances could be significantly different. In each case, such average balances are presented in Chilean pesos, UF and foreign currencies (principally U.S. dollars). The UF is a unit of account which is linked to, and which changes daily to reflect changes in, the Chilean consumer price index published by the Chilean National Institute of Statistics over the close of the previous month.

The nominal interest rate has been calculated by dividing the amount of interest and principal readjustment gain or loss during the period by the related average balance. The nominal rates calculated for each period have been converted into real rates using the following formulas:

$$Rp = \frac{1+Np}{1+I} - 1 \qquad\qquad Rd = \frac{(1+Nd)\,(1+D)}{1+I} - 1$$

Where:

Rp = real average rate for peso-denominated assets and liabilities (in Ch$ and UF) for the period;

Rd = real average rate for foreign currency-denominated assets and liabilities for the period;

Np = nominal average rate for peso-denominated assets and liabilities for the period;

Nd = nominal average rate for foreign currency-denominated assets and liabilities for the period;

D = devaluation rate of the Chilean peso to the dollar for the period; and

I = inflation rate in Chile for the period (based on the variation of the Chilean consumer price index).

The real interest rate can be negative for a portfolio of peso-denominated loans when the inflation rate for the period is higher than the average nominal rate of the loan portfolio for the same period. A similar effect could occur for a portfolio of foreign currency-denominated loans when the inflation rate for the period is higher than the sum of the devaluation rate for the period and the corresponding average nominal rate of the portfolio.

The formula for the average real rate for foreign currency-denominated assets and liabilities (Rd) reflects a gain or loss in purchasing power caused by the difference between the devaluation rate of the peso and the inflation rate in Chile during the period.

The following example illustrates the calculation of the real interest rate for a U.S. dollar-denominated asset earning a nominal annual interest rate of 10% (Nd = 0.10), assuming a 5% annual devaluation rate (D = 0.05) and a 12% annual inflation rate (I = 0.12):

$$Rd = \frac{(1+0.10)\,(1+0.05)}{1+0.12} - 1 = 3.125\% \text{ per year}$$

In the example, since the inflation rate was higher than the devaluation rate, the real rate is lower than the nominal rate in dollars. For example, if the annual devaluation rate were 15%, provided the rest of the numbers used in the example above remain the same, the real rate in Chilean pesos would be 12.9%, which is higher than the nominal rate in dollars. In the same example, if the annual inflation rate were greater than 15.5%, the real rate would be negative.

Average balances (assets or liabilities) do not include contingent loans, because they are off-balance sheet. The foreign exchange gains or losses on foreign currency-denominated assets and liabilities have not been included in interest income or expense. Similarly, interest on investments does not include trading gains or losses on these investments.

Loans that are not yet 90 days or more overdue, as well as restructured loans, have been included in each of the various categories of loans and therefore affect the various averages. Past due loans consist of loans for which either principal or interest are overdue for at least 90 days and which do not accrue interest and include, with respect to any loan, only the portion of principal and interest that is overdue for 90 or more days, and do not include the installments of such loan that are not overdue or that are overdue for less than 90 days, unless (i) any portion of the loan is overdue for 180 days or more, in which case the entire loan is considered past due, or (ii) legal proceedings have been commenced for the entire outstanding balance according to the terms of the loan, in which case the entire loan is considered past due within 90 days after initiation of such proceedings ("past due loans"). Once an overdue loan becomes overdue for 90 days or more, it does not continue to be considered "overdue" but is part of the "past due" porfolio. Interest and/or indexation readjustments received on all loans during the periods are included as interest income. Loans with respect to which we have certain evidence indicating that the borrower will not perform its payment obligations in accordance with the terms and conditions of the loan are presented as a different category of loans ("impaired loans"). See "Presentation of Financial and Other Information—Loans."

Included in interbank deposits are current accounts maintained in the Central Bank of Chile and overseas banks. Such assets have a distorting effect on the average interest rate earned on total interest earning assets because (i) balances maintained in the Central Bank of Chile only receive interest on the amounts which are legally required to be held for liquidity purposes, and (ii) balances maintained in overseas banks earn interest only for certain accounts in certain countries. Consequently, the average interest income on such assets is comparatively low. We maintain deposits in these accounts to comply with statutory requirements and to facilitate international business, rather than to earn income.

The following tables show, by currency of denomination, average balances and, where applicable, interest amounts earned and paid, and average nominal rates for our interest earning assets and interest bearing liabilities for the years ended December 31, 2019, 2020 and 2021. Except where otherwise specified, all amounts stated in this section are before deduction of allowance for loan losses. See "—Allocation of Allowance for Loan Losses."

	As of and for the year ended December 31,											
	2019				2020				2021			
INTEREST EARNING ASSETS	**Average balance**	**Interest income**	**Average nominal rate**	**Average real rate**	**Average balance**	**Interest income**	**Average nominal rate**	**Average real rate**	**Average balance**	**Interest income**	**Average nominal rate**	**Average real rate**
	(in millions of Ch$, except for rate data)											
Commercial loans												
Commercial loans												
Ch$	4,964,577	280,109	5.6%	2.6%	6,456,494	278,513	4.3%	1.3%	6,852,313	270,727	4.0%	(3.0)%
UF	3,766,639	207,965	5.5%	2.4%	4,137,946	213,152	5.2%	2.1%	4,282,987	377,329	8.8%	1.5%
Foreign currency	1,958,826	104,910	5.4%	10.2%	2,455,036	89,396	3.6%	(4.3)%	1,978,847	66,132	3.3%	14.5%
CNB commercial loans	5,634,689	306,041	5.4%	2.4%	7,241,822	331,508	4.6%	1.5%	7,637,636	344,340	4.5%	(2.5)%
Total	**16,324,731**	**899,025**	**5.5%**	**3.4%**	**20,291,298**	**912,569**	**4.5%**	**0.9%**	**20.751.783**	**1,058,528**	**5.1%**	**(0.2)%**
Foreign trade loans												
Ch$	37,932	2,031	5.4%	2.3%	52,512	2,023	3.9%	0.8%	32,819	1,033	3.1%	(3.8)%
UF	–	–	0.0%	0.0%	-	-	-	-	-	-	-	-
Foreign currency	912,083	39,083	4.3%	9.1%	1,049,356	39,208	3.7%	(4.3)%	888,347	24,119	2.7%	13.8%
Total	**950,015**	**41,114**	**4.3%**	**8.8%**	**1,101,868**	**41,231**	**3.7%**	**(4.0)%**	**921,166**	**25,152**	**2.7%**	**13.2%**
Checking accounts												
Ch$	187,606	31,649	16.9%	13.5%	164,651	20,759	12.6%	9.3%	125,921	16,798	13.3%	5.7%
UF	-	-	0.0%	0.0%		-	-	-		-	-	-
Foreign currency	-	-	0.0%	0.0%	1,619	-	-	-	11,387	-	-	-
Total	**187,606**	**31,649**	**16.9%**	**13.5%**	**166,270**	**20,759**	**12.5%**	**9.2%**	**137,308**	**16,798**	**12.2%**	**5.3%**
Loans to college students												
Ch$	5,791	538	9.3%	6.1%	4,868	437	9.0%	5.8%	3,374	184	5.5%	(1.6)%
UF	1,869	96	5.1%	2.1%	1,631	52	3.2%	0.2%	1,268	36	2.8%	(4.1)%
Foreign currency	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-
Total	**7,660**	**634**	**8.3%**	**5.1%**	**6,499**	**489**	**7.5%**	**4.4%**	**4,642**	**220**	**4.7%**	**(2.3)%**
Factoring operations												
Ch$	658,785	52,460	8.0%	4.8%	621,435	35,037	5.6%	2.6%	627,104	25,162	4.0%	(3.0)%
UF	35,819	3,360	9.4%	6.2%	23,084	(158)	(0.7)%	(3.6)%	17,931	5,132	28.6%	20.0%
Foreign currency	181,294	2,153	1.2%	5.9	178,855	1,016	0.6%	(7.2)%	226,156	1,472	0.7%	11.6%
Total	**875,898**	**57,973**	**6.6%**	**5.1%**	**823,374**	**35,895**	**4.4%**	**0.3%**			**3.6%**	**1.3%**

INTEREST EARNING ASSETS	2019 Average balance	2019 Interest income	2019 Average nominal rate	2019 Average real rate	2020 Average balance	2020 Interest income	2020 Average nominal rate	2020 Average real rate	2021 Average balance	2021 Interest income	2021 Average nominal rate	2021 Average real rate
	As of and for the year ended December 31, (in millions of Ch$, except for rate data)											
									871,191	**31,766**		
Leasing transactions												
Ch$	556,242	40,523	7.3%	4.2%	593,131	39,270	6.6%	3.5%	607,918	38,458	6.3%	(0.8)%
UF	532,286	37,674	7.1%	4.0%	513,433	34,438	6.7%	3.6%	468,129	48,263	10.3%	2.9%
Foreign currency	433,602	34,770	8.0%	13.0%	483,693	39,478	8.2%	(0.2)%	422,391	31,724	7.5%	19.2%
Total	**1,522,130**	**112,967**	**7.4%**	**6.6%**	**1,590,257**	**113,186**	**7.1%**	**2.4%**	**1,498,438**	**118,445**	**7.9%**	**6.0%**
Other loans and receivables												
Ch$	63,327	9,623	15.2%	11.8%	58,531	8,092	13.8%	10.5%	52,380	6,694	12.8%	5.2%
UF	153,690	12,706	8.3%	5.1%	142,946	11,972	8.4%	5.2%	136,477	15,554	11.4%	3.9%
Foreign currency	-	–	0.0%	0.0%	-	-	-	-	-	-	-	-
Total	**217,017**	**22,329**	**10.3%**	**7.1%**	**201,477**	**20,064**	**10.0%**	**6.8%**	**188,857**	**22,248**	**11.8%**	**4.3%**
Mortgage loans												
Mortgage loans												
Ch$	12,803	912	7.1%	4.0%	11,205	748	6.7%	3.6%	10,468	671	6.4%	(0.7)%
UF	6,216,706	392,345	6.3%	3.2%	7,024,914	376,766	5.4%	2.3%	8,026,017	727,544	9.1%	1.7%
Foreign currency	7,235	–	0.0%	0.0%	63,725	-	0.0%	0.0%	-	-	0.0%	0.0%
CNB mortgage loans	1,536,522	562	0.0%	(2.9)%	1,667,019	776	0.0%	(2.9)%	1,716,379	1,207	0.1%	(6.7)%
Total	**7,773,266**	**393,819**	**5.1%**	**2.0%**	**8,766,863**	**378,290**	**4.3%**	**1.3%**	**9,752,864**	**729,422**	**7.5%**	**0.3%**
Consumer loans												
Consumer loans in installment												
Ch$	2,278,788	276,515	12.1%	8.9%	2,219,499	255,242	11.5%	8.3%	1,952,085	209,127	10.7%	3.3%
UF	55,974	3,934	7.0%	3.9%	45,452	3,052	6.7%	3.6%	30,005	3,188	10.6%	3.2%
Foreign currency	26,599	668	2.5%	7.3%	21,529	1,533	7.1%	(1.1)%	25,319	1,359	5.4%	16.8%
CNB consumer loans	27,178	830	3.1%	0.1%	18,216	694	3.8%	0.8%	6,206	478	7.7%	0.5%
Total	**2,388,539**	**281,947**	**11.8%**	**8.6%**	**2.304.696**	**260.521**	**11.3%**	**8.0%**	**2.013.615**	**214.152**	**10.6%**	**3.4%**
Checking accounts												
Ch$	121,814	36,244	29.8%	26.0%	81,522	24,921	30.6%	26.8%	68,004	19,940	29.3%	20.6%
UF	-	-	-	-	-	-	-	-	-	-	-	-
Foreign currency	-	-	-	-	-	-	-	-	-	-	-	-
Total	**121,814**	**36,244**	**29.8%**	**26.0%**	**81,522**	**24,921**	**30.6%**	**26.8%**	**68,004**	**19,940**	**29.3%**	**20.6%**
Credit card borrowers												
Ch$	1,284,165	213,118	16.6%	13.2%	1,274,676	200,746	15.7%	12.4%	1,202,660	174,081	14.5%	6.8%
UF	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-
Foreign currency	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-
Total	**1,284,165**	**213,118**	**16.6%**	**13.2%**	**1,274,676**	**200,746**	**15.7%**	**12.4%**	**1,202,660**	**174,081**	**14.5%**	**6.8%**
Consumer leasing transactions												
Ch$	866	62	7.2%	4.0%	561	41	7.3%	4.2%	382	27	7.1%	(0.1)%
UF	780	53	6.8%	3.7%	423	30	7.1%	4.0%	111	11	9.9%	2.5%
Foreign currency	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-
Total	**1,646**	**115**	**7.0%**	**3.9%**	**984**	**71**	**7.2%**	**4.1%**	**493**	**38**	**7.7%**	**0.5%**
Other loans and receivables												
Ch$	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-
UF	-	-	0.0%	0.0%	-	-	-	-	-	-	-	-
Foreign currency	29,835	5,529	18.5%	24.0%	24,949	19,907	79.8%	65.9%	30,611	4,918	16.1%	28.6%
Total	**29,835**	**5,529**	**18.5%**	**24.0%**	**24,949**	**19,907**	**79.8%**	**65.9%**	**30,611**	**4,918**	**16.1%**	**28.6%**
Loans and Receivables to banks												
Ch$			0.0%	0.0%	-	-	-	-	-	-	-	-
UF			0.0%	0.0%	-	-	-	-	-	-	-	-
Foreign currency	355,037	17,556	4.9%	9.8%	443,441	11,385	**2.6%**	(5.3)%	427,714	6,394	**1.5%**	12.5%
Total	**355,037**	**17,556**	**4.9%**	**9.8%**	**443,441**	**11,385**	**2.6%**	**(5.3)%**	**427,714**	**6,394**	**1.5%**	**12.5%**
Investments												
Ch$	292,631	65,420	22.4%	18.8%	2,591,493	26,163	1.0%	(1.9)%	3,963,536	8,517	0.2%	(6.5)%
UF	336,609	13,296	3.9%	0.9%	681,327	18,587	2.7%	(0.3)%	1,228,793	101,497	8.3%	1.0%
Foreign currency	709,005	25,542	3.6%	8.4%	990,203	22,178	2.2%	(5.6)%	1,172,366	21,095	1.8%	12.8%
CNB investments	2,134,025	53,168	2.5%	(0.5)%	2,544,522	46,784	1.8%	(1.1)%	3,922,848	52,243	1.3%	(5.5)%
Total	3,472,270	157,426	4.5%	3.1%	**6,807,545**	**113,712**	**1.7%**	**(2.0)%**	**10,287,543**	**183,352**	**1.8%**	**(3.0)%**
Other assets												
Ch$	737,882	(33,957)	(4.6)%	(7.4)%	1,279,423	1,087	0.1%	(2.8)%	1,204,512	93,379	7.8%	0.5%
UF	21,059	(41,125)	(195.3)%	(192.5)%	6,311	(68,796)	(1090.1)%	(1061.3)%	8,196	(340,037)	(4,148.8)%	(3,876.9)%

INTEREST EARNING ASSETS	As of and for the year ended December 31,											
	2019				2020				2021			
	Average balance	Interest income	Average nominal rate	Average real rate	Average balance	Interest income	Average nominal rate	Average real rate	Average balance	Interest income	Average nominal rate	Average real rate
	(in millions of Ch$, except for rate data)											
Foreign currency	731,583	10,155	1.4%	6.1%	1,232,082	2,567	0.2%	(7.5)%	761,394	337	0.0%	10.9%
CNB	–	–	0.0%	0.0%	–	–	–	–	–	–	–	–
Total	**1,490,524**	**(64,888)**	**–4.4%**	**(3.4)%**	**2,517,816**	**(65,142)**	**(2.6)%**	**(7.8)%**	**1,974,102**	**(246,321)**	**(12.5)%**	**(11.6)%**
Total interest earning assets												
Ch$	11.203.209	975.286	8,7%	5,5%	15,410,001	893,079	5.8%	2.7%	16,703,476	864,798	5.2%	(1.9)%
UF	11.121.431	630.304	5,7%	2,6%	12,577,467	589,095	4.7%	1.6%	14,199,914	938,517	6.6%	(0.6)%
Foreign currency	5.345.099	240.366	4,5%	3,8%	6,944,488	226,668	3.3%	(4.7)%	5,944,532	157,550	2.7%	13.8%
CNB	9.332.414	360.601	3,9%	0,8%	11,471,579	379,762	3.3%	0.3%	13,283,069	398,268	3.0%	(3.9)%
Total	37.002.153	2.206.557	6,0%	3,2%	**46,403,535**	**2,088,604**	**4.5%**	**0.7%**	**50,130,991**	**2,359,133**	**4.7%**	**(0.2)%**

NON-INTEREST EARNING ASSETS	As of and for the year ended December 31,											
	2019				2020				2021			
	Average balance	Interest income	Average nominal rate	Average real rate	Average balance	Interest income	Average nominal rate	Average real rate	Average balance	Interest income	Average nominal rate	Average real rate
	(in millions of Ch$, except for rate data)											
Cash and due from banks												
Ch$	636,929	–	–	–	617,310	–	–	–	666,538	–	–	–
UF	–	–	–	–	105,000	–	–	–	-	–	–	–
Foreign currency	1,156,958	–	–	–	1,358,931	–	–	–	1,224,542	–	–	–
CNB	317,932	–	–	–	498,053	–	–	–	1,201,400	–	–	–
Total	**2,111,819**	**–**	–	**–**	**2,579,294**	**–**	–	–	**3,092,480**	**–**	–	–
Allowance for loan losses												
Ch$	(563,218)	–	–	–	(663,616)	–	–	–	(644,254)	–	–	–
UF	–	–	–	–		–	–	–		–	–	–
Foreign currency	(7,013)	–	–	–	(14,834)	–	–	–	(15,526)	–	–	–
CNB	(44,566)	–	–	–	(69,983)	–	–	–	(78,732)	–	–	–
Total	**(614,797)**	**–**	–	**–**	**(748,433)**	**–**	–	–	**(738,512)**	**–**	–	–
Derivative Financial Assets												
Ch$	2,617,321	–	–	–	5,409,635	–	–	–	4,691,097	–	–	–
UF	3,996	–	–	–	10,344	–	–	–	4,978	–	–	–
Foreign currency	25,073	–	–	–	97,971	–	–	–	99,508	–	–	–
CNB	35,839	–	–	–	98,829	–	–	–	76,931	–	–	–
Total	**2,682,229**	**–**	–	**–**	**5,616,779**	**–**	–	–	**4,872,514**	**–**	–	–
Property, plant and equipment												
Ch$	261,668	–	–	–	223,972	–	–	–	217,961	–	–	–
UF	110,973	–	–	–	127,004	–	–	–	106,469	–	–	–
Foreign currency	1,902	–	–	–	8,102	–	–	–	3,202	–	–	–
CNB	121,766	–	–	–	119,281	–	–	–	109,776	–	–	–
Total	**496,309**	**–**	–	**–**	**478,359**	**–**	–	–	**437,408**	**–**	–	–
Investments												
Ch$	762,517	–	–	–	480,455	–	–	–	225,545	–	–	–
UF	1,449,956	–	–	–	1,106,409	–	–	–	359,172	–	–	–
Foreign currency	25,623	–	–	–	58,731	–	–	–	46,012	–	–	–
CNB	21,591	–	–	–	23,923	–	–	–	23,646	–	–	–
Total	**2,259,687**	**–**	–	**–**	**1,669,518**	**–**	–	–	**654,375**	**–**	–	–
Other assets												
Ch$	771,446	–	–	–	739,961	–	–	–	844,164	–	–	–
UF	–	–	–	–	-	–	–	–		–	–	–
Foreign currency	57,575	–	–	–		–	–	–		–	–	–

NON-INTEREST EARNING ASSETS	2019 Average balance	2019 Interest income	2019 Average nominal rate	2019 Average real rate	2020 Average balance	2020 Interest income	2020 Average nominal rate	2020 Average real rate	2021 Average balance	2021 Interest income	2021 Average nominal rate	2021 Average real rate
	As of and for the year ended December 31, (in millions of Ch$, except for rate data)											
					45,607				15,889			
CNB	479,384	–	–	–	633,337	–	–	–	648,427	–	–	–
Total	**1,308,405**	**–**	–	**–**	**1,418,905**	**–**	–	–	**1,508,480**	**–**	–	–
Total non-interest earning assets												
Ch$	4,486,663	–	–	–	6,807,717	–	–	–	6,001,051	–	–	–
UF	1,564,925	–	–	–	1,348,757	–	–	–	470,619	–	–	–
Foreign currency	1,260,118	–	–	–	1,554,508	–	–	–	1,373,627	–	–	–
CNB	931,946	–	–	–	1,303,440	–	–	–	1,981,448	–	–	–
Total	**8,243,652**	**–**	–	**–**	**11,014,422**	**–**	–	–	**9,826,745**	**–**	–	–
Total assets(1)												
Ch$	15,689,870	975,287	6.2%	–	22,217,718	893,079	4.0%	–	22,704,527	864,798	3.8%	–
UF	12,686,356	630,304	5.0%	–	13,926,224	589,095	4.2%	–	14,670,533	938,517	6.4%	–
Foreign currency	6,605,219	240,366	3.6%	–	8,498,996	226,668	2.7%	–	7,318,159	157,550	2.2%	–
CNB	10,264,360	360,601	3.5%	–	12,775,019	379,762	3.0%	–	15,264,517	398,268	2.6%	–
Total	**45,245,805**	**2,206,558**	4.9%	**–**	**57,417,957**	**2,088,604**	**3.6%**	–	**59,957,736**	**2,359,133**	**3.9%**	–

INTEREST BEARING LIABILITIES	2019 Average balance	2019 Interest paid and accrued	2019 Average nominal rate	2019 Average real rate	2020 Average balance	2020 Interest paid and accrued	2020 Average nominal rate	2020 Average real rate	2021 Average balance	2021 Interest paid and accrued	2021 Average nominal rate	2021 Average real rate
	As of and for the year ended December 31, (in millions of Ch$, except for rate data)											
Time deposits and other borrowings												
Time deposits												
Ch$	12,824,937	266,596	2.1%	(0.9)%	14,084,331	125,813	0.9%	(2.0)%	13,882,084	76,435	0.6%	(6.2)%
UF	204,337	6,976	3.4%	0.4%	59,955	2,173	3.6%	0.6%	57,343	4,024	7.0%	(0.2)%
Foreign currency	3,283,754	60,426	1.8%	6.6%	4,571,130	34,195	0.7%	(7.0)%	4,871,207	7,056	0.1%	11.0%
CNB	1,374,140	101,734	7.4%	4.3%	1,114,805	57,138	5.1%	2.1%	641,527	26,108	4.1%	(2.9)%
Total	**17,687,168**	**435,732**	2.5%	0.9%	**19,830,221**	**219,319**	**1.1%**	**(3.0)%**	**19,452,161**	**113,623**	**0.6%**	**(1.8)%**
Savings accounts												
Ch$												
UF	47,406	1,275	2.7%	(0.3)%	52,249	1,436	2.7%	(0.2)%	61,667	3,975	6.4%	(0.7)%
Foreign currency												
CNB	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	—	0.0%	0.0%
Total	**47,406**	**1,275**	**2.7%**	(0.3)%	**52,249**	**1,436**	**2.7%**	**(0.2)%**	**61,667**	**3,975**	**6.4%**	**(0.7)%**
Central Bank of Chile borrowings												
Ch$	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	–	0.0%	0.0%
UF	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	–	0.0%	0.0%
Foreign currency	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	–	0.0%	0.0%
Total	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	–	0.0%	0.0%
Liabilities under agreements to repurchase												
Ch$	372,319	9,505	2.6%	(0.4)%	275,191	3,269	1.2%	(1.8)%	126,330	830	0.7%	(6.1)%
UF	4,989	604	12.1%	8.8%	2,546	38	1.5%	(1.5)%	17,103	7,398	43.3%	33.6%
Foreign currency	30,720	782	2.5%	7.3%	38,409	490	1.3%	(6.5)%	40,610	365	0.9%	11.8%
CNB	88,813	481	0.5%	(2.4)%	86,109	325	0.4%	(2.5)%	70,255	518	0.7%	(6.0)%
Total	**496,841**	**11,372**	2.3%	(0.2)%	**402,255**	**4,122**	**1.0%**	**(2.4)%**	**254,298**	**9,111**	**3.6%**	**(0.5)%**
Bond												
Mortgage finance												
Ch$												
UF	10,928	794	7.3%	4.1%	7,712	561	7.3%	4.1%	4,665	511	11.0%	3.5%
Foreign currency	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	–	0.0%	0.0%
CNB	–	—	0.0%	0.0%	–	—	0.0%	0.0%	–	–	0.0%	0.0%
Total	**10,928**	**794**	**7.3%**	4.1%	**7,712**	**561**	**7.3%**	**4.1%**	**4,665**	**511**	**11.0%**	**3.5%**
Other bonds												
Ch$	220,488	12,535	5.7%	2.6%			4.4%	1.3%			4.7%	(2.4)%

	As of and for the year ended December 31,											
	2019				2020				2021			
INTEREST BEARING LIABILITIES	Average balance	Interest paid and accrued	Average nominal rate	Average real rate	Average balance	Interest paid and accrued	Average nominal rate	Average real rate	Average balance	Interest paid and accrued	Average nominal rate	Average real rate
					(in millions of Ch$, except for rate data)							
					269,058	11,729			257,646	11,983		
UF	4,856,747	251,476	5.2%	2.1%	5,209,444	260,671	5.0%	1.9%	5,709,403	490,708	8.6%	1.3%
Foreign currency	1,594,685	47,029	2.9%	7.7%	1,945,703	52,441	2.7%	(5.2)%	2,108,225	54,890	2.6%	13.7%
CNB	–	—	–	–	–	–	–	–	–	–	–	–
Total	**6,671,920**	**311,040**	**4.7%**	**3.5%**	**7,424,205**	**324,841**	**4.4%**	**0.0%**	**8,075,274**	**557,581**	**6.9%**	**4.4%**
Other interest bearing liabilities												
Ch$	530,843	16,688	3.1%	0.1%	2,988,260	12,840	0.4%	(2.5)%	4,827,635	16,177	0.3%	(6.4)%
UF	474,436	11,306	2.4%	(0.6)%	643,280	11,998	1.9%	(1.1)%	848,107	40,427	4.8%	(2.3)%
Foreign currency	2,758,109	76,036	2.8%	7.5%	2,955,115	43,007	1.5%	(6.4)%	1,690,163	13,429	0.8%	11.7%
CNB	1,060,388	20,820	2.0%	(1.0)%	1,445,939	11,939	0.8%	(2.1)%	857,301	6,777	0.8%	(6.0)%
Total	**4,823,776**	**124,850**	**2.6%**	**4.0%**	**8,032,594**	**79,784**	**1.0%**	**(3.7)%**	**8,223,206**	**76,810**	**0.9%**	**(2.2)%**
Total interest bearing liabilities												
Ch$	13,948,587	305,324	2.2%	(0.8)%	17,616,840	153,651	0.9%	(2.1)%	19,093,695	105,425	0.6%	(6.2)%
UF	5,598,843	272,431	4.9%	1.8%	5,975,186	276,877	4.6%	1.6%	6,698,288	547,043	8.2%	0.9%
Foreign currency	7,667,268	184,273	2.4%	7.1%	9,510,357	130,133	1.4%	(6.4)%	8,710,205	75,740	0.9%	11.8%
CNB	2,523,341	123,035	4.9%	1.8%	2,646,853	69,402	2.6%	(0.4)%	1,569,083	33,403	2.1%	(4.7)%
Total	**29,738,039**	**885,063**	**3.0%**	**2.0%**	**35,749,236**	**630,063**	**1.8%**	**(2.5)%**	**36,071,271**	**761,611**	**2.1%**	**(0.5)%**

	As of and for the year ended December 31,											
	2019				2020				2021			
NON-INTEREST BEARING LIABILITIES	Average balance	Interest paid and accrued	Average nominal rate	Average real rate	Average balance	Interest paid and accrued	Average nominal rate	Average real rate	Average balance	Interest paid and accrued	Average nominal rate	Average real rate
					(in millions of Ch$, except for rate data)							
Current accounts and demand deposits												
Non interest bearing demand deposits												
Ch$	753,345	–	–	–	1,043,873	–	–	–	1,705,545	–	–	–
UF	8	–	–	–	50	–	–	–	50	–	–	–
Foreign currency	285,987	–	–	–	334,184	–	–	–	337,238	–	–	–
CNB	276,785	–	–	–	603,825	–	–	–	909,096	–	–	–
Total	**1,316,125**	–	–	–	**1,981,932**	–	–	–	**2,951,929**	–	–	–
Checking accounts												
Ch$	128,404	–	–	–	293,970	–	–	–	224,737	–	–	–
UF		–	–	–	-	–	–	–		–	–	–
Foreign currency		–	–	–	186,471	–	–	–		–	–	–
CNB	6,533,176	–	–	–	8,276,154	–	–	–	11,407,397	–	–	–
Total	**6,661,580**	–	–	–	**8,756,595**	–	–	–	**11,632,134**	–	–	–
Derivative financial liabilities												
Ch$	2,611,052	–	–	–	5,333,180	–	–	–	4,310,786	–	–	–
UF	169,436	–	–	–	241,515	–	–	–	232,736	–	–	–
Foreign currency	22,568	–	–	–	123,086	–	–	–	107,354	–	–	–
CNB	38,067	–	–	–	113,167	–	–	–	54,223	–	–	–
Total	**2,841,123**	–	–	–	**5,810,948**	–	–	–	**4,705,099**	–	–	–
Other non-interest bearing liabilities												
Ch$	577,655	–	–	–	592,683	–	–	–	838,764	–	–	–
UF	175,939	–	–	–	146,754	–	–	–	131,509	–	–	–
Foreign currency	50,071	–	–	–	65,674	–	–	–	66,417	–	–	–
CNB	132,658	–	–	–	169,581	–	–	–	180,694	–	–	–
Total	**936,323**	–	–	–	**974,692**	–	–	–	**1,217,384**	–	–	–
Total non-interest bearing liabilities												
Ch$	4,070,456	–	–	–		–	–	–		–	–	–

NON-INTEREST BEARING LIABILITIES	2019 Average balance	2019 Interest paid and accrued	2019 Average nominal rate	2019 Average real rate	2020 Average balance	2020 Interest paid and accrued	2020 Average nominal rate	2020 Average real rate	2021 Average balance	2021 Interest paid and accrued	2021 Average nominal rate	2021 Average real rate
					(in millions of Ch$, except for rate data)							
					7,263,706				7,079,832			
UF	345,383	–	–	–	388,319	–	–	–	364,295	–	–	–
Foreign currency	358,626	–	–	–	709,415	–	–	–	511,009	—	—	—
CNB	6,980,686	–	–	–	9,162,727	–	–	–	12,551,410	—	—	—
Total	**11,755,151**	–	–	–	**17,524,167**	–	–	–	**20,506,546**	—	—	—
Shareholders equity												
Ch$	2,528,847	–	–	–	2,687,482	–	–	–	1,782,891	—	—	—
UF		–	–	–	-	–	–	–		—	—	—
Foreign currency		–	–	–	-	–	–	–		—	—	—
CNB	1,223,769	–	–	–	1,457,072	–	–	–	1,597,028	—	—	—
Total	**3,752,616**	**–**	–	–	**4,144,554**	–	–	–	**3,379,919**	—	—	—
Total liabilities and shareholders' equity												
Ch$	20,547,889	305,324	1.5%	–	27,568,028	153,651	0.6%	–	27,956,418	105,425	0.4%	–
UF	5,944,226	272,431	4.6%	–	6,636,505	276,877	4.2%	–	7,062,583	547,043	7.7%	–
Foreign currency	8,025,894	184,273	2.3%	–	10,219,722	130,133	1.3%	–	9,221,214	75,740	0.8%	–
CNB	10,727,796	123,035	1.1%	–	13,266,652	69,402	0.5%	–	15,717,521	33,403	0.2%	–
Total	**45,245,805**	885,063	2.0%	–	**57,417,957**	**630,063**	**1.1%**	–	**59,957,736**	**761,611**	**1.3%**	–

(1) Total assets represent total interest earning assets and non-interest earning assets.

Interest Earning Assets - Net Interest Margin

The following table analyzes, by currency of denomination, our levels of average interest earning assets and net interest, and illustrates the comparative margins realized, for each of the years indicated:

	As of and for the year ended December 31,		
	2019	**2020**	**2021**
Total average interest earning assets			
Ch$	11,203,209	15,410,001	16,703,476
UF	11,121,431	12,577,467	14,199,914
Foreign currency	5,345,099	6,944,488	5,944,532
CNB	9,332,414	11,471,579	13,283,069
Total	**37,002,153**	**46,403,535**	50,130,991
Net interest income(1)			
Ch$	669,962	739,428	759,373
UF	357,873	312,218	391,474
Foreign currency	56,093	96,535	81,810
CNB	237,566	310,360	364,865
Total	**1,321,494**	**1,458,541**	1,597,522
Net interest margin(2), nominal basis			
Ch$	6.0%	4.8%	4.5%
UF	3.2%	2.5%	2.8%
Foreign currency	1.0%	1.4%	1.4%
CNB	2.5%	2.7%	2.7%
Total	**3.6%**	**3.1%**	**3.2%**

(1) Interest income less interest expense.
(2) Net interest income as a percentage of average interest earning assets.

Changes in Net Interest Income and Interest Expense - Volume and Rate Analysis

For the years 2020 and 2021

The following tables allocate, by currency of denomination, changes in our net interest income and interest expense between changes in the average volume of interest earning assets and interest bearing liabilities and changes in their respective nominal interest rates for 2020 compared to 2021. Volume and rate variances have been calculated based on movements in average balances over the period and changes in nominal interest rates on average interest earning assets and average interest bearing liabilities.

	Increase (decrease) from 2020 to 2021		Net change from 2020 to 2021
	Volume	Rate	Change
		(in millions of Ch$)	
INTEREST EARNING ASSETS			
Commercial loans			
Ch$	15,638	(23,424)	(7,786)
UF	12,778	151,399	164,177
Foreign currency	(15,914)	(7,350)	(23,264)
CNB commercial loans	17,845	(5,013)	12,832
Total	**30,348**	**115,611**	**145,959**
Foreign trade loans			
Ch$	(620)	(370)	(990)
UF	-	-	-
Foreign currency	(4,371)	(10,718)	(15,089)
Total	(4,991)	(11,088)	**(16,079)**
Checking accounts			
Ch$	(5,167)	1,206	(3,961)
UF	-	-	-
Foreign currency	-	-	-
Total	**(5,167)**	**1,206**	**(3,961)**
Loans to college students			
Ch$	(81)	(172)	(253)
UF	(10)	(6)	(16)
Foreign currency	-	-	-
Total	**(92)**	**(177)**	**(269)**
Factoring operations			
Ch$	227	(10,102)	(9,875)
UF	(1,475)	6,765	5,290
Foreign currency	308	148	456
Total	**(939)**	**(3,190)**	**(4,129)**
Leasing transactions			
Ch$	935	(1,747)	(812)
UF	(4,671)	18,496	13,825
Foreign currency			

	Increase (decrease) from 2020 to 2021		Net change from 2020 to 2021
	Volume	Rate	Change
	(in millions of Ch$)		
	(4,604)	(3,150)	(7,754)
Total	**(8,339)**	**13,598**	**5,259**
Other loans and receivables			
Ch$	(786)	(612)	(1,398)
UF	(737)	4,319	3,582
Foreign currency	-	-	-
Total	**(1,523)**	**3,707**	**2,184**
Mortgage loans			
Ch$	(47)	(30)	(77)
UF	90,748	260,030	350,778
Foreign currency	-	-	-
CNB mortgage loans	35	396	431
Total	**90,736**	**260,396**	**351,132**
Consumer loans			
Consumer loans in installment			
Ch$	(28,648)	(17,467)	(46,115)
UF	(1,641)	1,777	136
Foreign currency	203	(377)	(174)
CNB consumer loans	(925)	709	(216)
Total	**(31,011)**	**(15,358)**	**(46,369)**
Checking accounts			
Ch$	(3,964)	(1,017)	(4,981)
UF	-	-	-
Foreign currency	-	-	-
Total	**(3,964)**	**(1,017)**	**(4,981)**
Credit card borrowers			
Ch$	(10,424)	(16,241)	(26,665)
UF	-	-	-
Foreign currency	-	-	-
Total	**(10,424)**	**(16,241)**	**(26,665)**
Consumer leasing transactions			
Ch$	(13)	(1)	(14)
UF	(31)	12	(19)

	Increase (decrease) from 2020 to 2021		Net change from 2020 to 2021
	Volume	Rate	Change
	(in millions of Ch$)		
Foreign currency	-	-	-
Total	(44)	11	**(33)**
Other loans and receivables			
Ch$	-	-	-
UF	-	-	-
Foreign currency	910	(15,899)	(14,989)
Total	910	(15,899)	**(14,989)**
Interbank loans			
Ch$	-	-	-
UF		-	-
Foreign currency	(235)	(4,756)	(4,991)
Total	**(235)**	**(4,756)**	**(4,991)**
Investments			
Ch$	2,948	(20,594)	(17,646)
UF	45,220	37,690	82,910
Foreign currency	3,278	(4,361)	(1,083)
CNB investments	18,356	(12,897)	5,459
Total	69,802	(162)	**69,640**
Other assets			
Ch$	(5,807)	98,099	92,292
UF	(78,205)	(193,036)	(271,241)
Foreign currency	(208)	(2,022)	(2,230)
CNB	-	-	-
Total	(84,221)	(96,958)	**(181,179)**
Total interest earning assets			
Ch$	66,968	(95,249)	(28,281)
UF	107,233	242,189	349,422
Foreign currency	(26,502)	(42,616)	(69,118)
CNB	54,314	(35,808)	18,506
Total	202,012	68,517	**270,529**

	Increase (decrease) from 2020 to 2021		Net change from 2020 to 2021
	Volume	Rate	Change
INTEREST BEARING LIABILITIES			
Time deposits			
Ch$	(1,114)	(48,264)	(49,378)
UF	(183)	2,034	1,851
Foreign currency	435	(27,574)	(27,139)
CNB	(19,261)	(11,769)	(31,030)
Total	**(20,123)**	**(85,573)**	**(105,696)**
Savings accounts			
Ch$			
UF	607	1,932	2,539
Foreign currency	-	-	-
Total	**607**	**1,932**	**2,539**
Central Bank of Chile borrowings			
Ch$	–	–	–
UF	–	–	–
Foreign currency	–	–	–
Total	–	–	–
Securities sold under repurchase			
Ch$	(978)	(1,461)	(2,439)
UF	6,297	1,063	7,360
Foreign currency	20	(145)	(125)
CNB	(117)	310	193
Total	**5,222**	**(233)**	**4,989**
Bond			
Mortgage finance			
Ch$			
UF	(334)	284	(50)
Foreign currency	-	-	-
Total	**(334)**	**284**	**(50)**
Other bonds			
Ch$	(531)	785	254
UF	42,970	187,067	230,037
Foreign currency	4,231	(1,782)	2,449
Total	46,671	186,069	**232,740**
Other interest bearing liabilities			
Ch$	6,164	(2,827)	3,337
UF	9,764	18,665	28,429
Foreign currency	(10,051)	(19,527)	(29,578)
CNB	(4,653)	(509)	(5,162)
Total	1,223	(4,197)	(2,974)
Total interest bearing liabilities			
Ch$	8,154	(56,380)	(48,226)
UF	59,055	211,111	270,166
Foreign currency	(6,958)	(47,435)	(54,393)
CNB	(22,944)	(13,055)	(35,999)
Total	37,308	94,240	131,548

For the years 2019 and 2020

The following tables allocate, by currency of denomination, changes in our net interest income and interest expense between changes in the average volume of interest earning assets and interest bearing liabilities and changes in their respective nominal interest rates for 2019 compared to 2020. Volume and rate variances have been calculated based on movements in average balances over the period and changes in nominal interest rates on average interest earning assets and average interest bearing liabilities.

	Increase (decrease) from 2019 to 2020		Net change from 2019 to 2020
	Volume	**Rate**	**Change**
		(in millions of Ch$)	
INTEREST EARNING ASSETS			
Commercial loans			
Ch$	64,357	(65,953)	(1,596)
UF	19,127	(13,940)	5,187
Foreign currency	18,069	(33,583)	(15,514)
CNB commercial loans	73,570	(48,103)	25,467
Total	**175,121**	**(161,577)**	**13,544**
Foreign trade loans			
Ch$	562	(570)	(8)
UF	-	-	-
Foreign currency	5,129	(5,004)	125
Total	**5,691**	**(5,574)**	**117**
Checking accounts			
Ch$	(2,894)	(7,996)	(10,890)
UF	-	-	-
Foreign currency	-	-	-
Total	**(2,894)**	**(7,996)**	**(10,890)**
Loans to college students			
Ch$	(83)	(18)	(101)
UF	(8)	(36)	(44)
Foreign currency	-	-	-
Total	**(90)**	**(55)**	**(145)**
Factoring operations			
Ch$	(2,106)	(15,317)	(17,423)
UF	87	(3,605)	(3,518)
Foreign currency	(14)	(1,123)	(1,137)
Total	**(2,033)**	**(20,045)**	**(22,078)**

	Increase (decrease) from 2019 to 2020		Net change from 2019 to 2020
	Volume	Rate	Change
		(in millions of Ch$)	
Leasing transactions			
Ch$	2,442	(3,695)	(1,253)
UF	(1,265)	(1,971)	(3,236)
Foreign currency	4,088	620	4,708
Total	**5,266**	**(5,047)**	**219**
Other loans and receivables			
Ch$	(663)	(868)	(1,531)
UF	(900)	166	(734)
Foreign currency	-	-	-
Total	**(1,563)**	**(702)**	**(2,265)**
Mortgage loans			
Ch$	(107)	(57)	(164)
UF	43,346	(58,925)	(15,579)
Foreign currency	-	-	-
CNB mortgage loans	61	153	214
Total	**43,301**	**(58,830)**	**(15,529)**
Consumer loans **Consumer loans in installment**			
Ch$	(6,818)	(14,455)	(21,273)
UF	(707)	(175)	(882)
Foreign currency	(361)	1,226	865
CNB consumer loans	(341)	205	(136)
Total	**(8,227)**	**(13,199)**	**(21,426)**
Checking accounts			
Ch$	(12,317)	994	(11,323)
UF	-	-	-
Foreign currency	-	-	-
Total	**(12,317)**	**994**	**(11,323)**
Credit card borrowers			
Ch$	(1,494)	(10,878)	(12,372)
UF	-	-	-
Foreign currency			

	Increase (decrease) from 2019 to 2020		Net change from 2019 to 2020
	Volume	Rate	Change
		(in millions of Ch$)	
	-	-	-
Total	**(1,494)**	**(10,878)**	**(12,372)**
Consumer leasing transactions			
Ch$	(22)	1	(21)
UF	(25)	2	(23)
Foreign currency	-	-	-
Total	**(48)**	**4**	**(44)**
Other loans and receivables			
Ch$	-	-	-
UF	-	-	-
Foreign currency	(3,899)	18,277	14,378
Total	**(3,899)**	**18,277**	**14,378**
Interbank loans			
Ch$	-	-	-
UF		-	-
Foreign currency	2,270	-	(6,171)
Total	**2,270**	**9,115**	**(6,171)**
Investments			
Ch$	23,209	(62,466)	(39,257)
UF	9,404	(4,113)	5,291
Foreign currency	6,298	(9,662)	(3,364)
CNB investments	7,547	(13,931)	(6,384)
Total	**46,458**	**(90,172)**	**(43,714)**
Other assets			
Ch$	460	34,545	35,005
UF	160,767	(188,438)	(27,671)
Foreign currency	1,043	(8,631)	(7,588)
CNB	-	-	-
Total	**162,270**	**(162,524)**	**(254)**
Total interest earning assets			
Ch$	243,802	(326,010)	(82,208)
UF			

	Increase (decrease) from 2019 to 2020		Net change from 2019 to 2020
	Volume	Rate	Change
		(in millions of Ch$)	
	68,197	(109,406)	(41,209)
Foreign currency	52,204	(65,902)	(13,698)
CNB	70,816	(51,654)	19,162
Total	**435,019**	**(552,972)**	**(117,953)**

	Increase (decrease) from 2019 to 2020		Net change from 2019 to 2020
	Volume	Rate	Change
INTEREST BEARING LIABILITIES			
Time deposits			
Ch$	11,250	(152,033)	(140,783)
UF	(5,233)	430	(4,803)
Foreign currency	9,630	(35,861)	(26,231)
CNB	(13,292)	(31,304)	(44,596)
Total	**2,355**	**(218,768)**	**(216,413)**
Savings accounts			
Ch$			
UF	133	28	161
Foreign currency	-	-	-
Total	**133**	**28**	**161**
Central Bank of Chile borrowings			
Ch$	–	–	–
UF	–	–	–
Foreign currency	–	–	–
Total	–	–	–
Securities sold under repurchase			
Ch$	(1,154)	(5,082)	(6,236)
UF	(36)	(530)	(566)
Foreign currency	98	(390)	(292)
CNB	(10)	(146)	(156)
Total	**(1,102)**	**(6,148)**	**(7,250)**
Bond			
Mortgage finance			
Ch$			
UF	(234)	1	(233)
Foreign currency	-	-	-
Total	**(234)**	**1**	**(233)**
Other bonds			
Ch$	2,117	(2,923)	(806)
UF			

	Increase (decrease) from 2019 to 2020		Net change from 2019 to 2020
	Volume	Rate	Change
		(in millions of Ch$)	
	17,648	(8,453)	9,195
Foreign currency	9,461	(4,049)	5,412
Total	**29,226**	**(15,425)**	**13,801**
Other interest bearing liabilities			
Ch$	10,559	(14,407)	(3,848)
UF	3,149	(2,457)	692
Foreign currency	2,867	(35,896)	(33,029)
CNB	3,183	(12,064)	(8,881)
Total	**19,759**	**(64,825)**	**(45,066)**
Total interest bearing liabilities			
Ch$	31,994	(183,667)	(151,673)
UF	17,439	(12,993)	4,446
Foreign currency	25,220	(79,360)	(54,140)
CNB	3,239	(56,872)	(53,633)
Total	**77,891**	**(332,891)**	**(255,000)**

Return on Equity and Assets

The following table presents our selected financial ratios for the years indicated:

	As of and for the year ended December 31,		
	2019	2020	2021
	(in millions of Ch$, except percentages)		
Average total assets	45,245,805	57,417,957	59,957,736
Average shareholder’s equity	3,752,616	4,144,554	3,379,919
Net income as a percentage of:			
Average total assets	3.6%	2.2%	3.5%
Average shareholder’s equity	42.9%	30.6%	61.6%
Average shareholder’s equity as a percentage of average total assets	8.3%	7.2%	5.6%

Investment Portfolio

The following table sets forth our investments in Chilean government and corporate securities and certain other financial investments as of the dates indicated.

Investment instruments are classified into three categories: held for trading, available for sale and held to maturity. The trading investments correspond to securities acquired with the intention to generate profits from the price fluctuation in the short-term or through gross earnings’ margins, or that are included in a portfolio in which there is a short-term profit taking strategy. The category of financial assets held to maturity includes only those instruments which we have the capacity and intention of holding until their maturity. The rest of the investment instruments are considered as available for sale. In accordance with rules of the CMF, we do not hold any equity securities.

	As of December 31,		
	2019	2020	2021
		(in millions of Ch$)	
Held-for-Trading			
Instrument of the state and Central Bank of Chile:			
Bonds of the Central Bank of Chile	518,073	5,239	4,388
Promissory notes of the Central Bank of Chile	29	189,001	2,404
Other instruments of the state and Central Bank of Chile	876,977	242,844	366,591
Subtotal	1,395,079	437,084	373,383
Instruments of other domestic institutions:			
Bonds	230,626	397,541	105,363
Other instruments	513,735	211,760	245,457
Subtotal	744,361	609,301	350,820
Instruments of other foreign institutions:			
Instruments issued by foreign states and central banks	–	-	-
Other instruments	1,940	3,463	3,818
Subtotal	1,940	3,463	3,818
Investments in mutual funds:			
Funds administered by related parties	34,591	13,634	104,269
Funds administered by third parties	13,239	61,441	15,517
Subtotal	47,830	75,075	119,786
CNB Investments in mutual funds:			
Funds administered by third parties	23,047	22,356	26,059
Subtotal	23,047	22,356	26,059
Total	2,212,257	1,147,278	873,866
Available-for-Sale			
Financial investments quoted in active markets of the State and Central Bank of Chile:			
Instruments of the Central Bank of Chile(1)	182,100	1,840,936	2,653,556
Bonds of promissory notes of the Treasury	510,742	1,578,684	2,324,965
Other fiscal instruments	5,424	5,110	4,290
Subtotal	698,266	3,424,730	4,982,811
Other domestic instruments:			
Financial instruments in instruments issued by other domestic banks(2)	140,011	913,288	1,267,829
Bonds and corporate commercial papers	6,044	11,792	8,516
Other domestic instruments	2,683	2,443	2,014
Subtotal	148,738	927,523	1,278,359
Foreign instruments:			
Instruments issued by foreign states and central banks(3)	–	-	-
Other foreign instruments	651,873	845,996	1,104,794
Subtotal	651,873	845,996	1,104,794
CNB foreign instruments:			
Instruments issued by foreign states and central banks(3)	146,361	486,068	503,247
Other foreign instruments	2,365,152	2,311,723	3,335,382
Subtotal	2,512,152	2,797,791	3,838,629
Total	4,011,029	7,996,040	11,204,593
Held-to-Maturity			
Financial investments quoted in active markets of the State and Central Bank of Chile			
Instruments of the Central Bank of Chile	–	–	–
Bonds or promissory notes of the Treasury	–	–	1,024,195
Other foreign instruments	–	–	–
Subtotal	–	–	1,024,195
Foreign Instruments:			
Instruments issued by foreign states and central banks	–	–	–
Other foreign instruments	–	–	–
Subtotal	–	–	–

	As of December 31,		
	2019	2020	2021
		(in millions of Ch$)	
CNB Foreign Instruments:			
Instruments issued by foreign states and central banks	752	18,626	22,573
Other foreign instruments	6,617	6,518	1,250,587
Subtotal	7,369	25,144	1,273,160
Total	7,369	25,144	2,297,355
Total financial investments	6,230,655	9,168,463	14,375,814

(1) Includes primarily bonds.
(2) Includes primarily mortgage notes in other banks.
(3) Includes primarily bonds issued by private entities.

The following table sets forth an analysis of our investments, by time remaining to maturity and the weighted average nominal rates of such investments, as of December 31, 2021:

	As of and for the year ended December 31, 2021								
	Within 1 year	Weighted average yield rate(1)	After 1 year but within 5 years	Weighted average yield rate(1)	After 5 years but within 10 years	Weighted average yield rate(1)	After 10 years	Weighted average yield rate(1)	Total
				(in millions of Ch$, except percentages)					
Held-for-Trading Instruments of the State and Central Bank of Chile:									
Bonds of the Central Bank of Chile	1,434	(1.0)%	2,771	1.8%	183	0.9%	-	0.0%	4,388
Promissory notes of the Central Bank of Chile	2,404	0.3%	-	0.0%	-	0.0%	-	0.0%	2,404
Other instruments of the State and Central Bank of Chile	818	1.2%	350,800	1.3%	14,253	2.9%	710	5.2%	366,591
Subtotal	**4,656**		**353,571**		**14,436**		**720**		**373,383**
Instruments of other domestic institutions:									
Bonds	53,656	0.4%	51,472	0.9%	216	28.0%	19	7.5%	105,363
Other instruments	220,533	0.6%	24,008	0.8%	916	1.5%	-	0.0%	245,457
Subtotal	**274,189**		**75,480**		**1,132**		**19**		**350,820**
Instruments of other foreign institutions:									
Instruments issued by foreign states and central banks	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Other instruments	3,818	0.1%	-	0.0%	-	0.0%	-	0.0%	3,818
Subtotal	**3,818**		**-**		**-**		**-**		**3,818**
Investments in mutual funds:									
Funds administered by related parties	104,269	0.0%	-	0.0%	-	0.0%	-	0.0%	104,269
Funds administered by third parties	15,517	0.0%	-	0.0%	-	0.0%	-	0.0%	15,517
Subtotal	**119,786**		**-**		**-**		**-**		**119,786**
CNB Investments in mutual funds:									
Funds administered by related parties	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Funds administered by third parties	-	0.0%	-	0.0%	-	0.0%	26,059	0.0%	26,059
Subtotal	-		-		-		26,059		26,059
Total	**402,449**		**429,051**		**15,568**		**26,798**		**873,866**
Available-for-Sale Financial investments quoted in active markets:									
Of the State and the Central Bank of Chile:									
Instruments of the Central Bank of Chile	2,649,606	0.3%	3,950	(1.2)%	-	0.0%	-	0.0%	2,653,556
Bonds or promissory notes of the Treasury	216,915	4.2%	1,421,828	1.2%	223,767	3.5%	462,455	2.2%	2,324,965

	As of and for the year ended December 31, 2021								
	Within 1 year	Weighted average yield rate(1)	After 1 year but within 5 years	Weighted average yield rate(1)	After 5 years but within 10 years	Weighted average yield rate(1)	After 10 years	Weighted average yield rate(1)	Total
	(in millions of Ch$, except percentages)								
Other fiscal instruments	46	4.0%	361	3.7%	3,883	4.0%	.	0.0%	4,290
Subtotal.......................	**2,866,567**		**1,426,139**		**227,650**		**462,455**		**4,982,811**
Other domestic instruments									
Financial instruments in instruments issued by other domestic banks	465,854	(0.0)%	783,573	0.0%	10,617	4.0%	7,785	4.2%	1,267,829
Bonds and corporate commercial papers	-	0.0%	8,516	0.3%	-	0.0%	-	0.0%	8,516
Other domestic instruments	2,014	0.0%	-	0.0%	-	0.0%	-	0.0%	2,014
Subtotal	**467,868**		**792,089**		**10,617**		**7,785**		**1,278,359**
Foreign instruments:									
Instruments issued by foreign states and central banks	-	0.0%	-	2.5%	-	1.1%	-	0.0%	-
Other foreign instruments	34,902	2.2%	397,148	1.6%	599,647	2.3%	73,097	0.1%	1,104,794
Subtotal	**34,902**		**397,148**		**599,647**		**73,097**		**1,104,794**
CNB Foreign instruments:									
Instruments issued by foreign states and central banks	-	0.0%	9,440	2.5%	97,923	1.1%	395,884	1.8%	503,247
Other foreign instruments	4,879	0.2%	183,851	0.6%	131,079	0.5%	3,015,573	1.7%	3,335,382
Subtotal........................	**4,879**		**193,291**		**229,002**		**3,411,457**		**3,838,629**
Total	**3,374,216**		**2,808,667**		**1,066,916**		**3,954,794**		**11,204,593**
Held-to-Maturity Financial investments quoted in active markets:									
Of the State and the Central Bank of Chile:									
Instruments of the Central Bank of Chile	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Bonds or promissory notes of the Treasury.....................	-	0.0%	1,024,195	1.4%	-	0.0%	-	0.0%	1,024,195
Other fiscal instruments	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Subtotal.......................	**-**	**0.0%**	**1,024,195**		**-**		**-**		**1,024,195**
Foreign instruments:									
Instruments issued by foreign states and central banks	-	0.0%	-	3.1%	-	0.0%	-	1.5%	-
Other foreign instruments	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-
Subtotal.......................	**-**		**-**		**-**		**-**		**-**
CNB Foreign instruments:									
Instruments issued by foreign states and central banks	-	0.0%	854	3.1%	-	0.0%	21,719	1.5%	22,573
Other foreign instruments	-	0.0%	-	0.0%	589,961	1.6%	660,626	1.8%	1,250,587
Subtotal.......................	**-**		**854**		**589,961**		**682,345**		**1,273,160**
Total............................	**-**		**1,025,049**		**589,961**		**682,345**		**2,297,355**
Total Financial Investments...............	**3,776,665**		**4,262,767**		**1,672,445**		**4,663,937**		**14,375,814**

(1) The rates noted above for the available for sale portfolio are based on the weighted average yield for the times remaining to maturity on the existing portfolio as of December 31, 2021. The weighted average yield is calculated as the percentage of the yield of the portfolio grouped by account and tenor, times the market value, divided by the total market value of that type and tenor. Due to our management of our exposure to liquidity risk as described in Note 36 to our audited consolidated financial statements included herein, actual rates may vary.

Loan Portfolio

The following table analyzes our loans by type of loan net of allowances for loan losses. See "Allocation of Allowance Loan Losses." Total loans reflect our loan portfolio, including past due amounts (but excluding bank loans and contingent loans because they are off-balance sheet).

	As of December 31,		
	2019	2020	2021
		(in millions of Ch$)	
Commercial loans			
Commercial loans	10,573,588	11,873,985	12,774,586
CNB commercial loans	6,589,290	7,489,539	9,386,562
Foreign trade loans	1,084,781	688,405	1,228,476
Checking accounts	176,189	125,599	105,456
Factoring operations	1,030,706	914,954	1,075,811
Loans to college students	151,142	140,891	133,138
Leasing transactions	1,582,527	1,422,912	1,539,603
Other loans and receivables	64,854	50,832	56,176
Subtotal	21,253,007	22,707,117	26,299,808
Mortgage loans			
Letters of credit	8,174	5,560	3,188
Negotiable mortgage loans	1,703,795	1,533,080	2,125,472
Other mortgage loans	4,881,862	5,810,235	6,478,194
CNB mortgage loans	1,698,508	1,548,596	2,100,520
Subtotal	8,292,339	8,897,471	10,707,374
Consumer loans			
Consumer loans in installments	2,211,735	1,867,259	1,784,615
CNB consumer loans	50,639	46,593	51,512
Checking accounts	1,257,888	56,036	64,043
Credit card borrowers	108,770	1,135,917	1,272,020
Consumer leasing transactions	1,241	741	383
Other loans and receivables	36,768	7,547	50,627
Subtotal	3,667,041	3,114,093	3,223,200
Total loans	33,212,457	34,718,681	40,230,382

The loan categories are as follows:

Commercial loans are comprised of the following:

General commercial loans. General commercial loans are long-term and short-term loans granted to Chilean corporations and individuals in pesos, UF or U.S. dollars on an adjustable or fixed rate basis, primarily to finance working capital or investments. Commercial loans represent the largest portion of our loan portfolio. Interest accrues daily on a 30, 90, 180 or 360 day basis. Loan payments are scheduled monthly, quarterly, semi-annually or yearly, depending on the terms of the loan. Although we have certain flexibility to determine the interest rate of these loans, it cannot exceed the maximum rate for commercial loans established by the CMF in accordance with Chilean law. General commercial loans do not include commercial loans made by CNB, which we separately presented under "CNB commercial loans."

CNB commercial loans. CNB commercial loans are loans to businesses or corporations without mortgage-based collateral.

Foreign trade loans. Foreign trade loans are short-term loans made in foreign currencies (principally US$) to finance imports and exports.

Checking accounts. Lines of credit and overdrafts are short-term operating commercial loans under which our customers can draw down loaned funds up to certain credit limits.

Loans to college students. Includes university financing loans, which are loans granted in accordance with Law No. 20,027, CORFO guaranteed or others.

Factoring operations. Factored receivables are derived from our factoring operations which consist of purchasing outstanding debt portfolios such as bills, notes, or contracts, advancing a payment representing the future cash flows from such assets, and then performing the related collection function. The receivables are sold with and without recourse in the event accounts prove uncollectible.

Leasing transactions. Leasing contracts are contracts whereby a lessor grants to a lessee a purchase option on certain leased assets.

Other loans and receivables. Other outstanding loans include other commercial loans that are not classified under any of the above categories, which are financed by our general borrowings.

Mortgage loans are comprised of the following:

Mortgage loans. Mortgage loans are inflation-indexed, fixed or variable rate, long-term loans with monthly payments of principal and interest secured by a mortgage over real property. These mortgage loans are generally financed with mortgage finance bonds, which are general obligations of us. At the time of approval, the principal amount of this type of mortgage loan cannot be higher than 90.0% of the lower of the purchase price and the appraised value of the mortgaged property; otherwise such loan will be classified as a commercial loan. Under the General Banking Law's liquidation procedures, if the issuer of a mortgage finance bond becomes insolvent, these mortgage loans and the related mortgage finance bonds shall be auctioned in block and the acquirer will continue to make payments under the mortgage finance bonds pursuant to the same terms and conditions as the original issuer.

Other loans and receivables. Other outstanding loans include other residential mortgage loans not included under any of the above categories above, which are financed by our general borrowings.

Consumer loans are comprised of the following:

Consumer loans in installments. Consumer loans in installments are loans to individuals, denominated in pesos, generally on a fixed rate basis, to finance the purchase of consumer goods or the payment of services. Interest accrues daily on a 30 or 360 day basis. Loan payments are scheduled monthly. Although we have certain flexibility to determine the interest rate of these loans, it cannot exceed the maximum rate for consumer loans established by the CMF in accordance with Chilean law.

CNB consumer loans. CNB consumer loans are loans to individuals.

Checking Accounts. Lines of credit and overdrafts are short-term consumer loans under which our customers can draw down loaned funds up to certain credit limits.

Credit card loans. Credit card loans are credit card balances subject to interest charges. Interest accrues daily on a 30- or 360-day basis. Loan payments are scheduled monthly. Although we have certain flexibility to determine the interest rate of these credit card loans, this rate cannot exceed the maximum rate for consumer loans established by the CMF in accordance with Chilean law.

Consumer leasing transactions. Leasing transactions are contracts whereby a lessor grants to a lessee a purchase option on certain leased assets.

Other loans and receivables. Other loans and receivables include other loans not classified under any of the above categories, which are financed by our general borrowings.

City National Bank of Florida loans are comprised of the following:

General commercial loans. Long-term and short-term loans granted to corporations and individuals in U.S. dollars on an adjustable or fixed rate basis, primarily to finance working capital or investments. Interest accrues daily on actual/365 basis, in most of the cases. Loan payments are scheduled monthly, quarterly, semi-annually or yearly, depending on the terms of the loan.

Residential mortgage loans. These loans include:

- Mortgage loans. Mortgage loans are fixed, variable, or adjustable rate long-term loans with monthly payments of principal and interest secured by a mortgage over one to four family residential properties. At the time of approval, the principal amount of this type of mortgage loan depends on the occupancy status, number of units, and loan amount, but cannot be higher than 80.0% of the appraised value of the mortgaged property.

- Home Equity Lines (HELOC). HELOCs are revolving, open-end lines of credit extended to a homeowner secured by, typically, a junior lien over one to four family residential property.

Commercial real estate loans. These loans include owner and non-owner occupied commercial real estate loans, which are adjustable or fixed rate loans used to purchase or refinance owner occupied or investment commercial real estate property. The owner occupancy should be greater or equal to 51% of the leasable space, loan to value should not be higher than 75%, and we should have a first lien over the real estate property. Underwriting parameters include mandatory escrow for taxes and insurances, maximum vacancy, in case of non-owner occupied loans, minimum management fees and debt service coverages.

Consumer loans. These loans include:

- Personal line of credit: revolving variable rate line of credit targeted for personal use. Payback generally occurs within 24 months. These lines can be unsecured or secured by a CD.

- Unsecured term loans: Personal purpose fixed rate loan with relatively short time periods, with pay back generally occurring within 60 months.

- Automobile, boat, and airplane loans: Loans used to purchase or refinance these types of assets, secured by a first lien position on those assets.

Construction and land loans. These loans include the following:

- Construction loans: Fixed or variable rate loans made to construct commercial real estate or one to four family residences.

- Land loans: Fixed or variable rate loans made for the purpose of acquiring land for the future construction of commercial real estate or one to four family residences.

For a more detailed description of City National Bank of Florida loans, see "City National Bank of Florida."

Risks of the Loan Portfolio

The risk index of our loan portfolio is calculated as allowances for loan losses as a percentage of total loans. Our risk index was 1.97%, 2.22% and 1.84% as of December 31, 2019, 2020 and 2021, respectively. Our risk index for our main loan categories is as follows:

Commercial loans

Bci loans

The risk index of our commercial loans as of December 31, 2019, 2020 and 2021 was 1.7%, 2.0% and 1.8%, respectively. Our risk index in 2019, 2020 and 2021 reflects, in part, the results of our risk management transformation plan, but mainly the quality of our commercial loans depends on Chilean GDP growth, interest rates, regulatory changes, the general level of indebtedness and other economic conditions such as the conditions of each industry sector in which our borrowers are involved.

In 2020, due to the effects the pandemic had on macroeconomics, these variables were deteriorated, but it was partially offset by the government programs to support the SMEs. As a measure to confront this risk, Bci made additional provisions. In 2021, the risk index improved 19 basis points due to the high base of comparison as a result of the mobility restrictions of the previous year. During the same year, we continued making additional provisions as a result of the uncertainty regarding the COVID-19 pandemic and the potential negative effects arising from the discontinuance of the economic support programs offered by the Chilean government.

City National Bank of Florida loans

The risk index of our CNB commercial loans as of December 31, 2019, 2020 and 2021 was 0.70%, 0.70% and 0.80% respectively.

Mortgage loans

Bci loans

The risk index of our mortgage loans as of December 31, 2019, 2020 and 2021 was 0.50%, 0.54% and 0.51%, respectively. The risk index of our mortgage loans has remained stable and low relative to the risk index of the Chilean financial system.

City National Bank of Florida loans

The risk index of our CNB mortgage loans as of December 31, 2019, 2020 and 2021 was 0.59%, 1.25% and 1.06%, respectively.

Consumer loans

Bci loans

The risk index of our consumer loans as of December 31, 2019, 2020 and 2021 was 6.85%, 8.12% and 6.06%, respectively. Most of the increased risk index of consumer loans in 2020 can be attributable to (1) the portfolio of Walmart Financial Services, even if in the last quarters it showed an improvement, (2) the economic disruption in 2020 following the pandemic, and (3) the increase of provisions mainly in CNB. The decrease in the risk index during 2021 is primarily attributable to monetary transfers by the Chilean government to individuals and extraordinary withdrawals from pension funds, which provided a high level of liquidity to individuals.

City National Bank of Florida loans

The risk index of our CNB consumer loans as of December 31, 2019, 2020 and 2021 was 0.94%, 9.49% and 1.12%, respectively.

Maturity and Interest Rate Sensitivity of Loans

The following table sets forth an analysis of our loans (before allowances; exclusive of interbank loans) as of December 31, 2021 by type of loan and time remaining to maturity:

	Due within 1 month	Due after 1 month but within 6 months	Due after 6 months but within 12 months	Due after 1 year but within 3 years	Due after 3 years but within 5 years	Due after 5 years but within 15 years	Due after 15 years	Balance as of December 31, 2021
				(in millions of Ch$)				
Commercial loans								
General commercial loans	1,188,175	4,942,217	2,303,506	4,796,733	1,641,622	2,960,025	4,733,171	22,565,448
CNB commercial loans	1,101	1,408	1,391	1,210	1,966	1,710	2,290	11,076
Foreign trade loans	180,364	693,756	210,386	76,952	32,888	14,647	39,664	1,248,656
Checking accounts	4,624	27,633	79,247	1,078	0	–	–	112,582
Loans to college students	584	3,483	4,599	18,793	18,641	87,146	4,096	138,152
Factoring operations	-	0	0	0	0	–	1,088,017	1,088,017
Leasing transactions	44,964	218,945	221,193	565,381	223,825	288,817	–	1,563,234
Other loans and receivables	52,266	7,052	1,537	887	11	–	–	61,753
Subtotal	1,472,078	5,894,494	2,821,859	5,461,034	1,918,953	3,352,345	5,868,156	26,788,918
Mortgage loans								
Mortgage loans	103,619	507,299	518,063	1,546,641	1,208,075	4,188,789	2,687,655	10,760,141
CNB residential mortgage loans	37	100	55	38	41	1,348	865	2,484
Subtotal	103,656	507,399	518,118	1,546,679	1,208,116	4,190,137	2,688,520	10,762,625
Consumer loans								
Consumer loans in installments	53,713	291,565	319,283	902,163	322,888	57,995	22	1,947,629
CNB consumer loans	7	18	16	9	12	–	–	62
Checking accounts	5,984	28,236	37,665	1,016	0	–	–	72,901
Credit card borrowers	943,082	244,963	99,029	67,412	4,327	–	–	1,358,813

	Due within 1 month	Due after 1 month but within 6 months	Due after 6 months but within 12 months	Due after 1 year but within 3 years	Due after 3 years but within 5 years	Due after 5 years but within 15 years	Due after 15 years	Balance as of December 31, 2021
Consumer leasing transactions	30	73	64	146	56	19	–	388
Other loans and receivables	0	0	0	0	0	–	51,206	51,206
Subtotal	1,002,816	564,855	456,057	970,746	327,283	58,015	51,288	3,430,998
Total loans	2,578,550	6,966,748	3,796,034	7,978,459	3,454,352	7,600,496	8,607,904	40,982,542

The following table sets forth an analysis of our loans (before allowances; exclusive of interbank loans) as of December 31, 2020 by type of loan and time remaining to maturity:

	Due within 1 month	Due after 1 month but within 6 months	Due after 6 months but within 12 months	Due after 1 year but within 3 years	Due after 3 years but within 5 years	Due after 5 years but within 15 years	Due after 15 years	Balance as of December 31, 2020
				(in millions of Ch$)				
Commercial loans								
General commercial loans	1,049,502	2,654,550	1,568,498	3,028,392	1,588,350	2,453,902	387,918	12,731,113
CNB commercial loans	1,694	38,962	612,948	1,991,200	1,719,742	2,621,301	50,561	7,036,408
Foreign trade loans	141,422	342,640	95,156	67,075	34,506	20,174	–	700,973
Checking accounts	32,574	27,599	72,692	946	-	–	–	133,811
Loans to college students	13,747	2,713	6,707	15,866	18,223	81,232	7,742	146,230
Factoring operations	708,585	157,466	49,790	7,775	-	–	–	923,616
Leasing transactions	28,227	144,931	190,371	488,681	249,446	190,109	152,265	1,444,029
Other loans and receivables	47,246	7,742	1,625	920	14	–	–	57,547
Subtotal	2,022,997	3,376,603	2,597,787	5,600,855	3,610,281	5,366,718	598,486	23,173,727
Mortgage loans								
Mortgage loans	182,719	151,495	184,376	742,824	744,180	3,413,945	1,996,747	7,416,286
CNB residential mortgage loans	103	4,883	148,283	395,577	352,641	422,719	205,209	1,529,415
Subtotal	182,822	156,378	332,659	1,138,401	1,096,821	3,836,664	2,201,956	8,945,701
Consumer loans								
Consumer loans in installments	97,870	274,944	305,424	901,986	384,074	90,608	36	2,054,942
CNB consumer loans	5	365	1,599	6,432	7,749	19,086	–	35,236
Checking accounts	9,212	23,892	31,448	833	-	–	–	65,385
Credit card borrowers	790,263	277,221	87,050	66,241	4,152	–	–	1,224,927
Consumer leasing transactions	48	213	179	206	53	63	–	762
Other loans and receivables	714	76	332	1,336	1,610	3,965	–	8,033
Subtotal	898,112	576,711	426,032	977,034	397,638	113,722	36	3,389,285
Total loans	3,103,931	4,109,692	3,356,478	7,716,290	5,104,740	9,317,104	2,800,478	35,508,713

The following table sets forth an analysis of our loans (before allowances; exclusive of interbank loans) as of December 31, 2019 by type of loan and time remaining to maturity:

	Due within 1 month	Due after 1 month but within 6 months	Due after 6 months but within 12 months	Due after 1 year but within 3 years	Due after 3 years but within 5 years	Due after 5 years but within 15 years	Due after 15 years	Balance as of December 31, 2019
				(in millions of Ch$)				
Commercial loans								
General commercial loans	4,859,091	1,186,009	1,053,855	833,044	685,815	2,341,091	356,577	11,315,481
CNB commercial loans	115,564	134,828	444,312	1,131,487	975,887	3,268,574	63,046	6,133,699
Foreign trade loans	996,811	29,502	23,865	15,392	12,160	18,598	–	1,096,327
Checking accounts	186,857	71		–	–	–	–	186,928

	Due within 1 month	Due after 1 month but within 6 months	Due after 6 months but within 12 months	Due after 1 year but within 3 years	Due after 3 years but within 5 years	Due after 5 years but within 15 years	Due after 15 years	Balance as of December 31, 2019
Loans to college students	24,581	7,260	7,608	9,609	9,413	84,469	12,572	155,512
Factoring operations	1,028,727	8,304	499	–	–	–	–	1,037,530
Leasing transactions	345,284	260,202	192,712	185,284	139,792	215,045	273,170	1,611,489
Other loans and receivables	71,906	1,203	69	28	–	–	–	73,206
Subtotal	7,628,821	1,627,379	1,722,920	2,174,844	1,823,067	5,927,776	705,364	21,610,172
Mortgage loans								
Mortgage loans	348,033	334,151	340,020	341,449	322,590	3,177,040	1,762,165	6,625,448
CNB residential mortgage loans	8,963	21,654	137,747	288,065	256,444	670,270	325,382	1,708,525
Subtotal	356,996	355,805	477,767	629,514	579,034	3,847,310	2,087,547	8,333,973
Consumer loans								
Consumer loans in installments	768,277	593,428	454,286	309,124	164,441	112,207	23	2,401,786
CNB consumer loans	166	631	579	1,828	2,199	9,958	–	15,361
Checking accounts	118,057	53				–	–	118,110
Credit card borrowers	1,293,015	53,331	10,909	5,319	744	2	–	1,363,320
Consumer leasing transactions	658	415	95	18	19	83	–	1,288
Other loans and receivables	1,390	1,470	1,349	4,256	5,120	23,183	–	36,768
Subtotal	2,181,563	649,328	467,218	320,545	172,523	145,433	23	3,936,633
Total loans	10,167,380	2,632,512	2,667,905	3,124,903	2,574,624	9,920,519	2,792,935	33,880,778

The following tables present, as of December 31, 2020 and 2021, the amount of outstanding loans (exclusive of contingent loans) due after one year exposed to interest rate:

	As of December 31,	
	2020	2021
Variable Rate:		
Ch$	2,600,698	1,889,773
UF	581,397	588,430
Ch$ indexed to US$	15,384	9,839
Foreign currency	22,952	27,625
US$	6,161,460	4,291,174
Subtotal	**9,381,891**	**6,806,841**
Fixed Rate:		
Ch$	8,880,833	10,493,494
UF	11,638,294	17,966,019
Ch$ indexed to US$	86,581	148,188
Foreign currency	6,511	781
US$	5,514,602	5,567,219
Subtotal	26,126,821	34,175,701
Total	**35,508,712**	**40,982,542**

Loans by Economic Activity

The following table sets forth an analysis of our loan portfolio (before allowances for loan losses) based on the borrower's principal economic activity, as of each of the indicated dates. Loans to individuals for business purposes are allocated to their economic activity. The table does not reflect outstanding contingent loans.

	As of December 31,					
	2019		2020		2021	
	Loan portfolio	Percentage of loan portfolio	Loan portfolio	Percentage of loan portfolio	Loan portfolio	Percentage of loan portfolio
	(in millions of ch$, except percentages)					
Agricultural, livestock, forestry and fishing						
Agriculture and livestock	441,628	1.30%	498,865	1.40%	595,068	1.45%
Fruit	252,580	0.75%	271,384	0.76%	344,465	0.84%
Forestry	132,933	0.39%	145,969	0.41%	172,109	0.42%
Fishing	158,287	0.47%	147,429	0.42%	164,956	0.40%
Subtotal	985,428	2.91%	1,063,647	3.00%	1,276,598	3.11%

	As of December 31,					
	2019		2020		2021	
	Loan portfolio	Percentage of loan portfolio	Loan portfolio	Percentage of loan portfolio	Loan portfolio	Percentage of loan portfolio
	(in millions of ch$, except percentages)					
Manufacturing						
Tobacco, food and beverages	378,172	1.12%	395,906	1.11%	481,163	1.17%
Textiles, clothing and leather goods	62,690	0.19%	75,596	0.21%	52,901	0.13%
Wood and wood products	59,694	0.18%	65,289	0.18%	58,890	0.14%
Paper, printing and publishing	62,133	0.18%	94,158	0.27%	87,494	0.21%
Chemical products derived from oil, coal, rubber and plastic	240,755	0.71%	215,030	0.61%	253,556	0.62%
Production of basic metal, non-minerals, machines and equipments	553,149	1.63%	620,572	1.75%	696,107	1.70%
Other manufacturing industries	266,946	0.79%	250,589	0.71%	1,569,925	3.83%
Subtotal	1,623,539	4.79%	1,717,140	4.84%	3,200,036	7.81%
Transport, storage and communications						
Transport and storage	963,975	2.85%	1,097,087	3.09%	2,660,691	6.49%
Communications	407,507	1.20%	453,300	1.28%	397,879	0.97%
Subtotal	1,371,482	4.05%	1,550,387	4.37%	3,058,570	7.46%
Construction	1,881,471	5.55%	1,940,932	5.47%	2,407,602	5.87%
Community, social and personal services	4,065,536	12.00%	4,857,707	13.68%	3,410,870	8.32%
Consumer credit	3,936,633	11.62%	3,389,285	9.54%	3,430,998	8.37%
Commerce	3,324,740	9.81%	3,922,156	11.05%	4,002,021	9.77%
Electricity, gas and water	599,474	1.77%	579,916	1.63%	779,609	1.90%
Residential mortgage loans	8,333,973	24.60%	8,945,701	25.19%	10,762,624	26.26%
Mining and petroleum	380,463	1.12%	228,875	0.64%	346,804	0.85%
Services	7,378,039	21.78%	7,312,967	20.59%	8,306,810	20.27%
	29,900,329	88.25%	31,177,539	87.80%	33,447,338	81.61%
Total	33,880,778	100.00%	35,508,713	100.00%	40,982,542	100.00%

Foreign Country Outstanding Loans

Our cross-border loans are principally trade-related. These include loans to foreign financial institutions. The table below lists our total amount of outstanding loans to borrowers in foreign countries as of December 31, 2019, 2020 and 2021. This table does not include foreign trade-related loans to Chilean borrowers.

	As of December 31,		
	2019	2020	2021
	(in millions of Ch$)		
Country			
Afghanistan	—	—	—
Andorra	—	—	—
Argentina	15,732	12,126	44,279
Australia	8,251	2,237	2,996
Austria	11,766	25,493	56,821
Bahamas	—	—	—
Belgium	1,097	2,571	547
Bolivia	—	—	341
Brazil	150,686	119,345	259,218
Bulgaria	—	485	54
Canada	106,227	22,939	31,495
Cayman Islands	30,116	23,670	16,684
China	23,855	22,971	44,301
Colombia	184,797	48,492	105,341
Costa Rica	14,543	—	—
Denmark	817	44	3
Dominican Republic	20,000	14,219	—
Ecuador	1,466	—	—
El Salvador	—	—	—

	As of December 31,		
	2019	2020	2021
	(in millions of Ch$)		
Finland	—	4,362	708
France	112,636	82,603	82,458
Germany	37,644	24,111	14,877
Greece	—	—	—
Guatemala	19,846	17,562	21,117
Hong Kong	—	36	—
India	326	—	—
Israel	2,000	—	—
Italy	50,561	36,168	15,753
Japan	23,014	25,796	5,677
Mexico	38,293	42,273	56,673
Netherlands	7	124	73
Panama	71,062	35,325	111,236
Paraguay	13,260	14,603	497
Peru	163,637	85,607	112,065
Poland	90	314	52
Portugal	2,326	466	6,490
Qatar	—	10,536	—
South Korea	35	—	3
Spain	106,668	107,665	433,846
Sweden	589	458	9,542
Switzerland	26,840	25,824	24,380
Turkey	12,905	1,837	26,189
United Kingdom	271,555	190,057	226,104
United States	602,285	307,596	616,358
Uruguay	31	—	36
Other	—	—	—
Total	**1,186,429**	**1,307,915**	**2,326,216**

We also maintain deposits abroad (primarily demand deposits) as needed to conduct our foreign trade transactions. The table below lists the amounts of foreign deposits by country as of December 31, 2019, 2020 and 2021:

	As of December 31,		
Country	2019	2020	2021
	(in millions of Ch$)		
Australia	3,954	2,178	2,159
Belgium	2,981	—	—
Canada	978	463	654
China	353	278	229
Denmark	763	36	150
Germany	23,172	32,977	34,388
Italy	3,757	1,132	—
Japan	845,859	5,153	10,555
Mexico	1,601	107	21
New Zealand		71	72
Norway	5,647	263	301
Peru	324	57	2,569
Spain	1,914	9,003	1,343
Sweden	—	78	82
Switzerland	1,219	733	1,070
UK	9,201	1,680	704
United States	1,019,458	690,007	128,158
Total	**1,911,980**	**744,216**	**182,457**

Credit Approval Process

We manage our credit risk by requiring loans to be approved in accordance with certain pre-determined procedures. Under our credit approval system, the approval of a transaction with a customer requires the participation of two or more executives, with at least one of them having the credit approval authority that would be necessary to cover our total risk exposure with respect to that customer.

Credit approval evaluation is made on the basis of the customer's total debt and the added risk involved in the proposed transaction. A borrower's total debt includes outstanding debt and any undrawn lines of credit. Our total risk exposure to any customer takes into account not only our direct exposure to this customer, but also any credit support or security and extensions of credit or undrawn lines of credit to related or affiliated borrowers.

Description of the main credit risk governance

Committee	Members	Areas	Faculties	Tenor
Executive Committee	At least 3 directors	All divisions	What exceeds faculties of Corporate Committee 2 and what must go to this instance according to established policies	What exceeds faculties of the Corporate Committee
Miami and International Committee	At least 2 risk representatives and 1 commercial line representative	Bci Miami andInternational Bank	Up to USD 20 MM	Up to 5 years for unsecured operations, except for syndicated credits in U.S. with liquidity index, which allow up to 7 years. Up to 12 years for secured operations (100% coverage at liquidation value) Bullet: up to 3 years, except for syndicated credits in U.S. with liquidity index, which allow up to 7 years
Corporate Committee 2	At least 2 risk representatives and 1 commercial line representative	All divisions	(1) MM$13.001 to MM$25.000 (2) MM$8.001 to MM$20.000 (3) MM$6.001 to MM$15.000 Project Finance up to MM$12.000 Bullet up to MM$5.000	Up to 5 years for unsecured operations and 15 years for secured operations or maximum deficit of MM$2.000 Leasing/leaseback up to 15 years Private Banking: 30 years mortgage loan 5 year bullet up to 2,500 liquid guarantees
Corporate Committee 1	At least 2 risk representatives and one comercial line representative	All divisions	(1)MM$4.000 to MM$13.000 (2) MM$2.0000 to MM$8.000 (3) MM$1.000 to MM$6.000 Excludes Project Finance and Bullet	Up to 5 years for unsecured operations and 15 years for secured operations or maximum deficit of 30% with a máximum of MM$500 Leasing/leaseback up to 15 years Private Banking: 30 years mortgage loan 3 year bullet up to 1,000 liquid guarantees
Normalization Committee 2	One Manager or Deputy Manager of Risk Origination in charge of a bank, one monitoring representative, and one comercial line representative or from the special accounts	All divisions For clients being monitored or with negative strategies or administered in special accounts	Wholesale: MM$1.000 to MM$12.000. Only for granted risks. Retail: MM$1.000 to MM$12.000 for entrepreneur groups in which at least one of them is being monitored or with negative strategy. Only for granted risks.	Up to 8 years for unsecured operations. Up to 15 years for secured operations In case of mortgage loans or general purpose loans for retail: up to 20 years
Normalization Committee 1	At least one monitoring representative, one risk origination representative, and one comercial line representative or from the special accounts	All divisions For clients being monitored or with negative strategies or administered in special accounts	Wholesale: MM$1 to MM$1.000. Only for granted risks. Retail: MM$1 to MM$1.000 for entrepreneur groups in which at least one of them is being monitored or with negative strategy. Only for granted risks.	Up to 5 years for unsecured operations Up to 10 years for secured operations

(1): Low complexity operations
(2): Medium complexity operations
(3): High complexity operations

Pairs:

Conformed by representatives of the commercial and risk areas, who have joint power to solve operations, according to the level of complexity.

		Attributions	
Pair	Representatives	From (High complexity)	Up to (Low complexity)
A	Corporate Risk Manager – Division Manager	MM$ 2.750	MM$ 11.000
B	Credit Risk Manager – Bank Manager	MM$ 2.250	MM$ 9.000
C	Bank Risk Manager – Banker Manager- Regional Manager	MM$ 1.000	MM$ 7.200
D	Senior Risk Zone – Banker Manager, Bank Deputy Manager and Bankers	MM$ 375	MM$ 4.500

Admission Process: Individual Portfolio

In the individual credit approval process, operations are resolved according to their degree of complexity, by managers with different powers, according to their experience.

At Bci there are two individual processes: the first corresponds to individual approval, which may have its origin in an origination (new client or product), renewal or in some follow-up alert associated with an apprehension regarding a change in the credit quality of the counterpart. The second process is the "centralized renewal", applicable to customers with current products.

Classification of Banks by the CMF

The CMF regularly examines and evaluates each financial institution's solvency and management ratings, including its compliance with the loan classification guidelines of the CMF, and on that basis classifies banks and other financial institutions into one of five categories, I, II, III, IV and V, as follows:

- Category I is reserved for financial institutions that have been rated level A in terms of solvency and management.

- Category II is reserved for financial institutions that have been rated (i) level A in terms of solvency and level B in terms of management, (ii) level B in terms of solvency and level A in terms of management, or (iii) level B in terms of solvency and level B in terms of management.

- Category III is reserved for financial institutions that have been rated (i) level B in terms of solvency and level B in terms of management for two or more consecutive review periods, (ii) level A in terms of solvency and level C in terms of management, or (iii) level B in terms of solvency and level C in terms of management.

- Category IV is reserved for financial institutions that are rated level A or B in terms of solvency and have been rated level C in terms of management for two or more consecutive review periods.

- Category V is reserved for financial institutions that have been rated level C in terms of solvency, irrespective of their rating level of management.

The solvency rating of a bank is determined by its ratio of regulatory capital (after deducting accumulated losses during the financial year) to risk-weighted assets. This ratio is equal to or greater than 10.5% for level A banks, equal to or greater than 8% and less than 10.5% for level B banks and less than 8% for level C banks.

The management rating of a bank is as follows: (i) level A banks are those that are not rated as level B or C, (ii) level B banks display some weakness in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios, and (iii) level C banks display significant deficiencies in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios.

Classification of Loan Portfolio

Chilean banks are required to classify their outstanding exposures on an ongoing basis for the purpose of determining the amount of allowances for loan losses. The guidelines used by Chilean banks for such classifications are established by the CMF, although banks are given some latitude in devising more stringent classification systems within such guidelines. For purposes of classification of our loan portfolio, loans are divided into consumer loans, residential mortgage loans and commercial loans.

Consumer Loans. These loans include financing arising from the use of credit cards, overdrafts on current accounts and loans granted to individuals. Their purpose is to finance the acquisition of consumer goods and payment of services, in an amount that generally does not exceed UF 550. Their repayment is generally made in equal and consecutive installments. See "—Loan Portfolio."

With respect to consumer loans, allowances for loan losses are determined by mathematical models of expected loss applied to our loan portfolio as a whole. These models have been based on our data and delinquency and behavior classification which is determined by the extent to which payments are overdue.

Residential Mortgage Loans. These include loans for residential purposes that are currently funded through the issuance by us of mortgage finance bonds. Generally, the purpose of these loans is to finance the acquisition, improvement, restoration or construction of a residential home. They are granted to the final user of the property and are entirely collateralized. All the remaining mortgage loans, in particular those granted for general purposes, are considered as commercial loans. See "—Loan Portfolio."

With respect to residential mortgage loans, allowances for loan losses are determined by a standard classification given by the CMF (former SBIF) in the Compendium, Chapter B-1.

Commercial Loans. Include all loans other than consumer loans and residential mortgage loans. See "—Loan Portfolio."

For a description of City National Bank of Florida loans, see "—Loan Portfolio."

For purposes of assessing our loan portfolio, we assess certain loans on an "individual" basis and other loans on a "collective" basis. We perform individual assessments of loans that we consider significant relative to our loan portfolio, based on the amount of the loan and its size, complexity and the credit profile of the borrower. Generally, we perform individual assessments of loans equal to or greater than UF18,000. We assess on a collective basis all of our loans that we do not assess individually, grouping them according to certain common characteristics such as the amount of the loan and the borrower's credit profile. Generally, we perform collective assessment of loans of less than UF18,000, and we use a mathematical model developed internally for our collective assessment of loans. See "Presentation of Financial and Other Information—Loans."

2010 Guidelines of the Former SBIF

On August 12, 2010, the former SBIF published new guidelines for classifying and provisioning of loan portfolios that became mandatory as of January 1, 2011 (the "**New Guidelines**"). As a result, the models and methods used to classify our loan portfolio and establish allowances for loan losses follow the guiding principles set forth below by the regulatory authority.

For large commercial loans, leasing and factoring, we assign a risk category to each borrower and its respective loans. We consider the following risk factors: the industry or sector of the borrower, the owners or managers of the borrower, the borrower's financial situation, its payment capacity and its payment history. Based on these factors and pursuant to the Guidelines, we expect to assign one of the following risk categories to each borrower and loan that we evaluate on an individual basis:

i. "Normal Loans" or loans classified in categories A1 through A6 will correspond to borrowers who are current on their payment obligations and show no sign of deterioration in their credit quality.

ii. “Substandard Loans” or loans classified in categories B1 through B4 will correspond to borrowers with some financial difficulties or an important deterioration of payment capacity. Substandard loans also include all loans that have non-performance levels greater than 30 days.

iii. “Non-compliant Portfolio,” which include non-compliant loans and other loans classified under categories C1 through C6, will correspond to borrowers whose payment capacity is at serious risk and are renegotiating credit terms to avoid bankruptcy or there is a high likelihood that they will file for bankruptcy. These loans also include all loans, including contingent operations, with at least one installment overdue more than 90 days.

Allowances for Normal and Substandard Loans

For normal and substandard loans, expected loss is to be calculated in accordance with the following CMF (former SBIF) standards:

Borrower Category	Probability of default (PD) (%)	Loss given default (LGD) (%)	Expected loss (EL) (%)
Normal loans			
A1	0.04	90.0	0.03600
A2	0.10	82.5	0.08250
A3	0.25	87.5	0.21875
A4	2.00	87.5	1.75000
A5	4.75	90.0	4.27500
A6	10.00	90.0	9.00000
Substandard loans			
B1	15.00	92.5	13.87500
B2	22.00	92.5	20.35000
B3	33.00	97.5	32.17500
B4	45.00	97.5	43.87500

Banks individually assign a specific classification and therefore provision level to each borrower. Accordingly, the amount of loan loss allowance is determined on a case-by-case basis. In determining provisions on an individual basis for normal and substandard loans pursuant to the recently published guidelines, banks are required to use the following equation established by the regulatory authority:

$$\text{Provision} = (\text{ESA}-\text{GE}) * (\text{PD debtor}/100) * (\text{LGD debtor}/100) + \text{GE} * (\text{PDguarantor}/100) * (\text{LGD guarantor}/100)$$

ESA = Exposure subject to allowances
PD = Probability of default
GE = Guaranteed exposure
LGD = Loss Given Default

Definition of Categories

A1: Debtor has the highest credit quality. This category is assigned only to borrowers with an extremely strong capacity to meet its financial obligations.

The debtor in this category has very solid financial foundations and competitive advantages in the markets in which it participates, so its ability to pay has remained permanently immune to cyclical fluctuations in the economy or sector. Therefore, it has a proven ability to generate cash flows to comfortably cover all of its financial commitments, even under restrictive conditions in the macroeconomic environments sector.

This category may be allocated only to debtors who have at least AA rating on the scale of the Chilean Securities Market Law granted by a national rating company recognized by the CMF, or its equivalent in case the debtor has an international rating by an external rating company, which also must be recognized by the CMF.

A2: Debtor has a very high credit quality. The ability to pay its financial obligations is very strong. Predictable events do not affect this capability significantly.

The debtor in this category provides a solid financial foundation and competitive position in the markets where it participates, so their ability to pay has been permanently immune and is not vulnerable to cyclical fluctuations in the economy or markets in which it participates. Presents proven ability to generate cash flows to cover timely and properly all financial commitments.

A3: Debtor has a high credit quality. The ability to pay its financial commitments is strong. Predictable events do not affect this capacity significantly.

The debtor in this category provides a solid foundation and competitive financial ability to pay and shows resistance to cyclical fluctuations in the economy or the markets in which it participates.

Under tight financial-economic scenarios, the power would not vary significantly.

A4 Debtor has a good credit quality. The ability to pay their financial obligations is sufficient. However, this capability is slightly susceptible to changing circumstances or economic conditions.

The debtor in this category provides a solid foundation and competitive financial ability to pay, shows resistance to cyclical fluctuations in the economy or markets in which it participates; however, it may have slight vulnerability to restrictive conditions at macroeconomic and sector levels.

A5: Debtor has a good credit quality. The ability to pay their financial commitments is adequate or sufficient, but is susceptible to change in circumstances or economic conditions.

The debtor in this category presents reasonable competitive and financial foundations, so their ability to pay is less vulnerable to cyclical fluctuations in the economy or markets in which it participates, but although it presents good ability to generate cash flows to meet promptly all its financial commitments under adverse conditions, could be vulnerable to restrictive environmental conditions at macroeconomic and sector levels.

A6: Debtor has a sufficient credit quality. Its ability to pay could deteriorate in adverse economic conditions. The debtor currently has certain challenges with his ability to fulfill his financial obligations, but this is temporary.

The debtor in this category has reasonable competitive and financial foundations, but his payment capacity presents vulnerabilities to cyclical fluctuations of the economy or of the markets in which it participates. Although it has demonstrated the capacity to generate sufficient cash flow to meet its financial commitments under adverse conditions, there is evidence of weakness before restrictive conditions of the macroeconomic and sector environment.

B1: Debtor has a low credit quality. His capacity of payment is vulnerable, affecting his ability to fulfill his financial obligations. The debtor in this category presents deficient financial and competitive foundations, and has presented irregularities in the fulfillment of his commitments.

B2: Debtor has a low credit quality. The debtor presents a worsening in his capacity of payment, generating doubts on the recovery of his credits. The debtor in this category presents deficient financial and competitive foundations, and his ability to generate cash flows is insufficient, which is translated into unsatisfactory fulfillments of his commitments. Also part of this category are those debtors who have registered some precedents of negative behavior in the last 12 months, which are not of recurring nature, and which reclassification as performing loans has taken place at least three months ago.

B3: Debtor has a very low credit quality. His capacity of payment is weak and has shown delinquencies in payments, which may under this scenario, require a financial restructuring to meet obligations or, in case of having had it, obligations thereunder have not been complied with regularly. The debtors who are classified in this category do not exceed 90 days default.

B4: Debtor has a minimum credit rating. This type of borrower has history of disruptive behavior in the last 12 months, which, however, currently does not exceed 90 days default, nor meets certain conditions to be considered as held in default.

Allowances for Loan Losses

Our loan portfolio includes loans for which the likelihood of recovery is low, as the borrowers show impaired payment capacity or no payment capacity at all. This portfolio includes (i) loans of borrowers with evident signs of possible bankruptcy, (ii) loans for which restructuring is necessary in order to avoid impairment and (iii) loans of borrowers that are at least 90 days in default in the payment of interests or principal on any of their loans. Debtors classified under categories C1 to C6 and all their loans are included in our non-compliant loan portfolio (a subpopulation of our impaired loans portfolio as defined under CMF (former SBIF) criteria), including 100% of the amount of their undrawn committed credit lines and contingent loans.

We determine the allowance for loan losses taking into account our total exposure to each borrower, which is the sum of such borrower's total loans (including contingent loans and undrawn committed credit lines). To determine the percentage of our allowance with respect to these borrowers, we estimate the expected loss rate, the amounts that are recoverable by executing guarantees and the present value of the amounts that can be recovered through collection actions, net of expenses. The expected loss rate is classified under one of the six categories defined below, considering the range of losses that we expect from all the loans of the same debtor.

For loans classified under Categories C1 through C6, we will need to have the following levels of allowance required by the regulatory authority:

Borrower category	Expected loss range	Loss rate% (1)
C1	Up to 3%	2
C2	More than 3% up to 20%	10
C3	More than 20% up to 30%	25
C4	More than 30% up to 50%	40
C5	More than 50% up to 80%	65
C6	More than 80%	90

(1) Represents percentages of the aggregate amount of principal and accrued but unpaid interest of the loan.

For these loans the expected loss must be calculated as follows:

Expected loss = (TE – Rec) / TE

Allowance (Ch$) = TE * Allowance %

TE = Total exposure.
REC = Recoverable amount based on estimates of collateral value and collection efforts.

2014 Guidelines of the Former SBIF

On December 30, 2014, the former SBIF published new guidelines for provisioning a bank's residential mortgage loan portfolio. The 2014 Guidelines include:

- an expected loss model to calculate allowances for housing mortgage loans that explicitly considers loan delinquency and loan / collateral (LTV) ratios, in order to promote active management of credit risk; and
- proposal for a new manner of evaluating collateral in the context of determining provisions, which would specify certain required conditions that would need to be met by an asset in order for it to be eligible to be used as collateral for mitigating credit risk, as well as more specific requirements of how collateral would be valued for purposes of setting loan loss levels.

These changes were implemented in January 2016.

Modifications to Provisions on Credit Risk for Banks

On December 30, 2014, the former SBIF issued Circular No. 3573, which established amendments to the norms regulating the interpretation of the Provisions for Credit Risk, in Chapters B-1, B-2 and E in the Compendium. According to Chapter E, Chapter B-1 became effective as of January 2016. The amendments seek to ensure the adequacy of the provisions requiring banks to present credit risk in their loan portfolios, and guidelines encouraging best practices in evaluation and risk management.

The most relevant amendments introduced under the circular discussed above are the following:

- Standard method for mortgage loans provisions. A standardized method for calculating minimum provisions for mortgage loans for housing was introduced, clarifying both the procedure for overdue payments and the loan guarantee relationship (loan-to-value) for creditors. Such method establishes a special treatment for loans subject to state auction;
- Non-compliant portfolios. Certain conditions were introduced to supplement the guidelines relating to non-compliant portfolios for loans subject to individual assessment, including those which must be performed to remove a specific debtor from said portfolio. In addition, similar provisions were introduced to group portfolios; and
- Substitution of a debtor's credit rating for the credit rating of its guarantor. Modifications were made to the guidelines to determine provisions relating to factoring operations; permitting the substitution of a debtor's credit rating for the credit rating of its guarantor, subject to certain conditions being met.

Further to the aforementioned amendments, the CMF (former SBIF) has developed standardized provisions for the remaining group portfolios (smaller size portfolios of consumer and commercial credits), together with the establishment of minimum conditions that must be met by the internal provisions for credit risk developed by each bank.

Analysis of our Loan Classifications

We perform "individual" assessments of loans that we consider significant relative to our loan portfolio, based on the amount of the loan and its size, complexity and the credit profile of the borrower. Generally, we perform individual assessments of loans equal to or greater than UF18,000.

We consider individually assessed loans as "non-compliant" loans when they are within C1, C2, C3, C4, C5 or C6 categories, according to the categories set forth by the CMF. See "—Guidelines of the Former SBIF."

We assess on a "collective" basis all of our loans that we do not assess individually, grouping them according to certain common characteristics such as the amount of the loan and the borrower's credit profile. Generally, we perform collective assessment of loans of less than UF18,000.

The following tables provide statistical data regarding the classification of our commercial loans at December 31, 2019, 2020 and 2021 (excluding loans and receivables from banks). The CMF (former SBIF) requires that we prepare a risk analysis evaluating, for classification purposes only, a portion of our total commercial loan portfolio including overdue and contingent loans.

Category	At December 31, 2019	2020	2021
		(in millions of Ch$)	
A1	193,155	110,073	115,032
A2	1,416,715	1,109,838	1,509,793
A3	2,391,456	2,132,819	2,565,299
A4	2,417,035	2,155,577	2,174,600
A5	2,318,233	2,583,798	2,446,770
A6	799,300	1,090,902	1,174,650
B1	170,241	600,028	639,139
B2	131,480	251,341	221,447
B3	144,394	57,518	53,493
B4	55,179	126,968	189,044
C1	100,422	98,965	110,394
C2	20,310	44,544	34,809
C3	25,467	28,059	101,577
C4	41,853	26,719	38,504
C5	6,530	30,929	33,924
C6	37,521	63,025	50,772
Collective assessment	12,792,831	13,810,496	15,188,015
Non-Banking Financial Services	10,818,656	11,187,114	14,335,280
Total	**33,880,778**	**35,508,713**	**40,982,542**

Under the guidelines issued by the CMF, our individually assessed loans are considered impaired when they are classified as B3, B4, C1, C2, C3, C4, C5 or C6. Our collectively assessed loans are considered impaired when (i) they are 90 days or more in default or (ii) they are restructured past due loans until we re-classify them as performing loans based on our periodic reassessment of such loans.

The following tables provide information regarding our loans as of December 31, 2019, 2020 and 2021 under the guidelines as described above:

As of December 31, 2021	Normal Portfolio	Substandard Portfolio	Impaired Portfolio	Total loans before allowances	Individually assessed allowances	Collectively assessed allowances	Total allowances	Total loans net of allowances	Impaired loans as a % of total loans by category	Individually assessed loan allowances as a % of total loans	Collectively assessed loan allowances as a% of total loans
					(In millions of Ch$, except percentages)						
Commercial loans:											
Commercial loans	11,448,115	1,012,765	652,735	13,113,615	(196,790)	(142,239)	(339,029)	12,774,586	4.98%	1.50%	1.08%
CNB commercial loans	8,802,267	591,617	68,468	9,462,352	(60,761)	(15,029)	(75,790)	9,386,562	0.72%	0.64%	0.16%
Foreign trade loans	1,204,068	44,255	334	1,248,657	(19,361)	(820)	(20,181)	1,228,476	0.03%	1.55%	0.07%
Checking accounts	99,649	4,709	8,224	112,582	(1,812)	(5,314)	(7,126)	105,456	7.30%	1.61%	4.72%
Loans to college students	119,625	-	18,527	138,152	-	(5,014)	(5,014)	133,138	13.41%	0.00%	3.63%
Factoring Operations	1,077,001	10,070	947	1,088,018	(10,233)	(1,974)	(12,207)	1,075,811	0.09%	0.94%	0.18%
Leasing transactions	1,444,962	81,247	37,581	1,563,790	(17,516)	(6,671)	(24,187)	1,539,603	2.40%	1.12%	0.43%
Other loans and receivables	53,152	799	7,803	61,754	(1,456)	(4,122)	(5,578)	56,176	12.64%	2.36%	6.67%
Subtotal	24,248,839	1,745,462	794,619	26,788,920	(307,929)	(181,183)	(489,112)	26,299,808	2.97%	1.15%	0.68%
Mortgage loans:											
Mortgage loans financed by letters of credit	2,950	-	239	3,189	-	(1)	(1)	3,188	7.49%		0.03%
Negotiable mortgage loans	2,104,964	-	20,512	2,125,476	-	(4)	(4)	2,125,472	0.97%		0.00%
Other mortgage loans	6,287,810	-	223,102	6,510,912	-	(32,718)	(32,718)	6,478,194	3.43%		0.50%
CNB mortgage loans	2,102,812	-	20,235	2,123,047	-	(22,527)	(22,527)	2,100,520	0.95%		1.06%
Subtotal	10,498,536	-	264,088	10,762,624	-	(55,250)	(55,250)	10,707,374	2.45%		0.51%
Consumer loans:											
Consumer loans in installments	1,769,645	-	125,948	1,895,593	-	(110,978)	(110,978)	1,784,615	6.64%		5.85%

(In millions of Ch$, except percentages)

As of December 31, 2021	Normal Portfolio	Substandard Portfolio	Impaired Portfolio	Total loans before allowances	Individually assessed allowances	Collectively assessed allowances	Total allowances	Total loans net of allowances	Impaired loans as a % of total loans by category	Individually assessed loan allowances as a % of total loans	Collectively assessed loan allowances as a% of total loans
CNB consumer loans	51,526	-	571	52,097	-	(585)	(585)	51,512	1.10%		1.12%
Checking accounts	65,289	-	7,612	72,901	-	(8,858)	(8,858)	64,043	10.44%		12.15%
Credit card borrowers	1,315,640	-	43,173	1,358,813	-	(86,793)	(86,793)	1,272,020	3.18%		6.39%
Consumer leasing transactions	388	-	-	388	-	(5)	(5)	383	0.00%		1.29%
Other loans and receivables	51,106	-	100	51,206	-	(579)	(579)	50,627	0.20%		1.13%
Subtotal	3,253,594	-	177,404	3,430,998	-	(207,798)	(207,798)	3,223,200	5.17%		6.06%
Total loans	38,000,969	1,745,462	1,236,111	40,982,542	(307,929)	(444,231)	(752,160)	40,230,382	3.02%	0.75%	1.08%

(In millions of Ch$, except percentages)

As of December 31, 2020	Normal Portfolio	Substandard Portfolio	Impaired Portfolio	Total loans before allowances	Individually assessed allowances	Collectively assessed allowances	Total allowances	Total loans net of allowances	Impaired loans as a % of total loans by category	Individually assessed loan allowances as a % of total loans	Collectively assessed loan allowances as a% of total loans
Commercial loans:											
Commercial loans	10,760,902	940,295	629,018	12,330,215	(196,481)	(155,283)	(351,764)	11,978,451	5.10%	1.59%	1.26%
CNB commercial loans	6,743,380	641,984	51,942	7,437,306	(37,486)	(14,747)	(52,233)	7,385,073	0.70%	0.50%	0.20%
Foreign trade loans	666,961	33,733	279	700,973	(11,935)	(633)	(12,568)	688,405	0.04%	1.70%	0,09%
Checking accounts	121,036	1,969	10,806	133,811	(1,560)	(6,652)	(8,212)	125,599	8.08%	1.17%	4.97%
Loans to college students	125,148	-	21,082	146,230		(5,339)	(5,339)	140,891	14.42%	0.00%	3.65%
Factoring Operations	907,285	14,026	2,305	923,616	(6,832)	(1,830)	(8,662)	914,954	0.25%	0.74%	0.20%
Leasing transactions	1,337,162	79,192	27,675	1,444,029	(14,089)	(7,028)	(21,117)	1,422,912	1.92%	0.98%	0.49%
Other loans and receivables	47,615	366	9,566	57,547	(1,115)	(5,600)	(6,715)	50,832	16.62%	1.94%	9.73%
Subtotal	20,709,489	1,711,565	752,673	23,173,727	(269,498)	(197,112)	(466,610)	22,707,117	3.25%	1.16%	0.85%
Mortgage loans:											
Mortgage loans financed by letters of credit	5,190	-	379	5,569	-	(9)	(9)	5,560	6.81%		0.16%
Negotiable mortgage loans	1,509,776	-	23,314	1,533,090	-	(10)	(10)	1,533,080	1.52%		0.00%
Other mortgage loans	5,681,543	-	196,083	5,877,626	-	(29,031)	(29,031)	5,848,595	3.34%		0.49%
CNB mortgage loans	1,506,581	-	22,835	1,529,416	-	(19,180)	(19,180)	1,510,236	1.49%		1.25%
Subtotal	8,703,090	-	242,611	8,945,701	-	(48,230)	(48,230)	8,897,471	2.71%		0.54%
Consumer loans:											
Consumer loans in installments	1,800,087	-	247,535	2,047,622	-	(172,289)	(172,289)	2,047,622	12.09%		8.41%
CNB consumer loans	39,035	-	3,521	42,556	-	(4,037)	(4,037)	38,519	8.27%		9.49%
Checking accounts	56,790	-	8,595	65,385	-	(9,349)	(9,349)	56,036	13.15%		14.30%
Credit card borrowers	1,161,662	-	63,265	1,224,927	-	(89,010)	(89,010)	1,135,917	5.16%		7.27%
Consumer leasing transactions	728	-	34	762	-	(21)	(21)	741	4.46%		2.76%
Other loans and receivables	7,866	-	167	8,033	-	(486)	(486)	7,547	2.08%		6.05%
Subtotal	3,066,168	-	323,117	3,389,285	-	(275,192)	(275,192)	3,114,093	9.53%		8.12%
Total loans	32,478,747	1,711,565	1,318,401	35,508,713	(269,498)	(520,534)	(790,032)	34,718,681	3.71%	0.76%	1.47%

(In millions of Ch$, except percentages)

As of December 31, 2019	Normal Portfolio	Substandard Portfolio	Impaired Portfolio	Total loans before allowances	Individually assessed allowances	Collectively assessed allowances	Total allowances	Total loans net of allowances	Impaired loans as a % of total loans by category	Individually assessed loan allowances as a % of total loans	Collectively assessed loan allowances as a% of total loans
Commercial loans:											
Commercial loans	9,896,486	426,456	490,271	10,813,213	(116,027)	(123,597)	(239,624)	10,573,589	4.53%	1.07%	1.14%
CNB commercial loans	6,435,141	178,112	22,714	6,635,967	(36,388)	(10,290)	(46,678)	6,589,289	0.34%	0.55%	0.16%
Foreign trade loans	1,070,690	25,063	574	1,096,327	(9,591)	(1,955)	(11,546)	1,084,781	0.05%	0.87%	0.18%

As of December 31, 2019	Normal Portfolio	Substandard Portfolio	Impaired Portfolio	Total loans before allowances	Individually assessed allowances	Collectively assessed allowances	Total allowances	Total loans net of allowances	Impaired loans as a % of total loans by category	Individually assessed loan allowances as a % of total loans	Collectively assessed loan allowances as a% of total loans
					(In millions of Ch$, except percentages)						
Checking accounts	170,938	3,139	12,851	186,928	(1,582)	(9,157)	(10,739)	176,189	6.87%	0.85%	4.90%
Loans to college students	142,155	–	13,357	155,512	–	(4,370)	(4,370)	151,142	8.59%	0.00%	2.81%
Factoring Operations	1,028,924	5,370	3,236	1,037,530	(4,158)	(2,666)	(6,824)	1,030,706	0.31%	0.40%	0.26%
Leasing transactions	1,509,647	49,780	52,062	1,611,489	(19,917)	(9,045)	(28,962)	1,582,527	3.23%	1.24%	0.56%
Other loans and receivables	61,412	339	11,455	73,206	(1,618)	(6,734)	(8,352)	64,854	15.65%	2.21%	9.20%
Subtotal	20,315,393	688,259	606,520	21,610,172	(189,281)	(167,814)	(357,095)	21,253,077	2.81%	0.88%	0.78%
Mortgage loans:											
Mortgage loans financed by letters of credit	7,653	–	581	8,234	–	(60)	(60)	8,174	7.06%		0.73%
Negotiable mortgage loans	4,618	–	749	5,367	–	(80)	(80)	5,287	13.96%		1.49%
Other mortgage loans	6,385,596	–	226,251	6,611,847	–	(31,477)	(31,477)	6,580,370	3.42%		0.48%
CNB mortgage loans	1,692,475	–	16,050	1,708,525	–	(10,017)	(10,017)	1,698,508	0.94%		0.59%
Subtotal	8,090,342	–	243,631	8,333,973	–	(41,634)	(41,634)	8,292,339	2.92%		0.50%
Consumer loans:											
Consumer loans in installments	2,100,202	–	265,823	2,366,025	–	(154,290)	(154,290)	2,211,735	11.24%		6.52%
CNB consumer loans	51,122	–	–	51,122	–	(483)	(483)	50,639	0.00%		0.94%
Checking accounts	105,790	–	12,320	118,110	–	(9,340)	(9,340)	108,770	10.43%		7.91%
Credit card borrowers	1,289,210	–	74,110	1,363,320	–	(105,432)	(105,432)	1,257,888	5.44%		7.73%
Consumer leasing transactions	1,247	–	41	1,288	–	(47)	(47)	1,241	3.18%		3.65%
Other loans and receivables	36,355	–	413	36,768	–	–	–	36,768	1.12%		0.00%
Subtotal	3,583,926	–	352,707	3,936,633	–	(269,592)	(269,592)	3,667,041	8.96%		6.85%
Total loans	31,989,661	688,259	1,202,858	33,880,778	(189,281)	(479,040)	(668,321)	33,212,457	3.55%	0.56%	1.41%

Classification of Loan Portfolio Based on the Borrower's Payment Performance

Accrued interest and inflation indexation from overdue loans are only recognized when and to the extent effectively received. Overdue loans are classified in groups of 1 to 29 days overdue, 30 to 89 days overdue, and 90 or more days overdue (the last group being referred to as "past due loans"). Past due loans include, with respect to any loan, the amount of any principal or interest that is 90 or more days overdue. Past due loans are required to be covered by individual allowances for loan losses equivalent to 100% of any unsecured portion thereof, but only if and to the extent that the aggregate of all individual allowances for loan losses exceed the global allowance for loan losses.

The tables below set forth the outstanding principal amount of loans that is current, overdue (less than 90 days) and past due (overdue 90 or more days) as to payment of principal and interest, as of the dates indicated. Loan amounts in the table are presented before deduction for allowances for loan losses.

	At December 31,		
Category	2019	2020	2021
Current	**33,051,392**	**33,805,262**	**39,090,508**
Overdue 1-29 days	436,062	1,265,643	1,510,113
Overdue 30-89 days	105,508	155,225	158,199
Past due 90 days or more ("past due")(1)	287,816	282,583	223,722
Total overdue loans and past due	**829,386**	**1,703,451**	**1,892,034**
Total loans(2)	**33,880,778**	**35,508,713**	**40,982,542**
Impaired loans(s)(3)	1,402,433	1,507,897	1,502,866
Overdue and past due loans as a percentage of total loans	2.45%	4.80%	4.62%
Past due loans as a percentage of total loans	0.85%	0.80%	0.55%
Impaired loans as a percentage of total loans	4.14%	4.25%	3.67%

(1) Our "past due" include only the portion of principal and interest of loans that is overdue for 90 or more days and do not include the installments of such loan that are not overdue or that are overdue for less than 90 days, unless (i) any portion of the loan is overdue for 180 days or more, in which case the entire loan is considered past due, or (ii) legal proceedings have been commenced for the entire outstanding balance according to the terms of the loan, in which case the entire loan is considered past due within 90 days after initiation of such proceedings.

(2) Total loans do not include interbank loans.

(3) Our "impaired" loans include the aggregate amount of loan of a customer that has at least one loan overdue more than 90 days or present a deteriorated credit assessment (loans overdue less than 90 days but a borrower classification of B3 or B4).

Under our loan classification system, we suspend the accrual of interest, subject to certain exceptions, on (i) individually assessed C5 and C6 loans automatically, (ii) individually assessed C3 and C4 loans that remain classified as such for three or more months, and (iii) collectively assessed secured loans that are six months overdue and for which less than 80% of the loan is collateralized.

The following table sets forth, as of the dates indicated, the amounts of loans over certain of which the accrual of interest income had been discontinued.

Category	At December 31, 2019	2020	2021
		(in millions of Ch$)	
Overdue loans (excluding past due)	541,570	1,420,868	1,668,312
Past due loans	287,816	282,583	223,722
Impaired loans	1,402,433	1,507,897	1,502,866

Risk Index

The risk index of our loan portfolio is calculated as allowances for loan losses as a percentage of total loans.

Our risk index was 1.97%, 2.22% and 1.84% as of December 31, 2019, 2020 and 2021, respectively.

Analysis of Allowances for Loan Losses

The following tables analyze our allowances for loan losses and changes in the allowances attributable to charge-offs, provisions established, provisions released over the allowances for loan losses:

	As of December 31, 2019	2020	2021
	(in millions of Ch$, except for percentages)		
Allowances for loan losses at beginning of period	556,767	668,321	790,032
Write-offs	(396,277)	(449,234)	(324,751)
Provisions established[(1)]	507,831	570,945	286,879
Provisions released[(2)]	—	—	—
BCI Financial Group (net changes)	—	—	—
Allowances for loan losses at end of the period	668,321	790,032	752,160
Ratio of charge-offs to average loans	1.97%	2.22%	1.84%
Allowance for loan losses at end of the period as a percentage of total loans	1.97%	2.22%	1.84%

(1) Represents the net of provisions established and provisions released and includes the provisions for TotalBank and Servicios Financieros as a result of such acquisition.
(2) Represents the aggregate amount of the allowance for loan losses released during each year or period as a result of income received on assets previously written off, recoveries or a determination by management that the level of risk existing in the loan portfolio had been reduced.

Our policy with respect to write-offs follows the regulations established by the CMF. Under these regulations, (i) an unsecured loan (or a part of it) must be written off no more than 24 months after being classified as overdue and secured loans must be written off within 36 months after being classified as overdue, (ii) a loan must be charged-off when we do not have any right to exercise an action for collection in the courts, and (iii) in the case of loans payable in installments, the aggregate amount of the loan must be charged-off when one installment is overdue six months in the case of consumer loans and for 48 months in the case of mortgage loans, respectively.

Based on information available regarding our debtors, we believe that our allowances for loan losses are sufficient to cover known potential losses and losses inherent in a loan portfolio such as ours.

Allocation of Allowance for Loan Losses

The following tables set forth, as of the dates indicated, the amounts of allowance for loan losses attributable to commercial, consumer and residential mortgage loans, and the allowance amount as a percentage of loans in the corresponding category and as a percentage of total loans:

	As of December 31,							
	2020				2021			
	Allowance amount	Allowance amount as a percentage of loans in category	Allowance amount as a percentage of total loans	Loans in a category as a percentage of total loans	Allowance amount	Allowance amount as a percentage of loans in category	Allowance amount as a percentage of total loans	Loans in a category as a percentage of total loans
	(in millions of Ch$, except percentages)							
Commercial loans:								
Commercial loans	(351,764)	2.9%	1.0%	34.7%	(339,029)	2.6%	0.8%	32.0%
CNB commercial loans	(52,233)	0.7%	0.1%	20.9%	(75,790)	0.8%	0.2%	23.1%
Foreign trade loans	(12,568)	1.8%	0.0%	2.0%	(20,181)	1.6%	0.0%	3.0%
Checking accounts	(8,212)	6.1%	0.0%	0.4%	(7,126)	6.3%	0.0%	0.3%
Loans to college students	(5,339)	3.7%	0.0%	0.4%	(5,014)	3.6%	0.0%	0.3%
Factoring operations	(8,662)	0.9%	0.0%	2.6%	(12,207)	1.1%	0.0%	2.7%
Leasing transactions	(21,117)	1.5%	0.1%	4.1%	(24,187)	0.0%	0.0%	3.8%
Other loans and receivables	(6,715)	11.7%	0.0%	0.2%	(5,578)	9.0%	0.0%	0.2%
Subtotal	(466,610)	2.0%	1.3%	65.3%	(489,112)	1.8%	1.2%	65.4%
Mortgage loans:								
Mortgage loans financed by letters of Credit	(9)	0.2%	0.0%	0.0%	(1)	0.0%	0.0%	0.0%
Negotiable mortgage loans	(10)	0.0%	0.0%	4.3%	(4)	0.0%	0.0%	5.2%
Other mortgage loan	(29,031)	0.5%	0.1%	16.6%	(32,718)	0.5%	0.1%	15.9%
CNB mortgage loans	(19,180)	1.3%	0.1%	4.3%	(22,527)	1.1%	0.1%	5.2%
Subtotal	(48,230)	0.5%	0.1%	25.2%	(55,250)	0.5%	0.1%	26.3%
Consumer Loans:								
Consumer loans in installments	(172,289)	8.4%	0.5%	5.8%	(110,978)	5.9%	0.3%	4.6%
CNB consumer loans	(4,037)	9.5%	0.0%	0.1%	(585)	1.1%	0.0%	0.1%
Credit card borrowers	(89,010)	7.3%	0.3%	3.4%	(86,793)	6.4%	0.2%	3.3%
Checking accounts	(9,349)	14.3%	0.0%	0.2%	(8,858)	12.2%	0.0%	0.2%
Consumer leasing transactions	(21)	2.8%	0.0%	0.0%	(5)	1.3%	0.0%	0.0%
Other loans and receivables	(486)	6.1%	0.0%	0.0%	(579)	1.1%	0.0%	0.1%
Subtotal	(275,192)	8.12%	0.8%	9.5%	(207,798)	6.06%	0.5%	8.4%
Total	(790,032)	2.22%	2.2%	100.0%	(752,160)	1.84%	1.8%	100%

Note: Based on our loan classification, as required by the CMF (former SBIF) for the purpose of determining loan loss allowances.

During the last three years, all of our ten largest (per year) loan charge-offs were related to commercial loans. These loans were outstanding loans to borrowers engaged in a wide variety of activities. Our management is not otherwise aware of any concentration of loan charge-offs or allowance for loan losses in any particular area of economic activity.

Composition of Deposits and Other Commitments

The following table sets forth the average balances of our deposits and other commitments over which we disburse interest for the years ended December 31, 2019, 2020 and 2021.

	For the year ended December 31,					
	2019		2020		2021	
	Average balance	Average Nominal Rate	Average balance	Average Nominal Rate	Average balance	Average Nominal Rate
	(in millions of Ch$, except percentages)					
Term deposits	17,687,168	2.5%	19,830,221	1.11%	19,452,161	0.58%
Saving accounts	47,406	2.7%	52,249	2.75%	61,667	6.45%
Total	17,734,574		19,882,470		19,513,828	

Maturity of Deposits

The following tables sets forth information regarding the currency and maturity of our deposits at December 31, 2019, 2020 and 2021. UF-denominated deposits are similar to peso-denominated deposits in all respects, except that the principal is readjusted periodically based on variations in the Chilean consumer price index.

	As of December 31, 2021				
	Ch$	**UF**	**Foreign Currency (other than US$)**	**US$**	**Total**
	(in millions of Ch$, except percentages)				
Current accounts and demand deposits	11,640,462	72,576	42,250	15,898,154	27,653,442
Savings accounts	-	66,960	-	-	66,960
Term deposits:					
Maturity within 3 months	5,775,338	62,191	7,422	2,359,444	8,204,395
Maturity after 3 but within 6 months	468,783	3,930	82	493,496	966,291
Maturity after 6 but within 12 months	739,820	34	-	802,225	1,542,079
Maturity after 12 months	370	509	-	84,544	85,423
Total term deposits	**6,984,311**	**66,664**	**7,504**	**3,739,709**	**10,798,188**
Total deposits	**18,624,773**	**206,200**	**49,754**	**19,637,863**	**38,518,590**

	As of December 31, 2020				
	Ch$	**UF**	**Foreign Currency (other than US$)**	**US$**	**Total**
	(in millions of Ch$)				
Current accounts and demand deposits	8,409,014	56,420	35,275	11,225,865	19,726,574
Savings accounts	-	55,176	-	-	55,176
Term deposits:					
Maturity within 3 months	6,482,395	63,813	5,836	2,720,315	9,272,359
Maturity after 3 but within 6 months	828,708	4,403	58	228,373	1,061,542
Maturity after 6 but within 12 months	430,984	128	-	5,105	436,217
Maturity after 12 months	81	-	-	14,236	14,317
Total term deposits	7,742,168	68,344	5,894	2,968,029	10,784,435
Total deposits	16,151,182	179,940	41,169	14,193,894	30,566,185

	As of December 31, 2019				
	Ch$	**UF**	**Foreign Currency (other than US$)**	**US$**	**Total**
	(in millions of Ch$)				
Current accounts and demand deposits	5,696,464	50,693	35,275	8,398,267	14,180,699
Savings accounts	–	48,668	–	–	48,668
Term deposits:					
Maturity within 3 months	6,288,861	72,131	5,490	3,014,559	9,381,041
Maturity after 3 but within 6 months	1,300,026	12,213	28	187,614	1,499,881
Maturity after 6 but within 12 months	1,336,815	2,528	–	829,592	2,168,935
Maturity after 12 months	101	239	–	273,891	274,231
Total term deposits	8,925,803	87,111	5,518	4,305,656	13,324,088
Total deposits	14,622,267	186,472	40,793	12,703,923	27,553,455

The following tables set forth information regarding the maturity of our outstanding term deposits in excess of US$100,000 as of December 31, 2019, 2020 and 2021:

	As of December 31, 2021				
	Ch$	**UF**	**Foreign Currency**	**US$**	**Total**
			(in millions of Ch$)		
Time deposits					
Maturity within 3 months	4,586,655	162	2	940,627	5,527,446
Maturity after 3 but within 6 months	36,479	-	-	42,383	78,862
Maturity after 6 but within 12 months	94,700	-	-	112,666	207,366
Maturity after 12 months	-	-	-	1,252	1,252
Total deposits in excess of US$100,000	4,717,834	162	2	1,096,928	5,814,926

	As of December 31, 2020				
	Ch$	**UF**	**Foreign Currency**	**US$**	**Total**
			(in millions of Ch$)		
Time deposits					
Maturity within 3 months	5,557,833	22,870	1,323	2,656,066	8,238,092
Maturity after 3 but within 6 months	814,082	1,775	-	226,274	1,042,131
Maturity after 6 but within 12 months	427,507	79	-	4,912	432,498
Maturity after 12 months	-	-	-	14,236	14,236
Total deposits in excess of US$100,000	6,799,422	24,724	1,323	2,901,488	9,726,957

	As of December 31, 2019				
	Ch$	**UF**	**Foreign Currency**	**US$**	**Total**
			(in millions of Ch$)		
Time deposits					
Maturity within 3 months	5,420,614	21,667	1,601	2,952,419	8,396,301
Maturity after 3 but within 6 months	1,277,464	8,931	–	184,447	1,470,842
Maturity after 6 but within 12 months	1,330,796	2,227	–	829,024	2,162,047
Maturity after 12 months	–	–	–	273,686	273,686
Total deposits in excess of US$100,000	8,028,874	32,825	1,601	4,239,576	12,302,876

Minimum Capital Requirements

The following table sets forth our minimum capital requirements set by the CMF as of the dates indicated.

	As of December 31,		
	2019	**2020**	**2021**
		(in millions of Ch$, except percentages)	
Basic capital (1)	3,791,478	3,893,620	4,324,895
3% of total assets	(1,549,129)	(1,705,597)	(2,036,469)
Excess over minimum required basic capital	2,242,349	2,188,023	2,288,426
Basic capital to consolidated assets	7.34%	6.85%	6.37%
Regulatory capital (2)	4,474,573	4,971,521	5,847,479
Risk-weighted assets	37,281,341	37,125,566	43,289,784
8% of risk-weighted assets	(2,982,507)	(2,970,045)	(3,463,183)
Excess over minimum required regulatory capital	1,492,066	2,001,476	2,384,296
Regulatory capital as a % of 8% of risk-weighted assets	105.03%	167.39%	168.85%
Regulatory capital as a % of risk-weighted assets	12.00%	13.39%	13.51%

(1) Basic capital is the sum of paid-in capital and reserves, excluding capital attributable to subsidiaries and foreign branches.
(2) Regulatory capital is basic capital adjusted to: (i) aggregate subordinated bonds issued by Bci valued at their placement price for an amount up to 50% of its basic capital, (ii) aggregate additional required allowances and provisions as stipulated, (iii) deduct all goodwill and share premium, and (iv) deduct assets that correspond to investments in non-consolidated subsidiaries.

Short-Term Borrowings

The principal categories of our short-term borrowings are Central Bank of Chile borrowing, borrowings under foreign trade credit lines, liabilities under agreements to repurchase and domestic interbank loans. The following table presents the amounts outstanding and the weighted average nominal interest rate as of and for years ended for each type of short-term borrowing, as detailed below:

	As of December 31,					
	2019		2020		2021	
	Year-end Balance	Weighted average yield interest rate	Year-end Balance	Weighted average yield interest rate	Year-end Balance	Weighted average yield interest rate
	(in millions of Ch$, except percentages)					
Other liabilities to Central Bank of Chile	–	–	3,904,339	0.50%	4,541,402	0.51%
Loans received from foreign financial institutions	1,671,048	2.39%	1,111,380	0.81%	2,012,833	0.56%
Liabilities under agreements to repurchase	909,391	1.56%	350,314	1.79%	141,178	5.96%
Loans received from domestic financial institutions	1,811,213	2.34%	1,254,979	0.41%	416,727	0.20%
Total short-term borrowings	4,391,652	2.20%	6,621,012	0.60%	7,112,140	0.61%

The following table shows the average balance and the average nominal rate for each short-term borrowing category as of and for the years indicated:

	Year ended December 31,					
	2019		2020		2021	
	Average balance	Average nominal rate	Average balance	Average nominal rate	Average balance	Average nominal rate
	(in millions of Ch$, except percentages)					
Liabilities under agreements to repurchase	496,841	2.3%	402,255	1.00%	254,298	3.49%
Other liabilities to Central Bank of Chile	836	0.00%	3,904,338	0.00%	4,391,026	0.51%
Loans received from domestic financial institutions	1,401,821	(0.07)%	1,319,426	0.33%	278,547	2.00%
Subtotal	1,899,498	(0.49)%	5,626,019	0.13%	4,923,871	0.74%
Borrowings under foreign trade credit lines	1,255,419	(5.83)%	1,526,087	2.71%	1,433,769	0.90%
Total short-term borrowings	3,154,917	2.27%	7,152,106	0.62%	6,357,640	0.78%

The following table presents the maximum month-end balances of our principal sources of short-term borrowings for the years indicated:

	Maximum 2019 month-end balance	Maximum 2020 month-end balance	Maximum 2021 month-end balance
		(in millions of Ch$)	
Liabilities under agreements to repurchase	909,391	350,314	367,556
Loans received from domestic financial institutions	1,811,213	1,254,978	1,393,322
Loans received from foreign financial institutions	1,671,046	1,111,380	2,061,082
Other liabilities to Central Bank of Chile	–	3,904,339	4,588,671

REGULATION AND SUPERVISION

Banking Legislation

The General Banking Law was amended by Law No. 19,528 enacted on November 4, 1997 (the "**1997 Amendment**"). Prior to the 1997 Amendment, the General Banking Law limited the activities in which banks may engage. The Amendment liberalized the General Banking Law by allowing banks to engage, either through subsidiaries or directly, in other types of activities according to generally applicable regulations issued by the CMF, based on the risk of the activity and the financial strength of the respective bank. The General Banking Law specifically allows banks to provide direct leasing, financial services (portfolio management), direct financial advisory services and offer factoring, underwriting and pass-through of securities services, and also allows bank subsidiaries to provide investment advisory services outside of Chile, offer factoring and securitization products and provide loan collection and insurance brokerage services (excluding social security insurance). Chilean banks are also allowed to make loans to foreign companies or Chilean companies operating abroad and to open subsidiaries outside of Chile. Formerly, the General Banking Law permitted the CMF to deny new banking licenses on a discretionary basis. After the 1997 Amendment, the General Banking Law permits the CMF to reject new banking licenses only if the applicant does not comply with generally applicable requirements.

In 2004, new amendments to the General Banking Law granted additional powers to banks, including the ability to underwrite new issues of certain debt and equity securities and create subsidiaries to engage in activities related to banking, such as brokerage, investment advisory, mutual fund services, management of investment funds, factoring, securitization products and financial leasing services.

In 2006, the General Banking Law was amended to eliminate a bank's ability to distribute less than 30% of its earnings as dividends in any given year, subject to the approval of the holders of at least two-thirds of such bank's common shares.

Furthermore, in 2009, Law No. 20,382 was passed in order to fulfill previous agreements by the Chilean government and the Organization for Economic Co-operation and Development, or OECD, to improve Chilean corporate governance practices. Among its various provisions, it requires publicly held corporations to designate independent directors and contains improvements regarding directors' duty to disclose material information to the market. In addition, Law No. 20,393 regulates the crimes of money laundering, terrorism financing and bribery, establishing the requirement of having specific internal control systems and procedures to prevent them.

Additionally, on December 5, 2009, Law No. 20,406 was passed, authorizing the Chilean Internal Revenue Service to gather information related to banking operations from commercial banks. Previously, those records were considered confidential and could only be investigated pursuant to a court order.

In May 2010, the Chilean government announced a new capital markets reform entitled *Reformas al Mercado Financiero Bicentenario*, also known as "*MKB*," which the Chilean government has implemented through various legislative initiatives and administrative reforms. The reforms seek to further enhance the international integration of Chile's financial market, create a regulatory framework that fosters innovation and entrepreneurship, continue the adoption of the best international practices on competition, supervision and transparency, increase the depth and liquidity of the financial system and widen the access to it.

The main features of this agenda included:

- the regulation and reform of the tax treatment of the fixed-income, derivatives and the administration of funds (already in place);
- the creation of a national financial consumer agency to protect customers of financial services (already in place);
- legislative measures to reduce cyclical variations in the credit supply and render the system more secure, solvent and liquid;
- incentives to encourage transparency and proper price formation by allowing the integration of local stock exchanges with others in Latin America, increasing price information in the foreign exchange market, certifying financial professionals and limiting use of market-sensitive information (already in place);

- strengthening the governance of the CMF and increasing the autonomy of the CMF;
- reform the Bankruptcy Law;
- improve access of individuals and small- and medium-size business to the capital markets, increase bank penetration, reduce the costs associated with initial public offerings and create new incentives for innovation and venture capital; and
- develop new markets and financial products that result in lower-cost financing alternatives.

Several administrative measures, such as the creation of the Financial Stability Council, were adopted.

On August 13, 2010, Law No. 20,448 (*Reformas al Mercado de Capitales III*, also known as *MK3*) was passed to (i) permit non-Chilean banks with representative offices in Chile to offer their credit products to customers directly and (ii) permit banks to issue unsecured bonds in order to use the proceeds thereof to grant mortgage loans for the acquisition, construction, repair or extension of housing.

In December 2011, the Consumer Protection Act was amended to include provisions applicable to financial services and products. As a result, any agreement for financial services or products that a bank enters into with a consumer shall, among others, (1) include a detailed breakdown of all the charges, fees, costs and tariffs that form part of the price, including those associated thereto although not directly part of the price, or that are part of other products simultaneously contracted; (2) expressly provide for the events of early termination, a reasonable cure period and the manner in which the termination will be informed to the consumer; and (3) allow for the early termination of the agreement in the sole and absolute discretion of the customer; provided it has paid in full all the obligations, including any cost for the early termination. In addition, consumers are entitled to (1) receive information about the total cost of the product or service; (2) be informed on the reasons why they have been rejected; and (3) know the objective conditions provided to have access to a financial product, among other things.

In February 2012, Law No. 20,575 (known as *Ley Dicom*) was enacted in order to restrict the use of private and personal economic, financial, banking and commercial information of customers set forth in Law No. 19,628 on Protection of Privacy, which is supplemented by *Ley Dicom*. This new law (i) provides that such information can only be shared with established businesses and companies that engage in risk assessment in order to assess business risk and credit process review; (ii) prohibits the request of this data in connection with recruitment for employment, admission to preschool, school or higher education, medical attention or nomination for a public position; (iii) allows the owners of the data to request distributors of personal information certifications for purposes other than credit process review, in which case the distributor must issue a certificate containing the overdue obligations of the applicant; (iv) prohibits the sharing or reporting of information related to obligations renegotiated, novated or pending in certain forms as well as debts incurred by users of the toll road concessions; (v) requires the distributors of economic, financial, banking and business information to have a system that records the access and delivery of background information contained in them, identifies the name of the person who has requested such information and the reason, date and time of the request; (vi) allows the owners of the information contained in such record to access the registry, free of charge, every four months, to check the information for the last 12 months; (vii) introduces mechanisms to facilitate the exercise of the rights of the holders of the information by imposing on the distributor or responsible party of the data bank the obligation to evidence compliance with *Ley Dicom*; and (viii) obligates the deletion of unpaid obligations reported through December 31, 2011, provided that the total debts registered by such debtor are for an amount less than Ch$2,500,000, for capital, excluding interest, adjustments or any other item.

In March 2012, the Consumer Protection Act was amended by Law No 20,555, which introduced additional provisions relating to consumer's rights and the obligations of providers of financial products and services and granted supervision and oversight powers to the Bureau of Consumer Protection in connection with financial services and products. Law No 20,555 introduced, among others, provisions providing for: (1) new financial consumer's rights such as the right to request information from the provider regarding the total cost of a product or service (including prices, taxes, charges, commissions and fees, among others), the right to know the terms and conditions required by the provider to render the service or deliver the product, such as minimum income thresholds, the right to request updated information of the financial products and services and the right to receive with each financial contract a one-page summary including its key provisions; (2) prohibitions for the providers of financial products and services such as the prohibition to modify prices, fees, commissions, costs and charges of certain products or services under certain circumstances, the prohibition to mail unsolicited offers of financial products or agreements to consumers or to include offers to sell products or services attached to a different product or service; (3) the creation of a voluntary certification of financial products and services by the Bureau of Consumer Protection, which certifies that the relevant financial contract fulfills the applicable legal and regulatory requirements; and (4) special dispute resolution mechanisms such as mediation and arbitration for certain cases. Pursuant to this amendment of the Consumer Protection Act, providers of financial products and services had until June 5, 2012 to conform their contracts for the provision of financial services and products to meet the new requirements set forth by the amended Consumer Protection Act and comply with the new voluntary certification of the Bureau of Consumer Protection.

During December 2013, the Chilean Congress passed Law No. 20,715 modifying the maximum interest rate a bank may charge. According to the new law, it is not possible to set an interest that exceeds the product of the respective capital and the greater of (i) 1.5 times the current interest rate governing at the time of the transaction, as determined by the CMF for each type of credit transaction; and (ii) the current interest rate governing at the time of the transaction, increased in two annual percentage points. Other ceilings apply to small size loans and consumer loans.

In October 2016, the Chilean Congress passed Law No. 20,950 amending the General Banking Act setting forth rules applicable to the issuance and operation by non-banking entities of pre-funded payment methods or any similar system, when these systems involve that the issuer or the operator regularly engages in monetary obligations with the public in general or to specific sectors or groups thereof.

In February 2017, the Chilean Congress passed Law No. 21,000. This law creates the CMF, which will operate as a decentralized and technical public service. Its purpose will be to ensure the proper functioning, development and stability of the financial market, facilitating the participation of market agents and promoting the care of public trust. This law gives this commission the status of legal successor of the Superintendency of Securities and Insurance. This law became effective on December 14, 2017. Its main functions are the oversight of issuers and intermediaries of publicly offered securities; commodity exchange, transferable securities exchange and stocks transactions; the association of securities brokerage and the transactions performed by them; companies engaged in the business of insuring and reinsuring, as well as persons who broker insurance, among others. The commission is led by the Financial Market Council, consisting of five members, who are appointed by the President and confirmed by the Senate, with the exception of the President of this Council. In the first stage, this Commission cannot exercise its authority on entities subject to the supervision of the CMF until an amendment to the General Banking Act is passed.

On January 19, 2019, the Chilean government passed the Amendment to the General Banking Law, pursuant to which the CMF assumed the former SBIF's powers as of June 1, 2019 and it (or other regulators, as applicable) must enact all applicable regulations implementing the changes provided for in the Amendment to the General Banking Law. The deadline for implementation of the Basel III standards is December 31, 2025.

Also, there was an Amendment to the General Banking Law to implement Basel III recommendations, increasing capital requirements of the banking industry, and contains amendments to other provisions of the General Banking Law that are independent from these recommendations. The most significant amendments introduced are:

- a strengthening of banking supervision by the replacement of the former SBIF with the CMF, which will gradually assume all the powers currently held by the former SBIF during a one-year transition period from the date the Amendment to the General Banking Law is published in the Official Gazette of Chile;

- a strengthening of risk-based capital requirements in accordance with Basel III that takes into account risks relating to counterparties as well as market and operational risks. In particular, the Amendment to the General Banking Law establishes obligations on banks to enhance their provisions on capital to protect themselves from future shocks, such as (1) increasing basic capital requirements to at least (A) 4.5% of a bank's risk-weighted assets, and (B) 3% of a bank's total assets, in each case, net of required allowances for loan losses; and (2) the obligation to maintain an additional basic capital (*capital básico adicional*) equivalent to 2.5% of its risk-weighted assets (net of required allowances for loan losses) over the required effective equity (*patrimonio efectivo*);

- Banks shall gradually comply with these new basic capital requirements within a five-year period from the date of the issuance of CMF regulation establishing the methods to weight banks' assets (see below). This regulation was published by the CMF on December 1, 2020;

- a reclassification of banks based on their solvency rating. Those banks that meet the requirements on basic capital, effective equity and additional basic capital will be classified as "A" banks; those that meet the requirements on basic capital and effective equity, but not the additional basic capital requirements, will be classified as "B" banks; and those that do not meet effective equity and basic capital requirements will be classified as "C" banks;

- the granting of new discretionary powers to the CMF, such as the authority to (a) determine new rules to weigh a bank's assets and approve each bank's model to weigh its assets, in each case, together with the Central Bank of Chile's approval; (b) determine requirements for the issuance and consideration as regulatory capital of Tier 1 additional instruments, such as preferred shares and perpetual bonds; (c) impose further capital requirements in accordance with Basel III (in addition to those described above); and (d) require banks to prepare balance sheets as of certain dates, which shall be prepared by external auditors if so required by the CMF;

- incorporation of the concept of banks of systemic importance (too big to fail), granting powers to the CMF to require more capital (up to an additional 1%-3.5% of common equity over risk weighed assets, net of required allowances for loan losses, and up to additional 2% of common equity over total assets, net of required allowances for loan losses), as well as reserves requirements to guarantee liquidity and restrictions on certain operations, among other requirements. Further, banks will be required to obtain authorization from the CMF prior to a merger or acquisition that would lead to the acquiring bank (or the resulting group of banks), becoming systemically important;

- new rules on banks' recovery and liquidation. Upon liquidity or solvency problems, the bank shall immediately notify the CMF and submit a regularization plan if the deficit remains during a 5-day period. In case such plan is not submitted or is rejected by the CMF, an inspector or ad hoc manager (*administrador provisional*) may be appointed by the CMF. While the first of these officers can only block certain actions by a bank's management, the latter completely replaces the board of directors and assumes all of its powers. Further, the Amendment to the General Banking Law eliminates the possibility to reach a reorganization agreement with creditors (*convenios*) in insolvency scenarios; therefore, if the regularization plan and/or the ad hoc manager's recovery efforts fail, the CMF will, with the approval of the Central Bank of Chile, revoke the relevant bank's authorization to exist (autorización de existencia), declare the relevant bank in forced liquidation and appoint a liquidator;

- an extension on the maximum tenure of interbank loans granted to banks that had to undertake measures for early regularization (*medidas para la regularización temprana*), from two to three years; provided, however, that the terms and conditions of such loans are approved by the CMF and that interbank loans, in the aggregate, do not exceed 25% of the creditor bank's effective equity. This requirement will be in addition to the general requirement provided for in SBIF Circular No. 3,634, which establishes that interbank loans (guaranteed or not) cannot exceed 25% of the creditor bank's effective equity. Further, pursuant to the Amendment to the General Banking Law, the CMF may limit interbank loans granted by a bank that is considered as systemically important to 20% of its effective equity. Interbank loans will be considered part of the creditor bank's basic capital;

- limits to 30% of a bank's effective equity the amounts that a bank may lend to affiliated persons or entities. Banks' have one year from the date that the Amendment to the General Banking Law goes into effect to comply with this limit;

- strengthening of the corporate governance of the supervisory body;

- changes in Chilean government guarantees on time deposits, eliminating such guarantees' coverage limit of up to 90% of the aggregate amount of certain time deposits and increasing from 120UF to 200UF their maximum coverage per person for each calendar year;

- the imposition of additional rules relating to bank secrecy to facilitate the access to certain information by the Chilean Financial Analysis Unit and the Internal Revenue Service; and

- an increase in deposit guarantees by Chile.

In March 2019, the Chilean Congress passed Law No. 21,081, which seeks, among other things, to strengthen the existing Consumer Protection Agency (SERNAC) by providing SERNAC with the authority to: (i) enact rules and guidelines, (ii) interpret legal or administrative regulations, (iii) preside over proceedings against financial institutions, and (iv) impose fines, exercise class actions, and carry out collective mediations among other functions. In addition, this law imposes fines for non-compliance up to the maximum amount of UTA 45,000 (*Unidades Tributarias Anuales*) that represented approximately Ch$26,110.6 million or US$38.4 million) as of March 2019.

On June 1, 2019 the CMF assumed all the powers formerly held by the former SBIF. The CMF (or other regulators, as applicable) enacted applicable regulation implementing the changes provided for in the Amendment to the General Banking Law in December 2020, which will be gradually implemented during a period ending in December 2024. Nonetheless, given the current circumstances surrounding COVID-19, the CMF has decided to introduce certain changes to the original schedule for the implementation of Basel III. The phase-in period for the systemic and conservation buffers will be delayed one year, starting in December 2021 instead of December 2020, as originally scheduled. In the case of the systemic buffer, however, in December 2021 the capital charge will be set at zero, which could gradually increase over time. Furthermore, adjustments to regulatory capital will begin in 2022, instead of 2021, as originally scheduled. Basel III requirements in relation to risk-weighted assets were also postponed twelve months, starting in December 2021 instead of December 2020, as originally scheduled.

On May 29, 2020, Law No. 21,234**,** which amended Law No. 20,009, was passed by the Chilean Congress. This law modifies the current framework regarding liabilities for payment service providers (such as banks) and for customers of such services, in cases of fraudulent transactions carried out with credit or debit cards, including those by electronic means. It establishes that funds charged to credit or debit cards for transactions that are not recognized by the customer must be returned to the cardholder's account. Further, this proposed legislation states that, if such unrecognized charged funds are up to an amount of UF35, the payment service provider must mandatorily return these funds to the cardholder's account within five business days. In case of unrecognized charges for amounts over the limit of UF35, the payment service provider will have an additional term of seven days to return the amounts in excess of UF35. However, in this case, the payment service provider may retain such excess if it considers to have sufficient evidence to determine that the customer acted fraudulently or with gross negligence, which the payment service provider must prove. Also, this new legislation does not allow payment service providers to offer fraud insurance for such cards. It further establishes obligations for the payment service provider to take adequate measures to protect the payment services in case of unlawful acts and holds payment service providers liable for damages caused by security and protection deficiencies in their technological systems through which such services are provided. According to this law, certain fraudulent transactions with credit or debit cards and electronic payments (such as forgery of credit or debit cards, sale of forged or stolen cards and/or its data, or impersonation of a card/accountholder) are crimes that may be sanctioned with imprisonment and fines up to threefold the amount of the fraudulent transaction. The Chilean Public Ministry, which act as public prosecutors, is granted broad powers to investigate these crimes when they are suspected to be related to organized crime.

As an aid for Micro/Small Eligible Entrepreneurs, Exporters, Organizations of Small Entrepreneurs, i.e., those whose yearly sales are below UF25,000, and Medium-sized Companies, i.e., those whose yearly sales are between UF25,000 and UF100,000, the Chilean government allocated US$24,000 million to FOGAPE, which aims to secure a certain percentage of credit capital, leasing operations and other financing mechanisms that financial institutions, both public and private, grant to the eligible companies and organizations. This fund is incorporated permanently to Micro/Small Eligible Entrepreneurs, Exporters, Sustainers and Organizations of Small Entrepreneurs, Medium-sized Companies, and temporarily to Large Companies that do not have securities or, if any, these are insufficient. Companies can provide 10-year-term securities under FOGAPE to banks and financial institutions. FOGAPE is administered by Banco Estado and overseen by CMF. One of the requirements that every company must meet when requesting this type of security is that the profits they generated in 2019 are not distributed as dividends to their shareholders. The resources of the loans secured under FOGAPE must be used only to fund investment projects (such as assets capital) and working capital. The financings that can be secured under FOGAPE comprises loans, credit facilities, letter of credits, factoring and leasing. The conditions that these financings must meet are the following: (i) 3.5% interest nominal rate (not considering inflation, which eventually means 0% real interest rate); (ii) financing funds may not exceed the equivalent of 3 months sales, considering the averages in the last 2 years; (iii) 6 months grace period; and (iv) 24 to 48 months of repayment. The coverage of these securities depends on the category of each borrower, as follows:

Beneficiary	**Proceeds Amount**	**Coverage**
Micro/Small Entities	Up to UF5,000	80% under financings amounting up to UF5,000
Exporters	Up to UF5,000	80% under financings amounting up to UF5,000
Medium-sized companies	Up to UF15,000	50% under financings amounting up to UF15,000
Large companies	Up to UF50,000	30% under financings amounting up to UF50,000

The Chilean government estimated that this program will benefit between 806,000 and 1.3 million companies. These are the equivalent to 99.8% of Chilean companies, which employ 84% of the formal workforce.

In June 2020, Law 21,326 was enacted to promote financial portability and facilitate individual customers and micro and small businesses, to transfer their financial products from one financial services provider to another, and to enter into new financial products with the financial service providers they have contracted with before.

In January 2021, Law No. 21,307 was enacted, which allows the deferral of mortgage loan installments under certain circumstances and creates a State security to secure the deferred installments. The deferral is made by means of a deferral loan, which is a loan agreement entered into by a creditor to the borrower of a mortgage loan, for the exclusive purpose of paying certain installments of such loan. The deferral loan is secured by FOGAPE for a maximum duration of five years; provided an agreement is reached between the lender and the borrower. Likewise, this law allowed the Chilean government to introduce a new credit facility guaranteed by FOGAPE through Supreme Decree No. 32 of 2021, called "*Reactiva*." This 7-year term credit facility (maturity in 2028) is available for disbursement until December 31, 2021, and seeks to stimulate the reactivation and recovery of the national economy. Eligible under this program are those companies and entrepreneurships whose annual sales do not exceed UF1,000,000; however, the coverage of this loan is higher for negatively affected economic sectors such as hotels, restaurants and tourism.

In August 2021, Law 21,365 was enacted to regulate the exchange fees charged for the use of credit cards, debit cards, funds provisioned cards and other similar cards. Fees payment obligations of exchange for card transactions between issuers and operators will be subject to the limits determined by a committee created especially for this purpose.

In addition, there are several bills modifying matters related to loans and credit products, such as interest rate ceilings, prepayment fees and the possibility of capitalizing interest. These bills have been recently introduced by members of the Chilean Congress and include an array of amendments from different perspectives, including aiming to ease the financial burden on certain borrowers, certain micro or small enterprises, and individuals. Since all of these bills are currently under discussion in the Chilean Congress, there is no certainty as to whether any or all of them will be further passed, and as to when or how these bills could change the current Chilean regulatory framework. Therefore, we cannot determine or assure you whether they will materially affect our results of operations in the future.

The Banking System

In Chile, only banks may maintain checking accounts for their customers, conduct foreign trade operations and, together with certain non-banking financial institutions, accept term deposits. Chilean banks are primarily subject to the General Banking Law and secondarily, to the extent not inconsistent with that law, to the provisions of the Chilean Corporations Law governing public corporations, except for certain provisions that are expressly excluded.

The modern Chilean banking system dates back to 1925 and has been characterized by periods of substantial regulation and state intervention, as well as periods of deregulation. The most recent period of deregulation commenced in 1997 and culminated in the adoption of a series of amendments to the Chilean General Banking Law, most recently amended in January 2019.

Following the Chilean banking crisis of 1982 and 1983, the former SBIF assumed control of banks representing approximately 51% of the total loans in the banking system. As part of the assistance that the Chilean government provided to Chilean banks, these were permitted to sell a certain portion of their non-performing or doubtful loan portfolios to the Central Bank of Chile at the book value of the loan portfolios. Each bank then repurchased such loans at their economic value (which, in most cases, was substantially lower than the book value at which the Central Bank of Chile had acquired the loans), with the difference to be repaid to the Central Bank of Chile out of future income. Pursuant to Law No. 18,818, which was passed in 1989, this difference was converted into subordinated debt.

As of December 31, 2021, the Chilean banking system was comprised of one public-sector bank and 16 private-sector banks (of which 13 were Chilean banks and 3 were Chilean branches of foreign banks).

The Central Bank of Chile

The Central Bank of Chile is an autonomous legal entity created by the Chilean Constitution. It is subject to the Chilean Constitution and to its own organic constitutional law (*ley orgánica constitucional*). To the extent not inconsistent with the Chilean Constitution or its organic constitutional law, the Central Bank of Chile is also subject to private-sector laws, but is not subject to the laws applicable to the public sector. It is directed and administered by a board of directors composed of five members designated by the President of Chile, subject to approval by the Senate.

The legal purpose of the Central Bank of Chile is to maintain the stability of the Chilean peso and the orderly functioning of Chile's internal and external payments systems. The Central Bank of Chile's powers include setting reserve requirements, regulating the amount of money and credit in circulation, establishing regulations and guidelines regarding finance companies, foreign exchange (including the Formal Exchange Market) and banks' deposit-taking activities.

The CMF

On February 23, 2017, Law. No. 21,000 introduced significant changes to the Chilean financial regulation system by replacing the regulator for securities and insurances headed by the SVS with the CMF. The SVS was dissolved on January 15, 2018. The CMF is constituted as a collegiate entity governed by a five-member board and has stronger supervisory powers than the SVS. Further, pursuant to the Amendment to the General Banking Law, the CMF assumed all the powers formerly held by the former SBIF, including the oversight of banks and financial institutions, during a one-year transition period from the date the Amendment to the General Banking Law was published in the Official Gazette of Chile, on January 12, 2019. See "Regulation and Supervision—Banking Legislation."

Among the most significant features and authorities assumed by the CMF when replacing the SVS are the following:

- an investigation unit, led by prosecutors, with similar powers to modern administrative prosecution systems;
- the power to authorize the above-referenced prosecutors in the context of an investigation or a punitive procedure, to request information regarding banking operations, including all operations subject to banking secrecy or reserve, certain parties, provided that such information is considered indispensable for identifying violations of the rules that govern individuals or companies monitored by the CMF, criminal offences under the relevant legislation. Furthermore, the CMF may authorize the prosecutor to comply with requests made pursuant to an international enforcement agencies, provided that this has been established on an international information exchange convention subscribed to by the CMF;
- the power to appoint a credit-rating agency to conduct risk assessments on the entities subject to the CMF's regulation;
- the power to authorize the prosecutor, in qualified and severe circumstances, to request law enforcement institutions to take intrusive measures, such as intercepting communications, search and seizure, among others;
- a self-regulation committee for the purpose of creating rules in accordance with good corporate government practices, ensure their compliance and resolve differences among the members or between a member and its clients, among other functions;
- an administrative procedure between the CMF and those individuals investigated for infractions to the regulations overseen by the CMF, contemplating a simplified procedure for minor breaches; and
- a leniency system, promoting self-denouncement.
- For a description of the powers the CMF will gradually assume when replacing the former SBIF, see "—The CMF" and "Regulation and Supervision—Banking Legislation."

Pursuant to the Amendment to the General Banking Law, and their complementary rules, on June 1, 2019 the CMF assumed all the powers formerly held by the former SBIF. Since then, banks are supervised and controlled by the CMF, a Chilean governmental agency. The CMF authorizes the creation of new banks and has broad powers to interpret and enforce legal and regulatory requirements applicable to banks and financial companies. Furthermore, in cases of noncompliance with its legal and regulatory requirements, the CMF has the ability to impose sanctions. In extreme cases, it can appoint, with the prior approval of the board of directors of the Central Bank of Chile, a provisional administrator to manage a bank. It must also approve any amendment to a bank's bylaws or any increase of its capital.

The CMF examines all banks from time to time, generally at least once a year. Banks are also required to submit their financial statements monthly to the CMF, and a bank's financial statements are published at least five times a year in a newspaper with countrywide coverage. In addition, banks are required to provide extensive information regarding their operations at various periodic intervals to the CMF. A bank's annual financial statements and the opinion of its independent auditors must also be submitted for review by the CMF.

Any person wishing to acquire, directly or indirectly, 10.0% or more of the share capital of a bank must obtain the prior approval of the CMF. Without such approval, the holder will not have the right to vote such shares. The CMF may only refuse to grant its approval based on specific grounds set forth in the General Banking Law.

According to Article 35 bis of the General Banking Law, as amended, the prior authorization of the CMF, as applicable, is required for:

- the merger of two or more banks;
- the acquisition of all or a substantial portion of a bank's assets and liabilities by another bank;
- the control by the same person, or controlling group, of two or more banks; or
- a substantial increase in the share ownership of a bank by a controlling shareholder of that bank.

Such prior authorization is required only when the acquiring bank or the resulting group of banks would own a market share in loans determined by the CMF to be more than 15.0% of all loans in the Chilean banking system. The intended purchase, merger or expansion may be denied by the CMF, as applicable, or, if the acquiring bank or resulting group would own a market share in loans determined to be more than 20.0% of all loans in the Chilean banking system, the purchase, merger, or expansion may be conditioned on one or more of the following:

- that the bank or banks maintain an effective equity (as defined under "—Capital Adequacy Requirements" below) higher than 8.0% and up to 14.0% of their risk-weighted assets;
- that the technical reserve established in article 65 of the General Banking Law be applicable when deposits exceed one and a half times the resulting bank's paid-in capital and reserves; or
- that the margin for interbank loans be reduced to 20.0% of the resulting bank's effective equity.

If the acquiring bank or resulting group would own a market share in loans determined by the CMF to be more than 15% but less than 20%, the authorization will be conditioned on the bank or banks maintaining an effective equity not lower than 10% of their risk-weighted assets for a period set by the CMF, which may not be less than one year. The calculation of risk-weighted assets is based on a five-category risk classification system applied to a bank's assets that is based on the Basel Committee recommendations.

Pursuant to the regulations of the CMF, the following ownership disclosures are required:

- banks must disclose to the CMF the identity of any person owning, directly or indirectly, 5.0% or more of its shares; and
- bank shareholders who individually hold 10.0% or more of a bank's capital stock and who are controlling shareholders must periodically inform the CMF of their financial condition.

Limitations on Types of Activities

Chilean banks can only conduct those activities allowed by the General Banking Law, which, as of the date of this Prospectus, include: making loans, accepting deposits and, subject to limitations, making investments and performing financial services. Investments are restricted to real estate for the bank's own use, gold, foreign exchange and debt securities. Through subsidiaries, banks may also engage in other specific financial service activities such as securities brokerage services, equity investments, securities, mutual fund management, investment fund management, financial advisory and leasing activities. Subject to specific limitations and the prior approval of the CMF, as applicable, and the Central Bank of Chile, Chilean banks may own majority or minority interests in foreign banks.

As of June 1, 2002, Chilean banks were allowed to offer interest bearing checking accounts. The former SBIF also stated that these accounts may be subject to minimum balance limits and different interest rates depending on average balances held in the account and that banks may also charge fees for the use of this new product. For banks with a solvency score of less than A, the Central Bank of Chile also imposed additional caps to the interest rate that can be paid.

On June 5, 2007, pursuant to Law No. 20,190, new regulations became effective authorizing banks to enter into transactions involving a wider range of derivatives such as, futures, options, swaps, forwards and other derivative instruments or contracts subject to specific limitations established by the Central Bank of Chile. Previously, banks were able to enter into transactions involving derivatives, but were subject to more restrictive guidelines.

Deposit Insurance

In Chile, the government guarantees the principal amount of certain time and demand deposits held by individuals in the Chilean banking system. The government guarantee covers those obligations with a maximum value of UF200 (Ch$6,198,348 or US$7,338 as of December 31, 2021) per person and calendar year in a single bank, and UF400 (Ch$12,396,696 or US$14,676 as of December 31, 2021) per person in the Chilean banking system.

Reserve Requirements

Deposits are subject to a reserve requirement of 9.0% for demand deposits and 3.6% for term deposits of up to one year. Deposits maturing over one year are not subject reserve requirements. Banks are authorized to deduct daily from their foreign currency-denominated liabilities subject to the reserve requirement, the balance in foreign currency of certain loans and financial investments held outside of Chile. Deductions are to be made as follows:

- first, term liabilities denominated in foreign currency and subject to reserve requirements;
- second, if there is any positive difference, demand liabilities denominated in foreign currency and subject to reserve requirements; and
- finally, foreign loans subject to reserve requirements. The total amount deductible cannot exceed 70.0% of a bank's effective equity.

The Central Bank of Chile has statutory authority to require banks to maintain reserves of up to an average of 40.0% for demand deposits and up to 20.0% for term deposits (irrespective, in each case, of the currency in which they are denominated) to implement monetary policy. In addition, a bank must maintain a 100% "technical reserve" against demand deposits, deposits in checking accounts, or obligations payable on sight incurred in the ordinary course of business, and in general all deposits unconditionally payable immediately to the extent that the aggregate amount of such liabilities exceeds 2.5 times the amount of a bank's regulatory capital.

Chilean regulations also require that gaps between assets and liabilities maturing within less than 30 days not exceed a bank's net capital base (as defined below) and that gaps between assets and liabilities maturing within less than 90 days not exceed twice a bank's equity.

In accordance with the Amendment of the General Banking Law, if a Chilean bank or a foreign bank operating in Chile is defined to be a domestic Systemically Important Bank ("**SIB**") by the regulator, it may be subject to one or a combination of restrictions, including but not limited to, more restrictive reserve requirements. This banking framework establishes that, under certain conditions, a SIB may be required to hold assets in cash or highly liquid instruments for the amount by which the daily balance of deposits payable on demand, net of clearing, exceeds 1.5 times the amount of the bank's Regulatory Capital. CMF issued regulations related to the methodology for determining SIBs in Chile under the Basel III framework. Nonetheless, based on the situation caused by the outbreak of COVID-19, on March 30, 2020 the CMF decided to postpone the requirements for SIB from December 2022 until December 2025, on a basis of 25% per year.

Minimum Capital; Legal Reserves

Under the General Banking Law, a bank must have a minimum paid-in capital and reserves of UF 800,000 (Ch$24,793 million or US$29.3 million as of December 31, 2021). However, a bank may begin its operations with 50.0% of such amount, provided that it has a total capital ratio (defined as effective equity as a percentage of risk- weighted assets) of not less than 12.0%. When such a bank's paid-in capital reaches UF600,000 (Ch$18,595 million or US$22.0 million as of December 31, 2021) the total capital ratio required is reduced to 10.0%.

Capital Adequacy Requirements

Pursuant to the Amendment to the General Banking Law, minimum capital requirements have increased in terms of amount and quality. Total Regulatory Capital remains at 8% of risk-weighted assets which includes credit, market and operational risk. Minimum Tier 1 capital increased from 4.5% to 6% of risk-weighted assets, of which up to 1.5% may be Additional Tier 1 (AT1), either in the form of preferred shares or perpetual bonds, both of which may be convertible to common equity. The CMF establishes the conditions and requirements for the issuance of perpetual bonds and preferred equity. Tier 2 capital is now set at 2% of risk-weighted assets. Additional capital demands are incorporated through a Conservation Buffer of 2.5% of risk-weighted assets, setting a Total Equity Requirement of 10.5% of risk-weighted assets. The Central Bank of Chile may set an additional Counter Cyclical Buffer of up to 2.5% of risk-weighted assets with agreement from the CMF. Both buffers must be comprised of core capital.

The CMF, with agreement from the Central Bank of Chile, may impose additional capital requirements for SIB of between 1-3.5% of risk-weighted assets. Notably, the Central Bank of Chile may require: (1) the addition of up to 2% to the core capital to total assets ratios; (2) a reduction in the technical reserve requirement trigger from 2.5 times regulatory capital to 1.5 times regulatory capital; and/or (3) a reduction in the interbank loan limit to 20% of regulatory capital of any SIB. While the CMF has not yet established the criteria to assess which banks will be considered SIBs, it is probable that we will be classified an SIB.

The CMF establishes weightings for risk-weighted assets as a separate regulation based on the implementation of standard models, subject to agreement from the Central Bank of Chile. Until the new weightings for risk-weighted assets are effective, banks must maintain regulatory capital of at least 8% of risk-weighted assets, net of required loan loss allowance and deductions, and paid-in capital and reserves ("basic capital") of at least 4.5% of their risk-weighted assets and 3% of total assets, both net of required loan loss allowances.

Lending Limits

Under the General Banking Law, as amended, Chilean banks are subject to certain lending limits, including the following material limits:

- A bank cannot extend to any entity or individual (or any one group of related entities), directly or indirectly, unsecured credit in an amount that exceeds 10.0% (previously 5.0%) of the bank's effective equity, or in an amount that exceeds 30.0% (previously 25.0%) of its effective equity if the excess over 10.0% (previously 5.0%) is secured by certain assets with a value equal to or higher than such excess. In the case of foreign export trade financing, the ceiling for unsecured credits is also 10.0% (previously 5.0%) and the ceiling for secured credits is also established at 30.0%. In the case of financing infrastructure projects built through the concession mechanism, the 10.0% (previously 5.0%) ceiling for unsecured credits is 15.0% if secured by a pledge over the concession, or if granted by two or more banks or finance companies which have executed a credit agreement with the builder or holder of the concession, while the ceiling for secured credits remains at 30% (previously 25.0%);

- a bank cannot extend loans to another financial institution subject to the General Banking Law in an aggregate amount exceeding 30.0% of its effective equity;

- a bank cannot directly or indirectly grant a loan whose purpose is to allow an individual or entity to acquire shares of the lender bank;

- a bank cannot lend, directly or indirectly, to a director or any other person who has the power to act on behalf of the bank; and

- a bank cannot grant loans to related parties (including holders of more than 1.0% of its shares, except in the case of companies which are actively traded on the Santiago Stock Exchange, in which case the limit is 5.0%) on more favorable terms than those generally offered to non-related parties. In addition, the aggregate amount of loans to related parties cannot exceed a bank's effective equity.

Among the Amendments to the General Banking Law published in January 12, 2019, another limitation states that a bank may not extend loans in an aggregate of 30% of its effective equity to a group of persons or entities belonging to the same holding group (grupo empresarial) as defined in the Chilean securities market law.

Classification of Banks and Loans; Allowances for Loan Losses

The CMF regularly examines and evaluates each financial institution's solvency and management ratings, including its compliance with the loan classification guidelines defined by the regulatory authority, and on that basis classifies banks and other financial institutions into one of five categories, I, II, III, IV and V.

Category I applies to financial institutions that have been rated level A in terms of solvency and management.

Category II applies to financial institutions that have been rated (i) level A in terms of solvency and level B in terms of management, (ii) level B in terms of solvency and level A in terms of management, or (iii) level B in terms of solvency and level B in terms of management.

Category III applies to financial institutions that have been rated (i) level B in terms of solvency and level B in terms of management for two or more consecutive review periods, (ii) level A in terms of solvency and level C in terms of management, or (iii) level B in terms of solvency and level C in terms of management.

Category IV applies to financial institutions that are rated level A or B in terms of solvency and have been rated level C in terms of management for two or more consecutive review periods.

Category V applies to institutions that have been rated level C in terms of solvency, irrespective of their rating level of management.

The solvency rating of a bank is determined by its ratio of regulatory capital (after deducting accumulated losses during the financial year) to risk-weighted assets. This ratio is equal to or greater than 10.5% for level A banks, equal to or greater than 8% and less than 10.5% for level B banks and less than 8% for level C banks.

The management rating of a bank is as follows: (i) level A banks are those that are not rated as level B or C, (ii) level B banks display some weakness in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios, and (iii) level C banks display significant deficiencies in internal controls, information systems, response to risk, private risk rating or ability to manage contingency scenarios. However, this criteria is expected to be revised by the CMF once new capital requirements set forth in the recent modifications to the General Banking Law are implemented.

Classification of Loan Portfolio

Classification of loans. For purposes of the current classifications, loans are divided into: (i) consumer loans (including loans granted to individuals for the purpose of financing the acquisition of consumer goods or payment of services), (ii) residential mortgage loans (including loans granted to individuals for the acquisition, construction or repair of residential real estate, in which the value of the property covers at least 100% of the amount of the loan), (iii) leasing operations (including consumer leasing, commercial leasing and residential leasing), (iv) factoring operations, and (v) commercial loans (including all loans other than consumer loans and residential mortgage loans).

In accordance with current regulations, the models and methods used to classify our loan portfolio must conform to the principles summarized below, which were established by the CMF (and before its absorption by the CMF, by the former SBIF).

Allowances Based on the Analysis of Commercial Borrowers of Ch$200 Million or More. Before August 2010 regulations required that all commercial loans of Ch$200 million or more be assigned to a risk category level, determined by considering the following risk factors: the borrower's (i) industry or sector, (ii) owners or managers, (iii) access to credit, (iv) payment capacity, (v) payment behavior, and (vi) net worth. Based upon the analysis of these risk factors, the loan was assigned a risk classification. If the borrower had no apparent credit risk, the loan was classified as either A1, A2 or A3. The loan was classified as B if the borrower had some credit risk but no apparent deterioration of payment capacity. Finally, if the borrower had diminished capacity to repay its loans, it was classified as either C1, C2, C3, C4, C5 or C6.

For loans classified as A1, A2, A3 or B, the board of directors of a bank was authorized to determine the levels of required allowances. For loans classified as C1, C2, C3, C4, C5 or C6, the bank must have had the following levels of allowances:

Classification	Estimated range of loss	Allowance
C1	Up to 3%	2%
C2	3%-20%	10%
C3	20%-30%	25%
C4	30%-50%	40%
C5	50%-80%	65%
C6	More than 80%	90%

Allowances Based on Group Analysis. Under current regulations, the levels of required allowances for commercial loans less than Ch$200 million and all consumer loans and mortgage loans are to be determined by the bank. This determination is made according to the estimated loss that may result from the loans, by classifying the loan portfolio using one or both of the following models: (i) a model based on the characteristics of the borrower and its outstanding loans, and/or (ii) a model based on the behavior of a group of loans. For the first model, the borrowers and their loans with similar characteristics will be placed into groups and each group will be assigned a risk level. For the second model, loans with analogous past payment histories and similar characteristics will be placed into groups and each group will be assigned a risk level.

Additional Voluntary Provisions and Allowances. Historically, a bank could voluntarily maintain additional allowances for loan losses in excess of the minimum amounts required as global and individual allowances. However, current regulations in effect as of January 1, 2004 no longer permit this. Banks are now able to create provisions and allowances above the previously described limits only to cover specific risks that had been authorized by their board of directors. We began provisioning in accordance with current regulations as of January 1, 2004.

2010 Guidelines of the Former SBIF

On August 12, 2010, the former SBIF published new guidelines for classifying and provisioning of loan portfolios that became mandatory as of January 1, 2011. As a result, the models and methods used to classify our loan portfolio and establish allowances for loan losses follow the guiding principles set forth below, which were established by the regulatory authority.

For large commercial loans, leasing and factoring, we assign a risk category to each borrower and its respective loans. We consider the following risk factors: the industry or sector of the borrower, the owners or managers of the borrower, the borrower's financial situation, its payment capacity and its payment history. Based on these factors and pursuant to the Guidelines, we expect to assign one of the following risk categories to each borrower and loan that we evaluate on an individual basis:

i. "Normal loans," or loans classified in categories A1 through A6, will correspond to borrowers who are current on their payment obligations and show no sign of deterioration in their credit quality.

ii. "Substandard loans," or loans classified in categories B1 through B4, will correspond to borrowers with some financial difficulties or an important deterioration of payment capacity. Substandard loans also include all loans that have non-performance levels greater than 30 days.

iii. "Non-compliant loans," or loans classified under categories C1 through C6, which correspond to borrowers whose payment capacity is at serious risk and are renegotiating credit terms to avoid bankruptcy or there is a high likelihood that they will file for bankruptcy. These loans also include all loans, including contingent operations, with at least one installment overdue more than 90 days.

Allowances for Normal and Substandard loans

For normal and substandard loans, expected loss is to be calculated in accordance with the following CMF (former SBIF) standards:

Classification	Probability of default (PD) (%)	Loss given default (LGD) (%)	Expected loss (EL) (%)
Normal loans			
A1	0.04	90.0	0.03600
A2	0.10	82.5	0.08250
A3	0.25	87.5	0.21875
A4	2.00	87.5	1.75000
A5	4.75	90.0	4.27500
A6	10.00	90.0	9.00000
Substandard loans			
B1	15.00	92.5	13.87500
B2	22.00	92.5	20.35000
B3	33.00	97.5	32.17500
B4	45.00	97.5	43.87500

Banks individually assign a specific classification and therefore provision level to each borrower. Accordingly, the amount of loan loss allowance is determined on a case-by-case basis. In determining allowances on an individual basis for normal and substandard loans pursuant to the recently published guidelines, banks will be required to use the following equation:

$$\text{Provision}=(\text{ESA-GE}) *(\text{PDdebtor}/100) *(\text{LGDdebtor}/100) +\text{GE}*(\text{PDguarantor}/100) *(\text{LGDguarantor}/100)$$

ESA=Exposure subject to allowances
PD = Probability of default
GE = Guaranteed exposure
LGD= Loss Given Default

Definition of Categories

A1: Debtor has the highest credit quality. This category is assigned only to borrowers with an extremely strong capacity to meet its financial obligations.

The debtor in this category has very solid financial foundations and competitive advantages in the markets in which it participates, so its ability to pay has remained permanently immune to cyclical fluctuations in the economy or sector. Therefore, it has a proven ability to generate cash flows to comfortably cover all of its financial commitments, even under restrictive conditions in the macroeconomic environments sector.

This category may be allocated only to debtors who have at least AA rating on the scale of the Chilean Securities Market Law granted by a national rating company recognized by the CMF, or its equivalent in case the debtor has an international rating by an external rating company, which also must be recognized by the CMF.

A2: Debtor has a very high credit quality. The ability to pay its financial obligations is very strong. Predictable events do not affect this capability significantly.

The debtor in this category provides a solid financial foundation and competitive position in the markets where it participates, so their ability to pay has been permanently immune and is not vulnerable to cyclical fluctuations in the economy or markets in which it participates. Presents proven ability to generate cash flows to cover timely and properly all financial commitments.

A3: Debtor has a high credit quality. The ability to pay its financial commitments is strong. Predictable events do not affect this capacity significantly.

The debtor in this category provides a solid foundation and competitive financial ability to pay and shows resistance to cyclical fluctuations in the economy or the markets in which it participates.

Under tight financial-economic scenarios, the power would not vary significantly.

A4 Debtor has a good credit quality. The ability to pay their financial obligations is sufficient. However, this capability is slightly susceptible to changing circumstances or economic conditions.

The debtor in this category provides a solid foundation and competitive financial ability to pay, shows resistance to cyclical fluctuations in the economy or markets in which it participates; however, it may have slight vulnerability to restrictive conditions at macroeconomic and sector levels.

A5: Debtor has a good credit quality. The ability to pay their financial commitments is adequate or sufficient, but is susceptible to change in circumstances or economic conditions.

The debtor in this category presents reasonable competitive and financial foundations, so their ability to pay is less vulnerable to cyclical fluctuations in the economy or markets in which it participates, but although it presents good ability to generate cash flows to meet promptly all its financial commitments under adverse conditions, could be vulnerable to restrictive environmental conditions at macroeconomic and sector levels.

A6: Debtor has a sufficient credit quality. Its ability to pay could deteriorate in adverse economic conditions. The debtor currently has certain challenges with his ability to fulfill its financial obligations, but this is temporary.

The debtor in this category has reasonable competitive and financial foundations, but his payment capacity presents vulnerabilities to cyclical fluctuations of the economy or of the markets in which it participates. Although it has demonstrated the capacity to generate sufficient cash flow to meet its financial commitments under adverse conditions, there is evidence of weakness before restrictive conditions of the macroeconomic and sector environment.

B1: Debtor has a low credit quality. His capacity of payment is vulnerable, affecting his roominess to fulfill his financial obligations. The debtor in this category presents deficient financial and competitive foundations, and has presented irregularities in the fulfillment of his commitments.

B2: Debtor has a low credit quality. The debtor presents a worsening in his capacity of payment, generating doubts on the recovery of his credits. The debtor in this category presents deficient financial and competitive foundations, and his ability to generate cash flows is insufficient, which is translated into unsatisfactory fulfillments of his commitments. Also part of this category are those debtors who have registered some precedents of negative behavior in the last 12 months, which are not of recurring nature, and which reclassification as performing loans has taken place at least three months ago.

B3: Debtor has a very low credit quality. Its capacity of payment is weak and has shown delinquencies in payments, which may under this scenario, need a financial restructuring to meet its obligations or, in case of having had it, it has not been fulfilled regularly. The debtors who are classified in this category do not exceed 90 days default.

B4:	Debtor has a minimum credit rating. This type of borrower has history of disruptive behavior in the last 12 months, which, however, currently does not exceed 90 days default, nor meets certain conditions to be considered as held in default.

Allowances for Loan Losses

Our impaired loans portfolio includes loans for which the likelihood of recovery is low, as the borrowers show impaired payment capacity or no payment capacity at all. This portfolio includes (i) loans of borrowers with evident signs of possible bankruptcy, (ii) loans for which restructuring is necessary in order to avoid impairment, and (iii) loans of borrowers that are at least 90 days in default in the payment of interests or principal on any of their loans. Debtors classified under categories C1 to C6 and all their loans are included in our non-compliant loans portfolio (a subpopulation of the impaired loans portfolio as defined by the Compendium), including 100% of the amount of their undrawn committed credit lines and contingent loans.

We determine the allowance for loan losses taking into account our total exposure to each borrower, which is the sum of such borrower's total loans (including contingent loans and undrawn committed credit lines). To determine the percentage of our allowances with respect to these borrowers, we estimate the expected loss rate, the amounts that are recoverable by executing guarantees and the present value of the amounts that can be recovered through collection actions, net of expenses. The expected loss rate is classified under one of the six categories defined below, considering the range of losses that we expect from all the loans of the same debtor.

For loans classified under Categories C1 through C6, we will need to have the following levels of allowance:

Borrower category	Expected loss range	Loss Rate% (1)
C1	Up to 3%	2
C2	More than 3% up to 20%	10
C3	More than 20% up to 30%	25
C4	More than 30% up to 50%	40
C5	More than 50% up to 80%	65
C6	More than 80%	90

(1) Represents percentages of the aggregate amount of principal and accrued but unpaid interest of the loan.

For these loans the expected loss must be calculated as follows:

Expected loss = (TE – Rec) / TE

Allowance (Ch$) = TE * Allowance %

TE = Total exposure
REC = Recoverable amount based on estimates of collateral value and collection efforts

2014 Guidelines of the Former SBIF

On December 30, 2014, the former SBIF published new guidelines for provisioning a bank's residential mortgage loan portfolio. The 2014 Guidelines include:

- an expected loss model to calculate allowances for housing mortgage loans that explicitly considers loan delinquency and loan / collateral (LTV) ratios, in order to promote active management of credit risk; and

- proposal for a new manner of evaluating collateral in the context of determining provisions, which would specify certain required conditions that would need to be met by an asset in order for it to be eligible to be used as collateral for mitigating credit risk, as well as more specific requirements of how collateral would be valued for purposes of setting loan loss levels.

Modifications to Provisions on Credit Risk for Banks

On December 30, 2014, the former SBIF issued Circular No. 3,573, which established amendments to the norms regulating the interpretation of the Provisions for Credit Risk, in Chapters B-1, B-2 and E in the Compendium. According to Chapter E, Chapter B-1 became effective as of January 2016. The amendments seek to ensure the adequacy of the provisions requiring banks to present credit risk in their loan portfolios, and guidelines encouraging best practices in evaluation and risk management.

The most relevant amendments introduced under the circular discussed above are the following:

- Standard method for mortgage loans provisions. A standardized method for calculating minimum provisions for mortgage loans for housing was introduced, clarifying both the procedure for overdue payments and the loan guarantee relationship (loan-to-value) for creditors. Such method establishes a special treatment for loans subject to state auction;

- Non-compliant portfolios. Certain conditions were introduced to supplement the guidelines relating to non-compliant portfolios for loans subject to individual assessment, including those which must be performed to remove a specific debtor from said portfolio. In addition, similar provisions were introduced to group portfolios; and

- Substitution of a debtor's credit rating for the credit rating of its guarantor. Modifications were made to the guidelines to determine provisions relating to factoring operations; permitting the substitution of a debtor's credit rating for the credit rating of its guarantor, subject to certain conditions being met.

Further, in addition to the aforementioned amendments, on July 6, 2018, the former SBIF issued the Circular No. 3,638 which established standardized provisions for the remaining group portfolios (leasing, factoring, student loans and, finally, one for the rest of the commercial credits (standard commercial), together with the establishment of minimum conditions that must be met by the internal provisions for credit risk developed by each bank. These changes became effective as of July 1, 2019.

Capital Markets

Under the General Banking Law, as amended, banks in Chile may purchase, sell, place, underwrite and act as paying agents with respect to certain debt securities. Likewise, banks in Chile may place and underwrite certain equity securities. Bank subsidiaries may also engage in debt placement and dealing, equity issuance advice and securities brokerage, as well as in financial leasing, mutual fund and investment fund administration, investment advisory services and merger and acquisition services. These subsidiaries are also regulated by the CMF, serving as the regulator of the Chilean securities market, open-stock corporations and insurance companies.

Legal Provisions Regarding Financial Institutions with Economic Difficulties

The General Banking Law, as amended, provides that if specified adverse circumstances exist at any bank, its board of directors must correct the situation within 30 days from the date of receipt of the relevant financial statements. If the board of directors is unable to do so, it must call a special shareholders' meeting to increase the capital of the bank by the amount necessary to return the bank to financial stability. If the shareholders reject the capital increase, or if it is not effected within the 30-day period and in the manner agreed to at the meeting, or if the CMF does not approve the board of directors' proposal, the bank will be barred from increasing its loan portfolio beyond that stated in the financial statements presented to the board of directors and from making any further investments in any instrument other than instruments issued by the Central Bank of Chile. In such a case, or in the event that a bank is unable to make timely payment in respect of its obligations, or if a bank is under provisional administration of the CMF, the General Banking Law provides that the bank may receive a two-year term loan from another bank. The terms and conditions of such a loan must be approved by the directors of both banks, as well as by the CMF, but need not be submitted to the borrowing bank's shareholders for their approval. A creditor bank may not grant such interbank loans to an insolvent bank in an amount exceeding 25.0% of the creditor bank's effective equity. This requirement is in addition to the general requirement provided for in SBIF Circular No. 3,634, which establishes that interbank loans (guaranteed or not) cannot exceed 25% of the creditor bank's effective equity. Further, pursuant to the Amendment to the General Banking Law, the CMF may limit interbank loans granted by a bank that is considered as systemically important to 20% of its effective equity. Interbank loans are considered part of the creditor bank's basic capital.

Upon liquidity or solvency problems, the bank must immediately notify the CMF and submit a regularization plan if the deficit remains during a five-day period. In case such plan is not submitted or is rejected by the CMF, an inspector or ad hoc manager (*administrador provisional*) may be appointed by the CMF. While the first of these officers can only block certain actions by a bank's management, the latter completely replaces the board of directors and the general manager and assumes all of its powers. Pursuant to the Amendment to the General Banking Law, a bank may not reach a reorganization agreement with creditors (*convenios*) in insolvency scenarios; therefore, if the regularization plan and/or the ad hoc manager's recovery efforts fail, the CMF will, with the approval of the Central Bank of Chile, revoke the relevant bank's authorization to exist (*autorización de existencia*), force it to liquidate and appoint a liquidator. See "—Dissolution and Liquidation of Banks."

Dissolution and Liquidation of Banks

The CMF may establish that a bank should be liquidated for the benefit of its depositors or other creditors when such bank does not have the necessary solvency to continue its operations. In such case, the CMF must revoke a bank's authorization to exist and order its mandatory liquidation, subject to agreement by the Central Bank of Chile. The CMF must also revoke a bank's authorization (*autorización de existencia*) if the reorganization plan and/or the ad hoc manager's recovery efforts fail. The resolution by the CMF must state the reason for ordering the liquidation and must name a liquidator, unless the CMF assumes this responsibility. When liquidation is declared, all checking accounts, other demand deposits received in the ordinary course of business, other deposits unconditionally payable immediately or within 30 days, and any other deposits and receipts payable within 10 days and other demand deposits received in the ordinary course of business, are required to be paid by using existing funds of the bank, its deposits with the Central Bank of Chile or its investments in instruments that represent its reserves. If these funds are insufficient to pay these obligations, the liquidator may seize the rest of the bank's assets, as needed. If necessary and in specified circumstances, the Central Bank of Chile will lend the bank the funds necessary to pay these obligations. Any such loans are preferential to any claims of other creditors of the liquidated bank.

Obligations Denominated in Foreign Currencies

Foreign currency denominated obligations of Chilean banks are subject to various limits and obligations. The regulations of the Central Bank of Chile do not permit the difference, whether positive or negative, between a bank's assets and liabilities denominated in any foreign currency (including assets and liabilities denominated in U.S. dollars but payable in pesos, as well as those denominated in pesos and indexed to the U.S. dollar exchange rate) to exceed 20% of the bank's paid-in capital and reserves; except in the case where the balance of such assets exceeds the balance of such liabilities and the excess difference does not exceed the bank's allowances and reserves denominated in such foreign currency (excluding profits to be remitted abroad). We must also comply with various regulatory and internal limits regarding exposure to movements in foreign exchange rates.

Foreign Currency Securities

Under current Chilean banking regulations, banks in Chile may grant loans to foreign individuals and entities and invest in certain securities of foreign issuers. Chilean banks may only invest in equity securities of foreign banks and certain other foreign companies which may be affiliates of the bank or which would be complementary to the bank's business if such companies were incorporated in Chile. Banks in Chile may also invest in debt securities traded in formal secondary markets. Such debt securities must be (1) securities issued or guaranteed by foreign sovereign states or their central banks or other foreign or international financial entities, and (2) bonds issued by foreign companies. A bank may invest up to 5% of its regulatory capital in securities of foreign issuers.

Foreign currency securities acquired by a bank must have a minimum rating as follows:

Table 1

Rating Agency	Short-Term	Long-Term
Moody's	P2	Baa3
Standard and Poor's	A2	BBB-
Fitch	F2	BBB-
Dominion Bond Rating Service	R2	BBB (low)

In the event that the sum of the investments in foreign securities which have: (i) a rating that is below that indicated in Table 1 above, but is equal to or exceeds the ratings mentioned in the Table 2 below, and (ii) loans granted to other entities resident abroad exceeds 20% (and 30% for banks with a BIS ratio equal or exceeding 10%) of the regulatory capital of such bank, the excess is subject to a mandatory reserve of 100%.

Table 2

Rating Agency	Short-Term	Long-Term
Moody's	P2	Ba3
Standard and Poor's	A2	BB-
Fitch	F2	BB-
Dominion Bond Rating Service	R2	BB (low)

Banks may invest in foreign securities for an additional amount equal to a 70% of their regulatory capital which ratings are equal or exceeds those mentioned in the Table 3 below. This limit constitutes an additional margin and it is not subject to the 100% mandatory reserve.

Additionally, a Chilean bank may invest in foreign securities whose rating is equal to or exceeds those mentioned in Table 3 in: (i) term deposits with foreign banks; and (ii) securities issued or guaranteed by sovereign states or their central banks or those securities issued or guaranteed by foreign entities within Chile. Such investments will be subject to the limits by issuer up to 30% and 50%, respectively, of the regulatory capital of the Chilean bank that makes the investment.

Table 3

Rating Agency	Short-Term	Long-Term
Moody's	P1	Aa3
Standard and Poor's	A1+	AA-
Fitch	F1+	AA-
Dominion Bond Rating Service	R1 (high)	AA (low)

Chilean banks may invest in securities without ratings issued or guaranteed by sovereign states or their central banks and structured notes issued by investment banks with a rating equal to or above that in the immediately preceding Table 3, which return is linked with a corporate or sovereign note with a rating equal to or above that in Table 2.

Subject to specific conditions, a bank may grant loans in U.S. dollars to subsidiaries or branches of Chilean companies located abroad, to companies listed on foreign stock exchanges authorized by the Central Bank of Chile and, in general, to individuals and entities domiciled abroad, as long as the Central Bank of Chile is kept informed of such activities.

Prevention of Money Laundering and the Financing of Terrorism

On April 21, 2008, the former SBIF issued regulations governing the requirements applicable to banks with respect to prevention of money laundering and terrorism financing. The regulations are aimed at incorporating international anti-money laundering ("**AML**") and counter-terrorism financing ("**CTF**") laws to the Chilean banking industry. Pursuant to the regulations, banks must adopt and implement a system to prevent money laundering and terrorism financing based mainly on the "know your customer" concept. Moreover, these policies and procedures must be approved by the board of directors and must take into account the volume and complexity of its operations and other related parties.

Based on these requirements, a bank must adopt and implement a customer identification program to establish the reasonable belief that it knows the true identity of its customers. In general, the program includes:

- properly identifying customers, including their background, source and amount of funds, country of origin and other risk factors;
- identifying what the former SBIF defined as "politically exposed persons at the international level" or PEPs, both within Chile and internationally; and
- establishing procedures to open accounts and products, with different documentation requirements needed for different types of accounts and products.

The anti-money laundering and terrorism financing system required by local regulations must also include the following components:

- AML/CTF policies and procedures aimed at preventing the bank from being used as an intermediary to carry out money laundering and terrorism financing operations;
- appointment of a Compliance Officer at a senior management level who is responsible for coordinating and monitoring day-to-day AML/CTF compliance;
- establishment of an AML/CTF Committee, whose main function is planning and coordinating the fulfillment of AML/CTF policies and procedures;
- use of software tools to detect, monitor and report unusual operations related to transactions made by customers on different products;
- implementation of personnel selection policies and a training program in order to prevent money laundering and terrorism financing issues;
- establishment of a Code of Conduct in order to, among other things, guide employee behavior and prevent possible conflicts of interest; and
- independent testing in the compliance area which must be conducted by the bank's internal audit department.

On September 4, 2015, an updated set of rules regarding the PEPs were issued by the banking regulator. This set of rules relates to the bank's obligation to keep specific PEPs policies and procedures in place to grant certain loans to PEPs, as well as to carry out controls and procedures associated with service providers when PEPs are involved therewith.

Legal Provisions for the Prevention, Detection and Prosecution of Corruption.

Law No. 21,121, which came into force on November 20, 2018, amends the Criminal Code, Law No. 20,393 on Criminal Liability of Legal Entities, and Law No. 19,913, which creates the Financial Analysis Unit and deals with Money Laundering. The Law No. 21,121 incorporates amendments to the regulation of domestic bribery and bribery of foreign public officials, substantially amends the regulation of unlawful negotiation incorporating new types of perpetrators, such as insolvency trustees, company liquidators and asset managers, penalizes commercial bribery and disloyal management, increasing prison time and pecuniary penalties affecting private individuals and legal entities, among other matters. For the first time, our legislation criminalizes the behavior of private businesses with the aim of regulating transparency between them, without the need for a public official to participate in the crime, and with a very wide range of alternatives that could configure the crime.

Particularly, with respect to the crime of disloyal management, this law penalizes any person's mismanagement of third party assets, resulting in a loss, when performed through or with an abuse of his/her authorities or other actions or omissions that are manifestly contrary to the asset owner's interests.

Reporting of Operational and Cybersecurity Incidents

On March 23, 2015, the regulator issued a new regulation on the reporting of operational incidents (Circular No. 3,579). According to this regulation, which modified the Chapter 20-8 of Recopilación Actualizada de Normas, banks must report immediately to the former SBIF certain types of significant operational incidents in order to keep the regulator properly informed. For purposes of the regulation, an operational incident is deemed significant if the event affects the business continuity, information security or reputation of the bank.

In 2018, the regulator introduced modifications (Circular No. 3,633 and Circular No. 3,640) to the regulation associated with the management of operational risk by supplementing Chapters 1-13 and 20-8 of Recopilación Actualizada de Normas with specific guidelines on cybersecurity matters. Under this amendment, the former SBIF widens its scope of supervision by incorporating cybersecurity matters through the continuous assessment of banks' critical technological infrastructure that exposes banks to risks of data integrity, data availability and confidentiality of clients' information. Also, a dedicated digital platform was created, through which banks should report directly to the regulator within a 30-minute time frame the occurrence of an incident and requires the appointment of the bank's representative to be in charge of the communication with the CMF for these purposes. Similarly, banks are required to timely inform customers and users about cybersecurity incidents affecting quality and continuity of services, as well as incidents that are publicly known. In addition, under these guidelines, banks are compelled to maintain an alert system at an industry level in order to share information about incidents and measures that should be taken in order to mitigate widespread impact.

In December 2020, the regulator issued new regulations with respect to the management of information security and cybersecurity (Circular No. 2,261), which modified chapter 20-10 of Recopilación Actualizada de Normas with specific guidelines on cybersecurity matters. Under this amendment, the CMF gives the Board of Directors of banks a fundamental role in these matters, having to approve the institutional strategy, an adequate budget for risk mitigation and the maintenance of an information security and cybersecurity management system, in accordance with existing international best practices. Also it sets out mandatory guidelines to be considered when implementing a risk management process to support the information security and cybersecurity system and establishes specific due diligence requirements for cyber risk management. Finally, it establishes certain considerations to be observed by the respective entity, as part of the local critical infrastructure, in accordance with the National Cybersecurity Policy.

Data Protection Legislation

On February 28, 2020, the Chilean Congress enacted Law No. 21,214, amending Law 19,628 (as amended, the "**DPL**") that regulates the data processing in Chile, prohibiting the disclosure of information related to debt contracted by individuals to finance education, preventing such debtors from being included in defaulting debtors' databases due to their failure to repay such debt.

As of the date of this Prospectus, new proposed legislation to amend the DPL is being discussed in Congress. The proposed legislation has been molded after the EU General Data Protection Regulation and intends to introduce (i) principles that regulate data processing, (including but not limited to principles such as the principle of proportionality, the principle of quality, the principle of transparency and the principle of security), reinforcing data subjects' rights, defining in greater detail the requirements for the obtention of consent from data subjects; (ii) specific regulations for under-aged individuals' personal data processing; (iii) regulation of international transfers of personal data, adoption of security measures and breach prevention models, together with the establishment of reporting obligations concerning security breaches; (iv) a clear regulation of data subjects' rights of access, rectification, cancellation, opposition and the new right of portability; (v) a new right of data subject to oppose the adoption by the data controller of decisions concerning him/her based solely on the fact that such decisions are made through automated processing of his/her personal data, including profiling;and (vi) the establishment of a data protection authority with powers to monitor and sanction violations of the DPL, with fines of up to UTM10,000 (approximately US$711,000) and the application of precautionary measures and ancillary sanctions such as the suspension of data processing activities.

Credit and Debit Card Fraud

In March 2020, the Chilean Congress enacted legislation increasing the responsibilities of banking entities in cases of debit and credit card fraud. In particular, the legislation provides that banking entities shall return the amount relating to the fraud within (i) 5 working days form the date the card holder informs the bank of a fraud involving an amount of up to UF35 (equivalent to Ch$1 million), or (ii) 7 working days form the date the card holder informs the bank of such fraud in the case of a fraud involving an amount of more than UF35. Card holders have up to 120 days from the date the fraud occurs to report such fraud.

Law Regulating the Release of Mortgages and Pledges without Conveyance (Law No. 20,855)

Law No. 20,855 was enacted on September 25, 2015 and went into effect on January 23, 2016. This law seeks to regulate the release of mortgages used as collateral for loans granted to individuals or SMEs customers. This regulation supplements the Consumer Protection Act (Law No. 19,496) or the SERNAC Act. In addition, Law No. 20,855 regulates the release of pledges without conveyance (*prendas sin desplazamiento*) used as collateral for loans granted to individuals, SMEs or any type of company as defined by Law No. 20,190.

For loans paid-off after January 23, 2016, Law No. 20,855 establishes requirements and time limits for banks to release mortgages (within 45 days) and inform customers of such release (within 30 days). Also, the bank should provide the customer with this information within a 30-day period. Costs associated with this process will be incurred by banks.

In addition, for monitoring purposes, the bank must inform the SERNAC, on a semi-annual basis, about: (i) the criteria used to comply with Law No. 20,855, (ii) the progress in implementing the proposed changes, (iii) the efforts taken to release mortgages used as collateral on already paid-off loans, and (iv) the advertising used to inform customers about their rights regarding the release of mortgages once the related loan has been paid-off.

U.S. Banking Regulations

Bci's U.S. Branch

The Florida Office of Financial Regulation, as the licensing authority of the Miami Branch, has the authority, in certain circumstances, including violations of law, unsafe business practices and insolvency, to take possession of the business and property of Bci located in Florida. If the Florida Office of Financial Regulation exercised this authority over Bci's Miami branch, all assets of Bci located in Florida would generally be applied first to satisfy creditors of the Miami branch. Any remaining assets would be applied to satisfy creditors of other U.S. offices of Bci, after which any residual assets of the Miami branch would be returned to the principal office of Bci, and made available for application pursuant to any insolvency proceeding.

Financial Holding Company

Because we operate a U.S. branch and have a subsidiary bank in the U.S., our nonbanking activities in the United States are subject to regulation by the Federal Reserve Board pursuant to the International Banking Act of 1978, the Bank Holding Company Act of 1956 (the "**BHC Act**"), and other laws. We have elected to be a "financial holding company" under the BHC Act. Financial holding companies may engage in a broader spectrum of activities than bank holding companies or foreign banking organizations that are not financial holding companies, including underwriting and dealing in securities. To maintain our financial holding company status, (i) we and CNB are required to be "well capitalized" and "well managed," (ii) our U.S. branch is required to meet certain examination ratings, and (iii) CNB is required to maintain a rating of at least "satisfactory" under the Community Reinvestment Act of 1977 (the "**CRA**").

A major focus of U.S. governmental policy relating to financial institutions in recent years has been aimed at fighting money laundering and terrorist financing. Regulations applicable to us and our subsidiaries impose obligations to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identities of clients. Failure of a financial institution to maintain and implement adequate programs to combat money laundering and terrorist financing could have serious consequences for the firm, both in legal terms and in terms of our reputation.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which was enacted on July 21, 2010 in response to the financial crisis, impacts the financial services industry by addressing, among other issues, systemic risk oversight, bank capital standards, the liquidation of failing systemically important institutions, over-the-counter and cleared derivatives, the ability of banking entities, including non-U.S. banks with branches in the U.S., like us, to engage in proprietary trading activities and invest in hedge funds and private equity (the "**Volcker Rule**"), consumer and investor protection, hedge fund registration, securitization, investment advisors, shareholder "say on pay," the role of credit-rating agencies, and more. The Dodd-Frank Act requires various federal banking and financial regulatory authorities to adopt a broad range of implementing rules and regulations. Such authorities have significant discretion in drafting such implementing rules and regulations.

The Dodd-Frank Act provides regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk. Pursuant to the Dodd-Frank Act, the Federal Reserve Board has implemented rules that establish enhanced prudential standards for the U.S. operations of foreign banking organizations ("**FBOs**") such as us. In imposing such heightened prudential standards on non-U.S. banks such as us, the Federal Reserve Board is directed to take into account the principle of national treatment and equality of competitive opportunity, and the extent to which the foreign bank holding company is subject to comparable home country standards. On May 24, 2018, the Economic Growth, Regulatory Relief and Consumer Protection Act (the "**Reform Act**") was signed into law. Among other regulatory changes, the Reform Act amends various sections of the Dodd-Frank Act, including the modification of the Volcker Rule to exempt certain depository institutions and raising the asset threshold for U.S. banking organizations to become subject to enhanced prudential standards, each as described below. The ultimate consequences of the Reform Act and its potential impact on us remain uncertain.

The Reform Act raised the threshold for automatic application of enhanced prudential standards to FBOs under the Dodd-Frank Act from $50 billion in total global consolidated assets to $250 billion. The bill exempted FBOs with total global consolidated assets of less than $100 billion from these enhanced prudential standards effective immediately upon enactment of the bill. In October 2019, the Federal Reserve Board issued a final rule to implement the Reform Act's changes to the application of enhanced prudential standards with respect to U.S. bank holding companies and FBOs (the "**EPS Tailoring Rule**"). The EPS Tailoring Rule delineates three categories of enhanced prudential standards ("**EPS categories**") applicable to FBOs based on an FBO's asset size and other factors such as the degree of the cross-jurisdictional activity, reliance on short-term wholesale funding, nonbank assets, and off-balance sheet exposures of an FBO's U.S. operations. The EPS Tailoring Rule generally determines the stringency of enhanced prudential standards applicable to FBOs based on the risk profile of the FBO's U.S. operations, rather than its global footprint, with most enhanced prudential standards applying only to FBOs with combined U.S. assets of at least $100 billion. FBOs with global assets of $100 billion or more and a relatively limited U.S. presence, such as us, are subject to certain minimum standards under the EPS Tailoring Rule, with the Federal Reserve Board relying primarily on compliance with comparable home-country prudential standards with respect to such FBOs.

If our size or risk profile were to increase, our combined U.S. operations may be subject to certain further enhanced prudential standards. In particular, enhanced prudential standards applicable to FBOs require an FBO with both significant total global consolidated assets and significant U.S. assets (excluding the total assets of each U.S. branch and agency) to establish a U.S. top-tier intermediate holding company ("**IHC**") over all U.S. bank and nonbank subsidiaries, and generally subject such an FBO's IHC to the same capital adequacy standards, including minimum risk based capital and leverage requirements, liquidity, liquidity risk management, stress testing and single counterparty credit limits as those applicable to U.S. bank holding companies in the same EPS category under the EPS Tailoring Rule. In addition, certain enhanced prudential standards will apply to the combined U.S. operations of an FBO whether or not the FBO is required to establish a U.S. IHC. Rules imposing early remediation requirements on FBOs have yet to be finalized. We continue to assess the full impact of these enhanced prudential requirements and the EPS Tailoring Rule on our business.

In October 2019, the Federal Reserve Board and FDIC issued a final rule addressing the applicability of resolution planning requirements for FBOs (the "**FBO Resolution Plan Rule**"). The FBO Resolution Plan Rule applies reduced resolution plan filing requirements to FBOs that have $250 billion or more in total global consolidated assets and that do not otherwise meet certain category thresholds identified in the EPS Tailoring Rule, requiring such FBOs to submit a reduced content resolution plan every three years.

The Reform Act modified the Volcker Rule to exempt depository institutions that do not have, and are not controlled by a company that has, more than $10 billion in total consolidated assets and significant trading assets and liabilities. In July 2019, U.S. federal regulatory agencies adopted amendments to the Volcker Rule regulations to implement the Volcker Rule amendments included in the Reform Act, and also in 2019 such U.S. federal regulatory agencies adopted certain targeted amendments to the Volcker Rule regulations to simplify and tailor certain compliance requirements relating to the Volcker Rule. In June 2020, U.S. federal regulatory agencies adopted additional revisions to the Volcker Rule's current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles (the "**Covered Fund Amendments**"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co-investments made alongside covered funds. The Covered Fund Amendments should therefore expand the ability of banking entities to invest in and sponsor private funds.

It remains unclear whether any other particular legislative or regulatory proposals will be enacted or adopted. In addition, it is not possible to determine the full extent of any impact on us of any such potential financial reform legislation, or whether any such proposal will become law. We may in the future be subject to further enhanced governmental scrutiny and/or increased regulation, including resulting from changes in U.S. executive administration or Congressional leadership.

City National Bank of Florida

CNB, a national bank, is subject to extensive regulation and examination by the OCC, as its primary federal banking regulator. The federal and state laws and regulations which are applicable to banks regulate, among other things, the activities in which they may engage and the locations at which they may engage in them, their investments, their reserves against deposits, the timing of the availability of deposited funds and transactions with affiliates, among other things. CNB must file reports with OCC concerning its activities and financial condition, in addition to obtaining regulatory approvals prior to entering into certain transactions, such as establishing branches and mergers with, or acquisitions of, other depository institutions. The OCC periodically examines the bank to assess CNB's safety and soundness and its compliance with various regulatory requirements. This comprehensive regulatory and supervisory framework restricts the activities in which a bank can engage and is intended primarily to ensure the safety and soundness of the CNB and for the protection of the FDIC insurance fund and the bank's depositors. The regulatory structure also gives the regulatory authorities extensive discretion in connection with their supervisory and enforcement activities and examination policies, including policies with respect to the classification of assets and the establishment of adequate loan loss reserves. Any change in such regulations, whether by the OCC or as a result of the enactment of legislation, could have a material adverse impact on CNB and its operations.

Capital Adequacy. The OCC and the other federal banking agencies have adopted risk-based and leverage capital adequacy requirements, pursuant to which they assess the adequacy of capital in examining and supervising banks and bank holding companies and in analyzing bank regulatory applications. Risk-based capital requirements determine the adequacy of capital based on the risk inherent in various classes of assets and off-balance sheet items.

The federal banking agencies have adopted rules to implement the Basel III framework for strengthening international capital and liquidity regulation referred to as the "Basel III Rules". The Basel III Rules require U.S. banking organizations, including CNB, to maintain: (i) a minimum ratio of CET 1 to risk-weighted assets of 4.5%, plus a "capital conservation buffer" of 2.5%, or 7.0%; (ii) a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, plus the capital conservation buffer, or 8.5%; (iii) a minimum ratio of Total (Tier 1 plus Tier 2) capital to risk-weighted assets of 8.0% plus the capital conservation buffer, or 10.5%; and (iv) a minimum leverage ratio of 4%, calculated as the ratio of Tier 1 capital to balance sheet exposures plus certain off-balance sheet exposures (computed as the average of the month-end ratios each month during a calendar quarter). U.S.banking organizations with a ratio of CET 1 to risk-weighted assets above the minimum but below the capital conservation buffer face constraints on their ability to pay dividends, effect equity repurchases and pay discretionary bonuses to executive officers, and such constraints increase incrementally based on the amount of the shortfall.

As discussed below, the Basel III Rules also integrate the capital requirements into the prompt corrective action standards. In order for CNB to be classified as "adequately capitalized" under the prompt corrective action standards applicable to U.S. depository institutions, which is necessary in order for CNB to avoid certain restrictions under FDICIA, it must maintain a minimum 4% Tier I leverage ratio, a 4.5% common equity Tier I capital ratio, a 6% Tier I risk-based capital ratio and a 8% total risk-based capital ratio.

As of December 31, 2021, CNB exceeded all of the capital ratio standards for a "well capitalized" bank with a Tier I leverage ratio of 9.7%, a common equity Tier I risk-based capital ratio of 14.1% and a total risk-based capital ratio of 15.1%.

Activities and Investments of National Bank. CNB America derives its lending, investment and other authority primarily from the applicable provisions of National Bank Act and the regulations of the OCC. These laws and regulations authorize CNB to invest in real estate mortgages, consumer and commercial loans, certain types of debt securities, including certain corporate debt securities and obligations of federal, State and local governments and agencies, and certain other assets. A bank's aggregate lending powers are not subject to percentage of asset limitations, but there are limits on the amount of credit exposure that a bank may have to a single borrower or group of related borrowers. An OCC-chartered bank may also exercise trust powers upon approval of the OCC. The OCC examines CNB to ensure that it has adopted procedures and systems designed to foster safe and sound operations of the bank in areas including internal controls, information systems, internal and audit systems, loan documentation, credit underwriting, interest rate risk exposure, asset growth, asset quality, earnings and compensation, fees and benefits.

Regulatory Enforcement Authority. Applicable banking laws include substantial enforcement powers available to federal banking regulators. This enforcement authority includes, among other things, the ability to assess civil money penalties, to issue cease-and-desist or removal orders and to initiate injunctive actions against banking organizations and institution-affiliated parties, as defined. In general, these enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. Other actions or inactions may provide the basis for enforcement action, including misleading or untimely reports filed with regulatory authorities.

Prompt Corrective Action. Section 38 of the Federal Deposit Insurance Act provides the federal banking regulators with broad power to take "prompt corrective action" to resolve the problems of undercapitalized institutions. The extent of the regulators' powers depends on whether the institution in question is "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." A bank is deemed to be (i) "well capitalized" if it has total risk-based capital ratio of 10.0% or greater, has a Tier I risk-based capital ratio of 8.0% or greater, has a common equity Tier I capital ratio of 6.5% or greater, has a Tier I leverage capital ratio of 5.0% or greater, and is not subject to specified requirements to meet and maintain a specific capital level for any capital measure, (ii) "adequately capitalized" if it has a total risk-based capital ratio of 8.0% or greater, has a Tier I risk-based capital ratio of 6.0% or greater, has a common equity Tier I capital ratio of 4.5% or greater, has a Tier I leverage capital ratio of 4.0% or greater and does not meet the definition of "well capitalized," (iii) "undercapitalized" if it has a total risk-based capital ratio that is less than 8.0%, has a Tier I risk-based capital ratio that is less than 6.0%, has a common equity Tier I capital ratio of less than 4.5%, or has a Tier I leverage capital ratio that is less than 4.0%, (iv) "significantly undercapitalized" if it has a total risk-based capital ratio that is less than 6.0%, has a Tier I risk-based capital ratio that is less than 4.0%, has a common equity Tier I capital ratio that is less than 3.0%, or has or a Tier I leverage capital ratio that is less than 3.0%, and (v) "critically undercapitalized" if it has a ratio of tangible equity to total assets that is equal to or less than 2.0%. The regulations also provide that a federal banking regulator may, after notice and an opportunity for a hearing, reclassify a "well capitalized" institution as "adequately capitalized" and may require an "adequately capitalized" institution or an "undercapitalized" institution to comply with supervisory actions as if it were in the next lower category if the institution is in an unsafe or unsound condition or engaging in an unsafe or unsound practice. The federal banking regulator may not, however, reclassify a "significantly undercapitalized" institution as "critically undercapitalized."

An institution generally must file a written capital restoration plan which meets specified requirements, as well as a performance guaranty by each company that controls the institution, with an appropriate federal banking regulator within 45 days of the date that the institution receives notice or is deemed to have notice that it is "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Immediately upon becoming undercapitalized, an institution becomes subject to statutory provisions, which, among other things, set forth various mandatory and discretionary restrictions on the operations of such an institution.

FDIC Insurance. CNB's deposits are insured by the FDIC. As insurer, the FDIC is authorized to conduct examinations of, and to require reporting by, FDIC-insured institutions. It also may prohibit any FDIC-insured institution from engaging in any activity the FDIC determines by regulation or order to pose a serious threat to the FDIC.

During the 2008-2009 financial crisis, there were many failures and near-failures among financial institutions. The FDIC insurance fund reserve ratio, representing the ratio of the fund to the level of insured deposits, declined due to losses caused by bank failures and the FDIC then increased its deposit insurance premiums on remaining institutions in order to replenish the insurance fund. The FDIC insurance fund balance increased throughout 2010 and turned positive in 2011. The Dodd-Frank Act required the FDIC to increase the ratio of the FDIC insurance fund to estimated total insured deposits ("**Reserve Ratio**") to 1.35% by September 30, 2020. If bank failures in the future are more costly than the FDIC currently anticipates, then the FDIC may be required to continue to impose higher insurance premiums. Any such increase would increase our non-interest expense. Thus, despite the prudent steps CNB may take to avoid the mistakes made by other banks, its costs of operations may increase as a result of events outside its control.

As required by the Dodd-Frank Act, the FDIC revised its deposit insurance premium assessment rates in 2011. In 2016, the FDIC adopted a rule in accordance with provisions of the Dodd-Frank Act that requires large institutions to bear the burden of raising the Reserve Ratio from 1.15% to 1.35% through assessment surcharges for such large institutions. The Reserve Ratio exceeded 1.35% in September 2018. Insured deposits grew due to subsequent additional fiscal stimulus and continued elevated savings rates, resulting in the reserve ratio falling to a low of 1.25 percent as of March 31, 2021. Since then, the deposit insurance fund balance continued to grow while quarterly insured deposit growth began to normalize, resulting in growth in the reserve ratio to 1.27 percent as of September 30, 2021.

As a result of the Dodd-Frank Act, the increase in the standard FDIC insurance limit from US$100,000 to US$250,000 was made permanent. The Dodd-Frank Act also removed the prohibition on banks paying interest on demand deposits.

The FDIC may terminate the deposit insurance of any insured depository institution, including CNB, if it determines, after a hearing, that the institution has engaged or is engaging in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, order or any condition imposed by an agreement with the FDIC. It also may suspend deposit insurance temporarily during the hearing process for the permanent termination of insurance, if the institution has no tangible capital. If insurance of accounts is terminated, the accounts at the institution at the time of the termination, less subsequent withdrawals, shall continue to be insured for a period of six months to two years, as determined by the FDIC. Management is aware of no existing circumstances that would result in termination of CNB's deposit insurance.

Brokered Deposits. Under federal law and applicable regulations, (i) a well capitalized bank may solicit and accept, renew or roll over any brokered deposit without restriction, (ii) an adequately capitalized bank may not accept, renew or roll over any brokered deposit unless it has applied for and been granted a waiver of this prohibition by the FDIC and (iii) an undercapitalized bank may not (x) accept, renew or roll over any brokered deposit or (y) solicit deposits by offering an effective yield that exceeds by more than 75 basis points the prevailing effective yields on insured deposits of comparable maturity in such institution's normal market area or in the market area in which such deposits are being solicited. The term "undercapitalized insured depository institution" is defined to mean any insured depository institution that fails to meet the minimum regulatory capital requirement prescribed by its appropriate federal banking agency. The FDIC may, on a case-by-case basis and upon application by an adequately capitalized insured depository institution, waive the restriction on brokered deposits upon a finding that the acceptance of brokered deposits does not constitute an unsafe or unsound practice with respect to such institution. In January 2021, the FDIC adopted amendments to aspects of FDIC's brokered deposit and interest rate regulations. The impact of these amendments on CNB's operations is uncertain.

Community Reinvestment and Consumer Protection Laws. In connection with its lending activities, CNB is subject to a variety of federal laws designed to protect borrowers and promote lending to various sectors of the economy and population. Included among these are the Home Mortgage Disclosure Act, Real Estate Settlement Procedures Act, Truth-in-Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act and CRA.

The CRA requires FDIC insured banks to define the assessment areas that they serve, identify the credit needs of those assessment areas and take actions that respond to the credit needs of the community. The OCC must conduct regular CRA examinations of CNB and assign it a CRA rating of "outstanding," "satisfactory," "needs improvement" or "unsatisfactory." The OCC periodically assess a bank's compliance, and makes the assessment available to the public. Federal and laws require consideration of these ratings when reviewing a bank's application to engage in certain transactions, including mergers, asset purchases and the establishment of branch offices. A negative assessment may serve as a basis for the denial of any such application. CNB has received "outstanding" ratings from the OCC.

In June 2020, the OCC adopted comprehensive amendments to the CRA regulations applicable to national banks, such as CNB ("**June CRA Rules**"), which, if implemented, would have significantly affected the manner in which national banks seek to satisfy their CRA obligations. In December 2021, the OCC rescinded the June 2020 CRA rules and replaced them with CRA regulations based on those adopted jointly by the U.S. banking agencies in 1995, as amended. The OCC indicated that the rescission of the June CRA Rules was intended to to facilitate the ongoing interagency work to modernize the CRA regulatory framework. It remains unclear whether the OCC or other regulatory agencies will adopt any future rulemaking amending the CRA regulations and, if such rules were to be adopted, we cannot predict at this time the extent to which the scope of such final rules would resemble or maintain the CRA regulations that are currenctly in effect. It also remains unclear whether any other particular legislative or regulatory proposals will be enacted or adopted concerning CRA requirements applicable to us. Amendments to CRA requirements applicable to us that may be adopted in the future may impact the ability of CNB to achieve "satisfactory" CRA performance ratings.

The Dodd-Frank Act created the Consumer Financial Protection Bureau ("**Bureau**") with broad authority to regulate and enforce consumer protection laws. The Bureau has the authority to adopt regulations under numerous existing federal consumer protection statutes. The Bureau may also decide that a particular consumer financial product or service, or the manner in which it is offered, is an unfair, deceptive, or abusive act or practice. If the Bureau so decides, it has the authority to outlaw such act or practice.

Transactions with Related Parties. CNB's authority to engage in transactions with related parties or "affiliates" (i.e., any entity that controls or is under common control with an institution) is limited by Sections 23A and 23B of the Federal Reserve Act. Section 23A limits the aggregate amount of transactions with any individual affiliate to 10% of the capital and surplus of the institution and also limits the aggregate amount of transactions with all affiliates to 20% of the institution's capital and surplus. The term "affiliate" includes, for this purpose, us and any company that we control other than CNB and its subsidiaries.

Loans to affiliates must be secured by collateral with a value that depends on the nature of the collateral. The purchase of low quality assets from affiliates is generally prohibited. Loans and asset purchases with affiliates must be on terms and under circumstances, including credit standards, that are substantially the same or at least as favorable to the institution as those prevailing at the time for comparable transactions with nonaffiliated companies. In the absence of comparable transactions, such transactions may only occur under terms and circumstances, including credit standards that in good faith would be offered to or would apply to nonaffiliated companies. CNB's authority to extend credit to executive officers, directors and 10% shareholders, as well as entities controlled by such persons, is governed by Regulation O of the Federal Reserve Board. Regulation O generally requires such loans to be made on terms substantially similar to those offered to unaffiliated individuals (except for preferential loans made in accordance with broad based employee benefit plans), places limits on the amount of loans CNB may make to such persons based, in part, on CNB's capital position, and requires certain approval procedures to be followed.

MANAGEMENT

Directors

We are managed by our Board of Directors, which is comprised of nine members who are elected for three-year terms at our annual shareholders' meeting. If a vacancy occurs, the Board of Directors may elect a temporary director until the next regular shareholders meeting at which the entire Board of Directors is to be elected. There are regularly scheduled monthly meetings of the Board of Directors. Extraordinary meetings are convened by the Chairman of the Board upon request by any other director with the agreement of the Chairman or upon request by a majority of the directors. The Board of Directors is responsible, among other things, for the overall supervision and administration of our business activities, the appointment and removal of our executive officers, the review of our financial statements, the approval of our budget and the approval of any purchase or sale of real estate.

Our current Board of Directors was elected in April 2019 and their term will end upon the election of the new members at the annual shareholders meeting to be held in 2022.

The members of our board of directors are:

Directors	Position	Years as Director
Luis Enrique Yarur Rey	Chairman	30
Juan Edgardo Goldenberg Peñafiel	Vice-Chairman	4
Claudia Manuela Sánchez Muñoz	Director	6
Hernán Orellana Hurtado	Director	5
Klaus Schmidt-Hebbel Dunker	Director	5
Mario Gómez Dubravcic	Director	10
José Pablo Arellano Marín	Director	11
Miguel Ángel Nacrur Gazali	Director	3
Jorge Becerra Urbano	Director	1

Luis Enrique Yarur Rey – Chairman. He holds a degree in law from the Universidad de Navarra, Spain, and a Master's degree in economics and business administration from the Instituto de Educación Superior de Empresas (IESE), Spain. He is currently the Chairman of Empresas Juan Yarur S.p.A, Empresas JY S.A., and Empresas SB S.A.; Vice Chairman of the Asociación de Bancos e Instituciones Financieras A.G., Inversiones Belén S.A., and Empresas Lourdes S.A.; member of the Business Advisory Council of the Centro de Estudios Superiores de la Empresa at Universidad de los Andes (ESE); advisor to the Centro de Estudios Públicos (Center of Public Studies). He was CEO of Bci for 11 years.

Juan Edgardo Goldenberg Peñafiel – Vice Chairman. He holds a degree in law from the University of Chile, and a degree in comparative law from Columbia University and also participated in the Phillip C. Jessup International Law Moot Court Competition in Washington D.C. and in the Master of Tax Law Course of the University of Chile. He has presented at conferences and seminars and he is the author of several publications and articles on taxation matters. He is a partner of Goldenberg & Lagos Abogados Ltda., a member of the Colegio de Abogados de Chile and the Tax Commission of the Colegio de Abogados de Chile, a member of the Instituto Chileno de Derecho Tributario, member of the International Section of the American Bar Association, and a member of the North American Chilean Chamber of Commerce. He is also a director of Empresas Copec S.A., and AntarChile S.A.

Claudia Manuela Sánchez Muñoz – Director. She is an independent director and holds a bachelor's degree in business administration from Universidad Adolfo Ibáñez in Chile, and a master's degree in business administration from Harvard University, United States. She is a director of Mall Plaza, Compañia De Acero del Pacífico, Luksic Foundation, the Make a Wish Foundation, the Los Anhelos Foundation and Corporación del Patrimonio Cultural de Chile. As a strategic consultant, she participates in the Advisory Board of Tsinghua University Latin American Center and in the Capital Market Advisory Council of the Chilean Ministry of Finance. She is also a member of the the International Women's Forum Association. She worked as an analyst in McKinsey for three years in Buenos Aires, Argentina, then as an associate in Goldman Sachs & Co. in New York. Later on, she worked in investment banking for Amadeus Capital Partners and Business Partners, and in strategy consultancy for Kleindahl and Deloitte, both in London. From 2012 to 2016, she was Dean of Universidad Adolfo Ibáñez (UAI), Business School, being the first woman to hold this position.

Hernán Orellana Hurtado – Director. He holds a degree in electronic civil engineering from the Federico Santa María University, majoring in telecommunications. He is a director at Highservice S.A. and MI Robotic Solutions S.A., Business Advisor in Innovation and Digital Transformation at PROhumana. He has over 25 years of professional experience, mainly in the information technology and communications area, and he was the CEO of Compaq and Microsoft in Chile. He was also the Dean of the Faculty of Engineering of the Andrés Bello University, executive director of Telefónica's Research and Development Center in Chile and a member of the Innovation Circle of the Chilean Institute for Rational Business Administration (ICARE).

Klaus Schmidt-Hebbel Dunker – Director. He is an independent director and holds a Ph.D. in economics from the Massachusetts Institute of Technology (MIT), a degree in business administration and a master's degree in economics from the Pontifical Catholic University (PCU) of Chile. He is a full professor at Universidad del Desarrollo, and a consultant, advisor and director of national and international corporations, associations and organizations. He is a columnist and conference speaker. He was the chief economist of the OECD. Before that, he was the economic research manager of Central Bank of Chile and senior economist of the World Bank. He was President of Chile's Sovereign Fund Financial Advisory Committee, CEO of the Res Publica Chile Group, President of Sociedad de Economía de Chile and President of Club Monetario.

Mario Gómez Dubravcic – Director. He holds a degree in business administration from the Pontifical Catholic University of Chile, with postgraduate studies at Universidad de los Andes. He joined Bci in 1981 as an advisor to the head of the finance division and the same year was appointed the chief financial officer. In 1983, he was appointed head of the division and was responsible for creating subsidiaries and related companies. He is currently Chairman of the Board of Transantiago's financial administration, AFT and Artikos, and director of Empresas JY S.A, Inmobiliaria JY, Deposito Central de Valores (DCV) and Sociedad Interbancaria de Valores. He was Chairman of the Board of Fondos Mutuos Bci, Bci Asesoría Financiera, Servipag. He was a director of Bci Corredor de Bolsa. BCI Factoring and BCI Securitizadora S.A., Bci Compañía de Seguros Generales y de Vida, Bci Corredora de Seguros, Bci Administradora General de Fondos and Financiera Solucion Peru.

José Pablo Arellano Marín – Director. He holds a degree in economics from the Pontifical Catholic University of Chile, and a master's degree and PhD in economics from Harvard University, United States. He is a director of companies and senior economist at CIEPLAN and tenured professor at the University of Chile and Pontificial Catholic University. He was the CEO of CODELCO, Minister of the Chilean Ministry of Education, Director of the National Budget of Chile and president of Fundación Chile.

Miguel Ángel Nacrur Gazali. He is an independent director and holds a degree in law from the Pontifical Catholic University of Chile and a degree in business administration from the Pontifical Catholic University of Chile. He is Professor at the Pontifical Catholic University of Chile School of Law. He is an Expert Professional of the Civil Service and Representative of the Public Senior Management Council in several public selection processes for government positions, and a director of Corporación Educacional Colegio Arabe and Nacrur Abogados Asociados law firm, and member of the commission on New Commercial Codification. For more than a decade, he was the general counsel of the Central Bank of Chile.

Jorge Becerra Urbano. He holds a degree in industrial engineering from the University of Buenos Aires, Argentina, a master's degree in business administration from the IESE Business School of the University of Navarra, Barcelona, Spain. He joined Bci's board of directors on June 23, 2020. He is a member of the board of directors of City National Bank of Florida and TECHO Internacional since 2017. He is member of the Innovation Circle of the Chilean Institute for Rational Business Administration (ICARE), and member of Young President Organization (YPO) for YPO Gold Latinamerica and YPO Euro Latm. He was Managing Director & Senior Partner of the Boston Consulting Group, member of the International Advisory Council of Endeavor Global, member of the Advisory Council of Endeavor Chile, and he was assistant professor of the financial planning lecture series of the Faculty of Engineering of the University of Buenos Aires.

Executive Committee

Our day-to-day business is managed by an Executive Committee comprised of five directors and four alternate members. The Executive Committee meets twice a week. The required quorum is met with the attendance of three members and decisions must be approved by a majority of the present members, except for certain decisions for which a qualified majority is required for their adoption. The current members of the Executive Committee are Luis Enrique Yarur Rey, Mario Gómez Dubravcic, José Pablo Arellano Marín, Claudia Manuela Sánchez Muñoz and Jorge Becerra Urbano.

The duties of the Executive Committee include, among others:

- answering all credit and financial operations to be submitted for its consideration and resolution;
- approving general policies about financial, credit and operational risk;
- approving credit policies and financial investments manuals, as well as the awarding conferred upon them, including risk models, among others;
- determining interest and discount rates for different operations that concern us, such as fixed position limits for loans and financial investments in Chile and abroad, as well as the maximum allowable loss;
- reviewing different economic sectors information and analysis of their evaluation, setting limits of credit and financial exposure, according to the area;
- establishing country risk exposure limits, before risk classification analysis and other variables that impact external financing;
- reviewing, at least twice a year, the credit reports posted to past-due portfolio, proposing measures to stabilize such condition;
- determining resources assigned periodically to provisions and penalties, without prejudice to ensure regulatory compliance applicable to these kind of events;
- approving purchase, sale and encumbrance constitution of any kind of movable and immovable property, securities and rights of any kind, without prejudice to the limitations and prohibitions established in the General Banking Law;
- establishing branches, agencies and other offices, as well as ceasing their operations;
- giving general and special powers, submitted to its resolution, for the business proper functioning of the business and all operational needs;
- approving specific donations, subject to applicable law;
- reviewing the corporate governance annual report and the alignment performance of the Board and all the associated committees, proposing recommendations and working practices for such bodies;
- proposing changes to the structure of powers and setting general policies about designated agents and company representatives;
- monitoring compliance of directors and manager’s training activities;
- reviewing shareholder proposals, service quality and bank information given to them, as well as management responses to their requirements, if any;
- evaluating administration performance related to the committee activities, alignment with the Bank’s mission, and performance in strengthening the competitive and distinct capabilities of the institution, attributable to its adherence to the corporate governance principles;

- performing all acts, businesses or contracts it deems useful or necessary for the progress of the institution and foreign businesses; and

- preparing annual self-evaluation of the functioning of the committee, reporting to the Board.

Directors Committee

Our Directors Committee is comprised of three members who are appointed by our Board of Directors and meets at least once a month. The required quorum is met with the attendance of two members and decisions must be approved by the majority of the present members. The current members of the Directors Committee are José Pablo Arellano Marín, Klaus Schmidt-Hebbel Dunker and Miguel Ángel Nacrur Gazali. Klaus Schmidt-Hebbel Dunker and Miguel Ángel Nacrur Gazali are independent members in accordance with Article 50 bis of the Chilean Corporation Law.

The Directors Committee has the duties of our former Audit Committee, which include, among others:

- reviewing reports of the external auditors, balance sheet and our consolidated annual and interim financial statements, and balance sheet and annual individual financial statements of our subsidiaries;

- selecting our external auditors and rating agencies for the consideration of our Board of Directors, and reviewing the reports and procedures of our external auditors and interacting with the rating agencies;

- monitoring the selected external audit firm, as well as the terms and scope of the audit, prior to its inception;

- reviewing the submitted information of related party transactions, and informing the Board of Directors or the Executive Committee, as applicable, in the relevant meeting held to review such transactions;

- analyzing the risks identified by our internal audits and reviewing the proposed plans and measures to mitigate such risks;

- coordinating the responsibilities and tasks of our Comptrollership Department with the reviews of our external auditors;

- monitoring the observance of our institutional compliance policies;

- examining reported suspicious or fraudulent conduct (including anti-money laundering violations or issues and resolutions approved by our Anti-Money Laundering Committee) and resolving issues related to conflict of interest;

- analyzing the inspection reports, observations and recommendations from the CMF;

- examining the results of our internal audit and the compliance reports in connection with our annual audit plan;

- requesting a confirmation from the Accounting Manager or those responsible for the Bank's accounting as to whether there have been accounting changes and their effects, and reviewing them if applicable;

- approving the resolutions of our Compensation Committee;

- monitoring the certain resolutions agreed by our Finance and Corporate Risk Committee;

- preparing annual report on its management, including its main recommendations to shareholders; and

- reporting to the Board of Directors about the advisability of hiring the external audit firm for the provision of services that are not part of the external audit, when they are not prohibited in accordance with the provisions of article 242 of the Chilean Securities Market Law.

Finance and Corporate Risk Committee

Our Finance and Corporate Risk Committee controls our financial strategies and defines, and monitors compliance with, our credit risk, operational and financial policies and exposure limits, among other activities. This committee meets at least on a monthly basis. The required quorum is met with the attendance of three members and decisions must be approved by the majority of present members. The current members of this committee are Luis Enrique Yarur Rey, Mario Gómez Dubravcic, Juan Edgardo Goldenberg Peñafiel, Klaus Schmidt-Hebbel Dunker and Jorge Becerra Urbano.

The duties of the Finance and Corporate Risk Committee include, among others:

- reviewing the commercial exposure and market risks of our trading desk;
- reviewing our allowances for loan losses and charge-offs;
- monitoring Basel indicators, according to the different models to be implemented;
- reviewing and monitoring the strategies of our Assets and Liabilities Committee;
- approving our short- and long- term funding strategies and liquidity gaps;
- reviewing market information and projections;
- approving our interest rate, inflation and currency strategies, and current trading positions;
- approving portfolio strategies with respect to our domestic and foreign investments;
- monitoring our internal limits and variations of financial risk;
- examining ratios of credit, financial, operational and compliance risk and operational risk;
- reviewing the portfolio situation (e.g. economic or geographical sector, concentrations or other that is considered convenient), as well as the situation of specific segments or groups of customers, such as principal debtors, major deteriorations, etc.;
- monitoring the behaviour of the normative models of risk;
- reviewing the behavior of provisions and penalties, based on profitability and risk, by product and segment, and their comparison with the competition;
- monitoring the compliance of policies, internal limits and main variations of financial, credit, compliance and operational risk and their alignment with the defined policies;
- analyzing the results of capital and liquidity stress tests, among others, and compliance with regulatory capital ratios, as well as the actions that may be derived from the aforementioned results;
- monitoring and reviewing the compliance of liquidity policies and levels; and
- monitoring and reviewing of compliance programs, including related matters to AML/BSA, and financial compliance.

Human Resources and Corporate Culture Committee

The purpose of our Human Resources and Corporate Culture Committee, which meets twice a year, is to establish our compensation policies. The required quorum is met with the attendance of three members and decisions must be approved by the majority of present members. The current members are Luis Enrique Yarur Rey, Claudia Manuela Sánchez Muñoz, Mario Gómez Dubravcic, Miguel Ángel Nacrur Gazali and Jorge Becerra Urbano.

The duties of the Human Resources and Corporate Culture Committee include, among others:

(a) establishing general policies of compensation, including remuneration, bonuses and benefits for each employee segment;

(b) analyzing the compensation system in relation to the industry or other comparative regimes;

(c) determining the aspects that influence the formation of remuneration; and

(d) establishing compensation mechanisms in order to ensure to all employees of the Bank have a worthy quality of life, stable work and development opportunities (personal, professional and family), encouraging and adequately rewarding good performance.

Sustainability and Corporate Social Responsibility Committee

The main purpose of this committee is to review our strategies, policies and programs, related to the corporate social responsibility. This committee meets at least four times a year. The required quorum is met with the presence of three members and decisions must be approved by the majority of present members. The members of this committee are Luis Enrique Yarur Rey, Mario Gómez Dubravcic, José Pablo Arellano Marín, Juan Edgardo Goldenberg Peñafiel and Jorge Becerra Urbano.

The duties of the Sustainability and Corporate Social Responsibility Committee include, among others:

- suggesting topics that should be discussed periodically, according to the nature of its mission and objectives;
- reviewing periodically the Code of Ethics, setting the adjustments and updates that it requires or the Committee deems necessary;
- establishing procedures, policies and donations programs and other social welfare activities;
- reviewing and approving the corporate social responsibility or sustainability report of the Bank;
- reviewing Bank's business practices and its subsidiaries, as well as the impact they may have on the reputation, image and prestige of Bci and its subsidiaries;
- evaluating administration performance in activities related to the Committee's work, its alignment with the mission's Bank and its performance in strengthening the competitive and distinctive capabilities attributable to its adherence to the principles of sustainability and corporate social responsibility; and
- executing annual self-evaluation of its operation as a Committee, reporting to the Board.

Technology and Innovation Committee

The main purpose of this committee is to assist our board of directors in technology decisions. This committee meets at least three times a year. The required quorum is met with the presence of three members and decisions must be approved by the majority of present members. The members of this committee are Luis Enrique Yarur Rey, Miguel Ángel Nacrur Gazali, Claudia Manuela Sánchez Muñoz, Hernán Orellana Hurtado and Jorge Becerra Urbano.

The duties of the Technology and Innovation Committee include, among others:

- reviewing and approving the technological strategy and design proposed by the General Management;
- reviewing and approving the safety technological plan strategy;
- oversee the implementation of the mentioned strategies;
- reviewing and approving the budget for technology investments overlapping the general management;

- conducting along with the general management the review and examination of new proposals to allow innovation for clients;
- reviewing and approving the annual plan of investments on operations and technology;
- approving investments on technology according to the business vision and design of the Bank;
- establishing and approving the general policies regarding outsourcing of functions with technological suppliers proposed by General Management; and
- reviewing and approving the proposals of General Management regarding new operational models of the Bank.

Ethics Committee

The purpose of our Ethics Committee, which meets at least four times a year, is to review and resolve ethic issues related to Bci and its employees. The required quorum is met with the attendance of two directors. Decisions must be approved by the majority of the directors. The current directors that composed this committee are Luis Enrique Yarur Rey, José Pablo Arellano Marín and Juan Edgardo Goldenberg Peñafiel. Furthermore, our CEO and two of our managers regularly attend the meetings of this committee.

The duties of the Ethics Committee include, among other:

(a) interpreting the correct meaning, scope and extension of the provisions contained on the Code of Ethics;

(b) resolving if the facts or conducts submitted to the Ethics Committee are governed by the provisions of the Code of Ethics;

(c) monitoring instances of infringement of the Code of Ethics, as well as the information provided by the employees subject to the provisions thereto;

(d) adopting the necessary measures in order to protect the identity of the persons that report the Ethics Committee any actions that infringe or may infringe the Code of Ethics, as well as the information provided for such effects;

(e) sanctioning conduct that infringes the Code of Ethics, proposing measures to correct them;

(f) determining if the facts reported to Ethics Committee will also lead to the exercise of civil and criminal actions before the Courts of Justice;

(g) authorizing acts of Bank's employees in activities, operations or investments that, according to the Code of Ethics, should be reviewed by the Ethics Committee;

(h) registering the authorizations granted and the information provided by the employees of the Bank for such purposes, recording the foregoing in the relevant minutes;

(i) participating in internal and external events related to the ethical behavior of people in organizations;

(j) executing communications and disclosures of ethical content;

(k) generating doctrine and jurisprudence of their competence; and

(l) exercising other functions and attributes contained in the Code of Ethics.

Executive Officers

Our executive officers are appointed and removed by our Board of Directors at its discretion. Our current principal executive officers and the directors of each area or department are listed below.

Executive Officers	Position	Number of years at Bci
Eugenio Von Chrismar Carvajal	Chief Executive Officer	22
Ignacio Yarur Arrasate	Chief of Innovation and Digital Bank	17
Javier Moraga Klenner	Managing Director Finance Division	12
Gerardo Spoerer Hurtado	Managing Director Wholesale Banking	25
Diego Yarur Arrasate	Chief of Corporate Development and International Division	15
Ximena Kutscher Taiba	Audit and Compliance Head	17
Pablo Julian Grohnert	Chief Human Resources Officer	15
José Luis Ibaibarriaga Martínez	Chief Financial Officer and Controller	10
Rodrigo Corces Barja	Managing Director Retail Banking	24
Antonio Le Feuvre Vergara	Chief Corporate Risk Officer	36
Fernando Carmash Cassis	General Counsel	34
Patricio Subiabre Montero	Chief Operating and Technology Officer	6

Included below are brief biographical descriptions of each of our executive officers and the directors of each area or department.

Eugenio Von Chrismar Carvajal joined us in 1999. He has ample experience in the Chilean and international financial industry, having held positions such as Finance Manager of Citibank, Chile, Director of Investment Banking in Citibank, Mexico, Director of Investment Banking at Bank of America, Mexico and General Manager of Tanner Corredores de Chile. He is a civil engineer graduated from the University of Santiago and has participated in a management course at Harvard and a Postgraduate in Senior Management of Companies at Universidad de los Andes.

Ignacio Yarur Arrasate joined us in 2004 and has held diverse executive positions since then. He gained experience at the legal firm Carey y Cia. Ltda. He holds a law degree from the Pontifical Catholic University of Chile and an master's in business administration from IESE, Spain.

Javier Moraga Klenner joined Bci on April 1, 2009 as Trading Associate Manager and he became Sales & Trading Manager. He has experience in finance managing, both local and international, and has actively contributed in forming and developing the current Sales & Trading division at Bci. Before joining Bci he worked eight years for Deutsche Bank in Chile. Javier is a commercial engineer graduated from the University of Chile, holds a degree in International Finance from Universitát Mannheim, Germany, and graduated from the Advanced Management Program, Universidad de los Andes, Chile.

Gerardo Spoerer Hurtado joined Bci on August 1, 1996, and he has held diverse executive and management positions as Financial and International Assistant Director, Chief of Financial Risk, Assistant Director of Market Risk, Manager of Management of Financial Risk, Manager of Distribution, CEO of BCI Asset Management Administradora General de Fondos S.A. and Manager of Wealth Management. He has participated in bonds issuances, project financings, mergers and acquisitions and asset valuations. Before joining Bci he worked four years for BICE Group. Gerardo is a commercial engineer who graduated from the University of Chile and holds a master's in business administration in finance and corporate management from Navarra University, Spain.

Diego Yarur Arrasate has been with us since 2006. He gained professional experience at Bci Miami, Santander Investment Chile Ltda., American Express Bank and Empresas Jordan S.A. He holds a commercial engineering degree from the Pontifical Catholic University of Chile and a master's in business administration from Columbia Business School.

Ximena Kutscher Taiba joined us in 2003 as Process Audit Manager. Mrs. Kutscher has extensive professional experience in the domestic and international financial system, with experience in auditing financial institutions in Chile and in Latin America, developing leadership roles in various areas related to internal audit functions and processes. She is an Accountant Auditor IEB graduated from the University of Santiago, holds a master's in business administration from IEDE, Spain and has participated in the Advanced Management Program at Universidad de Los Andes.

Pablo Jullian Grohnert joined us in 2006, having spent most of his professional career with Unilever in Chile, Central America and the United States as manager and Director of Human Resources He holds a degree in commercial engineering from the University Diego Portales.

José Luis Ibaibarriaga joined us in June 2011, and became Chief Financial Planning and Control Division on January 1, 2012. He has extensive experience, serving in positions as CFO and VP Finance Technical administrative telecommunications companies like Electrolux, BellSouth Telefónica and Aramark both in Chile and internationally. He is a Certified Auditor graduated from the University of Chile, and holds an Executive MBA master's in business administration the University Adolfo Ibañez.

Rodrigo Corces Barja has been with us since 1997. He gained experience in Empresas CMPC in marketing and sales and QUM Marketing and Communication in Madrid. He holds a Civil Industrial Engineering degree from Pontifical Catholic University of Chile and a master's in business administration from IESE, Spain.

Antonio LeFeuvre Vergara has been with us since 1985. Prior to taking on the position of Chief Corporate Risk Officer, he served as corporate, real estate and electronic banking manager. He is a member of the board of BCI Factoring S.A., Bci Financial Advisory and BCI Securitization S.A. He was director of Artikos Subsidiaries. Mr. Le Feuvre holds a commercial engineering degree from the University of Chile and a master's in business administration from the University Adolfo Ibañez.

Fernando Carmash Cassis joined us in 1987 as Senior Counsel in Acts and Contracts and, then, in 2011, Legal Manager of Corporate & Investment Banking Division. Presently holds the position of General Counsel of Bci. Before joining us, he was Legal Counsel of Ilustre Municipalidad de Valdivia and the Labor Division (*Dirección del Trabajo*) of Santiago. Mr. Carmash earned his law degree from the Pontifical Catholic University of Chile.

Patricio Subiabre Montero joined us in August, 2015. He has more than 30 years of experience in the national and regional finance sector. He started his career at Citibank, where he was the Chief Operating and Technology Officer for Chile and other countries. Mr. Subriabre holds a civil engineering degree from the Pontifical Catholic University of Chile.

Business Address

The business address of our directors and executive officers and our principal executive offices is located at Avenida El Golf 125, Las Condes, Santiago, Chile.

PRINCIPAL SHAREHOLDERS

The following table sets forth information with respect to the record and beneficial ownership of our capital stock as of the date of this Prospectus, with respect to each shareholder known to us to own 1.25% or more of our outstanding common shares and all directors and executive officers as a group:

As of December 31, 2021	**Shares**	
	Number of common shares	**% of Total Share Capital**
Empresas Juan Yarur S.P.A.	86.297.708	55,36%
Banco de Chile on behalf of non-resident third parties	8.993.578	5,77%
Banco Santander on behalf of foreign investors	3.921.535	2,52%
AFP Habitat S.A.	3.883.578	2,49%
BCI Corredor de Bolsa S.A. on behalf of third parties	3.843.412	2,47%
BTG Pactual Chile S.A. Corredores de Bolsa	3.826.906	2,45%
AFP Capital S.A.	3.251.359	2,09%
AFP Provida S.A.	3.064.000	1,97%
Inversiones Cerro Sombrero Financiero S.P.A.	2.652.390	1,70%
Larraín Vial S.A. Corredora de Bolsa	2.367.117	1,52%
Imsa Financiera S.P.A.	2.326.715	1,49%
Banchile Corredores de Bolsa S.A.	2.139.987	1,37%
AFP Cuprum S.A.y	1.971.204	1,26%
Inversiones Tarascona Corporation Agencia en Chile	1.802.789	1,16%
Inversiones VYR S.P.A.	1.776.930	1,14%
Bolsa de Comercio de Santiago Bolsa de Valores	1.662.255	1,07%
Inversiones Nueva Altamira S.P.A.	1.555.849	1,00%
Luis Enrique Yarur Rey	1.541.786	0,99%
Jorge Yarur Bascuñan	1.499.458	0,96%
AFP Modelo S.A.	869.942	0,56%
Empresas JY S.A.	857.457	0,55%
Inversiones Colibrí Financiera S.A.	727.972	0,47%
Credicorp Capital S.A. Corredores de Bolsa	578.279	0,37%
Bice inversiones Corredores de Bolsa S.A.	528.058	0,34%
AFP Planvital S.A.	521.980	0,33%
Other shareholders	13.424.261	8,61%
Subscribed and paid-in shares	**155.886.505**	**100,00%**

Shareholders related to the Yarur Family held 63.55% of our issued and outstanding shares. Such shareholders are parties to a shareholders' agreement dated December 30, 1994, last amended as of March 10, 2020, pursuant to which they agree to vote as a group with respect to their shareholdings in us. In addition, they reiterated their intention to preserve the principles upon which the management of the institution has been based.

In accordance with article 14 of the Chilean Corporations Law, this agreement is in our shareholders' record for other shareholders and interested third parties to review upon request.

RELATED PARTY TRANSACTIONS

In the ordinary course of our business, we engage in a variety of transactions with certain of our affiliates and related parties. Under Article 147 of the Chilean Corporations Law, our transactions with related parties need to be on terms similar to those customarily prevailing in the market and they must have the purpose of contributing to the corporate interest. Directors and executive officers of companies that violate Article 147 are personally liable for losses resulting from such violations.

In addition, Article 147 of the Chilean Corporations Law provides that any transaction in which a director or certain officers have a personal interest or are acting on behalf of an interested third party may be implemented only if the transaction is approved by the board of directors, and to the extent that the approved transaction is carried out on terms similar to those customarily prevailing in the market. Under Article 147, a company may not enter into a material transaction in which one or more of its directors have a direct or indirect interest unless (i) the transaction has received the prior approval of the company's board of directors (excluding the interested directors), (ii) the terms of the transaction are consistent with the terms of similar transactions prevailing in the market and have the purpose of contributing to the corporate interest, and (iii) the transaction is in furtherance of the entity's best interests. If it is not possible to reach a decision meeting those requirements, the board must appoint one independent evaluator and the directors committee may appoint another one. The evaluator's final conclusions must be made available to shareholders and directors for a period of 15 business days, and then a shareholders' meeting must approve the transaction with the vote of shareholders representing two-thirds of the outstanding shares with voting power. For purposes of these rules, a proposed transaction is material if (1) it exceeds 1% of the company's net worth (provided that it also exceeds UF 2,000) or (2) it exceeds UF 20,000. Violation of Chilean Corporations Law provisions that govern related party transactions may result in administrative sanctions, and civil liability may be sought by the company, its shareholders or interested third parties that suffer losses as a result of such violations.

The following transactions with related parties may be executed without complying with the requirements previously mentioned, subject to the prior approval of the company's board of directors: (i) transactions that are not considered material (an act or contract is deemed material if (1) it exceeds 1% of the company's paid-in capital and reserves and it also exceeds UF2,000, or (2) it exceeds UF20,000; there being a presumption that all contracts celebrated within a period of 12 months constitute one single transaction, irrespective of whether they are executed in one or more separate transactions during such period of time); (ii) transactions that, according to a general policy of customary transactions adopted by the company's board of directors, are considered customary in connection with the company's corporate purpose; and (iii) transactions among companies in which the company owns, directly or indirectly, at least 95% of the stake of the other party to the agreement.

Under the Chilean General Banking Law (*Ley General de Bancos, Decreto con Fuerza de Ley No. 3 of 1997*), transactions between a bank and its affiliates are subject to certain additional restrictions, such as (i) the prohibition of granting loans bearing more favorable terms than those generally offered by banks in the same community, to any entity (or group of related entities) that is directly or indirectly related to its owners or management, (ii) the prohibition of granting loans to senior executives and to companies in which any of these individuals has an ownership interest or participation in net earnings equal or higher than 5.0%, and (iii) the requirements that the aggregate amount of loans to related parties may not exceed the bank's regulatory capital.

We believe that we have complied and are in compliance in all material respects with the requirements of the relevant provisions of the Chilean Corporations Law and the General Banking Law governing related party transactions with respect to all of our transactions with related parties.

Loans Granted to Related Parties

The following tables set forth our loans to related parties as of December 31, 2019, 2020 and 2021:

	As of December 31,					
	2019		2020		2021	
	Loans	Collateral Pledged(1)	Loans	Collateral Pledged(1)	Loans	Collateral Pledged(1)
	(in millions of Ch$)					
Operating companies..................	95,963	3,922	113,594	11,437	88,399	23,379
Investment companies(2).............	84,051	73,133	83,731	73,672	73,199	68,953
Individuals(3)	69,486	59,334	76,529	74,206	82,956	81,495
Total..	249,500	136,389	273,854	159,315	244,554	173,827

(1) Includes all guarantees.
(2) Includes companies whose purpose is to hold shares in other companies.
(3) Includes any related debt obligations.

All related party loans were made in the ordinary course of business, were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than the normal risk of collectability or present other unfavorable features.

Other Transactions with Related Parties

The following tables set forth our income (expenses) from services provided to (by) related parties during 2019, 2020 and 2021:

As of and for the year ended December 31, 2021

				Effect on income	
Company name	Relationship with the Group	Description	Amount of transaction(1)	Expense	Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Acquisition services	1,028	1,028	-
BCI Seguros de Vida S.A.	Other	Revenue and channel usage service	1,871	-	1,871
		Brand use	1,395	-	1,395
		Messaging	158	-	158
		Channel usage	465	-	465
		Loss management	1,054	-	1,054
		Marketing	587		587
		Contracted insurance	39	39	-
		Subordinated bonds	511	74	-
		Financial bond	1.162	364	-
		Forward operation	24	24	-
		Bank expenses	188	158	-
		Collection fees Servicios Financieros y Administración de Créditos Comerciales S.A.	9.194	-	7.726
		Intermediation fees BCI CCSS	10.780		10.780
BCI Seguros Generales S.A.	Other	Revenue and channel usage service	38	-	38
		Brand use	1.395	-	1.395
		Messaging	89	-	89
		Channel usage	465	-	465
		Marketing	417	-	417
		Term depositos	1.439	-	-
		Financial bond	10.487	-	-
		Contracted insurance	6.626	5.568	-
		Intermediation fees financial services, Corredores de Seguros y Gestión Financiera Ltda	7.950	-	6.681
		Intermediation fees BCI CCSS	31.989	-	31.989
		Intermediation feess BCI CCSS Marketing contribution	183	-	183

Company name	Relationship with the Group	Description	Amount of transaction(1)	Effect on income Expense	Income
Zenit Seguros Generales S.A.	Others	Bank expenses	44	-	44
		Fair value investments, Financial bond	1,450	37	-
Centro de Compensación Automatizado S.A.	Others	Electronic banking transactions	2.012	2.012	-
Combanc S.A.	Associate	Compensation and high value payment	515	515	-
Comder Contraparte Central S.A.	Associate	Bank processing	984	984	-
Conexxion Spa	Others	Postal mail service	239	239	-
DCV Registros S.A.	Others	Management of register of shareholders	102	102	-
Depósitos Central de Valores S.A.	Others	Financial instruments custody	586	586	-
Digitech Solutions S.A.	Others	Digital documentation	306	306	-
Inmobiliaria Anya S.A.	Others	Real estate projects	122	122	-
Inmobiliaria JY S.A.	Others	Real estate projects	232	232	-
Jordan (Chile) S.A.	Common parent	Forms printing	2.279	2.279	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	8.581	8.581	-
Redbanc S.A.	Associate	ATMs Operation	7.165	7.165	-
Salcobrand S.A.	Common parent	Rent of places for ATMs	249	249	-
Servicios de Información avanzada S.A.	Others	Trade information service	990	990	-
Servipag Ltda.	Joint venture	Services collection and payment	4.290	4.290	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	570	570	-
Galeria de Arte Patricia Ready Ltda.	Others	Art gallery	41	41	
Inmobiliaria SB SPA	Others	Offices rental	58	58	
Boston Consulting Group	Others	Strategic advice	3.176	3.176	
Transbank S.A.	Other	Credit card management and credit card use income	1.866	1.377	489

(1) Only transactions over UF1,000 are disclosed.

As of and for the year ended December 31, 2020

Company name	Relationship with the Group	Description	Amount of transaction(1)	Effect on income Expense	Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Acquisition services	1,033	1,033	-
Bolsa de Comercio de Santiago	Others	Rent of terminals	168	168	-
BCI Seguros de Vida S.A.	Other	Revenue and channel usage service	1,686	-	1,686
		Brand use	1,308	-	1,308
		Messaging	166	-	166
		Channel usage	436	-	436
		Loss management	988	-	988
		Marketing	1,059		1,059
		Contracted insurance	60	60	-
		Subordinated bonds	592	62	-

Company name	Relationship with the Group	Description	Amount of transaction(1)	Effect on income Expense	Income
		Financial bond	2,735	79	-
		Term deposits	4,000	63	-
		Forward operation	75	75	-
		Bank expenses	203	203	-
		Collection fees Servicios Financieros y Administración de Créditos Comerciales S.A.	8,370	-	7,033
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda	1,290	-	1,084
		Intermediation fees BCI CCSS	9,408	-	9,408
BCI Seguros Generales S.A.	Other	Revenue and channel usage service	57	-	57
		Brand use	1,308	-	1,308
		Messaging	68	-	68
		Channel usage	436	-	436
		Marketing	1,389		1,389
		Financial bond	158	6	-
		Term deposits	17,134	-	4
		Forward operation	38	38	-
		Intermediation fees financial services, Corredores de Seguros y Gestión Financiera Ltda	1,458	-	1,225
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda	6,763	-	5,683
		Intermediation fees BCI CCSS	24,128	-	24,128
		Intermediation prizes BCI CCSS	565	-	565
		Marketing contribution	486	-	486
Centro de Compensación Automatizado S.A.	Others	Electronic banking transactions	1,814	1,814	-
Compañía Nacional de Teléfonos Telefónica de Sur S.A.	Other	Rental of data links	51	51	-
Combanc S.A.	Associate	Compensation and high value payment	496	496	-
Comder Contraparte Central S.A.	Associate	Bank processing	819	819	-
Conexxion Spa	Others	Postal mail service	292	292	-
DCV Registros S.A.	Others	Management of register of shareholders	95	95	-
Depósitos Central de Valores S.A.	Others	Financial instruments custody	471	471	-
Digitech Solutions S.A.	Others	Digital documentation	287	287	-
Fernando Vallejos V	Others	Advice and consultancy	79	79	-
Inmobiliaria Anya S.A.	Others	Real estate projects	113	113	-
Inmobiliaria JY S.A.	Others	Real estate projects	223	223	-
Jordan (Chile) S.A.	Common parent	Forms printing	2,012	2,012	-
Mario Gómez D.	Others	Advice and consultancy	144	144	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	8,770	8,770	-
Redbanc S.A.	Associate	ATMs Operation	6,276	6,276	-
Salcobrand S.A.	Common parent	Rent of places for ATMs	225	225	-
Servicios de Información avanzada S.A.	Others	Trade information service	832	832	-
Servipag Ltda.	Joint venture	Services collection and payment	4,750	4,750	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	575	575	-

Company name	Relationship with the Group	Description	Amount of transaction(1)	Effect on income	
				Expense	Income
Transbank S.A.	Other	Credit card management and credit card use income	20,178	4,916	15,262

(1) Only transactions over UF1,000 are disclosed.

As of and for the year ended December 31, 2019

Company Name	Relationship with the Group	Description	Amount of transaction(1)	Effect on income	
				Expense	Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Acquisition services	1,026	1,026	–
Bolsa de Comercio de Santiago	Others	Rent of terminals	148	148	–
Bci Seguros de Vida S.A......................	Common parent	Revenue and channel usage service	2,316	–	2,316
		Brand use	2,123	–	2,123
		Messaging	143	–	143
		Channel usage	849	–	849
		Loss management	963	–	963
		Marketing	4,265	–	4,265
		Subordinated bonds	678	69	–
		Premium collection	50	50	–
		Financial bond	724	3	–
		Terms deposits	999	39	–
		Forward operation	72	72	–
		Fees for collection of financial services y management of commercial loans	15,025	–	12,626
		Intermediation fees Bci CCSS	24,596	–	24,596
Bci Seguros Generales S.A.	Common parent	Revenue and channel usage service	78	–	78
		Brand use	425	–	425
		Messaging	29	–	29
		Losses	559	–	559
		Forward operation	126	–	126
		Intermediation fees SSFF Corredores de Seguros y Gestión Financiera Ltda	1,020	–	1,020
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Limitada.	4,682	–	4,682
		Intermediation fees Bci CCSS	31,421	–	31,421
Centro de Compensación Automatizado S.A.............................	Others	Electronic banking transactions	1,693	1,693	–
Compañía Nacional de Telefonos Telefónica del Sur S.A.......................................	Others	Rental of data links	50	50	–
Combanc S.A.	Associate	Compensation and high value payment	438	438	–
Comder Contraparte Central S.A.	Associate	Bank processing	930	930	–
Conexxion Spa	Others	Postal mail service	295	295	–
DCV Registros S.A.	Others	Management of register of shareholders	97	97	–
Depósitos Central de Valores S.A.	Others	Financial instruments custody	291	291	–
Digitech Solutions S.A.........................	Others	Digital documentation	353	353	–
Fernando Vallejos V	Others	Advice and consultancy	78	78	–
GTD Teleductos S.A............................	Others	Rental of data links	241	241	–
Inmobiliaria Anya S.A.	Others	Real estate projects	115	115	
Inmobiliaria JY S.A.	Others	Real estate projects	217	217	
Jordan (Chile) S.A..............................	Common parent	Forms printing	2,224	2,224	–
Mario Gómez D.	Others	Advice and consultancy	215	215	–
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	8,776	8,776	–
Redbanc S.A.	Associate	ATMs Operation	6,292	6,292	–
Salcobrand S.A.	Common parent	Rent of places for ATMs	255	255	

Company Name	Relationship with the Group	Description	Amount of transaction[(1)]	Effect on income	
				Expense	Income
			MCh$	MCh$	MCh$
Servicios de Información avanzada S.A.	Others	Trade information service	716	716	–
Servipag Ltda.	Joint venture	Collection and payment services	6,423	6,423	–
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	531	531	–
Transbank S.A.	Others	Credit card management and credit card use income	64,106	13,584	50,522

(1) Only transactions over UF1,000 are disclosed.

These transactions were carried out on terms normally prevailing in the market at the date of the transaction.

DESCRIPTION OF THE NOTES

General

The Issuer may issue and have outstanding from time to time up to US$4,000,000,000 principal amount in the aggregate of Notes under this Program. The minimum Specified Denomination of the Notes will be Euro 100,000 (or, if the Notes are denominated in a currency other than the Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. The Notes will have the terms described below, including, as described below, the terms specified in the Final Terms of the applicable Series of Notes, except that references below to interest payments and interest-related information do not apply to certain Original Issue Discount Notes (as defined in "Taxation").

The Notes are to be issued under a Fiscal and Paying Agency Agreement dated as of August 2, 2016 among the Issuer, Bank of America, National Association, (operating through its London branch), as fiscal agent (in such capacity, the "**Fiscal and Paying Agent**"), paying agent, transfer agent and Calculation Agent, Bank of America, National Association, as U.S. paying agent, U.S. registrar, U.S. transfer agent and U.S. authenticating agent, Bank of America Europe DAC (successor in interest to Merrill Lynch Equity S.à.r.l.), as the European Registrar, and the other paying agents and transfer agents named therein, as further amended and supplemented from time to time (the "**Fiscal Agency Agreement**"), in registered or bearer form as specified in the applicable Final Terms. The following description of certain provisions of the Fiscal Agency Agreement is subject to, and qualified in its entirety by reference to, all the provisions of the Fiscal Agency Agreement, including the definitions therein of certain terms.

The Issuer may, from time to time, re-open one or more Series and issue Additional Notes (as defined below in "Additional Notes") with the same terms (including maturity and interest payment terms but excluding original issue date and public offering price) as Notes issued on an earlier date; provided that a Series of Notes may not comprise both Notes in bearer form and Notes in registered form. After such Additional Notes are issued they will be fungible with the previously issued Notes to the extent specified in the applicable Final Terms (except that any such Additional Notes offered and sold in compliance with Regulation S will have temporary CUSIP, ISIN and Common Code numbers during a 40-day distribution compliance period commencing on the date of issuance of such Additional Notes), provided further that if the Additional Notes are not fungible with the earlier Notes for United States federal income tax purposes, the Additional Notes will have a separate CUSIP number. Each such Series may contain one or more Tranches having identical terms, including the original issue date and the public offering price; provided that a Tranche of Notes may not comprise both Notes in bearer form and Notes in registered form.

Each Note will be unsecured and will be either a senior or a subordinated debt obligation. Notes which are senior debt obligations will rank equally with all other unsecured and unsubordinated obligations of the Issuer thereof. Notes which are subordinated debt obligations will rank junior in right of payment to all senior indebtedness as specified in the applicable Final Terms, which will set forth the precise terms of such subordination. Notes which are subordinated debt obligations will rank junior in right of payment to all senior indebtedness as specified in the applicable Final Terms, which will set forth the precise terms of such subordination.

The Final Terms relating to a Tranche of Notes issued by the Issuer will describe the following terms: (i) the currency or composite currency in which the Notes of such Tranche will be denominated (each such currency or composite currency, a "**Specified Currency**") and, if other than the Specified Currency, the currency or composite currency in which payments on the Notes of such Series will be made (and, if the Specified Currency or currency or composite currency of payment is other than U.S. Dollars, certain other terms relating to such Notes (a "**Foreign Currency Note**") and such Specified Currency or such currency or composite currency of payment); (ii) whether such Notes are Fixed Rate Notes or Floating Rate Notes (including whether such Notes are Regular Floating Rate Notes, Floating Rate/Fixed Rate Notes or Inverse Floating Rate Notes, each as defined below); (iii) the price at which such Notes will be issued (the "**Issue Price**"); (iv) the date on which such Notes will be issued (the "**Original Issue Date**"); (v) the date on which such Notes will mature; (vi) whether such notes are senior or subordinated and, if subordinated, the terms of the subordination; (vii) if such Notes are Fixed Rate Notes, the rate per annum at which such Notes will bear interest, if any; (viii) if such Notes are Floating Rate Notes, the base rate (the "**Base Rate**"), the initial interest rate (the "**Initial Interest Rate"**), the minimum interest rate (the "**Minimum Interest Rate**") (provided that if no Minimum Interest Rate is specified or if indicated that the Minimum Interest Rate is "not applicable," the Minimum Interest Rate shall be zero), the maximum interest rate (the "**Maximum Interest Rate**"), the Interest Payment Dates (as defined below), the period to maturity of the instrument, obligation or index with respect to which the Calculation Agent (as defined below) will calculate the interest rate basis or bases (the "**Index Maturity**"), the Spread and/or Spread Multiplier (all as defined below), if any and any other terms relating to the particular method of calculating the interest rate for such Notes; (ix) if such Notes are Indexed Notes, the terms relating to the particular Notes; (x) if such Notes are Dual Currency Notes (as defined below), the terms relating to the particular Notes; (xi) if such Notes are Amortizing Notes (as defined below), the amortization schedule and any other terms relating to the particular Notes; (xii) whether such Notes may be redeemed at the option of the Issuer, or repaid at the option of the holder, prior to its stated maturity as described under "Optional Redemption" and "Repayment at the Noteholders' Option; Repurchase" below and, if so, the provisions relating to such redemption or repayment, including, in the case of any Original Issue Discount Notes, the information necessary to determine the amount due upon redemption or repayment; (xiii) any relevant tax consequences associated with the terms of the Notes which have not been described under "Taxation—United States Federal Income Taxation" below; (xiv) if such Notes are Additional Notes (as defined below), a description of the original issue date and aggregate principal amount of the prior Tranche of Notes having terms (other than the original issue date and public offering price) identical to such Additional Notes; and (xv) any other terms of such Notes not inconsistent with the provisions of the Fiscal Agency Agreement. In addition, each Final Terms with respect to a Tranche of Notes will identify the Dealer(s) participating in the distribution of such Notes. See "Plan of Distribution." Each Final Terms relating to Notes will be in, or substantially in, the relevant forms included under "Form of Final Terms" below.

If any Notes are to be issued as Foreign Currency Notes, the applicable Final Terms will specify the currency or currencies, which may be composite currencies, in which the purchase price of such Notes are to be paid by the purchaser, and the currency or currencies, which may be composite currencies, in which the principal at maturity or earlier redemption, premium, if any, and interest, if any, with respect to such Notes may be paid, if applicable, along with any other terms relating to the non-U.S. Dollar denomination. See "Special Provisions Relating to Foreign Currency Notes."

Subject to such additional restrictions as are described under "Special Provisions Relating to Foreign Currency Notes," Notes of each Tranche will mature on a day specified in the applicable Final Terms, as selected by the initial purchaser and agreed to by the Issuer. In the event that such maturity date of any Notes or any date fixed for redemption or repayment of any Notes (collectively, the "**Maturity Date**") is not a Business Day (as defined below), principal and interest payable at maturity or upon such redemption or repayment will be paid on the next succeeding Business Day with the same effect as if such Business Day were the Maturity Date. No interest shall accrue for the period from and after the Maturity Date to such next succeeding Business Day. Except as may be specified in the applicable Final Terms and except for Indexed Notes (as defined below), all Notes will mature at par.

In the case of Fixed Rate Notes, the applicable Final Terms will specify the yield as of the Original Issue Date. The yield is calculated at the Original Issue Date on the basis of the Issue Price. It is not an indication of future yield.

"**Business Day**" means, unless otherwise specified herein and in the applicable Final Terms, any day other than a Saturday or Sunday or any other day on which banking institutions are generally authorized or obligated by law or regulation to close in (i) the principal financial center of the country in which the Issuer is incorporated, (ii) the principal financial center of the country of the currency in which the Notes are denominated (if the Note is denominated in a Specified Currency other than Euro) and (iii) any additional financial center specified in the applicable Final Terms (as the case may be); provided, however, that with respect to Notes denominated in Euro, such day is a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

Forms of Notes

Bearer Notes

If specified in the applicable Final Terms, Notes of each Tranche will be in bearer form ("**Bearer Notes**") and will initially be represented by one or more temporary global Notes or permanent global Notes, without interest coupons attached and, in the case of definitive Notes, will be serially numbered and will:

(i) if any such global Note is intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") (each an "**ICSD**" and together the "**ICSDs**");

(a) records of the ICSDs. The principal amount and/or number of each Note represented by the global Note shall be the amount from time to time entered in the records of both ICSDs, provided, however, that the aggregate principal amount of Notes represented by a global Note shall be as set forth on the face of such note. The records of the ICSDs (which expression means the records that each ICSD holds for its customers which reflect the amount of such customer's interest in the Notes) shall be conclusive evidence of the principal amount and/or number of each Note represented by the global Note and, for these purposes, a statement (which statement shall be made available to the bearer upon request) issued by an ICSD stating the principal amount and/or number of Notes so represented at any time shall be conclusive evidence of the records of the relevant ICSD at that time;

(b) on any redemption or payment of an installment or interest being made in respect of, or purchase and cancellation of, any of the Notes represented by such global Note the Issuer shall procure that details of any redemption, payment, or purchase and cancellation (as the case may be) in respect of the global Note shall be entered pro rata in the records of the ICSDs and, upon any such entry being made, the principal amount and/or number of the Notes recorded in the records of the ICSDs and represented by the global Note shall be reduced by the aggregate principal amount and/or number of the Notes so redeemed or purchased and cancelled or by the aggregate amount of such installment so paid; and

(ii) if any such global Note is to be issued in classic global note form ("**CGN**"), be delivered to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg or any other recognized or agreed clearing system.

Bearer Notes in definitive form will be issued with coupons attached. Except as set out below, title to Bearer Notes and any coupons will pass by delivery. The Issuer, the Fiscal Agent and any Paying Agent (as defined below) may deem and treat the bearer of any Bearer Note or coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding sentence. For so long as any of the Notes are represented by a global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Fiscal Agent and any Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Fiscal Agent and any Paying Agent solely in the bearer of the relevant global Note in accordance with and subject to its terms (and the expressions "**Noteholder**" and "**Holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References herein to "**Bearer Notes**" shall, except where otherwise indicated, include interests in a temporary or permanent global Note as well as definitive Notes and any coupons attached thereto.

The applicable Final Terms will specify whether (i) United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA C Rules**"), (ii) United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form as such rules for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA D Rules**") or (iii) if the Notes do not have a maturity of more than 365 days (including unilateral rights to rollover or extend), neither the TEFRA C Rules nor the TEFRA D Rules, are applicable to the Notes. If so specified in the applicable Final Terms, in the case of a Bearer Note to which the TEFRA D Rules have not been specified to apply, the Bearer Notes may be represented upon issue by one or more permanent global Notes.

Each Bearer Note having a maturity of more than 365 days (including unilateral rights to rollover or extend) and interest coupons pertaining to such Note, if any, will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

In general, Bearer Notes that are subject to the TEFRA C Rules or the TEFRA D Rules may not be offered, sold or delivered within the United States or to United States persons. In particular, if the applicable Final Terms specify that the TEFRA D Rules apply, the Bearer Notes may not be delivered, offered, sold or resold, directly or indirectly, in connection with their original issuance or during the Restricted Period (as defined below), in the United States (as defined below) or to or for the account of any United States person (as defined below), other than to certain persons as provided under United States Treasury Regulations. An offer or sale will be considered to be made to a person within the United States if the offeror or seller has an address within the United States for the offeree or purchaser with respect to the offer or sale. In addition, any underwriters, agents and dealers will represent that they have procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling Bearer Notes are aware of the restrictions on the offering, sale, resale or delivery of Bearer Notes.

As used herein, "**United States**" means the United States (including the States and the District of Columbia), its territories and its possessions. "**United States person**" means (i) a citizen or individual resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia or (iii) an estate or a trust the income of which is subject to U.S. federal income taxation regardless of its source. "**Restricted Period**" with respect to each Tranche of Notes means the period which begins on the earlier of the settlement date (or the date on which the Issuer receives the proceeds of the sale of Bearer Notes of such Tranche), or the first date on which the Bearer Notes of such Tranche are offered to persons other than the Dealers, and which ends 40 days after the settlement date (or the date on which the Issuer receives the proceeds of the sale of such Bearer Notes); provided that with respect to a Bearer Note held as part of an unsold allotment or subscription, any offer or sale of such Bearer Note by the Issuer or any Dealer shall be deemed to be during the Restricted Period. An "**Ownership Certificate**" is a certificate (in a form to be provided), signed or sent by the beneficial owner of the relevant Bearer Note or by a financial institution or clearing organization through which the beneficial owner holds the Bearer Note providing certification that the beneficial owner is not a United States person or person who has purchased for resale to any United States person as required by United States Treasury Regulations.

Unless otherwise specified in the applicable Final Terms, each Bearer Note will be represented initially by a temporary global Note, without interest coupons which will (a) if the temporary global Note is intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the Original Issue Date of the Tranche of Notes to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (b) if the temporary global Note is to be issued in CGN form, be delivered on or prior to the Original Issue Date of the Tranche of Notes to a Common Depositary for Euroclear and Clearstream, Luxembourg, or any other recognized or agreed clearing system in the case of a temporary global Note issued in CGN form. Upon deposit of each such temporary global Note, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. The interests of the beneficial owner or owners in a temporary global Note will be exchangeable after the expiration of the Restricted Period (the "**Exchange Date**") for an interest in a permanent global Note which will (a) if the permanent global Note is intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (b) if the permanent global Note is not intended to be issued in NGN form, be delivered to a Common Depositary for Euroclear and Clearstream, Luxembourg, for credit to the account designated by or on behalf of the beneficial owner thereof, or for definitive Bearer Notes or definitive Registered Notes, as provided in the applicable Final Terms; provided, however, that such exchange will be made only upon receipt of Ownership Certificates in the case of Bearer Notes to which the TEFRA D Rules have been specified to apply.

If so specified in the applicable Final Terms, in the case of a Bearer Note to which the TEFRA D Rules have not been specified to apply, the Bearer Notes may be represented upon issue by one or more permanent global Notes.

Registered Notes

If specified in the applicable Final Terms, Notes of each Tranche will be in fully registered form ("**Registered Notes**"). The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**"). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("**DTC**"), (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms (and in either case the "**Register**"). Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will be made to the person shown on the Register as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or any Registrar (as defined below) will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined below) immediately preceding the due date for payment in the manner provided in that paragraph.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons, receipts or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (ii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of fourteen days (other than by reason of holiday, statutory or otherwise) or have announced an intention to permanently cease business or have in fact done so and, in any such case, no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form.

In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the relevant Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the relevant Registrar.

Exchange and Transfer of Notes

A temporary global Note will be exchangeable in whole but not in part for definitive Bearer Notes (i) if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant temporary global Note or, (ii) if required by law; but only, in each case, in the case of Bearer Notes to which the TEFRA D Rules have been specified to apply, on or after the Exchange Date and upon delivery of Ownership Certificates. No definitive Bearer Note will be delivered in or to the United States or to a United States person, except as specifically provided by applicable United States Treasury Regulations. In the event that the relevant temporary global Note is not, in the case of (i) or (ii) above, duly exchanged for definitive Bearer Notes then the terms of such temporary global Note provide for relevant account holders with Euroclear and Clearstream, Luxembourg and any other agreed clearing system, as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding definitive Bearer Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

A permanent global Note will be exchangeable in whole but not in part for definitive Bearer Notes if Euroclear and/or Clearstream, Luxembourg or any other agreed clearing system, as applicable, has informed the Issuer that it has or they have, as the case may be, ceased or will cease to act as the clearing system(s) in respect of the relevant permanent global Note. In order to make such request the holder must, not less than 45 days before the date on which delivery of definitive Bearer Notes is required, deposit the relevant permanent global Note with the relevant Paying Agent (as defined below) at its specified office outside the United States for the purposes of the Notes with the form of exchange notice endorsed thereon duly completed. No definitive Bearer Note will be delivered in or to the United States or to a United States person, except as specifically provided by applicable United States Treasury Regulations. In the event that the relevant permanent global Note is not, in the case of (i) or (ii) above, duly exchanged for definitive Bearer Notes then the terms of such permanent global Note provide for relevant account holders with Euroclear and Clearstream, Luxembourg and any other agreed clearing system as applicable, to be able to enforce against the Issuer all rights which they would have had if they had been holding definitive Bearer Notes of the relevant value at the time of such event. Payments by the Issuer to the relevant account holders will be considered as payments to the relevant Noteholder and operate as full and final discharge to the Issuer in this respect.

Registered Global Notes exchangeable for definitive Notes at the option of the Noteholders in circumstances other than in the limited circumstances, shall be tradeable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

If specified in the applicable Final Terms, and subject to the terms of the Fiscal Agency Agreement, definitive Bearer Notes (along with all unmatured coupons, and all matured coupons, if any, in default) will be exchangeable at the option of the holder into Registered Notes of any authorized denominations of like tenor and in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement at the office of the relevant Registrar or at the office of any Transfer Agent outside the United States designated by the Issuer for such purpose. See "Registrar and Transfer Agents" below. Definitive Bearer Notes surrendered in exchange for Registered Notes after the close of business at any such office (i) on or after any record date for the payment of interest (a "**Regular Record Date**") on a Registered Note on an Interest Payment Date (as defined below) and before the close of business at such office on the date prior to the relevant Interest Payment Date, or (ii) on or after any record date to be established for the payment of defaulted interest on a Registered Note ("**Special Record Date**") and before the opening of business at such office on the related proposed date for payment of defaulted interest, shall be surrendered without the coupon relating to such date for payment of interest. Definitive Bearer Notes will be exchangeable for definitive Bearer Notes in other authorized denominations, in an equal aggregate principal amount, in accordance with the provisions of the Fiscal Agency Agreement and at the offices of any Paying Agent outside the United States appointed by the Issuer for such purpose. See "Registrar and Transfer Agents" below.

Registered Notes will be exchangeable for Registered Notes in other authorized denominations, in an equal aggregate principal amount upon surrender of any such Notes to be exchanged at the offices of the relevant Registrar or any transfer agent designated by the Issuer for such purpose. Registered Notes will not be exchangeable for Bearer Notes. Registered Notes may be presented for registration of transfer at the offices of the relevant Registrar or any transfer agent designated by the Issuer and for such purpose. See "Registrar and Transfer Agents" below. No service charge will be made for any registration of transfer or exchange of Notes but the Issuer may require payment of a sum sufficient to cover any transfer taxes payable in connection therewith. Except as described above, Bearer Notes and any coupons appertaining thereto will be transferable by delivery. See "Forms of Notes—Bearer Notes" above.

The Issuer shall not be required (i) to register the transfer of or exchange Notes to be redeemed for a period of fifteen calendar days preceding the first publication of the relevant notice of redemption, or if Registered Notes are outstanding and there is no publication, the mailing of the relevant notice of redemption, (ii) to register the transfer of or exchange any Registered Note selected for redemption or surrendered for optional repayment, in whole or in part, except the unredeemed or unpaid portion of any such Registered Note being redeemed or repaid, as the case may be, in part, (iii) to exchange any Bearer Note selected for redemption or surrendered for optional repayment, except that such Bearer Note may be exchanged for a Registered Note of like tenor, provided that such Registered Note shall be simultaneously surrendered for redemption or repayment, as the case may be, or (iv) to register transfer of or exchange any Notes surrendered for optional repayment, in whole or in part.

Payments and Paying Agents

Principal and premium, if any, and interest, if any, payable on a Bearer Note represented by a temporary global Note or any portion thereof in respect of an Interest Payment Date will be paid in the Specified Currency (unless otherwise specified in the applicable Final Terms) by the relevant Paying Agent to each of Euroclear and Clearstream, Luxembourg, as the case may be, with respect to that portion of such temporary global Note held for its account (upon presentation to the Non-U.S. Paying Agent of the temporary global Note, if the temporary global Note is not issued in NGN form) and, in the case of a Note to which the TEFRA D Rules have been specified to apply, upon delivery of an Ownership Certificate signed by Euroclear or Clearstream, Luxembourg, as the case may be, dated no earlier than such Interest Payment Date, which certificate must be based on Ownership Certificates provided to Euroclear or Clearstream, Luxembourg, as the case may be, by its member organizations. Each of Euroclear and Clearstream, Luxembourg, as the case may be, will in such circumstances credit any principal and interest received by it in respect of such temporary global Note or any portion thereof to the accounts of the beneficial owners thereof.

Principal and premium, if any, and interest, if any, payable on a Bearer Note represented by a permanent global Note in respect of an Interest Payment Date will be paid in the Specified Currency (unless otherwise specified in the applicable Final Terms) by the relevant Paying Agent to each of Euroclear and Clearstream, Luxembourg, as the case may be, with respect to that portion of such permanent global Note held for its account (upon presentation to the Non-U.S. Paying Agent of the permanent global Note if the permanent global Note is not issued in NGN form). Each of Euroclear and Clearstream, Luxembourg will in such circumstances credit any principal and interest received by it in respect of such permanent global Note to the respective accounts of the beneficial owners of such permanent global Note at maturity, redemption or repayment or on such Interest Payment Date, as the case may be. If a Registered Note is issued in exchange for a permanent global Note after the close of business at the office or agency where such exchange occurs (a) on or after any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (b) on or after any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of defaulted interest, any interest or defaulted interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Note, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to Euroclear and Clearstream, Luxembourg, and Euroclear and Clearstream, Luxembourg will in such circumstances credit any such interest to the account of the beneficial owner of such permanent global Note on such Regular Record Date or Special Record Date, as the case may be. Payment of principal and of premium, if any, and any interest due at maturity, redemption or repayment (in the event, with respect to payment of interest, that any such maturity date or redemption or repayment date is other than an Interest Payment Date) in respect of any permanent global Note will be made to Euroclear and Clearstream, Luxembourg in immediately available funds.

Payments of principal and of premium, if any, and interest on definitive Bearer Notes will be made in immediately available funds in the Specified Currency (unless otherwise specified in the applicable Final Terms), subject to any applicable laws and regulations, only against presentation and surrender of such Note and any coupons at the offices of a Paying Agent outside the United States or, at the option of the holder, by wire transfer of immediately available funds to an account maintained by the payee with a bank located outside the United States if appropriate wire instructions have been received by a Paying Agent not less than 10 calendar days prior to an applicable payment date. No payment with respect to any Bearer Note will be made at any office or agency of the Issuer in the United States or by wire transfer to an account maintained with a bank located in the United States, except as may be permitted under United States federal tax laws and regulations then in effect. Notwithstanding the foregoing, payments of principal and of premium, if any, and interest on Bearer Notes denominated and payable in U.S. Dollars will be made at the office of the paying agent of the Issuer, in the Borough of Manhattan, The City of New York, if and only if (i) payment of the full amount thereof in U.S. Dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (ii) such paying agent in the Borough of Manhattan, The City of New York, under applicable law and regulations, would be able to make such payment.

Payment of principal and of premium, if any, and interest on Registered Notes at maturity or upon redemption or repayment will be made in immediately available funds in the Specified Currency (unless otherwise specified in the applicable Final Terms) against presentation of such Note at the office of the relevant Paying Agent. Payment of interest on Registered Notes will be made to the person in whose name such Note is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date by wire transfer to an account selected by the person entitled thereto if appropriate wire instructions have been received by the relevant Paying Agent not less than 10 calendar days prior to the applicable payment date; provided, however, that (i) if the Issuer fails to pay such interest on such Interest Payment Date, such defaulted interest will be paid to the person in whose name such Note is registered at the close of business on the Special Record Date and (ii) interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable. The first payment of interest on any Registered Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such next Regular Record Date. Interest rates and interest rate formulae are subject to change by the Issuer from time to time but no such change will affect any Note theretofore issued. Unless otherwise specified in the applicable Final Terms, the Interest Payment Dates and the Regular Record Dates for Fixed Rate Notes shall be as described below under "**Fixed Rate Notes**." The Interest Payment Dates for Floating Rate Notes shall be as indicated in the applicable Final Terms and in such Note, and, unless otherwise specified in the applicable Final Terms, each Regular Record Date for a Registered Floating Rate Note will be the calendar day (whether or not a Business Day) next preceding each Interest Payment Date.

Payments of principal, interest and any other amount in respect of the Registered Notes will, in the absence of provision to the contrary, be made to the person shown on the Register on the relevant Record Date (as defined below) as the registered holder of the Registered Notes. None of the Issuer, any Paying and Transfer Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Payments in respect of Registered Notes represented by Registered Global Notes shall be made to the person shown on the Register at the close of business on the first Business Day prior to the Entitlement date (the "**Record Date**"). For definitive Notes, the Record Date shall be considered as the close of business on the fifteenth Business Day before the Entitlement date.

Pursuant to the Fiscal Agency Agreement, the Issuer has initially designated Bank of America, National Association, (operating through its London branch) as its non-U.S. Paying agent (in such capacity, and including any successor non-U.S. paying agent appointed thereunder, the "**Non-U.S. Paying Agent**") and Bank of America, National Association as its U.S. paying agent for Notes sold within the United States, (in such capacity and including any successor U.S. paying agent appointed thereunder, the "U.S. Paying Agent," and together with the Non-U.S. Paying Agent and any other paying agents appointed by the Issuer, the "**Paying Agents**"). So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market, there will at all times be a Paying Agent with a specified office in each location, if any, required by the rules and regulations of the relevant stock exchange(s), competent authority (ies) and/or market(s) on or by which such Notes are listed and/or admitted to trading. So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market and the rules of such exchange, competent authority and/or market so require, the Issuer will notify the holders of its Notes in the manner specified under "**Notices**" below in the event that the Issuer appoints a Paying Agent with respect to such Notes other than the Paying Agents designated as such in this Prospectus or in the applicable Final Terms.

All moneys paid by the Issuer to any Paying Agent for the payment of any amounts payable on any Notes which remain unclaimed at the end of three years after such amounts shall have become due and payable shall be repaid to the Issuer and the holders of the Notes shall thereafter look only to the Issuer for payment. The Notes shall become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

"**Entitlement**" is defined to include any distribution of cash or securities, being the payment due date, as determined by the issue specific terms, for cash or the settlement date for securities.

"**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the holders of the Notes as described under "**Notices**" below.

Payments – Renminbi Notes

This Section (*Payments – Renminbi Notes*) shall apply to all Renminbi Notes.

(a) *Payments of USD Equivalent*: Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of the Renminbi Notes when due in Renminbi to an account maintained in Hong Kong, the Issuer may, on giving not less than eight Business Days or more than 30 Business Days' irrevocable notice to the holders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the USD Equivalent of any such Renminbi denominated amount.

(b) Payments of the USD Equivalent of the relevant Renminbi amount, determined in accordance with this Section, will be made by credit or transfer to a U.S. dollar account (or any other account to which U.S. dollars may be credited or transferred) specified by the payee, provided, however, that no payment will be made by transfer to an account in the United States.

(c) For the purpose of this Section (*Payments – Renminbi Notes*):

"**CNY Calculation Agent**" means the agent appointed from time to time by the Issuer for the determination of the Spot Rate or identified as such in the relevant Final Terms.

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the CNY exchange market in Hong Kong.

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"**Illiquidity**" means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient CNY in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNY Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general CNY exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after July 25, 2016 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after July 25, 2016 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**PRC**" means the People's Republic of China which, for the purpose of this Section, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan.

"**Rate Calculation Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business (including dealings in foreign exchange) in London, Hong Kong and New York City.

"**Rate Calculation Date**" means the day which is three Rate Calculation Business Days before the due date of the relevant amount under this Section.

"**Renminbi**", "**RMB**" or "**CNY**" means the official currency of the PRC.

"**Spot Rate**" means, for a Rate Calculation Date, the spot CNY/USD exchange rate for the purchase of U.S. dollars with Renminbi, for settlement in two Business Days, in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the CNY Calculation Agent at or around 11:00 a.m. (Hong Kong time) on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the CNY Calculation Agent will determine the spot rate at or around 11:00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available CNY/USD official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

"**USD Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Section (*Payments – Renminbi Notes*) by the CNY Calculation Agent, will (in the absence of fraud, gross negligence or willful default) be binding on the Issuer, the Agents and all holders of Notes.

Registrar, Transfer Agents, Calculation Agent and Authenticating Agent

Pursuant to the Fiscal Agency Agreement, the Issuer has initially designated Bank of America, National Association as U.S. registrar in respect of the Rule 144A Global Notes and also the Regulation S Global Notes which are deposited with a custodian for, and registered in the name of a nominee of, DTC (in such capacity and including any successor U.S. registrar appointed thereunder, the "**U.S. Registrar**"). Additionally, the Issuer has initially designated Bank of America Europe DAC (successor in interest to Merrill Lynch Equity S.à.r.l.), as European registrar in respect of the Regulation S Global Notes which are deposited with a common depositary for, and registered in the name of a common nominee of Euroclear, Clearstream or any other clearing system (in such capacity and including any successor European registrar appointed thereunder, the "**European Registrar**," and, together with the U.S. Registrar and any other registrar appointed by the Issuer, the "**Registrars**"). The Issuer has initially designated Bank of America, National Association, (operating through its London branch) as non-U.S. transfer agent in respect of the Notes (in such capacity and including any successor non-U.S. transfer agent appointed thereunder, the "**Non-U.S. Transfer Agent**"). Additionally, the Issuer has initially designated Bank of America, National Association as U.S. transfer agent in respect of the Notes (in such capacity and including any successor U.S. transfer agent in respect of the Notes, the "**U.S. Transfer Agent**" and, together with the Non-U.S. Transfer Agent and any other transfer agent appointed by the Issuer, the "**Transfer Agents**"). For so long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market, the Issuer will maintain a Transfer Agent with a specified office in each location required by the rules and regulations of the relevant stock exchange, competent authority and/or market. Any initial designation by the Issuer of the Registrar or a Transfer Agent may be rescinded at any time. The Issuer may at any time designate additional Transfer Agents with respect to the Notes. So long as any Notes are listed and/or admitted to trading on or by any stock exchange, competent authority and/or market and the rules of such exchange, competent authority and/or market so require, the Issuer will notify the holders of its Notes in the manner specified under "Notices" below in the event that the Issuer appoints a Registrar or Transfer Agent with respect to such Notes other than the Registrar and Transfer Agents designated as such in this Prospectus or in the applicable Final Terms.

Pursuant to the Fiscal Agency Agreement and unless otherwise specified in the applicable Final Terms, the Issuer has also initially designated (i) Bank of America, National Association (operating through its London branch) as calculation agent in respect of the Notes (in such capacity and including any successor calculation agent appointed thereunder, the "**Calculation Agent**"), and (ii) Bank of America, National Association as U.S. authenticating agent in respect of the Rule 144A Global Notes and also the Regulation S Global Notes which are deposited with a custodian for, and registered in the name of a nominee of, DTC (in such capacity and including any successor U.S. authenticating agent appointed thereunder, the "**U.S. Authenticating Agent**").

Optional Redemption

Each applicable Final Terms will indicate either that the relevant Tranche of Notes of a Series cannot be redeemed prior to maturity (other than as provided under "Redemption Prior to Maturity Solely for Taxation Reasons" below) or that the Notes will be redeemable at the option of the Issuer, and such Final Terms shall specify the price at which such Notes are to be redeemed (which price shall in no event be less than 100% of the outstanding principal amount of the Notes to be redeemed), including, but not limited to, any USD Make Whole Amount or Non-USD Make Whole Amount, in each case as defined below (the "**Optional Redemption Price**") and the relevant date upon which such Notes will be so redeemed (each such date, an "**Issuer Optional Redemption Date**"); provided, however, that Notes denominated in currencies other than U.S. Dollars may be subject to different restrictions on redemption as set forth under "Special Provisions Relating to Foreign Currency Notes—Minimum Denominations, Restrictions on Maturities, Repayment and Redemption" herein. Notice of any redemption to holders of Bearer Notes shall be published as described under "Notices" below once in each of three successive calendar weeks, the first publication to be not less than 30 nor more than 60 calendar days prior to the Issuer Optional Redemption Date. Notice of any redemption to holders of Registered Notes shall be provided as described under "Notices" below at least 10 and not more than 60 calendar days prior to the Issuer Optional Redemption Date.

Optional Redemption by Issuer in Foreign Currency

The "**Non-USD Make Whole Amount**" per Note shall be an amount equal to the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Benchmark Yield plus an amount of basis points to be specified in the applicable Final Terms, plus, in each case, accrued interest thereon to the date of redemption and any Additional Amounts payable with respect thereto. The "**Benchmark Yield**" shall be the yield to maturity at the Redemption Calculation Date of a benchmark security selected by the Issuer with a constant maturity (as compiled and published in a publicly available source of market data selected by the Issuer) most nearly equal to the period from the Issuer Optional Redemption Date to the Maturity Date; provided, however, that if the period from the Issuer Optional Redemption Date to the Maturity Date is not equal to the constant maturity of such benchmark security for which a weekly average yield is given, the Benchmark Yield shall be obtained by a linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of such benchmark security for which such yields are given, except that if the period from the Issuer Optional Redemption Date to the Maturity Date is less than one year, the weekly average yield on such actually traded benchmark security adjusted to a constant maturity of one year shall be used. "**Redemption Calculation Date**" means the sixth Business Day prior to the date on which the Notes are redeemed pursuant to this section.

Optional Redemption by Issuer in USD

The "**USD Make Whole Amount**" per Note shall be an amount equal to the greater of (i) 100% of the principal amount of the Notes and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus an amount of basis points to be specified in the applicable Final Terms, plus, in each case, accrued interest thereon to the date of redemption and any Additional Amounts payable with respect thereto.

On and after the redemption date, interest on the Notes or any portion of the Notes called for redemption will cease to accrue (unless the Issuer defaults in the payment of the redemption price and accrued interest). On or before the redemption date, the Issuer will deposit with the relevant Paying Agent funds sufficient to pay the redemption price and accrued interest, through the redemption date, on the Notes subject to redemption. If the redemption date falls after a record date but on or prior to the corresponding interest payment date, the Issuer will pay accrued interest to the holder of record on the corresponding record date, which may or may not be the person who will receive payment of the redemption price (which will exclude such accrued interest). If less than all the Notes are to be redeemed, the Notes to be redeemed that are not held through DTC will be selected by the relevant Paying Agent by lot pro rata, or by such other method as the relevant Paying Agent shall deem fair and appropriate, and the Notes to be redeemed that are held through DTC will be selected by DTC in accordance with its procedures.

"**Comparable Treasury Issue**" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of the Notes.

"**Comparable Treasury Price**" means, with respect to any redemption date, (A) the average, as calculated by the Issuer, of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Issuer obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"**Independent Investment Banker**" means one of the Reference Treasury Dealers appointed by the Issuer.

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Issuer, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

"**Treasury Rate**" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"**Reference Treasury Dealer**" means each of the Dealers specified in the applicable Final Terms, or their respective affiliates or successors which are primary U.S. government securities Dealers, and no less than two other leading primary U.S. government securities Dealers in the City of New York reasonably designated by the Issuer; provided, however, that if any of the foregoing or their affiliates shall cease to be a primary U.S. government securities dealer in the City of New York (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another Primary Treasury Dealer.

Repurchase

The Issuer may at any time purchase Notes at any price in the open market or otherwise.

Redemption Prior to Maturity Solely for Taxation Reasons

The Issuer may at its election, subject to applicable Chilean law, redeem any Series of the Notes in whole, but not in part, upon giving not less than 10 nor more than 60 days' notice to the holders of the Notes of such Series, at their principal amount outstanding, plus Additional Amounts (as defined in "—Payment of Additional Amounts"), if any, together with accrued but unpaid interest to the date fixed for redemption, if the Issuer certifies to the Fiscal and Paying Agent and any other relevant Paying Agent immediately prior to the giving of such notice that (A) the Issuer has or will become obligated to pay Additional Amounts with respect to such Series of Notes (in excess of the 4.0% withholding tax payable on payments of interest on such Series of Notes) as a result of any change in or amendment to the laws, regulations or rulings of a Relevant Taxing Jurisdiction (as defined below), or any change in the application, administration or official interpretation of such laws, regulations or rulings, or any execution of, or amendment to, any treaty or treaties affecting taxation to which a Relevant Taxing Jurisdiction is a party, which change or amendment occurs after the later of the date of issuance of such Series of Notes and the date a Relevant Taxing Jurisdiction becomes a Relevant Taxing Jurisdiction, and (B) the Issuer has determined in good faith that such obligation cannot be avoided by the Issuer taking reasonable measures available to the Issuer; provided, however, that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts if a payment in respect of any such Series of Notes were then due. For the avoidance of doubt, a reasonable measure shall not include changing the Issuer's jurisdiction of organization or the location of its principal executive office or incurring any cost or expense that the Issuer deems in good faith to be material.

Before giving notice of redemption, the Issuer shall deliver to the Fiscal and Paying Agent and any other relevant Paying Agent an officers' certificate stating that the Issuer is entitled to effect such redemption in accordance with the terms set forth in the Fiscal Agency Agreement and setting forth in reasonable detail a statement of the facts relating thereto. The statement will be accompanied by a written opinion of counsel to the effect that the Issuer has become obligated to pay the Additional Amounts as a result of a change or amendment described above.

Interest and Interest Rates

General

Each Note will bear interest at either:

(a) a fixed rate; or

(b) a floating rate determined by reference to an interest rate basis, which may be adjusted by a Spread and/or Spread Multiplier (as defined below). Any Floating Rate Note may also have either or both of the following:

(i) a maximum interest rate limitation, or ceiling, on the rate at which interest may accrue during any interest period; and

(ii) a minimum interest rate limitation, or floor, on the rate at which interest may accrue during any interest period, provided that if no minimum interest rate is specified or if the Final Terms indicate that the minimum interest rate is "not applicable," then the minimum interest rate shall be zero.

The applicable Final Terms will designate:

(a) a fixed rate per annum, in which case such Notes will be "**Fixed Rate Notes**"; or

(b) one or more of the following interest rate bases as applicable to such Notes, in which case such Notes will be "**Floating Rate Notes**":

(i) the CD Rate, in which case such Notes will be "**CD Rate Notes**,"

(ii) the Commercial Paper Rate, in which case such Notes will be "**Commercial Paper Rate Notes**";

(iii) the Federal Funds Rate, in which case such Notes will be "**Federal Funds Rate Notes**";

(iv) LIBOR, in which case such Notes will be "**LIBOR Notes**";

(v) EURIBOR, in which case such Notes will be "**EURIBOR Notes**";

(vi) SOFR Index, in which case such Notes will be "**SOFR Index Notes**";

(vii) the Treasury Rate, in which case such Notes will be "**Treasury Rate Notes**";

(viii) the Prime Rate, in which case such Notes will be "**Prime Rate Notes**"; or

(ix) such other interest rate basis or formula as is set forth in such Final Terms.

Each Note will bear interest from its date of issue or from the most recent date to which interest on such Note has been paid or duly provided for, at the annual rate, or at a rate determined pursuant to an interest rate formula, stated herein. Interest will accrue on a Note until the principal thereof is paid or made available for payment.

Interest will be payable on each Interest Payment Date and at maturity or on redemption or repayment, if any, except for:

(a) certain Original Issue Discount Notes; and

(b) Notes originally issued between a Regular Record Date and an Interest Payment Date.

The first payment of interest on any Registered Note originally issued between a Regular Record Date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date. Such interest will be payable by the Issuer to the registered owner on such next Regular Record Date.

Interest will be payable on a Registered Note on each Interest Payment Date to the person in whose name such Note is registered at the close of business on the Regular Record Date next preceding the Interest Payment Date; provided, however, that:

(i) if the Issuer fails to pay such interest on such Interest Payment Date, such defaulted interest will be paid to the person in whose name such Registered Note is registered at the close of business on the record date to be established for the payment of defaulted interest; and

(ii) interest payable at maturity, redemption or repayment will be payable to the person to whom principal shall be payable.

Unless otherwise specified in the applicable Final Terms:

(a) for Fixed Rate Notes, the Interest Payment Dates and any Regular Record Dates shall be as described below under "Fixed Rate Notes"; and

(b) for Floating Rate Notes:

(i) the Interest Payment Dates shall be as indicated in the applicable Final Terms and in such Note; and

(ii) any Regular Record Date will be the calendar day (whether or not a Business Day) next preceding each Interest Payment Date.

"**LIBOR**" means the London Inter-bank Offered Rate for deposits in a specified currency.

"**Spread**" means the number of basis points expressed as a percentage (one basis point equals one-hundredth of a percentage point) that the Calculation Agent will add or subtract from the related Interest Rate Basis or Bases applicable to a Floating Rate Note.

"**Spread Multiplier**" means the percentage of the related Interest Rate Basis or Bases applicable to a Floating Rate Note by which the Calculation Agent will multiply such Interest Rate Basis or Bases to determine the applicable interest rate on such Floating Rate Note.

Fixed Rate Notes

General. Each Fixed Rate Note will bear interest at the annual rate specified in the Note and in the applicable Final Terms (the "**Fixed Rate of Interest**"). Interest on the Fixed Rate Notes will be paid on the dates specified in the applicable Final Terms (each, a "**Fixed Interest Payment Date**"). The Regular Record Dates for Fixed Rate Notes in registered form will be on the dates specified in the applicable Final Terms. In the event that any Fixed Interest Payment Date or Maturity Date for any Fixed Rate Note is not a Business Day, interest on such Fixed Rate Note will be paid on the next succeeding Business Day without additional interest. If interest is required to be calculated for a period other than a Fixed Interest Period (as defined below), such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination of the Notes of such Series, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards, or otherwise in accordance with applicable market convention.

Day Count Fraction. Unless otherwise indicated in the applicable Final Terms, "**Fixed Day Count Fraction**" means:

(1) in the case of Notes denominated in a currency other than U.S. Dollars, "**Actual/Actual (ICMA)**," meaning:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Payment Date (or, if none, the interest commencement date (the "**Interest Commencement Date**") (as specified in the applicable Final Terms)) to (but excluding) the relevant payment date (the "**Calculation Period**") is equal to or shorter than the Determination Period (as defined below) during which the Calculation Period ends, the number of days in such Calculation Period divided by the product of (1) the number of days in such Determination Period and (2) the number of determination dates (each, a "**Determination Date**") (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Calculation Period is longer than the Determination Period during which the Calculation Period ends, the sum of:

(i) the number of days in such Calculation Period falling in the Determination Period in which the Calculation Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(ii) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) in the case of Notes denominated in U.S. Dollars "**30/360**," meaning the number of days in the period from and including the most recent Fixed Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Final Terms)) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with twelve 30-day months) divided by 360.

Where:

"**Determination Period**" means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date (as specified in the applicable Final Terms) or the final Fixed Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"**Fixed Interest Period**" means the period from (and including) a Fixed Interest Payment Date (or, if none, the Interest Commencement Date (as specified in the applicable Final Terms)) to (but excluding) the next (or first) Fixed Interest Payment Date.

"**sub-unit**" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, means one cent.

Floating Rate Notes

General. Floating Rate Notes generally will be issued as described below. Each applicable Final Terms will specify the following terms with respect to which such Floating Rate Note is being delivered:

(a) whether such Floating Rate Note is a Regular Floating Rate Note, a Floating Rate/Fixed Rate Note or an Inverse Floating Rate Note, each as defined below;

(b) the Interest Rate Basis or Bases, Initial Interest Rate, Interest Reset Dates, Interest Reset Period, Regular Record Dates (if any) and Interest Payment Dates;

(c) the Index Maturity;

(d) the Spread and/or Spread Multiplier, if any;

(e) the maximum interest rate and minimum interest rate, if any (provided that if no minimum interest rate is specified or if the Final Terms indicate that the minimum interest rate is "not applicable," then the minimum interest rate shall be zero); and

(f) the Designated LIBOR Currency, if one or more of the specified Interest Rate Bases is LIBOR.

The Issuer may change the Spread, Spread Multiplier, Index Maturity and other variable terms of the Floating Rate Notes from time to time. However, no such change will affect any Floating Rate Note previously issued or as to which an offer has been accepted by the Issuer.

The interest rate in effect on each day shall be:

(a) if such day is an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding such Interest Reset Date; or

(b) if such day is not an Interest Reset Date, the interest rate determined on the Interest Determination Date immediately preceding the next preceding Interest Reset Date.

Regular Floating Rate Note; Floating Rate/Fixed Rate Note; Inverse Floating Rate Note

The Interest Rate Basis applicable to each Regular Floating Rate Note, Floating Rate/Fixed Rate Note and Inverse Floating Rate Note may be subject to a Spread or Spread Multiplier, provided that the interest rate on an Inverse Floating Rate Note will not be less than zero.

Regular Floating Rate Note. A Regular Floating Rate Note will bear interest at the rate determined by reference to the applicable Interest Rate Basis. The rate at which interest shall be payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; and

(b) the interest rate in effect for the ten calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Final Terms.

Floating Rate/Fixed Rate Note. A Floating Rate/Fixed Rate Note will initially bear interest at the rate determined by reference to the applicable Interest Rate Basis. The rate at which interest shall be payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate;

(b) the interest rate in effect for the 10 calendar days immediately prior to the fixed rate commencement date shall be that in effect on the tenth calendar day preceding the fixed rate commencement date, unless otherwise specified in the applicable Final Terms; and

(c) the interest rate in effect commencing on, and including, the fixed rate commencement date to the Maturity Date shall be the Fixed Interest Rate, if such rate is specified in the applicable Final Terms, or if no such Fixed Interest Rate is so specified and the Floating Rate/Fixed Rate Note is still outstanding on such day, the interest rate in effect thereon on the day immediately preceding the fixed rate commencement date.

Inverse Floating Rate Note. An Inverse Floating Rate Note will bear interest equal to the Fixed Interest Rate specified in the related Final Terms minus the rate determined by reference to the Interest Rate Basis. The rate at which interest is payable shall be reset as of each Interest Reset Date commencing on the Initial Interest Reset Date. However:

(a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate; and

(b) the interest rate in effect for the ten calendar days immediately prior to a Maturity Date shall be that in effect on the tenth calendar day preceding such Maturity Date, unless otherwise specified in the applicable Final Terms.

Interest Rate Bases

Each Floating Rate Note will have one or more of the following interest rate bases, as specified in the Final Terms:

(a) the CD Rate;

(b) the Commercial Paper Rate;

(c) the Federal Funds Rate;

(d) LIBOR or a successor or replacement thereof;

(e) EURIBOR or a successor or replacement thereof;

(f) SOFR Index or a successor or replacement thereof;

(g) the Treasury Rate;

(h) the Prime Rate;

(i) the lowest of two or more Interest Rate Bases; or

(j) such other rate specified in the applicable Final Terms.

Date of Interest Rate Change

The interest rate on each Floating Rate Note may be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified in the applicable Final Terms (this period is the "**Interest Reset Period**" and the first day of each Interest Reset Period is the "**Interest Reset Date**").

If an Interest Reset Date for any Floating Rate Note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day.

How Interest Is Calculated

General. Unless otherwise specified in the applicable Final Terms, the Calculation Agent will be the calculation agent for each Series of Floating Rate Notes. Floating Rate Notes will accrue interest from and including the original issue date or the last date to which the Issuer has paid or provided for interest, to but excluding the applicable Interest Payment Date, as described below, or the Maturity Date, as the case may be. However, in the case of Registered Notes that are Floating Rate Notes on which the interest rate is reset daily or weekly, each interest payment will include interest accrued from and including the date of issue or from but excluding the last Regular Record Date on which, unless otherwise specified in the applicable Final Terms, interest has been paid, through and including the Regular Record Date next preceding the applicable Interest Payment Date, and provided further that the interest payments on Floating Rate Notes made on the Maturity Date will include interest accrued to but excluding such Maturity Date.

Day Count Fraction. The amount of interest (the "**Interest Amount**") payable on any Series of Floating Rate Notes shall be calculated with respect to each Specified Denomination of such Floating Rate Notes of such Series for the relevant Interest Reset Period. Each Interest Amount shall be calculated by applying the relevant Interest Rate Basis, Spread and/or Spread Multiplier to each Specified Denomination and multiplying such sum by the applicable Floating Day Count Fraction.

"**Floating Day Count Fraction**" means, in respect of the calculation of the Interest Amount for any Interest Reset Period:

(a) if "**Actual/Actual**" or "**Actual/Actual (ISDA)**" is specified in the applicable Final Terms, the actual number of days in the Interest Reset Period divided by 365 (or, if any portion of that Interest Reset Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Reset Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Reset Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Reset Period divided by 365;

(c) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Reset Period divided by 360;

(d) if "**30/360**," "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{0}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number is 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(e) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless such number would be 31, in which case D2 will be 30; and

(f) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Reset Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"Y1" is the year, expressed as a number, in which the first day of the Interest Reset Period falls;

"Y2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"M1" is the calendar month, expressed as a number, in which the first day of the Interest Reset Period falls;

"M2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Reset Period falls;

"D1" is the first calendar day, expressed as a number, of the Interest Reset Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Reset Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

Unless otherwise specified in the applicable Final Terms, the Day Count Fraction in respect of the calculation of the Interest Amount on any Floating Rate Note will (a) in the case of a Note denominated in U.S. Dollars be Actual/360 or (b) in the case of a Note denominated in any other Specified Currency, be Actual/Actual. Notes for which the interest rate may be calculated with reference to two or more Interest Rate Bases will be calculated in each period by selecting one such

Interest Rate Basis for such period. For these calculations, the interest rate in effect on any Interest Reset Date will be the new reset rate.

The Calculation Agent will round all percentages resulting from any calculation of the rate of interest on a Floating Rate Note, to the nearest 1/100,000 of 1% (0.0000001), with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or 0.09876545) would be rounded to 9.87655% (or 0.0987655)) and the Calculation Agent will round all currency amounts used in or resulting from any calculation to the nearest one-hundredth of a unit (with 0.005 of a unit being rounded upward).

The Calculation Agent will promptly, and no later than the fourth Business Day, notify the Fiscal Agent and the Issuer of each determination of the interest rate. The Calculation Agent will also notify the relevant stock exchange, competent authority and/or market (in the case of Notes that are listed or admitted to trading on or by a stock exchange, competent authority and/or market) and the relevant Paying Agents of the interest rate, the interest amount, the interest period and the Interest Payment Date related to each Interest Reset Date as soon as such information is available, and no later than the first Business Day of the interest period. The relevant Paying Agents will make such information available to the holders of Notes. The Fiscal Agent will, upon the request of the holder of any Floating Rate Note, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date relating to such Note.

So long as any Notes are listed on or by any exchange, competent authority and/or market and the rules of such exchange(s), competent authority(ies) and/or market(s) so require, the Issuer shall maintain a calculation agent for the Notes, and the Issuer will notify the holders of its Notes in the manner specified under "Notices" below in the event that the Issuer appoints a calculation agent with respect to such Notes other than the Calculation Agent or the calculation agent designated as such in the applicable Final Terms.

When Interest Is Paid

The Issuer will pay interest on Floating Rate Notes on the dates specified in the applicable Final Terms. Each such date upon which the Issuer is required to pay interest is an "**Interest Payment Date**." The Issuer will also pay interest on the relevant Floating Rate Notes at the Maturity Date.

If an Interest Payment Date (other than the Maturity Date) for a Floating Rate Note falls on a day that is not a Business Day, the Issuer will postpone payment of interest to the following Business Day at which time the Issuer will pay additional interest that has accrued up to but excluding such following Business Day, except that if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day.

If the Maturity Date for a Floating Rate Note falls on a day that is not a Business Day, the Issuer will make the payment on the next Business Day, without additional interest.

Date of Interest Rate Determination

The interest rate for each Interest Reset Period commencing on the Interest Reset Date will be the rate determined on the relevant Interest Determination Date for such Interest Reset Date for the relevant type of Floating Rate Note, as set forth in the applicable Final Terms.

Types of Floating Rate Notes

CD Rate Notes

Each CD Rate Note will bear interest at a specified rate that will be reset periodically based on the CD Rate and any Spread and/or Spread Multiplier.

"**CD Rate**" means, with respect to any Interest Determination Date, the rate on that Interest Determination Date for negotiable certificates of deposit having the specified Index Maturity as published in H.15(519) under the heading "**CDs (secondary market)**."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) prior to 3:00 p.m., New York City time, on the Interest Determination Date, then the CD Rate will be the rate for negotiable certificates of deposit having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "CDs (secondary market)."

(b) If the rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the CD Rate will be the average of the secondary market offered rates, as of 10:00 a.m., New York City time, of three leading non-bank dealers of negotiable U.S. Dollar certificates of deposit in The City of New York selected by the Issuer for negotiable certificates of deposit of major money market banks with a remaining maturity closest to the specified Index Maturity in a denomination of US$5,000,000.

(c) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

"**H.15(519)**" means the publication entitled "**Statistical Release H.15(519), Selected Interest Rates**," or any successor publication published by the Federal Reserve.

"**H.15 Daily Update**" means the daily update of H.15(519), available through the web site of the Federal Reserve at http://www.federalreserve.gov/releases/h15/update/default.htm, or any successor service.

Commercial Paper Rate Notes

Each Commercial Paper Rate Note will bear interest at a specified rate that will be reset periodically based on the Commercial Paper Rate and any Spread and/or Spread Multiplier.

"**Commercial Paper Rate**" means, with respect to any Interest Determination Date, the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the specified Index Maturity as published in H.15(519) under the heading "**Commercial Paper Nonfinancial**."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) prior to 3:00 p.m., New York City time, on the Interest Determination Date, then the Commercial Paper Rate will be the Money Market Yield of the rate for commercial paper having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**Commercial Paper Nonfinancial**."

(b) If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the Commercial Paper Rate will be the Money Market Yield of the average for the offered rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the Issuer for commercial paper having the specified Index Maturity placed for an industrial issuer whose bond rating is "AA," or the equivalent, by a nationally recognized rating agency.

(c) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

"**Money Market Yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \text{DxM}360 - \text{DxM} * 100$$

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the period for which interest is being calculated.

Federal Funds Rate Notes

Each Federal Funds Rate Note will bear interest at a specified rate that will be reset periodically based on the Federal Funds Rate and any Spread and/or Spread Multiplier.

"**Federal Funds Rate**" means, with respect to any Interest Determination Date unless otherwise specified in any applicable Final Terms, the rate on specified dates for federal funds published in H.15(519) prior to 11:00 a.m., New York City time, under the heading "**Federal Funds Effective**," as such rate is displayed on Reuters Screen FEDFUNDS1 Page (or any such other page as specified in the applicable Final Terms).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15 (519) prior to 11:00 a.m., New York City time, on the Interest Determination Date, then the Federal Funds Rate will be the rate on such Interest Determination Date published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**Federal Funds (Effective)**."

(b) If the rate does not appear on Reuters Screen FEDFUNDS1 Page (or any other pages as may replace such pages on such service) or is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, the Federal Funds Rate will be the average of the rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, for the last transaction in overnight federal funds arranged by three leading brokers of federal funds transactions in The City of New York selected by the Issuer.

(c) If fewer than three brokers are providing quotes, the rate will be the same as the rate used in the prior interest period.

LIBOR Notes

Each LIBOR Note will bear interest at a specified rate that will be reset periodically based on LIBOR and any Spread and/or Spread Multiplier.

The Calculation Agent will determine LIBOR on each Interest Determination Date as follows:

(a) With respect to any Interest Determination Date, LIBOR will be generally determined as either:

(i) If at least two offered rates appear on the Designated LIBOR Page, the average of the offered rates for deposits in the Designated LIBOR Currency having the specified Index Maturity beginning on the relevant Interest Reset Date, that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date; or

(ii) If fewer than two offered rates appear on the Designated LIBOR Page, the rate for deposits in the London interbank market in the Designated LIBOR Currency having the specified Index Maturity beginning on the relevant Interest Reset Date, that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date.

(iii) If the Calculation Agent with the Issuer consent determines that LIBOR has been discontinued, then it may use a substitute or successor base rate that it has determined in its sole discretion is (A) an industry accepted successor base rate or (B) if there is no such industry accepted successor base rate, most comparable to LIBOR. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent with the Issuer consent may also implement changes to the business day convention, the definition of business day, the Interest Determination Date and any method for obtaining the substitute or successor base rate if such rate is unavailable on the relevant business day, in a manner that is consistent with industry accepted practices for such substitute or successor base rate.

(iv) If (a) the Calculation Agent does not determine to use a substitute or successor base rate as provided in clause (iii) above and (b) no rate appears on the Designated LIBOR Page, LIBOR for that Interest Determination Date will be determined based on the rates on that Interest Determination Date at approximately 11:00 a.m., London time, at which deposits on that date in the Designated LIBOR Currency for the period of the specified Index Maturity beginning on the relevant Interest Reset Date are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent and in a Representative Amount. The Calculation Agent will request the principal London office of each of these banks to quote its rate. If the Calculation Agent receives at least two quotations, LIBOR will be the average of those quotations.

(b) If the Calculation Agent receives fewer than two quotations, LIBOR will be the average of the rates quoted at approximately 11:00 a.m., New York City time, on the Interest Determination Date by three major banks in the principal financial center selected by the Calculation Agent. The rates will be for loans in the Designated LIBOR Currency to leading European banks having the specified Index Maturity beginning on the relevant Interest Reset Date and in a Representative Amount.

(c) If fewer than three major banks provide quotes as described in clause (b) above, then the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates, shall determine LIBOR for the second London business day immediately preceding the first day of such interest period.

"**Designated LIBOR Currency**" means the currency (including composite currencies and Euro) specified in the Final Terms as to which LIBOR shall be calculated. If no such currency is specified in the Final Terms, the Designated LIBOR Currency shall be U.S. Dollars.

"**Designated LIBOR Page**" means Capital Markets Report Screen LIBOR01 of Reuters, or any other page as may replace such page on such service.

Notwithstanding clause (a) above, if the Designated LIBOR Currency is any currency other than U.S. dollars and if the Issuer, in its sole discretion, its designee (which may be an affiliate of the Issuer), after consulting with the Issuer, or the Calculation Agent, after consultation with the Issuer, determines on or prior to a relevant Reference Time (as defined below), with respect to a Series of LIBOR Notes, that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark for the LIBOR Notes of such Series, the Calculation Agent will thereafter, with the consent of the Issuer, apply, as a substitute for LIBOR to all determinations of the interest rate on the LIBOR Notes of such Series for the relevant Interest Determination Date and each subsequent Interest Reset Period, the reference rate (the "**Alternative Rate**"): (i) selected as an alternative to LIBOR by the central bank, reserve bank, monetary authority or any similar institution (including any committee or working group thereof) in the jurisdiction of the currency in which the LIBOR Notes are denominated, and (ii) that is consistent with accepted market practice regarding the selection and use of a substitute for LIBOR. As part of such substitution, the Calculation Agent will, with the consent of the Issuer, make such adjustments (the "**Adjustments**" and, together with the Alternative Rate, the "**Rate Amendments**"), including to the Alternative Rate or the Spread thereon, as well as the business day convention, Interest Determination Dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such Alternative Rate for the LIBOR Notes. If the Calculation Agent determines, following consultation with the Issuer, that there is no clear market consensus as to whether any rate has replaced LIBOR in customary market usage, the Calculation Agent will thereafter apply such reference rate as determined as an alternative to LIBOR by Screen LIBOR01 of Reuters, or any other page as may replace such page; provided that the Calculation Agent will, with the consent of the Issuer, make the Adjustments to such reference rate that are consistent with accepted market practice for the use of such reference rate for the LIBOR Notes. The Issuer may appoint, in its sole discretion, a new calculation agent (the "**New Calculation Agent**"), which may be an affiliate of the Issuer, to determine the Alternative Rate and make any Adjustments thereto, and the determinations of the New Calculation Agent will be binding on the Issuer, the trustee and the holders of the LIBOR Notes. If, however, the Calculation Agent, after consultation with the Issuer, or the New Calculation Agent, determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark of such a Series of LIBOR NOTES, but for any reason an Alternative Rate may not be determined pursuant to the rules set forth in this paragraph, LIBOR will be equal to such rate as the rate in effect for the LIBOR Notes on such Interest Determination Date.

In addition, notwithstanding clause (a) above, if the Designated LIBOR Currency is U.S. dollars and the Issuer, in its sole discretion, its designee (which may be an affiliate of the Issuer), after consulting with the Issuer, or the Calculation Agent, after consultation with the Issuer, determines on or prior to the relevant Reference Time, with respect to a Series of LIBOR Notes, that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR, then the provisions set forth below under the heading "—Effect of a Benchmark Transition Event and its Related Benchmark Replacement Date," which are referred to as the "**benchmark transition provisions**," will thereafter apply to all determinations of the interest rate on the LIBOR Notes of such Series for the relevant Interest Determination Date and each subsequent Interest Reset Period. In accordance with the benchmark transition provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to a Series of LIBOR Notes, the amount of interest that will be payable for each Interest Reset Period on the LIBOR Notes will be determined by reference to a rate per annum equal to the Benchmark Replacement.

The Calculation Agent shall act in good faith and have no liability to the Issuer, the trustee, the Agents or the holders of the Notes for not making any determination, decision or election pursuant to the provisions set forth under this heading "LIBOR Notes." The Issuer may designate an entity (which entity may be a calculation agent or an affiliate of the Issuer) to make any determination, decision or election, as well as any notice, that the Issuer has the right or duty to make in connection with the provisions set forth under this heading "LIBOR Notes."

The Issuer shall promptly, following the determination of any Alternative Rate or Adjustment, give written notice thereof to the trustee, the Agents, the Calculation Agent and the holders of the Notes. Such notice shall be irrevocable and shall specify the effective date of the Rate Amendment.

In addition, the Issuer shall promptly, following the determination of any Benchmark Replacement, Benchmark Replacement Adjustment or Benchmark Replacement Conforming Changes, give written notice thereof to the trustee, the Agents, the Calculation Agent and the holders of the Notes. Such notices shall be irrevocable and shall specify the effective date of such Benchmark Replacement, Benchmark Replacement Adjustment or Benchmark Replacement Conforming Changes.

Effect of a Benchmark Transition Event and its Related Benchmark Replacement Date

If the Issuer, in its sole discretion, its designee (which may be an affiliate of the Issuer), after consultation with the Issuer, or the Calculation Agent, after consultation with the Issuer, determines on or prior to the relevant Reference Time, with respect to a Series of LIBOR Notes, that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark for the LIBOR Notes of such Series, the applicable Benchmark Replacement will replace the then-current Benchmark for the LIBOR Notes of such Series for all purposes relating to such LIBOR Notes during the Interest Reset Period and in respect of all determinations on the relevant Interest Determination Date and each subsequent Interest Reset Period.

Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee (which may an affiliate of the Issuer), after consulting with the Issuer, will have the right to make Benchmark Replacement Conforming Changes from time to time.

Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to the benchmark transition provisions set forth herein, and any decision to take or refrain from taking any action or any selection:

(a) will be conclusive and binding absent manifest error;

(b) if made by the Issuer, will be made in its sole discretion;

(c) if made by the Issuer's designee, will be made after consultation with the Issuer, and the Issuer's designee will not make any such determination, decision or election to which the Issuer objects; and

(d) notwithstanding anything to the contrary in the Fiscal Agency Agreement or the LIBOR Notes, shall become effective without consent from the holders of the LIBOR Notes or any other party.

If the Calculation Agent fails to make any determination, decision or election that it is required to make under the terms of the Notes, then the Issuer or its designee (which may an affiliate of the Issuer), after consulting with the Issuer, will make that determination, decision or election on the same basis as described above.

Certain Defined Terms

As used in this Prospectus with respect to any Benchmark Transition Event and its related Benchmark Replacement Date:

"Benchmark" means, initially, LIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"Benchmark Replacement" means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark (if applicable); provided that if the Calculation Agent, after consulting with the Issuer, cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or our designee, after consulting with the Issuer, as of the Benchmark Replacement Date:

1. the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;

2. the sum of: (a) Compounded SOFR and (b) the Benchmark Replacement Adjustment;

3. the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor (if any) and (b) the Benchmark Replacement Adjustment;

4. the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;

5. the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee, after consulting with the Issuer, as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee, after consulting with the Issuer, as of the Benchmark Replacement Date:

1. the Spread adjustment (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body or determined by the Issuer or its designee, after consulting with the Issuer, in accordance with the method for calculating or determining such Spread adjustment that has been selected or recommended by the Relevant Governmental Body, in each case for the applicable Unadjusted Benchmark Replacement;

2. if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

3. the Spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee, after consulting with the Issuer, giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, changes to (1) any Interest Determination Date, Interest Payment Date, Interest Reset Date, business day convention or interest period, (2) the manner, timing and frequency of determining rates and amounts of interest that are payable on the notes during the Interest Reset Period and the conventions relating to such determination and calculations with respect to interest, (3) the timing and frequency of making interest payments, (4) rounding conventions, (5) tenors and (6) any other terms or provisions of the notes during the Interest Reset Period, in each case that the Issuer or its designee, after consulting with the Issuer, determines, from time to time, to be appropriate to reflect the determination and implementation of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer, the calculation agent or the Issuer's designee, after consulting with the Issuer, decides that implementation of any portion of such market practice is not administratively feasible or if the Issuer or its designee, after consulting with the Issuer, determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee, after consulting with the Issuer, determines is appropriate).

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

1. in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or

2. in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

1. a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

2. a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or

3. a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"**Compounded SOFR**" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the Issuer or its designee, after consulting with the Issuer, in accordance with: the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining Compounded SOFR; provided that: if, and to the extent that, the Issuer or its designee, after consulting with the Issuer, determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee, after consulting with the Issuer, giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate notes at such time.

"**Corresponding Tenor**" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

"**Federal Reserve Bank of New York's Website**" means the website of the FRBNY at http://www.newyorkfed.org, or any successor source.

"**Interpolated Benchmark**" with respect to the Benchmark (if applicable) means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor. "Benchmark" as used in clause (1) and (2) of the foregoing definition means the then-current Benchmark for the applicable periods specified in such clauses without giving effect to the applicable index maturity (if any).

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the relevant Interest Determination Date, and (2) if the Benchmark is not LIBOR, the time determined by the Issuer or its designee, after consulting with the Issuer, in accordance with the Benchmark Replacement Conforming Changes.

"**Relevant Governmental Body**" means the Federal Reserve and/or the FRBNY, or a committee officially endorsed or convened by the Federal Reserve and/or the FRBNY or any successor thereto.

"**SOFR**" with respect to any day means the secured overnight financing rate published for such day by the FRBNY, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website, or any successor source.

"**Term SOFR**" means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

EURIBOR Notes

Each EURIBOR Note will bear interest at a specified rate that will be reset periodically based on EURIBOR and any Spread and/or Spread Multiplier.

"**EURIBOR**" means the European Interbank Offered Rate and, with respect to each Interest Determination Date, the rate for deposits in Euro having the Index Maturity beginning on the relevant Interest Reset Date that appears on the Designated EURIBOR Page as of 11:00 a.m., Brussels time, on that Interest Determination Date.

The following procedures will apply if EURIBOR cannot be set as described above:

(a) If such rate does not appear on the Designated EURIBOR Page as of 11:00 a.m., Brussels time on the related Interest Determination Date, then the Calculation Agent will request the principal offices of four major banks (one of which may be an affiliate of the Calculation Agent) in the Euro-zone selected by the Issuer to provide such bank's offered quotation to prime banks in the Euro-zone interbank market for deposits in Euro having the Index Maturity beginning on the relevant Interest Reset Date as of 11:00 a.m., Brussels time, on such Interest Determination Date and in a Representative Amount. If at least two quotations are provided, EURIBOR for that date will be the average (if necessary rounded upwards) of the quotations.

(b) If fewer than two quotations are provided, EURIBOR will be the average (if necessary rounded upwards) of the rates quoted by major banks (which may include an affiliate of the Calculation Agent) in the Euro-zone, selected by the Issuer, at approximately 11:00 a.m., Brussels time, on the Interest Determination Date for loans in Euro to leading European banks for a period of time corresponding to the Index Maturity beginning on the relevant Interest Reset Date and in a Representative Amount.

(c) If no rates are quoted by major banks, the rate will be the same as the rate used for the prior interest period.

"**Designated EURIBOR Page**" means Capital Markets Report Screen EURIBOR01 of Reuters, or any other page as may replace such page on such service.

SOFR Index Notes

Each SOFR Index Note will bear interest at a specified rate that will be reset periodically based on SOFR Index and any Spread and/or Spread Multiplier.

"**SOFR Index**" means, with respect to each Interest Determination Date, the rate that allows for the calculation of compounded average rates of the SOFR over custom time periods each Business Day that appears on the Designated SOFR Index Page shortly after the SOFR is published at 8:00 a.m. Eastern Time on that Interest Determination Date or, if the relevant Interest Determination Date is not a Business Day, on the Business Day immediately preceding the relevant Interest Determination Date.

The following procedures will apply if SOFR Index cannot be set as described above:

(a) If such rate does not appear on the Designated SOFR Index Page shortly after the SOFR is published at 8:00 a.m. Eastern on the related Interest Determination Date, then the Calculation Agent will request the principal offices of four major banks (one of which may be an affiliate of the Calculation Agent) in the United States selected by the Issuer to provide such bank's offered quotation of the rate that allows for the calculation of compounded average rates of the SOFR over custom time periods each Business Day beginning on the relevant Interest Reset Date as of 8:00 a.m, Eastern Time. If at least two quotations are provided, SOFR Index for that date will be the average (if necessary rounded upwards) of the quotations.

(b) If fewer than two quotations are provided, SOFR Index will be the average (if necessary rounded upwards) of the rates quoted by major banks (which may include an affiliate of the Calculation Agent) in the United States selected by the Issuer for the calculation of compounded average rates of the SOFR over custom time periods beginning on the relevant Interest Reset Date as of 8:00 a.m, Eastern Time.

(c) If no rates are quoted by major banks, the rate will be the same as the rate used for the prior interest period.

"**Designated SOFR Index Page**" means the FRBNY's website, or any other page as may replace such page on such service.

Treasury Rate Notes

Each Treasury Rate Note will bear interest at a specified rate that will be revised periodically based on the Treasury Rate and any Spread and/or Spread Multiplier.

"**Treasury Rate**" means, with respect to any Interest Determination Date, the rate for the most recent auction of direct obligations of the United States ("**Treasury bills**") having the specified Index Maturity as it appears under the caption "**INVEST RATE**" on either Reuters Screen USAUCTION10 Page or Reuters Screen USAUCTION11 Page (or any other pages as may replace such pages on such service).

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not so published by 3:00 p.m., New York City time, on the Interest Determination Date, the rate will be the auction average rate for such Treasury bills (expressed as a bond equivalent, on the basis of a year of 365 or 366 days as applicable, and applied on a daily basis) for such auction as otherwise announced by the U.S. Department of the Treasury.

(b) If the results of the auction of Treasury bills are not so published by 3:00 p.m., New York City time, on the Interest Determination Date, or if no such auction is held, the Treasury Rate will be the rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) on such Interest Determination Date of such Treasury bills having the specified Index Maturity as published in H.15(519) under the caption "**U.S. Government Securities/Treasury Bills/Auction high**."

(c) If such rate is not so published in H.15(519) by 3:00 p.m., New York City time, on the related Interest Determination Date, the rate on such Interest Determination Date of such Treasury bills will be as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "**U.S. Government Securities/Treasury Bills/Auction high**."

(d) If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source, then the Treasury Rate will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the average of the secondary market bid rates as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, of three leading primary U.S. government securities dealers in The City of New York selected by the Issuer for the issue of Treasury bills with a remaining maturity closest to the specified Index Maturity.

(e) If fewer than three dealers are providing quotes, the rate will be the same as the rate used in the prior interest period.

Prime Rate Notes

Each Prime Rate Note will bear interest at a specified rate that will be reset periodically based on the Prime Rate and any Spread and/or Spread Multiplier.

"**Prime Rate**" means, with respect to any Interest Determination Date, unless otherwise specified in any applicable Final Terms, the rate set forth on that Interest Determination Date in H.15(519) under the heading "**Bank Prime Loan**."

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Interest Determination Date, then the Prime Rate will be the rate as published on such Interest Determination Date in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate under the caption "Bank Prime Loan."

(b) If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Interest Determination Date, then the Prime Rate will be the average (rounded upwards, if necessary, to the next higher one-hundred thousandth of a percentage point) of the rates publicly announced by each bank on the Reuters Screen USPRIME1 Page as its prime rate or base lending rate for that Interest Determination Date.

(c) If fewer than four, but more than one, rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be the average of the prime rates (quoted on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Interest Determination Date by four major money center banks in The City of New York selected by the Issuer.

(d) If fewer than two rates appear, the Prime Rate will be determined based on the rates furnished in The City of New York by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least US$500 million and being subject to supervision or examination by a Federal or State authority, as selected by the Issuer.

(e) If no banks are providing quotes, the rate will be the same as the rate used for the prior interest period.

Indexed Notes

Notes may be issued with the principal amount payable at maturity or interest to be paid thereon, or both, to be determined with reference to the price or prices of specified commodities or stocks, indices, formulae or other assets or bases of reference as may be specified in such Note and the applicable Final Terms ("**Indexed Notes**"). Holders of such Indexed Notes may receive a principal amount on the Maturity Date that is greater than or less than the face amount of the Indexed Notes, or an interest rate that is greater than or less than the stated interest rate on the Indexed Notes, or both, depending upon the structure of the Indexed Note and the relative value on the Maturity Date or at the relevant Interest Payment Date, as the case may be, of the specified indexed item. Information as to the method for determining the principal amount payable on the Maturity Date, the currency base rate (the "**Currency Base Rate**"), the manner of determining the interest rate, the determination agent (the "**Determination Agent**"), certain historical information with respect to the specified indexed item and tax considerations associated with an investment in Indexed Notes will be set forth in the applicable Final Terms.

A separate prospectus comprising the relevant Note will be used for the documentation of an issuance of Indexed Notes, including, but not limited to a discussion of market and settlement disruptions and adjustments. For further information regarding certain risks inherent in Indexed Notes, see "Risk Factors—Risk Factors in Respect of the Issuer—Indexed Notes." Indexed Notes will not be admitted to trading on the Luxembourg Stock Exchange's regulated market.

Dual Currency Notes

In general, "**Dual Currency Notes**" refer to Notes as to which the Issuer is permitted under certain specified circumstances to pay principal, premium, if any, and/or interest, in more than one currency or composite currency. The terms of any Dual Currency Notes will be as set forth in the applicable Final Terms related to any such Notes, including the face amount currency (the "**Face Amount Currency**"), the option value calculation agent (the "**Option Value Calculation Agent**"), the optional payment currency (the "**Optional Payment Currency**"), the option election date(s) (the "**Option Election Date(s)**"), and the designated exchange rate (the "**Designated Exchange Rate**").

For further information regarding certain risks inherent in Notes denominated in currencies other than U.S. Dollars, see "Risk Factors—Exchange rate risk and exchange controls."

Amortizing Notes

Amortizing Notes are Fixed Rate Notes for which payments combining principal and interest are made in installments over the life of the Note ("**Amortizing Notes**"). Unless otherwise specified herein and in the applicable Final Terms, interest on each Amortizing Note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. Further information concerning specific terms of any issue of Amortizing Notes, including the amortization schedule (the "**Amortization Schedule**"), will be provided in the applicable Final Terms. A table setting forth repayment information in respect of each Amortizing Note will be included in the applicable Final Terms and set forth on such Notes.

Original Issue Discount Notes

Original Issue Discount Notes are Notes issued at more than a *de minimis* discount from the principal amount payable at maturity. Certain additional considerations relating to Original Issue Discount Notes may be described in the applicable Final Terms relating thereto.

Additional Notes

The Issuer may issue Notes from time to time having terms identical to a prior Tranche of Notes but for the original issue date and the public offering price ("**Additional Notes**"). Any such Additional Notes that are Regulation S Global Notes will be issued in the form of a temporary global Note which will be exchangeable for a beneficial interest in a permanent global Note on or after the Exchange Date specified in the applicable Final Terms relating to such Additional Notes. Additional Notes may be issued prior to or after the Exchange Date relating to such prior Tranche of Notes of the same Series. In the event Additional Notes are issued prior to the Exchange Date for the prior Tranche, the Exchange Date relating to such prior Tranche shall be moved to a date not earlier than 40 calendar days after the original issue date of the related Additional Notes; provided, however, in no event shall the Exchange Date for a Tranche of Notes be extended to a date more than 160 calendar days after the date such Tranche was issued. Once any Additional Notes have been issued, whether Regulation S Global Notes or Rule 144A Global Notes, such Additional Notes together with each prior and subsequent Tranche of Notes of the same Series, shall constitute one and the same Series of Notes for all purposes to the extent specified in the applicable Final Terms (except that any such Additional Notes offered and sold in compliance with Regulation S will have temporary CUSIP, ISIN and Common Code numbers during a 40-day distribution compliance period commencing on the date of issuance of such Additional Notes); provided, however, that in the case of Regulation S Global Notes, or Notes to which the TEFRA D Rules apply, such consolidation of Additional Notes issued after the Exchange Date will occur only following the exchange of interests in the temporary global Note for interests in the permanent global Note upon receipt of certificates described below; and provided further that if the Additional Notes are not fungible with the earlier Notes for United States federal income tax purposes, the Additional Notes will have a separate CUSIP number. The Final Terms relating to any Additional Notes will set forth matters related to the issuance, exchange and transfer of Additional Notes, including identifying the prior Tranche of Notes, their original issue date and aggregate principal amount. Any Additional Notes that are Bearer Notes will be subject to the same restrictions as are set forth under "**Forms of Notes—Bearer Notes**" above.

Other Provisions

Any provisions with respect to Notes, including without limitation the determination of an Interest Rate Basis, the specification of an Interest Rate Basis, calculation of the interest rate applicable to a Floating Rate Note, its Interest Payment Dates or any other matter relating thereto may be modified by the terms specified under "**Other Provisions**" on the face thereof, if so specified on the face thereof or in the applicable Final Terms.

Covenants

The Issuer has agreed to restrictions on its activities for the benefit of holders of each Series of Notes. The following restrictions will apply separately to each Series of Notes:

Consolidation, Merger, Sale or Conveyance

The Issuer may not consolidate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any person, unless:

(i) the successor corporation shall (a) be organized and existing under the laws of the Republic of Chile, the United States (or any state thereof or the district of Columbia) or any country that is a member of the Organisation for Economic Co-operation and Development (OECD), and (b) expressly assume, by a supplemental Fiscal Agency Agreement, executed and delivered to the Fiscal and Paying Agent, the due and punctual payment of the principal of (and premium, if any) and interest on all the outstanding Notes and the performance of every covenant in the Fiscal Agency Agreement on the part of the Issuer to be performed or observed;

(ii) immediately after giving effect to such transaction, no Event of Default shall have happened and be continuing; and

(iii) The Issuer shall have delivered to the Fiscal Agent an officers' certificate and an opinion of counsel stating that such consolidation, merger, conveyance or transfer and such supplemental Fiscal Agency Agreement comply with the foregoing provisions relating to such transaction.

In case of any such consolidation, merger, conveyance or transfer such successor corporation will succeed to and be substituted for the Issuer as obligor on each Series of Notes with the same effect as if it had issued such Series of Notes. Upon the assumption of its obligations by any such successor corporation in such circumstances subject to certain exceptions, the Issuer will be discharged from all obligations under the Notes and the Fiscal Agency Agreement.

Periodic Reports

The Fiscal Agency Agreement provides that if the Issuer is not required to file with the Securities and Exchange Commission information, documents, or reports pursuant to Section 13 or Section 15(d) of the Exchange Act, the Issuer shall make available, upon request, to any holder of the Notes, any owner of a beneficial interest in any Note or any prospective purchaser designated by a holder or owner of a beneficial interest in any Note, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Events of Default

An "Event of Default," with respect to each Series of Notes is defined in the Fiscal Agency Agreement as:

(i) The Issuer's default in the payment of any principal of any of the Notes of such Series, when due and payable, whether at maturity or otherwise; or

(ii) The Issuer's default in the payment of any interest or any Additional Amounts when due and payable on any of the Notes of such Series and the continuance of such default for a period of 30 days; or

(iii) The Issuer's default in the performance or observance of any other covenant or obligation of the Issuer in the Notes of such Series or the Fiscal Agency Agreement, not otherwise expressly defined as an Event of Default in (i) or (ii) above, and the continuance of such default for more than 60 days after written notice of such default has been received by the Issuer from the Fiscal and Paying Agent or the holders of at least 25% in aggregate principal amount of the Notes of such Series outstanding specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Default"; or

(iv) if the Issuer or any of its Significant Subsidiaries fails to pay the principal of, or interest on, Relevant Indebtedness (as defined below) having a total principal amount exceeding US$100,000,000 (or its equivalent in any other currency or currencies) when due (whether at maturity, upon redemption or acceleration or otherwise), if such default shall continue for more than the originally applicable period of grace, if any, and in each case all such Indebtedness shall have been declared due and payable; or

(v) the entry of a final order for relief against the Issuer under any Bankruptcy Law by a court or regulatory entity having jurisdiction in the premises adjudging the Issuer as bankrupt or insolvent, or the entry of such an order by such a court or regulatory entity appointing under any Bankruptcy Law a receiver, liquidator or trustee of the Issuer or of all or substantially all of its property or ordering the winding up or liquidation of its affairs, and in each case the continuance of any such order unstayed and in effect for a period of 90 consecutive days; or

(vi) the consent by the Issuer to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition seeking reorganization or relief with respect to its debts, in each case under any Bankruptcy Law, or the consent by it to the appointment under any Bankruptcy Law of a receiver, liquidator or trustee of the Issuer or of all or substantially all of its property.

The term "**Bankruptcy Law**" as used in this Section means (i) articles 120 et seq. of the Chilean Banking Law (D.F.L. 3 of 1997, as amended), (ii) the Chilean Law No. 20,720 on "*Reorganización y Liquidación de Activos de Empresas y Personas*" (The "**Law No. 20,720**") or (iii) any other applicable law that amends, supplements or supersedes the Chilean Banking Law and/or the Law No. 20,720, and any applicable bankruptcy, insolvency, reorganization or other similar law of any applicable jurisdiction.

For purposes of the above, "Relevant Indebtedness" means, with respect to any person (without duplication) (a) any liability of such person (1) for borrowed money or due and payable under any reimbursement obligation relating to a letter of credit, or (2) evidenced by a bond, note, debenture or other similar securities (other than a trade payable or a current liability arising in the ordinary course of business or a performance bond or similar obligation); and (b) any liability of others described in the preceding clause (a) that the person has guaranteed; provided that the term "Relevant Indebtedness" will not include any of the following liabilities or obligations incurred by the Issuer or any of its subsidiaries: (1) any deposits with or funds collected by the Issuer or any of its subsidiaries (but not other funds borrowed by the Issuer or any of its subsidiaries), (2) any check, note, certificate of deposit, draft or bill of exchange, issued, accepted or endorsed by the Issuer or any of its subsidiaries, (3) any transaction in which the Issuer or any of its subsidiaries act solely in a fiduciary or agency capacity, (4) any agreement to purchase or repurchase securities or loans or currency or to participate in loans, and (5) letters of credit to the extent they are issued or confirmed by the Issuer or any of its subsidiaries. For the purpose of determining any particular amount of Relevant Indebtedness under this definition, guarantees of (or obligations with respect to letters of credit or financial bonds supporting) Relevant Indebtedness otherwise included in the determination of such amount shall also not be included.

The term "**Significant Subsidiary**" as used in this Section means a Subsidiary of the Issuer organized under the laws of the Republic of Chile which would be a "significant subsidiary" within the meaning of Rule 1-02 under Regulation

S-X promulgated by the SEC in effect on the date of this Prospectus assuming for purposes of that definition that the Issuer is the registrant referred to in such definition, except that for purposes of the calculation under Rule1-02 under Regulation S-X all references therein to (i) "any of" and ";or" shall be changed to "each of" and "and" respectively and (ii) 10 percent shall be changed to 20 percent.

If an Event of Default described in paragraph (iv) above has occurred and is continuing with respect to any Series of Notes, such Event of Default will be automatically rescinded and annulled once the default triggering such Event of Default pursuant to clause (iv) is remedied or cured by the Issuer or waived by the holders of the relevant Indebtedness; provided that no declaration of acceleration has been made and is continuing with respect to such Series of Notes as a result of such Event of Default. No such rescission and annulment will affect any subsequent Event of Default or impair any right consequent thereto.

The Fiscal Agency Agreement provides that if an Event of Default with respect to any Series of Notes described in paragraphs (i), (ii), (iii) and (iv) above occurs and is continuing with respect to the Notes of any Series, then and in each and every such case, unless the principal of all the Notes of such Series shall have already become due and payable, the holders of not less than 25% in aggregate principal amount of the Notes of such Series then outstanding hereunder (each such Series acting as a separate class), by notice in writing to the Issuer and to the Fiscal Agent, may declare the principal amount of all the Notes of such Series then outstanding and all accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Fiscal Agency Agreement or in the Notes of such Series contained to the contrary notwithstanding. If an Event of Default described in paragraph (v) or (vi) of the above occurs and is continuing with respect to any Series of Notes, then the principal amount of such Notes then outstanding and all accrued interest thereon shall, without any notice to the Issuer or any other act on the part of the Fiscal Agent or any holder of such Notes, become and be immediately due and payable.

At any time after such a declaration of acceleration has been made with respect to the Notes of such Series and before a final judgment for payment of the money due has been obtained, the holders of a majority in aggregate principal amount of the outstanding Notes of such Series, by written notice to the Issuer and the Fiscal Agent, may rescind and annul such declaration and its consequences if: (1) the Issuer has paid or deposited with the Fiscal and Paying Agent a sum sufficient to pay: (i) all overdue installments of interest on the outstanding Notes of such Series, (ii) the principal of (and premium, if any, on) any outstanding Notes of such Series which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor by the terms of the Notes of such Series, to the extent that payment of such interest is lawful, (iii) interest upon overdue installments of interest at the rate or rates prescribed therefor by the terms of the Notes of such Series, to the extent that payment of such interest is lawful, and all sums paid or advanced by the Fiscal and Paying Agent hereunder and the reasonable compensation, expenses, disbursements and advances of the Fiscal and Paying Agent, its agents and counsel and all other amounts due the Fiscal and Paying Agent under Section 11(a); and (2) all Events of Default with respect to such Series of Notes, other than the nonpayment of the principal of the Notes of such Series which have become due solely by such acceleration, have been cured or waived. No such rescission shall affect any subsequent default or impair any right consequent thereon.

Notes owned by the Issuer or any of its subsidiaries shall not be deemed to be outstanding for purposes of declaring the acceleration of the Notes.

Payment of Additional Amounts

The Issuer is required to make all payments in respect of each Series of Notes free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, fines, penalties, assessments or other governmental charges (or interest on those taxes, duties, fines, penalties, assessments or other governmental charges) (collectively, "Taxes") imposed, levied, collected, withheld or assessed by, within or on behalf of the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax), (in the event of a transaction permitted under "—Covenants—Consolidation, Merger, Sale or Conveyance" above) any jurisdiction where a successor corporation of the Issuer is incorporated or considered to be a resident, if other than the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax), or any other jurisdiction from or through which the Issuer (or a successor) makes any payment under a Series of Notes (or any political subdivision or governmental authority thereof or therein having power to tax) (each, a "Relevant Taxing Jurisdiction"), unless such withholding or deduction is required by law. In that event the Issuer will pay to the Holders of such Series of Notes, or the relevant Paying Agent, as the case may be, such additional amounts ("**Additional Amounts**") as may be necessary to ensure that the net amounts received by the Holders of such Series of Notes after such withholding or deduction shall not be less than the amounts of principal, interest and premium, if any, which would have been received in respect of such Series of Notes in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable in respect of any Note:

(i) in the case of payments for which presentation of such Note is required, presented for payment more than 30 days after the later of:

(a) the date on which such payment first became due, and

(b) if the full amount payable has not been received in the place of payment by the relevant Paying Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Holders by the relevant Paying Agent, except to the extent that the Holder would have been entitled to such Additional Amounts on presenting such Note for payment on the last day of such period of 30 days;

(ii) for any estate, inheritance, gift, sales, transfer, excise, personal property or similar Taxes;

(iii) held by or on behalf of a Holder who is liable for Taxes imposed in respect of such Note by reason of such Holder (or fiduciary, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Holder, if the relevant Holder is an estate, a nominee, a trust, a partnership, a limited liability company or a corporation) or a beneficial owner of the Note having some present or former direct or indirect connection with the Relevant Taxing Jurisdiction imposing such Taxes, other than the mere holding of such Note or the receipt of payments or the enforcement of rights in respect thereto;

(iv) for any Taxes which are payable other than by deduction or withholding from payments of principal of, or interest or premium on the Notes;

(v) with respect to Taxes imposed on a payment to a Holder that would not have been imposed but for the failure of the Holder or a beneficial owner of the Note to comply with any certification, documentation, information or other reporting requirements concerning the nationality, residence, identity or connection with a Relevant Taxing Jurisdiction or to make other similar claim for exemption to a Relevant Taxing Jurisdiction, if compliance is required by statute or by regulation of a Relevant Taxing Jurisdiction as a precondition to relief or exemption from such Taxes;

(vi) for any Taxes which would have been avoided by a Holder presenting the relevant Note (if presentation is required) or requesting that such payment be made to another Paying Agent in a member state of the European Union;

(vii) for any Taxes imposed under sections 1471-1474 of the Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations thereunder or interpretations thereof, any agreements entered into pursuant to section 1471(b) of the Code, any intergovernmental agreement entered into (or treated as being in effect) in connection with the implementation of such sections of the Code, and any fiscal or regulatory legislation, rules, or official practices adopted pursuant to any such intergovernmental agreement;

(viii) with respect to any payment on a Note to a Holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of that payment to the extent that payment would be required by the laws of the applicable Relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner who would not have been entitled to the Additional Amounts had that beneficiary, settlor, member, interest holder or beneficial owner been the Holder;

(ix) for any Taxes imposed by the United States or any political subdivision or governmental authority thereof or therein having power to tax; or

(x) any combination of (i) through (ix).

As used in this section, a "Holder" shall mean, (a) with respect to any Registered Note, the person in whose name at the time such Registered Note is registered or (b) with respect to any Bearer Note, the bearer thereof.

References to principal, interest, premium or other amounts payable in respect of any Series of Notes also refer to any Additional Amounts that may be payable. In the event that Additional Amounts actually paid with respect to the Notes described above are based on rates of deduction or withholding of Taxes in excess of the appropriate rate applicable to the Holder of such Notes, and, as a result thereof such Holder or beneficial owner of the Notes is entitled to make claim for a refund or credit of such excess from the authority imposing such Taxes (or actually receives a refund), then such Holder or beneficial owner shall, by accepting such Notes or an interest therein, be deemed to have assigned and transferred all right, title, and interest to any such claim for a refund or credit of such excess (or any such refund received) to the Issuer.

The Issuer will pay when due any present or future stamp, transfer, court or documentary taxes or any other excise or property taxes, charges or similar levies imposed by the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax) or a jurisdiction where a successor corporation of the Issuer is incorporated or considered to be a resident, if other than the Republic of Chile (or any political subdivision or governmental authority thereof or therein having power to tax) with respect to the initial execution, delivery or registration of each Series of Notes or any other document or instrument relating thereto, except as described in the Fiscal Agency Agreement with respect to transfer or exchange of the Notes.

Modification of Fiscal Agency Agreement and Notes

The Fiscal Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of the holder of any Note of a Series for the purposes, among others, of curing any ambiguity, or of correcting or supplementing any defective or inconsistent provisions contained therein, to effect any assumption of the Issuer's obligations thereunder and under the Notes of a Series under the circumstances described under "**Consolidation, Merger, Sale or Conveyance**" above, to change the paying agent if such change is made to avoid or mitigate the Issuer's obligation to pay Additional Amounts with respect to any Series of Notes, or in any other manner which the Issuer and the Fiscal Agent may deem necessary or desirable or which, in the sole judgment of the Issuer, does not adversely affect in any material respect the interests of the holders of Notes of such Series outstanding on the date of such amendment. Nothing in the Fiscal Agency Agreement prevents the Issuer and the Fiscal Agent from amending the Fiscal Agency Agreement in such a manner as to only have a prospective effect on Notes issued on or after the date of such amendment.

Modifications and amendments to the Fiscal Agency Agreement and, to the terms of the Notes of a Series may also be made, and future compliance therewith or past Events of Default by the Issuer may be waived, by holders of a majority in aggregate principal amount of the Notes of such Series (or, in each case, such lesser amount as shall have acted at a meeting of holders of such Notes, as described below), provided, however, that no such modification or amendment to the Fiscal Agency Agreement, or to the terms of the Notes of a Series may, without the consent of the holders of each Note of such Series directly and adversely affected thereby:

(a) change the stated maturity of the principal of any Note of such Series or extend the scheduled date for payment of interest or Additional Amounts thereon;

(b) reduce the principal amount of any Note of such Series or reduce the stated rate of interest or Additional Amounts payable thereon or the amount payable thereon in the event of redemption or acceleration (or in the case of Original Issue Discount Notes, change the amount that would be due and payable upon an acceleration thereof);

(c) change the currency of payment of principal of, or any other amounts payable on, any Note of such Series;

(d) change the place where payment of principal of or interest on the Notes of any Series is made to the registered holder(s) of such Notes;

(e) amend the contractual right in the Notes of any Series to institute suit for any payment on or with respect to the Notes of such Series on or after the respective due dates provided for in such Notes;

(f) reduce the above-stated percentage of the principal amount of Notes of such Series, the consent of whose holders is necessary to modify or amend the Fiscal Agency Agreement, the terms of the Notes or reduce the percentage of Notes of such Series required for the taking of action or the quorum required at any such meeting of holders of Notes of such Series; or

(g) amend the foregoing requirements to reduce the percentage of outstanding Notes of such Series necessary to waive any future compliance or past default.

The persons entitled to vote a majority in principal amount of the Notes of a Series outstanding shall constitute a quorum at a meeting of Noteholders of such Series except as hereinafter provided. In the absence of such a quorum, a meeting of Noteholders called by the Issuer shall be adjourned for a period of not less than 10 days, and in the absence of a quorum at any such adjourned meeting, the meeting shall be further adjourned for another period of not less than 10 days, at which further adjourned meeting persons entitled to vote 25% in principal amount of Notes of a Series at the time outstanding shall constitute a quorum. Except for modifications or amendments in (a) to (f) above which require the consent of the holders of each Note of such series directly and adversely affected thereby, any modifications, amendments or waivers to the Fiscal Agency Agreement, the terms of the Notes of a Series at a meeting of Noteholders require a favorable vote of holders of the lesser of (i) a majority in principal amount of the outstanding Notes of such Series or (ii) a majority of the principal amount of Notes of such Series represented and voting at the meeting. Any such modifications, amendments or waivers will be conclusive and binding on all holders of Notes of such Series, whether or not they have given such consent or were present at such meeting and whether or not notation of such modifications, amendments or waivers is made upon the Notes, and on all future holders of Notes of such Series. Any instruments given by or on behalf of any holder of a Note of a Series in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note.

Replacement of Notes and Coupons

Any Notes or coupons that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen will be replaced by the Issuer at the expense of the holder upon delivery of the Notes or coupons or satisfactory evidence of the destruction, loss or theft thereof to the Issuer and the Fiscal Agent. In each case, an indemnity satisfactory to the Issuer and the Fiscal Agent may be required at the expense of the holder of such Note or coupon before a replacement Note or coupon will be issued. For so long as the Notes are listed or admitted to trading on or by any other stock exchange, competent authority and/or market and the rules of such stock exchange(s), competent authority(ies) and/or market(s) so require, a noteholder shall be able to obtain a replacement Note or coupon at the offices of the paying agent located in each location required by the rules and regulations of such stock exchange(s), competent authority(ies) and/or market(s).

Applicable Law

The Fiscal Agency Agreement and the Notes will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.

Notices

All notices concerning the Notes shall be published on the Luxembourg Stock Exchange's website, www.bourse.lu, if and for so long as the Notes are listed on the Luxembourg Stock Exchange and for so long as the rules of the Luxembourg Stock Exchange so require. Any notice so given will be deemed to have been validly given on the date of such publication (or, if published more than once, on the date of the first such publication).

Notices to holders of Registered Notes will also be given by mailing such notices to each holder by first class mail, postage prepaid, at the respective address of each holder as that address appears upon the books of the relevant Registrar.

So long as no definitive Bearer Notes or definitive Registered Notes are in issue in respect of a particular Series, there may, so long as the global Note(s) for such Series is or are held in its or their entirety on behalf of DTC, Euroclear and/or Clearstream, Luxembourg, and/or another clearance system, as the case may be, and the Notes for such Series are not listed and/or admitted to trading on a stock exchange, competent authority and/or market, or if so listed or admitted to trading, for so long as the relevant stock exchange, competent authority and/or market so permits, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to DTC, Euroclear, Clearstream, Luxembourg and/or such other clearance system for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to DTC, Euroclear, Clearstream, Luxembourg and/or such other clearance system.

Notices to be given by a Noteholder shall be in writing and given by lodging the same, together with the related Note or Notes, with the Fiscal Agent. While any Notes are represented by a global Note, such notice may be given by a Noteholder to the Fiscal Agent via Euroclear, Clearstream, Luxembourg, and/or such other clearance system, as the case may be, in such manner as the Fiscal Agent and Euroclear, Clearstream, Luxembourg and/or such other clearance system may approve for this purpose.

If the Notes are no longer listed on the Luxembourg Stock Exchange, unless otherwise indicated, notices to holders of Bearer Notes will be valid if published (i) in a leading daily English language newspaper with general circulation in Europe, or (iii) so long as the Notes are listed on any other securities exchange, such newspaper or website as the rules of such exchange may require.

Consent to Service

The Issuer has designated CT Corporation System, presently located at 28 Liberty Street, 42nd Floor, New York, New York 10005, as authorized agent for service of process in any legal action or proceeding arising out of or relating to the Fiscal Agency Agreement or the Notes brought in any federal or state court in the Borough of Manhattan, the City of New York, State of New York.

Consent to Jurisdiction

(a) The Issuer irrevocably consents to the nonexclusive jurisdiction of any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, New York, United States of America, and any appellate court from any thereof, and waives any immunity from the jurisdiction of such courts over any suit, action or proceeding that may be brought by the Fiscal and Paying Agent or a holder in connection with the Fiscal Agency Agreement or the Notes. The Issuer irrevocably waives, to the fullest extent permitted by law, any objection to any suit, action or proceeding that may be brought in connection with the Fiscal Agency Agreement or the Notes in such courts on the grounds of venue or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum. The Issuer agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Issuer and may be enforced in any court to the jurisdiction of which the Issuer is subject by a suit upon such judgment; provided that service of process is effected upon the Issuer in the manner provided by the Fiscal Agency Agreement. Notwithstanding the foregoing, any suit, action or proceeding brought in connection with the Fiscal Agency Agreement or the Notes against the Issuer may be instituted in any competent court in the Republic of Chile.

(b) The Issuer agrees that service of all writs, process and summonses in any suit, action or proceeding brought in connection with the Fiscal Agency Agreement or the Notes against the Issuer in any court of the State of New York or any United States Federal court sitting, in each case, in the Borough of Manhattan, The City of New York, may be made upon CT Corporation System, presently located at 28 Liberty Street, 42nd Floor, New York, New York 10005.

(c) Nothing in this Section shall affect the right of any party to serve legal process in any other manner permitted by law or affect the right of any party to bring any action or proceeding against any other party or its property in the courts of other jurisdictions.

Judgment Currency

The Issuer agrees, to the fullest extent that it may effectively do so under applicable law, that (a) if for the purpose of obtaining judgment in any court it is necessary to convert the sum due in respect of the principal of, or premium or interest, if any, on the Notes of any Series (the "**Required Currency**") into a currency in which a judgment will be rendered (the "**Judgment Currency**"), the rate of exchange used shall be the rate at which, in accordance with normal banking procedures, the Fiscal and Paying Agent could purchase the Required Currency with the Judgment Currency and (b) its obligations under the Fiscal Agency Agreement to make payments in the Required Currency (i) shall not be discharged or satisfied by any tender, or any recovery pursuant to any judgment (whether or not entered in accordance with subsection (a)), in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the actual receipt, by the payee, of the full amount of the Required Currency expressed to be payable in respect of such payments, (ii) shall be enforceable as an alternative or additional cause of action for the purpose of recovering in the Required Currency the amount, if any, by which such actual receipt shall fall short of the full amount of the Required Currency so expressed to be payable and (iii) shall not be affected by judgment being obtained for any other sum due under the Fiscal Agency Agreement.

FORM OF FINAL TERMS

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR product governance /Professional investors and ECPs only target** market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the [Notes] to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

FINAL TERMS NO. [●]
Dated [●]

[BANCO DE CRÉDITO E INVERSIONES][BANCO DE CRÉDITO E INVERSIONES, acting through its Miami branch] (the "Issuer")
LEI (Legal Entity Identifier): 549300E9E5Y3PKW24142
ISSUE OF MEDIUM TERM NOTES
[●]% [Fixed Rate][Floating Rate] Notes Due [●]

Series No.: [●]

PART A - CONTRACTUAL TERMS

This document constitutes the Final Terms of the Notes described and must be read in conjunction with the base prospectus dated [●] [and the supplement(s) to it dated [●]] ([collectively,] the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus has been, and these Final Terms will be, published on the website of the Luxembourg Stock Exchange (www.bourse.lu).]

1. **General Information:**

(i) Series Number:	[●]
(ii) Tranche Number:	[●] [The Notes will be fungible with, have identical terms and conditions (other than issue date and issue price) as, will constitute part of the same series as, and vote together as a single class with, the [●] notes due [●], issued on [●]]
(iii) Trade Date:	[●]
(iv) Settlement Date (Original Issue Date):	[●]
(v) Maturity Date:	[●]
(vi) Specified Currency:	[●]
(vii) Principal Amount (in Specified Currency):	[●]
(viii) Dealer's Discount or Commission:	[●]
(ix) Price to Public (Issue Price):	[●]
(x) Ranking:	[Senior][Subordinated]
(xi) Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at [●] per cent of their nominal amount. [*For Renminbi Notes only*: The terms set forth under "Description of the Notes—Payments—Renminbi Notes" [do not] apply. [*If the terms set forth under "Description of the Notes—Payments—Renminbi Notes" are applicable*: The Issuer may settle payments due in Renminbi (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent or any such Renminbi amount in the circumstances described under "Description of the Notes—Payments–Renminbi Notes."]] [*For non-U.S. dollar denominated Notes only*: The provisions set out in "Special Provisions Relating to Foreign Currency Notes—Payments on Foreign Currency

Notes" [do not] apply. [*If the provisions set out in "Special Provisions Relating to Foreign Currency Notes—Payments on Foreign Currency Notes" are applicable*: Payments of principal and interest in respect of Notes denominated in a Specified Currency other than U.S. dollars will be made in the Specified Currency unless the holder of such Notes elects to receive payments in U.S. dollars in accordance with the provisions set out in "Special Provisions Relating to Foreign Currency Notes—Payments on Foreign Currency Notes."]]

[*For non-U.S. dollar denominated Notes where the Specified Currency (a) is unavailable due to imposition of exchange controls or other circumstances beyond the Issuer's control or (b) is no longer used by the government of the country issuing such Specified Currency*: The provisions set out in "Special Provisions Relating to Foreign Currency Notes—Changing the Specified Currency of Foreign Currency Notes" [do not] apply. [*If the provisions set out in "Special Provisions Relating to Foreign Currency Notes—Changing the Specified Currency of Foreign Currency Notes" are applicable*: The Issuer may settle any payment due in respect of the Notes in a currency other than the Specified Currency on the due date for such payment in the circumstances described in "Special Provisions Relating to Foreign Currency Notes—Changing the Specified Currency of Foreign Currency Notes."]]

2. **Payment of Additional Amounts:**	[Applicable/Not applicable]
3. **Authorization/Approval:**	
(i) Date Board approval for issuance of Notes obtained:	[●] [Not applicable]
4. **Fixed Rate Notes Only Interest Rate:**	[Applicable/Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i) Fixed Interest Rate:	[●]
(ii) Interest Payment Period:	[Annual] [Semi-Annual] [Quarterly] [Monthly]
(iii) Fixed Interest Payment Dates:	Each [●], commencing [●]
(iv) Day Count Fraction:	[30/360] *[in the case of Notes denominated in U.S. Dollars]* [Actual/Actual (ICMA)] *[in the case of Notes denominated in a currency other than U.S. Dollars]*
(v) Regular Record Dates (if any):	[The 15th calendar day prior to each Interest Payment Date] [The business day prior to each Interest Payment Date][relevant only to Registered Notes] [Not applicable]
(vi) Determination Dates:	[Each [●]] [Not applicable] [relevant only to Registered

	Notes]
(vii) Interest Commencement Date:	[●] [Not applicable]
5. <u>Floating Rate Notes Only Interest Rate</u>:	[Applicable/Not applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(i) Interest Calculation:	[Regular Floating Rate] [Floating Rate/Fixed Rate] [Inverse Floating Rate]
(ii) Interest Rate Basis:	[CD Rate] [Commercial Paper Rate] [Federal Funds Rate] [LIBOR] [EURIBOR] [SOFR Index] [Treasury Rate] [Prime Rate]
(iii) Spread (Plus or Minus):	[plus/minus [●]%]
(iv) Spread Multiplier:	[●]
(v) Index Maturity:	[●] Months
(vi) Designated LIBOR Currency:	[●]
(vii) Maximum Interest Rate:	[●]
(viii) Minimum Interest Rate:	[●][Not applicable] (*if no minimum interest rate is specified or if the Final Terms indicate that the minimum interest rate is "not applicable," then the minimum interest rate shall be zero*)
(ix) Interest Payment Period:	[Daily/Monthly/Quarterly/Semi-annually]
(x) Interest Payment Date:	Each [list interest payment dates]
(xi) Initial Interest Rate Per Annum:	To be determined [●] Business Days prior to the Original Issue Date based upon [interest rate basis plus/minus the spread amount]
(xii) Interest Reset Periods and Dates:	[Daily/monthly/quarterly/semi-annually] on each Interest Payment Date
(xiii) Interest Determination Date:	[●] Business Days prior to each Interest Reset Date
(xiv) Regular Record Dates (if any):	[The 15th calendar day prior to each Interest Payment Date] [The business day prior to each Interest Payment Date][relevant only to Registered Notes][Not applicable]
(xv) Day Count Fraction:	[Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
(xvi) Calculation Agent:	[Fiscal Agent] [Other][if Other, insert name]
6. <u>Repayment and Redemption</u>:	
(i) Issuer Optional Redemption Date:	[Applicable/Not Applicable][if applicable, provide date]
(ii) Redemption Price:	[●]

(iii) Make Whole Redemption:	[Applicable/Not applicable] [if applicable, specify agent calculating the Make Whole Amount][if applicable, specify spread]
(iv) Calculation Agent:	[Applicable/Not Applicable] [Fiscal Agent] [Other]
7. <u>Indexed Notes</u>:	
(i) Currency Base Rate:	[●]
(ii) Determination Agent:	[●]
8. <u>Renminbi Notes</u>:	
(i) Spot Rate:	[Applicable/Not applicable]
(ii) CNY Calculation Agent:	[Applicable/Not applicable][Fiscal Agent] [Other]
9. <u>Form of Notes</u>:	
(i) Temporary global Note to permanent global Note:	[Applicable/Not applicable]
(ii) Permanent global Note:	[Applicable/Not applicable][Bearer/Registered]
(iii) Bearer Note:	[Applicable/Not applicable]
(iv) Registered Notes:	[Applicable/Not applicable]
(v) New global Note:	[Applicable/Not applicable]
(vi) Exchange of temporary global Notes into definitive Bearer Notes:	[Not applicable][Specify Exchange Date]
(vii) Exchange of permanent global Notes into definitive Bearer Notes:	[Not applicable][Specify Exchange Date]
(viii) Exchange of definitive Bearer Notes into Registered Notes:	[Not applicable][Specify Exchange Date]
(ix) Exchange of Registered Notes into Registered Notes in other authorized denominations:	[Not applicable][Specify Exchange Date]
10. <u>U.S. Selling Restrictions</u>:	[Rule 144A restrictions on transfers and Regulation S Compliance Category 2]; [TEFRA C/TEFRA D/TEFRA not applicable]
11. <u>Distribution</u>:	[Rule 144A/Regulation S]
12. <u>Denominations</u>:	The Notes will be available in denominations of [●] and integral multiples of [●] in excess thereof.
13. <u>Managers</u>:	[●]: [●](*List all Managers (legal names)* (*List amount*)
(i) The Notes are being purchased[, on a several and not joint basis,] by the following financial institutions (each a "Manager" and collectively, the "Managers") in the respective	Total: [●]

amounts set forth next to the name of each Manager pursuant to a Terms Agreement between Issuer and the Managers dated [●], executed under the Dealer Agreement. To the extent that any of the Managers are not named as Dealers in the Dealer Agreement, Banco de Crédito e Inversiones has appointed them as Dealers thereunder for this transaction pursuant to the relevant Terms Agreement.

(ii) Stabilizing manager(s):	[●][Not applicable]

Part B Other Information

1. Admissions to Listing and Trading:

[(i) Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange.]

[(ii) Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market.]

[(iii) *Other admissions to listing and trading (including, but not limited to, the Euro MTF) to be specified if applicable*]

Estimated expenses related to the admission to trading: [●][Not applicable]

2. Ratings:

The Notes to be issued [have been][are expected to be] rated:

(i) Moody's:	[●][Not applicable] [(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)]
(ii) Standard & Poor's:	[●][Not applicable] [(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)]
(iii) Fitch:	[●][Not applicable] [(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)]
(iv) [Other]:	[●][*Insert the full legal name of credit rating agency*] [(*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*)] [[*Insert the full legal name of credit rating agency*] is [not] incorporated in the European Union [or][and] registered under Regulation (EC) No 1060/2009, as amended by Regulation (EC) No 513/2011.]
The Notes to be issued are not expected to be rated:	[●][Not applicable]

3. Use and Estimated Net Amount of Proceeds:

Use and estimated net amount of proceeds of the Issue:	[●] [*If applicable, indicate use of part or all of the net proceeds of the Issue for the financing or refinancing of Eligible Projects.*] [*(Description of the Eligible Projects in an easily analyzable, concise and comprehensible form)*]

4. Interests of Natural and Legal Persons Involved in the Issue:

[●]/[So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Dealers and their affiliates have engaged, and/or may in the future engage, in investment banking and/or commercial banking transactions with, and/or may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

5. Fixed Rate Notes Only Yield:

(i) Indication of yield as of the Original Issue Date:	[●][Not applicable]

6. Operational Information:

(i) ISIN:	[●]
(ii) CUSIP:	[●]
(iii) Common Code:	[●]
(iv) CFI:	[Not applicable] [●] [*If the CFI is not required, requested or available, it should be specified to be "Not Applicable"*]
(v) FISN:	[Not applicable] [●] [*If the FISN is not required, requested or available, it should be specified to be "Not Applicable*"]
(vi) Book-entry Clearing Systems:	[Euroclear Bank S.A./N.V.][Clearstream Banking, *société anonyme*][The Depository Trust Company]
(vii) Book-entry Record-Keeping:	[The Depositary Trust Company][●][*address of the entity responsible for book-entry record-keeping*]
(viii) Names and addresses of additional Paying Agent(s) (if any):	[Not applicable] [●]
(ix) [Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank (ECB) being satisfied that Eurosystem eligibility criteria have been met.]//[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognized as eligible collateral for Eurosystem monetary policy and intraday credit operations

by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank (ECB) being satisfied that Eurosystem eligibility criteria have been met.]]

TAXATION

General

The following discussion summarizes certain Chilean tax and United States federal income tax consequences to beneficial owners arising from the acquisition, ownership and disposition of the Notes. This overview does not purport to be a comprehensive description of all potential Chilean tax and United States federal income tax considerations that may be relevant and is not intended as tax advice to any particular investor. This overview does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Chile and the United States. As of this date, there is no applicable income tax treaty in effect between the United States and Chile. However, the United States and Chile have signed an income tax treaty that will enter into force once the treaty is ratified by both countries. In this regard, only Chile has ratified the foregoing treaty, and there can be no assurance that the treaty will be ratified by the United States. The following overview will assume that there is no applicable income tax treaty in effect between the United States and Chile.

Investors should consult their own tax advisors as to the Chilean, United States or other tax consequences of the acquisition, ownership and disposition of the Notes, including, in particular, the application of the tax considerations discussed below to their particular situations, as well as the application of state, local, foreign or other tax laws.

Chilean Taxation

The following is a general overview of the principal consequences under Chilean tax law with respect to an investment in the Notes made by a Foreign Holder (as defined below). It is based on the tax laws of Chile as in effect on the date of this Prospectus, including the tax reform enacted by Law No. 21,210 published in the Official Gazette of Chile on February 2, 2020, as well as regulations, rulings and decisions of Chile available on or before such date and now in effect. All of the foregoing is subject to change. Under Chilean law, provisions contained in statutes such as tax rates applicable to foreign investors, the computation of taxable income for Chilean purposes and the manner in which Chilean taxes are imposed and collected may be amended only by another law. In addition, the Chilean tax authorities enact rulings and regulations of either general or specific application and interpret the provisions of Chilean tax law. Chilean tax law may not be assessed retroactively against taxpayers who act in good faith relying on such rulings, regulations or interpretations, but Chilean tax authorities may change their rulings, regulations or interpretations prospectively. For purposes of this overview, the term "Foreign Holder" means either (1) in the case of an individual, a person who is not resident or domiciled in Chile (for purposes of Chilean taxation, (a) an individual holder is resident in Chile if he or she has remained in Chile, uninterruptedly or not, for more than 183 days within any twelve month period and (b) an individual is domiciled in Chile if he or she resides in Chile with the actual or presumptive intent of staying in Chile (such intention to be evidenced by circumstances such as the acceptance of employment in Chile or the relocation of one's family to Chile)); or (2) in the case of a legal entity, a legal entity that is not organized under the laws of Chile, unless the Notes are assigned to a branch or a permanent establishment of such entity in Chile.

Under the Chilean Income Tax Law (the "**Income Tax Law**"), payments of interest or premium, if any, made to a Foreign Holder in respect of the Notes (other than Notes issued by the Miami branch of the Bank, as discussed below) will generally be subject to a Chilean withholding tax currently at the rate of 4.0% as "sole tax." Under existing Chilean law and regulations, a Foreign Holder will not be subject to any Chilean taxes in respect of payments of principal made by us with respect to the Notes. We have agreed, subject to specific exceptions and limitations, to pay to the holders of the Notes Additional Amounts in respect of the taxes described above in order that the interest and premium, if any, the Foreign Holder receives, net of withholding taxes, equals the amount which would have been received by such Foreign Holder in the absence of such taxes. If the Issuer pays additional amounts in respect of such Chilean withholding taxes, any refunds of such taxes will be for the account of the Issuer.

The Income Tax Law provides that a Foreign Holder is subject to income tax on its Chilean source income. For this purpose, Chilean source income means earnings from activities performed in Chile or from the sale, disposition or other transactions in connection with assets or goods located in Chile (in the case of interest, such income is considered Chilean source if the debtor's domicile is in Chile (including permanent establishments located in other countries)). Pursuant to the Income Tax Law, capital gains earned by a Foreign Holder on the sale or disposition of a note issued outside of Chile by a Chilean company would not be deemed as Chilean-sourced income. Therefore, any capital gains realized on the sale or other disposition by a Foreign Holder of the Notes issued abroad generally will not be subject to any Chilean taxes (except that any premium payable on redemption of the Notes would be treated as interest and subject to the Chilean interest withholding tax, as described above).

A Foreign Holder will not be liable for estate, gift, inheritance or similar taxes with respect to its holdings unless Notes held by a Foreign Holder are either located in Chile at the time of such Foreign Holder's death, or, if the Notes are not located in Chile at the time of a Foreign Holder's death, if such Notes were purchased or acquired with cash obtained from Chilean sources. A Foreign Holder will not be liable for Chilean stamp, registration or similar taxes.

The issuance of the Notes by the Bank is subject to a 0.8% stamp tax which is payable by us, for term debt exceeding a 12-month repayment period. If the stamp tax is not paid when due, inflation adjustments, interest and fines could apply to us. Until such tax (and any penalty) is paid, Chilean courts will not enforce any action with respect to the Notes. We have agreed, subject to specific exceptions and limitations, to pay any present or future stamp, court or documentary taxes that arise in the Republic of Chile from the initial execution, delivery or registration of the Notes or any other document or instrument in relation thereto. See "Description of the Notes—Payment of Additional Amounts."

Notes issued by the Miami Branch of the Bank.

Although from a Chilean legal standpoint the Bank and its Miami branch are one and the same legal entity, based on Chilean IRS Ruling No. 3,064 of 1997, solely for purposes of Chilean tax laws, the tax domicile of the issuer of the Notes issued by the Miami branch under this program will be deemed to be that of the Miami branch, as if the Miami branch were a separate entity. For this reason, and if Notes were to be issued by the Bank, acting through its Miami branch, and solely for Chilean tax purposes: (i) interest accrued on the Notes will not be regarded as of a Chilean source and, for that reason, interest paid to the investors by the Bank, acting through its Miami branch, will not be subject to Chilean withholding tax, and (ii) no other tax will be levied on the issuance of the Notes by the Bank, acting through its Miami Branch; provided, however, that such issuance or execution takes place outside of the territory of the Republic of Chile.

Based on the foregoing, under current Chilean laws and regulations, no income, stamp or other taxes, levies, imposts, deductions, charges, compulsory loans or withholdings shall be imposed, assessed or levied on the investors by Chile or any political subdivision or taxing authority thereof or therein either:

(a) on or by virtue of the execution, delivery or performance by the Bank, acting through its Miami Branch, of the Notes or any other documents to be furnished thereunder, and,

(b) on any payment to be made by the Bank, acting through its Miami Branch, to the investors under the Notes.

Notwithstanding the foregoing, if the Miami branch of the Bank is closed, dissolved or liquidated, then (1) the obligations under the Notes shall be deemed to be accounted for by the Bank in Chile, and consequently a stamp tax would be triggered at a rate of 0.8% on the then outstanding principal amount of the Notes; and (2) payments of interest made by the Bank from Chile to a Foreign Holder will be subject to Chilean withholding tax at an effective rate of 4.0%, while payments of all other obligations (excluding principal) made by the Bank from Chile may be subject to Chilean withholding tax at an effective rate of up to 35.0%.

United States Federal Income Taxation

The following is an overview of certain United States federal income tax consequences, as of the date hereof, of the acquisition, ownership and disposition of Notes by United States Holders and Non-United States Holders (each as defined below).

Except where noted, this overview deals only with Notes that are held as capital assets, and does not represent a detailed description of the United States federal income tax consequences applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer or broker in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax-exempt organization;

- an insurance company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a partnership or other pass-through entity for United States federal income tax purposes;
- a United States Holder whose "functional currency" is not the U.S. dollar;
- a "controlled foreign corporation" or "passive foreign investment company"; or
- a United States expatriate.

This overview is based upon provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and administrative pronouncements, Treasury regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those summarized below.

The discussion below assumes that all Notes issued under this program will be classified for United States federal income tax purposes as our indebtedness and you should note that in the event of an alternative characterization, the tax consequences would differ from those discussed below. In addition, United States Holders of Bearer Notes are subject to special tax rules that are not addressed in this discussion. Furthermore, the discussion assumes that for any Notes issued by the Issuer through its branch office in Miami, the interest and any OID (as defined below) with respect to such Notes will be treated as United States source income. We will summarize any special United States federal tax considerations relevant to a particular issue of the Notes in the applicable Final Terms.

If a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes) holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partnership or a partner of a partnership considering an investment in the Notes, you should consult your tax advisors.

This discussion does not contain a detailed description of all the United States federal income tax consequences that may be relevant to you in light of your particular circumstances and does not address the Medicare contribution tax on net investment income, any alternative minimum tax consequences, the special timing rules prescribed under Section 451(b) of the Code, United States federal estate and gift taxes or the effects of any state, local or non-United States tax laws. If you are considering the purchase of Notes, you should consult your own tax advisors concerning the particular United States federal income tax consequences to you of the purchase, ownership and disposition of the Notes, as well as the consequences to you arising under other United States federal tax laws and the laws of any other taxing jurisdiction.

As used herein, "United States Holder" means a beneficial owner of a Note that is for United States federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

As used herein, "Non-United States Holder" means a beneficial owner of a Note that is neither a United States Holder nor a partnership (or other entity or arrangement treated as a partnership for United States federal income tax purposes).

Consequences to United States Holders

Payments of Interest

Except as set forth below, interest on a Note will generally be taxable to you as ordinary income at the time it is paid or accrued in accordance with your method of accounting for United States federal income tax purposes.

In addition to interest on the Notes (which includes any Chilean tax withheld from the interest payments you receive), you will be required to include in income any Additional Amounts paid in respect of such Chilean tax withheld. You may be entitled to a foreign tax credit for this tax, subject to certain limitations and the Foreign Tax Credit Regulations (as defined below). Interest income (including any Additional Amounts) and any OID (as defined below) on a Note issued through our head office in Chile generally will be considered foreign source income and, for purposes of the United States foreign tax credit, generally will be considered "passive category" income. However, as mentioned above, for any Notes issued through our Miami branch, this discussion assumes that interest and any OID with respect to such Notes will be treated as United States source income. Consequently, you may not be able to claim a credit for any Chilean tax imposed upon payments with respect to Notes issued through our Miami branch unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. You will generally be denied a foreign tax credit for foreign taxes imposed with respect to the Notes where you do not meet a minimum holding period requirement during which you are not protected from risk of loss. In addition, recently issued Treasury regulations that apply to taxes paid or accrued in taxable years beginning on or after December 28, 2021 (the "**Foreign Tax Credit Regulations**") impose additional requirements for foreign taxes to be eligible for a foreign tax credit, and there can be no assurance that those requirements will be satisfied. Instead of claiming a foreign tax credit, you may be able to deduct Chilean withholding taxes on interest in computing your taxable income, subject to generally applicable limitations under United States law (including that a United States Holder is not eligible for a deduction for foreign income taxes paid or accrued in a taxable year if such United States Holder claims a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year). The rules governing the foreign tax credit and deductions for foreign taxes are complex. You are urged to consult your tax advisors regarding the Foreign Tax Credit Regulations and the availability of the foreign tax credit or a deduction under your particular circumstances.

Original Issue Discount

If you own Notes issued with original issue discount ("**OID**" and such Notes, "**Original Issue Discount Notes**"), you will be subject to special tax accounting rules, as described in greater detail below. In that case, you should be aware that you generally must include OID in gross income (as ordinary income), as it accrues in accordance with a constant yield method described below, regardless of your method of tax accounting and often in advance of the receipt of cash attributable to that income. However, you generally will not be required to include separately in income cash payments received on the Notes, even if denominated as interest, to the extent those payments do not constitute "qualified stated interest," as defined below. Notice will be given in the applicable Final Terms when we determine that a particular Note will be an Original Issue Discount Note.

Additional OID rules applicable to Foreign Currency Notes are described under "Foreign Currency Notes" below.

A Note with an "issue price" that is less than its stated redemption price at maturity (the sum of all payments to be made on the Note other than "qualified stated interest") generally will be issued with OID in an amount equal to that difference if that difference is at least 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity or, in the case of an Amortizing Note, the weighted average maturity. The "issue price" of each Note in a particular offering will be the first price at which a substantial amount of that particular offering is sold to the public for cash (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriter, placement agent or wholesaler). The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the issuer, and meets all of the following conditions:

- it is payable at least once per year;
- it is payable over the entire term of the Note; and

- it is payable at a single fixed rate or, subject to certain conditions, a rate based on one or more interest indices.

We will give you notice in the applicable Final Terms when we determine that a particular Note will bear interest that is not qualified stated interest.

If you own a Note issued with de minimis OID, which is discount that is not OID because it is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity (or, in certain cases, the weighted average maturity), you generally must include the de minimis OID in income at the time principal payments on the Notes are made in proportion to the amount paid. Any amount of de minimis OID that you have included in income will be treated as capital gain.

Certain of the Notes may contain provisions permitting them to be redeemed prior to their stated maturity at our option and/or at your option. Original Issue Discount Notes containing those features may be subject to rules that differ from the general rules discussed herein. If you are considering the purchase of Original Issue Discount Notes with those features, you should carefully examine the applicable Final Terms and should consult your own tax advisors with respect to those features since the tax consequences to you with respect to OID will depend, in part, on the particular terms and features of the Notes.

If you own Original Issue Discount Notes with a maturity upon issuance of more than one year, you generally must include OID in income in advance of the receipt of some or all of the related cash payments using the "constant yield method" described in the following paragraphs.

The amount of OID that you must include in income if you are the initial United States Holder of an Original Issue Discount Note is the sum of the "daily portions" of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which you held that Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" for an Original Issue Discount Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period other than the final accrual period is an amount equal to the excess, if any, of:

- the Note's "adjusted issue price" at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over

- the aggregate of all qualified stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of a Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period, determined without regard to the amortization of any acquisition or bond premium, as described below, and reduced by any payments previously made on the Note other than a payment of qualified stated interest. Under these rules, you generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

Floating Rate Notes are subject to special OID rules. In the case of an Original Issue Discount Note that is a Floating Rate Note, the "yield to maturity" and "qualified stated interest" will be determined solely for purposes of calculating the accrual of OID as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. Additional rules may apply if either:

- the interest on a Floating Rate Note is based on more than one interest index; or

- the principal amount of the Note is indexed in any manner.

The discussion above generally does not address Notes providing for contingent payments. You should carefully examine the applicable Final Terms regarding the United States federal income tax consequences of the holding and disposition of any Notes providing for contingent payments.

You may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method described above. For purposes of this election, interest includes stated interest, acquisition discount, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. You should consult with your own tax advisors about this election.

Short-Term Notes

In the case of Notes having a term of one year or less after taking into account the last possible date the Notes could be outstanding under their terms ("**Short-Term Notes**"), all payments, including all stated interest, will be included in the stated redemption price at maturity and will not be qualified stated interest. As a result, you will generally be taxed on the discount instead of stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a Short-Term Note, unless you elect to compute this discount using tax basis instead of issue price. In general, cash method United States Holders of Short-Term Notes are not required to include accrued discount in their income currently unless they elect to do so, but may be required to include stated interest in income as the income is received. United States Holders that report income for United States federal income tax purposes on the accrual method and certain other United States Holders are required to accrue discount on Short-Term Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. If you are not required, and do not elect, to include discount in income currently, any gain you realize on the sale, exchange, retirement or other taxable disposition of a Short-Term Note will generally be ordinary income to you to the extent of the discount accrued by you through the date of sale, exchange, retirement or other disposition. In addition, if you do not elect to currently include accrued discount in income, you may be required to defer deductions for a portion of your interest expense with respect to any indebtedness attributable to the Short-Term Notes.

Market Discount

If you purchase a Note (other than a Short-Term Note) for an amount that is less than its stated redemption price at maturity (or, in the case of an Original Issue Discount Note, its adjusted issue price), the amount of the difference generally will be treated as "market discount" for United States federal income tax purposes, unless that difference is less than a specified *de minimis* amount. Under the market discount rules, you will be required to treat any principal payment on, or any gain on the sale, exchange, retirement or other taxable disposition of, a Note as ordinary income to the extent of the market discount that you have not previously included in income and are treated as having accrued on the Note at the time of the payment or disposition.

In addition, you may be required to defer, until the maturity of the Note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the Note. You may elect, on a Note-by-Note basis, to deduct the deferred interest expense in a tax year prior to the year of disposition. You should consult your own tax advisors before making this election.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless you elect to accrue on a constant-yield method. You may elect to include market discount in income currently as it accrues, on either a ratable or constant-yield method, in which case the rule described above regarding deferral of interest deductions will not apply. An election to accrue market discount on a current basis will apply to all debt instruments acquired with market discount that you acquire on or after the first day of the first taxable year to which the election applies. The election may not be revoked without the consent of the Internal Revenue Service ("**IRS**").

Acquisition Premium, Amortizable Bond Premium

If you purchase an Original Issue Discount Note for an amount that is greater than its adjusted issue price but equal to or less than the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest, you will be considered to have purchased that Note at an "acquisition premium." Under the acquisition premium rules, the amount of OID that you must include in gross income with respect to the Note for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year.

If you purchase a Note (including an Original Issue Discount Note) for an amount in excess of the sum of all amounts payable on the Note after the purchase date other than qualified stated interest, you will be considered to have purchased the Note with "amortizable bond premium" and, if it is an Original Issue Discount Note, you will not be required to include any OID in income. You generally may elect to amortize the premium over the remaining term of the Note on a constant-yield method as an offset to interest when includible in income under your regular accounting method. If you elect to amortize the premium, you must reduce your tax basis in a Note by the amount of the premium amortized during its holding period. In addition, if the Note has an optional redemption feature, special rules will apply that may reduce, eliminate or defer the amount of amortizable bond premium that you may amortize. If you do not elect to amortize amortizable bond premium, that premium will decrease the gain or increase the loss you would otherwise recognize on retirement or other disposition of the Note. An election to amortize bond premium applies to all taxable debt obligations then owned or thereafter acquired and may be revoked only with the consent of the IRS.

Sale, Exchange, Retirement or other Disposition of Notes

Your adjusted tax basis in a Note will, in general, be your cost for that Note, increased by OID, market discount or any discount with respect to a Short-Term Note that you previously included in income, and reduced by any amortized premium and any cash payments on the Note other than qualified stated interest. Upon the sale, exchange, retirement or other taxable disposition of a Note, you will recognize gain or loss equal to the difference between the amount you realize upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income) and the adjusted tax basis of the Note. Except as described above with respect to Short-Term Notes or market discount, or with respect to gain or loss attributable to changes in exchange rates as discussed below with respect to Foreign Currency Notes, that gain or loss will be capital gain or loss and will be long-term capital gain or loss if you have held the Note for more than one year at the time of the sale, exchange, retirement or other disposition. Long-term capital gains of non-corporate holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, retirement or other disposition of a Note will generally be treated as United States source gain or loss. Consequently, you may not be able to claim a foreign tax credit for any Chilean tax imposed upon a disposition of a Note unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. However, pursuant to the Foreign Tax Credit Regulations, any such Chilean tax would generally not be a foreign income tax eligible for a foreign tax credit (regardless of any other income that you may have that is derived from foreign sources). In such case, however, the non-creditable Chilean tax may reduce the amount realized on the sale, exchange, retirement or other disposition of the Note. You are urged to consult your tax advisors regarding the Foreign Tax Credit Regulations and the availability of the foreign tax credit under your particular circumstances.

Foreign Currency Notes

Payments of Interest

If you receive payments of qualified stated interest made in a foreign currency and you use the cash basis method of accounting for United States federal income tax purposes, you will be required to include in income the U.S. dollar value of the amount received, determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars. You will not recognize exchange gain or loss with respect to the receipt of such payment.

If you use the accrual method of accounting for United States federal income tax purposes, you may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, you will be required to include in income for each taxable year the U.S. dollar value of the interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest accrued or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. Under the second method, you may elect to translate interest income at the spot rate on:

- the last day of the accrual period,
- the last day of the taxable year if the accrual period straddles your taxable year, or
- the date the interest payment is received if such date is within five business days of the end of the accrual period.

If you make such election, then you must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

In addition, if you use the accrual method of accounting, upon receipt of an interest payment on a Note (including, upon the sale or other disposition of a Note, the receipt of proceeds which include amounts attributable to accrued interest previously included in income), you will recognize exchange gain or loss in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received) and the U.S. dollar value of the interest income you previously included in income with respect to such payment. Any such exchange gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss.

Original Issue Discount

OID on a Note that is also a Foreign Currency Note will be determined for any accrual period in the applicable foreign currency and then translated into U.S. dollars, in the same manner as interest income accrued by a holder on the accrual basis, as described above. You will recognize exchange gain or loss, which is generally United States source ordinary income or loss, when OID is paid (including, upon the sale or other disposition of a Note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the spot rate for such foreign currency on the date such payment is received) and the U.S. dollar value of the accrued OID (determined in the same manner as for accrued interest). For these purposes, all receipts on a Note will be viewed:

- first, as the receipt of any qualified stated interest payments called for under the terms of the Note,
- second, as receipts of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first, and
- third, as the receipt of principal.

Market Discount and Bond Premium

You will accrue market discount on Foreign Currency Notes in the foreign currency. The amount of market discount on Foreign Currency Notes includible in income will generally be determined by translating the market discount determined in the foreign currency into U.S. dollars at the spot rate on the date the Foreign Currency Note is retired or otherwise disposed of. If you have elected to accrue market discount currently, then the amount which accrues is determined in the foreign currency and then translated into U.S. dollars on the basis of the average exchange rate in effect during the accrual period. You will recognize exchange gain or loss, which is generally United States source ordinary income or loss, with respect to market discount which is accrued currently using the approach applicable to the accrual of interest income as described above.

Bond premium on a Foreign Currency Note will be computed in the applicable foreign currency. If you have elected to amortize the premium, the amortizable bond premium will reduce interest income in the applicable foreign currency. At the time bond premium is amortized, exchange gain or loss, which is generally United States source ordinary income or loss, will be realized based on the difference between spot rates at such time and the time of acquisition of the Foreign Currency Note.

Sale, Exchange, Retirement or other Disposition of Foreign Currency Notes

Upon the sale, exchange, retirement or other taxable disposition of a Foreign Currency Note, you will recognize gain or loss equal to the difference between the amount realized upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued and unpaid qualified stated interest, which will be treated as a payment of interest for United States federal income tax purposes) and your adjusted tax basis in the Foreign Currency Note. Your initial tax basis in a Foreign Currency Note generally will be your U.S. dollar cost. If you purchased a Foreign Currency Note with foreign currency, your cost generally will be the U.S. dollar value of the foreign currency amount paid for such Foreign Currency Note determined at the time of such purchase. If your Foreign Currency Note is sold, exchanged, retired or disposed of for an amount denominated in foreign currency, then your amount realized generally will be based on the spot rate of the foreign currency on the date of sale, exchange, retirement or other disposition. If you are a cash method taxpayer and the Foreign Currency Notes are traded on an established securities market for United States federal income tax purposes, foreign currency paid or received is translated into U.S. dollars at the spot rate on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of Foreign Currency Notes traded on an established securities market, provided that the election is applied consistently.

Except as described above with respect to Short-Term Notes or market discount, and subject to the foreign currency rules discussed below, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if at the time of the sale, exchange, retirement or other disposition, the Foreign Currency Note has been held for more than one year. Long-term capital gains of non-corporate holders (including individuals) are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Gain or loss realized by you on the sale, exchange, retirement or other disposition of a Foreign Currency Note will generally be treated as United States source gain or loss. Consequently, you may not be able to claim a foreign tax credit for any Chilean tax imposed upon a disposition of a Foreign Currency Note unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources. However, pursuant to the Foreign Tax Credit Regulations, any such Chilean tax would generally not be a foreign income tax eligible for a foreign tax credit (regardless of any other income that you may have that is subject to derived from foreign sources). In such case, however, the non-creditable Chilean tax may reduce the amount realized on the sale, exchange, retirement or other disposition of the Foreign Currency Note. You are urged to consult your tax advisors regarding the Foreign Tax Credit Regulations and the availability of the foreign tax credit under your particular circumstances.

A portion of your gain or loss with respect to the principal amount of a Foreign Currency Note may be treated as exchange gain or loss. Exchange gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss. For these purposes, the principal amount of the Foreign Currency Note is your purchase price for the Foreign Currency Note calculated in the foreign currency on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined at the spot rate on the date payment is received or the Foreign Currency Note is disposed of (or deemed disposed of) and (ii) the U.S. dollar value of the principal amount determined at the spot rate on the date you acquired the Foreign Currency Note (or are deemed to acquire the Foreign Currency Note). The amount of exchange gain or loss recognized on the disposition of the Foreign Currency Note (with respect to both principal and accrued interest) will be limited to the amount of overall gain or loss realized on the disposition of the Foreign Currency Note.

Exchange Gain or Loss with Respect to Foreign Currency

Your tax basis in the foreign currency received as interest on a Foreign Currency Note, or on the sale, exchange, retirement or other taxable disposition of a Foreign Currency Note, will be the U.S. dollar value thereof at the spot rate in effect on the date the foreign currency is received. Any gain or loss recognized by you on a sale, exchange or other taxable disposition of the foreign currency will be ordinary income or loss and generally will be United States source gain or loss.

Certain Payment Elections

If so specified in the applicable Final Terms for a Foreign Currency Note, a holder may elect subsequent to the issuance thereof to have future payments under such Note paid in U.S. dollars. United States Holders considering the purchase of any such Foreign Currency Notes should carefully examine the applicable Final Terms and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Foreign Currency Notes.

Dual Currency Notes

If so specified in an applicable Final Terms relating to a Foreign Currency Note, we may have the option to make all payments of principal and interest scheduled after the exercise of such option in a currency other than the specified currency. Applicable United States Treasury regulations generally (i) apply the principles contained in the regulations governing contingent debt instruments to Dual Currency Notes in the “predominant currency” of the Dual Currency Notes and (ii) apply the rules discussed above with respect to Foreign Currency Notes with OID for the translation of interest and principal into U.S. dollars. If you are considering the purchase of Dual Currency Notes, you should carefully examine the applicable Final Terms and should consult your own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

Reportable Transactions

Treasury regulations issued under the Code meant to require the reporting of certain tax shelter transactions could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under the Treasury regulations, certain transactions are required to be reported to the IRS, including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Foreign Currency Note or foreign currency received in respect of a Foreign Currency Note to the extent that such sale, exchange, retirement or other taxable disposition results in a tax loss in excess of a threshold amount, which differs depending on the status of the United States Holder. If you are considering the purchase of a Foreign Currency Note, you should consult with your own tax advisors to determine the tax return obligations, if any, with respect to an investment in the Notes, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Indexed Notes and Other Notes Providing for Contingent Payments

The tax treatment of a United States Holder that owns Indexed Notes or Notes that otherwise provide for contingent payments will depend on factors including the specific index or indices used to determine indexed payments on the Notes and the amount and timing of any contingent payments of principal and interest. United States Holders of such Notes may be required to accrue interest income in respect of such Notes on a constant-yield basis at a yield determined at the time of their issuance, and adjustments to such accruals may be required when any contingent payments are made. United States Holders considering the purchase of Indexed Notes or Notes that provide for contingent payments should carefully examine the applicable Final Terms and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

Specified Foreign Financial Assets

Individual United States Holders that own "specified foreign financial assets" with an aggregate value in excess of $50,000 on the last day of the taxable year or $75,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. United States Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or in part. You are urged to consult your tax advisors regarding the application of these rules to your investment in the Notes, including the application of the rules to your particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to payments of principal and interest on the Notes, accruals of OID (if any) and the proceeds of the sale or other taxable disposition of a Note paid to you (unless you are an exempt recipient). A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or a certification of exempt status, or if you fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

<u>Consequences to Non-United States Holders</u>

United States Federal Withholding Tax

Subject to the discussions of backup withholding and FATCA below, payments of interest (which, for purposes of the discussion of Non-United States Holders, includes any OID) on Notes issued through our head office in Chile will not be subject to United States federal withholding tax.

Subject to the discussions of backup withholding and FATCA below, payments of interest on Notes issued through our Miami branch will not be subject to United States federal withholding tax under the "portfolio interest rule," provided that:

- interest paid on the Notes is not effectively connected with your conduct of a trade or business in the United States;
- you do not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock within the meaning of the Code and applicable United States Treasury regulations;
- you are not a controlled foreign corporation that is actually or constructively related to us through stock ownership;

- the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the United States Treasury regulations thereunder; and

- either (a) you provide your name and address on an applicable IRS Form W-8, and certify, under penalties of perjury, that you are not a United States person as defined under the Code or (b) you hold your Notes through certain foreign intermediaries and satisfy the certification requirements of applicable United States Treasury regulations. Special certification rules apply to Non-United States Holders that are pass-through entities rather than corporations or individuals.

If you cannot satisfy the requirements described above, payments of interest made to you on Notes issued through our Miami branch will be subject to a 30% United States federal withholding tax, unless you provide the applicable withholding agent with a properly executed:

- IRS Form W-8BEN or Form W-8BEN-E (or other applicable form) claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty; or

- IRS Form W-8ECI (or other applicable form) certifying that interest paid on the Notes is not subject to withholding tax because it is effectively connected with your conduct of a trade or business in the United States (as discussed below under "—United States Federal Income Tax").

United States Federal Income Tax

If you are engaged in a trade or business in the United States and interest on the Notes is effectively connected with the conduct of that trade or business (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), then you generally will be subject to United States federal income tax on that interest on a net income basis in the same manner as if you were a United States person as defined under the Code (although you will be exempt from the 30% United States federal withholding tax described above for Notes issued through our Miami branch, provided the certification requirements discussed above in "—United States Federal Withholding Tax" are satisfied). In addition, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or a lower applicable income tax treaty rate) of your effectively connected earnings and profits, subject to adjustments.

Subject to the discussion of backup withholding below, any gain realized on the sale, exchange, retirement or other taxable disposition of a Note generally will not be subject to United States federal income tax unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment), in which case such gain generally will be subject to United States federal income tax (and possibly branch profits tax) in the same manner as effectively connected interest as described above; or

- you are an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met, in which case, unless an applicable income tax treaty provides otherwise, you generally will be subject to a 30% United States federal income tax on any gain recognized, which may be offset by certain United States source losses.

Information Reporting and Backup Withholding

Generally, the amount of interest (including any OID) paid to you with respect to Notes issued through our Miami branch and the amount of tax, if any, withheld with respect to those payments will be reported to the IRS. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which you reside under the provisions of an applicable income tax treaty. You generally will not be subject to any other information reporting or backup withholding with respect to payments of interest on the Notes or the proceeds of a sale or other taxable disposition of the Notes. If, however, amounts are paid within the United States or through certain United States-related financial intermediaries, information reporting and backup withholding may apply unless you certify to the applicable withholding agent under penalties of perjury that you are a Non-United States Holder (and the applicable withholding agent does not have actual knowledge or reason to know that you are a United States person as defined under the Code), or you otherwise establish an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is timely furnished to the IRS.

FATCA

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as "FATCA"), certain entities in a broadly defined class of foreign financial institutions ("**FFIs**") may be subject to a 30% United States withholding tax on certain United States source payments made to the FFI, unless the FFI is a "participating FFI," which is generally defined as an FFI that (i) enters into an agreement with the IRS pursuant to which it agrees to comply with a complicated and expansive reporting regime, (ii) complies with the requirements of an intergovernmental agreement entered into by the United States and another jurisdiction regarding the implementation of FATCA (an "IGA") or (iii) is otherwise deemed compliant with or exempt from FATCA.

The FATCA legislation also contains complex provisions requiring certain participating FFIs to withhold on certain "foreign passthru payments" made to FFIs that are not participating FFIs or otherwise exempt from FATCA withholding and to holders that fail to provide the information required by FATCA. Although the definition of a "foreign passthru payment" is still reserved under current regulations, the term generally refers to payments that are from non-United States sources but that are "attributable to" certain United States payments. Debt obligations giving rise to foreign passthru payments will generally not be subject to withholding tax under FATCA if such obligations are issued on or prior to the date which is six months after the publication of final regulations defining the term foreign passthru payment. In addition, if applicable, withholding on foreign passthru payments would not be required with respect to payments made before the date which is two years after the publication of final regulations defining the term foreign passthru payment. It is unclear whether or to what extent payments on the Notes would be considered foreign passthru payments that are subject to withholding under FATCA.

However, interest and any OID with respect to Notes issued through our Miami branch will be treated as United States source income that is potentially subject to the 30% FATCA withholding tax if paid to an FFI (as described above). The 30% FATCA withholding tax may also apply to any such payments that are made to a "non-financial foreign entity" (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (i) an exemption from FATCA, or (ii) adequate information regarding certain substantial United States beneficial owners of such entity (if any). If an interest payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under "—Consequences to Non-United States Holders—United States Federal Withholding Tax," an applicable withholding agent may credit the withholding under FATCA against, and therefore reduce, such other withholding tax. While withholding under FATCA would also have applied to payments of gross proceeds from the sale or other taxable disposition of the Notes issued through our Miami branch, proposed United States Treasury regulations (upon which taxpayers may rely until final regulations are issued) eliminate FATCA withholding on payments of gross proceeds entirely.

On March 5, 2014, the United States and Chile entered into an IGA to implement the foregoing requirements. The IGA is intended to result in the automatic exchange of tax information through reporting by FFIs to the IRS. Prospective investors should consult their tax advisors regarding the application of the FATCA rules to an investment in the Notes.

The Proposed Financial Transactions Tax

The European Commission has published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes in certain circumstances.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT remains subject to negotiation between the participating Member States and the legality of the proposal is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or certain of the participating Member States may decide to withdraw. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

United Kingdom Provision of Information Requirements

The comments below are of a general nature and are based on current UK tax law as applied in England and published practice of HM Revenue & Customs ("HMRC"), the UK tax authorities. Such law may be repealed, revoked or modified and such practice may not bind HMRC and/or may change (in each case, possibly with retrospective effect), resulting in UK tax consequences different from those discussed below. The comments below deal only with UK rules relating to information that may need to be provided to HMRC in connection with the Notes. They do not deal with any other UK tax consequences of acquiring, owning or disposing of the Notes. Each prospective investor should seek advice based on its particular circumstances from an independent tax adviser.

Information relating to the Notes may be required to be provided to HMRC in certain circumstances. This may include (but is not limited to) information relating to the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons who exercise control over entities that are, or are treated as, holders of the Notes, details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the Issuer, the holders of the Notes, persons by or through whom payments derived from the Notes are made or credited or who receive such payments (or who would be entitled to receive such payments if they were made), persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. Accordingly, in order to enable these requirements to be met, holders of the Notes may be required to provide information to the Issuer or to other persons. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

The above overview is not intended to constitute a complete analysis of all tax consequences relating to the ownership of Notes. Prospective purchasers of Notes should consult their own tax advisors concerning the tax consequences of their particular situations.

CERTAIN ERISA CONSIDERATIONS

The following is an overview of certain considerations associated with the purchase of the Notes by (i) employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") or provisions under any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and (iii) entities whose underlying assets are considered to include the assets of any such plan, account or arrangement described in clauses (i) and (ii) (each of the foregoing described in clause (i), (ii) and (iii) referred to herein as a "Plan").

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (a "Covered Plan") and prohibit certain transactions involving the assets of a Covered Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Covered Plan or the management or disposition of the assets of such a Covered Plan, or who renders investment advice for a fee or other compensation to such a Covered Plan, is generally considered to be a fiduciary of the Covered Plan. In considering an investment in the Notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit Covered Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Covered Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of the Notes by a Covered Plan with respect to which the Issuer, a Dealer or any of their respective affiliates is considered to be a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and held in accordance with an applicable statutory, class or individual prohibited transaction exemption. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Covered Plan fiduciary making the decision to acquire a Note and the circumstances under which that decision is made. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 91-38 (relating to transactions involving bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "qualified professional asset manager"), PTCE 90-1 (relating to transactions involving insurance company pooled separate accounts), PTCE 95-60 (relating to transactions involving insurance company general accounts), PTCE 96-23 (relating to transactions determined by an in-house asset manager), and limited exemptions provided by Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for the purchase and sale of the Notes and related lending transactions, provided that neither the Issuer, any Dealer nor any of their affiliates has or exercises any discretionary authority or control or render any investment advice with respect to the assets of the Plan involved in the transaction and provided further that the Plan pays no more, and receives no less, than adequate consideration in connection with the transaction (the so-called "service provider exemption"). Fiduciaries of a Covered Plan considering acquiring and/or holding Notes in reliance on these or any other exemption should carefully review the exemption to ensure it is applicable. There can be no assurance that all of the conditions of any such exemption will be satisfied.

By acceptance of a Note (or any interest therein), each purchaser and subsequent transferee of a Note will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Notes (or any interest therein) constitutes assets of any Plan or (ii) the purchase and holding of the Notes and any interest therein by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the Notes.

Purchasers of the Notes have the exclusive responsibility for ensuring that their purchase and holding of the Notes complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. Neither this discussion nor anything provided in this Prospectus is, or is intended to be, investment advice directed at any potential Plan purchaser or at Plan purchasers generally and such purchasers of any Notes (or interests therein) should consult and rely on their own counsel and advisers as to whether an investment in the Notes is suitable for the Plan. Furthermore, each Plan should consider the fact that none of the Issuer, Dealers or any of their respective affiliates will act as a fiduciary to any Plan with respect to the Plan's decision to acquire Notes, and are not undertaking to provide investment advice, or to give advice in a fiduciary capacity with respect to such decision.

SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES

General

Unless otherwise specified in the applicable Final Terms, the following provisions shall apply to Foreign Currency Notes which are in addition to, and to the extent inconsistent therewith replace, the description of general terms and provisions of the Notes set forth elsewhere in this Prospectus.

Payments on Foreign Currency Notes

Purchasers are required to pay for the Notes in the currency specified in the applicable Final Terms. In certain jurisdictions, there may be limited facilities for conversion of home currencies into foreign currencies, and vice versa. In addition, in certain jurisdictions, many banks may not offer foreign currency denominated checking or savings account facilities.

Payment of principal, premium, if any, and interest, if any, on each Note will be made in immediately available funds in the Specified Currency unless otherwise specified in the applicable Final Terms and except as provided under "Changing the Specified Currency of Foreign Currency Notes" below.

If so provided in the applicable Final Terms, a holder of the equivalent of US$1,000,000 or more aggregate principal amount of a definitive Registered Note denominated in a Specified Currency other than U.S. Dollars may elect subsequent to the issuance thereof that future payments be converted, or not be converted, as the case may be, at the Market Exchange Rate to U.S. Dollars by transmitting a written request for such payments to the relevant Paying Agent on or prior to the Regular Record Date or at least 16 days prior to maturity or earlier redemption or repayment, as the case may be. Such request shall include appropriate payment instructions and shall be in writing (mail or hand delivered) or by cable, telex or facsimile transmission. A holder may elect to receive all future payments of principal, premium, if any, and interest in either the Specified Currency or in U.S. Dollars, as specified in the written request, and need not file a separate election for each payment. Such election will remain in effect until revoked by a subsequent election made in the manner and at the times prescribed in this paragraph. Owners of beneficial interests in permanent global Notes or holders of definitive Bearer Notes should contact their broker or nominee to determine whether and how an election to receive payment in either U.S. Dollars or the Specified Currency may be made.

The **"Market Exchange Rate"** means, as of any time of determination which shall be two business days prior to payment date the Specified Currencies other than U.S. Dollars to U.S. dollar exchange rate as quoted by the Exchange Rate Agent for similar client driven orders.

All determinations made by the Exchange Rate Agent shall be at its sole discretion and, in the absence of demonstrable error, shall be conclusive for all purposes and binding on holders of the Notes and the Exchange Rate Agent shall have no liability therefor. Under no circumstances shall Bci bear any responsibility for losses incurred by a holder due to fluctuations in the Market Exchange Rate.

Specific information about the Specified Currency in which a particular Foreign Currency Note is denominated will be set forth in the applicable Final Terms. Any information therein concerning exchange rates is furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

Minimum Denominations, Restrictions on Maturities, Repayment and Redemption

General. Notes denominated in Specified Currencies other than U.S. Dollars shall have such minimum denominations and be subject to such restrictions on maturities, repayment and redemption as are set forth below or as are set forth in the applicable Final Terms in the event different restrictions on minimum denominations, maturities, repayment and redemption may be permitted or required from time to time by any relevant central bank or equivalent governmental body, however designated, or by such laws or regulations as are applicable to the Notes or the Specified Currency. Certain restrictions related to the distribution of Notes denominated in Specified Currencies other than U.S. Dollars are set forth under "Plan of Distribution" in this Prospectus. Any other restrictions applicable to Notes denominated in Specified Currencies other than U.S. Dollars will be set forth in the applicable Final Terms relating to such Notes.

Minimum Denominations. Unless permitted by then current laws, regulations and directives, Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are received by the Issuer in the UK and which have a maturity of less than one year will only be issued if (a) the redemption value of each such Note is at least £100,000 as determined at the time of issuance or an amount of equivalent value denominated wholly or partly in a currency other than Sterling, (b) no part of any Note may be transferred unless the redemption value of that part is at least £100,000, or such an equivalent amount, and (c) such Notes are issued to a limited class of professional investors, unless the relevant Note(s) can be issued and sold without contravention of Section 19 of the FSMA. See "Plan of Distribution."

Restrictions on Maturities, Repayment and Redemption. All Notes (irrespective of the Specified Currency in which they are denominated) will comply with applicable legal, regulatory and/or central bank requirements in respect of minimum required maturities and limitations on redemption by the Issuer or holder of such Note.

Redenomination

The Issuer may, without the consent of holders of Notes denominated in a Specified Currency of a member state of the European Union, which on or after the issue date of such Notes participates in the European Economic and Monetary Union, on giving at least 30 days' prior notice (the "**Redenomination Notice**") to the holders of such Notes and on prior notice to the Fiscal Agent, and Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, elect that, with effect from the date specified in the Redenomination Notice (the "**Redenomination Date**"), such Notes shall be redenominated in Euro.

The election will have effect as follows:

(a) the Notes shall be deemed to be redenominated into Euro in the denomination of €0.01 with a nominal amount for each Note equal to the nominal amount of that Note in the Specified Currency, converted into Euro at the Established Rate (defined below); provided that, if the Issuer determines after consultation with the Fiscal Agent that the then market practice in respect of the redenomination into Euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the holders of Notes, any stock exchange on which the Notes may be listed, the Fiscal Agent and the relevant Paying Agents of such deemed amendments;

(b) save to the extent that an Exchange Notice (defined below) has been given in accordance with paragraph (d) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(c) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued, subject to compliance with all applicable laws and regulations, at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the relevant Paying Agent may approve) €0.01 and such other denominations as the Issuer shall determine and notify to the Noteholders;

(d) if issued prior to the Redenomination Date, all unmatured coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement Euro-denominated Notes and coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although such Notes will continue to constitute valid exchange obligations of the Issuer. New Euro-denominated Notes and coupons, if any, will be issued in exchange for Notes and coupons, if any, denominated in the Specified Currency in such manner as the relevant Paying Agent may specify and as shall be notified to the holders of Notes in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(e) after the Redenomination Date, all payments in respect of the Notes and the coupons, if any, including payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro as though references in the Notes to the Specified Currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account outside the United States (or any other account to which Euro may be credited or transferred) specified by the payee;

(f) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated by applying the Fixed Interest Rate to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction specified in the applicable Final Terms, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(g) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(h) such other changes shall be made as the Issuer may decide, after consultation with the relevant Paying Agent and the Calculation Agent (if applicable), and as may be specified in the Redenomination Notice, to conform them to conventions then applicable to instruments denominated in Euro.

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Union regulations) into Euro established by the Council of European Union pursuant to Article 109L(4) of the treaty establishing the European Communities, as amended by the Treaty on European Union.

"**sub-unit**" means, with respect to any Specified Currency other than Euro, the lowest amount of such Specified Currency that is available as legal tender in the country of such Specified Currency and, with respect to Euro, means one cent.

Changing the Specified Currency of Foreign Currency Notes

Unless otherwise specified in the Final Terms, payments of principal, premium, if any, and interest, if any, on any Note denominated in a Specified Currency other than U.S. Dollars shall be made in U.S. Dollars if, on any payment date, such Specified Currency (a) is unavailable due to imposition of exchange controls or other circumstances beyond the Issuer's control or (b) is no longer used by the government of the country issuing such Specified Currency or for the settlement of transactions by public institutions in that country or within the international banking community. Such payments shall be made in U.S. Dollars on such payment date and on all subsequent payment dates until such Specified Currency is again available or so used as determined by such Issuer.

Amounts so payable on any such date in such Specified Currency shall be converted into U.S. Dollars at a rate determined by the Exchange Rate Agent (as defined below) on the basis of the most recently available Market Exchange Rate. The "**Exchange Rate Agent**" at the date of this Prospectus is Bank of America, National Association, (operating through its London branch). Any payment required to be made on Foreign Currency Notes denominated in a Specified Currency that is instead made in U.S. Dollars under the circumstances described above will not constitute a default of any obligation of the Issuer under such Notes.

The provisions of the two preceding paragraphs shall not apply in the event of the introduction in the country issuing any Specified Currency of the Euro pursuant to the entry of such country into European Economic and Monetary Union. In such an event, payments of principal, premium, if any, and interest, if any, on any Note denominated in any such Specified Currency shall be effected in Euro at such time as is required by, and otherwise in conformity with, legally applicable measures adopted with reference to such country's entry into the European Economic and Monetary Union.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream, Luxembourg or CBF (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been accurately reproduced and far as the Issuer is aware and able to ascertain from information published by such third-party Clearing Systems, no facts have been omitted that would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any other party to the Fiscal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-Entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations ("**Direct Participants**"). DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "Transfer and Selling Restrictions."

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear, Clearstream, Luxembourg and CBF

Euroclear, Clearstream, Luxembourg and CBF each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear, Clearstream, Luxembourg and CBF provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear, Clearstream, Luxembourg and CBF also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear, Clearstream, Luxembourg and CBF have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear, Clearstream, Luxembourg and CBF customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear, Clearstream, Luxembourg and CBF is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-Entry Ownership of and Payments in Respect of DTC Notes

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective principal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including the respective depositories of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of notes in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. However, as discussed above, such exchanges will generally not be available. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "Transfer and Selling Restrictions," cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the relevant Registrar, the relevant Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Original Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Transfers of interests in the relevant Registered Global Notes will be effected through the relevant Registrar, the relevant Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The notes will be delivered on a free delivery basis and arrangements for payment must be made separately. However, in the case of transfers within DTC or within Euroclear or Clearstream, Luxembourg, transfers can be made on a delivery versus payment basis.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents nor any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

PLAN OF DISTRIBUTION

Under the terms of the Dealer Agreement, we may offer the Notes through the Dealers, each of which has agreed to use its reasonable efforts to solicit offers to purchase the Notes. The Dealers may solicit offers to purchase the Notes through one or more of their affiliates or selling agents. Any agreement of the Dealers to solicit offers to purchase the Notes or to purchase Notes as principal is subject to the satisfaction of the conditions precedent set forth in the Dealer Agreement. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities, including liabilities under the Securities Act, incurred by them in connection therewith.

We will pay each Dealer through which we sell Notes such commission as we and the applicable Dealer may agree at the time of sale. In addition, we may appoint Dealers in addition to the Dealers that are initially party to the Dealer Agreement. The commission will be specified in the applicable Final Terms. We will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes, in whole or in part, whether placed directly by us or one of our affiliates or through the Dealers. Each Dealer will have the right, in its discretion reasonably exercised without advising us, to reject any proposed purchase of Notes through that Dealer in whole or in part. We may also sell Notes to the Dealers, as principals, at a negotiated discount, for resale to investors or to another broker-dealer — acting as principal for purposes of resale — at varying prices related to prevailing market prices at the time of resale to be determined by the Dealers, or if specified in the applicable Final Terms, at a fixed offering price. Notes may be distributed on a syndicated basis, in which case the applicable Final Terms will identify the Dealers constituting the syndicate, or on a non-syndicated basis. We have also reserved the right to sell Notes directly on our own behalf, in which case no commission will be payable to the Dealers. We may terminate the Program at any time.

In connection with an offering of the Notes, one or more Dealers designated as Managers in the relevant Final Terms will initially propose to offer the Notes for resale at the issue price that appears in the relevant Final Terms. After the initial offering, the relevant Managers may change the offering price and any other selling terms. Managers may offer and sell Notes through certain of their affiliates.

In connection with any offering of Notes, the Managers may purchase and sell such Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions.

Short sales involve the sale by a Manager of a greater principal amount of Notes than it is required to purchase in the offering. A Manager may close out any short position by purchasing Notes in the open market. A short position is more likely to be created if a Manager is concerned that there may be downward pressure on the price of the Notes in the open market prior to the completion of the offering.

Stabilizing transactions consist of various bids for or purchases of the Notes made by a Manager in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the Notes. Additionally, these purchases may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. However, there is no assurance that the Managers will undertake stabilization transactions. If the Managers engage in stabilizing or short-covering transactions, they may discontinue them at any time, and if begun, must be brought to an end after a limited period. Any over-allotment stabilizing and short- covering transaction must be conducted by the relevant managers, or persons acting on their behalf, in accordance with applicable laws. These transactions may be effected in the over-the-counter market or otherwise.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. If any of the Managers or their affiliates has a lending relationship with the Issuer, certain of those Managers or their affiliates routinely hedge, and certain other of those Managers or their affiliates may hedge, their credit exposure to the Issuer consistent with customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of any issuance of Notes. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with the issue of any Tranche of Notes under the Program, the Dealer or Dealers (if any) named as the stabilizing manager(s) in the applicable Final Terms (the "Stabilizing Managers") (or persons acting on their behalf) may over-allot Notes, or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on their behalf) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than 30 days after the date on which the Issuer received the proceeds of the relevant Tranche of Notes or no later than 60 days after the date of the allotment of the relevant Tranche of Notes, whichever is earlier.

Delivery of Notes

Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. The applicable Final Terms may provide that the original issue date for the Notes may be more than two scheduled business days after the trade date for those Notes. Accordingly, in such a case, if you wish to trade those Notes on any date prior to the second business day before the original issue date for those Notes, you will be required, by virtue of the fact that those Notes initially are expected to settle in more than two scheduled business days after the trade date for those Notes, to make alternative settlement arrangements to prevent a failed settlement.

TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in the Dealer Agreement, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Description of the Notes.*" In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Program and the issue of Notes under the Program and to indemnify the Dealers for certain liabilities incurred by them in connection therewith.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes. Each purchaser of Registered Notes or person wishing to transfer an interest from one Registered Note to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(a) that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is outside the United States and is not a U.S. person;

(b) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(c) that, unless it holds an interest in a Regulation S Global Note, the applicable distribution compliance period has elapsed and it is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and which takes delivery in the form of an interest in the Rule 144A Global Note, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to another available exemption from registration under the Securities Act or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

(d) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;

(e) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(f) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT AND OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES

ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A UNDER THE SECURITIES ACT FOR RESALE OF THIS NOTE."

THIS LEGEND CAN ONLY BE REMOVED AT THE OPTION OF THE ISSUER.

(g) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the 40-day distribution compliance period which commences upon completion of distribution of all the Notes of the Tranche of which the Notes being resold or otherwise transferred forms a part of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act and (ii) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE FISCAL AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF FORTY DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART";

(h) that either: (i) no portion of the assets used by it to purchase or hold the Notes (or any interest therein) constitutes assets of any (a) employee benefit plan subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), (b) plan, individual retirement account or other arrangement that is subject to section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or the provisions of any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "**Similar Laws**"), or (c) entity whose underlying assets are considered to include the assets of any such plan, account or arrangement described in clauses (a) and (b) immediately above or (ii) the purchase and holding of the Notes (or any interest therein) by such purchaser will not constitute non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws:

"EACH PURCHASER OR TRANSFEREE OF THIS NOTE OR ANY INTEREST HEREIN WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (I) NO PORTION OF THE ASSETS USED BY IT TO ACQUIRE OR HOLD THIS NOTE (OR ANY INTEREST HEREIN) CONSTITUTES ASSETS OF ANY (A) EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), (B) PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**") OR THE PROVISIONS OF ANY OTHER U.S. OR NON-U.S. FEDERAL, STATE, LOCAL OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE (COLLECTIVELY, "SIMILAR LAWS"), OR (C) ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE THE ASSETS OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT DESCRIBED IN CLAUSES (A) AND (B) OR (II) THE ACQUISITION AND HOLDING OF THIS NOTE (OR ANY INTEREST HEREIN) BY SUCH PURCHASER OR TRANSFEREE WILL NOT CONSTITUTE NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAW;

(i) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than US$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least US$100,000 (or its foreign currency equivalent) of Registered Notes.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In connection with any Notes which are offered or sold outside the United States in reliance on the safe harbor from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until forty days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Program will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

Until forty days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers, directly or through their respective U.S. broker dealer affiliates, may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is US$100,000 (or the approximate equivalent thereof in any other Specified Currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4) so long as the Notes are considered "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by United States Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including the TEFRA D Rules.

The applicable Final Terms will specify whether the TEFRA C Rules or the TEFRA D Rules are applicable to the Bearer Notes, or whether neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

In the case of Bearer Notes to which the TEFRA D Rules have been specified to apply, the Notes may not be delivered, offered, sold or resold, directly or indirectly, in connection with their original issuance or during the Restricted Period in the United States to or for the account of any United States person, other than to certain persons as provided under United States Treasury Regulations. An offer or sale will be considered to be made to a person within the United States if the offeror or seller has an address within the United States for the offeree or purchaser with respect to the offer or sale. In addition, each Dealer has represented and agreed (and each further Dealer appointed under the Program will be required to represent and agree) that:

(a) except to the extent permitted under the TEFRA D Rules, (i) it has not offered or sold, and during the Restricted Period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) such Dealer has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the Restricted Period;

(b) it has and throughout the Restricted Period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the Restricted Period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;

(c) if such Dealer is a United States person, it represents that it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and, if such Dealer retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate (if any) that acquires from such Dealer Notes in bearer form for the purposes of offering or selling such Notes during the Restricted Period, such Dealer either (i) hereby represents and agrees on behalf of such affiliate (if any) to the effect set forth in sub-paragraphs (a), (b) and (c) of this paragraph or (ii) agrees that it will obtain from such affiliate (if any) for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c) of this paragraph.

Where the TEFRA C Rules are specified in the applicable Final Terms as being applicable to any Tranche of Bearer Notes, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Accordingly, each Dealer has represented and agreed (and each additional Dealer appointed under the Program will be required to represent and agree) in respect of such Notes that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any such Notes within the United States or its possessions in connection with the original issuance. Further, each Dealer has represented and agreed (and each further Dealer appointed under the Program will be required to represent and agree) in connection with the original issuance of such Notes in bearer form, that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such purchaser is within the United States or its possessions and will not otherwise involve the U.S. office of such Dealer in the offer and sale of such Notes.

Each Dealer has agreed, and each further Dealer appointed under the Program will be required to agree, that it has not entered and will not enter into any contractual arrangements with respect to the distribution or delivery of Notes except with its affiliates (if any) or with the prior written consent of the Issuer.

Each Bearer Note having a maturity of more than 365 days (including unilateral rights to rollover) and interest coupons pertaining to such Note, if any, will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code.”

Each issuance of Indexed Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes included in this offering in circumstances in which Section 21(1) of the FSMA does not apply to the Bank;

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes included in this offering in, from or otherwise involving the UK; and

(c) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments(as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Bank.

France

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes in France pursuant to an exemption under Article 1(4) of the Prospectus Regulation and under Article L.411-2 1 of the *French Code monétaire et financier*, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes, to qualified investors as defined in Article 2(e) of the Prospectus Regulation and in Article L.411-2 1°of the *French Code monétaire et financier*, and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes, to qualified investors as defined in Article 2(e) of the Prospectus Regulation and in Article L.411-2 of the French Code *monétaire et financier*.

This Prospectus has not been submitted to the clearance procedure of the AMF.

Italy

To the extent that the offering of the Notes has not been registered pursuant to Italian securities legislation and, therefore, no Notes may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the Notes or the Program be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*) as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**");

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy or any other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11,971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer will be required to represent and agree, that any Notes with a maturity of less than twelve months and a denomination of less than Euro 50,000 will only be offered in the Netherlands to professional market parties as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and the decrees issued pursuant thereto.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "**Financial Instruments and Exchange Act**") and each Dealer has agreed and each further Dealer appointed under the Program will be required to agree that it has not offered or sold and it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

People's Republic of China

Each of the Dealers has represented, warranted and undertaken that the Notes may not be offered or sold directly or indirectly within the PRC. This Prospectus or any information contained herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC. The Notes may only be invested in by PRC investors that are authorized to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licenses or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, the China Insurance Regulatory Commission and/or other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

Hong Kong

Each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in Part 1 of Schedule 1 to the SFO and any rules made under the SFO.

Singapore

This Prospectus and any Final Terms have not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Notes are not offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and this Prospectus, any Final Terms or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, has not been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (or other person specified in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities, or securities-base derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA; (b) where no consideration is or will be given for the transfer; (c) where the transfer is by operation of law; (d) as specified in Section 276(7) of the SFA; or (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities-based Derivatives Contracts) Regulations 2018.

Notification under Section 309(b)(1)(c) of the SFA: In connection with Section 309B of the SFA and the Capital Markets Products (the "**CMP**") Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore Notice SFA 04-N12. Notice on the Sale of Investment Products and Monetary Authority of Singapore Notice FAA-N16. Notice on Recommendations on Investment Products).

Australia

No prospectus or other disclosure document (as defined by the Corporations Act 2001 of Australia (the "**Australian Corporations Act**") in relation to the Program or any Notes has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**").

Each Dealer has represented and agreed that unless the applicable Final Terms (or a supplement to this Prospectus) otherwise provides, it:

(a) has not made offers or invited applications (directly or indirectly), and will not make offers or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Prospectus, any Supplement, any other prospectus, any disclosure document, advertisement or other offering material relating to the Notes in Australia.

unless:

(i) the offeree is a "wholesale client" within the meaning of section 761G(4) of the Australian Corporations Act;

(ii) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in any alternative currency but, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives (including, without limitation, the licensing requirements of Chapter 7 of the Australian Corporations Act); and

(iv) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Australian Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Australian Corporations Act if the Issuer is an Australian ADI (as defined in the Australian Corporations Act). As at the date of this Prospectus, the Bank is an Australian ADI for the purposes of the Australian Corporations Act.

Switzerland

The Dealers have agreed, and each further dealer appointed under the Program will be required to agree, that it will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss Federal Banking Commission and/or the Swiss National Bank (if any) in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in Switzerland in respect of such Notes.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT Module) of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Brazil

The Notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários*, or the "**CVM**"). The Notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offering or an unauthorized distribution under Brazilian laws and regulations. The Notes are not being offered into Brazil. Documents relating to the offering of the Notes, as well as information contained therein, may not be supplied to the public in Brazil, nor be used in connection with any public offer for subscription or sale of the Notes to the public in Brazil.

Peru

The Notes and the information contained in this Prospectus any Final Terms are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this Prospectus and any Final Terms have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian Superintendency of Capital Markets (*Superintendencia del Mercado de Valores*) (the "**SMV**") nor have they been registered under the Peruvian Securities Market Law (*Ley del Mercado de Valores*) or any other Peruvian regulations. Accordingly, the Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

The Notes may be registered with the Foreign Investment and Derivatives Instruments Registry (*Registro de Instrumentos de Inversión y de Operaciones de Cobertura de Riesgo Extranjeros*) of the Peruvian Financial Market Commission, Insurance and Private Pension Funds Administrators (*Superintendencia de Bancos, Seguros y Administradoras Privadas de Fondos de Pensiones*) in order to make the Notes eligible for investment by Peruvian Private Pension Funds Administrators.

The Notes may not be offered or sold in Peru except in compliance with the securities law thereof.

Chile

The Notes have not and will not be registered under the Chilean securities market law, as amended, of Chile with the CMF, and accordingly, they may not be offered or sold to persons in Chile, except in circumstances that do not constitute a public offering under Chilean laws and regulations.

Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3 (1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws in Canada.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus or the applicable Final Terms (including any amendment thereto and hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Program.

Germany

Each Dealer has agreed that it is aware of the fact that no German selling prospectus (*Verkaufsprospekt*) has been or will be published with respect to the Program and that such Dealer will comply with the Securities Selling Prospectus Act (the "**SSPA**") of the Federal Republic of Germany (*Wertpapierverkaufsprospektgesetz*). In particular, each Dealer has undertaken not to engage in public offering (*öffentliches Anbieten*) or other selling activities in the Federal Republic of Germany with respect to any Notes issued under the Program otherwise than in accordance with the SSPA and any other legislation replacing or supplementing the SSPA and all other applicable laws and regulations.

Mexico

The Notes have not been, and will not be, registered with the Mexican National Registry of Securities (*Registro Nacional de Valores*) maintained by the Mexican Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores*) and therefore may not be offered or sold publicly in Mexico. Notes may be offered and sold in Mexico to investors in Mexico that qualify as institutional investor (Inversionista Institucional) or accredited investor (*Inversionista Calificado*) solely, pursuant to the private offering exemption set forth in article 8 of the Mexican Securities Market Law (*Ley del Mercado de Valores*). The Mexican National Banking and Securities Commission has not reviewed or approved this Prospectus. This Prospectus may not be publicly distributed in Mexico.

General

Each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

LEGAL MATTERS

Certain legal matters of U.S. law will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York and for the Dealers by Cleary Gottlieb Steen & Hamilton LLP, New York, New York. Certain matters of Chilean law will be passed upon for us by Dentons Larraín Rencoret SpA, Santiago, Chile, and for the Dealers by Carey y Cia. Ltda., Santiago, Chile.

INDEPENDENT AUDITORS

The consolidated financial statements as of and for the years ended December 31, 2019 and 2020 included in this Prospectus have been audited by Deloitte Auditores y Consultores Limitada, independent auditors, as stated in their report appearing herein (which report (i) expresses an unmodified opinion and (ii) includes explanatory paragraphs with respect to: (a) the acquisition of Executive Bank and its subsequent merger with City National Bank of Florida, respectively, and (b) the fact that these financial statements have, for convenience, been translated into English).

The consolidated financial statements as of and for the year ended December 31, 2021 included in this Prospectus have been audited by KPMG Auditores Consultores SpA, independent auditors, as stated in their report appearing herein (which report (i) expresses an unmodified opinion and (ii) includes an explanatory paragraph with respect to the issuance of an unmodified audit opinion by Deloitte Auditores y Consultores Limitada on January 26, 2021 with respect to the consolidated financial statements of the Issuer as of and for the year ended December 31, 2020).

Deloitte Auditores y Consultores Limitada is member to Colegio de Contadores de Chile AG, the professional body of auditors in Chile. The business address of Deloitte Auditores y Consultores Limitada is located at Rosario Norte 407, Las Condes, Santiago, Chile, 7561156.

KPMG Auditores Consultores SpA is member to the Colegio de Contadores de Chile AG, the professional body of auditors in Chile. The business address of KPMG Auditores Consultores SpA is located at Isidora Goyenechea 3520, Floor 6, Las Condes, Santiago Chile.

GENERAL INFORMATION

1. The Bank is registered in Chile and identified with registration (tax identification) number 97,006,000-6.

2. The Notes have been accepted for clearing and settlement through Euroclear, Clearstream Luxembourg and DTC. The Common Code for the Bearer Notes, together with the relevant ISIN Code or CUSIP number for the Registered Notes, will be contained in the Final Terms relating thereto.

3. There has been no material adverse change in the prospects of the Issuer since December 31, 2021.

4. The Issuer has appointed Bank of America Europe DAC (successor in interest to Merrill Lynch Equity S.à.r.l.) as its European Registrar. The Issuer has also appointed Bank of America, National Association, (operating through its London branch) as Fiscal Agent, Non-U.S. Paying Agent and Non-U.S. Transfer Agent. The Issuer reserves the right to vary such appointment.

5. The Issuer is involved in routine litigation and other proceedings in the ordinary course of business. The Issuer is not engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which we are aware) which might have or have had during the 12 months prior to the date of this Prospectus a material adverse effect on our financial position or profitability.

6. There has been no significant change in our financial performance or financial position since December 31, 2021.

7. So long as Notes are outstanding and listed on the Luxembourg Stock Exchange, and the rules of the Luxembourg Stock Exchange so require, the Issuer will make available copies of its by-laws, latest annual report, annual financial statements and any quarterly interim financial statements, as well as this Prospectus and any supplements to this Prospectus, each Final Terms and the Fiscal Agency Agreement, free of charge, at the specified office of the Paying Agent in Luxembourg during normal business hours.

8. In connection with the offering, the Agents are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

9. As of the date of this Prospectus, there were no material contracts that are reasonably likely to have a material effect on the Issuer.

10. There are no potential conflicts of interest between any duties to the bank by any of the members of either the directive board or management in respect of their private or other duties.

11. We have approved the establishment of this program through a resolution of our executive committee dated July 21, 2016.

12. This Prospectus will be made available at https://www.bci.cl/investor-relations/informacion-programa-emtn/files/bci-final-prospectus, and at https://www.bourse.lu/issuer/BancCredInver/81972.

CLEARING SYSTEMS

The relevant Final Terms will specify which clearing system or systems (including DTC, Clearstream, Luxembourg and/or Euroclear) had/have accepted the relevant Notes for clearance and provide any further appropriate information.

DOCUMENTS ON DISPLAY

So long as Notes are capable of being issued under the Program, copies of the following documents will be available from the Issuer and from the specified office of the Fiscal Agent for the time being in London:

(a) the by-laws (with an English translation where applicable) of the Issuer;

(b) the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2019 and 2020;

(c) the Issuer's audited consolidated financial statements as of and for the years ended December 31, 2020 and 2021;

(d) the Issuer's unaudited interim consolidated financial statements as of March 31, 2022 and for the three months ended March 31, 2021 and 2022;

(e) the forms of the Notes;

(f) a copy of this Prospectus; and

(g) any future supplements to this Prospectus and Final Terms to this Prospectus.

Copies of these documents are available on our website at www.bci.cl. Any information contained or accessible through our website is not part of this Prospectus.

ANNEX A

SIGNIFICANT DIFFERENCES BETWEEN CHILEAN GAAP AND IFRS

Chilean banks prepare their financial statements in accordance with the Compendium of Accounting Standards (the "**Compendium**") as prescribed by the Financial Market Commission (*Comisión para el Mercado Financiero*) ("**CMF**"), which absorbed the former Superintendency of Banks and Financial Institutions (*Superintendencia de Bancos e Instituciones Financieras*) ("**SBIF**"). The Compendium requires the application of Chilean Financial Information Standards as prescribed by the *Colegio de Contadores de Chile A.G.* (Chilean Institute of Accountants), which are generally consistent with the International Financial Reporting Standards ("**IFRS**") as issued by International Accounting Standards Boards ("IASB"), with certain modifications introduced by the former SBIF. The financial statements have not been prepared in accordance with IFRS (or IFRS as adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002). There may be material differences in the financial statements had they been prepared in accordance with IFRS (or IFRS as adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002).

The Compendium differs in certain significant respects from IFRS (such differences being equivalent to those between the Compendium and IFRS as adopted pursuant to the procedure of Article 3 of Regulation (EC) No. 1606/2002). Such differences might be material to the financial information contained in this Prospectus. An overview of the significant differences is presented below. We have made no attempt to identify or quantify the impact of those differences. In making an investment decision investors must rely upon their own examination of the Bank, the terms of this Prospectus and the financial information contained herein. Potential investors should consult their own professional advisors for an understanding of the differences between the Compendium and IFRS, and how those differences might affect the financial information contained herein.

This overview should not be taken as exhaustive of all differences between the Compendium and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in the Financial Statements, including the notes thereto.

Set forth below is a description of the significant differences between the Compendium and its applicable acounting rules until December 31, 2021, and IFRS (such differences being equivalent to those between the Compendium and IFRS as adopted by the European Union).

a) Classification and measurement of financial instruments

In accordance with Chilean Banking GAAP, financial instruments are initially measured at their fair value. Subsequent measurement depends on the financial instrument's category. Some categories are measured at their amortized cost, and some at their fair value. The Bank classifies its financial instruments in three categories: (i) held-to-maturity investments, which are measured at their amortized cost; (ii) held-for-trading, which are measured at their fair value, with changes in fair value accounted for as profit or loss in our income statement and (iii) available-for-sale financial assets, which are measured at their fair value. The unrealized variations in an available-for-sale financial instrument's fair value are accounted for in other comprehensive income. No business models are required.

In accordance with IFRS, entities are required to recognize a financial asset or a financial liability in their statement of financial position when it becomes a party to the contractual provisions of the instrument. When an entity first recognizes a financial asset, IFRS requires it to classify such financial asset based on the entity's business model for managing the asset and the asset's contractual cash flow characteristics, as follows:

- Amortized cost: Debt instrument financial assets are measured at amortized cost if both of the following conditions are met:
    - The asset is held in a business model whose objective is to hold assets in order to collect contractual cash flows; and
    - The contractual terms of the financial asset give rise on specified dates to cash flows corresponding solely to payments of principal and interest on the principal amount outstanding.
- Fair value through other comprehensive income: Debt instrument financial assets are classified and measured at their fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- The contractual terms of the financial asset give rise on specified dates to cash flows corresponding solely to payments of principal and interest on the principal amount oustanding.

- Fair value through profit or loss: financial assets that are not held in one of the two business models mentioned above are measured at their fair value, with changes in fair value accounted for as profit or loss in the income statement.

See section on designation of irrevocable options below.

b) Provisions for loan losses

The determination of provisions for loan losses is performed based on guidance provided by the CMF. Since these calculations do not represent an internally developed best estimate, which takes into consideration prior experience, information about debtor profiles and the appraisal of accounts receivables in light of the current economic environment, the accounting treatment for provisions for loan losses is not in accordance with IFRS in 2018 through 2020.

Under Chilean GAAP, the Bank provisions for country risk which covers the risk taken when holding or committing resources in any foreign country. These allowances are established according to country risk classifications established by the CMF and therefore are not in accordance with IFRS as issued by the IASB. The Bank has adjusted its financial statements accordingly.

Under Chilean GAAP, the Bank has established allowances related to the undrawn available credit lines and contingent loans in accordance with the CMF. With the adoption of IFRS 9, provisions for contingent loans are calculated based on expected credit loss.

Banks in Chile are also permitted to set up additional provisions (based on a policy previously approved by the board of directors) as a countercyclical mechanism or for loan concentration purposes for the purpose of safeguarding against unpredictable economic fluctuations, specific industry sector exposure and credit risk concentration, among others. The additional provisions should always be based on general provisions on commercial, mortgage or consumer loans, or on identified segments of commercial, mortgage or consumer loans.

In relation to the impairment of financial assets, IFRS requires an expected loss model. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, no objective evidence of a credit loss event is required in order to recognize impairment.

Specifically, IFRS 9 requires an entity to recognize a loss allowance for expected credit losses on:

1) Debt investments measured subsequently at amortized cost or at fair value through other comprehensive income;

2) Lease receivables;

3) Trade receivables and contract assets; and

4) Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires an entity to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the entity is required to measure the loss allowance for that financial instrument at an amount equal to 12-month ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

c) Derivative and hedging accounting

In accordance with Chilean Banking GAAP, financial instruments that have an embedded derivative that should, but which is not possible to, be valued separately are to be included in the category of instruments held-for-trading and should be measured at their fair value, with changes in fair value accounted for as profit or loss in the income statement.

In accordance with IFRS, an entity can elect to designate a financial liability in the scope of IFRS 9 as at fair value through profit or loss (even though the instrument would not meet the definition of held for trading). This option is available as noted under the section below detailing irrevocable options for hybrid financial liabilities (which include embedded derivatives).

In accordance with Chilean Banking GAAP, variations in the fair value hedge related to an asset, liability or an unrecognized firm commitment could be due to a change in interest rates for fixed rate loans, foreign currency, equity and commodity prices. Any profits or losses on both hedging instrument and hedged item shall be accounted for as profit or loss in the income statement in each accounting period.

In accordance with IFRS, if the hedged item is an equity instrument accounted for at its fair value through other comprehensive income, any variation in the fair value of the hedging instrument should also be accounted for in other comprehensive income with no subsequent reclassification. Dividend income is recognized in profit or loss.

d) Suspension of Income Recognition on Accrual Basis

In accordance with Chilean Banking GAAP, financial institutions must suspend recognition of income on an accrual basis in their statements of income for certain loans included in the impaired portfolio. IFRS does not allow the suspension of accrual of interest on financial assets for which an impairment loss has been determined.

e) Charge-offs and Account Receivables

The Chilean Banking GAAP requires companies to establish certain deadlines for the charge-off of loans and account receivables. Under IFRS, a charge-off due to impairment would be recorded when the entity has no reasonable expectation of collection of all or a portion of a financial asset.

f) Assets Received in Lieu of Payment

The Chilean Banking GAAP requires that the initial value of assets received in lieu of payment be the value agreed with a debtor as a result of the loan settlement or the value awarded in an auction, as applicable. These assets are required to be written off one year after their acquisition if the assets have not been previously disposed of.

IFRS requires that assets received in lieu of payment be initially accounted for at their fair value. Subsequently, asset valuation depends on the classification provided by the entity for that type of asset. No deadline is established for charging-off an asset.

g) Designations of irrevocable options of financial instruments

According to Chilean Banking GAAP, banks are not permitted to designate a financial asset or liability as one to be measured at fair value in replacement of the general criterion of amortized cost ("fair value option").

According to IFRS, an entity may, on initial recognition:

- make an irrevocable election for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income; and

- irrevocably designate a debt investment that meets the amortized cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

A financial liability may be designated as at fair value through profit or loss upon initial recognition only in one of the following circumstances:

- If it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases (commonly referred to as an "accounting mismatch");

- If a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel;

- In the case of a hybrid financial liability containing one or more embedded derivatives, an entity may designate the entire hybrid contract as a financial liability as at fair value through profit or loss unless:

  - The embedded derivative does not significantly modify the cash flows that otherwise would be required by the contract; or

  - It is clear with little or no analysis when a similar hybrid instrument is first considered that separation of the embedded derivative is prohibited under the standards.

h) Finalization of fair value of assets acquired and liabilities assumed in an acquisition

Under IFRS, any provisional amounts recorded with respect to an acquisition are required to be finalized within a one-year period from the date of acquisition. At finalization, IFRS 3 "Business Combinations" requires that "adjustments to provisional amounts should be recognized as if the accounting for the business combination had been completed at the acquisition date." Therefore, comparative information for prior periods presented in the financial statements is revised as required, including making any change in depreciation, amortization of other income effects recognized in completing the initial accounting.

Under Chilean GAAP, given that changes to comparative period amounts are not permitted, adjustments to provisional amounts are recognized at the date of finalization of the determination of the fair values of the assets acquired and liabilities assumed.

ANNEX B

SIGNIFICANT DEPARTURES FROM INTERNATIONAL STANDARDS ON AUDITING

The audits to the financial statements for banks in Chile are performed in accordance with General Accepted Auditing Standards in Chile ("**Chilean GAAS**") issued by the *Colegio de Contadores de Chile A.G.* (Chilean Institute of Accountants). The International Auditing Standards ("**ISAs**") are issued by the International Auditing and Assurance Standards Board (IAASB) and are used for banks in the European Union countries in accordance with Regulation (EU) 537/2014. In general terms, both sets of standards are similar in several aspects that auditors are required to consider to perform their audits to financial statements. The principal differences between Chilean GAAS and ISAs are the following:

a) Audit Report

Under Chilean GAAS, key audit matters are not required to be described on the audit report to the financial statements, which are required to be described under ISAs.

b) Group Reporting and Use of another auditor

Under Chilean GAAS, when there is more than one firm auditing a group of companies, the principal auditor for the group is not required to assume responsibilities for the whole group of companies and can limit its scope, referencing the other auditors in the audit report. Under ISAs, the principal auditor is responsible for the entire group of companies reported upon and cannot reference another auditor's report.

c) Going concern considerations

Under Chilean GAAS, the assessment period as to the ability of the entity to continue as a going concern is one year from the date of the statement of financial position. Under ISAs, the assessment period as to the ability of the entity to continue as a going concern is considered to be minimally one year but is not limited to one year from the date of the statement of financial position.

d) Internal control over financial reporting

Under Chilean GAAS, internal control issues are classified in three categories: material weakness; significant deficiency; and deficiency. Under ISAs, internal control issues are classified in two categories: significant deficiency; and deficiency.

Under Chilean GAAS, internal control deficiencies at the level of significant deficiency and material weakness must be communicated in writing to those charged with corporate governance. Additionally, unless the circumstances warrant otherwise, significant deficiencies and material weaknesses communicated to those charged with corporate governance are also communicated to management in writing. Other deficiencies in internal control may be communicated to management in writing or verbally.

Under ISAs, significant deficiencies in internal control must be communicated in writing to those charged with corporate governance. Communication of significant deficiencies in internal control to management is required in writing unless it would be inappropriate to communicate with management under the circumstances. The communication of other deficiencies in internal control may be communicated to management verbally.

e) Documentation and retention of working papers

Chilean GAAS requires working papers to be retained for six years, compared to the five-year term required by ISAs.

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As of March 31, 2022 and December 31, 2021 (Proforma) and for the periods ended
March 31, 2022 and 2021 (Proforma)

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(In millions of Chilean pesos - MCh$)

	Note	March 31, 2022 MCh$	December 31, (Proforma) 2021 MCh$
ASSETS			
Cash and bank deposits	7	**5,924,699**	**3,960,496**
Transactions in the course of collection	7	**229,453**	**350,072**
Financial assets held for trading at fair value through profit or loss		**6,362,074**	**6,066,332**
Financial derivative contracts	8	5,238,331	5,192,466
Debt financial instruments	8	1,042,557	717,057
Others	8	81,186	156,809
Financial assets not held for trading mandatorily measured at fair value through profit or loss	9	**-**	**-**
Financial assets at fair value through profit or loss	10	**-**	**-**
Financial assets at fair value through other comprehensive income		**8,403,310**	**10,813,647**
Debt financial instruments	11	8,403,310	10,813,647
Others	11	-	-
Financial derivative contracts for accounting hedge	12	**1,645,967**	**1,589,059**
Financial assets at amortized cost		**44,286,867**	**43,730,733**
Rights for reverse repurchase agreements and securities lending	13	303,051	186,753
Debt securities	13	2,711,941	2,296,066
Loans and advances to banks	13	599,094	639,533
Loans and receivables from customers - Commercial	13	26,432,260	26,686,188
Loans and receivables from customers - Mortgage	13	10,945,540	10,699,055
Loans and receivables from customers - Consumer	13	3,294,981	3,223,138
Investments in companies	14	**33,420**	**33,302**
Intangible assets	15	**415,017**	**440,960**
Property and equipment	16	**249,037**	**252,734**
Right-of-use assets	17	**173,891**	**189,025**
Current tax assets	18	**22,989**	**19,572**
Deferred tax assets	18	**321,379**	**253,552**
Other assets	19	**1,431,473**	**1,402,077**
Non-current assets and disposal groups held for sale	20	**46,709**	**45,719**
TOTAL ASSETS		**69,546,285**	**69,147,280**

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
March 31, 2022 and December 31, 2021 (Proforma)
(In millions of Chilean pesos - MCh$)

	Note	March 31, 2022 MCh$	December 31, (Proforma) 2021 MCh$
LIABILITIES			
Transactions in the course of payment	7	**815,053**	**258,686**
Financial liabilities held for trading at fair value through profit or loss	21	**5,197,898**	**5,094,231**
Financial derivative contracts	21	5,197,898	5,094,231
Others	21	-	-
Financial liabilities at fair value through profit or loss	10	**-**	**-**
Financial derivative contracts for accounting hedge	12	**2,060,303**	**1,492,815**
Financial liabilities at amortized cost		**53,154,760**	**54,086,903**
Deposits and other on-demand liabilities	22	26,062,935	27,653,442
Deposits and other term deposits	22	11,727,741	10,865,148
Liabilities for repurchase agreements and securities lending	22	399,838	141,178
Bank borrowings	22	6,476,339	6,970,837
Debt securities in issue	22	7,542,101	7,428,195
Other financial liabilities	22	945,806	1,028,103
Lease liabilities	17	**160,526**	**173,726**
Regulatory capital financial instruments issued		**1,370,085**	**1,332,936**
Provisions for contingencies	24	**96,810**	**138,610**
Provisions for dividends, payment of interests and revaluation of regulatory capital financial instruments issued	25	**212,937**	**156,117**
Special provisions for credit risks	26	**463,721**	**412,067**
Current taxes	18	**114,502**	**141,535**
Deferred taxes	18	**1960**	**926**
Other liabilities	27	**1,520,192**	**1,364,513**
Liabilities included in disposal groups held for sale	20	**-**	**-**
TOTAL LIABILITIES		**65,168,747**	**64,653,065**
EQUITY			
Share capital	28	**3,862,386**	**3,862,386**
Reserves	28	**(26,517)**	**(23,100)**
Accumulated other comprehensive income	28	**43,700**	**289,255**
Items that will not be reclassified to profit or loss	28	67	-
items that may be reclassified to profit or loss	28	43,633	289,255
Retained earnings from prior years	28	**520,391**	**-**
Profit for the period/year	28	**189,397**	**520,391**
Less: Provisions for dividends, payment of interests and revaluation of regulatory capital financial instruments issued	28	**(212,937)**	**(156,117)**
Owners of the bank:	28	**4,376,420**	**4,492,815**
Non-controlling interests	28	**1,118**	**1,400**
TOTAL LIABILITIES		**4,377,538**	**4,494,215**
TOTAL LIABILITIES AND EQUITY		**69,546,285**	**69,147,280**

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME FOR THE PERIOD
For the periods ended March 31, 2022 and 2021 (Proforma)
(In millions of Chilean pesos - MCh$)

		March 31,	
		2022	2021 (Proforma)
	Note	MCh$	MCh$
Interest income		546,481	398,008
Interest expenses		(168,049)	(66,323)
Net interest income	30	**378,432**	**331,685**
Inflation-indexation income		216,790	115,614
Inflation-indexation expenses		(112,142)	(45,076)
Net inflation-indexation income	31	**104,648**	**70,538**
Fee income		125,593	111,611
Fee expense		(34,300)	(30,549)
Net fee income	32	**91,293**	**81,062**
Finance income for:			
Financial assets and liabilities held for trading		(65,773)	13,721
Financial assets not held for trading mandatorily measured at fair value through profit or loss		-	-
Financial assets and liabilities at fair value through profit or loss		-	-
Income arising from derecognition of financial assets and liabilities measured at amortized cost and financial assets measured at fair value through other comprehensive income		-	-
Foreign currency changes, inflation-indexation and hedge accounting		97,162	(12,325)
Reclassification of financial assets due to change in business model		-	-
Other finance income		-	-
Net finance income	33	**31,389**	**1,396**
Income from investments in companies	34	1,187	91
Income from non-current assets and disposal groups held for sale not admissible as discontinued operations	35	2,698	3,271
Other operating income	36	12,613	5,878
TOTAL OPERATING INCOME		**622,260**	**493,921**
Expenses for employee benefit obligations	37	(147,697)	(128,000)
Administrative expenses	38	(88,033)	(74,690)
Depreciation and amortization	39	(27,946)	(26,300)
Impairment of non-financial assets	40	-	
Other operating expenses	36	(14,194)	(27,528)
TOTAL OPERATING EXPENSES		**(277,870)**	**(256,541)**
OPERATING INCOME BEFORE CREDIT LOSSES		**344,390**	**237,380**
Credit loss expense for:			
Provisions for credit risk of loans and advances to banks and loans and receivables from customers		(91,781)	(43,610)
Special provisions for credit risk		(56,948)	(39,737)
Recovery of written-off credits		18,639	18,069
Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value through other comprehensive income		(8,410)	4,599
Credit loss expense	41	**(138,500)**	**(60,679)**
OPERATING PROFIT	18	**205,890**	**176,701**
Profit from continuing operations before tax		**205,890**	**176,701**
Income tax		(16,458)	(19,408)
Profit from continuing operations after tax		**189,432**	**157,293**
Profit from discontinued operations before tax		**-**	**-**
Discontinued operations tax	42	-	-
Profit from discontinued operations after tax		**-**	**-**
CONSOLIDATED PROFIT FOR THE PERIOD		**189,432**	**157,293**
Attributable to:			
Owners of the Bank		189,397	157,256
Non-controlling interests		35	37
Earnings per share:			
Basic earnings		1,331	1,057
Diluted earnings		1,331	1,057

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD
For the periods ended March 31, 2022 and 2021 (Proforma)
(In millions of Chilean pesos - MCh$)

	Note	March 31, 2022 MCh$	2021 (Pro forma) MCh$
CONSOLIDATED PROFIT FOR THE PERIOD	24	**189,432**	**157,293**
Other comprehensive income from the year of:			
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Remeasurements of defined benefit liability (asset) and actuarial results for other employee benefit plans	24	-	-
Changes in fair value of equity instruments at fair value through other comprehensive income		67	-
Movements in fair value of financial liabilities at fair value through profit or loss attributable to changes in the credit risk of the financial liability	24	-	-
Others		-	-
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME BEFORE TAX		**67**	**-**
Income tax on other comprehensive income that will not be reclassified to profit or loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX		**67**	**-**
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Changes in fair value of financial assets at fair value through other comprehensive income	24	5,126	(89,043)
Translation differences for foreign operations	24	(161,044)	14,829
Hedge of net investments in foreign operations	24	-	-
Cash flow hedges	24	(121,612)	69,418
Undesignated items of accounting hedge instruments	24	-	-
Others		(317)	(25)
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX	**24**	**(277,847)**	**(4,821)**
Income tax on other comprehensive income that may be reclassified to profit or loss		31,908	(2,705)
TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX	**24**	**(245,939)**	**(7,526)**
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**24**	**(245,872)**	**(7,526)**
COMPREHENSIVE INCOME FOR THE CONSOLIDATED PERIOD	24	**(56,440)**	**149,767**
Attributable to:			
Owners of the Bank		(56,158)	149,756
Non-controlling interests		(282)	11

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the periods ended March 31, 2022 and 2021 (Proforma)
(In millions of Chilean pesos - MCh$)

	Equity attributable to owners													
			Accumulated other comprehensive income						Retained earnings					
	Share capital	Reserves	Net changes in fair value of equity instruments at fair value through other comprehensive income	Changes in fair value of financial assets at fair value through other comprehensive income	Translation differences for foreign operations	Cash flow hedges	Income tax	Total	Retained earnings	Profit for the year / period	Provision for minimum dividends	Total	Non-controlling interests	Total equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Closing balance as of December 31, 2020	3,655,827	109	-	77,966	79,986	(176,292)	40,562	22,222	(6,758)	317,454	(95,236)	215,460	1,085	3,894,704
Effects of changes in accounting policies	-	(23,210)	-	13,593	-	-	2,356	15,948	-	-	-	-	-	(7,261)
Opening balances as of January 1, 2021 (Proforma)	**3,655,827**	**(23,100)**	**-**	**91,559**	**79,986**	**(176,292)**	**42,918**	**38,171**	**(6,758)**	**317,454**	**(95,236)**	**215,460**	**1,085**	**3,887,443**
Transfer to retained earnings	-	-	-	-	-	-	-	-	317,454	(317,454)	-	-	-	-
Additions to share capital for capitalization without issuance of fully paid ordinary shares	206,559	-	-	-	-	-	-	-	(206,559)	-	-	(206,559)	-	-
Payment of ordinary share dividends	-	-	-	-	-	-	-	-	(104,138)	-	95,236	(8,901)	-	(8,901)
Provision for payment of ordinary share dividends	-	-	-	-	-	-	-	-	-	-	(156,117)	(156,117)	-	(156,117)
Subtotal of transactions with the owners in the period	**3,862,386**	**(23,100)**	**-**	**91,559**	**79,986**	**(176,292)**	**42,918**	**38,171**	**-**	**-**	**(156,117)**	**(156,117)**	**1,085**	**3,722,424**
Profit for the year	-	-	-	-	-	-	-	-	-	520,391	-	520,391	161	520,552
Other comprehensive income for the period	-	-		(350,103)	325,380	353,329	(77,521)	251,084	-	-	-	-	154	251,239
Subtotal comprehensive income for the period	**-**	**-**	**-**	**(350,103)**	**325,380**	**353,329**	**(77,521)**	**251,084**	**-**	**520,391**	**-**	**520,391**	**315**	**771,791**
Closing balance as of December 31, 2021 (Proforma)	**3,862,386**	**(23,100)**		**(258,544)**	**405,365**	**177,038**	**(34,604)**	**289,255**	**-**	**520,391**	**(156,117)**	**364,274**	**1,400**	**4,494,215**
Opening balances as of January 1, 2022	**3,862,386**	**(23,100)**	**-**	**(258,544)**	**405,365**	**177,038**	**(34,604)**	**289,255**	**-**	**520,391**	**(156,117)**	**364,274**	**1,400**	**4,494,215**
Transfer to retained earnings	-	-	-	-	-	-	-	-	520,391	(520,391)	-	-	-	-
Other equity movements	-	(3,417)	-	-	-	-	-	-	-	-	-	-	-	(3,417)
Provision for payment of ordinary share dividends	-	-	-	-	-	-	-	-	-	-	(56,820)	(56,820)	-	(56,820)
Subtotal of transactions with the owners in the period	**3,862,386**	**(26,517)**		**(258,544)**	**405,365**	**177,038**	**(34,604)**	**289,255**	**520,391**	**-**	**(212,937)**	**307,454**	**1,400**	**4,433,977**
Profit for the period	-	-	-	-	-	-	-	-	-	189,397		189,397	35	189,432
Other comprehensive income for the period	-	-	67	5,126	(161,044)	(121,612)	31,908	(245,555)	-	-	-	-	(317)	(245,872)
Subtotal comprehensive income for the period	**-**	**-**	**67**	**5,126**	**(161,044)**	**(121,612)**	**31,908**	**(245,555)**	**-**	**189,397**	**-**	**189,397**	**(282)**	**(56,440)**
Closing balance as of March 31, 2022	**3,862,386**	**(26,517)**	**67**	**(253,418)**	**244,321**	**55,426**	**(2,696)**	**43,700**	**520,391**	**189,397**	**(212,937)**	**496,851**	**1,118**	**4,377,538**

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended March 31, 2022 and 2021 (Proforma)
(In millions of Chilean pesos - MCh$)

	Note	March 31, 2022 MCh$	March 31, 2021 MCh$
A) CASH FLOWS FROM OPERATING ACTIVITIES			
CONSOLIDATED PROFIT BEFORE TAX FOR THE PERIOD		205,890	176,701
Debit (credit) to profit or loss that do not represent movements in cash flows			
Depreciation and amortization	39	27,946	26,300
Impairment of non-financial assets		-	
Provisions for credit risk		148,729	83,347
Adjustment to market value of financial instruments		20,990	22,198
Net loss on investment in companies	34	(1,186)	(93)
Net loss on sale of assets received in payment	35	-	(296)
Net gain on sale of property and equipment	35	(101)	(1,033)
Net loss on sale of property and equipment	35	7	-
Write-off of assets received in payment	35	-	135
Net interest income	30	(378,432)	(331,685)
Net inflation-indexation income	31	(104,648)	(70,538)
Net fee income	32	(91,293)	(81,062)
Other debit (credit) that do not represent movements in cash flows		(58,212)	(60,381)
Changes due to increases/decreases in operating assets and liabilities:			
(Increase) decrease in loans and advances to banks		40,773	(82,478)
(Increase) decrease in loans and receivables from customers		53,566	(303,296)
(Increase) decrease in financial investments		304,258	912,591
Increase (decrease) in other on-demand liabilities		(1,591,162)	1,461,383
Increase (decrease) in repurchase agreements and securities lending		214,188	(190,028)
Increase (decrease) in deposits and other term deposits		926,296	(1,190,223)
Increase (decrease) in bank borrowings		(149,978)	138,343
Increase (decrease) in other financial liabilities		(82,040)	(51,322)
Loans from the Central Bank of Chile (long-term)		-	118,946
Repayment of loans from the Central Bank of Chile (long term)		(28,580)	-
Long-term foreign loans		-	1,028,563
Repayment of long-term foreign loans		(315,870)	(1,111,380)
Income tax		(16,457)	-
Interest and inflation-indexation received		763,271	513,622
Interest and inflation-indexation paid		(280,191)	(111,399)
Fees received	32	125,594	111,611
Fees paid	32	(34,300)	(30,549)
Total net cash used in (from) operating activities		(300,942)	978,000
B) CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments in companies		-	(354)
Sale of investments in companies		-	-
Dividends received from investments in companies		-	(40)
Acquisition of property and equipment	16	(4,232)	(2,765)
Sale of property and equipment		11	402
Acquisition of intangible assets	15	(12,843)	(7,906)
Sale of intangible assets		-	-
Sale of goods received in payment or awarded		(765)	2,194
Net (increase) decrease in other assets and liabilities		(35,384)	11,306
Total net cash used in (from) investing activities		(53,213)	2,837

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the periods ended March 31, 2022 and 2021 (Proforma)
(In millions of Chilean pesos - MCh$)

	Note	March 31, 2022 M$	March 31, 2021 M$
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Attributable to interest of the owners:			
Issue of letters of credit		-	-
Redemption and payment of interest / principal of letters of credit		(719)	(852)
Issuance of current bonds		364,308	342,715
Redemption and payment of interest / principal of current bonds		(152,981)	(25,476)
Issue of mortgage bonds		-	-
Redemption and payment of interest / principal of mortgage bonds		-	-
Payment of interest / principal of lease liabilities		(783)	(792)
Issue of subordinated bonds		-	-
Payment of interest and principal of subordinated bonds		(12,116)	(49,079)
Issue of bonds with no fixed maturity date		-	-
Redemption and payment of interest on bonds with no fixed maturity date		-	-
Issue of preferred shares		-	-
Redemption of preference shares and payment of preference share dividends		-	-
Increase in share capital for the issuance of ordinary shares		1,164	-
Payment of ordinary shares dividends		-	-
Attributable to non-controlling interests:			
Dividend payment and/or withdrawals of share capital related to subsidiaries corresponding to non-controlling interest		-	-
Total net cash from financing activities		198,873	266,516
NET INCREASE IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		946,669	1,747,066
EFFECT OF EXCHANGE RATE FLUCTUATIONS		(1,101,951)	(499,713)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		6,820,120	5,414,980
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6	6,664,838	6,662,333

The accompanying notes Nos. 1 to 49 are an integral part of these Interim Consolidated Financial Statements

NOTE 1 – REPORTING ENTITY

a) The Bank

Banco de Crédito e Inversiones or BCI (hereinafter "the Bank") is a company incorporated in Chile, regulated by the Financial Market Commission, hereinafter the "CMF", in accordance with the amendments to the General Banking Law under Law No. 21.130, which defines this commission as regulatory entity from June 1, 2019 (Official Gazette Publication No. 42.343 of Thursday, May 2, 2019). Its registered office is at Avenida El Golf 125, in the municipality of Las Condes. The Interim Consolidated Financial Statements as of March 31, 2022 and December 31, 2021 (Proforma), and for the periods ended March 31, 2022 and 2021 (Proforma), include the Bank and its subsidiaries detailed in the following paragraph, as well as the Miami Branch. The Bank is involved in all the businesses and operations that the General Banking Law allows it, as personal, corporate and real estate banking, large and medium-sized companies banking, private banking and asset management services.

NOTE 2 – BASIS OF ACCOUNTING

a) Basis of preparation of the financial statements

These Interim Consolidated Financial Statements have been prepared in accordance with the Compendium of Accounting Standards for Banks (CNCB) and instructions issued by the Financial Market Commission (hereinafter "CMF"), a regulatory body that in accordance with Law No. 21.000 that " Creates the Financial Market Commission", provides in number 6 of article 5 that the Financial Market Commission may "set the standards for the preparation and presentation of the annual reports, balance sheets, statements of financial position and other financial statements of the regulated entities and determine the principles to which they must keep their accounting and in everything that is not treated by it if it does not contradict their instructions, they must adhere to the generally accepted accounting policies, which correspond to the technical standards issued by Colegio de Contadores de Chile AG, matching the International Financial Reporting Standards (IFRS) agreed upon by the International Accounting Standards Board (IASB). In case of discrepancies between the accounting principles and the accounting policies issued by the CMF in its Compendium of Accounting Standards for Banks and Instructions, the latter will prevail.

The notes to the Interim Consolidated Financial Statements contain additional information to that presented in the Interim Consolidated Statements of Financial Position, the Interim Consolidated Statements of Income for the Period, the Interim Consolidated Statements of Other Comprehensive Income for the Period, the Interim Consolidated Statements of Changes in Equity and the Interim Consolidated Statements of Cash Flows.

The Interim Consolidated Financial Statements for the period ended March 31, 2022, have been the first prepared according to the new version of the Compendium of Accounting Standards for Banks. This regulation incorporates the following relevant aspects:

The changes are due to a greater convergence of IFRS, as well as an improvement in the disclosures of financial information.

In addition, improvements are included to matters associated with Basel III that will facilitate its full implementation.

Note 4 of "Accounting changes" details the main amendments of this new Compendium of Accounting Standards for Banks, as well as a reconciliation according to the balances of the Interim Consolidated Statements of Financial Position at the beginning and end of the year ended December 31, 2021.

b) Controlled entities (subsidiaries)

The Interim Consolidated Financial Statements as of March 31, 2022 and December 31, 2021 (Proforma), and for the periods ended March 31, 2022 and 2021 (Proforma) include the financial statements of the Bank and the controlled companies (subsidiaries). Control is obtained when the Bank is exposed, or has the right, to variable returns from its involvement with the investee and has the ability to influence those returns through its power over the investee.

Specifically, the Bank controls an investee only if it meets the following elements:

I. Power over the investee (that is, it has rights that give it the current ability to direct the relevant activities of the investee);
II. exposure, or right, to variable returns from its involvement with the investee; and
III. ability to use its power over the investee to influence the amount of the investor's returns.

When the Bank has less than the majority of the voting rights over an investee; but such voting rights are sufficient to have the practical ability to direct the relevant activities unilaterally, then it will be concluded that said entity has control. The Bank considers all relevant factors and circumstances in assessing whether the voting rights are sufficient to obtain control, these include:

- The size of the Bank's voting rights relative to the size and dispersion of holdings of the other vote holders.
- The potential voting rights held by the investor, other vote holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate the investor has, or does not have, the current ability to direct the relevant activities at the time those decisions need to be made, including voting patterns at previous shareholders' meetings.

The Bank reassesses whether or not it has control over an investee when the facts or circumstances indicate that there are changes in one or more of the control elements listed above.

Loss of control generates a derecognition of the assets and liabilities of the former subsidiary in the Interim Consolidated Statements of Financial Position and the recognition of the loss or gain associated with the loss of control.

The Interim Consolidated Financial Statements consider the separate (stand-alone) financial statements of the Bank and of the companies included in the consolidation, and include the necessary adjustments and reclassifications to standardize the accounting policies and valuation criteria applied by the Bank, together with the elimination of all balances and transactions between the consolidated companies.

Additionally, the participation of third parties in the equity of the consolidated Bank is presented as "Non-controlling interest" in the Interim Consolidated Statements of Financial Position. Their share of profits for the period is presented as "Profit attributable to non-controlling interest" in the Interim Consolidated Statements of Income for the Period.

The following table shows the composition of the entities over which the Bank has the ability to exercise control, therefore, they are part of the scope of consolidation:

Entities controlled by the Bank:

Entity	Interest %			
	Direct		Indirect	
	2022 %	2021 %	2022 %	2021 %
BCI Asset Management Administradora General de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group, INC. and Subsidiaries	100.00	100.00	-	-
Servicios Financieros y Administración de Créditos Comerciales S.A.	99.98	99.98	0.02	0.02
Administradora de Tarjetas Servicios Financieros Limitada.	99.99	99.99	0.01	0.01
SSFF Corredores de Seguros y Gestión Financiera Limitada.	99.00	99.00	1.00	1.00
Servicios y Cobranzas SEYCO Limitada.	99.00	99.00	1.00	1.00

The lines of business of the entities controlled by the Bank are as follows:

BCI Asset Management Administradora de Fondos SA, incorporated via public deed dated January 7, 1988. Its line of business is the management all types of mutual funds, investment funds and individual portfolios regulated by Law 20.712, including the development of plans voluntary pension savings and collective voluntary pension savings, other supplementary activities authorized by the CMF through Circular No. 1.566 of 2001, and the administration of third-party investment funds and portfolios, authorized by Circular No. 1.897 of 2008.
BCI Asesoría Financiera SA, was incorporated as a closely held shareholder's corporation via public deed dated October 23, 1992. Its line of business is the provision of advisory on the study, analysis, evaluation and search for alternative sources of financing, the restructuring of liabilities, the negotiations to acquire, capitalize, sell or merge companies, the issuance and placement of bonds and debentures, and the placement of funds in the capital market.

BCI Corredor de Bolsa SA, was incorporated via public deed dated July 24, 1987. Its line of business is the intermediation and brokerage of securities, and in general all those activities permitted by law in its capacity as stockbroker.

BCI Corredores de Seguros SA, was incorporated via public deed dated January 15, 1997. Its line of business is the remunerated brokerage of general and life insurance contracts with any insurance company located in the country, and the provision of advice and services related to contracting insurance policies.

BCI Factoring SA, was incorporated via public deed dated December 13, 1994. Its lines of business is the provision of all types of factoring services, being able to purchase and discount documents, bills of exchange and, in general, develop and exploit the factoring business, under its different forms and types, invest, reinvest and acquire quotas, shares or rights, in all types of movable, tangible or intangible property, real estate and in companies, whether civil, commercial, communities or absorptions and in all class of titles or transferable securities, manage and exploit said goods in any capacity and receive their benefits.

BCI Securitizadora SA, was incorporated as a shareholders' corporation, as stated in a public deed dated March 1, 2001. Its line of business is the acquisition of credits referred to in Article No. 135 of Law No. 18.045 or the regulations that substitute, replace or complement it, and the issuance of debt securities, short or long term, originating for each issue, the formation of equity separate from the common equity of the company, which is under the supervision of the Financial Market Commission.

Banco de Crédito e Inversiones Sucursal Miami., is a branch of Banco de Crédito e Inversiones, incorporated in the state of Florida in the United States of America. The company was initially authorized to operate as an international banking agency by the Department of Banking and Finance of the State of Florida on May 10, 1999. The Branch is not a separate legal entity, it conducts banking activities that provide a full range of banking services to national and foreign individuals and legal entities, mainly from Latin America.

Servicio de Normalización y Cobranza, Normaliza SA, is a closely held shareholder's corporation, incorporated via public deed dated June 8, 1990 and its line of business is the provision of out-of-court collection services, on its own or on behalf of third parties, of any document representing liabilities, as well as the background check of natural persons or legal entities and the delivery of commercial reports and any other business that the partners agree to perform.

BCI Securities INC., a subsidiary incorporated in the state of Florida in the United States on July 6, 2011. The company's line of business is the purchase and sale of shares, mutual funds, corporate debt, United States government bonds, sovereign debt and call and put options for its clients residing primarily in South America. The Company may establish network agreements with banks, savings banks or savings and credit cooperatives. This investment was authorized by the Financial Market Commission on January 10, 2013, and by the Central Bank of Chile on February 21, 2013. It began operations on March 1, 2016.

BCI Corredores de Bolsa de Productos SA, was incorporated via public deed on April 16, 2015. The company's primary purpose is the intermediation of agricultural products, understanding as such, what is stated in articles 4th and 5th of Law No. 19 .920, in his capacity as a stockbroker of agricultural products, including the purchase or sale of products on the stock market on its own with the intention of transferring rights over them and the supplementary activities authorized by the Financial Market Commission, for which it may perform all acts and enter into all contracts and transactions typical of brokers of agricultural products, in accordance with the current regulations or those that will be put into force in the future.

BCI Financial Group, INC. and Subsidiaries, parent company of City NationalBank(CNB), acquired in 2015. CNB is a financial institution incorporated in 1946 based on the city of Miami, which offers a wide range of financial products, including real estate, commercial and retail banking to more than 22,000 customers, with 26 branches distributed in four Florida counties. Also, during 2017, the Financial Market Commission approved the lease transaction operations through a new subsidiary of CNB on March 10, 2017 through letter No. 02751 issued by this regulatory body. The new subsidiary of CNB is a corporation that started operations on June 28, 2017 under the business name City National Capital Finance, Inc. (CNCF). On August 1, 2018, the subsidiary City National Capital Finance, Inc. (CNCF) changed its business name to BCI CAPITAL, INC.

Servicios Financieros y Administración de Créditos Comerciales SA, acquired in December 2018**,** was incorporated as a limited liability company via public deed dated November 4, 1997, and has been subject to various modifications. Its current line of business is /i/ the issuance of credit cards and the performance of activities complementary to said specific line of business authorized by the Financial Market Commission, or the body that succeeds it in its attributions and competences, by means of a general standard to credit card issuers, and /ii/ the granting of general loans as a subsidiary of a bank.

Administradora de Tarjeta Servicios Financieros Limitada, acquired in December 2018, was incorporated as a shareholders' corporation via public deed dated August 6, 1998, and has been subject to various modifications. Its current line of business is the provision of services and the development of all type of activities related to the operation of debit, credit and payment cards with provision of funds, issued in accordance with the Compendium of Financial Regulations of the Central Bank of Chile and other applicable regulations, including but not limited to: /i/ the provision of services linked to the physical issuance of credentials or any other material and immaterial support of all types of payment cards; /ii/ the provision, maintenance and administration of computer channels and systems for the issuance and operation and /iii/ all other types of related, supplementary, required or convenient activities for the issuance or operation of payment cards, to the extent that said services and activities do not involve settlement and/or payment of benefits owed to affiliated entities for the use of said instruments.

Servicios y Cobranzas SEYCO Limitada., acquired in December 2018, was incorporated as a limited liability company via public deed dated March 31, 2010, and has been subject to various modifications.

Its current line of business is: /a/ the provision of prejudicial and judicial collection services regarding all types of payment obligations, whatever their cause or origin; /b/ the provision of collection and payment services in general, including, but not limited to, the collection and payment on behalf of third parties of the payment of all types of accounts and obligations; /c/ the provision of custody services for all types of documents and administrative procedures in general; / d / the provision of marketing services, programming or execution of campaigns, preparation of databases, in all its forms and by all existing means or that in the future will be created for that purpose, all insofar as it is conducive , necessary or recommended for the proper provision of credit collection services; /e/ the provision of services for the collection, storage, custody, administration, processing, studies and analysis of data, background and/or information of any type that is related, comes from, has been provided or is necessary for the development of the services of credit collection, whatever the element or support material of the same, and /f/ acquire or acquire interest in other companies, subject to the requirements and limitations established in the current regulations.

All the activities outlined in the line of business may be performed by the company, by itself or through third parties, by contracting or subcontracting them. For the fulfillment of its purpose, the company may execute all the necessary contracts for the indicated purposes or for the development of its business.

SSFF Corredores de Seguros y Gestión Financiera Limitada ., acquired in December 2018, was incorporated as a limited liability company via public deed dated November 17, 2004, and has been subject to various modifications. Its current line of business is /a/ the remunerated intermediation of general and life insurance policies with any national insurance company based in the country and the advisory services inherent to this type of contract with respect to all types of natural persons and legal entities. Notwithstanding the foregoing, the company may perform activities such as home assistance, route and travel assistance, legal and medical assistance, extended warranty regarding goods and services sold or provided by third parties and of a similar nature; /b/ provide pension advisory service, in accordance with the provisions of Decree Law No.3.500, subject to the provisions of article 70 bis of the General Banking Law, or the one that succeeds or replaces it. For the fulfillment of its purpose, the company may execute all the necessary contracts for the indicated purposes, the development of its business or trade or the investment of the funds available to the company.

Banco BCI Perú SA, was incorporated via public deed dated September 14, 2021 in the Republic of Peru and registered with the Registry of Legal Entities of Lima and Callao on September 28, 2021. Likewise, on August 20 2021, the Superintendence of Banking, Insurance and Pension Fund Administrators through SBS Resolution No. 02454-2021 authorized the incorporation of the banking company called Banco BCI Perú and indicated that for the authorization of operation, the deadlines of the law must be complied with and the requirements established in the Regulations for the Authorization of Companies and Representatives of the Financial and Insurance Systems and the other requirements established by the Superintendence.

The line of business of Banco BCI Perú will be operating as a bank in accordance with the provisions of the General Laws of the Financial System (LGSF) and other applicable regulations.

The Bank may carry out all operations and provide all services through the corresponding modalities and forms that are applicable, as established in the legal provisions that regulate banking companies in Peru.

In particular and without this reference being limiting, it may carry out the operations and provide the services indicated in articles 221 and 283 of the LGSF, as well as in the amending or substituting provisions of said rule. Likewise, it may perform all those operations and services authorized or that may be developed according to its uses, practices and customs that are applicable to banking companies in Peru, including operations of derivative financial products for hedging and/or negotiation purposes, with the prior authorization of the Superintendence of Banking, Insurance and Pension Fund Administrators (SBS).

Additionally, the Bank may enter into other acts and supplementary and related contracts related to the operations it enters into or in which it participates, as well as all acts and contracts that are required for its proper functioning and operation.

i. Entities consolidated by the Bank through other considerations:

Despite not holding the majority of the voting rights and/or not having any interest, the following companies have been consolidated on the basis that the Bank, directly or through some of its subsidiaries, has some type of influence over them:

	Interest %			
	Direct		Indirect	
Entity	2022	2021	2022	2021

	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Fondo de Inversión Privado BCI LMV II (2)	100.00	100.00	-	-
Incentivos y Promociones Limitada (3)	EE	EE	EE	EE

(1) Fund in which the subsidiary BCI Asset Management Administradora General de Fondos SA has influence and/or control.
(2) Fund that has been organized and constituted by the subsidiary BCI Asset Management Administradora General de Fondos SA, which manages it in its entirety.
(3) Structured Entity (EE) in charge of promoting credit and debit card products. The Bank has no interest in said company and does not exercise control; however, its revenue depends on the Bank.

c) Associates and joint arrangements

Associates are those entities in which the Bank has significant influence, but no control. Significant influence is the power to participate in financial and operating policy decisions, but not control or joint control over those policies.
A joint arrangement is an arrangement in which there is joint control, which exists only when the strategic decisions of the activities, both financial and operating, require the unanimous consent of the parties sharing control. Investments in joint arrangements may be classified as a business or as a joint operation.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the assets, and obligations for the liabilities, related to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. participants in a joint venture) have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost, and their carrying amount is increased or decreased to recognize the corresponding share of profit or loss for the period and in comprehensive income. The dividends received are recognized by reducing the investment.

If the acquisition cost is less than the fair value of the net assets of the acquired associate, the difference is recognized directly in profit or loss and is presented under Other Gains (Losses). Investments in associates and joint ventures are presented in the Interim Consolidated Statements of Financial Position under the item "Equity-accounted investees". Only if the investor has incurred legal or constructive obligations, or has made payments on behalf of the associate or the joint venture, should recognize a liability, otherwise, leaving the investment at zero until the moment it generates profits that reverse the negative equity generated previously as a result of the losses generated. Otherwise, a liability is not recognized, but the investment is also left at zero.

The following entities are considered "Associates":

Company	Interest %	
	2022 %	2021 %
Centro de Compensación Automatizado S.A.	33.33	33.33
AFT SA	20.00	20.00
Nexus SA	14.81	14.81
Redbanc SA	12.71	12.71
Servicio de Infraestructura de Mercado OTC S.A.	13.61	13.61
Combanc S.A.	11.74	11.74
Transbank SA (**)	10.54	8.72
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Pagos y Servicios S.A (*)	49.00	49.00

(*) During 2021, capital increases of Ch$872 million were made on May 5 and Ch$1,744 million on August 30.
(**) On November 10, 2021, 151 shares were purchased from Banco Scotiabank Chile for an amount of Ch$101 million as a result of the review of the shareholding structure.
The following entities are considered "Joint Ventures":

Company	Interest %	
	2022 %	2021 %
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00

For companies in which they have less than 20% interest, the Bank appoints a director on the board of such companies, which is why Management has concluded that it has significant influence over them.

d) Equity instruments for minority investments in companies

This caption includes those entities in which the Bank has no control or significant influence. Includes minority permanent investments in companies in the country and abroad that are recorded and presented subsequent to the initial recognition at fair value, with the variations recognized in Other Comprehensive Income in accordance with IFRS 9.

As of March 31, 2022 and December 31, 2021, the Bank presents shares in BLADEX.

Additionally, the Bank presents other equity instruments for minority investments at their acquisition cost less any impairment in accordance with IFRS 9, considering that the cost is a reasonable approximation of the fair value.

As of March 31, 2022 and December 31, 2021, the Bank presents the following investments in other companies: SWIFT shares, and other shares.

e) Basis of consolidation

These Interim Consolidated Financial Statementscomprise the Financial Statements of the Bank and subsidiaries as of March 31, 2022 and December 31, 2021 (Proforma), and for the periods ended March 31, 2022 and 2021 (Proforma).

The Financial Statements of the subsidiaries (including the structured entity controlled by the Bank) have been standardized in accordance with the standards established in the Compendium of Accounting Standards and Instructions issued by the CMF.

The uniformity of accounting policies also includes investments recognized under the equity method.

Intra-group balances and unrealized gains or losses arising from intra-group transactions between entities included in the consolidation are eliminated during the preparation of these Interim Consolidated Financial StatementsUnrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Bank's interest in these companies.
The translation of the financial statements of the companies with a functional currency other than the Chilean peso is performed as follows:

a. Assets and liabilities, using the exchange rate effective at the reporting date.
b. Items in the statements of income and comprehensive income, using the average monthly exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the exchange rates existing on the dates of the transactions, in which case the exchange rate at the date of each transaction is used).
c. The equity is maintained at the historical exchange rate at the date of its acquisition or approval, and the retained earnings according to letter b above.
d. The exchange differences arising from the translation of the financial statements are recorded in the caption "Profit (loss) on accumulated adjustment for translation difference" in the Interim Consolidated Statements of Other Comprehensive Income for the Period.
e. Non-controlling interest

The non-controlling interest represents the portion of gains or losses and net assets, of which, directly or indirectly, the Bank does not own. The non - controlling interest is presented separately in the Interim Consolidated Statements of Income for the Period, Interim Consolidated Statements of Other Comprehensive Income for the Periodand the Interim Consolidated Statements of Financial Position

f. Functional currency

The Bank has determined the Chilean Peso (Ch$) as its functional and presentation currency, as well as all the Group entities, except for the subsidiaries BCI Financial Group, INC. and Subsidiaries and BCI Securities INC., which have determined the US dollar as their functional currency.

All information presented in Chilean pesos has been rounded to the nearest million.

g. Foreign currency transactions

Balances and transactions in currencies other than the Chilean peso are considered "foreign currency". Transactions carried out by each entity in a currency other than its functional currency are recorded at the exchange rates at the dates of the transactions. During the period, differences between the exchange rate accounted for and that effective at the following collection or payment date are recognized as exchange differences in the Interim Consolidated Statements of Income for the Period.

Exchange differences arising when translating the balances in foreign currency to the functional currency are recorded under "Net exchange gain (loss)" in the Interim Consolidated Statements of Income for the Period.

As of March 31, 2022 and 2021 and December 31, 2021, the Bank's foreign currency assets and liabilities are presented at their equivalent value in Chilean pesos, calculated at the exchange rate of Ch$784.30 as of March 31, 2022 and $854.4 as of December 31, 2021.

h. Business segments

The Bank's business segments are determined based on the different business units, considering the following:

(i) That it engages in business activities from which it may earn revenue and incur expenses (including transactions with other components of the same entity);

(ii) whose operating income (loss) is reviewed on a regular basis by the unit's highest authority in making operating decisions, to decide on the resources that should be assigned to the segment and evaluate its performance; and

(iii) in relation to which differentiated financial information is available.

These business units deliver products and services subject to different risks and returns and, therefore, the Bank's key decision-making bodies evaluate their performance separately.

i. Classification and measurement of financial instruments

Financial instruments are classified and measured in accordance with International Financial Reporting Standard 9 (IFRS 9) – Financial Instruments, which established a guide for financial information on financial assets and financial liabilities that will present relevant and useful information to users of the financial statements for its evaluation of the amounts, timing and uncertainty of an entity's future cash flows.

j. Classification of financial assets

Financial assets are classified into a measurement category based on both the Bank's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

The evaluation of the contractual cash flows determines if the cash flows of the financial asset meet the SPPI criterion (solely payments of principal and interests), i.e., if the contractual terms of the financial asset generate, on specific dates, cash flows. of cash that are solely payments of principal and interest. Principal is the fair value of financial assets at initial recognition, and interest is consideration for the time value of money, the credit risk associated with the outstanding principal, and may also include liquidity risk, administrative expenses and profit margin.

For the classification process, the Bank performs the SPPI test, which assesses the contractual term to identify if it meets the SPPI criteria, i.e., the contract is a basic lending arrangement. The Bank applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set.
The business model refers to how the Bank manages its financial assets in order to generate cash flows. The Bank determined its business model in the initial application of IFRS 9 at the level that best reflects how it manages the groups of financial assets to achieve its business objective.
The Banks' business model is not assessed instrument by instrument, but at a higher level of aggregate portfolio and is based on observable factors such as: the performance of financial assets, the risk that affects performance and the expected frequency, value and time of sales.

In accordance with IFRS 9, the business models are:

a) Holding assets to collect contractual cash flows: Financial assets held in the business model whose objective is to hold assets to collect contractual cash flows are managed to produce cash flows by collecting contractual payments over the life of the instrument. The business model may be to hold assets to collect cash flows, even if the entity sells financial assets whether there has been an increase in the assets' credit risk; and for sales made to manage credit concentration risk.
b) Holding assets to collect contractual cash flows and sell financial assets: Financial assets under this business model achieve the objective by collecting contractual cash flows and selling financial assets, which implies a higher frequency and value of sales than the previous business model.
c) Other business models: the financial assets held in this business are intended to generate cash flows through the sale of the assets. The Bank makes decisions based on the fair values of the assets and manages the assets to realize those fair values.

ii. Classification of financial liabilities

The Bank classifies all financial liabilities as subsequently measured at amortized cost, except for derivatives that are liabilities, which are measured at fair value through profit or loss.

iii. Reclassification

The reclassification of financial assets is required when, and only when, the objective of the Bank's business model to manage these financial assets changes. Financial liabilities cannot be reclassified.

IV. Initial Measurement

At initial recognition, financial assets and financial liabilities are measured at the transaction price, i.e., the fair value of the consideration given or received (IFRS 13). In the case of financial instruments that are not at fair value through profit or loss, transaction costs are directly attributable to the acquisition or issue of the financial asset or financial liability.

v. Subsequent measurement of financial assets

After initial recognition, the Bank shall measure a financial asset at:

a) Financial assets at amortized cost (CA)

Financial assets that are held in a business model to collect contractual cash flows and contain contractual terms that give rise to cash flows that are SPPI on specific dates, are measured at amortized cost.

The effective interest method is used in calculating the amortized cost of a financial asset or financial liability and in allocating and recognizing interest income or interest expense in profit or loss during the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts through the expected useful life of the financial asset or financial liability to the gross carrying amount of a financial asset or the amortized cost of a financial liability.

The caption financial assets at amortized cost presents the following:

- Rights for repurchase agreements and securities lending
- Debt financial instruments
- Loans and advances to banks
- Loans and receivables from customers

b) Financial assets at fair value through other comprehensive income (FVOCI)

- Debt financial instruments

Financial assets that are debt instruments held in a business model that is achieved through collection of contractual cash flows and sale, and that contain contractual terms that give rise to cash flows that are SPPI on specific dates, are measured at FVOCI. Subsequently, they are remeasured at fair value and changes in them (except those related to impairment, interest income and foreign currency gains and losses) are recognized in other comprehensive income, until the assets are sold. At the time of disposal, the accumulated gains and losses in OCI are recognized in the statements of income.

- Equity financial instruments

  For certain equity instruments, the Bank may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of the instrument, except for dividend income that is recognized in profit or loss. Gains or losses on the derecognition of these equity instruments are not transferred to profit or loss.

c) Financial asset held for trading at fair value through profit or loss (FVPL)

Includes financial assets whose business model aims at generating benefits through purchases and sales or generate short-term profit or loss. Financial assets that do not contain contractual terms that give rise to cash flows that are SPPI on specific dates, or if the financial assets, is not held in a business model that is (i) a business to collect the contractual cash flows or (ii) a business model that is achieved by collecting the contractual cash flows and selling them.

Gains and losses are recognized in the statement of income under financial income for financial assets held for trading at fair value.

- Derivative financial instruments

Derivative financial instruments are also classified under financial assets at fair value through profit or loss, which include foreign currency forwards and Unidades de Fomento, interest rate futures, currency and interest rate swaps, currency options and interest rate and other derivative financial instruments, are initially recognized in the Consolidated Statements of Financial Position at their fair value (including transaction costs), except for those classified as level 3 of the hierarchy (when applicable), and subsequently measured at its fair value. The fair value is obtained from market quotations, cash flow discount models and option valuation models, as appropriate. Derivative contracts are reported as an asset when their fair value is positive and as a liability when it is negative, in the line "Financial derivative contracts" under the caption Financial assets held for trading at fair value through profit or loss.

The purpose of the credit valuation adjustment (CVA) is to determine the expected losses due to counterparty risk in OTC derivative contracts. The CVA of a derivative is defined as the difference between the value of the derivative free of counterparty risk (equivalent to the original derivative but without risk of default by any of the parties) and the value of the risky derivative (which corresponds to the original derivative, which has an inherent risk) that considers the possibility of default by the counterparty. In this way, the CVA of a client can be obtained from the expected exposure (EE) due to counterparty risk (how much is expected to lose) and the expected loss rate (EP) associated with the default of the counterparty.

The valuation adjustment due to the existence of the bid-offer spread in the financial instrument markets that is applied to all financial instruments that are recognized at their market value both under normal market conditions and under financial stress conditions, is based on the best practices, the recommendations of the Basel Committee and the requirements of the CMF and the Central Bank of Chile.

In order to carry out the bid-offer adjustment to the valuation of financial instruments belonging to Banco de Crédito e Inversiones own portfolios, the following methodology was established:

i. Define condition of marketmakers or customer of the Bank

On an annual basis, the condition of the Bank will be redefined to be considered marketmakers (the Bank must be among the 4 main market operators) or clients in each of the financial products that it operates.

This will be done with information from the two main brokers in the national market: Tradition and ICAP.

ii. Condition of marketmakers

For products (markets) where the Bank is considered to be a liquidity provider, they will be valued at midprice and no bid-offer adjustment will be made to their valuation.

iii. Condition of customer

For products (markets) where the Bank is considered that the Bank is a requestor of instruments of a different nature, they will be valued at midprice and the bid-offer adjustment will be made to their valuation or they will be valued at bid if there are liquid peaks.

During the first quarter of 2021, the Bank adopted new adjustments associated with the valuation of derivative instruments, in order to improve these estimates. In this way, an adjustment associated with the FVA (Funding Valuation Adjustment) financing risk was added, which captures the financing differential of unsecured derivatives above the risk-free rate and other technical considerations. The initial effect as of March 31, 2021, of the aforementioned adjustment implied recognizing a net debit to profit or loss for the year of Ch$11,966 million.

vi. Subsequent measurement of financial liabilities

After initial recognition, the Bank will measure a financial liability at amortized cost.

vii. Derecognition of financial assets and liabilities

Financial assets are derecognized when, and only when:

- the contractual rights to the cash flows of the financial asset expire, or

- The Bank transfers substantially all the risks and rewards of ownership of the financial asset, and therefore the Bank derecognizes the financial asset and separately recognizes the rights and obligations created or retained in the transfer.

In some cases, the Bank enters into transactions for which it retains the contractual rights to receive the cash flows of the financial asset, but assumes the contractual obligation to pay the cash flows in an agreement that meets all the required conditions, that is, the Bank only transfers amounts collected from original assets, the sale or pledge of original assets is prohibited, and the Bank is required to remit the cash flows collected without significant delay.

When a financial asset is sold and the Bank agrees to buy it (or an asset that is substantially the same) at a fixed price at a future date, the Bank continues to recognize the financial assets in full in the statements of financial position, because it retains substantially all risks and rewards of ownership. The cash consideration received is recognized as a financial asset, and a financial liability is recognized for the obligation to pay the repurchase price.

Financial liabilities are derecognized when, and only when, they are discharged, canceled or expire.

viii. Impairment of a financial asset according to IFRS 9
As of January 1, 2022, the Bank applied the value impairment requirements for the recognition and measurement of a loss allowance to financial assets according to the model of "expected credit losses" (ECL) to assets financial assets measured at amortized cost and fair value through other comprehensive income (FROCI), excluding loans ("Loans and advances to banks" and "Loans and receivables from customers"), of the caption "Financial assets at amortized cost", or on “Contingent Loans”, since the criteria for these issues are dealt with in accordance with Chapters B-1 on provisions for credit risk and B-3 on contingent loans of the Compendium of Accounting Standards for Banks, respectively.

The new model uses a dual measurement approach, whereby the loss margin is measured as:

- 12-month expected credit losses.
- Lifetime expected credit losses.

The measurement basis depends on whether there has been a significant increase in credit risk since initial recognition. In accordance with changes in credit quality since initial recognition, IFRS 9 describes a “three-stage” impairment model according to the following table:

Change in credit quality since initial recognition		
Stage 1	**Stage 2**	**Stage 3**
Initial recognition	Significant increase in credit risk since initial recognition	Credit-impaired assets
12-month ECL	Lifetime ECL	Lifetime ECL

At the end of each reporting period, the Bank assessed whether the credit risk of financial instruments has increased significantly since initial recognition or whether an asset is considered credit-impaired and, consequently, is classified as a financial instrument at the respective stage:

- Stage 1: Financial assets that have not significantly increased their credit risk with respect to their assessment at origination. 12-month ECL are recognized.

- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for lifetime ECL. Loans in this stage also include facilities, where the credit risk has improved, and the loan has been returned to stage 2.

- Stage 3: Loans considered credit-impaired. The Bank records an allowance for lifetime ECL, setting the provision at 100%.

The Bank considers reasonable and supportable information that is available without undue cost or effort and that may affect the credit risk in a financial instrument, including forward-looking information to determine a significant increase in credit risk since initial recognition. Forward-looking information includes past events, current conditions, and forecast of future economic conditions (macroeconomic data).

Credit risk assessment and forward-looking information (including macroeconomic factors), includes quantitative and qualitative information based on the Bank's historical experience, some examples are:

i. Financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
ii. An actual or expected internal credit rating downgrade for the borrower or a behavioral rating downgrade.
iii. An actual or expected significant change in the operating results of the borrower.
IV. Significant increases in credit risk on other financial instruments of the same borrower.
v. Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.
vi. Reductions in financial support from a parent entity or other affiliate.
vii. Expected changes in loan documentation, including expected breach of contract that may lead to covenant waivers or amendments, interest rate step-ups, requiring additional collateral or guarantees, or other changes in the contractual framework of the instrument.

I. Measurement of expected credit losses

ECLs are a probability-weighted estimate of credit losses, i.e., the present value of all cash shortfalls.

A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The three main components for measuring the ECL are:

PD: The probability of default is an estimate of the likelihood of default over a particular time horizon.

A default can only occur at a certain time during the evaluated period, if the operation has not previously been derecognized and is still in the portfolio.

LGD: The loss given default that arises in the event that a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, even from the realization of any collateral.

EAD: Exposure at default is an estimate of exposure at a future default date, taking into account expected changes in exposure after the reporting date, including repayments of principal and interest, whether contractually scheduled or otherwise, the expected withdrawal of the committed facilities, and accrued interest for late payments.

To measure 12-month and lifetime ECL, cash shortfalls are identified as follows:

- 12-month expected credit losses: the portion of lifetime expected credit losses that represents expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting date.

- Lifetime expected credit losses: the expected credit losses that result from all possible default events during the expected useful life of a financial instrument.

A financial asset is assessed at each reporting date to determine whether there is objective evidence of impairment. Such asset is impaired if there is objective evidence that one or more events have had a future negative effect on the asset.

An impairment loss in respect of financial assets measured at amortized cost is calculated as the difference between the carrying amount of the asset and the present value of the estimated cash flows, discounted at the effective interest rate.

An impairment loss in respect of a financial asset at fair value through other comprehensive income is calculated by reference to its fair value.

All impairment losses are recognized in the Interim Consolidated Statements of Income for the Period. Any accumulated loss in relation to a financial asset at fair value through other comprehensive income previously recognized in equity, is transferred to the Interim Consolidated Statements of Income for the Period.

An impairment loss is reversed only if it can be related objectively to an event occurring after it was recognized. The reversal of an impairment loss cannot exceed the carrying amount that could have been obtained had no impairment loss been recognized for that asset in prior periods. The reversal is recognized in profit or loss for the period, except for financial assets at fair value through other comprehensive income, in which case the accumulated impairment loss recognized in other comprehensive income will be reclassified from equity to profit or loss as a reclassification adjustment, even if the financial asset has not been derecognized.

k. Operations with reverse repurchase, repurchase and securities lending agreements

Reverse repurchase agreement operations are carried out as a form of investment. Under these agreements, financial instruments are purchased, which are included as assets in the caption “Repurchase agreements and securities lending”, which are measured according to the agreed interest rate.

Repurchase agreements are also carried out as a form of financing. In this regard, investments that are sold subject to a repurchase obligation and that serve as collateral for the operation, are part of their respective captions "financial assets at fair value through profit or loss" or "financial assets at fair value through other comprehensive income”.

l. Financial derivative contracts for accounting hedges

The Bank has chosen to continue using the guidelines of IAS 39 for hedge accounting. If the derivative instrument is classified for hedge accounting purposes, it can be: (1) a fair value hedge of existing assets or liabilities or firm commitments, or (2) a cash flow hedge related to existing assets or liabilities or expected transactions. A hedging relationship for hedge accounting purposes shall meet all of the following conditions: (a) at the inception of the hedge, there is formal designation and documentation of the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reasonably measured and (d) the hedge is highly effective relative to the hedged risk on a continuous basis throughout the hedging relationship.

When a derivative hedges the exposure to changes in the fair value of an existing asset or liability, the latter is recognized at its fair value in relation to the specific hedged risk. The gain or loss from remeasuring the fair value, both of the hedged item and of the hedging derivative, are recognized in profit or loss for the period.

If the hedged item in a fair value hedge is a firm commitment, changes in the fair value of the commitment with respect to the hedged risk are recognized as an asset or liability with effect on profit or loss for the period. The gain or loss from remeasuring the hedging instrument at fair value are recognized in profit or loss the period. When an asset or liability is acquired as a result of the commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the cumulative change in the fair value measurement of the firm commitment that was recognized in the Interim Consolidated Statements of Financial Position.

When a derivative hedges the exposure to changes in the cash flows of existing assets or liabilities or expected transactions, the effective portion of the changes in fair value with respect to the hedged risk is recognized in equity. Any ineffective portion is recognized directly in profit or loss for the period.
The amounts recognized directly in equity are accounted for in profit or loss in the same periods in which hedged assets or liabilities affect profit or loss.

When a fair value hedge of interest rates is made for a portfolio and the hedged item is a currency amount rather than individual assets or liabilities, the gains or losses from the fair value measurement of both the hedged portfolio and of the hedging derivative, are recognized with effect to profit or loss for the period, but the measurement at fair value of the hedged portfolio is presented in the Interim Consolidated Statements of Financial Position under the captions "Other assets" or "Other liabilities", depending on the hedged portfolio position at a point in time.

m. Loans and receivables from customers (loans and advances)

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the short term.
Loans and receivables are initially measured at fair value plus direct transaction costs and subsequently measured at amortized cost using the effective interest rate method. These include commercial and foreign trade loans, consumer and mortgage loans, among others.

i. Lease agreements:

Receivables from lease agreements, included in the caption "Loans and receivables from customers", correspond to the periodic rental payments of agreements that meet the requirements to be classified as finance leases and are presented at their present value.

ii. Factoring operations:

The Bank, through its subsidiary BCI Factoring SA, performs operations with its customers, whereby it receives invoices and other commercial papers representing the credit with or without recourse to the transferor, paying the transferor a percentage of the total amounts receivable from the debtor for the transferred documents.

t) Provisions for credit risk of loans and contingent loans

The allowances required to cover the risk of credit losses have been established following the standards and instructions issued by the CMF.

Loans are recorded net of such allowances or showing the deduction. In the case of contingent loans, they are presented as liabilities in the “Allowances” caption.

The Bank and its subsidiaries use models or methods, based on the individual and group analysis of the debtors, which were approved by the Board of Directors, to establish the loan allowances, indicated in the Compendium of Accounting Standards of the Financial Market Commission.

i. Allowances for individual assessment:

The individual assessment of debtors is necessary when dealing with clients that, due to their size, complexity or exposure level, required to be known and analyzed in detail.

Naturally, the analysis of debtors should focus on their capacity and willingness to meet their credit obligations, through sufficient and reliable information, and must also analyze their credits in terms of guarantees, terms, interest rates, currency, adjustability, etc.

For the purpose of establishing the allowance, debtors and their operations related to loans and receivables and contingent loans must be classified in the corresponding categories, with the prior assignment to one of the following three portfolio categories: normal, substandard and non-performing.

- Regular and substandard performance portfolios:

The regular performance portfolio includes those debtors whose payment ability allows them to meet their obligations and commitments, and according to the assessment of their economic-financial situation, it is not expected that this condition will change. The classifications assigned to this portfolio are categories A1 to A6.

The substandard portfolio will include debtors with financial difficulties or a significant deterioration of their ability to pay and on which reasonable doubt exists as to the repayment of principal and interest in the contractual terms agreed, showing low margins to meet their short-term financial obligations.

This portfolio also includes debtors, which recently have shown delinquency (payments overdue) in excess of thirty days. The classifications assigned to this portfolio are categories B1 to B4 of the rating scale.

As a result of the individual analysis of these debtors, they must be classified in the following categories; subsequently assigning them the probability of default and loss given default percentages that result in the subsequent loss percentage:

Type of portfolio	Debtor rating	Probability of default (PD) (%)	Loss given default (LGD) (%)	Expected loss (%)
Regular portfolio	A1	0.04	90.00	0.036000
	A2	0.10	82.50	0.082500
	A3	0.25	87.50	0.218750
	A4	2.00	87.50	1.750000
	A 5	4.75	90.00	4.275000
	A6	10.00	90.00	9,000000
Substandard portfolio	B1	15.00	92.50	13.875000
	B2	22.00	92.50	20.350000
	B3	33.00	97.50	32.175000
	B4	45.00	97.50	43.875000

Provision on regular and substandard performance portfolios:

To determine the amount of the allowances that must be established for the regular and substandard performance portfolios, the exposure subject to provisions should first be estimated, to which the respective loss percentages (expressed in decimals) will comprise the probability of default (PD) and loss given default (LGD) established for the category within which the debtor and/or its qualified co-debtor is included, as applicable.

The exposure subject to provisions corresponds to loans plus contingent loans, less amounts that would be recovered by means of executing guarantees. Likewise, placement is understood as the carrying amount of the loans and receivables from the corresponding debtor, while for contingent loans, the value resulting from the application of the provisions stated in No. 3 of Chapter B-3 of the Compendium of Accounting Standards.

- Non-performing portfolio:

It includes debtors and their loans whose recovery is deemed to be remote, because their ability to pay is deteriorated or non-existent. Those debtors with clear indications of a possible bankruptcy are part of this portfolio, as well as those in which a forced restructuring of debts is necessary to avoid default and, in addition, any debtor whose repayment of principal and interest of a credit is overdue for a period equal or exceeding 90 days.

This portfolio comprises debtors from categories C1 to C6 of the classification scale established below and all loans, including 100% of the amount of contingent loans, held by those same debtors.

For purposes of establishing allowances on the non-performing portfolio, the use of allowance percentages that must be applied to the amount of the exposure is established, which corresponds to the sum of loans and contingent loans held by the same debtor. To apply this percentage, an expected loss rate must first be estimated, deducting from the amount of the exposure the amounts recoverable through the execution of the guarantees and, if there is specific background information that justifies it, also deducting the present value of the recoveries that can be obtained by exerting collection actions, net of the expenses associated with them. This loss rate must fall into one of the six categories defined according to the range of losses effectively expected by the Bank for all operations of the same debtor.

These categories, their range of loss as estimated by the Bank and the allowance percentages that should ultimately be applied on the amounts of the exposures, are indicated in the following table:

Type of portfolio	Risk Scale	Expected Loss Range	Allowance (%)
Non-performing portfolio	C1	Until 3 %	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30% up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

ii. Allowances for group assessment:

The group assessment is aimed at group commercial loan portfolios classified in the model of group, consumer and home mortgage allowances.

For the determination of allowances of the group portfolio, groups of loans with homogeneous characteristics in terms of the type of debtor and agreed conditions are analyzed. In this way, allowances are established based on the expected losses derived from a certain probability of default (PD) and a percentage of severity of the loss, or loss given default (LGD), both parameters based on historical analysis and technically based estimates.

The amount of allowances to establish will be obtained by multiplying the total amount exposed in the respective group by the percentages of estimated default and loss given default.

a. Group commercial loans:

The Bank applies the standard model of allowances for commercial loans of the group portfolio, whether corresponds to commercial lease transactions, student loans or other types of commercial loans, in accordance with the provisions of Circulars No. 3.638 and No. 3.647.

Commercial lease transactions

For these transactions, the allowance factor must be applied to the current value of the commercial lease transactions (including the purchase option) and will depend on the delinquency of each operation, the type of leased asset and the relationship, at the closing of each month, between the current value of each operation and the value of the leased asset (PVB), as indicated in the following tables:

Probability of Default (PD) applicable according to delinquency and type of asset (%)		
Past due days of the operation at the end of the month	Type of Good	
	Residential	Non residential
0	0.79	1.61
01-29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Non-performing portfolio	**100.00**	**100.00**

Loss Given Default (LGD) applicable according to PVB tranche and type of asset (%) PVB = Current value of the operation / Value of the leased asset		
PVB Section	Residential	Non residential
PVB <= 40%	0.05	18.20
40% < PVB <= 50%	0.05	57.00
50% < PVB <= 80%	5.10	68.40
80% < PVB <= 90%	23.20	75.10
PVB > 90%	36.20	78.90

PVB = Present value of the operation /Value of the leased asset

The determination of the PVB ratio will be made considering the appraisal value, expressed in UF for residential and in pesos for non-residential, recognized at the time they corresponding loan is granted, taking into account possible situations that at that time may be causing increases. transitory in the prices of the good.

Student loans

For these transactions, the allowance factor must be applied on the student loan and the exposure of the contingent loan, when applicable. The determination of said factor depends on the type of student loan and the demand for payment of principal or interest, at the end of each month. When payment is due, the factor will also depend on its delinquency.

For loan classification purposes, a distinction is made between those granted to finance higher education in accordance with Law No. 20,027 (CAE) and, on the other hand, CORFO-guaranteed loans or other student loans.

Probability of Default (PD) applicable according to payment enforceability, delinquency and type of loan (%)			
Presents enforceability of the payment of principal or interest at the end of the month	Days past due at the end of the month	Type of Student Loan	
		CAE	CORFO or others
Yes	**0**	5.20	2.90
	01-29	37.20	15.00
	30-59	59.00	43.40
	60-89	72.80	71.90
	Portfolio in Default	100.00	100.00
No	**n/a**	41.60	16.50

Loss given the Default (LGD) applicable according to payment enforceability and type of loan		
Presents enforceability of the payment of principal or interest at the end of the month	Type of Student Loan	
	CAE	CORFO or others
Yes	70.90	
No	50.30	45.80

Generic commercial loans and factoring

For factoring transactions and other commercial loans, the allowance factor, applicable to the amount of the loan and to the exposure of the contingent loan, will depend on the delinquency of each operation and the relationship that exists, at the end of each month, between the obligations that the debtor has with the bank and the value of the real guarantees that protect them (PTVG), as indicated in the following tables:

Probability of Default (PD) applicable according to delinquency and PTVG (%) tranche			
Days past due at the end of the month	With guarantee		Without guarantee
	PTVG<=100%	PGTV>100%	
0	1.86	2.68	4.91
01-29	11.60	13.45	22.93
30-59	25.33	26.92	45.30
60-89	41.31	41.31	61.63
Non-performing portfolio	100.00	100.00	100.00

Loss Given Default (PDI) applicable according to PTVG (%) tranche			
(With/without) guarantees	PTVG	Generic commercial transactions or factoring without recourse of the transferor	Factoring with recourse of the transferor
With guarantee	PTVG <= 60%	5.00	3.20
	60% < PTVG <= 75%	20.30	12.80
	75% < PTVG <= 90%	32.20	20.30
	90% < PTVG	43.00	27.10
Without guarantees		56.90	35.90

The guarantees used for purposes of calculating the PTVG ratio of this method may be specific or general, including those that are simultaneously specific and general.

A guarantee may only be considered if, according to the respective hedge clauses, it was established in the first place in favor of the bank and only guarantees the debtor's credits with respect to which it is debited (not shared with other debtors). The invoices assigned in the factoring transactions or the guarantees associated with the residential loans of the mortgage portfolio, regardless of their coverage clauses, will not be considered in the calculation.

To calculate the PTVG ratio, the following should be considered:

I. Transactions with specific guarantees: when the debtor granted specific guarantees, for generic commercial loans and factoring, the PTVG ratio is calculated independently for each guaranteed transaction, as the division between the amount of the loan and the contingent loan exposure and the value of the actual guarantee that covers.

II. Transactions with general guarantees: when the debtor granted general or general and specific guarantees, the Bank calculates the corresponding PTVG, jointly for all generic commercial loans and factoring and not included in i) above, as the result of the sum of the amounts of the loans and exposures of contingent loans and the general, or general and specific guarantees that, according to the scope of the remaining hedge clauses, protect the credits considered in the numerator of the aforementioned ratio.

The amounts of the guarantees used in the PTVG ratio described above must be determined according to:

- The last valuation of the guarantee, whether appraisal or fair value, depending on the type of real guarantee in question.

To determine the fair value, the criteria indicated in Chapter 7-12 of the Updated Compendium of Standards must be considered.

- Eventual situations that could be generating transitory increases in the values of the guarantees.
- Limitations to the amount of hedge established in their respective clauses.

- Provisions for deductible amount related to FOGAPE Covid-19 guarantees

To determine the specific provisions of the loans guaranteed by the FOGAPE Covid-19 guarantee, the expected losses shall be determined by estimating the risk of each operation, without considering the substitution of the credit quality of the guarantor, according to the corresponding individual or group analysis method, in accordance with the provisions of Chapter B-1 of the Compendium of Accounting Standards.

The loan amounts associated with such operations that had been written off must be added to the aforementioned expected losses, in accordance with the provisions established in Chapter B-2 of the aforementioned Compendium.

Therefore, the total amount of expected losses resulting from the aggregate calculation of each group of operations, including the amounts written off for that group as indicated in the preceding paragraph, shall be compared to the corresponding total amount of deductible amount and perform the following:

- Expected losses less than the deductible amount

When the expected losses of the operations of a group to which the same deductible amount percentage applies, determined according to the procedure indicated above, are less than or equal to the aggregate amount of the deductible amount, the provisions will be determined without considering the FOGAPE Covid-19 coverage. 19, i.e., without substituting the credit quality of the direct debtor for that of the guarantor.

- Expected losses greater than the deductible amount

When the expected losses of the operations of a group to which the same deductible amount percentage applies, determined according to the procedure indicated above, are greater than the aggregate amount of the deductible amount, the provisions will be determined using the substitution method provided in 4.1. letter a) of Chapter B-1 of the Compendium of Accounting Standards.

For these purposes, the proportion to be replaced will be the one that corresponds to the limits indicated in article 13 of the Regulations for the Administration of the Guarantee Fund for Small and Medium-sized Entrepreneurs, applicable to the COVID-19 Guarantee Lines.

Additionally, the ratio associated with the deductible amount resulting from multiplying the guaranteed amount of the corresponding group by the percentage of the applicable deductible amount shall be determined.

b. Consumer loans:

Group portfolio credit risk allowance model

According to chapter B-1 of the Compendium of Accounting Standards issued by the CMF, the credit risk allowance models are based on a look at expected losses, following "through the cycle" approach and not "at a point in time" approach.

These expected loss (EL) models are used to estimate future portfolio losses and are based on three fundamental components: Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The final objective is to establish a sufficient level of allowances to cover future expected losses:

$$PE = Exposición * PI * PDI$$

The allowance models are organized according to segments, which are defined according to the types of debtors and the types of loans: Consumer, Commercial and mortgage. Reasonableness criteria prevail in this macro-segmentation, depending on how customers and products are managed from a commercial and risk point of view.

From these macro-segments, higher segmentation levels are generated to the extent that they improve the estimates of the aforementioned parameters, and scores are given on these levels of segmentation to identify homogeneous groups of debtors, which allow better distribution of the risk in the customer portfolio.

Currently, the Bank makes an allowance using the maximum value between the result obtained by the standard matrix, the Compendium of Accounting Standards, chapter B-1, and the internal models.

The Bank adjusted its group portfolio credit risk models for calculating allowances on consumer loans in order to achieve greater precision in estimating the expected loss of this portfolio, in accordance with the requirements of the Financial Market Commission. These models were approved by the Board of Directors in December 2021. Putting in operation these models generated a debit to profit or loss for the year of Ch$10,026 million as of December 31, 2021.

c. Home mortgages:

The home mortgage loan portfolio includes loans that have the following characteristics: their destination is the financing of the acquisition, expansion, repair or construction of a house. The debtor is the natural person who buys or owns the house and the value of the mortgage guarantee covers all the loan.

The Bank uses the "Standard Method of Allowances for Mortgage Loans for Housing" established by the CMF, reported in circular No. 3.573. This circular establishes the applicable allowance factors, represented by the expected loss on the amount of mortgage loans for housing, applied based on the delinquency of each loan and the ratio at the end of each month, between the amount of outstanding principal of each loan and the value of the mortgage guarantee (PVG) that covers it, as indicated in the following table:

Allowance factor applicable according to delinquency and PVG						
GVP Tranche	Concept	Days past due at the end of the month				Non-performing portfolio
		Current	01-29	30-59	60-89	
GVP≤ 40%	PD (%)	1.0916	21,3407	46.0536	75,1614	100,0000
	LGD (%)	0.0225	0.0441	0.0482	0.0482	0.0537
	EL (%)	0.0002	0.0094	0.0222	0.0362	0.0537
40%<PVG≤ 80%	PD (%)	1.9158	27.4332	52,0824	78.9511	100,0000
	LGD (%)	2,1955	2.8233	2.9192	2.9192	3.0413
	EL (%)	0.0421	0.7745	1.5204	2.3047	3.0413
80%<GVP≤ 90%	PD (%)	2.5150	27.9300	52.5800	79,6952	100,0000
	LGD (%)	21.5527	21.6600	21.9200	22,1331	22.2310
	EL (%)	0.5421	6.0496	11.5255	17.6390	22.2310
GVP>90%	PD (%)	2.7400	28.4300	53.0800	80,3677	100,0000
	LGD (%)	27,2000	29.0300	29.5900	30,1558	30,2436
	EL (%)	0.7453	8,2532	15,7064	24.2355	30,2436

Where :

PD = Probability of default
LGD = Loss given default
EL = Expected loss
LtV = Outstanding principal/Value of the mortgage guarantee

In the event that the same debtor maintains more than one home mortgage loan with the Bank and one of them is 90 days or more past due, all these loans will be assigned to the non-performing portfolio, calculating the allowances for each of them according to their respective percentages of PVG.

i. Loan write-off:

As a general rule, write-offs should be made when the contractual rights to the cash flows expire. In the case of loans, even if the foregoing does not occur, the corresponding asset balances will be written off in accordance with the provisions of title II of Chapter B-2 of the Compendium of Accounting Standards issued by the CMF.

The write-offs in question refer to the derecognition in the Consolidated Statements of Financial Position of the asset corresponding to the respective transaction, including, therefore, that part that may not be due if it were a credit payable in installments or payments, or a lease transaction (No partial write-offs exist).
Write-offs are always accounted for with a debit to the provisions for credit risk established, in accordance with the provisions of Chapter B-1 of the Compendium of Accounting Standards, regardless of the reason for which the write-off is made. Subsequent payments obtained from written-off operations will be recognized in the Interim Consolidated Statements of Income for the Period as recoveries of written-off loans.

The write-offs of loans and receivables are carried out on overdue, past due and current installments, and the period must be considered from the beginning of their delinquency, that is, carried out when the delinquency period of an installment or portion of loan transaction reaches the write-off term, as provided below:

Type of loan	Term
Consumer loans – secured and unsecured	6 months
Other transactions - unsecured	24 months
Commercial loans - secured	36 months
Residential mortgage loans	48 months
Consumer lease agreement	6 months
Other non-real estate lease transactions	12 months
Real estate lease agreement (commercial or residential)	36 months

The term corresponds to the time elapsed from the date on which the payment of all or part of the past due liability became due.

ii. Recovery of written-off loans:

Recoveries of written-off loans are recognized directly as revenue, as recoveries of written-off loans.

s) Fee income and expense

Fee income and expense are recognized in revenue according to the 5-step approach established by IFRS 15:

Step 1: Identify the contract with the customer;
Step 2: Identify the performance obligations in the contract;
Step 3: Determine the transaction price;
Step 4: Allocate the transaction price to the performance obligations of contracts;
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

t) Impairment

For the assets in the caption "Loans and receivables from customers", the impaired portfolio is defined according to Chapter B-2 of the Compendium of Accounting Standards issued by the CMF as "loans from debtors for which there is evidence that they will comply with any of their obligations in the agreed payment conditions, regardless of the possibility of recovering the amount owed by resorting to guarantees, through the period of judicial collection actions or agreeing on different conditions”.

The policies on impairment measurement, assessed on a monthly basis, consider the following criteria:

i. Addition to impaired portfolio:

Transactions included by credit risk rating classified as substandard in categories B3 and B4, and the non-perform portfolio are recorded in individually classified transactions.

The rest of the transactions are classified in groups and are added when they are:

- Credit transactions that are past due for a period greater than or equal to 90 days.
- Renegotiated transactions.
- 100% of the transactions associated with the customer are carried over to the impaired portfolio.

Operations linked to residential mortgage loans or loans to finance higher education are not included in Law No. 20,027, which may be excluded as long as they do not present the conditions of non-compliance established in Circular No. 3.454 of December 10, 2008.

The behavior in the financial system is not considered to determine the addition to the impaired portfolio.

Removal conditions

- Individual case: for having improved their risk rating over the B3 category of the individual classification.

- Group case:

a) Non-renegotiated transactions: credit transactions included in impaired portfolio may return to the normal portfolio, only if the transaction in question meets the following conditions:

   -
   - Register at least six consecutive payments of principal and interest, paying them at maturity or within the next 30 days.
   - That it is up to date with all its obligations and has no other credit transaction in an impaired portfolio.
   - In any case, it must not record any delinquency in the rest of the financial system for the last 90 days (last three years reported to the CMF at the date of consultation).

b) Renegotiated operations: may be removed from the impaired portfolio, only if the operation in question meets the following conditions:

   - Register at least six consecutive payments of principal and interest, paying them at maturity or within the next 30 days.
   - That it is up to date with all its obligations and has no other credit transaction in an impaired portfolio.
   - That it does not have another renegotiated transaction during the last six months.
   - In any case, it must not record any delinquency in the rest of the financial system in the last 90 days (last three years reported in the CMF at the date of consultation).

c) Renegotiated group portfolio from write-off: written-off commercial transactions that have been renegotiated, may be removed from the impaired portfolio and added to the normal portfolio, only if the transaction in question meets the following conditions:

   - Payment of 30% of the originally renegotiated transaction (total balance of the renegotiated transaction) or that first six payments have been made, agreed in the renegotiated commercial transaction.
   - Be up to date with the principal and interest payments.
   - Have no other transaction in the impaired portfolio.
   - Register no delinquency in the rest of the financial system in the last 90 days.

II. Non-financial assets:

The carrying amount of the Bank's non-financial assets, other than investment properties and deferred tax assets, is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indications exists, then the asset's recoverable amount is estimated. In the case of goodwill and intangible assets that have indefinite useful lives or not yet available for use, the recoverable amounts are estimated at each presentation date.

In accordance with IAS 36 "Impairment of Assets", the entity shall assess at the end of each reporting period whether there is any indication of impairment of its intangible assets with indefinite useful lives, as well as of the goodwill acquired in a business combination. On the other hand, the Financial Market Commission (CMF) requires that "the valuations of goodwill and other non-amortizable intangible assets must be supported by two reports issued by professionals independent of the bank and its external auditors. Both reports support the initial value of intangible assets and valuations as of December 31 of each year.

An impairment loss in relation to goodwill is not reversed. In relation to other assets, impairment losses recognized in prior periods are assessed at each reporting period whether there is any indication that the loss may have decreased or disappeared. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

The Bank performs quarterly monitoring of the intangible assets and goodwill acquired in the business combination of its subsidiaries BCI Servicios Financieros and City National Bank in Chile and the United States, respectively. As of March 31, 2022, the Bank made an assessment of whether there are impairments in the value of its assets, concluding that there is no impairment to record in intangibles assets with indefinite useful lives and goodwill on such investments.

u) Interest and inflation-indexation income and expense

Interest and inflation-indexation income and expenses are recognized in the Interim Consolidated Statements of Income for the Periodbased on the accrual principle using the effective interest method.

The effective interest rate is the discount rate that exactly matches the estimated cash flows receivable or payable over the expected life of the financial instrument (or, where appropriate, in a shorter period) with the net carrying amount of the financial asset or liability. To calculate the effective interest rate, the Bank determines the cash flows taking into account all the contractual conditions of the financial instrument. The calculation of said rate includes all commissions and other concepts paid or received that are part of it.

Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

However, in the case of past due loans and current loans with a high risk of irrecoverability, the prudent criterion of suspending the accrual of interest and inflation-indexation has been followed; and are recognized when received.

- Amount to be suspended:

The amount of income to be suspended on an accrual basis corresponds to that calculated between the date of suspension and the cut-off date of the Consolidated Statements of Financial Position, which corresponds to the last day of the month.

- Suspension date:

The Bank will stop recognizing income on an accrual basis for the assets at amortized cost "Loans and advances to banks" and "Loans and receivables from customers" in the Statement of Income, when the loan or one of its installments is 90 days past due.

The suspension of the recognition of income on an accrual basis implies that, from the date on which it must be suspended and until such loans are no longer in the impaired portfolio, the corresponding assets will not be increased with interest, inflation-indexation or fees in the Interim Consolidated Statements of Financial Situation and no income will be recognized for these concepts in the Interim Consolidated Statements of Income for the Period, unless they are actually received. In this regard, income actually received from interest, inflation-indexation or fees shall be recognized as indicated in Chapter C-3 of the CNCB.

For the determination of the gross assets on which the provisions for credit risk are calculated according to chapter B1, suspended interest, adjustments and commissions will not be included.

v) Intangible assets

i) Software

The software acquired by the Bank is recognized at cost, less accumulated amortization and accumulated impairment losses.

Disbursements or expenses for internally developed software are recognized as assets when the Bank is able to demonstrate its intent and ability to complete its development and use it internally to generate future economic benefits, and the cost of completing its development can be measured reliably. The capitalization of internally developed software expenses includes all direct costs attributable to the development of the software, and is amortized over its useful life. Internally developed software is recognized at capitalized cost less accumulated amortization and accumulated impairment losses.
The subsequent expenses of the recognized asset are capitalized only when the future economic benefits of the specific assets in the related areas increase. All other expenses are recognized in the Interim Consolidated Statements of Income for the Period.

Amortization is recognized on a straight-line basis in profit or loss considering the estimated useful life of the software from the date it is available for use, which is generally six years.

ii) Intangible assets acquired in business combinations

As a consequence of the purchase process of BCI Financial Group, INC. and Subsidiaries that was completed in October 2015, the merger between City National Bank of Florida and TotalBank completed on June 15, 2018 and the acquisition of the credit card business from Walmart (Financial Services) that was completed on June 4, December 2018, amortizable intangible assets with an indefinite useful life were recognized, which originated during the Purchase Price Allocation (PPA) process. The Bank permanently assesses its intangible assets for impairment. In this regard and, in accordance with the CMF regulations of the Compendium of Accounting Standards, Chapter A-2 number 7, two independent consultants of the Bank and different from the external auditors reviewed the basis of is valuation during the 2019 financial year.

According to IFRS 3 "Business Combinations", for the acquisition of TotalBank the values were definitively determined on December 31, 2018, which were adjusted within the term established by the standard.

According to IFRS 3 "Business Combinations", for the acquisition of BCI Servicios Financieros the values were definitively determined on December 4, 2019, which were adjusted within the term established by the standard.

Amortizable intangible assets recognized their portion of amortization on a straight-line basis according to the estimated useful life.

iii) Goodwill

The goodwill arising from a business combination will be allocated from the date of acquisition, to each of the cash-generating unit (CGU) or group of CGUs of the acquirer, which are expected to benefit from the synergies of the business combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill is tested annually for impairment, and when circumstances indicate that its carrying amount may be impaired.

Impairment losses in respect of goodwill is not reversed in future periods.

Intangible assets, including goodwill, were subjected to impairment tests as indicated in IAS 36.

As of March 31, 2022 and December 31, 2021, there are no significant changes between the carrying amount and the recoverable amount of the cash-generating units that contain goodwill and intangible assets with indefinite useful lives.

w) Business combinations

Business acquisitions are accounted by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, the liabilities incurred by the acquirer

to former owners of the acquiree, and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss when incurred.
In a business acquisition, an independent specialist is used to determine the fair value of the net assets acquired and the identification of intangible assets is considered. For the valuation of these intangible assets identified in a business combination, cash flow projections are used based on the performance estimates of the acquiree.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at fair value, except for the following:

- Deferred tax assets or liabilities, and assets or liabilities related to employee benefit agreements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19, respectively;
- liabilities or equity instruments related to share-based payment agreements of the acquiree or share-based payment agreements of the company entered into to replace the share-based payment agreements of the acquiree are measured in accordance with IFRS 2 at the date of acquisition; and
- the assets (or group of assets for disposal) that are classified as held for sale.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the equity interest previously held by the acquirer (if any) in the acquiree over the net amounts at the acquisition date of the identifiable assets acquired and liabilities assumed. If, after a reassessment, the acquisition-date net amounts of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the interest previously owned by the acquirer in the acquiree (if any), such excess is immediately recognized in profit or loss as a gain from a bargain purchase.

Non-controlling interests that are present ownership interests and entitle their holders a share to a proportionate share of the entity's net assets in the event of liquidation may be measured initially, either at fair value or the proportionate share of non-controlling interests, of the recognized amounts of the acquiree’s identifiable net asset.

The choice of measurement basis is made on a transaction-by-transaction basis.

Remeasurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which may not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

x) Property and equipment

Items of property and equipment, excluding real estate, are measured at cost less accumulated depreciation and impairment losses.

The cost includes expenses that have been directly attributable to the acquisition of the asset and any other cost directly attributable to the process of bringing the asset to a working condition.

When part of an item of property and equipment has a different useful life, it is accounted for as a separate item (remodeling of real estate).

Depreciation is recognized in the Interim Consolidated Statements of Income for the Period based on the straight-line depreciation method over the useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease period and their useful lives, unless it is certain that the Bank will obtain the property at the end of the lease period.

The estimated useful lives for the current period 2022 and as of December 31, 2021, are as follows:

	March 31	December 31
	2022	2021
Buildings	50 years	50 years
Machinery and equipment	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	36 years	36 years
Real estate improvements	10 years	10 years
Other property, plant and equipment	36 years	36 years

y) Assets received in lieu of payment

They are classified under the caption "non-current assets and disposal groups held for sale", they are recorded at the lower of their foreclosure cost or the net realizable value, less regulatory write-offs required by the CMF and are presented net of allowances. Write-offs are required if the asset is not sold within 18 months of receipt.

z) Personnel benefits

i. Vacation:

The annual vacation cost is recognized on an accrual basis.

ii. Short term benefits:

The Bank contemplates an annual incentive plan for its employees for meeting objectives, consisting of a certain number or portion of monthly remuneration and is provisioned based on the estimated amount to be distributed.

iii. Severance indemnity payments:

The Bank and its subsidiaries have not agreed with their staff to make severance indemnity payments to all events, with the exception of the subsidiaries BCI Servicios Financieros y Administración de Créditos Comerciales SA and BCI Administradora de Tarjeta Servicios Financieros Limitada, which have defined benefit plans in a collective agreement with part of their employees. These plans correspond to contracts with severance indemnity payments to all events, whose obligation is recorded at its actuarial value.

These companies recognize a provision (see note 37) to reflect the obligation to pay severance indemnity to employees who are entitled to receive this benefit in any event. This provision has been calculated using an actuarial methodology that considers estimates of staff turnover, discount rate, salary increase rate and mortality. The liability for employee benefits is presented at present value using the projected unit credit method, in accordance with the provisions of "IAS 19 Employee Benefits". Actuarial gains or losses related to experience adjustments and changes in variables are recognized as Other Comprehensive Income and form part of the balance of Other Equity Reserves.

The cost of services for the current period is the increase in the present value of the defined benefit obligation, which occurs as a result of the services provided by employees in the current period.

The financial cost is the increase produced during a period in the present value of the obligations for defined benefits, as a result of the fact that such benefits are a period closer to their expiration.

A present obligation exists when, and only when, the Entity has no realistic alternative but to make the corresponding payments.

The assumptions used are the following:

Detail	Source
Mortality	Mortality tables "RV-2014" established by the Financial Market Commission (CMF) were used.
Employee turnover	The historical turnover for executives in the collective agreement, voluntary resignation or company needs is 1.11%
Discount rate	The discount rate used to discount benefit payment flows for severance indemnity corresponded to a real annual rate of 3.13%. This rate corresponds to the 20-year BCU as of December 27, 2021. (Source: Central Bank).
Salary increase rate	The increase in salaries used for the projections, both for increase of the base salary and for total remuneration and corresponds to a real annual rate of 3.0%
Retirement	The retirement ages used to make the payment projections correspond to the minimum legal ages for retirement in Chile (DL.3500), ages that are generally used in the market, except when the reality of the company indicates otherwise. These ages correspond to 65 years for men and 60 years for women.

As March 31, 2022 and December 31, 2021, there are no experience adjustments or changes in variables; therefore no adjustments have been made against other reserves.

aa) Leases

On the commencement date of a lease, the bank recognizes a right-of-use asset and a lease liability in accordance with the provisions of IFRS 16.

(i) Right-of-use assets

The Bank leases a number of office and branch premises, which are necessary to perform its activities. Contract terms are individually negotiated and comprise a wide range of terms and conditions.

Leases are recognized, measured and disclosed in accordance with IFRS 16 “Leases”. This requires that a right-of-use asset and its corresponding liability be determined at the date the asset is available for use. Each lease payment is distributed between the liability and interest. The financial interest is charged to the financial margin during the period of the lease, as well as the right-of-use asset, which is depreciated on a straight-line basis over the term of the contract.

The lease term includes the non-cancellable period established in the lease agreements, and generally have an automatic renewal clause, which are not included in the calculation of the financial liability. Additionally, each of the parties can terminate the agreement early, prior notice. For both concepts, only the current contractual period has been considered to calculate the impact of this new regulation. For lease agreements with an indefinite useful life, the Bank has determined to assign a useful life equal to the longest non-cancellable period of its lease contracts.

The present value of the lease payments is determined using the discount rate that represents the Bank's incremental rate at the commencement of the contracts, based on the duration of each of them from the initial date of application.

At the initial measurement, the Bank measures the right-of-use asset at cost. The rent of the lease contracts is agreed in UF (inflation-adjusted unit), and paid in Chilean pesos. In accordance with the provisions of Circular No. 3,649 issued by the CMF, the monthly variation in UF that affects the contracts established in such monetary unit must be treated as a remeasurement, and therefore, the adjustments must be recognized as a modification to the obligation and at the same time the amount of the asset must be adjusted for the right of use assets.
Contracts whose non-cancellable period is equal to or less than 12 months are treated as short-term leases, and therefore the associated payments are recorded as a linear expense. Any modification in the terms or rental fee is treated as a remeasurement of the lease.

The Bank has not entered into lease agreements with residual value guarantee clauses or variable lease payments.

The Bank applies IAS 36 “Impairment of assets” to determine whether the right-of-use asset is impaired and to account for any identified impairment losses.

As of March 31, 2022 and December 31, 2021, the Bank has not identified impairment in the value of assets for the right of use assets.

ii) Lease liability

The Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate could be readily determined. If that rate cannot be readily determined, the Bank shall use the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise payments for the right to use the underlying asset during the lease term that are not paid at the measurement date, which include (a) fixed payments, less any lease incentives receivable; (b) variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; (c) amounts expected to be payable by the lessee under residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (e) payments for penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Bank measures the lease liability in order to recognize (a) interest on the lease liability; (b) lease payments made; and (c) remeasurements or modifications to the lease, and also to reflect revised in-substance fixed lease payments.

The Bank remeasures the lease liability by discounting the revised lease payments, if, among others, (a) there is a change in the amounts expected to be payable under a residual value guarantee.

A lessee shall determine the lease payments to reflect the change in amounts expected to be payable under the residual value guarantee; (b) a change in future lease payments results from a change in an index or rate used to determine those payments.

The Bank remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flows. The Bank shall determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

As of January 1, 2019, the date of implementation of the standard, the Bank measured the lease liability at the present value of discounted lease payments using the lessee’s incremental borrowing rate.

ab) Statements of cash flows

For the preparation of the Consolidated Statements of Cash Flows, the indirect method has been used, in which, whereby taking profit or loss before tax for the period non-cash transactions are included, as well as income and expense associated with investing or financing cash flows.

For the preparation of the Consolidated Cash Flow Statements, the following terms are used:

- Cash flows: inflows and outflows of cash and cash equivalents, understood as short-term, highly liquid investments with insignificant risk of changes in value, such as: deposits in the Central Bank of Chile, deposits in domestic banks and foreign deposits.
- Operating activities: are the principal revenue-producing activities of banks and other activities that are not investing or financing activities.
- Investing activities: are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities: are activities that result in changes in the size and composition of equity and liabilities that are not operating and investing activities.

ac) Provisions and contingent liabilities

Provisions are liabilities of uncertain timing and amount. These provisions are recognized in the Consolidated Statements of Financial Position when the following requirements are met collectively:

- A liability is a present obligation arising from past events. At the date of the Consolidated Financial Statements, it is likely that the Bank or its subsidiaries will have to use an outflow of economic benefits to settle the obligation and the amount of these outflows can be measured reliably.

A contingent asset or liability is any obligation arising from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events occur not wholly within the control of the Bank.

The provisions (which are measured considering the best information available on the outcome of the event that gave rise to them and are remeasured at each period-end) are used to meet the specific obligations for which they were originally recognized, proceeding to their reversal, totally or partially, when said obligations cease to exist or decrease.

Provisions are classified according to the obligations hedged, and are as follows:

- Provisions for employee benefit obligations
- Provision for lawsuits and litigation
- Provisions for obligations of customer loyalty programs
- Provisions for operational risk
- Other provisions for other contingencies

Provisions for country risk for operations with foreign debtors

The Bank makes provisions for country risk in accordance with chapter B-6 of the CNCB in order to hedge the risk that has been assumed by maintaining or committing resources in a foreign country. Said provisions must be made based on the country ratings made by the bank in accordance with the provisions of RAN 7-13 on country risk and country ratings.

Provisions for credit risk for contingent loans

Contingent loans correspond to transactions or commitments in which the Bank assumes a credit risk by committing itself to third parties in the event of a future event, to make a payment or disbursement that must be recovered from its customers.

To calculate the provisions as indicated in Chapter B-1 of the CNCB, the amount of the exposure that must be considered will be equivalent to the percentage of the amounts of the contingent loans indicated below:

Type of contingent exposure:	FCC
Freely available, immediate payment revolving credit facility	10%
Contingent loans linked to the CAE	15%
Letters of credit for goods movement operations	20%
Other freely available revolving credit facilities	40%
Debt purchase commitments in local currency abroad	50%
Transactions related to contingent events	50%
Co-debtor and guarantees	100%
Other credit commitments	100%
Other contingent loans	100%

Provisions for operational risk

The Bank constitutes provisions for operational risk in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", in which losses due to operational risk events are recognized, including external costs and eventual pending losses with a direct relationship to the risk event. operational as established by Chapter 21-8 of the RAN.

i. Additional allowances:

The CMF has defined that additional allowances are those not derived from the application of the portfolio assessment models of each particular bank or to compensate for their deficiencies and must be to protect against the risk of unpredictable economic fluctuations.
The additional allowances are established to protect against the risk of macroeconomic fluctuations in order to anticipate situations of reversal of expansionary economic cycles that, in the future, could result in a worsening of the conditions of the economic environment and, in this way, function as an anti-cyclical mechanism of accumulation of additional allowances when the scenario is favorable and the use or allocation to specific allowances when conditions deteriorate.

The Bank has formal criteria and procedures for their use and establishment for the determination of additional allowances, which are approved by the Board of Directors.

As of March 31, 2022, allowances have been established for additional amounts of Ch$405,360 million (Ch$350,143 million as of December 31, 2021), which have been established in order to anticipate the potential deterioration of loan portfolios derived from the crisis caused by the Covid-19 pandemic.

These allowances are in accordance with the provisions of Number 10 of Chapter B-1 of the Compendium of Accounting Standards issued by the Financial Market Commission, which will be presented in liabilities (see note 26 of provisions).

ii. Minimum allowances required for the normal individual portfolio:

The CMF has defined that the Bank must maintain a minimum allowance percentage of 0.50% on loans and contingent loans of the normal individual portfolio in accordance with the provisions of number 2.1.3 of Chapter B-1 of the Compendium of accounting Standards, which are presented in liabilities.

ad) Use of estimates and judgments

In preparing these Interim Consolidated Financial Statements, the Bank’s Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates, which Management periodically evaluates and monitors.

Estimates and underlying assumptions are reviewed by the Bank's Senior Management on an ongoing basis in order to quantify certain assets, liabilities, income, expenses and uncertainties. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future years affected.

In particular, information about most significant areas of estimation of uncertainties and critical judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Interim Consolidates Financial Statements is included in the following notes:

- Provisions for credit risk (notes 13 and 26)
- Impairment losses on certain assets (note 40)
- Valuation of financial instruments (notes 8,9, 10 and 11)
- Useful life of intangible assets and property and equipment (notes 15 and 16)
- Use of tax losses (note 18)
- Contingencies and commitments (note 29)
- Employee benefits (note 37)

af) Income tax and deferred taxes

The determination of corporate income tax expense is made in accordance with IAS 12 and the Income Tax Law, whose legal rate is 27% for the general regime of art.14 letter A of the law, which both BCI and its subsidiaries in Chile follow.

The Bank recognizes, when appropriate, deferred tax assets and liabilities for the future estimates of the tax effects attributable to differences between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets/liabilities are measured, in accordance with current Chilean tax legislation, at the tax rates that are expected to be applied in the year in which the asset and/or liability are realized or settle. Future effects from changes in tax legislation or income tax rate are recognized in deferred tax starting from the date in which the law approving such changes is enacted or substantially enacted.

As of March 31, 2022 and December 31, 2021, and for the periods ended March 31, 2022 and 2021, the Bank has recognized net deferred tax assets and liabilities, as Management has assessed that it expects to obtain taxable profit in the future that allow using existing temporary differences at each period-end.

Deferred tax assets and liabilities are offset in the Statements of Financial Position, if there is a legally enforceable right to set off current tax assets against current tax liabilities, and only if these deferred taxes are related to income taxes corresponding to the same tax authority.

ag) Dividends on ordinary shares

Dividends on ordinary shares are recognized in equity in the year in which they were approved by the Bank's Shareholders' Meeting.

The Bank recognizes in liabilities the share of profits for the year that will be distributed in compliance with the Law on Corporations, which establishes that at least 30% of the net income for the year will be distributed as a dividend, or in accordance with its dividend policy.

ah) Earnings per share

Basic earnings per share is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Bank by the weighted-average number of outstanding shares during the period.

Diluted earnings per share is determined similarly to basic earnings, but the weighted average number of current shares is adjusted to take into account the potential dilutive effect of share options, warrants and convertible debt.

ai) Collection operations and Separate Equity No. 27 performed by the subsidiary BCI Securitizadora SA

i) Collection operations:

Securitization companies can acquire assets on behalf of the separate equities that support the issuance of securitized bonds. These assets must have similar characteristics and each issue will form a separate equity.

These assets can be from future cash flows (a "business plan" or future cash flows to be obtained from a specific asset or group of assets or company are securitized) or from an existing asset (a portfolio of receivables, mortgage loans, etc.).

The above distinction is relevant on how the Bank's debt should be accounted for; in the first case of future cash flows, it must be accounted for in Separate Equity and also to the originator, and in the case of existing assets only in Separate Equity.

These collection operations are part of the securitization process. In fact, the Securities Market Law itself, anticipating the practical difficulty that the formation of a Separate Equity means, includes the ability of acquiring the assets that form a separate equity even before the placement of the respective bonds.

Given there is a possibility that the respective Separate Equity will never be formed or the securitized bond will not be placed for different reasons (legal, market, etc.), these operations contemplate a put option to resell the receivables back to the customer under certain circumstances (mainly in the event that the securitized bond cannot prosper for the reasons stated above); this shall be recorded as a contingent obligation of the customer.

ii) Separate Equity Operation No. 27:

On June 16, 2021, all receivables from Separate Equity in Formation No. 27 were amortized in advance. Such early amortization was performed under the conditions established in the Preventive Judicial Agreement dated November 7, 2011, for an amount of Ch$15,672 million.

Consequently, as of December 31, 20121, no balances receivable from the Subsidiary BCI Securitizadora referring to Separate Equity No. 27 have been recognized.

aj) Reclassifications

As of March 31, 2022, there have been no significant reclassifications. As of January 1, 2022 and December 31, 2021, reclassifications and adjustments have been made as a result of the implementation of the new Compendium of Accounting Standards for Banks, see more detail in Note 4 of accounting changes.

NOTE 3 – NEW ACCOUNTING PRONOUNCEMENTS ISSUED AND ADOPTED, OR ISSUED BUT NOT YET ADOPTED

Standards approved and/or modified by the International Accounting Standards Board (IASB)

a.- The following new standards and interpretations and/or amendments have been adopted in these financial statements:

Amendments to IFRS	Mandatory Application Date
Onerous Contracts – Costs to Fulfilling a Contract (Amendments to IAS 37).	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16).	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16).	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Reference to the Conceptual Framework (Amendments to IFRS 3).	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.

Onerous Contracts – Costs to Fulfilling a Contract (Amendments to IAS 37)

In order to clarify the types of costs a company includes as costs of fulfilling a contract when assessing whether a contract is onerous, the International Accounting Standards Board (the Board) issued in May 2020 the amendment to the IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Because of this amendment, entities currently applying the "incremental cost" approach will need to recognize bigger and potentially more provisions for onerous contracts.

The amendments clarify that the costs of fulfilling a contract comprise both:

- The incremental costs – e.g. direct labor and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge on an item of Property, Plant and Equipment used in fulfilling a contract.

At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate.

Bank's Management estimates that the application of this amendment had no effect on the Interim Consolidated Financial Statements.

Annual Improvements to IFRS Standards 2018-2020

The annual improvements include amendments to four Standards:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards.* This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.

- IFRS 9 *Financial Instruments*. This amendment clarifies that – for the purpose of performing the ''10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

- IFRS 16 *Leases*. The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive. The amendments will help to remove the potential for confusion in identifying lease incentives in a common real estate fact pattern.

The Bank's Management estimates that the application of these improvements will not have significant effects on the Interim Consolidated Financial Statements.

Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)

In order to provide guidance on accounting for the sales and costs that entities may generate in the process of making an item of Property, Plant and Equipment available for use, the International Accounting Standards Board (the Board) issued in May 2020 amendment to IAS 16.

Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognized in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Entities will therefore need to distinguish between:

- costs associated with producing and selling items before the item of PPE is available for use; and
- costs associated with making the item of PPE available for its intended use.

The Bank's Management estimates that the application of these improvements will have no significant effects on the Interim Consolidated Financial Statements.

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the International Accounting Standards Board (the Board) issued the Reference to the Conceptual Framework, which amends IFRS 3 Business Combinations. The amendment replaces a reference made to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version issued in March 2018. Additionally, the Board added an exception to its requirement that an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The Bank's Management estimates that the application of this amendment has no effect on the Interim Consolidated Financial Statements.

b.- The following new standards and interpretations have been issued but their application date is not yet effective:

New IFRS	Mandatory Application Date
IFRS 17, Insurance contracts.	Annual periods beginning on or after January 1, 2023. This date includes the exemption of insurers from the application of IFRS 9 to allow them to implement IFRS 9 and IFRS 17 at the same time. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before that date.
Amendments to IFRS	
Classification of Liabilities as Current or Non-Current (amendments to IAS 1).	Annual periods beginning on or after January 1, 2023. Early adoption is permitted.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).	Effective date deferred indefinitely.
Disclosures of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements).	Annual periods beginning on or after January 1, 2023. Early adoption is permitted.
Definition of Accounting Estimates (Amendments to IAS 8).	Annual periods beginning on or after January 1, 2023. Early adoption is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which the company applies the changes.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted.
Initial application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)	The amendment is applicable from the application of IFRS 17 Insurance Contracts.

IFRS 17, Insurance contracts

Issued on May 18, 2017, this Standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform presentation and measurement approach for all insurance contracts. These requirements are designed to generate consistent and principle-based accounting.

In March 2020, the International Accounting Standards Board (the Board) decided to defer the effective date of IFRS 17 to January 1, 2023, allowing early adoption if IFRS 9 and IFRS 15 have been adopted. The Board also decided to extend the temporary exemption to IFRS 9, granted to insurers that meet the specified criteria, until January 1, 2023.

The Bank's Management estimates that this new regulation will have no impact on the Interim Consolidated Financial Statements, given that the companies included in the consolidation issue no insurance contracts.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the International Accounting Standards Board has amended IAS 1 *Presentation of Financial Statements*.
As a consequence of this amendment, entities should revisit their loan agreements to determine whether the classification will change.

Amendments include the following:

- The right to defer settlement must has substance: under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period

- The classification of revolving credit facilities may change: entities classify a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. The Board has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

- Liabilities with equity-settlement features: the amendments state that settlement of a liability includes transferring a company's own equity instruments to the counterparty. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component under IAS 32 *Financial Instruments: Presentation*.

The amendments apply retrospectively for annual periods beginning on or after January 1, 2023. Earlier application is permitted. However, the companies will need to consider including the information to be disclosed in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in their next annual financial statements .

Bank's Management is assessing the possible impact that this amendment may generate, however, it estimates that its application will have no impact on the Interim Consolidated Financial Statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

On September 11, 2014, this amendment was issued requiring that when transfers are made from subsidiaries to an associate or joint venture, a full gain is recognized when the transferred assets meet the definition of "business" under IFRS 3 Combinations of Business. The amendment places strong pressure on the definition of "business" for recognition in profit or loss. The amendment also introduces new and unexpected recognition of transactions that consider partial maintenance in assets that do not constitute a business.

The effective date of application of this amendment has been deferred indefinitely.

Bank's Management has not determined the potential impact of the application of this amendment on its Interim Consolidated Financial Statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Statement of Practice 2 Making Materiality Judgements)

In October 2018, the Board refined the definition of material to make it easier to understand and apply. This definition is now aligned across IFRS standards and conceptual framework. The refined definition of material complements the non-mandatory IFRS Practice Statement 2 *Making Materiality Judgements*, issued by the Board in 2017, which outlines a four-step process that prepares can use to help them make materiality judgements in preparing the financial statements.

In February 2021, the Board issued amendments to IAS 1 *Presentation of Financial Statements* and an update to IFRS Practice Statement 2.

The amendments include the following:

- Require companies to disclose their *material* accounting policies rather than their *significant* accounting policies *;*

- Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

- Clarify that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to Practice Statement 2 include two additional examples on the application of materiality in accounting policy disclosures.

Bank's Management has not determined the potential impact of the application of this amendment on its Interim Consolidated Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus being the definition and clarification of accounting estimates.
The amendments clarify the relationship between policies and accounting estimates, specifying that a company develops an accounting estimate to achieve the objective previously set out by an accounting policy.

Bank's Management has not determined the potential impact of the application of this amendment on its Interim Consolidated Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the Board issued amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, to clarify how companies should account for deferred tax on certain types of transactions where an asset and a liability is recognized, such as leases and decommissioning obligations.

The amendments narrow the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for all temporary differences arising, on initial recognition, of a lease and a decommissioning obligation.

Bank's Management has not determined the potential impact of the application of this amendment on its Interim Consolidated Financial Statements.

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

In December 2021, the Board issued the amendment to IFRS 17 *Initial Application of IFRS 17 and IFRS 9 – Comparative information*, in order to alleviate the operational complexities between accounting for insurance contract liabilities and related financial assets on the initial application of IFRS 17.

The amendment allows presentation of comparative information about financial assets related to insurance contracts to be presented in a manner that is more consistent with the provisions of International Financial Reporting Standard 9 (IFRS 9) *Financial Instruments.*

Bank's Management estimates that this new regulation will have no impact on the Interim Consolidated Financial Statements, given that the companies included in the consolidation issue no insurance contracts.

c.- Standards and instructions issued by the Financial Market Commission (CMF).

General rule No. 464: on January 31, 2022, the CMF modified NCG No. 460, which determined the insurance that can be contracted in accordance with the provisions of article 538 bis of the Commercial Code. Incorporating agricultural insurance associated with: Loss, damage, theft or larceny of agricultural products and/or agricultural, livestock, forestry production and risks of agriculture in general, or universalities, covered by the Agricultural Insurance Programs, with grants from the Government or those who replace them.

Bank's Management estimates that the application of this standard will have no effect on the Interim Consolidated Financial Statements.

Circular No. 2.305: on February 16, 2022, the Commission modified chapter C-1 on monthly financial statements of the Compendium of Accounting Standards for Banks and has decided to replace table No. 2 of Annex No. 6 on solvency indicators and regulatory compliance indicators according to Basel III.

Bank's Management implemented these measures in the Interim Consolidated Financial Statements as of March 31, 2022.

Circular No. 2.310: On March 30, 2022, the CMF eliminated the following regulatory files:

D58: Daily interest rates for FOGAPE-COVID19 operations

D59: Daily interest rates for operations guaranteed by FOGAPE Reactivación and FOGAPE Postergación.

E20: Detailed balance of FOGAPE-COVID19 applications.

E21: Aggregate balance of FOGAPE-COVID19 applications.

E22: Detailed balance of the financing application status with fogape-reactivación y postergación guarantee.

All these files were related to information regarding the applications and granting of loans related to the FOGAPE Covid-19, Reactivación y Postergación guarantee programs. Consequently, they are removed from the Information System Manual.

Bank's Management estimates that the application of this instruction will have no effect on the Interim Consolidated Financial Statements.

NOTE 4 – ACCOUNTING CHANGES

On December 20, 2019, through circular letter No. 2,243, and as a result of various changes introduced by the International Accounting Standard Board to the international financial reporting standards ("IFRS") during recent years, particularly to the new IFRS 9, 15, 16 and the subsequent revision of the limitations in their application by national banks, the Financial Market Commission decided to fully update the instructions of the Compendium of Accounting Standards for Banks ("CNCB").

In accordance with the current legal framework, banks must use the accounting criteria provided by the Financial Market Commission and in all matters not addressed by the Commission or that do not contradict its instructions, they must adhere to the generally accepted accounting criteria, which correspond to the technical standards issued by Colegio de Contadores de Chile AG, matching the International Financial Reporting Standards (IFRS) agreed by the International Accounting Standards Board (IASB).

As a result of the abovementioned, the Bank established a plan for the transition to the new accounting standards that includes, among other aspects, the analysis of the differences in accounting criteria, the selection of the accounting criteria to be applied in cases where alternative treatments are allowed and the assessment of changes in procedures and information systems.

On April 20, 2020, the Commission amended chapter E "Transitional Provisions" and postponed the first application date of the new provisions of the Compendium of Accounting Standards from January 1, 2022, with a transition date of January 1, 2021 for the comparative financial statements to be published as of March 2022.

In accordance with this transition plan, the standards of the new Compendium of Accounting Standards for Banks have been retroactively applied as of January 1, 2021, and an opening Consolidated Statement of Financial Position has been prepared as of that date. Also, in order to present comparative financial statements during the year 2022, the Bank prepared a set of pro-forma financial statements for the year 2021. With the exception of the change of criteria for the suspension of the recognition of interest income and adjustments on an accrual basis as provided in Chapter B-2 of the CNCB, which was adopted prospectively as of January 1, 2022, so its transition date and first application date will be that date.

The main impacts of the implementation of the CNCB update, both at the level of the Consolidated Statement of Financial Position and the Consolidated Statement of Income, are detailed and explained as follows:

a) Equity reconciliation according to the new Compendium of Accounting Standards for Banks

	Adjustment reference	Total Equity	
		January 1, 2021	December 31, 2021
		MCh$	MCh$
Miami Branch Syndicated Loans	a)	(8,615)	(5,236)
Suspension of accrual of interest and inflation-indexation	b)	-	(17,468)
Provisions for credit risk from the suspension of accrual of interest and inflation-indexation	c)	-	4,897
Commercial current accounts	d)	(1,289)	(1,356)
Change in group customer segmentation	e)	2,660	3,144
Impairment of debt financial instruments at amortized cost	f)	-	(1,289)
Investments in other companies in equity instruments	g)	374	539
Change in risk exposure of freely available revolving credit facilities	h)	6,880	4,095
Impairment of financial assets at fair value through other comprehensive income	i)	(25,158)	(12,807)
Subtotal		**(25,148)**	**(25,481)**
Deferred tax		(1,598)	2,356
Equity as per the new Compendium of Accounting Standards for Banks		(26,746)	(23,125)

b) Opening Consolidated Statement of Position according to the new Compendium of Accounting Standards

As mentioned above, as of January 1, 2021, the standards of the new Compendium of Accounting Standards for the Bank were applied retroactively in order to prepare the corresponding opening Consolidated Statement of Position under these new accounting standards.

The reconciliation of the balances in the Statement of Financial Position is presented below:

Previous CNC: corresponds to the balances in the consolidated financial statements of the Bank and its subsidiaries as of January 1, 2021, which were prepared in accordance with the accounting criteria and principles of the previous Compendium of Accounting Standards.

First-time application adjustments: correspond to the proforma adjustments applying the criteria and instructions issued by the new standards.

First-time application reclassifications: correspond to changes in the classification of items in the statement of financial position and statement of income as a result of the application of first-time application adjustments.

New CNCB balance: corresponds to the balances that result from applying the adjustments and/or reclassifications to closing balances.

	January 1, 2021			
	Previous CNC	First-time application adjustments	First-time application reclassifications	New CNCB
	MCh$	MCh$	MCh$	MCh$
Cash and bank deposits	**4,597,868**	**-**	**-**	**4,597,868**
Transactions in the course of collection	**236,710**	**-**	**-**	**236,710**
Financial assets held for trading at fair value through profit or loss	**5,567,454**	**-**	**-**	**5,567,454**
Financial derivative contracts	4,420,175	-	-	4,420,175
Debt financial instruments	1,049,848	-	-	1,049,848
Other financial instruments	97,431	-	-	97,431
Financial assets not held for trading mandatorily measured at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income:	**7,993,595**	**-**	**(301,727)**	**7,691,869**
Debt financial instruments	7,993,595	-	(301,727)	7,691,869
Other financial instruments	-	-	-	-
Financial derivative contracts for accounting hedge	**1,031,722**	**-**	**-**	**1,031,722**
Financial assets at amortized cost	**35,290,744**	**(7,243)**	**305,632**	**35,589,133**
Rights for reverse repurchase agreements and securities lending	190,248	-	-	190,248
Debt financial instruments	25,145	-	-	25,145
Loans and advances to banks	356,669	-	-	356,669
Loans and receivables from customers - Commercial	23,173,727	-	305,632	23,479,359
Loans and receivable from customers - Mortgage	8,945,702	-	-	8,945,702
Loans and receivable from customers - Consumer	3,389,284	-	-	3,389,284
Provisions for credit risk	(790,031)	(7,243)	-	(797,275)
Investments in companies	**29,067**	374	**-**	**29,441**
Intangible assets	**395,276**	-	**-**	**395,276**
Property and equipment	**251,217**	**-**	**-**	**251,217**
Right-of-use assets	**204,807**	**-**	**-**	**204,807**
Current tax assets	**36,270**	**-**	**-**	**36,270**
Deferred tax assets	**211,224**	(1,598)	**-**	**209,658**
Other assets	**1,265,215**	**-**	**-**	**1,265,215**
Non-current assets and disposal groups held for sale	**45,506**	**-**	**-**	**45,506**
TOTAL ASSETS	57,156,675	(8,468)	3,905	57,152,113

	January 1, 2021			
	Previous CNC	First-time application adjustments	First-time application reclassifications	New CNCB
	MCh$	MCh$	MCh$	MCh$
Transactions in the course of payment	**201,437**	**-**	**-**	**201,437**
Financial liabilities held for trading at fair value through profit or loss	**4,530,724**	**-**	**-**	**4,530,724**
Financial derivative contracts	4,530,724	-	-	4,530,724
Others	**-**	**-**	**-**	-
Financial liabilities at fair value through profit or loss	**-**	**-**	**-**	-
Financial derivative contracts for accounting hedge	**1,262,629**	**-**	**-**	**1,262,629**
Financial liabilities at amortized cost:	**44,271,213**	**-**	**-**	**44,271,213**
Deposits and other on-demand deposits	19,726,574	-	-	19,726,574
Deposits and other term deposits	10,840,931	-	-	10,840,931
Liabilities for repurchase agreements and securities lending	350,314	-	-	350,314
Bank borrowings	6,270,698	-	-	6,270,698
Debt financial instruments in issue	6,171,651	-	-	6,171,651
Other financial liabilities	911,044	-	-	911,044
Lease liabilities	**186,293**	**-**	**-**	**186,293**
Regulatory capital financial instruments issued	**1,258,653**	**-**	**-**	**1,258,653**
Provisions for contingencies	**130,964**	**-**	**-**	**130,964**
Provisions for dividends, payment of interests and revaluation of instruments	**95,236**	**-**	**-**	**95,236**
Special provisions for credit risk	**215,376**	(6,880)	**-**	**208,497**
Current taxes	**9,073**	**-**	**-**	**9,073**
Deferred taxes	**22,189**	**-**	**-**	**22,189**
Other liabilities	**1,078,183**	**-**	**-**	**1,078,183**
Liabilities included in disposal groups held for sale	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	53,261,971	(6,880)	-	53,255,091
EQUITY				
Share capital	**3,655,828**	**-**	**-**	**3,655,828**
Reserves	**24**	**(1,588)**	**(25,158)**	**(26,722)**
Accumulated other comprehensive income	**22,308**	**-**	**29,063**	**51,371**
Items that will not be reclassified to profit or loss	-	-	-	**-**
Items that may be reclassified to profit or loss	22,308	-	29,063	51,371
Retained earnings from prior years	**(6,758)**	-	-	**(6,758)**
Profit for the period	**317,454**	-	-	**317,454**
Less: Provision for minimum dividends	**(95,236)**	-	-	**(95,236)**
Owners of the bank:	**3,893,619**	**(1,588)**	**3,905**	**3,895,937**
Non-controlling interests	**1,085**	**-**	**-**	**1,085**
TOTAL EQUITY	3,894,705	(1,588)	3,905	3,897,022
TOTAL LIABILITIES AND EQUITY	57,156,675	(8,468)	3,905	57,152,113

c) Proforma Statements of Financial Position

In order to present comparative financial statements during the year 2022, the Bank prepared a set of proforma financial statements for the year 2021.

The Proforma Statement of Financial Position as of March 31, 2021, is as follows:

	March 31, 2021			
	Previous CNC	First-time application adjustments	First-time application reclassifications	New CNCB
	MCh$	MCh$	MCh$	MCh$
ASSETS				
Cash and bank deposits	**4,659,509**	**-**	**-**	**4,659,509**
Transactions in the course of collection	**374,540**	**-**	**-**	**374,540**
Financial assets held for trading at fair value through profit or loss	**3,704,050**	**-**	**-**	**3,704,050**
Financial derivative contracts	3,262,982	-	-	3,262,982
Debt financial instruments	354,415	-	-	354,415
Other financial instruments	86,653	-	-	86,653
Financial assets not held for trading mandatorily measured at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	**-**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income:	**8,739,221**	**-**	**-**	**8,739,221**
Debt financial instruments	8,739,221	-	-	8,739,221
Other financial instruments	-	-	-	-
Financial derivative contracts for accounting hedge	**1,030,037**	**-**	**-**	**1,030,037**
Financial assets at amortized cost:	**35,973,954**	**(7,610)**	**-**	**35,966,344**
Rights for reverse repurchase agreements and securities lending	216,529	-	-	216,529
Debt financial instruments	295,546	-	-	295,546
Loans and advances to banks	438,733	-	-	438,733
Loans and receivables from customers - Commercial	23,212,131	-	-	23,212,131
Loans and receivables from customers - Mortgage	9,234,941	-	-	9,234,941
Loans and receivables from customers - Consumer	3,335,869	-	-	3,335,869
Provisions for credit risk	(759,795)	(7,610)	-	(767,405)
Investments in companies	**27,009**	**416**	**-**	**27,425**
Intangible assets	**391,691**	**-**	**-**	**391,691**
Property and equipment	**247,881**	**-**	**-**	**247,881**
Right-of-use assets	**195,753**	**-**	**-**	**195,753**
Current tax assets	**13,952**	**-**	**-**	**13,952**
Deferred tax assets	**236,564**	**(3,479)**	**-**	**233,085**
Other assets	**1,187,947**	**-**	**-**	**1,187,947**
Non-current assets and disposal groups held for sale	**45,806**	**-**	**-**	**45,806**
TOTAL ASSETS	**56,827,914**	**(10,673)**	**-**	**56,817,241**
LIABILITIES				
Transactions in the course of payment	**369,186**	**-**	**-**	**369,186**
Financial liabilities held for trading at fair value through profit or loss	**3,312,120**	**-**	**-**	**3,312,120**
Financial derivative contracts	3,312,120	-	-	3,312,120
Others	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial derivative contracts for accounting hedge	**1,196,529**	**-**	**-**	**1,196,529**
Financial liabilities at amortized cost:	**44,867,707**	**-**	**-**	**44,867,707**
Deposits and other on-demand deposits	21,188,325	-	-	21,188,325
Deposits and other term deposits	9,625,354	-	-	9,625,354
Liabilities for repurchase agreements and securities lending	239,794	-	-	239,794
Bank borrowings	6,445,610	-	-	6,445,610
Debt financial instruments in issue	6,509,203	-	-	6,509,203
Other financial liabilities	859,421	-	-	859,421
Lease liabilities	**178,470**	**-**	**-**	**178,470**
Regulatory capital financial instruments issued	**1,277,931**	**-**	**-**	**1,277,931**
Provisions for contingencies	**130,254**	**-**	**-**	**130,254**
Provisions for dividends, payment of interests and revaluation of instruments	**139,912**	**2,501**	**-**	**142,413**
Special provisions for credit risk	**260,761**	**(13,138)**	**-**	**247,623**
Current taxes	**21,215**	**-**	**-**	**21,215**
Deferred taxes	**1,483**	**-**	**-**	**1,483**
Other liabilities	**1,080,892**	**-**	**-**	**1,080,892**
Liabilities included in disposal groups held for sale	**-**	**-**	**-**	**-**
TOTAL LIABILITIES	**52,836,460**	**(10,637)**	**-**	**52,825,823**
EQUITY				
Share capital	3,655,828	-	-	3,655,828
Reserves	24	-	-	24
Accumulated other comprehensive income	14,803	20,942	-	35,745
Items that will not be reclassified to profit or loss	-	383	-	383
Items that may be reclassified to profit or loss	14,803	20,559	-	35,362
Retained earnings from prior years	310,696	(26,813)	-	283,883
Profit for the period	148,919	8,336	-	157,255
Less: Provision for minimum dividends	(139,912)	(2,501)	-	(142,413)
Owners of the bank:	3,990,358	(36)	-	3,990,322
Non-controlling interest	1,096	-	-	1,096
TOTAL EQUITY	**3,991,454**	**(36)**	**-**	**3,991,418**
TOTAL LIABILITIES AND EQUITY	**56,827,914**	**(10,673)**	**-**	**56,817,241**

d) Proforma Statements of Income

The Proforma Statement of Income as of March 31, 2021, is as follows:

	March 31, 2021			
	Previous CNC	First-time application adjustments	First-time application reclassifications	New CNCB
	MCh$	MCh$	MCh$	MCh$
Interest income	397,950	58	-	398,008
Interest expenses	(66,323)	-	-	(66,323)
Net interest income	**331,627**	**58**	**-**	**331,685**
Inflation indexation income	115,614	-	-	115,614
Inflation indexation expenses	(45,076)	-	-	(45,076)
Net Inflation indexation income	**70,538**	**-**	**-**	**70,538**
Fee income	111,611	-	-	111,611
Fee expense	(30,549)	-	-	(30,549)
Net fee income	**81,062**	**-**	**-**	**81,062**
Finance income for:				
Financial assets held for trading at fair value through profit or loss	13,721	-	-	13,721
Financial liabilities held for trading at fair value through profit or loss	-	-	-	-
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-
Income arising from derecognition of financial assets and liabilities not measured at fair value through profit or loss	-	-	-	-
Foreign currency changes, Inflation indexation and hedge accounting	(11,554)	(1)	(770)	(12,325)
Reclassification of financial assets due to change in business model	-	-	-	-
Other finance income from changes in financial assets and liabilities	-	-	-	-
Other finance income (loss) for ineffective accounting hedges	-	-	-	-
Other financial income (loss) for other accounting hedges	-	-	-	-
Net finance income (loss)	**2,167**	**(1)**	**(770)**	**1,396**
Income from investments in companies	91	-	-	91
Income from non-current assets and disposal groups not admissible as discontinued operations	3,271	-	-	3,271
Other operating income	5,878	-	-	5,878
TOTAL OPERATING INCOME	**494,634**	**57**	**770**	**493,921**
Expenses for employee benefit obligations	(128,000)	-	-	(128,000)
Administrative expenses	(74,690)	-	-	(74,690)
Depreciation and amortization	(26,300)	-	-	(26,300)
Impairment of non-financial assets		-	-	
Other operating expenses	(27,528)	-	-	(27,528)
TOTAL OPERATING EXPENSES	**(256,541)**	**-**	**-**	**(256,541)**
OPERATING INCOME BEFORE CREDIT LOSSES	**238,093**	**57**	**770**	**237,380**
Credit loss expense for:				
Provision for credit risk of loans and advances to banks and loans and receivables from customers	(44,886)	506	770	(43,610)
Special provisions for credit risk	(45,994)	6,257	-	(39,737)
Recovery of written-off credits	18,069	-	-	18,069
Impairment due to credit risk of other financial assets not measured at fair value through profit or loss	-	4,599	-	4,599
Credit loss expense	**(72,811)**	**13,362**	**770**	**60,679**
OPERATING PROFIT	**165,282**	**11,419**	**-**	**176,701**
Profit from continuing operations before tax	**165,282**	**11,419**	**-**	**176,701**
Income tax _	(16,324)	(3,083)	-	(19,408)
Profit from continuing operations after tax	**148,958**	**8,337**	**-**	**157,293**
Profit from discontinued operations before tax	**-**	**-**	**-**	**-**
Discontinued operations tax	**-**	**-**	**-**	**-**
Profit from discontinued operations after tax	**-**	**-**	**-**	**-**
CONSOLIDATED PROFIT FOR THE PERIOD	**148,958**	**-**	**-**	**157,293**
OWNERS OF THE BANK	148,921	-	-	157,256
NON-CONTROLLING INTERESTS	37	-	-	37

e) Proforma Statement of Financial Position

The Proforma Statement of Financial Position as of December 31, 2021, is as follows:

	December 31, 2021				
	Previous CNC	Adjustments	Reclassifications	New CNCB	Explanatory Note
	MCh$	MCh$	MCh$	MCh$	
Cash and bank deposits	**3,960,496**	**-**	**-**	**3,960,496**	
Transactions in the course of collection	**350,072**	**-**	**-**	**350,072**	
Financial assets held for trading at fair value through profit or loss:	**6,066,332**	**-**	**-**	**6,066,332**	
Financial derivative contracts	5,192,466	-	-	5,192,466	
Debt financial instruments	717,057	-	-	717,057	
Other financial instruments	156,809	-	-	156,809	
Financial assets not held for trading mandatorily measured at fair value through profit or loss	**-**	**-**	**-**	**-**	
Financial assets at fair value through profit or loss	**-**	**-**	**-**	**-**	
Financial assets at fair value through other comprehensive income:	**11,204,593**	**-**	**(390,946)**	**10,813,647**	
Debt financial instruments	11,204,593	-	(390,946)	10,813,647	
Other financial instruments	-	-	-	-	
Financial derivative contracts for accounting hedge	**1,589,059**	**-**	**-**	**1,589,059**	
Financial assets at amortized cost:	**43,354,039**	**(17,308)**	**394,002**	**43,730,733**	
Rights for reverse repurchase agreements and securities lending	186,753	-	-	186,753	
Debt financial instruments	2,297,355	(1,289)	-	2,296,066	F)
Loans and advances to banks	639,533	-	-	639,533	
Loans and receivables from customers - Commercial	26,788,935	(6,300)	**394,002**	27,176,637	c)
Loans and receivables from customers - Mortgage	10,762,626	(10,959)	-	10,751,667	c)
Loans and receivables from customers - Consumer	3,430,998	(208)	-	3,430,790	c)
Provisions for credit risk	(752,161)	1,448	-	(750,713)	b) d), e), g)
Investments in companies	**32,763**	**539**	**-**	**33,302**	i)
Intangible assets	**440,960**	**-**	**-**	**440,960**	
Property and equipment	**252,734**	**-**	**-**	**252,734**	
Right-of-use assets	**189,025**	**-**	**-**	**189,025**	
Current tax assets	**19,572**	**-**	**-**	**19,572**	
Deferred tax assets	**251,196**	**2,356**	**-**	**253,552**	
Other assets	**1,402,077**	**-**	**-**	**1,402,077**	
Non-current assets and disposal groups held for sale	**45,719**	**-**	**-**	**45,719**	
TOTAL ASSETS	**69,158,637**	**(14,413)**	**3,057**	**69,147,280**	
LIABILITIES					
Transactions in the course of payment	**258,686**	**-**	**-**	**258,686**	
Financial liabilities held for trading at fair value through profit or loss	**5,094,231**	**-**	**-**	**5,094,231**	
Financial derivative contracts	5,094,231	-	-	5,094,231	
Others	-	-	-	-	
Financial liabilities at fair value through profit or loss	-	-	-	-	
Financial derivative contracts for accounting hedge	**1,492,815**	**-**	**-**	**1,492,815**	
Financial liabilities at amortized cost:	**54,086,903**	**-**	**-**	**54,086,903**	
Deposits and other on-demand liabilities	27,653,442	-	-	27,653,442	
Deposits and other term deposits	10,865,148	-	-	10,865,148	
Liabilities for repurchase agreements and securities lending	141,178	-	-	141,178	
Bank borrowings	6,970,837	-	-	6,970,837	
Debt securities in issue	7,428,195	-	-	7,428,195	
Other financial obligations	1,028,103	-	-	1,028,103	
Lease liabilities	**173,726**	**-**	**-**	**173,726**	
Regulatory capital financial instruments issued	**1,332,936**	**-**	**-**	**1,332,936**	
Provisions for contingencies	**138,610**	**-**	**-**	**138,610**	i)
Provisions for dividends, payment of interests and revaluation of instruments	**156,117**	**-**	**-**	**156,117**	
Special provisions for credit risk	**416,162**	**(4,095)**	**-**	**412,067**	
Current taxes	**141,535**	**-**	**-**	**141,535**	
Deferred taxes	**926**	**-**	**-**	**926**	
Other liabilities	**1,364,513**	**-**	**-**	**1,364,513**	
Liabilities included in disposal groups held for sale	**-**	**-**	**-**	**-**	
TOTAL LIABILITIES	**64,657,160**	**(4,095)**	**-**	**64,653,065**	
EQUITY					
Share capital	3,862,386	**-**	**-**	**3,862,386**	
Reserves	25	**(10,318)**	**(12,807)**	**(23,100)**	
Accumulated other comprehensive income	273,392	**-**	**15,863**	**289,255**	
Items that will not be reclassified to profit or loss	-	**-**	**-**	**-**	
Items that may be reclassified to profit or loss	273,392	-	15,863	289,255	a), b)
Retained earnings from prior years	-	**-**	**-**	**-**	
Profit for the period	520,391	**-**	**-**	**520,391**	
Less: Provision for minimum dividends	(156,117)	**-**	**-**	**(156,117)**	
Owners of the bank:	**4,500,077**	**(10,318)**	**3,056**	**4,492,815**	
Non-controlling interest	1,400	**-**	**-**	1,400	
TOTAL EQUITY	**4,501,477**	**(10,318)**	**3,056**	**4,494,215**	
TOTAL LIABILITIES AND EQUITY	**69,158,637**	**(14,413)**	**3,056**	**69,147,280**	

f) Description of the main adjustments

The main adjustments and/or reclassifications are as follows:

a. Miami Branch Syndicated Loans

Corresponds to the reclassification of Miami Branch syndicated loans, according to the new business model of IFRS 9, such loans are reclassified from financial assets at fair value through other comprehensive income to assets at amortized cost. Consequently, provisions for credit risk were determined in accordance with chapter B-1 of the CNCB.

b. Suspension of accrual of interest and Inflation indexation

Corresponds to the change in the criteria for the suspension of the recognition of interest Inflation indexation income on an accrual basis for loans in the Statement of Income, when the loan or one of its payments has been 90 days past, as provided in Chapter B-2 of the Compendium.

c. Provisions for credit risk from the suspension of accrual of interest and Inflation indexation

Corresponds to the adjustment in provisions for credit risk as a result of the change in the value of gross loans as a result of the change in the criteria for suspending the recognition of interest Inflation indexation income on an accrual basis.

d. Commercial current accounts

As a result of the reclassification of the financing granted to subsidiaries from other assets to commercial loans, provisions were made for credit risk in accordance with chapter B1 of the CNCB.

e. Change in group customer segmentation

Corresponds to the change in the segmentation criteria of the model based on group analysis according to chapter B-1 of the Compendium, in which the Bank has an aggregate exposure to the same counterparty of less than 20,000 UF.

f. Impairment of debt financial instruments at amortized cost

According to IFRS 9, the Bank shall recognize provisions for expected credit losses on debt financial instruments classified as assets at amortized cost.

g. Investments in other companies in equity instruments

Corresponds to the recognition of minority investments in equity instruments according to IFRS 9, which according to the business model established by the Bank will not be held for trading and therefore, will be recognized and measured at fair value through Other Comprehensive Income.

h. Change in risk exposure of freely available revolving credit facilities

Corresponds to the change in exposures to credit risk of contingent loans according to chapter B-3 of the Compendium. The changes are as follows:

a) The other freely available revolving credit facilities increase the contingent exposure from 35% to 40%.
b) A new freely available, immediate payment revolving credit facility is created with an exposure factor of 10%.

i. Impairment of financial assets at fair value through other comprehensive income

Corresponds to the recognition of impairment of financial instruments at fair value through other comprehensive income in accordance with IFRS.

NOTE 5 – SIGNIFICANT EVENTS

a) Agreement for the distribution of profits for the year 2021

On February 25, 2022, a Board of Directors meeting was held, where it was agreed to determine the distribution of the net profits obtained by the Bank in 2021, which was approved at the Ordinary Shareholders' Meeting held on April 7, 2022The approved subjects are the following:

- Distribute the balance of net profits amounting to Ch$520,391,300,750 (MCh$520,391), as follows:
  - Distribute a dividend of Ch$1,010 per share among the total of 155,886,505 shares issued and registered in the Shareholders' Registry, which implies allocating for this purpose the sum of Ch$157,445,370,050 (MCh$157,445), i.e. 30.26% of the distributable net income for the year 2021.
  - Allocate the remaining balance of profits for the year to the reserve fund from profit, i.e. the sum of Ch$362,945,930,700 (MCh$362,946).

At the Extraordinary Shareholders' Meeting held on April 7, 2022, the following was approved:

- Capitalize reserves from profit of Ch$362,945,930,700 (MCh$362,946) as follows:
  - Ch$362,945,918,211 (MCh$362,946) through the issuance of 12,950,840 fully paid, no par value shares.
  - Ch$362,945,918,211 (MCh$362,946) through the issuance of 12,950,840 fully paid, no par value shares.
  - Ch$362,945,918,211 (MCh$362,946) through the issuance of 12,950,840 fully paid, no par value shares.

b) Issue and placement of bonds

During the 2022 period , no Subordinated Bond have been issued.

During 2022, the following loans of current Bonds in UF were made:

Series	Placement date	UF	IRR rate	Due date
BBCII20219	01.07.2022	270,000	3.02%	02.01.2029
BBCIN21220	02.09.2022	1,750,000	2.83%	12.01.2027
BBCIN21220	02.10.2022	300,000	2.87%	12.01.2027
BBCIN41220	11.02.2022	850,000	3.03%	12.01.2030
BBCIN41220	11.02.2022	100,000	3.03%	12.01.2030
BBCIN41220	11.02.2022	100,000	3.03%	12.01.2030
BBCIN21220	16.03.2022	950,000	2.59%	12.01.2027

During 2022, Current Bonds issued in Japanese Yen were as follows:

Series	Issue date	YEN	IRR rate	Due date
XS2424489958	01.07.2022	5,000,000,000	0.5%	01.07.2027

During 2022, Current Bonds placed in Japanese Yen were as follows:

Series	Placement date	YEN	IRR rate	Due date
XS2424489958	01.07.2022	5,000,000,000	0.5%	01.07.2027

During 2022, Current Bonds issued in US Dollars were as follows:

Series	Issue date	USD	IRR rate	Due date
XS2454830824	03.10.2022	10,000,000	1.6596%	03.10.2029
XS2457006521	15.03.2022	25,000,000	1.6694%	15.03.2027

During 2022, Current Bonds placed in US Dollars were as follows:

Series	Placement date	USD	IRR rate	Due date
XS2454830824	03.10.2022	10,000,000	1.6596%	03.10.2029
XS2457006521	15.03.2022	25,000,000	1.6694%	15.03.2027

During 2022, Current Bonds issued in Swiss Francs were as follows:

Series	Issue date	CHF	IRR rate	Due date
CH1142512339	01.26.2022	200,000,000	0.599%	26.04.2027

During 2022, Current Bonds placed in Swiss Francs were as follows:

Series	Placement date	CHF	IRR rate	Due date
CH1142512339	26.01.2022	200,000,000	0.599%	26.04.2027

c) Incorporation of Banco BCI Perú

The Bank's Board of Directors has authorized BCI management to establish a banking entity in the city of Lima, Peru, which will become a subsidiary of BCI, hereinafter "Banco BCI Perú", subject to the conditions described below. Banco BCI Perú will be a shareholders' corporation under the regulations of the Republic of Peru, which will be registered with the National Superintendency of Public Registries of Peru and its shares will be registered with the Public Registry of the Securities Market and the Registry of the Lima Stock Exchange. 99.9% of the shares of Banco BCI Perú will be owned by BCI and the remaining 0.1% owned by Empresas JY S.A. Banco BCI Perú will be subject to the oversight of the corresponding Chilean and Peruvian regulatory entities. The incorporation and operation of Banco BCI Perú is subject, among other conditions, to the approval by the Financial Market Commission and the Central Bank of Chile in accordance with the provisions of article 76 of the General Banking Law and Chapter 11-7 of the Updated Compendium of Standards issued by such Commission; as well as the obtention of the regulatory authorizations, inscriptions and records required under Peruvian law.

Banco BCI Perú S.A. was incorporated via public deed on September 14, 2021 in the Republic of Peru.

On May 3, 2022, in accordance with essential event No. 101, Banco BCI informed the CMF that on April 29, 2022, the Superintendence of Banking, Insurance and Pension Fund Administrators of Peru granted Banco BCI Peru (hereinafter "BCI Peru") authorization to operate as a multiple operations banking company through SBS Resolution No. 1440-2022. It was stated that in order for BCI Peru to define the exact date of commencement of operations, the registration of the share capital of BCI Peru with the Superintendence of the Stock Market and the Lima Stock Exchange is still pending, circumstances which will be duly reported to the Financial Market Commission.

NOTE 6 – BUSINESS SEGMENTS

Pursuant to IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria indicated in the standard. Thus, a business segment comprises customers to whom a differentiated product offering is addressed, but who are homogeneous in terms that their performance is measured in a similar way and are therefore part of the same business segment. In general terms, such aggregation has no significant impact on understanding the nature and effects of the business activities in which the Bank engages and the economic environment in which it operates.

The segment report is presented by the Bank based on the defined business structure, which is aimed at optimizing customer service with products and services, according to their relevant commercial characteristics.

To reliably reflect the nature of the Bank's business in the segments in which it engages, the presentation of the note includes the following:

1. The result of the Balance Sheet management is assigned to the commercial segments according to the composition of assets and liabilities of each business.

2. Corporate expenses are assigned to commercial segments, based on assignment criteria for each of the units established as Corporate (Comptrollership, Accounting, General Management, among others).

3. A minimum provision adjustment is assigned to the segments according to the classification of the customers that originated them.

In June 2021, Private Banking was integrated into Investment & Finance Banking to deepen our business model and enhance investment opportunities. In this way, Private Banking was transferred from the Wholesale segment to the Finance segment. Data for the twelve-month period ended December 31, 2020 was restated to align it with the segment presentation.

The commercial structure is presented below, with the segments defined by the Bank:

Retail Banking Segment: serves natural persons. Its business units are: Personal and Premium.

SME Banking segment: this segment includes companies with sales of up to UF 80,000 per year.

Wholesale Banking segment: considers all companies with sales of more than UF 80,000 per year.

Finance segment: includes the intermediation of financial positions and the management of the Bank's own investment portfolio. It also considers high-net-worth clients and investors that require high-value financial services (Private Banking).

BCI FinancialGroup: corresponds to business and operations performed in the United States through City National Bank of Florida (CNB), which operates as an independent unit, under the supervision of senior management in Chile.

Financial Services: corresponds to businesses associated with the issuance and operation of BCI Líder Mastercard and Presto credit cards, the origination of low and high-amount cash advances and personal insurance brokerage, among others, which operates as an independent unit, under the supervision of BCI's senior management.

Others: this concept includes expenses and/or income, which due to their nature are not directly identified with the business segments and therefore are not assigned.

Allocation of results of subsidiaries by customer:

Consistent with its customer-focused strategy, management of the aforementioned segments considers in each one the income and expenses generated in the subsidiaries as a result of the attention/provision of services to the Bank's customers in each segment, as well as the distribution desk results.

Allocation of balance sheet management result:

In order to consider in each segment all the benefits and costs associated with serving its customers, the result for managing currency and term mismatches is distributed to the segments, in proportion to the assets and liabilities of each segment.

Allocation of expenses to commercial segments:

Own expenses: correspond to the expenses of the commercial units that are divided into direct business expenses (personnel expenses, customer service, extra expenses, materials and supplies, among others) and intercommercial expenses, which are assigned to the business by survey or ABC (transactions).

Assigned expenses: expenses of support units (Operations, Risk, Management, etc.) that are assigned based on surveys (according to the services they provide to the business) or ABC (transactions).

Technological expenses: correspond to technological expenses, whether depreciation, recurring expenses (software, licenses, maintenance, etc.) and expenses for new projects, which are grouped into the different technological applications of the bank, which have a defined allocation driver for the banks based on their use (ABC model).

These criteria have been applied for the periods ended March 31, 2022 and 2021

The management of the commercial areas indicated above is measured with the concepts presented in this note, which is based on the accounting principles applied to the Interim Consolidated Statements of Income for the Period

a) Profit (loss) in 2022 :

	March 31, 2022								
	RETAIL	SMEs	WHOLESALE	FINANCE	Total Segments	BCI FINANCIAL GROUP	Financial services	OTHERS	Total Consolidated BCI
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and Inflation-indexation income	138,020	49,438	118,472	22,671	328,601	116,669	30,235	7,575	483,080
Net fee income	43,182	8,791	19,974	1,826	73,773	7,924	8,301	1,295	91,293
Other operating income	1,256	3,266	14,453	17,380	36,355	6,354	5,408	(1,417)	46,700
Total operating income	**182,458**	**61,495**	**152,899**	**41,877**	**438,729**	**130,947**	**43,944**	**7,455**	**621,073**
Provisions for credit risk	(34,704)	(30,530)	(44,487)	1,547	(108,174)	(6,021)	(22,338)	(1969)	(138,500)
Net operating income	**147,754**	**30,965**	**108,412**	**43,424**	**330,555**	**124,926**	**21,606**	**5,486**	**482,573**
Total operating expenses	**(89,152)**	**(26,342)**	**(42,249)**	**(18,787)**	**(176,530)**	**(59,438)**	**(20,191)**	**(21,711)**	**(277,870)**
OPERATING INCOME (LOSS)	**58,602**	**4,623**	**66,163**	**24,637**	**154,025**	**65,488**	**1,415**	**(16,225)**	**204,703**
Income from investments in companies									1,187
Profit before tax									**205,890**
Income tax									(16,458)
CONSOLIDATED PROFIT FOR THE PERIOD									**189,432**

	March 31, 2022							
	RETAIL	SMEs	WHOLESALE	FINANCE	Total Segments	CNB	Financial services	Total Consolidated BCI
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	12,304,718	2,839,535	10,033,134	26,277,467	51,454,854	17,413,747	677,684	**69,546,285**
Loans and receivables from customers (1)	12,487,573	2,946,966	10,336,125	4,745,497	30,516,161	11,305,123	217,150	42,038,434
LIABILITIES	7,617,684	2,346,023	10,867,527	27,948,391	48,779,625	15,808,467	580,655	**65,168,747**
On-demand and term deposits (2)	6,475,125	2,134,803	10,348,045	4,080,700	23,038,673	14,749,439	2,564	37,790,676
EQUITY								**4,377,538**

(1) Corresponds to loans receivable from customers plus loans and advances to banks, without deducting their corresponding allowances.
(2) Corresponds to deposits and other on-demand liabilities and deposits and other term deposits.

b) Profit (loss) in 2021:

	March 31, 2021								
	RETAIL	SMEs	WHOLESALE	FINANCE	Total Segments	BCI FINANCIAL GROUP	Financial services	OTHERS	Total Consolidated BCI
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and Inflation-indexation income	118,897	44,250	92,997	27,724	283,868	92,064	28,648	(2,357)	402,223
Net fee income	36,534	7,930	16,619	2,920	64,003	11,814	5,642	(397)	81,062
Other operating income	1,130	2,657	17,379	(9,164)	12,002	2,513	2,106	(6,077)	10,545
Total operating income (loss)	**156,561**	**54,837**	**126,995**	**21,481**	**359,874**	**106,391**	**36,396**	**(8,831)**	**493,830**
Provisions for credit risk	(25,866)	(19,840)	(22,458)	(581)	(68,745)	970	(4,718)	11,814	(60,679)
Net operating income	**130,695**	**34,997**	**104,537**	**20,900**	**291,129**	**107,361**	**31,678**	**2,983**	**433,151**
Total operating expenses	**(90,422)**	**(24,873)**	**(37,300)**	**(15,958)**	**(168,553)**	**(54,367)**	**(17,536)**	**(16,085)**	**(256,541)**
OPERATING INCOME (LOSS)	**40,273**	**10,124**	**67,237**	**4,942**	**122,576**	**52,994**	**14,142**	**(13,102)**	**176,610**
Income from investments in companies									91
Profit before tax									**176,701**
Income tax									(19,408)
CONSOLIDATED PROFIT FOR THE PERIOD									**157,293**

	March 31, 2021							
	RETAIL	SMEs	WHOLESALE	FINANCE	Total Segments	CNB	Financial services	Total Consolidated BCI
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	11,068,282	2,910,795	8,896,987	19,098,031	41,974,095	14,225,188	617,958	**56,817,241**
Loans and receivables from customers (1)	11,208,683	3,059,451	9,265,259	3,328,164	26,861,557	9,192,650	167,467	36,221,674
LIABILITIES	6,468,573	1,986,644	10,099,302	20,950,441	39,504,960	12,789,210	531,653	**52,825,823**
On-demand and term deposits (2)	5,438,150	1,851,559	9,886,975	1,947,078	19,123,762	11,687,794	2,123	30,813,679
EQUITY								**3,991,418**

(1) Corresponds to loans receivable from customers plus loans and advances to banks, without deducting their corresponding allowances.
(2) Corresponds to deposits and other on-demand liabilities and deposits and other term deposits.

NOTE 7 – CASH AND CASH EQUIVALENTS

1. The detail of the balances included under cash and cash equivalents, and reconciliation with the Interim Consolidated Statements of Cash Flowsat the end of each periods, is as follows:

	March 31,	March 31,	December 31,
	2022	2021	2021
	MCh$	MCh$	MCh$
Cash and bank deposits			
Cash	718,455	601,262	614,535
Deposits in the Central Bank of Chile (i)	3,143,573	2,322,552	720,369
Deposits in foreign central banks	156,197	-	969,775
Deposits in local banks	19,873	16,624	19,423
Deposits in foreign banks	1,886,601	1,719,071	1,636,394
Subtotal - Cash and bank deposits	**5,924,699**	**4,659,509**	**3,960,496**
Transactions in the course of collection or payment (ii)	(585,600)	5,354	91,386
Other cash equivalents (iii)	1,325,739	1,997,470	2,768,240
Total cash and cash equivalent	**6,664,838**	**6,662,333**	**6,820,122**

(i) The level of funds in cash and in the Central Bank of Chile responds to regulations on reserve requirements that the bank must maintain as a monthly average.

(ii) Transactions in the course of collection or payment correspond to transactions in which the settlement that will increase or decrease the funds in the Central Bank of Chile or in foreign banks is pending, normally within 12 or 24 working hours, which are detailed as follows:

	March 31,	March 31,	December 31,
	2022	2021	2021
	MCh$	MCh$	MCh$
Assets			
Notes payable to other banks (exchange)	57,840	50,322	75,248
Transfer of current funds receivable	171,613	324,218	274,824
Subtotal – assets	**229,453**	**374,540**	**350,072**
Liabilities			
Transfer of funds in process to be delivered	815,053	369,186	258,686
Subtotal - liabilities	**815,053**	**369,186**	**258,686**

Net transactions in the course of collection or payment

(iii) Refers to instruments that meet the criteria to be considered as "cash equivalent" as defined by IAS 7, that is, for classification as "cash equivalent", investments in debt financial instruments must be short-term and highly liquid with an original maturity 90 days or less from the date of acquisition, that are readily convertible to known amounts of cash from the date of initial investment, and that are subject to an insignificant risk of changes in value.

NOTE 8 – FINANCIAL ASSETS HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS

a) As of March 31, 2022 and December 31, 2021 , the detail of financial assets held for trading at fair value through profit or loss is as follows:

	March 31,	December 31,
	2022	2021
	MCh$	MCh$
Financial derivative contracts	5,238,331	5,192,466
Debt financial instruments	1,042,557	717,057
Other financial instruments	81,186	156,809
Total	**6,362,074**	**6,066,332**

b) As of March 31, 2022 and December 31, 2021, the detail of financial derivatives is as follows:

	March 31, 2022								
	Notional Amount								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivative contracts									
Forwards	37,915	12,019,785	8,943,589	15,096,595	4,625,023	821,080	2,178,745	43,722,732	764,855
Swaps	461,813	4,363,118	7,306,832	32,083,635	38,222,182	24,543,244	28,902,433	135,883,257	4,471,360
Call options	-	16,179	41,146	26,381	-	-	-	83,706	1,541
Put options	-	11,247	38,012	33,728	-	-	-	82,987	575
Futures	-	-	4,799	-	-	-	-	4,799	-
Others	-	-	-	-	-	-	-	-	-
Total	**499,728**	**16,410,329**	**16,334,378**	**47,240,339**	**42,847,205**	**25,364,324**	**31,081,178**	**179,777,481**	**5,238,331**

	December 31, 2021								
	Notional Amount								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial derivative contracts									
Forwards	144,054	10,713,211	5,979,437	13,395,350	5,243,126	1,000,440	1,552,361	38,027,979	1,034,767
Swaps	96,000	5,162,732	8,650,121	25,910,402	38,548,209	24,317,862	28,523,771	131,209,097	4,151,097
Call options	-	33,436	21,302	74,278	522	-	-	129,538	6,294
Put options	-	29,561	18,235	80,517	-	-	-	128,313	126
Futures	-	-	93,337	-	-	-	-	93,337	182
Others	-	-	-	-	-	-	-	-	-
Total	**240,054**	**15,938,940**	**14,762,432**	**39,460,547**	**43,791,857**	**25,318,302**	**30,076,132**	**169,588,264**	**5,192,466**

c) As of March 31, 2022 and December 31, 2021, the detail of debt instruments is as follows:

	March 31, 2022								
	Notional Amount								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments									
Of the Government and Central Bank of Chile	-	283,069	-	18,497	10,207	263,629	24,340	599,740	596,513
Other debt financial instruments issued locally	53,032	56,501	60,220	244,907	29,536	2,536	15,204	461,937	442,261
Debt financial instruments issued abroad	5,043	82	-	-	-	-	-	5,126	3,783
Total	**58,076**	**339,652**	**60,220**	**263,403**	**39,743**	**266,165**	**39,543**	**1,044,195**	**1,042,557**

	December 31, 2021								
	Notional Amount								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments									
Of the Government and Central Bank of Chile	5,259	69,637	10	2,121	47,207	222,282	30,477	376,993	376,863
Other debt financial instruments issued locally	15,541	80,354	4,817	53,838	55,734	4,319	15,756	230,359	336,376
Debt financial instruments issued abroad	864	1,641	-	-	-	-	-	2,505	3,818
Total	**21,665**	**151,632**	**4,827**	**55,959**	**102,941**	**226,601**	**46,232**	**609,857**	**717,057**

d) As of March 31, 2022 and December 31, 2021, the detail of other financial instruments is as follows:

	March 31, 2022								
	Notional Amount								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments									
Investments in mutual funds	42,488	10,687	-	954	-	-	36,380	90,508	74,947
Equity instruments	9,643	260	-	-	-	-	-	9,903	6,239
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	**52,131**	**10,947**	**-**	**954**	**-**	**-**	**36,380**	**100,411**	**81,186**

	December 31, 2021								
	Notional Amount								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments									
Investments in mutual funds	43,591	83,530	-	2,499	-	-	30,267	159,887	145,846
Equity instruments	24,786	4,567	200	-	-	-	-	29,553	10,963
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Total	**68,377**	**88,098**	**200**	**2,499**	**-**	**-**	**30,267**	**189,440**	**156,809**

NOTE 9 – FINANCIAL ASSETS NOT HELD FOR TRADING MANDATORILY MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

As of March 31, 2022 and December 31, 2021, the Bank has no financial assets not held for trading mandatorily measured at fair value through profit or loss.

NOTE 10 – FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

a) As of March 31, 2022 and December 31, 2021, the Bank has no financial assets and liabilities at fair value through profit or loss.

NOTE 11 – FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) As of March 31, 2022 and December 31, 2021, the detail of financial assets at fair value through other comprehensive income is as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Debt financial instruments		
Of the Government and Central Bank of Chile	3,170,071	4,982,811
Other debt financial instruments issued locally	1,361,962	1,278,359
Debt financial instruments issued abroad	3,871,277	4,552,477
Subtotal debt financial instruments	**8,403,310**	**10,813,647**
Loans originated and acquired by the entity	-	-
Others	-	-
Subtotal other financial instruments	**-**	**-**
Total	**8,403,310**	**10,813,647**

b) As of March 31, 2022 and December 31, 2021, the detail of financial assets at fair value through other comprehensive income is as follows:

	Changes in fair value				Expected credit loss			
	Stage 1	Stage 2	Stage 3	Total stages	Stage 1	Stage 2	Stage 3	Total stages
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Opening balance as of January 1, 2022	**10,746,000**	**17,647**	**-**	**10,813,647**	**30,688**	**3,770**	**-**	**34,458**
Purchases made in the period	1,513,779	-	-	1,513,779	2,726	-	-	2,726
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Assets derecognized or matured	(3,532,712)	(467)	-	(3,533,179)	(555)	(150)	-	(705)
Changes due to modifications not derecognized	83,156	-	-	83,156	-	-	-	-
Exchange rate adjustments	(472,517)	(1,577)	-	(474,903)	(2,131)	(337)	-	(2,468)
Final balance as of March 31, 2022	**8,387,707**	**15,603**	**-**	**8,403,310**	**30,728**	**3,283**	**-**	**34,011**

	Changes in fair value				Expected credit loss			
	Stage 1	Stage 2	Stage 3	Total stages	Stage 1	Stage 2	Stage 3	Total stages
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Opening balance as of January 1, 2021	**7,674,142**	**14,310**	**-**	**7,688,452**	**22,462**	**2,696**	**-**	**25,158**
Purchases made in the period	7,289,671	17,647	-	7,307,318	22,636	3,770	-	26,406
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Assets derecognized or matured	(4,939,397)	(6,184)	-	(4,945,581)	(7,796)	(879)	-	(8,675)
Changes due to modifications not derecognized	-	-	-	-	-	-	-	-
Exchange rate adjustments	771,584	(8,126)	-	763,458	(6,791)	(1,817)	-	(8,608)
Final balance as of December 31, 2021	**10,796,000**	**17,647**	**-**	**10,813,647**	**30,511**	**3,770**	**-**	**34,281**

c) As of March 31, 2022 and December 31, 2021, the detail of the present value, fair value, unrealized gains and losses, corresponding financial instruments is as follows:

	March 31, 2022				
	Present value	Market value	Unrealized gain	Unrealized loss	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments:					
Of the Government and Central Bank of Chile	3,341,008	3,170,070	1,126	172,063	6,684,267
Other debt financial instruments issued locally	1,391,380	1,361,961	2,755	32,174	2,788,270
Debt financial instruments issued abroad	4,173,422	3,871,279	1,267	303,409	8,349,373
Subtotal	**8,905,808**	**8,403,310**	**5,148**	**507,646**	**17,821,910**
Other financial instruments:					
Loans originated and acquired by the entity	-	-	-	-	-
Others	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**
Total	**8,905,808**	**8,403,310**	**5,148**	**507,646**	**17,821,910**

	December 31, 2021				
	Present value	Market value	Unrealized gain	Unrealized loss	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
Debt financial instruments:					
Of the Government and Central Bank of Chile	5,148,497	4,982,811	2020	167,707	10,301,035
Other debt financial instruments issued locally	1,315,043	1,278,358	1,465	38,150	2,633,016
Debt financial instruments issued abroad	5,001,886	4,943,423	25,959	84,421	10,055,689
Subtotal	**11,465,426**	**11,204,592**	**29,444**	**290,278**	**22,989,740**
Other financial instruments:					
Loans originated and acquired by the entity	-	-	-	-	-
Others	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**
Total	**11,465,426**	**11,204,592**	**29,444**	**290,278**	**22,989,740**

NOTE 12 – FINANCIAL DERIVATIVES CONTRACT FOR ACCOUNTING HEDGE

a) As of March 31, 2022 and December 31, 2021, the detail of the portfolio of financial derivative contracts for accounting hedge is as follows:

	March 31, 2022								
	Notional amounts								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives:									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	134,400	187,683	1,027,115	1,788,544	934,527	1,436,520	5,508,789	335,397
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**134,400**	**187,683**	**1,027,115**	**1,788,544**	**934,527**	**1,436,520**	**5,508,789**	**335,397**
Cash flow hedging derivatives:									
Forwards	-	28,555	58,825	646,953	222,094	-	-	956,427	19,603
Swaps	-	105,811	188,632	1,013,628	2,610,161	1,774,985	3,045,705	8,738,922	1,290,967
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**134,366**	**247,457**	**1,660,581**	**2,832,255**	**1,774,985**	**3,045,705**	**9,695,349**	**1,310,570**
Hedging derivatives abroad									
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**268,766**	**435,140**	**2,687,696**	**4,620,799**	**2,709,512**	**4,482,225**	**15,204,138**	**1,645,967**

	March 31, 2022								
	Notional amounts								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives:									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	123,926	182,282	964,644	1,751,838	876,102	1,414,453	5,313,245	210,322
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**123,926**	**182,282**	**964,644**	**1,751,838**	**876,102**	**1,414,453**	**5,313,245**	**210,322**
Cash flow hedging derivatives:									
Forwards	-	27,360	64,706	672,698	228,226	-	-	992,990	68,561
Swaps	-	111,047	209,210	1,074,069	2,842,199	1,991,565	3,189,738	9,417,828	1,781,420
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**138,407**	**273,916**	**1,746,767**	**3,070,425**	**1,991,565**	**3,189,738**	**10,410,818**	**1,849,981**
Hedging derivative abroad									
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**262,333**	**456,198**	**2,711,411**	**4,822,263**	**2,867,667**	**4,604,191**	**15,724,063**	**2,060,303**

	December 31, 2021								
	Notional amounts								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives:									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	-	-	854,088	1,823,551	914,095	1,371,655	4,963,388	312,371
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**1,371,655**	**4,963,388**	**312,371**
Cash flow hedging derivatives:									
Forwards	-	-	77,479	743,237	247,934	-	-	1,068,650	47,330
Swaps	-	-	23,482	788,058	2,601,408	2,119,909	2,626,641	8,159,498	1,229,358
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**2,626,641**	**9,228,148**	**1,276,688**
Hedging derivative abroad									
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**3,998,296**	**14,191,536**	**1,589,059**

	December 31, 2021								
	Notional amounts								Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Fair value hedging derivatives:									
Forwards	-	-	-	-	-	-	-	-	-
Swaps	-	-	-	784,015	1,785,857	847,854	1,343,469	4,761,195	119,363
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**784,015**	**1,785,857**	**847,854**	**1,343,469**	**4,761,195**	**119,363**
Cash flow hedging derivatives:									
Forwards	-	-	74,885	733,472	259,518	-	-	1,067,875	38,920
Swaps	-	-	30,992	825,590	2,787,416	2,599,611	2,675,487	8,919,096	1,334,532
Call options	-	-	-	-	-	-	-	-	-
Put options	-	-	-	-	-	-	-	-	-
Futures	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**105,878**	**1,559,062**	**3,046,934**	**2,599,611**	**2,675,487**	**9,986,971**	**1,373,452**
Hedging derivative abroad									
Others	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**105,878**	**2,343,077**	**4,832,791**	**3,447,465**	**4,018,956**	**14,748,166**	**1,492,815**

b) Types of derivatives

The Bank uses accounting hedges to manage the fair value and cash flow risk to which it is exposed.

i) Fair value hedges:

Fair value hedges for both foreign currency and local currency positions cover the fair value of the position against changes in the base rate, without considering the implicit credit spread. These operations reduce the risk of changes associated with fluctuations in their fair value as a result of changes in interest rate structures, among others.

Considering the different items in the balance sheet as derivatives that comply with the function of hedging such risks, either by Cash Flow or Fair Value Hedges, the objective of these tables is to show the management of risk hedges in profit or loss, as their presented values exclude adjustments and interest accrual.

A detailed summary of the hedging items and instruments used in value hedges as of March 31, 2022 and December 31, 2021 in notional amounts is presented below:

	March 31, 2022									
	Notional amounts								Fair Value	Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item:										
Sensitivity	-	-	-	-	-	253,822	101,529	**355,351**	396	8,598
Items set / loans	-	-	-	-	-	-	-	**-**	-	-
Of the Government and Central Bank of Chile	-	-	50,000	75,000	-	-	403,135	**528,135**	-	85,994
Other instruments issued locally	-	-	-	-	-	-	-	**-**	-	-
Instruments issued abroad	-	-	-	-	45,031	32,240	243,704	**320,975**	55	14,619
Consumer	-	-	-	-	-	-	-	**-**	-	-
Mortgage	-	-	-	-	-	-	-	**-**	-	-
Commercial	-	-	-	-	-	-	-	**-**	-	-
Items set / liabilities	-	39,217	-	-	1,144,100	-	-	**1,183,317**	81,229	-
Term deposit	-	-	42,500	534,838	-	-	-	**577,338**	2,861	1901
Current bonds	-	-	190,366	417,277	604,349	649,562	685,753	**2,547,307**	74,000	7,568
Subordinated bonds	-	-	-	-	-	-	-	**-**	-	-
Mortgage bonds	-	-	-	-	-	-	-	**-**	-	-
Foreign investment	-	-	-	-	-	-	-	**-**	-	-
Subtotal	**-**	**39,217**	**282,866**	**1,027,115**	**1,793,480**	**935,624**	**1,434,121**	**5,512,423**	**158,541**	**118,680**
Hedging instrument:										
Forwards	-	-	-	-	-	-	-	**-**	-	-
CCS	-	39,217	190,366	317,277	593,105	658,271	447,238	**2,245,474**	11,891	53,409
IRS	-	-	92,500	709,838	1,200,375	277,353	986,883	**3,266,949**	113,241	110,085
Options	-	-	-	-	-	-	-	**-**	-	-
Bonds	-	-	-	-	-	-	-	**-**	-	-
Subtotal	**-**	**39,217**	**282,866**	**1,027,115**	**1,793,480**	**935,624**	**1,434,121**	**5,512,423**	**125,132**	**163,494**

	December 31, 2021									
	Notional amounts								Fair Value	Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item:										
Sensitivity	-	-	-	-	-	247,934	99,174	**347,108**	822	6,756
Items set / loans	-	-	-	-	-	-	-	**-**	-	-
Of the Government and Central Bank of Chile	-	-		50,000	105,000	-	443,135	**598,135**	-	81,730
Other instruments issued locally	-	-	-	-	-	-	-	**-**	-	-
Instruments issued abroad	-	-	-	-	5,126	54,436	201,396	**260,958**	1,640	2,352
Consumer	-	-	-	-	-	-	-	**-**	-	-
Mortgage	-	-	-	-	-	-	-	**-**	-	-
Commercial	-	-	-	-	-	-	-	**-**	-	-
Items set / liabilities	-	-		42,720	1,144,100	-	-	**1,186,820**	52,647	161
Term deposit	-	-	-	165,500	-	-	-	**165,500**	3,473	-
Current bonds	-	-	-	595,868	569,324	630,249	630,842	**2,426,283**	43,611	18,512
Subordinated bonds	-	-	-	-	-	-	-	**-**	-	-
Mortgage bonds	-	-	-	-	-	-	-	**-**	-	-
Foreign investment	-	-	-	-	-	-	-	**-**	-	-
Subtotal	**-**	**-**	**-**	**854,088**	**1,823,550**	**932,619**	**1,374,547**	**4,984,804**	**102,193**	**109,511**
Hedging instrument:										
Forwards	-	-	-	-	-	-	-	**-**	-	-
CCS	-	-	-	538,588	519,324	682,976	307,024	**2,047,912**	18,625	40,794
IRS	-	-	-	315,500	1,304,226	249,643	1,067,523	**2,936,892**	90,982	60,816
Options	-	-	-	-	-	-	-	**-**	-	-
Bonds	-	-	-	-	-	-	-	**-**	-	-
Subtotal	**-**	**-**	**-**	**854,088**	**1,823,550**	**932,619**	**1,374,547**	**4,984,804**	**109,607**	**101,610**

c) As of March 31, 2022 and December 31, 2021 , the estimation of the periodsin which the cash flows by type of risk are expected to occur are as follows:

i) Cash flow projections for interest rate risk:

	March 31, 2022							
Cash flow projections for interest rate risk	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Cash inflow	-	92	2,852	146,194	174,952	118,042	184,959	627,091
Cash outflow	-	66	2,187	122,786	143,946	105,483	158,261	532,729
Net cash flows	**-**	**26**	**665**	**23,408**	**31,006**	**12,559**	**26,698**	**94,362**
Hedging instruments								
Cash inflow	-	66	2,187	122,786	143,946	105,483	158,261	532,729
Cash outflow	-	92	2,852	146,194	174,952	118,042	184,959	627,091
Net cash flows	**-**	**(26)**	**(665)**	**(23,408)**	**(31,006)**	**(12,559)**	**(26,698)**	**(94,362)**

	December 31, 2021							
Cash flow projections for interest rate risk	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Cash inflow	-	1,152	5,149	16,315	311,028	663,320	479,352	1,476,316
Cash outflow	-	(1,790)	(5,086)	(11,357)	(292,953)	(653,864)	(453,006)	(1,418,056)
Net cash flows	**-**	**(637)**	**62**	**4,958**	**18,074**	**9,456**	**26,347**	**58,260**
Hedging instruments								
Cash inflow	-	1,790	5,086	11,357	292,953	653,864	453,006	1,418,056
Cash outflow	-	(1,152)	(5,149)	(16,315)	(311,028)	(663,320)	(479,352)	(1,476,316)
Net cash flows	**-**	**637**	**(62)**	**(4,958)**	**(18,074)**	**(9,456)**	**(26,347)**	**(58,260)**

ii) Cash flow projection for inflation risk:

	March 31, 2022							
Cash flow projection for inflation risk	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Cash inflow	197	55,544	273,749	502,094	2,534,986	1,513,547	2,233,134	7,113,251
Cash outflow	(1,651)	(55,585)	(270,767)	(618,931)	(2,674,776)	(1,661,147)	(2,355,951)	(7,638,808)
Net cash flows	**(1,453)**	**(41)**	**2,983**	**(116,836)**	**(139,791)**	**(147,600)**	**(122,817)**	**(525,557)**
Hedging instruments								
Cash inflow	1,651	55,585	270,767	618,931	2,674,776	1,661,147	2,355,951	7,638,808
Cash outflow	(197)	(55,544)	(273,749)	(502,094)	(2,534,986)	(1,513,547)	(2,233,134)	(7,113,251)
Net cash flows	**1,453**	**41**	**(2,983)**	**116,836**	**139,791**	**147,600**	**122,817**	**525,557**

	December 31, 2021							
Cash flow projection for inflation risk	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Cash inflow	-	66,048	109,717	780,522	2,378,918	1,791,213	1,960,848	7,087,266
Cash outflow	-	(75,453)	(135,932)	(862,610)	(2,568,788)	(1,904,677)	(2,090,130)	(7,637,590)
Net cash flows	**-**	**(9,405)**	**(26,215)**	**(82,088)**	**(189,870)**	**(113,464)**	**(129,283)**	**(550,324)**
Hedging instruments								
Cash inflow	-	75,453	135,932	862,610	2,568,788	1,904,677	2,090,130	7,637,590
Cash outflow	-	(66,048)	(109,717)	(780,522)	(2,378,918)	(1,791,213)	(1,960,848)	(7,087,266)
Net cash flows	**-**	**9,405**	**(26,215)**	**82,088**	**189,870**	**113,464**	**129,283**	**550,324**

iii) Cash flow projections for exchange rate risk:

	March 31, 2022							
Cash flow projections for exchange rate risk	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
Hedged item								
Cash inflow	-	10,536	101,251	751,355	346,118	265,628	916,230	2,391,118
Cash outflow	-	(3,439)	(99,146)	(733,317)	(307,060)	(219,749)	(903,263)	(2,265,974)
Net cash flows	**-**	**7,097**	**2,105**	**18,038**	**39,058**	**45,879**	**12,967**	**125,145**
Hedging instruments								
Cash inflow	-	3,439	99,146	733,317	307,060	219,749	903,263	2,265,974
Cash outflow	-	(10,536)	(101,251)	(751,355)	(346,118)	(265,628)	(916,230)	(2,391,118)
Net cash flows	**-**	**(7,097)**	**(2,105)**	**(18,038)**	**(39,058)**	**(45,879)**	**(12,967)**	**(125,145)**

	December 31, 2021							
Cash flow projections for exchange rate risk	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Hedged item								
Cash inflow	-	684	2,757	751,945	416,721	258,220	706,305	2,136,632
Cash outflow	-	(929)	(4,228)	(775,796)	(464,168)	(238,233)	(759,681)	(2,243,035)
Net cash flows	**-**	**(245)**	**(1,471)**	**(23,851)**	**(47,447)**	**19,987**	**(53,376)**	**(106,403)**
Hedging instruments								
Cash inflow	-	929	4,228	775,796	464,168	238,233	759,681	2,243,035
Cash outflow	-	(684)	(2,757)	(751,945)	(416,721)	(258,220)	(706,305)	(2,136,632)
Net cash flows	**-**	**245**	**1,471**	**23,851**	**47,447**	**(19,987)**	**53,376**	**106,403**

d) As of March 31, 2022 and December 31, 2021, the valuation generated by those hedging instruments used in cash flow hedges whose effect was recognized in the Interim Consolidated Statements of Changes in Equity, specifically in the caption "Accumulated other comprehensive income", in cash flow hedges, is as follows:

	March 31	December 31
	2022	2021
	MCh$	MCh$
Hedged item		
Sensitivity	-	-
Items set / loans	4,050	49,220
Of the Government and Central Bank of Chile	66,829	76,658
Other instruments issued locally	-	-
Instruments issued abroad	131	-
Consumer	-	-
Mortgage	-	-
Commercial	(165)	(44)
Items set / liabilities	(5,999)	885
Term deposit	-	-
Current bonds	(8,235)	49,220
Subordinated bonds	-	-
Mortgage bonds	-	-
Foreign investment	-	-
Dismantling	(1,187)	1,097
Deferred tax	(14,965)	(47,800)
Total	**40,459**	**129,237**

e) As of March 31, 2022 and December 31, 2021, profit or loss generated by those cash flow derivatives whose effect was transferred from other comprehensive income to profit or loss for the period is as follows:

	March 31	December 31
	2022	2021
	MCh$	MCh$
Hedged item		
Sensitivity	-	-
Items set / loans	(529,727)	(408,439)
Of the Government and Central Bank of Chile	(46,966)	(35,939)
Other instruments issued locally	-	-
Instruments issued abroad	503	-
Consumer	-	-
Mortgage	-	-
Commercial	97	98
Items set / liabilities	(38,438)	17,945
Term deposit	-	-
Current bonds	22,189	169,072
Subordinated bonds	-	-
Mortgage bonds	-	-
Foreign investment	-	-
Total	**(592,342)**	**(257,262)**

NOTE 13 – FINANCIAL ASSETS AT AMORTIZED COST

a) As of March 31, 2022 and December 31, 2021, the detail of financial assets at amortized cost is as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Rights for reverse repurchase agreements and securities lending	303,051	186,753
Debt financial instruments	2,711,941	2,296,066
Loans and advances to banks	599,094	639,533
Loans and receivables from customers - Commercial	26,432,260	26,686,188
Loans and receivables from customers - Mortgage	10,945,540	10,699,055
Loans and receivables from customers - Consumer	3,294,981	3,223,138
Total	**44,286,867**	**43,730,733**

b) As of March 31, 2022 and December 31, 2021, the detail of rights for reverse repurchase agreements and securities lending is as follows:

	Maturity of the commitment as of March 2022							
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Transactions with local banks								
Reverse repurchase agreements with other banks	-	-	-	-	-	-	-	-
Reverse repurchase agreements with the Central Bank of Chile	-	-	-	-	-	-	-	-
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with foreign banks								
Reverse repurchase agreements with other banks	-	-	-	-	-	-	-	-
Reverse repurchase agreements with the Central Bank of Chile	-	-	-	-	-	-	-	-
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with other local entities								
Reverse repurchase agreements with local entities	15,090	58,628	119,768	109,565	-	-	-	303,051
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**15,090**	**58,628**	**119,768**	**109,565**	**-**	**-**	**-**	**303,051**
Transactions with other foreign entities								
Transactions with other foreign entities	-	-	-	-	-	-	-	-
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated impairment on rights of reverse repurchase agreements	-	-	-	-	-	-	-	-
Total	**15,090**	**58,628**	**119,768**	**109,565**	**-**	**-**	**-**	**303,051**

	Maturity of the commitment to December 2021							
	In sight	up to a month	More than one month and three months	More than three months up to one year	Between 1 year and 3 years	More than 3 years up to 5 years	More than five years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Operations with banks in the country								
Repurchase agreements with other banks	-	-	-	-	-	-	-	-
Repurchase agreements with the Central Bank of Chile	-	-	-	-	-	-	-	-
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with foreign banks								
Repurchase agreements with other banks	-	-	-	-	-	-	-	-
Repurchase agreements with foreign Central Banks	-	-	-	-	-	-	-	-
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Operations with other entities in the country								
Repurchase contract with other entities in the country	36,817	78,626	44,290	27,020	-	-	-	186,753
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**36,817**	**78,626**	**44,290**	**27,020**	**-**	**-**	**-**	**186,753**
Transactions with other entities abroad								
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Securities lending rights	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated impairment in rights for repurchase agreements	-	-	-	-	-	-	-	-
Total	**36,817**	**78,626**	**44,290**	**27,020**	**-**	**-**	**-**	**186,753**

c) As of March 31, 2022 and December 31, 2021, the detail of debt financial instruments is as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Debt financial instruments:		
Of the Government and Central Bank of Chile	1,147,080	1,024,195
Other debt financial instruments issued locally	-	-
Debt financial instruments issued abroad	1,571,459	1,271,871
Debt financial instruments	(6,598)	-
Total	**2,711,941**	**2,296,066**

d) As March 31, 2022 and December 31, 2021, the detail of loans and advances to banks is as follows:

March 31, 2022	Financial assets before provisions				Provisions recorded				Net Financial Asset
	Regular Portfolio Individual assessment March	Substandard Portfolio Individual assessment March	Non-performing portfolio Individual assessment March	Total	Regular Portfolio Individual assessment March	Substandard Portfolio Individual assessment March	Non-performing portfolio Individual assessment March	Total	
Local banks	-	-	-	-	-	-	-	-	-
Interbank liquidity loans	-	-	-	-	-	-	-	-	-
Interbank commercial loans	-	-	-	-	-	-	-	-	-
Overdrafts in checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans - Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third-party countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-	-	-
Other credit balances with local banks	-	-	-	-	-	-	-	-	-
Foreign banks	**599,865**	**-**	**-**	**599,865**	**(771)**	**-**	**-**	**(771)**	**599,094**
Interbank liquidity loans	516,220			516,220	(653)			(653)	515,567
Interbank commercial loans	-	-	-	-	-	-	-	-	-
Overdrafts in checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans - Chilean exports	29,423	-	-	29,423	(38)			(38)	29,385
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third-party countries	54,222	-	-	54,222	(80)	-	-	(80)	54,142
Deposits in current accounts in foreign banks for derivative transactions	-	-	-	-	-	-	-	-	-
Other non-transferable deposits in foreign banks	-	-	-	-	-	-	-	-	-
Other credit balances with foreign banks	-	-	-	-	-	-	-	-	-
Subtotal local and foreign banks	**599,865**	**-**	**-**	**599,865**	**(771)**	**-**	**-**	**(771)**	**599,094**
Central Bank of Chile	-	-	-	-	-	-	-	-	-
Deposits in current account of the Central Bank of Chile for derivative transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other deposits in the Central Bank of Chile, not available	-	-	-	-	-	-	-	-	-
Other credit balances with the Central Bank of Chile	-	-	-	-	-	-	-	-	-
Foreign Central Banks	-	-	-	-	-	-	-	-	-
Deposits in current accounts of foreign Central Banks for derivative transactions	-	-	-	-	-	-	-	-	-
Other deposits in foreign Central Banks, not available	-	-	-	-	-	-	-	-	-
Other credit balances with foreign Central Banks	-	-	-	-	-	-	-	-	-
Subtotal Central Bank of Chile and Foreign Central Banks	-	-	-	-	-	-	-	-	-
TOTAL	**599,865**	**-**	**-**	**599,865**	**(771)**	**-**	**-**	**(771)**	**599,094**

December 31, 2021	Financial assets before provisions				Provisions recorded				Net Financial Asset
	Regular Portfolio Individual assessment March	Substandard Portfolio Individual assessment March	Non-performing portfolio Individual assessment March	Total	Regular Portfolio Individual assessment March	Substandard Portfolio Individual assessment March	Non-performing portfolio Individual assessment March	Total	
Local banks	-	-	-	-	-	-	-	-	-
Interbank liquidity loans	-	-	-	-	-	-	-	-	-
Interbank commercial loans	-	-	-	-	-	-	-	-	-
Overdrafts in checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans - Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third-party countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-	-	-
Other credit balances with local banks	-	-	-	-	-	-	-	-	-
Foreign banks	**640,332**	**-**	**-**	**640,332**	**(779)**	**-**	**-**	**(779)**	**639,533**
Interbank liquidity loans	521,153			521,153	(657)			(657)	520,496
Interbank commercial loans	-	-	-	-	-	-	-	-	-
Overdrafts in checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans - Chilean exports	43,629	-	-	43,629	(48)			(48)	43,581
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third-party countries	75,550	-	-	75,550	(94)	-	-	(94)	75,456
Deposits in current accounts in foreign banks for derivative transactions	-	-	-	-	-	-	-	-	-
Other non-transferable deposits in foreign banks	-	-	-	-	-	-	-	-	-
Other credit balances with foreign banks	-	-	-	-	-	-	-	-	-
Subtotal local and foreign banks	**640,332**	**-**	**-**	**640,332**	**(799)**	**-**	**-**	**(799)**	**639,533**
Central Bank of Chile	-	-	-	-	-	-	-	-	-
Deposits in current account of the Central Bank of Chile for derivative transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other deposits in the Central Bank of Chile, not available	-	-	-	-	-	-	-	-	-
Other credit balances with the Central Bank of Chile	-	-	-	-	-	-	-	-	-
Foreign Central Banks	-	-	-	-	-	-	-	-	-
Deposits in current accounts of foreign Central Banks for derivative transactions	-	-	-	-	-	-	-	-	-
Other deposits in foreign Central Banks, not available	-	-	-	-	-	-	-	-	-
Other credit balances with foreign Central Banks	-	-	-	-	-	-	-	-	-
Subtotal Central Bank of Chile and Foreign Central Banks	-	-	-	-	-	-	-	-	-
TOTAL	**640,332**	**-**	**-**	**640,332**	**(799)**	**-**	**-**	**(799)**	**639,533**

e) As of March 31, 2022 and December 31, 2021, the balances of loans and receivables from customers are as follows:

March 31, 2022	Financial assets before provisions						Provisions recorded								Net financial assets
	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Subtotal	FOGAPE Covid-19 guarantee deductible (i)	Total	
	Individual / Group		Individual	Individual / Group			Individual / group		Individual	Individual / group					
	assessment		assessment	assessment			assessment		assessment	assessment					
	MCh$	MCh$	MCh$	MCh$	MCh$		MCh$	MCh$	MCh$	MCh$	MCh$		MCh$		
Commercial loans															
Commercial loans	16,876,996	3,640,641	1,574,072	394,126	293,362	22,779,197	(93,169)	(30,917)	(38,033)	(100,924)	(89,426)	(352,469)	(44,997)	(397,466)	22,381,731
Foreign trade credits Chilean exports	567,797	11,829	25,029	-	307	604,962	(7,994)	(268)	(399)	-	(174)	(8,835)	-	(8,835)	596,127
Foreign trade credits Chilean imports	308,961	20,589	9,935	-	25	339,510	(4,340)	(449)	(1,516)	-	(14)	(6,319)	-	(6,319)	333,191
Foreign trade credits between third countries	213,017	-	15,263	-	-	228,280	(657)	-	(2,510)	-	-	(3,167)	-	(3,167)	225,113
Debtors in current accounts	64,661	59,486	7,322	1,216	7,102	139,787	(575)	(1,587)	(665)	(787)	(3,846)	(7,460)	-	(7,460)	132,327
Credit card debtors	5,755	50,408	1,143	80	3,560	60,946	(112)	(1,543)	(131)	(47)	(1983)	(3,816)	-	(3,816)	57,130
Factoring operations	967,172	71,447	6,971	-	1,410	1,047,000	(11,016)	(1,501)	(505)	-	(461)	(13,483)	-	(13,483)	1,033,517
Commercial financial leasing operations	1,137,265	281,213	110,827	26,794	9,764	1,565,863	(8,582)	(2,570)	(1972)	(6,709)	(4,016)	(23,849)	-	(23,849)	1,542,014
Student loans	-	117,393	-	-	18,014	135,407	-	(1,418)	-	-	(3,410)	(4,828)	-	(4,828)	130,579
Other loans and receivable	-	7	-	2,562	796	3,365	(1,353)	-	-	(1,076)	(405)	(2,834)	-	(2,834)	531
Subtotal	**20,141,624**	**4,253,013**	**1,750,562**	**424,778**	**334,340**	**26,904,317**	**(127,798)**	**(40,253)**	**(45,731)**	**(109,543)**	**(103,735)**	**(427,060)**	**(44,997)**	**(472,057)**	**26,432,260**
Mortgage loans															
Loans with letters of credit	-	2,527	-	-	170	2,697	-	-	-	-	(one)	(one)	-	(one)	2,696
Loans with endorsable mortgage mutual funds	-	2,062,550	-	-	30,977	2,093,527	-	(24,730)	-	-	(507)	(25,237)	-	(25,237)	2,068,290
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other credits with mortgage loans	-	8,567,820	-	-	220,561	8,788,381	-	(18,461)	-	-	(11,615)	(30,076)	-	(30,076)	8,758,305
Finance lease operations for Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and receivable	-	110,397	-	-	6,464	116,861	-	(214)	-	-	(398)	(612)	-	(612)	116,249
Subtotal	**-**	**10,743,294**	**-**	**-**	**258,172**	**11,001,466**	**-**	**(43,405)**	**-**	**-**	**(12,521)**	**(55,926)**	**-**	**(55,926)**	**10,945,540**
Consumer Loans															
Consumer loans in installments	-	1,848,636	-	-	124,888	1,973,524	-	(54,161)	-	-	(65,738)	(119,899)	-	(119,899)	1,853,625
Debtors in current accounts	-	75,998	-	-	6,371	82,369	-	(3,967)	-	-	(4,645)	(8,612)	-	(8,612)	73,757
Credit card debtors	-	1,394,212	-	-	50,972	1,445,184	-	(74,422)	-	-	(32,572)	(106,994)	-	(106,994)	1,338,190
Consumer finance lease operations	-	381	-	-	-	381	-	(3)	-	-	-	(3)	-	(3)	378
Other loans and receivable	-	30,940	-	-	388	31,328	-	(2008)	-	-	(289)	(2,297)	-	(2,297)	29,031
Subtotal	**-**	**3,350,167**	**-**	**-**	**182,619**	**3,532,786**	**-**	**(134,561)**	**-**	**-**	**(103,244)**	**(237,805)**	**-**	**(237,805)**	**3,294,981**
TOTAL	**20,141,624**	**18,346,474**	**1,750,562**	**424,778**	**775,131**	**41,438,569**	**(127,798)**	**(218,219)**	**(45,731)**	**(109,543)**	**(219,500)**	**(720,791)**	**(44,997)**	**(765,788)**	**40,672,781**

December 31, 2021	Financial assets before provisions						Provisions recorded								Net financial assets
	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Subtotal	FOGAPE Covid-19 guarantee deductible (i)	Total	
	Individual / Group		Individual	Individual / Group			Individual / Group		Individual	Individual / Group					
	assessment		assessment	assessment			assessment		assessment	assessment					
	MCh$	MCh$	MCh$	MCh$	MCh$		MCh$	MCh$	MCh$	MCh$	MCh$		MCh$		
Commercial loans															
Commercial loans	16,261,170	4,376,655	1,603,886	402,257	319,736	22,963,704	(97,717)	(29,003)	(39,040)	(108,656)	(95,555)	(369,971)	(46,193)	(416,164)	22,547,540
Foreign trade credits Chilean exports	608,813	8,315	18,479	-	307	635,914	(9,311)	(245)	(292)	-	(174)	(10,022)	-	(10,022)	625,892
Foreign trade credits Chilean imports	336,615	17,308	11,377	-	27	365,327	(4,476)	(385)	(1,702)	-	(15)	(6,578)	-	(6,578)	358,749
Foreign trade credits between third countries	232,519	-	14,895	-	-	247,414	(835)	-	(2,744)	-	-	(3,579)	-	(3,579)	243,835
Debtors in current accounts	46,722	52,927	4,709	1,016	7,208	112,582	(579)	(1,407)	(567)	(666)	(3,907)	(7,126)	-	(7,126)	105,456
Credit card debtors	6,136	47,011	799	89	4,034	58,069	(115)	(1,352)	(92)	(41)	(2,243)	(3,843)	-	(3,843)	54,226
Factoring operations	976,847	100,153	10,070	-	931	1,088,001	(9,719)	(1,703)	(514)	-	(266)	(12,202)	-	(12,202)	1,075,799
Commercial finance lease operations	1,107,328	337,634	81,247	27,819	9,762	1,563,790	(8,850)	(2,785)	(1,088)	(7,578)	(3,887)	(24,188)	-	(24,188)	1,539,602
Student loans	-	119,585	-	-	18,568	138,153	-	(1,467)	-	-	(3,547)	(5,014)	-	(5,014)	133,139
Other loans and receivable	-	5	-	2,652	1,028	3,685	-	-	-	(1,208)	(527)	(1,735)	-	(1,735)	1950
Subtotal	**19,576,150**	**5,059,593**	**1,745,462**	**433,833**	**361,601**	**27,176,639**	**(131,602)**	**(38,347)**	**(46,039)**	**(118,149)**	**(110,121)**	**(444,258)**	**(46,193)**	**(490,451)**	**26,686,188**
Mortgage loans															
Loans with letters of credit	-	2,949	-	-	239	3,188	-	-	-	-	(1)	(1)	-	(1)	3,187
Loans with endorsable mortgage mutual funds	-	2,104,965	-	-	20,512	2,125,477	-	(22,168)	-	-	(363)	(22,531)	-	(22,531)	2,102,946
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other credits with mortgage loans	-	8,263,247	-	-	236,608	8,499,855	-	(17,205)	-	-	(12,190)	(29,395)	-	(29,395)	8,470,460
Financial lease operations for Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other loans and accounts receivable	-	116,416	-	-	6,728	123,144	-	(208)	-	-	(474)	(682)	-	(682)	122,462
Subtotal	**-**	**10,487,577**	**-**	**-**	**264,087**	**10,751,664**	**-**	**(39,581)**	**-**	**-**	**(13,028)**	**(52,609)**	**-**	**(52,609)**	**10,699,055**
Consumer Loans															
Consumer loans in installments	-	1,827,412	-	-	125,948	1,953,360	-	(47,948)	-	-	(63,409)	(111,357)	-	(111,357)	1,842,003
Debtors in current accounts	-	65,289	-	-	7,612	72,901	-	(3,115)	-	-	(5,743)	(8,858)	-	(8,858)	64,043
Credit card debtors	-	1,315,639	-	-	43,173	1,358,812	-	(60,304)	-	-	(26,489)	(86,793)	-	(86,793)	1,272,019
Consumer finance lease operations	-	388	-	-	-	388	-	(5)	-	-	-	(5)	-	(5)	383
Other loans and receivable	-	44,658	-	-	671	45,329	-	(540)	-	-	(99)	(639)	-	(639)	44,690
Subtotal	**-**	**3,253,386**	**-**	**-**	**177,404**	**3,430,790**	**-**	**(111,912)**	**-**	**-**	**(95,740)**	**(207,652)**	**-**	**(207,652)**	**3,223,138**
TOTAL	**19,576,150**	**18,800,556**	**1,745,462**	**433,833**	**803,092**	**41,359,093**	**(131,602)**	**(189,840)**	**(46,039)**	**(118,149)**	**(218,889)**	**(704,519)**	**(46,193)**	**(750,712)**	**40,608,381**

f) As March 31, 2022 and December 31, 2021, the balance of contingent loans related to commercial and consumer loans are as follows:

EXPOSURE TO CREDIT RISK FOR CONTINGENT LOANS March 31, 2022	Exposure for contingent loans before provisions						Provisions recorded						Net exposure for credit risk of contingent loans
	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	
	Individual / Group assessment		Evaluation Individual	Individual / Group assessment			Individual / Group assessment		Evaluation Individual	Individual / Group assessment			
	MCh$	MCh$	MCh$	MCh$	MCh$		MCh$	MCh$	MCh$	MCh$	MCh$		
Co-debtors and guarantees	322,449	1,182	2,956	2,091	24	328,702	(2,207)	(31)	(516)	(836)	(13)	(3,603)	325,099
Letters of credit for merchandise circulation operations	52,448	707	59	-	-	53,214	(344)	(15)	(8)	-	-	(367)	52,847
Debt purchase commitments in local currency abroad	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions related to contingent events	1,110,274	53,703	21,925	5,387	1,757	1,193,046	(7,508)	(1,149)	(1,116)	(2,341)	(869)	(12,983)	1,180,063
Lines of credit of free disposal of immediate cancellation	-	376,194	-	-	10,781	386,975	-	(2,399)	-	-	(3,572)	(5,971)	381,004
Free lines of credit	1,989,718	908,237	25,011	1,893	5,481	2,930,340	(10,911)	(9,865)	(1,163)	(1,516)	(2,719)	(26,174)	2,904,166
Other credit commitments	826,936	24,776	860	-	-	852,572	(2,516)	(225)	(52)	-	-	(2,793)	849,779
Other contingent loans	-	-	-	-	-	-	-	-	-	-	-	-	-

EXPOSURE TO CREDIT RISK FOR CONTINGENT LOANS December 31, 2021	Exposure for contingent loans before provisions						Provisions recorded						Net exposure for credit risk of contingent loans
	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	
	Individual / Group assessment		Evaluation Individual	Individual / Group assessment			Individual / Group assessment		Evaluation Individual	Individual / Group assessment			
	MCh$	MCh$	MCh$	MCh$	MCh$		MCh$	MCh$	MCh$	MCh$	MCh$		
Guarantees and bonds	268,811	1,048	8,064	-	-	277,923	(1,840)	(21)	(2,745)	-	-	(4,606)	273,317
Letters of credit for goods movement operations	57,540	538	244	-	-	58,322	(447)	(12)	(12)	-	-	(471)	57,851
Debt purchase commitments abroad in local currency	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions related to contingent events	1,065,982	36,091	20,124	5,021	2,160	1,129,378	(7,835)	(777)	(994)	(2,912)	(1,071)	(13,589)	1,115,789
Lines of credit of freely available and immediate payment	-	1,381,033	-	-	12,738	1,393,771	-	(3,689)	-	-	(3,645)	(7,334)	1,386,437
Freely available lines of credit	1,800,517	942,904	46,096	307	7,168	2,796,992	(11,113)	(14,491)	(1,197)	(1,690)	(610)	(29,101)	2,767,891
Other credit commitments	779,640	27,527	1,771	-	559	809,497	(2,809)	(235)	(58)	-	(238)	(3,340)	806,157
Other contingent loans	-	-	-	-	-	-	-	-	-	-	-	-	-

g) As March 31, 2022 and December 31, 2021, the summary of movements in provisions recorded by banks is as follows:

March 31, 2022	Movement in provisions constituted by portfolio in the period			
	Individual assessments			Total
	Regular Portfolio	Substandard Portfolio	Non-performing portfolio	
	MCh$	MCh$	MCh$	
Loans and advances to banks				
Opening balance as of January 1, 2022	**799**	**-**	**-**	**799**
Recording / (use) of provisions for:				
Change in measurement without portfolio reclassification during the period:	1	-	-	**1**
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	-	-	-	**-**
Individual regular to Substandard	-	-	-	-
Individual regular to individual non-performing	-	-	-	-
Substandard to Individual normal	-	-	-	-
Substandard to regular individual	-	-	-	-
Individual non-performing to Substandard	-	-	-	-
Individual non-performing to Individual regular	-	-	-	-
New loans originated	236	-	-	**236**
New loans acquired	-	-	-	-
New loans for conversion of contingent to loans	-	-	-	-
Sale or transfer of loans	-	-	-	**-**
Loan repayment	(245)	-	-	**(245)**
Application of provisions for write-offs	-	-	-	**-**
Recovery of written-off credits	-	-	-	**-**
Translation difference	(20)	-	-	**(20)**
Balance as of March 31, 2022	**771**	**-**	**-**	**771**

December 31, 2021	Movement in provisions constituted by portfolio in the period			
	Individual assessment			Total
	Regular Portfolio	Substandard Portfolio	Non-performing portfolio	
	MCh$	MCh$	MCh$	
Loans and advances to banks				
Opening balance as of January 1, 2022	**358**	**-**	**-**	**358**
Recording / (use) of provisions for:				
Change in measurement without portfolio reclassification during the period:	6	-	-	**6**
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	-	-	-	**-**
Individual regular to Substandard	-	-	-	-
Individual regular to individual non-performing	-	-	-	-
Substandard to Individual normal	-	-	-	-
Substandard to regular individual	-	-	-	-
Individual non-performing to Substandard	-	-	-	-
Individual non-performing to Individual regular	-	-	-	-
New loans originated	109	-	-	**109**
New loans acquired	-	-	-	-
New loans for conversion of contingent to loans	675	-	-	675
Sale or transfer of loans	-	-	-	**-**
Loan repayment	(370)	-	-	**(370)**
Application of provisions for write-offs	-	-	-	**-**
Recovery of written-off credits	-	-	-	**-**
Translation difference	21	-	-	**21**
Balance as of December 31, 2021	**799**	**-**	**-**	**799**

h) As March 31, 2022 and December 31, 2021, the summary of the movement of provisions recorded by commercial loans is as follows:

March 31, 2022	Movement in provisions recorded by portfolio in the period							
	Regular Portfolio Individual / group assessment		Substandard Portfolio	Non-performing portfolio Individual / group assessment		Subtotal	Deductible guarantees FOGAPE Covid-19 (i)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans								
Opening balance as of January 1, 2022	**131,601**	**38,347**	**46,040**	**118,150**	**110,121**	**444,259**	**46,192**	**490,451**
Recording / (use) of provisions for:								
Change in measurement without portfolio reclassification during the period:	9,610	318	(1,664)	1,576	(3,405)	6,435	(959)	5,476
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	1,229	(5,079)	1,592	2,538	1,887	2,167	(229)	1938
Regular individual to Substandard	(1997)	-	4,066	-	-	2,069	-	2,069
Regular individual to Individual non-performing	(42)	-	-	842	-	800	-	800
Substandard to individual non-performing	-	-	(799)	2,101	-	1,302	-	1,302
Substandard to regular individual	111	-	(1,040)	-	-	(929)	-	(929)
Individual non-performing to Substandard	-	-	33	(562)	-	(529)	-	(529)
Individual non-performing to Individual regular	-	-	-	-	-	-	-	-
Group regular to Group non--performing	-	(2,186)	-	-	8,495	6,309	(224)	6,085
Group non-performing to Group regular	-	247	-	-	(5,621)	(5,374)	-	(5,374)
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	2,503	(2,648)	(890)	59	(720)	(1,696)	(7)	(1,703)
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	654	(492)	222	98	(267)	215	2	217
New loans originated	15,403	3,570	738	653	1910	22,274	5	22,279
New loans for conversion of contingent to loans	2,322	1,024	1,761	59	796	5,962	-	5,962
New loans acquired	-	-	-	-	-	-	-	-
Sale or transfer of loans	-	-	-	-	-	-	-	-
Loan repayment	(19,249)	(6,134)	(1,792)	(1,281)	(1,635)	(30,091)	-	(30,091)
Application of provisions for write-offs	-	(14)	-	(11,067)	(8,794)	(19,875)	(13)	(19,888)
Recovery of written-off credits	-	3	-	-	-	3	-	3
Changes in models and methodologies	-	-	-	-	-	-	-	-
Translation differences	(1,737)	(159)	(741)	(1,193)	(243)	(4,073)	-	(4,073)
Other changes in provisions (if applicable)	-	-	-	-	-	-	-	-
Balance as of March 31, 2022	**139,179**	**31,876**	**45,934**	**109,435**	**100,637**	**427,061**	**44,996**	**472,057**

December 31, 2021	Movement in provisions recorded by portfolio in the period							
	Regular Portfolio Individual / group assessment		Substandard Portfolio	Non-performing portfolio Individual / group assessment		Subtotal	Deductible guarantees FOGAPE Covid-19 (i)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans								
Opening balance as of January 1, 2022	92,753	50,738	52,447	107,155	132,931	436,024	29,276	465,300
Recording / (use) of provisions for:								
Change in measurement without portfolio reclassification during the period:	18,892	1,514	2,816	8,504	(3,588)	28,138	1,583	29,721
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	(5,562)	(960)	4,536	11,883	4,086	13,983	(2,890)	11,093
Regular individual to Substandard	(3,907)	-	8,006	-	-	4,099	72	4,171
Regular individual to Individual non-performing	(271)	-	-	5,313	-	5,042	7	5,049
Substandard to individual non-performing	-	-	(765)	6,941	-	6,176	3	6,179
Substandard to regular individual	859	-	(2,175)	-	-	(1,316)	10	(1,306)
Individual non-performing to Substandard	-	-	59	(35)	-	24	-	24
Individual non-performing to Individual regular	-	-	-	(466)	-	(466)	-	(466)
Group regular to Group non--performing	-	(2,613)	-	-	26,498	23,885	(2,987)	20,898
Group non-performing to Group regular	-	939	-	-	(22,887)	(21,948)	9	(21,939)
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	(1,042)	404	(249)	(10)	579	(318)	(31)	(349)
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	(1,201)	310	(340)	140	(104)	(1,195)	27	(1,168)
New loans originated	29,371	8,827	7,363	29,041	14,988	89,590	17,398	106,988
New loans for conversion of contingent to loans	7,022	1,209	3,663	115	1,144	13,153	-	13,153
New loans acquired	-	-	-	-	-	-	-	-
Sale or transfer of loans	-	(1)	-	-	(1)	(2)	-	(2)
Loan repayment	(26,373)	(14,608)	(26,254)	(23,018)	(6,772)	(97,025)	365	(96,660)
Application of provisions for write-offs	(1)	(192)	-	(14,025)	(29,973)	(44,191)	-	(44,191)
Recovery of written-off credits	-	4	-	-	-	4	-	4
Changes in models and methodologies	-	-	-	-	-	-	-	-
Translation differences	2,772	191	1,266	(1,388)	405	3,246	-	3,246
Other changes in provisions (if applicable)	12,727	(8,375)	203	(117)	(3,099)	1,339	460	1,799
Balance as of December 31, 2021	**131,601**	**38,347**	**46,040**	**118,150**	**110,121**	**444,259**	**46,192**	**490,451**

i) As March 31, 2022 and December 31, 2021, the detail of movements in provisions recorded for mortgage loans is as follows:

March 31, 2022	Movement in provisions recorded by portfolio in the period		
	Group assessment		Total
	Regular Portfolio	Non-performing portfolio	
	MCh$	MCh$	MCh$
Mortgage loans			
Opening balance as of January 1, 2022	39,581	13,028	52,609
Change in measurement without portfolio reclassification during the period:	7,234	(3,024)	4,210
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	(880)	386	(494)
Group regular to Group non-performing	(940)	1,138	198
Group non-performing to Group regular	60	(752)	(692)
New loans originated	803	-	803
New credits for conversion of contingent to loans	-	-	-
New loans acquired	-	-	-
Sale or transfer of loans	-	-	-
Loan repayment	(691)	(408)	(1,099)
Application of provisions for write-offs	-	(103)	(103)
Recovery of written-off credits	-	-	-
Changes in models and methodologies	-	-	-
Translation differences	-	-	-
Other changes in provisions (if applicable)		-	-
Balance as of March 31, 2022	**46,047**	**9,879**	**55,926**

December 31, 2021	Movement in provisions recorded by portfolio in the period		
	Group assessment		Total
	Regular Portfolio	Non-performing portfolio	
	MCh$	MCh$	MCh$
Mortgage loans			
Opening balance as of January 1, 2022	34,035	14,195	48,230
Change in measurement without portfolio reclassification during the period:	6,160	(1,563)	4,597
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	(815)	4,979	4,164
Group regular to Group non-performing	(1,120)	7,511	6,391
Group non-performing to Group regular	305	(2,532)	(2,227)
New loans originated	5,403	266	5,669
New credits for conversion of contingent to loans	-	-	-
New loans acquired	-	-	-
Sale or transfer of loans	-	-	-
Loan repayment	(5,202)	(1,866)	(7,068)
Application of provisions for write-offs	(2)	(341)	(343)
Recovery of written-off credits	-	-	-
Changes in models and methodologies	-	-	-
Translation differences	-	-	-
Other changes in provisions (if applicable)	2	(2,642)	(2,640)
Balance as of December 31, 2021	**39,581**	**13,028**	**52,609**

j) As March 31, 2022 and December 31, 2021, the balances for this concept are as follows:

March 31, 2022	Movement in provisions recorded by portfolio in the period		
	Group Evaluation		Total
	Regular Portfolio	Non-performing portfolio	
	MCh$	MCh$	MCh$
Consumer Loans			
Opening balance as of January 1, 2022	**111,912**	**95,740**	**207,652**
Change in measurement without portfolio reclassification during the period:	22,629	(161)	22,468
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	(11,990)	22,266	10,276
Group regular to Group non-performing	(12,821)	27,022	14,201
Group non-performing to Group regular	831	(4,756)	(3,925)
New loans originated	6,705	8,894	15,599
New credits for conversion of contingent to loans	13,694	2,774	16,468
New loans acquired	-	-	-
Sale or transfer of loans	-	-	-
Repayment of loans	(8,391)	(8,156)	(16,547)
Application of provisions for write-offs	(26)	(18,111)	(18,137)
Recovery of written-off credits	126	2	128
Changes in models and methodologies	-	-	-
Translation differences	(97)	(5)	(102)
Other changes in provisions (if applicable)	-	-	-
Balance as of March 31, 2022	**134,562**	**103,243**	**237,805**

December 31, 2021	Movement in provisions recorded by portfolio in the period		
	Group assessment		Total
	Regular Portfolio	Non-performing portfolio	
	MCh$	MCh$	MCh$
Consumer Loans			
Opening balance as of January 1, 2022	107,157	168,029	275,186
Change in measurement without portfolio reclassification during the period:	4,742	(2,626)	2,116
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	(275)	(10,446)	(10,721)
Group regular to Group non-performing	(5,417)	24,595	19,178
Group non-performing to Group regular	5,142	(35,041)	(29,899)
New loans originated	16,736	19,461	36,197
New credits for conversion of contingent to loans	19,563	4,979	24,542
New loans acquired	-	-	-
Sale or transfer of loans	-	-	-
Repayment of loans	(26,075)	(30,698)	(56,773)
Application of provisions for write-offs	(10,389)	(53,162)	(63,551)
Recovery of written-off credits	381	30	411
Changes in models and methodologies	-	-	-
Translation differences	72	320	392
Other changes in provisions (if applicable)	-	(147)	(147)
Balance as of December 31, 2021	**111,912**	**95,740**	**207,652**

k) As March 31, 2022 and December 31, 2021, the detail of the movement of provisions recorded by contingent loans is as follows:

March 31, 2022	Movement in provisions recorded by portfolio in the period					
	Regular Portfolio Individual / group assessment		Substandard Portfolio	Non-performing portfolio Individual / group assessment		Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Contingent loans						
Opening balance as of January 1, 2022	24,569	18,882	5,005	4,602	5,383	58,441
Change in measurement without portfolio reclassification during the period:	2,818	(9,390)	181	48	(199)	(6,542)
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	78	120	(565)	1929	(109)	1,453
Regular individual to Substandard	(56)	-	229	-	-	173
Regular individual to Individual non-performing	-	-	-	15	-	15
Substandard to individual non-performing	-	-	(656)	633	-	
Substandard to regular individual	41	-	(87)	-	-	(46)
Individual non-performing to Substandard	-	-	4	(30)	-	(26)
Individual non-performing to Individual regular	-	-	-	-	-	-
Group regular to Group non--performing	-	(108)	-	-	1,620	1,512
Group non-performing to Group regular	-	21	-	-	(1,719)	(1,698)
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	31	258	(57)	1,311	1	1,544
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	62	(51)	2	-	(11)	2
New loans originated	3,163	1,010	284	54	141	4,652
Contingent loans for conversion to loans	2	-	-	-	-	2
Loan repayment	(504)	(1,400)	(1,529)	(626)	(1,485)	(5,544)
Application of provisions for write-offs	-	-	-	-	-	-
Changes in models and methodologies	-	-	-	-	-	-
Translation differences	(304)	(3)	(489)	224	1	(571)
Other changes in provisions (if applicable)	-	-	-	-	-	-
Balance as of March 31, 2022	**29,822**	**9,219**	**2,887**	**6,231**	**3,732**	**51,891**

December 31, 2021	Movement in provisions recorded by portfolio in the period					
	Regular Portfolio Individual / group assessment		Substandard Portfolio	Non-performing portfolio Individual / group assessment		Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Contingent loans						
Opening balance as of January 1, 2022	15,156	21,610	4,251	2,042	9,063	52,122
Change in measurement without portfolio reclassification during the period:	4,925	60	266	36	924	6,211
Change in measurement due to portfolio reclassification from the beginning to the end of the period [portfolio from (-) to (+)]:	(59)	(52)	411	622	140	1,062
Regular individual to Substandard	(227)	-	584	-	-	357
Regular individual to Individual non-performing	(28)	-	-	622	-	594
Substandard to individual non-performing	-	-	-	-	-	-
Substandard to regular individual	73	-	(205)	-	-	(132)
Individual non-performing to Substandard	-	-	-	-	-	-
Individual non-performing to Individual regular	-	-	-	-	-	-
Group regular to Group non--performing	-	(189)	-	-	4,195	4,006
Group non-performing to Group regular	-	107	-	-	(4,125)	(4,018)
Individual (regular, substandard, non-performing) to Group (regular, non-performing)	103	55	(4)	-	77	231
Group (regular, non-performing) to Individual (regular, substandard, non-performing)	20	(25)	36	-	(7)	24
New loans originated	9,162	5,033	1,074	695	779	16,743
Contingent loans for conversion to loans	1,375	0	-	-	0	1,375
Loan repayment	(8,176)	(3,372)	(1,381)	(331)	(2,136)	(15,396)
Application of provisions for write-offs	-	(285)	-	-	(124)	(409)
Changes in models and methodologies	-	-	-	-	-	-
Translation differences	465	9	351	-	(1)	824
Other changes in provisions (if applicable)	1,721	(4,121)	33	1,538	(3,262)	(4,091)
Balance as of December 31, 2021	**24,569**	**18,882**	**5,005**	**4,602**	**5,383**	**58,441**

l) As March 31, 2022 and December 31, 2021, the concentration of credits by economic activity is as follows:

March 31, 2022	Loans and exposure to contingent loans			Constitutive provisions		
	Local /foreign loans		Total	Local /foreign loans		Total
	MCh$	MCh$		MCh$	MCh$	
Loans and advances to banks	**-**	**599,864**	**599,864**	**-**	**(771)**	**(771)**
Commercial loans						
Agriculture and livestock	498,374	34,027	532,401	(17,449)	(2,869)	(20,318)
Fruit growing	327,561	24,131	351,692	(12,982)	(126)	(13,108)
Forestry and logging	161,521	1,303	162,824	(2,421)	(19)	(2,440)
Fishing	60,741	91,566	152,307	(2,984)	(4,776)	(7,760)
Exploitation of mines and quarries	173,774	102,490	276,264	(2,126)	(170)	(2,296)
Crude oil and natural gas production	170,891	-	170,891	(2,560)	-	(2,560)
Product Manufacturing Industry	1,921,771	330,951	2,252,723	(42,262)	(3,017)	(45,279)
Food, beverage and tobacco industry	377,994	114,260	492,254	(7,542)	(667)	(8,209)
Textile and leather industry	76,787	9,538	86,325	(2,039)	(387)	(2,426)
Wood and furniture industry	55,430	4,113	59,543	(1978)	(13)	(1991)
Printing and publishing paper industry	63,457	4,266	67,723	(3,792)	(40)	(3,832)
Chemicals and petroleum derivatives	310,253	40,542	350,795	(5,933)	(271)	(6,204)
Metallic, non-metallic, machinery, or other	550,842	157,178	708,020	(14,333)	(1,606)	(15,939)
Other Manufacturing Industries	487,007	1,056	488,063	(6,646)	(32)	(6,678)
Electricity, gas and water	671,895	1,074	672,969	(6,665)	(39)	(6,704)
Home building	79,957	-	79,957	(1,101)	-	(1,101)
Other works and constructions	1,780,855	9,121	1,789,976	(29,469)	(233)	(29,702)
Wholesale trade	1,527,652	326,236	1,853,888	(41,235)	(4,460)	(45,695)
Retail restaurants and hotels	2,248,510	59,773	2,308,283	(53,807)	(745)	(54,552)
Transport and storage	1,299,345	168,361	1,467,706	(21,251)	(343)	(21,594)
telecommunications	412,843	185	413,028	(5,286)	(3)	(5,289)
Financial and insurance establishments	2,803,399	12,781	2,816,180	(34,618)	(1,231)	(35,849)
Real estate and services provided to companies	3,409,483	5,089	3,414,572	(68,032)	(101)	(68,133)
Community, social and personal services	8,182,995	5,662	8,188,657	(109,489)	(188)	(109,677)
Total Commercial loans	**25,731,567**	**1,172,750**	**26,904,317**	**(453,737)**	**(18,320)**	**(472,057)**
Mortgage loans	**11,001,466**	**-**	**11,001,466**	**(55,926)**	**-**	**(55,926)**
Consumer Loans	**3,532,786**	**-**	**3,532,786**	**(237,805)**	**-**	**(237,805)**
Contingent loan exposure	**5,021,688**	**723,161**	**5,744,849**	**(47,106)**	**(4,785)**	**(51,891)**

As of December 31, 2021	Loans and exposure to contingent loans			Constitutive provisions		
	Local /foreign loans		Total	Local /foreign loans		Total
	MCh$	MCh$		MCh$	MCh$	
Loans and advances to banks	**-**	**640,332**	**640,332**	**-**	**(799)**	**(799)**
Commercial loans						
Agriculture and livestock	524,333	33,096	557,429	(16,355)	(3,205)	(19,560)
Fruit growing	351,808	12,125	363,933	(13,139)	(61)	(13,200)
Forestry and logging	170,327	1,782	172,109	(2,697)	(22)	(2,719)
Fishing	65,041	99,946	164,987	(3,156)	(5,476)	(8,632)
Exploitation of mines and quarries	148,087	109,487	257,574	(1979)	(158)	(2,137)
Crude oil and natural gas production	157,330	-	157,330	(2,698)	-	(2,698)
Product Manufacturing Industry	1,700,074	343,823	2,043,898	(42,022)	(3,164)	(45,185)
Food, beverage and tobacco industry	343,279	101,690	444,969	(7,359)	(906)	(8,265)
Textile and leather industry	45,719	7,180	52,899	(2,039)	(313)	(2,352)
Wood and furniture industry	55,629	3,257	58,886	(2,157)	(9)	(2,166)
Printing and publishing paper industry	63,494	7,195	70,689	(4,062)	(236)	(4,298)
Chemicals and petroleum derivatives	173,023	63,435	236,458	(5,191)	(370)	(5,561)
Metallic, non-metallic, machinery, or other	536,305	160,251	696,556	(14,362)	(1,315)	(15,677)
Other Manufacturing Industries	482,627	814	483,441	(6,852)	(14)	(6,866)
Electricity, gas and water	722,428	2,701	725,129	(7,284)		(7,307)
Home building	97,208	-	97,208	(1,057)	-	(1,057)
Other works and constructions	1,828,720	7,737	1,836,457	(29,828)	(214)	(30,042)
Wholesale trade	1,433,146	357,723	1,790,869	(42,003)	(4,538)	(46,541)
Retail restaurants and hotels	2,398,116	70,158	2,468,274	(54,134)	(1,207)	(55,341)
Transport and storage	1,328,112	179,030	1,507,142	(23,293)	(374)	(23,667)
telecommunications	372,852	318	373,170	(4,794)	(5)	(4,799)
Financial and insurance establishments	2,819,756	17,587	2,837,343	(33,552)	(1,375)	(34,927)
Real estate and services provided to companies	3,557,836	5,844	3,563,680	(68,960)	(110)	(69,070)
Community, social and personal services	8,252,798	7,300	8,260,098	(123,320)	(249)	(123,569)
Total Commercial loans	**25,927,972**	**1,248,657**	**27,176,630**	**(470,271)**	**(20,181)**	**(490,451)**
Mortgage loans	**10,751,664**	**-**	**10,751,664**	**(52,809)**	**-**	**(52,809)**
Consumer Loans	**3,430,790**	**-**	**3,430,790**	**(207,652)**	**-**	**(207,652)**
Contingent loan exposure	**5,810,797**	**655,086**	**6,465,883**	**(52,539)**	**(5,902)**	**(58,441)**

m) As March 31, 2022 and December 31, 2021, the mortgage loans and its provisions recorded by tranches of outstanding principal owed of the loan on the value of the mortgage guarantee (PVG) and the days past due, are as follows:

March 31, 2022 Tranche Loan / Guarantee Value (%)	Mortgage loans (MCh$)						Provisions recorded for mortgage Loans (MCh$)					
	Days past due at the end of the period						Days past due at the end of the period					
	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
GVP <= 40%	850,361	9,322	8,808	2,666	5,087	876,244	(3,389)	(60)	(235)	(16)	(97)	(3,797)
40% < GVP <= 80%	7,555,923	105,544	55,692	22,867	71,783	7,811,809	(24,470)	(1,458)	(1,087)	(584)	(1,590)	(29,189)
80% < GVP <= 90%	1,808,007	16,807	7,659	3,794	4,126	1,840,393	(12,375)	(1,500)	(1,081)	(758)	(841)	(16,555)
GVP > 90%	462,523	4,859	2,864	662	2,112	473,020	(4,634)	(618)	(391)	(167)	(575)	(6,385)
Total LTV	**10,676,814**	**136,532**	**75,023**	**29,989**	**83,108**	**11,001,466**	**(44,868)**	**(3,636)**	**(2,794)**	**(1,525)**	**(3,103)**	**(55,926)**

December 31, 2021 Loan Tranche / Guarantee Value (%)	Mortgage loans (MCh$)						Provisions recorded for mortgage Loans (MCh$)					
	Days past due at the end of the period						Days past due at the end of the period					
	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
GVP <= 40%	804,576	30,092	8,348	2,496	5,695	851,207	(2,219)	(188)	(85)	(10)	(50)	(2,552)
40% < GVP <= 80%	7,339,680	139,077	43,603	22,443	54,746	7,599,549	(20,355)	(1,824)	(974)	(523)	(1,421)	(25,097)
80% < GVP <= 90%	1,759,203	17,966	7,600	1,750	6,745	1,793,264	(12,946)	(1,572)	(1,174)	(360)	(1,404)	(17,456)
GVP > 90%	495,399	5,422	2,665	634	3,524	507,644	(5,463)	(446)	(459)	(108)	(1,028)	(7,504)
Total LTV	**10,398,858**	**192,557**	**62,216**	**27,323**	**70,710**	**10,751,664**	**(40,983)**	**(4,030)**	**(2,692)**	**(1,001)**	**(3,903)**	**(52,609)**

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
AS OF MARCH 31, 2022 AND DECEMBER 31, 2021

n) As March 31, 2022 and December 31, 2021, loans and advances to bank and commercial loans and their provisions recorded by classification category, are as follows:

March 31, 2022	Loans and advances to banks and commercial loans																										
	Individual																									Total	Deductible provision guarantees FOGAPE Covid-19(i)
	Assessment																					group					
	Regular Portfolio							Substandard Portfolio					Non-performing portfolio							Total	Normal Portfolio	Portfolio in Default	Total		
		A2	A3	A4	TO 5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal						
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and advances to banks																									
Interbank liquidity loans	-	313,450	179,200	-	23,569	-	-	-	-	-	-	-	-	-	-	-	-	-	-	516,219	-	-	-	516,219	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	-	19,779	9,598	46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,423	-	-	-	29,423	-
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	28,667	25,555	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,222	-	-	-	54,222	-
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other credit balances with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**361,896**	**214,353**	**46**	**23,569**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**599,864**	**-**	**-**	**-**	**599,864**	**-**
Provisions recorded	-	299	469	1	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	771	-	-	-	771	-
% Provisions recorded	0.00%	0.08%	0.22%	2.17%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.00%	0.00%	0.00%	0.13%	
Commercial loans																									
Commercial loans	204,755	1,369,467	2,965,173	2,964,078	3,879,220	5,494,303	16,876,996	1,056,342	236,062	94,265	187,403	1,574,072	152,254	34,056	96,602	43,431	32,219	35,564	394,126	18,845,194	3,640,641	293,362	3,934,003	22,779,197	44,997
Foreign trade credits Chilean exports	-	96,712	221,240	108,077	96,771	44,996	567,796	16,840	8,190	-	-	25,030	-	-	-	-	-	-	-	592,826	11,829	307	12,136	604,962	-
Foreign trade credits Chilean imports	-	10,014	105,484	104,057	65,492	23,914	308,961	4,004	5,931	-	-	9,935	-	-	-	-	-	-	-	318,896	20,589	25	20,614	339,510	-
Foreign trade credits between third countries	-	-	191,063	2,409	11,596	7,949	213,017	4,052	5,703	-	5,508	15,263	-	-	-	-	-	-	-	228,280	-	-	-	228,280	-
Debtors in current accounts	27,997	2,592	20,115	6,775	3,248	3,933	64,660	6,255	680	186	201	7,322	180	117	47	8	86	779	1,217	73,199	59,486	7,102	66,588	139,787	-
Credit card debtors	-	1,022	1,458	1,303	1,107	863	5,753	1,025	96	13	10	1,144	-	10	-	27	17	27	81	6,978	50,408	3,560	53,968	60,946	-
Factoring operations	34,608	162,822	240,406	397,143	108,356	23,754	967,089	6,360	610	-	-	6,970	-	-	-	-	-	-	-	974,059	71,531	1,410	72,941	1,047,000	-
Commercial finance lease operations	-	89,488	173,514	321,020	223,813	329,431	1,137,266	86,188	15,226	4,942	4,471	110,827	13,175	2,807	1,090	3,600	4,227	1,894	26,793	1,274,886	281,213	9,764	290,977	1,565,863	-
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	117,393	18,014	135,407	135,407	-
Other loans and receivable	-	-	-	-	-	-	-	-	-	-	-	-	127	403	304	1,193	8	527	2,562	2,562	7	796	803	3,365	-
Subtotal	**267,360**	**1,732,117**	**3,918,453**	**3,904,862**	**4,389,603**	**5,929,143**	**20,141,538**	**1,181,066**	**272,498**	**99,406**	**197,593**	**1,750,563**	**165,736**	**37,393**	**98,043**	**48,259**	**36,557**	**38,791**	**424,779**	**22,316,880**	**4,253,097**	**334,340**	**4,587,437**	**26,904,317**	**44,997**
Provisions recorded	101	2,434	5,917	37,498	34,611	63,750	144,311	25,736	6,072	8,457	7,927	48,192	3,333	3,787	24,527	19,415	23,819	34,804	109,685	302,188	69,696	100,173	169,869	472,057	-
% Provisions recorded	0.04%	0.14%	0.15%	0.96%	0.79%	1.08%	0.72%	2.18%	2.23%	8.51%	4.01%	2.75%	2.01%	10.13%	25.02%	40.23%	65.16%	89.72%	25.82%	1.35%	1.64%	29.96%	3.70%	1.76%	

As of December 31, 2022	Loans and advances to banks and commercial loans																								
	Individual																							Total	Deductible provision guarantees FOGAPE Covid-19(i)
	assessment																			group					
	Regular Portfolio							Substandard Portfolio					Non-performing portfolio							Total	Normal Portfolio	Portfolio in Default	Total		
		A2	A3	A4	TO 5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal						
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and advances to banks																									
Interbank liquidity loans	-	315,331	180,174	-	25,648	-	521,153	-	-	-	-	-	-	-	-	-	-	-	-	521,153	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits Chilean exports	-	35,099	8,530	-	-	-	43,629	-	-	-	-	-	-	-	-	-	-	-	-	43,629	-	-	-	-	-
Foreign trade credits Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	52,052	23,498	-	-	-	75,550	-	-	-	-	-	-	-	-	-	-	-	-	75,550	-	-	-	-	-
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other credit balances with banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**-**	**402,482**	**212,202**	**-**	**25,648**	**-**	**640,332**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**640,332**	**-**	**-**	**-**	**-**	**-**
Provisions recorded	-	332	464	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	799	-	-	-	799	-
% Provisions recorded	0.00%	0.08%	0.22%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.12%	0.00%	0.00%	0.00%	0.12%	0.00%
Commercial loans																									
Commercial loans	176,681	1,333,990	3,035,070	2,728,261	3,755,688	5,232,309	16,261,999	1,112,917	237,981	55,877	197,111	1,603,886	154,062	32,690	99,362	36,799	31,240	47,275	401,428	18,267,313	4,376,655	319,736	4,696,391	22,963,704	-
Foreign trade credits Chilean exports	-	190,011	150,101	115,113	94,978	58,610	608,813	10,232	7,646	601	-	18,479	-	-	-	-	-	-	-	627,292	8,315	307	8,622	635,914	46,193
Foreign trade credits Chilean imports	-	7,354	121,650	113,333	73,301	20,977	336,615	4,872	6,505	-	-	11,377	-	-	-	-	-	-	-	347,992	17,308	27	17,335	365,327	-
Foreign trade credits between third countries	-	-	203,954	5,601	14,408	8,556	232,519	2,474	6,181	-	6,240	14,895	-	-	-	-	-	-	-	247,414	-	-	-	247,414	10
Debtors in current accounts	-	7,702	25,590	3,920	5,713	3,795	46,720	4,115	359	26	210	4,710	161	39	73	7	99	638	1,017	52,447	52,927	7,208	60,135	112,582	-
Credit card debtors	-	1,583	948	1,453	1,137	1,014	6,135	676	88	29	6	799	9	10	0	39	17	15	90	7,024	47,011	4,034	51,045	58,069	-
Factoring operations	42,758	172,652	323,292	337,426	112,836	25,741	1,014,705	9,478	593	-	-	10,071	-	-	-	-	-	-	-	1,024,776	62,678	547	63,225	1,088,001	-
Commercial finance lease operations	-	51,956	149,309	319,567	236,303	350,194	1,107,329	61,062	13,529	3,318	3,337	81,246	13,853	1,684	1,811	2,640	5,694	2,137	27,819	1,216,394	337,634	9,762	347,396	1,563,790	-
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,585	18,568	138,153	138,153	-
Other loans and receivable	-	-	-	-	-	-	-	-	-	-	-	-	115	386	331	1,102	9	709	2,652	2,652	5	1,028	1,033	3,685	-
Subtotal	**219,439**	**1,765,248**	**4,009,914**	**3,624,674**	**4,294,364**	**5,701,196**	**19,614,835**	**1,205,826**	**272,882**	**59,851**	**206,904**	**1,745,463**	**168,200**	**34,809**	**101,577**	**40,587**	**37,059**	**50,774**	**433,006**	**21,793,304**	**5,022,118**	**361,217**	**5,383,335**	**27,176,639**	**46,203**
Provisions recorded	77	1,179	7,931	36,320	38,338	59,047	142,892	22,325	6,956	8,489	11,019	48,789	3,379	3,483	25,402	16,296	24,159	45,751	118,470	310,151	69,678	110,622	180,300	490,451	
% Provisions recorded	0.04%	0.07%	0.20%	1.00%	0.89%	1.04%	0.73%	1.85%	2.55%	14.18%	5.33%	2.80%	2.01%	10.01%	25.01%	40.15%	65.19%	90.11%	27.36%	1.42%	1.39%	30.62%	3.35%	1.80%	

o) As March 31, 2022 and December 31, 2021, the balances for loans and their provisions recorded by tranches of days past due, are as follows:

As of March 31, 2022	Financial assets before provisions						Provisions constituted								Net financial assets
	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Subtotal	Deductible guarantees FOGAPE Covid-19(i)	Total	
	Individual/group assessment		Individual assessment	Individual/group assessment			Individual/group assessment		Individual assessment	Individual/group assessment					
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and advances to banks															
0 days	599,865	-	-	-	-	599,865	(771)	-	-	-	-	(771)	-	(771)	599,094
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**599,865**	**-**	**-**	**-**	**-**	**599,865**	**(771)**	**-**	**-**	**-**	**-**	**(771)**	**-**	**(771)**	**599,094**
Commercial loans															
0 days	19,867,677	4,160,360	1,693,229	280,777	132,661	26,134,704	(126,626)	(34,317)	(42,429)	(56,400)	(34,418)	(294,190)	(48,351)	(342,541)	25,792,163
1 to 29 days	263,624	63,837	47,623	18,037	27,443	420,564	(973)	(2,927)	(2,823)	(2,839)	(7,330)	(16,892)	(403)	(17,295)	403,269
30 to 59 days	8,539	20,952	7,188	10,646	17,884	65,209	(97)	(1970)	(457)	(4,487)	(4,921)	(11,932)	(162)	(12,094)	53,115
60 to 89 days	1,786	7,863	2,522	26,602	13,293	52,066	(96)	(1,038)	(21)	(6,772)	(3,902)	(11,829)	(168)	(11,997)	40,069
>= 90 days		-	-	88,715	143,059	231,774	(8)	-	-	(39,043)	(53,166)	(92,217)	(4,087)	(88,130)	143,644
Subtotal	**20,141,626**	**4,253,012**	**1,750,562**	**424,777**	**334,340**	**26,904,317**	**(127,800)**	**(40,252)**	**(45,730)**	**(109,541)**	**(103,737)**	**(427,060)**	**(44,997)**	**(472,057)**	**26,432,260**
Mortgage loans															
0 days	-	10,577,103	-	-	99,711	10,676,814	-	(39,399)	-	-	(5,468)	(44,867)	-	(44,867)	10,631,947
1 to 29 days	-	102,536	-	-	33,995	136,531	-	(1,911)	-	-	(1,725)	(3,636)	-	(3,636)	132,895
30 to 59 days	-	50,893	-	-	24,130	75,023	-	(1,428)	-	-	(1,366)	(2,794)	-	(2,794)	72,229
60 to 89 days	-	12,762	-	-	17,227	29,989	-	(667)	-	-	(858)	(1,525)	-	(1,525)	28,464
>= 90 days	-	-	-	-	83,109	83,109	-	-	-	-	(3,104)	(3,104)	-	(3,104)	80,005
Subtotal	**-**	**10,743,294**	**-**	**-**	**258,172**	**11,001,466**	**-**	**(43,405)**	**-**	**-**	**(12,521)**	**(55,926)**	**-**	**(55,926)**	**10,945,540**
Consumer loans															
0 days	-	3,268,448	-	-	90,731	3,359,179	-	(90,242)	-	-	(39,163)	(129,405)	-	(129,405)	3,229,774
1 to 29 days	-	54,531	-	-	17,573	72,104	-	(11,618)	-	-	(8,925)	(20,543)	-	(20,543)	51,561
30 to 59 days	-	20,783	-	-	13,503	34,286	-	(7,193)	-	-	(8,055)	(15,248)	-	(15,248)	19,038
60 to 89 days	-	6,404	-	-	11,536	17,940	-	(2,560)	-	-	(8,233)	(10,793)	-	(10,793)	7,147
>= 90 days	-	-	-	-	49,277	49,277	-	(22,948)	-	-	(38,868)	(61,816)	-	(61,816)	(12,539)
Subtotal	**-**	**3,350,166**	**-**	**-**	**182,620**	**3,532,786**	**-**	**(134,561)**	**-**	**-**	**(103,244)**	**(237,805)**	**-**	**(237,805)**	**3,294,981**
TOTAL	**20,141,626**	**18,346,472**	**1,750,562**	**424,777**	**775,132**	**41,438,569**	**(128,571)**	**(218,218)**	**(45,730)**	**(109,541)**	**(219,502)**	**(721,562)**	**(44,997)**	**(766,559)**	**41,271,875**

As of December 31, 2021	Financial assets before provisions						Provisions constituted								Net financial assets
	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Total	Regular Portfolio		Substandard Portfolio	Non-performing portfolio		Subtotal	Deductible guarantees FOGAPE Covid-19(i)	Total	
	Individual/group assessment		Individual assessment	Individual/group assessment			Individual/group assessment		Individual assessment	Individual/group assessment					
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and advances to banks															
0 days	640,332	-	-	-	-	640,332	(799)	-	-	-	-	(799)	-	(799)	639,533
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	**640,332**	**-**	**-**	**-**	**-**	**640,332**	**(799)**	**-**	**-**	**-**	**-**	**(799)**	**-**	**(799)**	**639,533**
Commercial loans															
0 days	18,279,580	4,896,147	1,643,204	320,398	161,608	25,300,937	(113,643)	(38,488)	(39,191)	(68,417)	(42,296)	(302,035)	(48,831)	(350,866)	24,950,071
1 to 29 days	1,262,319	130,011	90,857	9,916	29,395	1,522,498	(6,024)	(4,180)	(4,982)	(1,273)	(8,156)	(24,615)	(208)	(24,823)	1,497,675
30 to 59 days	18,926	16,620	6,642	11,738	15,660	69,586	(328)	(1,347)	(386)	(2,591)	(4,140)	(8,792)	(104)	(8,896)	60,690
60 to 89 days	16,149	16,813	4,758	15,542	9,994	63,256	(229)	(2,706)	(1,277)	(5,922)	(2,824)	(12,958)	(80)	(13,038)	50,218
>= 90 days	-	-	-	75,409	144,944	220,353	-	-	-	(40,053)	(55,805)	(95,858)	(3,030)	(92,828)	127,525
Subtotal	**19,576,974**	**5,059,591**	**1,745,461**	**433,003**	**361,601**	**27,176,630**	**(120,224)**	**(46,721)**	**(45,836)**	**(118,256)**	**(113,221)**	**(444,258)**	**(46,193)**	**(490,451)**	**26,686,179**
Mortgage loans															
0 days	-	10,278,384	-	-	120,475	10,398,859	-	(33,427)	-	-	(7,557)	(40,984)	-	(40,984)	10,357,875
1 to 29 days	-	154,642	-	-	37,915	192,557	-	(2,074)	-	-	(1956)	(4,030)	-	(4,030)	188,527
30 to 59 days	-	39,795	-	-	22,420	62,215	-	(1,105)	-	-	(1,587)	(2,692)	-	(2,692)	59,523
60 to 89 days	-	14,756	-	-	12,567	27,323	-	(334)	-	-	(667)	(1,001)	-	(1,001)	26,322
>= 90 days	-	-	-	-	70,710	70,710	-	-	-	-	(3,902)	(3,902)	-	(3,902)	66,808
Subtotal	**-**	**10,487,577**	**-**	**-**	**264,087**	**10,751,664**	**-**	**(36,940)**	**-**	**-**	**(15,669)**	**(52,609)**	**-**	**(52,609)**	**10,699,055**
Consumer loans															
0 days	-	3,182,779	-	-	99,963	3,282,742	-	(80,990)	-	-	(42,562)	(123,552)	-	(123,552)	3,159,190
1 to 29 days	-	51,699	-	-	14,814	66,513	-	(8,957)	-	-	(7,466)	(16,423)	-	(16,423)	50,090
30 to 59 days	-	14,586	-	-	10,918	25,504	-	(4,838)	-	-	(6,131)	(10,969)	-	(10,969)	14,535
60 to 89 days	-	4,322	-	-	8,260	12,582	-	(1,775)	-	-	(5,904)	(7,679)	-	(7,679)	4,903
>= 90 days	-	0	-	-	43,449	43,449	-	(15,206)	-	-	(33,823)	(49,029)	-	(49,029)	(5,580)
Subtotal	**-**	**3,253,386**	**-**	**-**	**177,404**	**3,430,790**	**-**	**(111,766)**	**-**	**-**	**(95,886)**	**(207,652)**	**-**	**(207,652)**	**3,223,138**
TOTAL	**20,217,306**	**18,800,554**	**1,745,461**	**433,003**	**803,092**	**41,999,416**	**(121,023)**	**(195,427)**	**(45,836)**	**(118,256)**	**(224,776)**	**(705,318)**	**(46,193)**	**(751,511)**	**41,247,905**

The guarantees taken by the Bank to ensure the collection of the rights reflected in its loans portfolio correspond to the type of mortgages, pledges on movable and real estate assets, warrants and trade and commercial financial instruments.

The Bank finances the acquisition of goods to its customers, both movable and real estate, through finance lease agreements between 1 and 10 years depending on each contract, which are presented in the caption lease operations. As of March 31, 2022 and December 31, 2021, approximately MCh$611,139 and MCh$582,875, respectively, correspond to finance leases on personal property, and MCh$955,10 and MCh$981,303, respectively, to finance leases on real estate.
The detail of the reconciliation between the gross investment and the present value of the minimum collections as of March 31, 2022 and December 31, 2021, is as follows:

	Net balance receivable	
	As of March 31, 2022	As of December 31, 2021
	MCh$	MCh$
Gross finance lease	1,753,186	1,747,359
Unaccrued finance income	(186,943)	(183,181)
Net finance lease	**1,566,243**	**1,564,178**

As March 31, 2022and December 31, 2021, the cash flows receivable by the Bank from finance lease agreements due to expiration are as follows:

	Net balance receivable	
	As of March 31, 2022	As of December 31, 2021
	MCh$	MCh$
On-demand	-	-
Up to a month	61,721	34,739
More than 1 month to 3 months	85,151	109,577
More than 3e months to 1 year	308,809	348,672
More than 1 year to 3 years	507,173	540,317
More than 3 years to 5 years	209,998	235,275
More than 5 years	393,391	295,598
Total	**1,566,243**	**1,564,178**

There is no evidence of impairment for finance lease agreements entered into by the Bank.

The Bank has obtained financial assets corresponding to real estate for a value of Ch$1,857 million as of March 31, 2022 and Ch$7,090 million as of December 31, 2021 through the execution of guarantees or dations in payment of collateral.

NOTE 14 – INVESTMENTS IN COMPANIES

a) As March 31, 2022 and December 31, 2021, the main investments in companies and joint ventures are detailed below:

	March 31, 2022			December 31, 2021		
	Equity	Ownership interest	Investment value	Equity	Ownership interest	Investment value
	MCh$	%	MCh$	MCh$	%	MCh$
Investments in associates						
Redbanc S.A.	10,107	12.71	1,285	9,935	12.71	1,263
Combanc S.A.	6,691	11.74	890	6,638	1:30 p.m.	883
Transbank S.A.	88,621	8.72	7,727	84,898	8.72	7,402
Nexus S.A.	13,033	14.81	1930	11,471	14.81	1,699
Servicio de Infraestructura de Mercado OTC S.A.	12,839	13.61	1,747	12,508	13.61	1,702
AFT S.A.	19,446	20.00	3,889	19,158	20.00	3,832
Centro de Compensación Automatizado S.A.	11,236	33.33	3,745	10,728	33.33	3,576
Sociedad Interbancaria de Depósitos de Valores S.A.	6,447	7.03	453	6,317	7.03	444
Pagos y servicios S.A.	(1,513)	49.90	(755)	892	49.90	445
Minority investments						
Shares in SWIFT	-	-	56	-	-	56
Shares in BLADEX	-	-	714	-	-	759
Other shares	-	-	2,891	-	-	2,513
Investments in joint ventures						
Servipag Ltda.	14,950	50.00	7,475	14,930	50.00	7,465
Artikos Chile S.A.	2,747	50.00	1,373	2,527	50.00	1,263

b) Changes in investments in companies as March 31, 2022 and December 31, 2021, are as follows:

	March 31	December 31,
	2022	2021
	MCh$	MCh$
Balance as of January 1,	33,302	26,624
Acquisition of investments	-	3,861
Translation adjustment	-	-
Equity in profit or loss	1,187	2,290
Sale of investments in companies	-	-
Dividend received	-	(239)
Adjustment of provision for minimum dividend and results	-	732
Provision for minimum dividend	(79)	(505)
Capital increase adjustment	(1,164)	-
Regulatory adjustment	-	539
MTM shares	174	-
Total	**33,420**	**33,302**

NOTE 15 – INTANGIBLE ASSETS

a) As March 31, 2022 and December 31, 2021, intangible assets are as follows:

March 31, 2022	Average years of useful life	Average years of remaining useful life	Gross Balance MCh$	Accumulated amortization MCh$	Net Balance MCh$
Goodwill from business combination	-	-	164,265	-	164,265
Other intangible assets arising from business combinations:					
Customer relationships	10	7	34,890	(14,639)	20,251
Core deposits	8	2	97,955	(66,865)	31,090
Right to use trademarks	10	7	19,236	(1,706)	17,530
Right to use channels	10	7	2,538	(1,317)	1,221
Contract for collection of services	-	-	8,508	(2,836)	5,672
Mortgage loans servicing rights	-	-	2,705	(815)	1,890
Other intangibles	11	7	8,606	(4,928)	3,678
Other independently generated intangible assets					
Software or computer programs purchased independently	6	5	131,947	(56,792)	75,155
Software or computer programs generated internally	6	5	287,833	(193,602)	94,231
Mortgage loans servicing rights	-	-	-	-	-
Other intangible assets	-	-	34	-	3. 4
Total			**758,517**	**(343,500)**	**415,017**

December 31, 2021	Average years of useful life	Average years of remaining useful life	Gross Balance MCh$	Accumulated amortization MCh$	Net Balance MCh$
Goodwill from business combination	-	-	176,582	-	176,582
Other intangible assets arising from business combinations:					
Customer relationships	10	7	34,890	(13,843)	21,047
Core deposits	8	2	106,706	(71,121)	35,585
Right to use trademarks	10	7	20,497	(1,578)	18,919
Right to use channels	10	7	2,538	(1,254)	1,284
Contract for collection of services	-	-	8,508	(2,623)	5,885
Mortgage loans servicing rights	-	-	2,696	(775)	1921
Other intangibles	11	7	9,089	(3,060)	6,029
Other independently generated intangible assets					
Software or computer programs purchased independently	6	5	131,236	(55,173)	76,063
Software or computer programs generated internally	6	5	282,246	(184,646)	97,600
Mortgage loans servicing rights	-	-	-	-	-
Other intangible assets	-	-	45	-	45
Total			**775,033**	**(334,073)**	**440,960**

b) Changes in intangible assets as of March 31, 2022 and December 31, 2021, are as follows:

		Other intangibles arising from business combinations									Other independently generated intangible assets				
	Goodwill from business combination MCh$	Customer relationships MCh$	Exclusivity contract MCh$	Stable deposits MCh$	Right to use trademarks MCh$	Right to use channels MCh$	Contract for collection of services MCh$	Software or computer programs MCh$	Mortgage loans servicing rights MCh$	Other intangible assets MCh$	Software or computer programs purchased independently MCh$	Software or computer programs generated internally MCh$	Mortgage loans servicing rights MCh$	Other intangible assets MCh$	Total MCh$
Balance as of January 1, 2022	176,582	34,890	-	106,706	20,497	2,538	8,508	-	2,696	9,089	131,236	282,246	-	45	775,033
Acquisitions	-	-	-	-	-	-	-	-	230	-	2,451	10,173	-	(11)	12,843
Derecognition / disposal	-	-	-	-	-	-	-	-	-	-	-	(115)	-	-	(115)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exchange rate variation	(12,317)	-	-	(8,751)	(1,261)	-	-	-	(221)	(483)	(2,306)	-	-	-	(25,339)
Goodwill remeasurement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	566	(4,471)	-	-	(3,905)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross balance as of March 31, 2022	**164,265**	**34,890**	**-**	**97,955**	**19,236**	**2,538**	**8,508**	**-**	**2,705**	**8,606**	**131,947**	**287,833**	**-**	**34**	**758,517**
Amortization for the period	-	(796)	-	(1,556)	(128)	(63)	(213)	-	(107)	(2,295)	(1,619)	(8,956)	-	-	(15,733)
Accumulated amortization	-	(13,843)	-	(71,121)	(1,578)	(1,254)	(2,623)	-	(775)	(3,060)	(55,173)	(184,646)	-	-	(334,073)
Derecognition / disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	5,812	-	-	-	-	67	427	-	-	-	-	6,306
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total amortization and accumulated impairment	**-**	**(14,639)**	**-**	**(66,865)**	**(1,706)**	**(1,317)**	**(2,836)**	**-**	**(815)**	**(4,928)**	**(56,792)**	**(193,602)**	**-**	**-**	**(343,500)**
Net balance as of March 31, 2022	**164,265**	**20,251**	**-**	**31,090**	**17,530**	**1,221**	**5,672**	**-**	**1,890**	**3,678**	**75,155**	**94,231**	**-**	**34**	**415,017**

		Other intangibles arising from business combinations									Other independently generated intangible assets				
	Goodwill from business combination	Customer relationships	Exclusivity contract	Stable deposits	Right to use trademarks	Right to use channels	Contract for collection of services	Software or computer programs	Mortgage loans servicing rights	Other intangible assets	Software or computer programs purchased independently	Software or computer programs generated internally	Mortgage loans servicing rights	Other intangible assets	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2021	151,512	34,890	-	88,894	17,930	2,538	8,508	-	1,616	8,106	98,180	245,147	-	67	657,388
Acquisitions	-	-	-	-	-	-	-	-	756	-	25,564	48,955	-	-	75,275
Derecognition / disposal	-	-	-	-	-	-	-	-	-	-	(335)	(1,546)	-	(22)	(1903)
Transfers	-	-	-	-	-	-	-	-	-	-	4,725	(10,310)	-	-	(5,585)
Exchange rate variation	25,070	-	-	17,812	2,567	-	-	-	324	983	3,102	-	-	-	49,858
Goodwill remeasurement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross balance as of December 31, 2021	**176,582**	**34,890**	**-**	**106,706**	**20,497**	**2,538**	**8,508**	**-**	**2,696**	**9,089**	**131,236**	**282,246**	**-**	**45**	**775,033**
Amortization for the period	-	(3,731)	-	(13,524)	(512)	(254)	(851)	-	(392)	(802)	(9,591)	(29,677)	-	-	(59,334)
Accumulated amortization	-	(10,190)	-	(46,191)	(1,066)	(1,000)	(1,772)	-	(279)	(2,034)	(44,402)	(155,178)	-	-	(262,112)
Derecognition / disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	78	-	(11,406)	-	-	-	-	(104)	(224)	(1,180)	209	-	-	(12,627)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total amortization and accumulated impairment	**-**	**(13,843)**	**-**	**(71,121)**	**(1,578)**	**(1,254)**	**(2,623)**	**-**	**(775)**	**(3,060)**	**(55,173)**	**(184,646)**	**-**	**-**	**(334,073)**
Net balance as of December 31, 2021	**176,582**	**21,047**	**-**	**35,585**	**18,919**	**1,284**	**5,885**	**-**	**1921**	**6,029**	**76,063**	**97,600**	**-**	**45**	**440,960**

d) Impairment

The Bank assesses, at the end of each reporting period, whether there is any indication of impairment in the value of any amortizable and non-amortizable assets. If such indication exists, or when an impairment testing is required, the Bank estimates the recoverable amount of the asset.

NOTE 16 – FIXED ASSETS

a) As March 31, 2022 and December 31, 2021, fixed assets are detailed as follows:

	March 31, 2022				
Concept	Average years of useful life	Average years of remaining useful life	Closing gross balance	Accumulated depreciation	Closing net balance
			MCh$	MCh$	MCh$
Buildings and land	36	28	239,791	(46,882)	192,909
Other fixed assets	6	5	197,768	(141,640)	56,128
Total			**437,559**	**(188,522)**	**249,037**

	December 31, 2021				
Concept	Average years of useful life	Average years of remaining useful life	Closing gross balance	Accumulated depreciation	Closing net balance
			MCh$	MCh$	MCh$
Buildings and land	36	29	243,377	(46,442)	196,935
Other fixed assets	6	5	194,293	(138,494)	55,799
Total			**437,670**	**(184,936)**	**252,734**

b) Changes in fixed assets as March 31, 2022 and December 31, 2021, are as follows:

	Buildings and land	Other fixed assets	Total
	MCh$	MCh$	MCh$
Balance at January 1, 2022	243,377	194,292	437,669
Acquisitions	161	4,071	4,232
Derecognition/disposal	-	(179)	(179)
Transfers	320	1,259	1,579
Others	(4,068)	(1,675)	(5,743)
Impairment	-	-	-
Gross balance as of March 31, 2022	**239,790**	**197,768**	**437,558**
Depreciation for the year	(1,014)	(4,817)	(5,831)
Derecognition/disposal	-	178	178
Transfers	-	-	-
Accumulated depreciation	(46,442)	(138,493)	(184,935)
Others	575	1,492	2,067
Impairment	-	-	-
Total accumulated depreciation	**(46,881)**	**(141,640)**	**(188,521)**
Net balance as of March 31, 2022	**192,909**	**56,128**	**249,037**

	Buildings and land	Other fixed assets	Total
	MCh$	MCh$	MCh$
Balance at January 1, 2021	235,658	182,442	418,100
Acquisitions	193	15,093	15,286
Derecognition/disposal	(2,529)	(9,085)	(11,614)
Transfers	1,587	1,877	3,464
Others	8,468	3,988	12,456
Impairment	-		
Gross balance as of December 31, 2021	**243,377**	**194,292**	**437,669**
Depreciation for the year	(4,057)	(20,315)	(24,372)
Derecognition/disposal	425	4,186	4,611
Transfers	-	-	-
Accumulated depreciation	(43,305)	(123,578)	(166,883)
Others	496	1,213	1,709
Impairment	-	-	-
Total accumulated depreciation	**(46,441)**	**(138,494)**	**(184,935)**
Net balance as of December 31, 2021	**196,936**	**55,798**	**252,734**

NOTE 17 –RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

a) As March 31, 2022 and December 31, 2021, this caption is detailed as follows:

	March 31, 2022				
Concept	Average years of useful life	Average years of remaining useful life	Closing gross balance	Accumulated depreciation	Closing net balance
	MCh$	MCh$	MCh$	MCh$	MCh$
Buildings and land	10	9	212,116	(57,802)	154,314
Leasehold improvements	9	7	68,007	(48,430)	19,577
Other fixed assets	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Total			**280,123**	**(106,232)**	**173,891**

	December 31, 2021				
Concept	Average years of useful life	Average years of remaining useful life	Closing gross balance	Accumulated depreciation	Closing net balance
	MCh$	MCh$	MCh$	MCh$	MCh$
Buildings and land	-	-	223,152	(55,230)	167,923
Leasehold improvements	-	-	69,646	(48,543)	21,103
Other fixed assets	-	-	-	-	-
Other intangible assets	-	-	-	-	-
Total			**283,798**	**(103,773)**	**189,025**

b) Changes in right-of-use assets as March 31, 2022 and December 31, 2021, are as follows:

	Buildings and land	Leasehold improvements	Other fixed assets	Other intangible assets	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
Balance January 1, 2022	223,152	69,646	-	-	292,798
Acquisitions	10,495	66,526	-	-	10,561
Derecognition/disposal	(15,877)	(781)	-	-	(16,658)
Transfers	484	376	-	-	860
Others	(6,139)	(1,301)	-	-	(7,440)
Impairment	-	-	-	-	-
Gross balance as of March 31, 2022	**212,116**	**68,007**	**-**	**-**	**280,123**
Depreciation for the period	(5,500)	(882)	-	-	(6,382)
Derecognition/disposal	1952	593	-	-	2,518
Transfers	-	-	-	-	-
Accumulated depreciation	(55,230)	(48,543)	-	-	(103,773)
Others	1,003	402	-	-	(1,405)
Impairment	-	-	-	-	-
Total accumulated depreciation	**(57,802)**	**(48,430)**	**-**	**-**	**(106,232)**
Net balance as of March 31, 2022	**154,314**	**19,577**	**-**	**-**	**173,891**

	Buildings and land	Leasehold improvements	Other fixed assets	Other intangible assets	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
Balance January 1, 2022	219,662	69,165	-	-	288,827
Acquisitions	42,769	1,419	-	-	44,188
Derecognition/disposal	(51,756)	(3,423)	-	-	(55,179)
Transfers	-	-	-	-	-
Others	12,477	2,486	-	-	14,963
Impairment	-	-	-	-	-
Gross balance as of December 31, 2021	**223,152**	**69,646**	**-**	**-**	**292,799**
Depreciation for the period	(21,780)	(1,446)	-	-	(23,226)
Derecognition/disposal	8,831	108	-	-	8,939
Transfers	-	-	-	-	-
Accumulated depreciation	(37,373)	(46,647)	-	-	(84,020)
Others	(4,907)	(560)	-	-	(5,467)
Impairment	-	-	-	-	-
Total accumulated depreciation	**(55,229)**	**(48,545)**	**-**	**-**	**(103,774)**
Net balance as of December 31, 2021	**167,923**	**21,102**	**-**	**-**	**189,025**

c) As March 31, 2022 and December 31, 2021, lease liabilities are as follows:

	March 31	December 31
	2022	2021
	MCh$	MCh$
Lease liabilities	160,526	173,726
Total	**160,526**	**173,726**

d) Lease liabilities as of March 31, 2022 and December 31, 2021:

	March 31	December 31
	2022	2021
	MCh$	MCh$
Depreciation	6,382	23,226
Interests	783	3,348
Short-term leases	-	-
Total	**7,165**	**26,574**

e) As March 31, 2022 and December 31, 2021, the expenses related to right-of-use assets and lease liabilities are as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Contract maturity		
On demand	-	-
Up to one month	1,841	1986
From 1 to 3 months	4,648	5,016
From 3 months to 1 years	15,856	14,478
Between 1 and 3 years	53,215	55,195
From 3 to 5 years	72,016	49,508
More than 5 years	12,950	47,543
Total	**160,526**	**173,726**

f) As March 31, 2022 and December 31, 2021, the bank does not maintain future minimum lease payments to be received for non-cancellable operating leases.

NOTE 18 – CURRENT TAXES AND DEFERRED TAXES

1. Current tax

As of March 31, 2022, the Bank has recorded provisions for Corporate Income Tax and Tax under Article No. 21 of the Income Law, based on current legal tax provisions, recording a current tax liability of Ch$91,513 million as of March 31, 2022 (liability of Ch$121,963 million as of December 31, 2021). Such provisions are presented net of recoverable taxes, as detailed below:

	March 31	December 31
	2022	2021
	MCh$	MCh$
Current tax assets	22,989	19,572
Current tax (liabilities)	(114,502)	(141,535)
Total assets (liabilities)	**(91,513)**	**(121,963)**
Income tax (27% tax rate for 2022 and 2021)	(12,152)	(307,300)
Previous year provision	(284,288)	-
Provision for 40% of single tax	(73)	(212)
Less		
Monthly provisional payments	185,263	170,171
Tax credit for training expenses	2,242	2,286
Credit for acquisition of fixed assets	122	118
Credit for donations	1,420	1,138
Income tax recoverable	12,450	9,478
Other taxes and withholdings recoverable	3,503	2,358
Total	**(91,513)**	**(121,963)**

The following is the detail of the net current tax, both by economic entity and by geographical unit, in accordance with the provisions of IAS 12 :

	March 31, 2022			
	Chile	Florida	Peru	Total
	MCh$	MCh$	MCh$	MCh$
Current tax asset	9,241	13,746	2	22,989
Current tax liability	(114,502)	-	-	(114,502)
Net total	**(105,261)**	**13,746**	**2**	**(91,513)**

	December 31, 2021			
	Chile	Florida	Peru	Total
	MCh$	MCh$	MCh$	MCh$
Current tax asset	7,123	12,449	-	19,572
Current tax liability	(141,527)	-	(8)	(141,535)
Net total	**(134,404)**	**12,449**	**(8)**	**(121,963)**

2. Income tax

The effect of tax expenditure for the periodsbetween January 1 and March March 31, 2022 and 2021, is comprised of the following:

	March 31	
	2022	2021
	MCh$	MCh$
Income tax expense:		
Current year tax	(12,152)	(53,618)
Tax difference in CNB	-	-
Tax difference in other subsidiaries	-	-
Surplus/ deficit in previous year provision	-	-
Deferred tax credit (debit):		
Origination and reversal of temporary differences	(4,233)	34,278
Subtotal	**(16,385)**	**(19,340)**
Tax for non-deductible expenses under Article 21	(73)	(68)
Net income tax debit (credit) to profit or loss	**(16,458)**	**(19,408)**

3. Effective Tax Rate Reconciliation

The following is the reconciliation between the income tax rate and the effective rate applied in determining the tax expense as March 31, 2022 and 2021:

	March 31			
	2022		2021	
	Tax rate	Amount	Tax rate	Amount
	%	MCh$	%	MCh$
Profit before tax		205,890		176,701
Tax at the prevailing tax rate	27.00	55,590	27.00	47,709
Tax effect of non-deductible expenses when calculating taxable income:				
Price-level adjustment - BCI Financial Group	(10.88)	(22,399)	(4.86)	(8,580)
US rate differences	1.54	3,160	(0.21)	(369)
Price-level adjustment on share capital	(15.95)	(32,843)	(7.92)	(14,000)
Single tax (non-deductible expenses)	0.04	73	0.04	68
Taxes from previous years	-	-	-	-
Bonds 104 Income Tax Law	4.70	9,675	(0.44)	(4,649)
Others	0.00	3,202	0.00	(771)
Effective rate and income tax expense	7.99	16,458	10.98	19,408

The effective income tax rate for the 2022 and 2021 periods is 7.99% and 10.98%, respectively.

(1) The investment that BCI maintains in the US (CNB) for tax purposes in Chile is adjusted for changes in the exchange rate (US dollar), which is subject to the Corporate Income Tax. The impact of such adjustment as of March 2022 is a tax benefit of Ch$22,399 million, while as of March 2021, it is a tax benefit of Ch$8,580 million.

(2) The legal tax rate in Chile is 27%, while in the US the tax rate is 24.52182% (federal tax of 21% and state tax of 4.458%). Therefore, with respect to part of BCI's consolidated profit (CNB, Miami Branch and BCI Securities) there is a tax saving associated with the difference in tax rates in force at different jurisdictions.

(3) This amount relates to state bonds under article 104 of the Income Tax Law (LIR) registered in the Bank's trading portfolio, which are subject to the Tax-Free Income regime.

4. Effect of deferred taxes on equity

The deferred tax that has been recognized as a debit to equity as March 31, 2022 and December 31, 2021, is comprised of the following:

	Accumulated balances		Credit (debit) to profit or loss	
	March 31,	December 31,	March 31,	December 31,
	2022	2021	2022	2021
	MCh$	MCh$	MCh$	MCh$
Financial investments available for sale	9,913	10,841	(928)	17,877
Investments for Cash Flow Hedge	(14,965)	(47,801)	32,835	(95,399)
First application of CNCB	2,356	2,356	-	-
Other deferred tax credit (debit) on equity	-	-	-	-
Deferred tax credit (debit on equity	(2,696)	(34,604)	31,907	(77,522)

5. Deferred tax effect

As March 31, 2022 and December 31, 2021, the Bank has recorded the effects of deferred taxes in accordance with IAS 12 in its Interim Consolidated Financial Statements.

The following are the effects of deferred taxes on assets, liabilities and equity as a result of temporary differences:

	March 31, 2022			December 31, 2021		
	Asset	Liability	Net	Asset	Liability	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Concepts						
Provision for loan losses	235,353	-	235,353	223,465	-	223,465
Provision for employee vacations and bonuses	35,540	-	35,540	51,169	-	51,169
Derivative contracts	-	(6,279)	(6,279)	36,545	-	36,545
Leases (net)	-	(48,021)	(48,021)	-	(39,919)	(39,919)
Other deferred tax credits (debits)	74,295	-	74,295	14,818	-	14,818
Fixed assets	-	(19,366)	(19,366)	-	(19,630)	(19,630)
Transitory assets	-	(31,991)	(31,991)	-	(29,743)	(29,743)
Subordinated bonds	17,887	-	17,887	21,049	-	21,049
Document brokerage	-	-	-	-	-	-
Credicorp	-	-	-	-	-	-
Differences - Financial Services	-	-	-	-	-	-
Temporary differences - CNB	64,697	-	64,697	29,476	-	29,476
Total net assets (liabilities)	**427,772**	**(105,657)**	**322,115**	**376,522**	**(89,292)**	**287,230**
Deferred tax credit (debit) on equity	-	(2,696)	(2,696)	-	(34,604)	(34,604)
Net effect of deferred tax asset	**427,772**	**(108,353)**	**319,419**	**376,522**	**(123,896)**	**252,626**

(*) This deferred tax asset is originated by the subsidiaries located in Miami and BCI Miami Branch, mainly as a result of the tax loss, some intangible assets and the provision for credit risk of the subsidiary BCIFinancialGroup, Inc. and Subsidiaries.

The following is a breakdown of net deferred taxes by geographic location in accordance with the provisions of IAS 12:

	March 31, 2022			
	Chili	Florida	Peru	Total
	MCh$	MCh$	MCh$	MCh$
Deferred tax asset	259,007	63,907	789	323,703
Deferred tax liability	(1,588)	-	-	(1,588)
Net total	**257,419**	**63,907**	**789**	**322,115**
Deferred taxes on equity	(2,696)	-	-	(2,696)
Net total for deferred taxes	**254,723**	**63,907**	**789**	**319,419**

	December 31, 2021			
	Chili	Florida	Peru	Total
	MCh$	MCh$	MCh$	MCh$
Deferred tax asset	258,680	29,081	395	288,156
Deferred tax liability	(926)	-	-	(926)
Net total	**257,754**	**29,081**	**395**	**287,230**
Deferred taxes on equity	(34,604)	-	-	(34,604)
Net total for deferred taxes	**223,150**	**29,081**	**395**	**252,626**

NOTE 19 – OTHER ASSETS

As March 31, 2022 and December 31, 2021, other assets are as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Assets to be leased in financial leases as lessor	52,503	82,144
Cash guarantees delivered for derivative financial transactions	72,169	194,935
Debtors for brokerage of financial instruments	-	-
Accounts receivable for use of payment cards with provision of funds	-	-
Accounts receivable from third parties	416,882	436,939
Accounts receivable from subsidiaries for services rendered (applicable only at individual bank level)	-	-
Investment property	-	-
VAT fiscal credit receivable	8,685	8,568
Prepaid expenses	56,152	42,107
Valuation adjustments for macro hedges	-	-
Assets to support obligations for post-employment defined benefit plans	-	-
Asset for revenue	-	-
Investments in gold	7,042	7,153
Other cash collateral provided	495,139	334,701
Pending operations	74,400	20,982
Accounts receivable	75,463	88,098
Rights for insurance in favor of City Nacional Bank	64,817	76,031
Securities recoverable	20,099	11,875
FED and FHLB shares	77,252	82,112
Other assets	10,870	16,432
Accumulated impairment of other assets receivable	-	-
Total	**1,431,473**	**1,402,077**

NOTE 20 – NON-CURRENT ASSETS AND DISPOSAL GROUP HELD FOR SALE AND LIABILITIES INCLUDED IN DISPOSAL GROUP HELD FOR SALE

a) As March 31, 2022 and December 31, 2021 non-current assets and disposal group held for sale are as follows:

	March 31,	December 31,
	2022	2021
	MCh$	MCh$
Assets received in payment or foreclosed at judicial auction:		
Goods received in payment	556	404
Assets foreclosed at judicial auction	2,505	2,133
Provisions for goods received in payment or foreclosed at judicial auction	(5)	-
Subtotal	**3,056**	**2,537**
Investment in companies	-	-
Intangible assets	-	-
Fixed assets	-	-
Assets for recovery of assets under finance leases	43,653	43,182
Other assets	-	-
Subtotal	**43,653**	**43,182**
Total	**46,709**	**45,719**

b) As March 31, 2022 and December 31, 2021, changes in provisions for assets received in payment are as follows:

	Provisions
	MCh$
Balance as of January 1, 2022	-
Provisions accrued	7
Provisions used	(12)
Balance as of March 31, 2022	**(5)**

	Provisions
	MCh$
Balance as of January 1, 2021	(73)
Provisions accrued	203
Provisions used	(130)
Balance as of December 31, 2021	**-**

c) As of March 31, 2022 and December 31, 2021, the Bank does not record liabilities included in a disposal group held for sale.

NOTE 21 – FINANCIAL LIABILITIES HELD FOR TRADING AT FAIR VALUE THROUGH PROFIT OR LOSS

a) As March 31, 2022 and December 31, 2021, financial liabilities held for trading at fair value through profit or loss are as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Financial derivative contracts	5,197,898	5,094,231
Other financial instruments	-	-
Total	**5,197,898**	**5,094,231**

b) As March 31, 2022 and December 31, 2021, financial derivative contracts are as follows:

	On demand MCh$	Up to 1 month MCh$	From 1 to 3 months MCh$	From 3 months to 1 year MCh$	From 1 to 3 years MCh$	From 3 to 5 years MCh$	Over 5 years MCh$	Total MCh$	Fair value as of March 31, 2022 MCh$
Financial derivative contracts									
Forwards	38,330	11,825,784	8,769,138	14,703,164	4,451,544	762,456	1,798,457	42,348,872	978,201
Swaps	458,280	4,346,344	7,288,147	32,122,274	37,766,687	24,137,818	27,921,320	134,040,870	4,217,324
Call Options	-	17,393	40,957	28,009	-	-	-	86,358	1,299
Put Options	-	11,497	36,426	33,356	-	-	-	81,278	999
Futures	-	-	3	-	-	-	-	3	75
Others	-	-	-	-	-	-	-	-	-
Totals	**496,610**	**16,201,018**	**16,134,671**	**46,886,803**	**42,218,231**	**24,900,274**	**29,719,777**	**176,557,381**	**5,197,898**

	On demand MCh$	Up to 1 month MCh$	From 1 to 3 months MCh$	From 3 months up to 1 year MCh$	From 1 to 3 years MCh$	From 3 to 5 years MCh$	Over 5 years MCh$	Total MCh$	Fair value as of December 31, 2021 MCh$
Forwards	146,627	11,098,825	6,190,029	13,747,290	5,127,591	925,583	1,266,812	38,502,757	1,004,603
Swaps	-	671,392	1,169,282	6,775,429	14,795,950	11,068,289	12,377,890	46,858,231	4,083,242
Call Options	-	31,938	20,838	69,723	486	-	-	122,985	4,417
Put Options	-	27,042	16,392	72,007	-	-	-	115,442	521
Futures	-	-	93,337	-	-	-	-	93,337	1,448
Others	-	-	-	-	-	-	-	-	-
Totals	**146,627**	**11,829,197**	**7,489,878**	**20,664,449**	**19,924,027**	**11,993,872**	**13,644,702**	**85,692,752**	**5,094,231**

c) As March 31, 2022 and December 31, 2021, the Bank does not hold any other financial instruments.

NOTE 22 – FINANCIAL LIABILITIES AT AMORTIZED COST

a) As March 31, 2022 and December 31, 2021, financial liabilities at amortized cost are as follows:

	March 31,	December 31,
	2022	2021
	MCh$	MCh$
Deposits and other obligations on demand		
Current accounts	23,154,570	24,345,331
Demand deposit accounts	1,050,661	1,200,201
Other demand deposits	343,537	456,225
Obligations for fund provision accounts for payment cards	17,973	19,560
Other obligations on demand	1,496,194	1,632,125
Subtotal	**26,062,935**	**27,653,442**
Deposits and other time deposits		
Time deposits	11,656,569	10,797,310
Term savings accounts	69,073	66,960
Other term credit balances	2,099	878
Subtotal	**11,727,741**	**10,865,148**
Obligations for repurchase agreements and securities lending		
Transactions with domestic banks	-	3,648
Transactions with foreign banks	-	-
Transactions with other domestic entities	399,560	137,530
Transactions with other foreign entities	278	-
Subtotal	**399,838**	**141,178**
Bank borrowings		
Domestic banks	266,730	416,727
Foreign banks	1,696,851	2,012,708
Central Bank of Chile	4,512,758	4,541,402
Foreign Central Banks	-	-
Subtotal	**6,476,339**	**6,970,837**
Debt financial instruments issued		
Letters of credit	3,288	3,887
Current bonds	7,538,813	7,424,308
Subtotal	**7,542,101**	**7,428,195**
Other financial obligations		
Other financial obligations with the public sector	2,101	2,381
Other domestic financial obligations	69,587	73,083
Other foreign financial obligations	874,118	952,639
Subtotal	**945,806**	**1,028,103**
Total	**53,154,760**	**54,086,903**

b) As of March 31, 2022, current bonds are as follows:

CURRENT BONDS IN PESOS							
Series	Amount issued Ch$	Amount placed Ch$	Issuance date	Maturity date	Average rate	Balance due Ch$	Balance due MCh$
SERIES_AM	50,000,000,000	50,000,000,000	06-01-2016	06-01-2023	4.90%	50,184,596,949	50,185
SERIES__E	100,000,000,000	100,000,000,000	11-01-2017	11-01-2022	4.27%	101,511,796,628	101,512
SERIES_O3	100,000,000,000	45,000,000,000	12-01-2020	12-01-2027	3.52%	44,314,069,006	44,314
Fair value adjustment (fair value hedge)						(4,324,546,031)	(4,325)
Subtotal	**250,000,000,000**	**195,000,000,000**				**191,685,916,552**	**191,686**

CURRENT BONDS IN UNIDADES DE FOMENTO							
Series	Amount issued UF	Amount placed UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_AF2	10,000,000	10,000,000	08-01-2012	01-08-2022	3.43%	10,015,281	317,762
SERIES_AI2	5,000,000	-	03-01-2014	03-01-2024	0.00%	-	-
SERIES_AJ2	20,000,000	20,000,000	10-01-2014	10-01-2024	2.23%	20,081,981	637,156
SERIES_AL1	3,000,000	3,000,000	06-01-2016	06-01-2022	1.89%	3,027,854	96,067
SERIES_AL2	3,000,000	3,000,000	06-01-2016	06-01-2023	2.15%	3,037,177	96,363
SERIES_AL3	3,000,000	3,000,000	06-01-2016	06-01-2024	2.40%	3,031,726	96,190
SERIES_AL4	3,000,000	3,000,000	06-01-2016	06-01-2028	2.36%	3,050,703	96,792
SERIES_AL5	3,000,000	3,000,000	06-01-2016	06-01-2031	2.50%	3,028,103	96,075
SERIES_AN2	3,000,000	3,000,000	12-01-2016	12-01-2024	1.95%	3,024,161	95,950
SERIES_AN3	3,000,000	3,000,000	12-01-2016	12-01-2026	2.00%	3,020,856	95,845
SERIES_A1	3,000,000	3,000,000	04-01-2017	04-01-2022	1.72%	3,029,857	96,131
SERIES_A2	3,000,000	3,000,000	04-01-2017	04-01-2027	2.18%	3,005,853	95,369
SERIES_B1	3,000,000	3,000,000	05-01-2017	05-01-2022	1.50%	3,026,150	96,013
SERIES_B2	3,000,000	3,000,000	05-01-2017	05-01-2023	1.67%	3,035,594	96,313
SERIES_C2	3,000,000	3,000,000	05-01-2017	07-01-2023	2.32%	3,003,540	95,296
SERIES_C3	3,000,000	3,000,000	07-01-2017	07-01-2025	2.28%	2,989,660	94,855
SERIES_C4	3,000,000	3,000,000	07-01-2017	07-01-2026	2.42%	2,965,741	94,096
SERIES_D1	3,000,000	3,000,000	11-01-2017	11-01-2023	1.84%	3,032,519	96,215
SERIES_D2	3,000,000	3,000,000	11-01-2017	11-01-2025	2.04%	3,021,414	95,863
SERIES_D3	3,000,000	3,000,000	11-01-2017	11-01-2028	2.34%	2,964,792	94,066
SERIES_D4	3,000,000	3,000,000	11-01-2017	11-01-2029	2.45%	2,934,332	93,100
SERIES_F1	3,000,000	3,000,000	04-01-2018	04-01-2022	1.46%	3,029,880	96,131
SERIES_F2	3,000,000	3,000,000	04-01-2018	04-01-2024	1.60%	3,053,641	96,885
SERIES_F3	3,000,000	3,000,000	04-01-2018	04-01-2025	2.00%	3,030,492	96,151
SERIES_F4	3,000,000	3,000,000	04-01-2018	04-01-2028	2.17%	3,002,890	95,275
SERIES_F5	3,000,000	3,000,000	04-01-2018	04-01-2029	2.36%	2,962,761	94,002
Series_G1	3,000,000	3,000,000	06-01-2018	06-01-2025	1.47%	3,069,215	97,379
Series_G2	3,000,000	3,000,000	06-01-2018	06-01-2026	1.09%	3,131,060	99,341
Series_G3	3,000,000	3,000,000	06-01-2018	06-01-2029	2.10%	3,001,741	95,238
SERIES_I1	3,000,000	3,000,000	02-01-2019	02-01-2028	0.70%	3,232,512	102,560
SERIES_I2	3,000,000	3,000,000	02-01-2019	02-01-2029	0.72%	3,269,408	103,731
SERIES_I3	3,000,000	3,000,000	02-01-2019	02-01-2030	1.19%	3,191,624	101,263
SERIES_K1	3,000,000	3,000,000	05-01-2019	05-01-2023	-0.03%	3,090,993	98,070
SERIES_K4	3,000,000	3,000,000	05-01-2019	05-01-2029	0.45%	3,348,825	106,251
SERIES_M3	3,000,000	3,000,000	10-01-2019	10-01-2028	-0.09%	3,333,519	105,765
SERIES_M4	3,000,000	3,000,000	10-01-2019	10-01-2029	-0.31%	3,435,003	108,985
SERIES_M5	3,000,000	3,000,000	10-01-2019	10-01-2030	0.27%	3,332,337	105,728
SERIES_N1	3,000,000	3,000,000	12-01-2020	06-01-2027	2.05%	2,935,508	93,137
SERIES_N2	3,000,000	3,000,000	12-01-2020	12-01-2027	2.76%	2,820,809	89,498
SERIES_N3	3,000,000	3,000,000	12-01-2020	12-01-2028	2.25%	2,878,037	91,314
SERIES_N4	3,000,000	1,050,000	12-01-2020	12-01-2030	3.03%	935,004	29,666
Fair value adjustment (fair value hedge)						(1,131,698)	(35,916)
Subtotal	**149,000,000**	**142,050,000**				**143,280,855**	**4,545,971**

CURRENT BONDS IN FOREIGN CURRENCY US DOLLAR							
Series	Amount issued US$	Amount placed US$	Issuance date	Maturity date	Average rate	Balance due US$	Balance due MCh$ (*)
USP32133CG63	500,000,000	500,000,000	11-02-2013	11-02-2023	4.09%	502,105,683	393,817
XS1655597034	50,000,000	50,000,000	08-01-2017	08-01-2022	2.96%	50,207,625	39,379
XS1692845396	50,000,000	50,000,000	10-06-2017	10-06-2022	3.00%	50,677,054	39,748
US05890MAA18	500,000,000	500,000,000	10-12-2017	10-12-2027	3.65%	501,460,742	393,311
XS1703060829	50,000,000	50,000,000	10-19-2017	10-19-2022	2.32%	50,065,610	39,268
XS1702405702	40,000,000	40,000,000	10-20-2017	10-20-2022	2.27%	40,050,800	31,413
XS1879614755	50,000,000	50,000,000	13-09-2018	13-03-2024	3.85%	49,910,311	39,146
XS1888335194	100,000,000	100,000,000	10-04-2018	04-04-2024	4.02%	101,603,329	79,691
XS1895749593	45,000,000	45,000,000	19-10-2018	19-04-2024	4.03%	45,641,474	35,798
XS1919312626	25,000,000	25,000,000	12-07-2018	12-07-2023	1.88%	24,918,074	19,544
XS1984711355	10,000,000	10,000,000	04-23-2019	23-04-2024	1.55%	9,973,828	7,823
XS2012024696	50,000,000	50,000,000	06-14-2019	14-06-2029	3.32%	50,112,691	39,305
XS2024766276	50,000,000	50,000,000	07-10-2019	10-07-2029	3.21%	49,973,730	39,196
XS2047630970	10,000,000	10,000,000	08-28-2019	08-28-2024	1.50%	9,968,118	7,818
XS2085920416	20,000,000	20,000,000	12-02-2019	06-02-2025	1.52%	19,873,106	15,587
XS2318617185	54,000,000	54,000,000	03-17-2021	12-03-2029	2.37%	53,736,369	42,147
XS2337108497	10,000,000	10,000,000	04-27-2021	04-27-2026	0.85%	9,937,602	7,794
XS2357310379	10,000,000	10,000,000	06-23-2021	06-23-2031	2.60%	9,952,314	7,806
XS2377687442	10,000,000	10,000,000	08-18-2021	08-18-2031	2.53%	9,905,677	7,769
XS2387450393	30,000,000	30,000,000	09-16-2021	09-16-2026	1.81%	29,716,512	23,308
XS2388190592	10,000,000	10,000,000	09-21-2021	09-21-2026	1.66%	9,870,650	7,742
XS2384719667	133,000,000	133,000,000	09-24-2021	09-24-2026	1.89%	131,265,083	102,955
XS2389126280	10,000,000	10,000,000	09-27-2021	09-27-2031	2.42%	9,884,606	7,753
US05890MAB90	500,000,000	500,000,000	10-14-2021	10-14-2031	3.08%	491,584,457	385,564
XS2398895651	17,000,000	17,000,000	10-19-2021	10-19-2026	1.06%	16,844,135	13,211
XS2402142371	20,000,000	20,000,000	10-27-2021	10-27-2028	1.26%	19,842,322	15,563
XS2407022313	20,000,000	20,000,000	12-01-2021	12-01-2026	1.35%	19,805,430	15,534
XS2454830824	10,000,000	10,000,000	10-03-2022	10-03-2029	1.66%	9,879,633	7,749
XS2457006521	25,000,000	25,000,000	15-03-2022	15-03-2027	1.67%	24,737,486	19,402
Fair value adjustment (fair value coverage)						11,375,475	8,922
Subtotal	**2,409,000,000**	**2,409,000,000**				**2,414,879,926**	**1,894,063**

(*) Balance due based on the effective interest rate, that is, once all the origination costs of the bond placement have been deducted, which will be amortized over the expected life of the financial instrument.

CURRENT BONDS IN FOREIGN CURRENCY EURO							
Series	**Amount issued EU**	**Amount placed EU**	**Placement date**	**Maturity date**	**Average rate**	**Balance due EU**	**Balance due MCh$**
XS1493734971	20,000,000	20,000,000	09-23-2016	09-23-2024	0.89%	19,997,665	17,416
Fair value adjustment (fair value hedge)						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,997,665**	**17,416**

CURRENT BONDS FOREIGN CURRENCY AUD							
Series	**Amount issued AUD**	**Amount placed AUD**	**Placement date**	**Maturity date**	**Average rate**	**Balance due AUD**	**Balance due MCh$**
XS1717587007	80,000,000	80,000,000	11-15-2017	11-15-2027	4.15%	80,668,575	47,469
XS1859545367	40,000,000	40,000,000	07-25-2018	07-25-2033	4.67%	40,953,502	24,099
XS1879612973	60,000,000	60,000,000	09-14-2018	09-14-2033	4.65%	60,980,539	35,884
XS1897619968	40,000,000	40,000,000	10-24-2018	10-24-2033	4.70%	40,190,699	23,650
XS2087687435	30,000,000	30,000,000	12-02-2019	12-03-2029	1.86%	29,778,398	17,523
Fair value adjustment (fair value hedge)						267,228	157
Subtotal	**250,000,000**	**250,000,000**				**252,838,941**	**148,782**

CURRENT BONDS IN FOREIGN CURRENCY SWISS FRANC							
Series	**Amount issued CHF**	**Amount placed CHF**	**Placement date**	**Maturity date**	**Average rate**	**Balance due CHF**	**Balance due MCh$**
CH0471298007	175,000,000	175,000,000	05-22-2019	11-22-2024	0.32%	174,633,063	148,711
CH0494734376	100,000,000	100,000,000	09-24-2019	09-24-2029	0.22%	99,272,558	84,537
CH0505011889	105,000,000	105,000,000	10-29-2019	10-29-2025	0.25%	104,268,482	88,791
CH0506071239	125,000,000	125,000,000	03-18-2020	18-09-2026	0.10%	123,889,185	105,499
CH1120085696	100,000,000	100,000,000	07-15-2021	12-15-2026	0.39%	98,736,015	84,080
CH1142512339	200,000,000	200,000,000	01-26-2022	04-26-2027	0.60%	197,492,283	168,177
Fair value adjustment (fair value hedge)						(3,023,746)	(2,575)
Subtotal	**805,000,000**	**805,000,000**				**795,267,840**	**677,220**

CURRENT BONDS IN FOREIGN CURRENCY YEN							
Series	**Amount issued AND IN**	**Amount placed AND IN**	**Placement date**	**Maturity date**	**Average rate**	**Balance due AND IN**	**Balance due MCh$**
XS1830985781	5,000,000,000	5,000,000,000	06-01-2018	12-01-2028	0.75%	4,972,492,186	32,119
XS2424489958	5,000,000,000	5,000,000,000	01-07-2022	01-07-2027	0.50%	4,941,072,129	31,916
Fair value adjustment (fair value hedge)						(55,753,358)	(360)
Subtotal	**10,000,000,000**	**10,000,000,000**				**9,857,810,957**	**63,675**
Total current bonds							**7,538,813**

(*) Balance due based on the effective interest rate, that is, once all the origination costs of the bond placement have been deducted, which will be amortized over the expected life of the financial instrument
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c) As of December 31, 2021, the detail of current bonds is as follows:

CURRENT BONDS IN CHILEAN PESOS							
Series	**Amount issued CLP**	**Amount placed CLP**	**Placement date**	**Maturity date**	**Average rate**	**Balance due CLP**	**Balance due MCh$**
SERIES_AM	50,000,000,000	50,000,000,000	01-06-2016	01-06-2023	4.90%	49,596,117,712	49,596
SERIES_E	100,000,000,000	100,000,000,000	01-11-2017	01-11-2022	4.27%	100,470,785,984	100,471
SERIES_O3	100,000,000,000	45,000,000,000	01-12-2020	01-12-2027	3.52%	43,937,680,021	43,938
Fair value adjustment (fair value hedge)						(2,788,854,908)	(2,789)
Subtotal	**250,000,000,000**	**195,000,000,000**				**191,215,728,809**	**191,216**

CURRENT BONDS IN UNIDADES DE FOMENTO							
Series	**Amount issued UF**	**Amount placed UF**	**Placement date**	**Maturity date**	**Average rate**	**Balance due UF**	**Balance due MCh$**
SERIES_AF2	10,000,000	10,000,000	08-01-2012	08-01-2022	3.43%	10,061,781	311,832
SERIES_AI2	5,000,000	-	03-01-2014	03-01-2024	-		-
SERIES_AJ2	20,000,000	20,000,000	10-01-2014	10-01-2024	2.23%	19,806,224	613,829
SERIES_AL1	3,000,000	3,000,000	06-01-2016	06-01-2022	1.89%	3,013,909	93,406
SERIES_AL2	3,000,000	3,000,000	06-01-2016	06-01-2023	2.15%	3,021,287	93,635
SERIES_AL3	3,000,000	3,000,000	06-01-2016	06-01-2024	2.40%	3,014,049	93,411
SERIES_AL4	3,000,000	3,000,000	06-01-2016	06-01-2028	2.36%	3,033,207	94,004
SERIES_AL5	3,000,000	3,000,000	06-01-2016	06-01-2031	2.50%	3,009,721	93,277
SERIES_AN2	3,000,000	3,000,000	12-01-2016	12-01-2024	1.95%	3,009,794	93,279
SERIES_AN3	3,000,000	3,000,000	12-01-2016	12-01-2026	2.00%	3,006,143	93,166
SERIES_A1	3,000,000	3,000,000	01-04-2017	01-04-2022	1.72%	3,016,921	93,500
SERIES_A2	3,000,000	3,000,000	01-04-2017	01-04-2027	2.18%	2,989,911	92,663
SERIES_B1	3,000,000	3,000,000	01-05-2017	01-05-2022	1.50%	3,015,004	93,440
SERIES_B2	3,000,000	3,000,000	01-05-2017	01-05-2023	1.67%	3,023,199	93,694
SERIES_C1	3,000,000	3,000,000	01-07-2017	01-01-2022	2.24%	3,029,815	93,899
SERIES_C2	3,000,000	3,000,000	01-07-2017	01-07-2023	2.32%	3,016,599	93,490
SERIES_C3	3,000,000	3,000,000	01-07-2017	01-07-2025	2.28%	3,003,084	93,071
SERIES_C4	3,000,000	3,000,000	01-07-2017	01-07-2026	2.42%	2,978,304	92,303
SERIES_D1	3,000,000	3,000,000	11-01-2017	11-01-2023	1.84%	3,018,915	93,561
SERIES_D2	3,000,000	3,000,000	11-01-2017	11-01-2025	2.04%	3,006,408	93,174
SERIES_D3	3,000,000	3,000,000	11-01-2017	11-01-2028	2.34%	2,947,932	91,362
SERIES_D4	3,000,000	3,000,000	11-01-2017	11-01-2029	2.45%	2,916,871	90,399
SERIES_F1	3,000,000	3,000,000	01-04-2018	01-04-2022	1.46%	3,019,072	93,566
SERIES_F2	3,000,000	3,000,000	01-04-2018	01-04-2024	1.60%	3,041,713	94,268
SERIES_F3	3,000,000	3,000,000	01-04-2018	01-04-2025	2.00%	3,015,727	93,463
SERIES_F4	3,000,000	3,000,000	01-04-2018	01-04-2028	2.17%	2,987,036	92,573
SERIES_F5	3,000,000	3,000,000	01-04-2018	01-04-2029	2.36%	2,945,770	91,295
SERIES_G1	3,000,000	3,000,000	06-01-2018	06-01-2025	1.47%	3,058,190	94,779
SERIES_G2	3,000,000	3,000,000	06-01-2018	06-01-2026	1.09%	3,122,703	96,778
SERIES_G3	3,000,000	3,000,000	06-01-2018	06-01-2029	2.10%	2,986,397	92,554
SERIES_I1	3,000,000	3,000,000	02-01-2019	02-01-2028	0.70%	3,256,940	100,938
SERIES_I2	3,000,000	2,730,000	02-01-2019	02-01-2029	0.49%	3,038,776	94,177
SERIES_I3	3,000,000	3,000,000	02-01-2019	02-01-2030	1.19%	3,212,298	99,555
SERIES_K1	3,000,000	3,000,000	05-01-2019	05-01-2023	-0.03%	3,091,220	95,802
SERIES_K4	3,000,000	3,000,000	05-01-2019	05-01-2029	0.45%	3,345,118	103,671
SERIES_M3	3,000,000	3,000,000	10-01-2019	10-01-2028	-0.09%	3,334,259	103,334
SERIES_M4	3,000,000	3,000,000	10-01-2019	10-01-2029	-0.31%	3,437,634	106,538
SERIES_M5	3,000,000	3,000,000	10-01-2019	10-01-2030	0.27%	3,330,123	103,206
SERIES_N1	3,000,000	3,000,000	12-01-2020	01-06-2027	2.05%	2,920,851	90,522
SERIES_N3	3,000,000	3,000,000	12-01-2020	12-01-2028	2.25%	2,862,289	88,707
Fair value adjustment (fair value hedge)						(1,153,593)	(35,758)
Subtotal	**146,000,000**	**140,730,000**				**141,791,601**	**4,394,363**

CURRENT BONDS IN FOREIGN CURRENCY US DOLLAR

Series	Amount issued USD	Amount placed USD	Placement date	Maturity date	Average rate	Balance due USD	Balance due MCh$
USP32133CG63	500,000,000	500,000,000	02-11-2013	02-11-2023	4.09%	501,677,456	433,122
XS1655597034	50,000,000	50,000,000	08-01-2017	08-01-2022	2.96%	50,148,197	43,192
XS1692845396	50,000,000	50,000,000	10-06-2017	10-06-2022	3.00%	50,624,970	42,960
US05890MAA18	500,000,000	500,000,000	12-10-2017	12-10-2027	3.65%	500,906,234	424,604
XS1703060829	50,000,000	50,000,000	10-19-2017	10-19-2022	2.30%	50,003,058	42,748
XS1702405702	40,000,000	40,000,000	10-20-2017	10-20-2022	2.25%	40,003,982	34,199
XS1879614755	50,000,000	50,000,000	09-13-2018	03-13-2024	3.85%	49,862,836	43,044
XS1888335194	100,000,000	100,000,000	10-04-2018	04-04-2024	4.02%	101,510,935	85,933
XS1895749593	45,000,000	45,000,000	19-10-2018	19-04-2024	4.03%	45,598,799	38,600
XS1919312626	25,000,000	25,000,000	12-07-2018	12-07-2023	1.75%	24,880,369	21,276
XS1984711355	10,000,000	10,000,000	04-23-2019	04-23-2024	1.49%	9,962,313	8,517
XS2012024696	50,000,000	50,000,000	06-14-2019	06-14-2029	3.32%	50,090,965	42,469
XS2024766276	50,000,000	50,000,000	07-10-2019	07-10-2029	3.21%	49,952,087	43,048
XS2047630970	10,000,000	10,000,000	08-28-2019	08-28-2024	1.33%	9,956,886	8,513
XS2085920416	20,000,000	20,000,000	02-12-2019	02-06-2025	1.33%	19,846,253	16,972
XS2318617185	54,000,000	54,000,000	03-17-2021	03-12-2029	2.37%	53,701,039	45,646
XS2337108497	10,000,000	10,000,000	04-27-2021	04-27-2026	0.74%	9,928,347	8,489
XS2357310379	10,000,000	10,000,000	06-23-2021	06-23-2031	2.60%	9,948,357	8,450
XS2377687442	10,000,000	10,000,000	08-18-2021	08-18-2031	2.53%	9,900,971	8,520
XS2387450393	30,000,000	30,000,000	09-16-2021	09-16-2026	1.21%	29,679,670	25,384
XS2388190592	10,000,000	10,000,000	09-21-2021	09-21-2026	1.02%	9,855,876	8,431
XS2384719667	133,000,000	133,000,000	09-24-2021	09-24-2026	1.89%	131,103,773	112,676
XS2389126280	10,000,000	10,000,000	09-27-2021	09-27-2031	2.42%	9,881,113	8,500
US05890MAB90	500,000,000	500,000,000	10-14-2021	10-14-2031	3.08%	488,000,449	416,948
XS2398895651	17,000,000	17,000,000	10-19-2021	10-19-2026	0.94%	16,842,051	14,390
XS2402142371	20,000,000	20,000,000	10-27-2021	10-27-2028	1.13%	19,844,643	16,955
XS2407022313	20,000,000	20,000,000	12-01-2021	12-01-2026	1.01%	19,801,591	16,918
Fair value adjustment (fair value hedge)						44,090,019	37,671
Subtotal	**2,374,000,000**	**2,374,000,000**				**2,407,603,239**	**2,058,175**

CURRENT BONDS IN FOREIGN CURRENCY EURO

Series	Amount issued EU	Amount placed EU	Placement date	Maturity date	Average rate	Balance due EU	Balance due MCh$
XS1493734971	20,000,000	20,000,000	09-23-2016	09-23-2024	0.89%	19,951,956	19,303
Fair value adjustment (fair value hedge)							
Subtotal	**20,000,000**	**20,000,000**				**19,951,956**	**19,303**

CURRENT BONDS IN FOREIGN CURRENCY AUD

Series	Amount issued AUD	Amount placed AUD	Placement date	Maturity date	Average rate	Balance due AUD	Balance due MCh$
XS1717587007	80,000,000	80,000,000	11-15-2017	11-15-2027	4.15%	79,827,433	49,506
XS1859545367	40,000,000	40,000,000	07-25-2018	07-25-2033	4.67%	40,489,365	25,110
XS1879612973	60,000,000	60,000,000	09-14-2018	09-14-2033	4.65%	60,284,711	37,387
XS1897619968	40,000,000	40,000,000	10-24-2018	10-24-2033	4.70%	39,710,059	24,627
XS2087687435	30,000,000	30,000,000	12-02-2019	12-03-2029	1.81%	29,777,509	18,467
Fair value adjustment (fair value hedge)						11,275,206	6,993
Subtotal	**250,000,000**		**250,000,000**			**261,364,283**	**162,090**

CURRENT BONDS IN FOREIGN CURRENCY SWISS FRANC

Series	Amount issued CHF	Amount placed CHF	Placement date	Maturity date	Average rate	Balance due CHF	Balance due MCh$
CH0471298007	175,000,000	175,000,000	05-22-2019	11-22-2024	0.32%	174,454,807	163,025
CH0494734376	100,000,000	100,000,000	09-24-2019	09-24-2029	0.23%	99,233,735	92,732
CH0505011889	105,000,000	105,000,000	10-29-2019	10-29-2025	0.25%	104,189,707	97,364
CH0506071239	125,000,000	125,000,000	03-18-2020	09-18-2026	0.10%	123,858,958	115,744
CH1120085696	100,000,000	100,000,000	07-15-2021	12-15-2026	0.39%	98,637,894	92,176
Fair value adjustment (fair value hedge)						1,492,916	1,395
Subtotal	**605,000,000**	**605,000,000**	**605,000,000**			**601,868,017**	**562,436**

CURRENT BONDS IN FOREIGN CURRENCY YEN

Series	Amount issued AND IN	Amount placed AND IN	Placement date	Maturity date	Average rate	Balance due AND IN	Balance due MCh$
XS1830985781	5,000,000,000	5,000,000,000	06-01-2018	12-01-2028	0.75%	4,965,188,128	36,843
Fair value adjustment (fair value coverage)						(15,953,459)	(118)
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,949,234,669**	**36,725**
Total current bonds							**7,424,308**

d) As March 31, 2022 and December 31, 2021, the maturity of current bonds is as follows:

	March 31, 2022		
	Long-term MCh$	Short-term MCh$	Total MCh$
Short and long-term maturity			
Current bonds	6,161,907	1,376,906	7,538,813
Total	**6,191,907**	**1,376,906**	**7,538,813**

	December 31, 2021		
	Long-term MCh$	Short- term MCh$	Total MCh$
Short and long-term maturity			
current bonds	6,381,095	1,043,213	7,424,308
Total	**6,381,095**	**1,043,213**	**7,424,308**

e) As of March 31, 2022 and December 31, 2021, the securities under sale and repurchase agreements are as follows:

	Maturity as of March 31, 2022							
Entity type	On demand	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Transactions with domestic banks								
Repurchase agreements with other banks	-	-	-	-	-	-	-	-
Repurchase agreements with the Central Bank of Chile	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with foreign banks								
Repurchase agreements with other banks	-	-	-	-	-	-	-	-
Repurchase agreements with foreign central banks	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with other domestic entities								
Repurchase agreement	303,157	94,659	1,566	177	-	-	-	399,559
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**303,157**	**94,659**	**1,566**	**177**	**-**	**-**	**-**	**399,559**
Transactions with other foreign entities								
Repurchase agreement	279	-	-	-	-	-	-	279
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**279**	**-**	**-**	**-**	**-**	**-**	**-**	**279**
Total	**303,435**	**94,659**	**1,566**	**177**	**-**	**-**	**-**	**399,838**

	Maturity of the commitment as of December 31, 2021							
Entity type	On demand	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 3 years	From 3 to 5 years	Over 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Transactions with domestic banks								
Repurchase agreements with other banks	2,641	583	24	-	-	-	-	3,248
Repurchase agreements with the Central Bank of Chile	400	-	-	-	-	-	-	400
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**3,041**	**583**	**24**	**-**	**-**	**-**	**-**	**3,648**
Transactions with foreign banks								
Repurchase agreements with other banks	-	-	-	-	-	-	-	-
Repurchase agreements with foreign central banks	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transactions with other domestic entities								
Repurchase agreement	24,599	112,308	623	-	-	-	-	137,530
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**24,599**	**112,308**	**623**	**-**	**-**	**-**	**-**	**137,530**
Transactions with other foreign entities								
Repurchase agreement	-	-	-	-	-	-	-	-
Securities lending obligations	-	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**27,640**	**112,891**	**647**	**-**	**-**	**-**	**-**	**141,178**

NOTE 23 – REGULATORY CAPITAL FINANCIAL INSTRUMENTS ISSUED

a) As of March 31, 2022 and December 31, 2021, the Bank and its subsidiaries do not record any default in the payment of their obligations with banks or any other associated breaches.

	March 31, 2022 MCh$	December 31, 2022 MCh$
Regulatory capital financial instruments issued		
Subordinated bonds	1,370,085	1,332,936
Bonds without fixed maturity	-	-
Preferred stock	-	-
Total	**1,370,085**	**1,332,936**

	Regulatory capital financial instruments issued		
	Subordinated bonds MCh$	Bonds without fixed maturity MCh$	Preferred stock MCh$
Balances as of January 1, 2022	1,332,936	-	-
New issues	-	-	-
Acquisition or redemption by the issuer	-	-	-
Modification of the issuance conditions	-	-	-
Payment of interest to the holder	(6,058)	-	-
Payment of principal to the holder	-	-	-
Accrued interest	11,459	-	-
Inflation-indexation accrued by the UF and/or the exchange rate	31,748	-	-
Foreign currency translation differences	-	-	-
Depreciation	-	-	-
Revaluation	-	-	-
Maturity	-	-	-
Conversion to common stock	-	-	-
Others	-	-	-
Balances as of March 31, 2022	**1,370,085**	**-**	**-**

	Regulatory capital financial instruments issued		
	Subordinated bonds MCh$	Bonds without fixed maturity MCh$	Preferred stock MCh$
Balances as of January 1, 2021	1,258,653	-	-
New issues	-	-	-
Acquisition or redemption by the issuer	-	-	-
Modification of the issuance conditions	-	-	-
Payment of interest to the holder	(53,162)	-	-
Payment of principal to the holder	-	-	-
Accrued interest	63,806	-	-
Inflation-indexation accrued by the UF and/or the exchange rate	80,885	-	-
Foreign currency translation differences	-	-	-
Depreciation	-	-	-
Revaluation	-	-	-
Maturity	-	-	-
Conversion to common stock	-	-	-
Others	(17,246)	-	-
Balances as of December 31, 2021	**1,332,936**	**-**	**-**

As of March 31, 2022, subordinated bonds are as follows:

SUBORDINATED BONDS IN UNIDADES DE FOMENTO							
Series	Amount issued UF	Amount placed UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_F	1,200,000	1,200,000	05-01-1999	05-01-2024	7.73%	241,675	7,668
SERIES_G	400,000	400,000	05-01-1999	05-01-2025	7.92%	108,502	3,443
SERIES_L	1,200,000	1,200,000	10-01-2001	10-01-2026	6.39%	438,821	13,923
SERIES_M	1,800,000	1,800,000	10-01-2001	10-01-2027	6.43%	748,708	23,755
THEY LAUGH	1,500,000	1,500,000	06-01-2004	06-01-2029	5.25%	718,583	22,799
SERIES_O	1,500,000	1,500,000	06-01-2004	06-01-2030	3.93%	722,116	22,911
SERIES_R	1,500,000	1,500,000	06-01-2005	06-01-2038	4.72%	827,988	26,270
SERIES_S	2,000,000	2,000,000	12-01-2005	12-01-2030	4.86%	1,028,086	32,619
SERIES_T	2,000,000	2,000,000	12-01-2005	12-01-2031	4.52%	1,106,499	35,107
SERIES_U	2,000,000	2,000,000	06-01-2007	06-01-2032	4.19%	1,953,866	61,992
SERIES_Y	4,000,000	4,000,000	12-01-2007	12-01-2030	4.25%	2,787,528	88,442
SERIES_W	4,000,000	4,000,000	06-01-2008	06-01-2036	4.05%	2,277,996	72,276
SERIES_AC	6,000,000	6,000,000	03-01-2010	03-01-2040	3.96%	5,523,290	175,242
SERIES_AD1	4,000,000	4,000,000	06-01-2010	06-01-2040	4.17%	3,704,126	117,524
SERIES_AD2	3,000,000	3,000,000	06-01-2010	06-01-2042	4.14%	2,756,796	87,467
SERIES_AH	15,000,000	9,000,000	09-01-2013	09-01-2043	3.63%	7,938,812	251,881
SERIES_B1S	3,000,000	3,000,000	12-01-2019	12-01-2039	1.32%	3,342,057	106,036
SERIES_B2S	3,000,000	3,000,000	12-01-2019	12-01-2044	1.30%	3,432,984	108,921
SERIES_B3S	3,000,000	3,000,000	12-01-2019	12-01-2049	1.28%	3,524,124	111,809
Total subordinated bonds	**60,100,000**	**54,100,000**				**43,182,557**	**1,370,085**

As of December 31, 2021, subordinated bonds are as follows:

SUBORDINATED BONDS IN UNIDADES DE FOMENTO							
Series	Amount issued UF	Amount placed UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_F	1,200,000	1,200,000	05-01-1999	05-01-2024	7.73%	237,285	7,354
SERIES_G	400,000	400,000	05-01-1999	05-01-2025	7.92%	106,482	3,300
SERIES_L	1,200,000	1,200,000	10-01-2001	10-01-2026	6.39%	432,170	13,394
SERIES_M	1,800,000	1,800,000	10-01-2001	10-01-2027	6.43%	737,291	22,850
THEY LAUGH	1,500,000	1,500,000	01-06-2004	06-01-2029	5.25%	709,562	21,991
SERIES_O	1,500,000	1,500,000	01-06-2004	06-01-2030	3.93%	715,274	22,168
SERIES_R	1,500,000	1,500,000	01-06-2005	06-01-2038	4.72%	818,620	25,370
SERIES_S	2,000,000	2,000,000	12-01-2005	12-01-2030	4.86%	1,016,145	31,492
SERIES_T	2,000,000	2,000,000	12-01-2005	12-01-2031	4.52%	1,094,502	33,921
SERIES_U	2,000,000	2,000,000	06-01-2007	06-01-2032	4.19%	1,934,205	59,944
SERIES_Y	4,000,000	4,000,000	12-01-2007	12-01-2030	4.25%	2,759,064	85,508
SERIES_W	4,000,000	4,000,000	06-01-2008	06-01-2036	4.05%	2,255,804	69,911
SERIES_AC	6,000,000	6,000,000	03-01-2010	03-01-2040	3.96%	5,661,348	175,455
SERIES_AD 1	4,000,000	4,000,000	06-01-2010	06-01-2040	4.17%	3,666,989	113,646
SERIES_AD 2	3,000,000	3,000,000	06-01-2010	06-01-2042	4.14%	2,729,361	84,588
SERIES_AH	15,000,000	9,000,000	09-01-2013	09-01-2043	3.63%	7,868,860	243,869
SERIES_B1S	3,000,000	3,000,000	06-11-2020	12-01-2039	1.32%	3,331,268	103,241
SERIES_B2S	3,000,000	3,000,000	06-22-2020	12-01-2044	1.30%	3,422,067	106,056
SERIES_B3S	3,000,000	3,000,000	06-24-2020	12-01-2049	1.28%	3,513,088	108,878
Total subordinated bonds	**60,100,000**	**54,100,000**				**43,009,385**	**1,332,936**

NOTE 24 – PROVISIONS FOR CONTINGENCIES

a) As March 31, 2022 and December 31, 2021, the provisions for contingencies are comprised of the following:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Provisions for employee benefit obligations	68,733	110,595
Provisions recorded by a foreign bank branch for remittances of profits to its parent	-	-
Provisions for restructuring plans	-	-
Provisions for lawsuits and litigation	318	400
Provisions for obligations related to customer loyalty and merit-based programs	6,303	6,053
Provisions for operational risk	636	661
Other provisions for other contingencies	20,820	20,901
Total	**96,810**	**138,610**

b) As March 31, 2022 and December 31, 2021, the provisions for employee benefit obligations are as follows:

	March 31, 2022 MCh$	December 31, 2021 MCh$
Provision for short-term employee benefits	26,326	56,186
Provision for post-employment employee benefits	-	-
Provision for long-term employee benefits	-	-
Provision for employee termination benefits	901	901
Provision for share-based or equity payments to employees	-	-
Provision for defined contribution post-employment plans	-	-
Provision for post-employment defined benefit plans	-	-
Provision for other personnel liabilities	41,506	53,508
Total	**68,733**	**110,595**

c) Movements in the provision for performance bonuses as of March 31, 2022 and December 31, 2021 are as follows:

	Provision for performance bonuses	
	March 31, 2022 MCh$	December 31, 2021 MCh$
Balance as of January 1, 2022	62,167	63,769
Provisions recorded	22,823	78,710
Provisions accrued	(57,737)	(80,312)
Provisions used	(29)	-
Other changes	2,391	-
Total as of March 31, 2022 / December 31, 2021	**29,615**	**62,167**

d) Movements in the provision for accrued vacations as of March 31, 2022 and December 31, 2021 are as follows:

	Provision for accrued vacations	
	March 31, 2022 MCh$	December 31, 2021 MCh$
Balance as of January 1, 2022	17,351	15,828
Provisions recorded	4,263	16,398
Provisions accrued	(7,350)	(12,829)
Provisions used	-	-
Other changes	-	(2,046)
Total as of March 31, 2022 / December 31, 2021	**14,264**	**17,351**

NOTE 25 – PROVISIONS FOR DIVIDENDS, INTEREST PAYMENTS AND REVALUATION OF REGULATORY CAPITAL FINANCIAL INSTRUMENTS

	March 31, 2022	December 31, 2022
	MCh$	MCh$
Provisions for dividends, interest payment and revaluation of regulatory capital financial instruments issued		
Provisions for dividends	212,937	156,117
Provision for interest payment on bonds without fixed maturity	-	-
Provision for revaluation of bonds without fixed maturity	-	-
Total	**212,937**	**156,117**

	Provisions				
	Provisions for dividends		Provision for interest payment on bonds without maturity date	Provision for revaluation of bonds without maturity date	Total
	Common stock	Preferred stock			
	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1, 2022	156,117	-	-	-	156,117
Provisions recorded	212,937	-	-	-	212,937
Provisions accrued	(156,117)	-	-	-	(156,117)
Provisions used	-	-	-	-	-
Balance as of March 31, 2022	**212,937**	**-**	**-**	**-**	**212,937**

	Provisions				
	Provisions for dividends		Provision for interest payment on bonds without maturity date	Provision for revaluation of bonds without maturity date	Total
	Common stock	Preferred stock			
	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1, 2022	95,236	-	-	-	95,236
Provisions recorded	156,117	-	-	-	156,117
Provisions accrued	(95,236)	-	-	-	(95,236)
Release of provisions	-	-	-	-	-
Balance as of March 31, 2022	**156,117**	**-**	**-**	**-**	**156,117**

NOTE 26 – SPECIAL PROVISIONS FOR CREDIT RISK

a) As March 31, 2022 and December 31, 2021, special provisions for credit risk are as follows:

	March 31, 2022	December 31, 2022
	MCh$	MCh$
Provisions for credit risk for contingent loans	51,891	58,442
Provisions for country risk for operations with debtors domiciled abroad	2,793	3,482
Special provisions for foreign loans	-	-
Additional provisions for loans	405,360	350,143
Provisions for adjustments to the minimum required provision for normal portfolio assessed on a stand-alone basis	3,677	-
Provisions accrued for credit risk as a result of complementary prudential requirements	-	-
Total	**463,721**	**412,067**

b) As March 31, 2022 and December 31, 2021, the provisions for credit risk for contingent loans are as follows:

	March 31,	December 31,
	2022	2021
	MCh$	MCh$
Provisions for credit risk for contingent loans		
Guarantors and surety bonds	3,603	4,606
Confirmed foreign letters of credit	367	471
Documentary letters of credit issued		
Transactions related to contingent events	12,983	13,589
Subtotal	**16,953**	**18,666**
Undrawn lines of credit in:		
Current account - business portfolio	20,025	22,075
Credit card - business portfolio	4,118	-
Current account - consumer portfolio	1,546	1,392
Credit card - consumer portfolio	485	5,634
Subtotal	**26,174**	**29,101**
Other credit commitments		
Credits for higher education Law No. 20.027 (CAE)	8	9
Other irrevocable credit commitments	2,785	3,331
Subtotal	**2,793**	**3,340**
Undrawn credit lines with immediate termination in:		
Current account – business portfolio	-	-
Credit card – business portfolio	-	-
Current account – consumer portfolio	10	-
Credit card – consumer portfolio	5,961	7,335
Subtotal	**5,971**	**7,335**
Commitments to acquire debt in local currency abroad	-	-
Other contingent loans	-	-
Provisions for country risk for operations with debtors domiciled abroad	2,793	3,482
Special provisions for loans abroad	-	-
Additional provisions for loans	405,360	350,143
Provisions for adjustments to the minimum required provision for normal portfolio assessed on a stand-alone basis	3,677	-
Provisions accrued for credit risk as a result of complementary prudential requirements	-	-
Total	**463,721**	**412,067**

c) As March 31, 2022 and December 31, 2021, movements in special provisions for credit risk are as follows:

	Credit risk for contingent loans	Country risk for transactions with debtors domiciled abroad	Special provisions for loans abroad	Additional provisions for loans	Adjustments to provisions for adjustments to the minimum required provision for normal portfolio assessed on a stand-alone basis	Provisions accrued for credit risk as a result of complementary prudential requirements	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2022	58,441	3,482	-	350,143	-	-	412,065
Provisions recorded	33,340	-	-	68,000	3,677	-	105,018
Provisions accrued	-	-	-	-	-	-	-
Provisions used	(39,078)	(461)	-	(10,893)	-	-	(50,432)
Exchange rate variation	(812)	(228)	-	(1,890)	-	-	(2,930)
Balance as of March 31, 2022	**51,891**	**2,793**	**-**	**405,360**	**3,677**	**-**	**463,721**

	Credit risk for contingent loans	Country risk for transactions with debtors domiciled abroad	Special provisions for loans abroad	Additional provisions for loans	Adjustments to provisions for adjustments to the minimum required provision for normal portfolio assessed on a stand-alone basis	Provisions accrued for credit risk as a result of complementary prudential requirements	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2021	51,592	3,608	-	160,176	-	-	215,376
Provisions recorded	25,146	433	-	214,128	-	-	239,707
Provisions accrued	-	-	-	-	-	-	-
Provisions used	(19,298)	(1,219)	-	(32,712)	-	-	-
Exchange rate variation	1,001	659	-	8,551	-	-	10,211
Balance as of December 31, 2021	**58,441**	**3,481**	**-**	**350,143**	**-**	**-**	**465,294**

NOTE 27 – OTHER LIABILITIES

As March 31, 2022 and December 31, 2021, other liabilities are as follows:

	March 31,	December 31,
	2022	2022
	MCh$	MCh$
Cash guarantees received for derivative financial operations	394,271	473,046
Creditors for brokerage of financial instruments	-	-
Accounts payable to third parties	636,261	259,072
Accounts receivable from subsidiaries for services rendered (applicable only at individual bank level)	15,876	19,042
Agreed dividends payable	-	-
Valuation adjustments for macro hedges	8,201	5,934
Liability for revenue from contract with customers	22,770	18,298
VAT fiscal debit payable	14,024	13,925
Pending transactions	19,881	32,300
Other creditors	347,824	475,662
Others	61,084	67,234
Total	**1,520,192**	**1,364,513**

NOTE 28 – EQUITY

a) Paid-in capital and shares

The changes in common shares as March 31, 2022 and December 31, 2021, are as follows:

	March 31,	December 31,
	2022	2021
	Number	Number
Shares issued as of January 1	155,886,505	148,767,940
Issuance of bonus shares	-	7,118,565
Shares subscribed and paid for capital increase	-	-
Total issued	**155,886,505**	**155,886,505**

b) Shareholders

As of March 31, 2022 and December 31, 2021, the distribution of shareholders is as follows:

As of March 31, 2022	Shares	
	Number of shares	Ownership %
Companies Juan Yarur SPA (Controller)	86,297,708	55.36%
Banco de Chile on behalf of non-resident third parties	8,954,248	5.74%
BTG Pactual Chile SA Stockbrokers	4,298,391	2.76%
Banco Santander on behalf of Foreign Investors	4,124,710	2.65%
AFP Habitat SA	3,883,578	2.49%
BCI Corredor de Bolsa SA on behalf of third parties.	3,801,195	2.44%
AFP Capital S.A.	3,030,157	1.94%
AFP Provida SA	2,992,448	1.92%
Larraín Vial SA Stockbroker	2,920,393	1.87%
Investments Cerro Sombrero Financial SPA	2,652,390	1.70%
Imsa Financial SPA	2,326,715	1.49%
Banchile Brokers SA	2,255,398	1.45%
Investments VYR SPA	1,776,930	1.14%
Inversiones Tarascona Corporation Agency in Chile	1,720,465	1.10%
AFP Cuprum SA	1,597,703	1.02%
Investments Nueva Altamira SPA	1,555,849	1.00%
Luis Enrique Yarur Rey	1,541,786	0.99%
Jorge Yarur Bascuñán	1,499,458	0.96%
Santiago Stock Exchange Stock Exchange	946,035	0.61%
AFP Model SA	941,426	0.60%
Companies JY SA	857,457	0.55%
Credicorp Capital SA Stock Brokers	845,449	0.54%
Inversiones Colibri Financial SA	727,972	0.47%
Bice investments Corredores de Bolsa S.A.	523,028	0.34%
AFP Planvital SA	521,980	0.34%
Other Shareholders	13,293,636	8.53%
Shares subscribed and paid	**155,886,505**	**100.0%**

As of December 31, 2021	Shares	
	Number of shares	Number of shares
Companies Juan Yarur SPA (Controller)	86,297,708	55.36%
Banco de Chile on behalf of non-resident third parties	8,993,578	5.77%
Jorge Yarur Bascuñán	3,921,535	2.52%
Banco Santander on behalf of Foreign Investors	3,883,578	2.49%
BCI Corredor de Bolsa SA on behalf of third parties.	3,843,412	2.47%
AFP Habitat S.A.	3,826,906	2.45%
AFP Provida SA	3,251,359	2.09%
Larrain Vial SA Stockbroker	3,064,000	1.97%
AFP Capital S.A.	2,652,390	1.70%
Investments Cerro Sombrero Financial SPA	2,367,117	1.52%
Banchile Brokers SA	2,326,715	1.49%
Imsa Financial SPA	2,139,987	1.37%
AFP Cuprum SA	1,971,204	1.26%
Inversiones Tarascona Corporation Agency in Chile	1,802,789	1.16%
Investments VYR SPA	1,776,930	1.14%
Investments Nueva Altamira SPA	1,662,255	1.07%
Luis Enrique Yarur Rey	1,555,849	1.00%
Investments Meyar SAC	1,541,786	0.99%
Santiago Stock Exchange Stock Exchange	1,499,458	0.96%
AFP Model SA	869,942	0.56%
Companies JY SA	857,457	0.55%
Credicorp Capital SA Stock Brokers	727,972	0.47%
Inversiones Colibri Financial SA	578,279	0.37%
BTG Pactual Chile SA Stockbrokers	528,058	0.34%
Life insurance company Consorcio Nacional de Seguro SA	521,980	0.33%
Other Shareholders	13,424,261	8.60%
Shares subscribed and paid	**155,886,505**	**100.00%**

c) Dividends

During the periods ended March 31, 2022and 2021the following dividends were declared by the Bank:

	March 31,	December 31,
	2022	2021
$ per common share	$1,010	$700

The provision for minimum dividend as March 31, 2022amounts to MCh$212,937 (MCh$156,117 as of December 31, 2021).

d) As March 31, 2022 and December 31, 2021, diluted and basic earnings per share are as follows:

	As of March 31,	December 31,
	2022	2021
Earnings attributable to equity holders of the parent	189,397	520,391
Profit available to shareholders in MCh$	**189,397**	**520,391**
Weighted average number of shares	142,299,514	148,299,514
Basic earnings per share ($/share)	**1,331**	**3,657**

Items that can be classified in profit or loss

- Foreign currency translation differences of foreign entities:

They arise from exchange differences arising from the translation of a net investment in foreign entities whose functional currency is different from the parent company's functional currency.

- Cash flow hedge:

They arise from the valuation at fair value at the end of each period of the derivative contracts that have been defined as cash flow hedges.

- Changes in the fair value of financial assets at fair value through other comprehensive income

The fair value reserve includes the accumulated net changes in the market value of investments available-for-sale. When (all or part of) the investment is sold or disposed of, these reserves are recognized in the Interim Consolidated Statements of Income for the Periodas part of the gain or loss related to investments (Note 1 (t) states the accounting treatment in case of impairment).

Items that will not subsequently be reclassified to profit or loss

Net changes in the fair value of equity instruments designated at fair value through other comprehensive income:

They relate to equity instruments (shares) for minority investments in companies recorded in accordance with IFRS 9, under which changes in the fair value of such instruments shall irrevocably be recorded in other comprehensive income after initial recognition.
As March 31, 2022 and December 31, 2021, changes in Other Comprehensive Income are as follows:

	Accumulated Other Comprehensive Income																			
	Items that will not be reclassified to profit or loss								Items that can be reclassified to profit or loss											
	Re-measurement of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	Net changes in the fair value of equity instruments at fair value through other comprehensive income	Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in the credit risk of the financial liability	Share in other comprehensive income of entities accounted for under the equity method	Non-current assets and disposal groups held for sale	Others	Income tax	Subtotal	Changes in fair value of financial assets at fair value through other comprehensive income	Translation differences for foreign entities	Accounting hedges of net investments in foreign entities	Cash flow hedge	Items not designated as hedging instruments	Share in other comprehensive income of entities accounted for under the equity method	Non-current assets and disposal groups held for sale	Others	Income tax	Subtotal
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Closing balance as of December 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(272,137)**	**405,365**	**-**	**177,038**	**-**	**-**	**-**	**288**	**(36,959)**	**273,595**
Effect of the correction or errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	13,593	-	-	-	-	-	-	-	2,356	15,864
Opening balance as of January 1, 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(258,544)**	**405,365**	**-**	**177,038**	**-**	**-**	**-**	**288**	**(34,604)**	**289,543**
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	67	-	-	-	-	-	67	5,126	(161,044)	-	(121,612)	-	-	-	(317)	31,908	(245,939)
Closing balance as of March 31, 2022	**-**	**67**	**-**	**-**	**-**	**-**	**-**	**67**	**(253,418)**	**244,321**	**-**	**55,426**	**-**	**-**	**-**	**(29)**	**(2,696)**	**43,605**

	Accumulated Other Comprehensive Income																	
	Items that will not be reclassified to profit or loss								Items that will not be reclassified to profit or loss									
	Re-measurement of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	Net changes in the fair value of equity instruments at fair value through other comprehensive income	Changes in the fair value of financial liabilities at fair value through profit or loss attributable to changes in the credit risk of the financial liability	Share in other comprehensive income of entities accounted for under the equity method	Non-current assets and disposal groups held for sale	Others	Income tax	Subtotal	Changes in fair value of financial assets at fair value through other comprehensive income	Translation differences for foreign entities	Accounting hedges of net investments in foreign entities	Cash flow hedge	Items not designated as hedging instruments	Share in other comprehensive income of entities accounted for under the equity method	Non-current assets and disposal groups held for sale	Others	Income tax	Subtotal
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Closing balance as of December 31, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**77,966**	**79,986**	**-**	**176,292**	**-**	**-**	**-**	**128**	**40,562**	**22,350**
Effect of the correction or errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	24,501	-	-	-	-	-	-	-	(3,479)	21,022
Opening balance as of January 1, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**102,468**	**79,986**	**-**	**176,292**	**-**	**-**	**-**	**128**	**37,083**	**43,372**
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-	-	-	(89,043)	14,829	-	69,418	-	-	-	(25)	(2,705)	(7,526)
Closing balance as of March 31, 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13,425**	**94,815**	**-**	**(106,874)**	**-**	**-**	**-**	**102**	**34,379**	**35,847**

NOTE 29 – CONTINGENCIES AND COMMITMENTS

a) Lawsuits and legal proceedings

Banco BCI

The Bank and its subsidiaries record several lawsuits related to their activities which, taking into account their background and grounds for the defensive arguments presented, in the opinion of Management and the internal legal advisors, will not generate liabilities or obligations in addition to those previously recorded by the Bank and its subsidiaries. Therefore, it has not been considered necessary to record a provision in addition to the one recorded for these contingencies. As of March 31, 2022, the Bank and its subsidiaries had provisions for civil, labor and other claims amounting to MM$621 (MM$724 as of December 31, 2021).

b) Guarantees granted for operations:

- Direct commitments

As of March 31, 2022 and December 31, 2021, the Bank does not maintain guarantees for this concept.

- Guarantees for operations

BCI Stock Broker S.A.

As of March 31, 2022, this Company has collateralized the commitments for simultaneous operations in the Santiago Stock Exchange, whose valuation amounts to MCh$70,225 (MCh$76,147 as of December 31, 2020).

As of March 31, 2022, the Company has provided guarantees for the correct fulfillment of the settlement of CCLV system operations in the Santiago Stock Exchange for MCh$10,156 (MCh$24,081 as of December 31, 2021).

As of March 31, 2022, the Company has provided guarantees for the correct fulfillment in the settlement of CCLV system operations with derivatives in the Santiago Stock Exchange MCh$4,168 (MCh$604 as of December 31, 2021).

As of March 31, 2022, the Company maintains guarantees abroad for international market operations for MCh$39 (MCh$43 as of December 31, 2021).

As of March 31, 2022, the Company maintains surety bonds for MCh$15 (MCh$15 as of December 31, 2021).

As of March 31, 2022, the Company has a guarantee amounting to UF20,000 to comply with the provisions of Article 30 of Law 18.045, which aims to ensure the correct and full compliance with all its obligations as a securities broker and whose beneficiaries are the present or future creditors that it has or may have as a result of its brokerage operations. This guarantee corresponds to a policy contracted on August 19, 2021 (No. 330-21-00031042) valid until August 19, 2022 with Compañía de Seguros de Mapfre Garantía y Crédito, being the Santiago Stock Exchange (Bolsa de Comercio de Santiago, Bolsa de Valores) the representative of the possible beneficiary creditors.

As of March 31, 2022, the Company maintains a guarantee amounting to UF10,000 to comply with the provisions of Article No. 12 and following and 99 and following of Law No. 20.712, which guarantees the faithful compliance with the obligations of BCI Corredor de Bolsa for the management of third-party funds and portfolio. This guarantee is effective from November 18, 2021 to November 17, 2022.

- Employee loyalty insurance

BCI Stock Broker S.A.

As of March 31, 2022, BCI has an insurance policy taken out with Southbridge Compañía de Seguros Generales S.A., which covers Banco Crédito e Inversiones and its subsidiaries from November 30, 2020 to May 31, 2022, for an amount of UF500,000.

BCI Insurance Brokers S.A.

As of March 31, 2022, the Company has contracted the following insurance policies to comply with the provisions of letter d) of Article No. 58 of Decree with Force of Law No. 251 of 1931, to guarantee the correct and full compliance with all the obligations arising from its activity:

- Guarantee Policy for Insurance Brokers No.10047742 for an insured amount of UF500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2021 to April 14, 2022, establishing the right of the insurance company to reimburse the broker for all amounts disbursed by the former to pay third-parties affected by the broker's deficient brokerage.

- Professional Civil Liability Policy for Insurance Brokers No. 10047743 for an insured amount of UF60,000, contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., valid from April 15, 2021 to April 14, 2022, in order to protect the broker against possible claims by third parties, with the insurance company having the power to request the broker to reimburse the amount paid to the claiming third-party.

BCI Factoring SA

As of March 31, 2021, the Company has approved coverage lines for operators of the Factor ChainInternational in the amount of MCh$157 (ThCh$1,233 as of December 2021) equivalent to US$200,000.00 (US$1,450,000.00 as of December 2021), of which MCh$14 (MCh$0 as of December 2021) equivalent to US$17,874.96 (US$ 0 as of December 2021) have been used.

BCI Product Brokers SA

As of March 31, 2022, the Company has Surety Bond No.609566 taken with Banco de Crédito e Inversiones, for UF6,000, in favor of Bolsa de Productos Agropecuarios SA, to guarantee compliance with the Company's obligations as a product broker in favor of its principals in compliance with article 11 of Law 19.220. The possibility of paying this bond is covered by a "credit line opening agreement to cover potential guarantee payments issued in Chilean pesos or foreign currency", which is in the possession of the financial institution and is valid up to October 19, 2023.

As of March 31, 2022, the Company has Bond No.609565 taken with Banco de Crédito e Inversiones, for UF2,000, in favor of Bolsa de Productos Agropecuarios SA, to guarantee compliance with all its obligations as a product broker in relation to operations invoiced to the Company. The possibility of paying this bond is covered by a "credit line opening agreement to cover potential guarantee payments issued in Chilean pesos or foreign currency", which is in the possession of the financial institution and is valid up to October 19, 2023.

BCI Asset Management General Administrator of Funds SA

Guarantees established in articles 12, 13 and 14 of the Single Fund Law No.20.712.

As March 31, 2022, there are guarantee policies for all funds and portfolio management, amounting to MCh$84,303.

Fund	Type of Guarantee	Amount MCh$	Amount Issued UF
Fund	Surety bonds in UF	74,653	2,352,916.24
Portfolio Management	Surety bonds in UF	9,645	303,987.24
Other guarantees	Surety bonds in UF	5	0.00
	Total	**84,303**	**2,656,903.48**

This is in conformity with the provisions of article 226 of Law No.18.045 of the Securities Market and NCG No.125 of 2001, which state that General Fund Administrators must permanently maintain a guarantee for each managed fund, which must always be equivalent to UF10,000 or 1% of the average equity of the corresponding calendar year prior to the date of its determination.

Similarly, in order to comply with the requirements of Title IV of Circular 1790, mutual funds defined as collateralized structured funds must have at all times a guarantee granted by a third-party other than the management company.

To ensure compliance with these regulations, BCI Asset Management Administradora General de Fondos SA maintains Surety Bonds with Banco BCI.

c) Documents in custody and in collection by banks

The Bank and its subsidiaries have the following responsibilities arising from the normal course of their business:

Fund	Type of Guarantee	Amount MCh$	Amount Issued UF
Fund	Surety bonds in UF	74,653	2,352,916.24
Portfolio Management	Surety bonds in UF	9,645	303,987.24
Other guarantees	Surety bonds in UF	5	0.00
	Total	**84,303**	**2,656,903.48**

	March 31, 2022 MCh$	December 31, 2021 MCh$
Documents in collection	240,687	238,959
Custody of securities by the Bank	57,049	60,090
Total	**297,736**	**299,049**

NOTE 30 – INTEREST INCOME AND EXPENSES

a) As March 31, 2022 and 2021, interest income and expense are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Interest income	546,481	398,008
Interest expenses	(168,049)	(66,323)
Total net interest income	**378,432**	**331,685**

b) As March 31, 2022 and 2021, net interest income is comprised of the following:

	March 31,	
	2022	2021
	MCh$	MCh$
Interest income		
Financial assets at amortized cost:		
Rights for repurchase agreements and securities lending	764	(6)
Debt financial instruments	7,752	117
Debts held by banks	1,789	1,610
Commercial loans	289,276	226,257
Mortgage housing loans	61,798	51,115
Consumer loans	113,131	103,385
Other financial instruments	7,374	831
Subtotal	**481,884**	**383,309**
Financial assets at fair value through other comprehensive income:		
Debt financial instruments	56,101	23,845
Other financial instruments	-	-
Subtotal	**56,101**	**23,845**
Gain (loss) from interest rate risk hedges		
Profit from financial derivative contracts for accounting hedge	37,252	36,383
Loss from financial derivative contracts for accounting hedge	(28,756)	(45,529)
Results from adjustment of hedged financial assets	-	-
Subtotal	**8,496**	**(9,146)**
Total interest income	**546,481**	**398,008**
Interest expenses		
Financial liabilities at amortized cost:		
Deposits and other obligations on demand	(9,580)	(8,477)
Deposits and other time deposits	(78,259)	(11,683)
Obligations for repurchase agreements and securities lending	(2,118)	(262)
Bank borrowings	(11,685)	(11,576)
Debt financial instruments issued	(40,888)	(35,589)
Other financial obligations	(1,461)	(18)
Subtotal	**(143,991)**	**(67,605)**
Lease liabilities	(783)	(792)
Regulatory capital financial instruments issued	(11,459)	(10,808)
Gain (loss) from interest rate risk hedges		
Gain from financial derivative contracts for accounting hedge	58,906	73,538
Loss from financial derivative contracts for accounting hedge	(72,258)	(63,675)
Gain (loss) from adjustment of hedged financial liabilities	1,536	3,019
Subtotal	**(11,816)**	**12,882**
Total interest expense	**(168,049)**	**(66,323)**
Net interest income	**378,432**	**331,685**

c) As March 31, 2022 and 2021, suspended interest income is as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Suspended interest income		
Debts held by banks	-	-
Commercial loans	1,713	1,453
Mortgage housing loans	2,132	441
Consumer loans	156	-
Total	**4,001**	**1,894**

d) As March 31, 2022 and 2021, interest income received is as follows:

	March 31	
	2022	2021
	MCh$	MCh$
Interest received from impaired portfolio		
Debts held by banks	-	-
Commercial loans	3,728	310
Mortgage housing loans	2,129	115
Consumer loans	820	-
Total	**6,677**	**425**

NOTE 31 – INFLATION-INDEXATION INCOME AND EXPENSES

a) As March 31, 2022 and 2021, inflation-indexation income and expenses are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Inflation-indexation income from	216,790	115,614
Inflation-indexation expenses	(112,142)	(45,076)
Total inflation-indexation income and expenses	**104,648**	**70,538**

b) As March 31, 2022 and 2021, the net inflation-indexation income is as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Inflation-indexation income		
Financial assets at amortized cost:		
Rights for repurchase agreements and securities lending	-	270
Debt financial instruments	-	-
Debts held by banks	-	-
Commercial loans	106,403	54,130
Mortgage housing loans	201,954	83,020
Consumer loans	573	353
Other financial instruments	221	454
Subtotal	**309,151**	**138,227**
Financial assets at fair value through other comprehensive income:		
Debt financial instruments	44,895	10,675
Other financial instruments	-	-
Subtotal	**44,895**	**10,675**
Gain (loss) from interest rate risk hedges		
Gain from financial derivative contracts for accounting hedge	11,314	19,632
Loss from financial derivative contracts for accounting coverage	(143,113)	(32,051)
Results from adjustment of hedged financial assets	(5,457)	(20,869)
Subtotal	**(137,256)**	**(33,288)**
Total Inflation-indexation income	**216,790**	**115,614**
Inflation-indexation expenses		
Financial liabilities at amortized cost:		
Deposits and other obligations on demand	(1,543)	(648)
Deposits and other time deposits	(3,226)	(1,344)
Obligations for repurchase agreements and securities lending	1,570	(1,345)
Bank borrowings	468	310
Debt financial instruments issued	(104,638)	(48,461)
Other financial obligations	(7,677)	(4,605)
Subtotal	**(115,046)**	**(56,093)**
Gain (loss) from interest rate risk hedges		
Gain from financial derivative contracts for accounting hedge	44,963	25,111
Loss from financial derivative contracts for accounting hedge	(10,311)	-
Gain (loss) from adjustment of hedged financial liabilities	-	-
Subtotal	**34,652**	**25,111**
Regulatory capital financial instruments issued:		
Subordinated bonds	(31,748)	(14,094)
Bonds without fixed maturity	-	-
Subtotal	**(31,748)**	**(14,094)**
Total inflation-indexation expenses	**(112,142)**	**(45,076)**
Net inflation-indexation income	**104,648**	**70,538**

c) As March 31, 2022 and 2021, income from suspended inflation-indexation is as follows:

	March 31	
	2022	2021
	MCh$	MCh$
Income from suspended inflation-indexation		
Debts held by banks	-	-
Commercial loans	358	52
Mortgage housing loans	5,516	520
Consumer loans	12	-
Total	**5,886**	**502**

d) As of March 31, 2022 and 2021, income from inflation-indexation received is as follows:

	March 31	
	2022	2021
	MCh$	MCh$
Income from inflation-indexation received		
Debts held by banks	-	-
Commercial loans	726	15
Mortgage housing loans	1,789	208
Consumer loans	125	-
Total	**2,640**	**223**

NOTE 32 – FEE INCOME AND EXPENSES

a) As March 31, 2022 and 2021, fee income and expenses are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Fee income		
Loan prepayment fees	1,126	1909
Fes for loans with letters of credit	-	-
Fees for lines of credit and checking account overdrafts	8,094	7,073
Fees for card services	28,735	22,681
Account management fees	13,930	11,845
Fees for collections and payments	17,679	13,959
Fees for securities brokerage and management (Stock Brokers and/or Securities Agency)	2,282	2,176
Fees for administration of mutual funds, investment funds or others	15,704	14,160
Fees for brokerage and insurance advisory services	13,142	15,617
Fees for factoring services	1,266	973
Fees for finance lease transaction services	-	-
Fees for securitizations	38	13
Fees for financial advisory services	3,100	2,911
Other fees earned	20,497	18,294
Total fee income	**125,593**	**111,611**
Fee expenses		
Fee for card operation	(11,373)	(12,562)
License fees for the use of card brands	-	-
Other fees for services linked to the credit card system and payment cards with provision of funds as a means of payment	-	-
Expenses for obligations of loyalty programs and merits for card customers	(6,256)	(4,382)
Fees for securities trading	(9,086)	(7,754)
Other commissions for services received	(7,585)	(5,851)
Total commission expenses	**(34,300)**	**(30,549)**
Total net fee income	**91,293**	**81,062**

NOTE 33 – NET FINANCIAL INCOME (EXPENSE)

As March 31, 2022 and 2021, the net financial income (expense) is as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Financial assets held for trading at fair value through profit or loss:		
Financial derivative contracts	(41,131)	12,675
Debt financial instruments	24,485	15,963
Other financial instruments	204	490
Equity instruments	(49,331)	(15,407)
Loans granted and received by the entity	-	-
Others	-	-
Subtotal	**(65,773)**	**13,721**
Financial liabilities held for trading at fair value through profit or loss		
Financial derivative contracts	-	-
Other financial instruments	-	-
Subtotal	**-**	**-**
Financial assets not held for trading mandatorily measured at fair value through profit or loss		
Debt financial instruments	-	-
Others	-	-
Subtotal	**-**	**-**
Financial assets at fair value through profit or loss		
Debt financial instruments	-	-
Other financial instruments	-	-
Loans granted and received by the entity (debts held by banks, commercial loans, mortgage housing loans and consumer loans)	-	-
Others	-	-
Subtotal	**-**	**-**
Financial liabilities at fair value through profit or loss		
Deposits, other obligations and deposits on demand and other loans	-	-
Debt instruments issued	-	-
Others	-	-
Subtotal	**-**	**-**
Financial income (expense) on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income		
Financial assets at amortized cost	-	-
Financial assets at fair value through other comprehensive income	-	-
Financial liabilities at amortized costs	-	-
Regulatory capital financial instruments issued	-	-
Subtotal	**-**	**-**
Financial income (expense) for changes, adjustments and foreign currency hedge		
Gain (loss) from foreign currency translation	320,052	24,642
Gain (loss) from exchange rate adjustments		
Financial assets held for trading at fair value through profit or loss	-	-
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	(1,758)	1,549
Financial assets at amortized cost:		
Debts held by banks	-	-
Commercial loans	-	-
Mortgage housing loans	-	-
Consumer loans	-	-
Other assets	(12,531)	4,792
Financial liabilities at amortized cost	(4)	-
Financial liabilities held for trading at fair value through profit or loss	-	-
Financial liabilities at fair value through profit or loss	-	-
Regulatory capital financial instruments issued	-	-
Net income (expense) from derivatives in foreign currency risk hedges	(208,601)	(43,308)
Subtotal	**97,158**	**(12,325)**
Financial income (loss) from reclassification of financial assets due to change in business model		
From financial assets at amortized cost to financial assets held for trading at fair value through profit or loss	-	-
From financial assets at fair value through other comprehensive income to financial assets held for trading at fair value through profit or loss	-	-
Subtotal	**-**	**-**
Reclassifications of financial assets due to changes in business models		
From financial assets at amortized cost to financial assets held for trading at fair value through profit or loss	-	-
From financial assets at fair value through other comprehensive income to financial assets held for trading at fair value through profit or loss	-	-
Subtotal	**-**	**-**
Other financial income (expense) from changes in financial assets and liabilities		
Financial assets at fair value through other comprehensive income	-	-
Financial liabilities at amortized cost	-	-
Lease liabilities	-	-
Issued regulatory capital financial instruments	-	-
Subtotal	**-**	**-**
Other financial income (expense) from ineffective accounting hedges		
Income (expense) from ineffective cash flow hedges	-	-
Income (expense) from ineffective hedges of net foreign investment	-	-
Subtotal	**-**	**-**
Other financial income (expense) from other hedges		
Hedges of other types of financial assets	-	-
Subtotal	**-**	**-**
Total net financial income (expense)	**25,389**	**1,396**

NOTE 34 – INCOME FROM INVESTMENTS IN COMPANIES

As March 31, 2022 and 2021, the income from investment in companies is as follows:

	March 31,					
	2022			2021		
	Profit / Loss	Ownership	Accrued income	Profit / Loss	Ownership	Accrued income
	MCh$	%	MCh$	MCh$	%	MCh$
Investments in associates						
Redbanc S.A.	192	12.71	24	186	12.71	24
Combanc S.A.	111	11.74	15	61	11.74	7
Transbank S.A.	3,724	8.72	325	(5,837)	8.72	(509)
Nexus S.A.	1,736	14.81	257	1,126	14.81	167
Servicio de Infraestructura de Mercado OTC S.A.	238	13.61	32	(32)	13.61	(4)
AFT S.A.	411	20.00	82	238	20.00	48
Centro de Compensación Automatizado S.A.	565	33.33	188	438	33.33	146
Sociedad Interbancaria de Depósitos de Valores S.A.	146	7.03	10	181	7.03	13
Bci Pagos S.A.	85	49.90	42	(93)	49.90	(46)
Minority investments						
Shares in SWIFT	-	-	-	-	-	-
Shares in BLADEX	-	-	92	-	-	37
Other shares	-	-	-	-	-	1
Investments in joint ventures						
Servipag Ltda.	20	50.00	10	183	50.00	92
Artikos Chile S.A.	220	50.00	110	230	50.00	115

NOTE 35 – RESULT FROM NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE NOT ADMISSIBLE AS DISCONTINUED OPERATIONS

As March 31, 2022 and 2021, the results from non-current assets and disposal groups held for sale not admissible as discontinued operations are as follows:

	As of March 31,	
	2022	2021
	MCh$	MCh$
Net result for assets received in payment or foreclosed at judicial auction:		
Other income from sale of assets received in payment or foreclosed at judicial auction	-	296
Other income from assets received in payment or foreclosed judicial auction	886	871
Provisions for adjustments to the net realizable value of assets received in payment or foreclosed at judicial auction	155	29
Write-offs of assets received in payment or foreclosed at judicial auction	-	(135)
Expenses for maintenance of assets received in payment or foreclosed at judicial auction	(91)	(152)
Subtotal	**950**	**909**
Non-current assets held for sale:		
Investments in companies	-	-
Intangible assets	-	-
Property and equipment	94	1,033
Assets for recovery of assets under finance lease agreements	1,654	1,329
Other assets	-	-
Subtotal	**1,748**	**2,362**
Disposal group held for sale	-	-
Total	**2,698**	**3,271**

NOTE 36 – OTHER OPERATING INCOME AND EXPENSES

As March 31, 2022 and 2021, other operating income and expenses are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Other operating income		
Payments from insurance companies for claims other than operational risk related events	-	-
Net income from investment property	-	-
Income from card brands issued (VISA, MC, etc.)	-	-
Income from correspondent banks	-	-
Income other than interest and fees from lease agreements	-	-
Income from expense recovery	1,316	1,626
Other income	11,297	4,252
Total	**12,613**	**5,878**
Other operating expenses		
Insurance premium expense to cover operational risk events	-	-
Net loss expense from operational risk events	-	-
Gross loss expense from operational risk events	(2,304)	(1,454)
Recovery of expenses for operational risk events	1,306	503
Expense for provision for unearned insurance brokerage fees	-	-
Expense for provision for unearned insurance premium collection fees	-	-
Provisions for restructuring plans	-	-
Provisions for lawsuits and litigation	144	-
Other provisions for other contingencies	88	(7,726)
Expenses for finance lease credit transactions	-	-
Expenses for factoring credit transactions	-	-
Expenses for administration, maintenance and support of ATMs	-	-
Expenses for adoption of new technologies in cards	-	-
Other operating expenses	(13,428)	(18,851)
Total	**(14,194)**	**(27,528)**

NOTE 37 – EXPENSES FOR EMPLOYEE BENEFITS

As March 31, 2022 and 2021, expenses for employee benefit obligations are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Short-term employee benefits		
Remuneration	(77,299)	(66,399)
Incentives (performance bonuses)	(32,190)	(30,268)
Legal bonus	(13,179)	(11,655)
Others	(17,734)	(14,767)
Subtotal	**(140,402)**	**(123,089)**
Post-employment benefits		
Post-employment employee benefits	-	-
Subtotal	**-**	**-**
Long-term employee benefits		
Remuneration	-	-
Incentives (performance bonuses)	-	-
Others	-	-
Subtotal	**-**	**-**
Termination benefits		
Severance indemnity	(3,756)	(2,167)
Others	(246)	(465)
Subtotal	**(4,002)**	**(2,632)**
Share-based or equity-based payment transactions		
Equity-settled share-based payment transactions	-	-
Cash-settled share-based payment transactions	-	-
Subtotal	**-**	**-**
Expenses for defined contribution post-employment plans	-	-
Expenses for defined benefit post-employment plans	-	-
Expenses for other personnel obligations with	-	-
Other personnel expenses	(3,293)	(2,279)
Total	**(147,697)**	**(128,000)**

NOTE 38 – ADMINISTRATIVE EXPENSES

As March 31, 2022 and 2021, administrative expenses are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
General administrative expenses	**(64,712)**	**(53,230)**
Expenses for short-term leases	-	-
Expenses for leases of low-value assets	(2,347)	(2,145)
Other expenses for lease liabilities	-	-
Maintenance and repair of property and equipment	(3,673)	(3,146)
Insurance premiums except for those intended to cover operational risk events	(3,014)	(2,346)
Office supplies	(839)	(603)
IT and communications expenses	(29,248)	(22,358)
Lighting, heating and other services	(2,200)	(2,087)
Surveillance services and transportation of securities	(3,400)	(3,408)
Staff representation and travel expenses	(815)	(526)
Legal and notary expenses	(638)	(688)
Fees for review and audit of the financial statements by the external auditor	(1,236)	(1,015)
Fees for advisory and consulting services by the external auditor	-	-
Fees for advisory and consulting services by other auditing companies	-	-
Title classification fees	-	-
Fees for other technical reports	(1,390)	(1,859)
Fines by the CMF	-	-
Fines by other agencies	(12)	(7)
Other general administrative expenses	(15,900)	(13,042)
Outsourced services	**(4,289)**	**(4,236)**
Board Expenses	**(1,600)**	**(1,422)**
Board Remuneration	(1,483)	(1,305)
Other expenses of the Board of Directors	(117)	(117)
Advertising	**(7,681)**	**(7,152)**
Taxes, property taxes and other legal charges	**(9,751)**	**(8,650)**
Property taxes	(651)	(747)
Municipal patents	(595)	(589)
Other taxes other than income tax	(4,142)	(3,471)
Control contributions to the regulator	(4,363)	(3,843)
Other legal fees	-	-
Total	**(88,033)**	**(74,690)**

NOTE 39 – DEPRECIATION AND AMORTIZATION

As March 31, 2022 and 2021, depreciation and amortization are detailed as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Amortization of intangible assets	(15,733)	(14,183)
Depreciation of property and equipment	(5,831)	(6,451)
Depreciation and amortization of right-of-use assets under lease agreements	(6,382)	(5,666)
Total	**(27,946)**	**(26,300)**

NOTE 40 – IMPAIRMENT OF NON-FINANCIAL ASSETS

As March 31, 2022 and 2021, impairment of non-financial assets is as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Impairment of investments in companies	-	-
Impairment of intangible assets	-	-
Impairment of property and equipment	-	
Impairment of right-of-use assets under lease agreements	-	-
Impairment of other assets for investment property	-	-
Impairment of assets from revenue	-	-
Gain from an acquisition through a business combination in a bargain condition	-	-
Total	**-**	

NOTE 41 – EXPENSES FOR CREDIT LOSSES

a) As March 31, 2022 and 2021, expenses for credit losses are as follows:

	March 31,	
	2022	2021
	MCh$	MCh$
Expense for provisions for credit risk of loans	(91,781)	(43,610)
Expense for special provisions for credit risk	(56,948)	(39,737)
Recovery of written-off loans	18,639	18,069
Impairment due to credit risk of other financial assets not measured at fair value through profit or loss	(8,410)	4,599
Total	**(138,500)**	**(60,679)**

b) As March 31, 2022 and 2021, the summary expense for provisions recorded for credit risk and the expense for loan losses are as follows:

As of March 31, 2022	Expense for provisions recorded for loans during the year							
	Normal Portfolio Individual/group assessment		Substandard Portfolio Evaluation Individual	Non-performing portfolio Individual/group assessment		Subtotal	Deductible guarantees FOGAPE Covid-19(i)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and advances to banks								
Provisions recorded	38	-	-	-	-	38	-	38
Provisions used	-	-	-	-	-	-	-	-
Subtotal	**38**	**-**	**-**	**-**	**-**	**38**	**-**	**38**
Commercial loans								
Provisions recorded	-	744	9,089	9,271	15,187	34,291	-	34,291
Provisions used	(6,388)	-	-	-	-	(6,388)	(1,221)	(7,609)
Subtotal	**(6,388)**	**744**	**9,089**	**9,271**	**15,187**	**27,903**	**(1,221)**	**26,682**
Mortgage loans								
Provisions recorded	-	896	-	-	1,737	2,633	-	2,633
Provisions used	-	-	-	-	-	-	-	-
Subtotal	**-**	**896**	**-**	**-**	**1,737**	**2,633**	**-**	**2,633**
Consumer loans								
Provisions recorded	-	25,649	-	-	36,779	62,428	-	62,428
Provisions used	-	-	-	-	-	-	-	-
Subtotal	**-**	**25,649**	**-**	**-**	**36,779**	**-**	**-**	**62,428**
Expense of provisions recorded for loan credit risk: (A)	**(6,350)**	**27,289**	**9,089**	**9,271**	**53,703**	**93,002**	**(1,221)**	**91,781**
Recovery of written-off loans: (B) (ii)								
Loans and advances to banks								-
Commercial loans								4,513
Mortgage loans								1,553
Consumer Loans								12,573
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,639**
Expense for loan losses: (AB) (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**73,142**

As of March 31, 2021	Expense for provisions recorded for loans during the year							
	Normal Portfolio Individual/group assessment		Substandard Portfolio Evaluation Individual	Non-performing portfolio Individual/group assessment		Subtotal	Deductible guarantees FOGAPE Covid-19(i)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and advances to banks								
Provisions recorded	47	-	-	-	-	47	-	47
Provisions used	-	-	-	-	-	-	-	-
Subtotal	**47**	**-**	**-**	**-**	**-**	**47**	**-**	**47**
Commercial loans								
Provisions recorded	124	-	4,562	4,857	15,601	25,144	-	25,144
Provisions used	-	(3,138)	-	-	-	(3,138)	(89)	(3,227)
Subtotal	**124**	**(3,138)**	**4,562**	**4,857**	**15,601**	**22,006**	**(89)**	**21,917**
Mortgage loans								
Provisions recorded	-	1,184	-	-	1,026	2,210	-	2,210
Provisions used	-	-	-	-	-	-	-	-
Subtotal	**-**	**1,184**	**-**	**-**	**1,026**	**2,210**	**-**	**2,210**
Consumer loans								
Provisions recorded	-	-	-	-	19,689	19,689	-	19,689
Provisions used	-	(253)	-	-	-	(253)	-	(253)
Subtotal	**-**	**(253)**	**-**	**-**	**19,689**	**19,436**	**-**	**19,436**
Expense of provisions recorded for loan credit risk: (A)	**171**	**(2,207)**	**4,562**	**4,857**	**36,316**	**43,699**	**(89)**	**43,610**
Recovery of written-off loans: (B) (ii)								
Loans and advances to banks								-
Commercial loans								3,608
Mortgage loans								339
Consumer Loans								14,122
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,069**
Expense for loan losses: (AB) (ii)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25,541**

c) As March 31, 2022 and 2021, the summary of the expense for special provisions for credit risk for the period is as follows:

SUMMARY OF THE EXPENSE FOR SPECIAL PROVISIONS FOR CREDIT RISK IN THE PERIOD	As of March 31,	
	2022	2021
	MCh$	MCh$
Expense of provisions for credit risk for contingent loans	**3,991**	**3,987**
Loans and advances to banks	-	-
Commercial loans	3,230	(2,267)
Consumer Loans	761	6,254
Expense of provisions for country risk for operations with debtors domiciled abroad	**257**	**(842)**
Expense of special provisions for loans abroad	**-**	**-**
Expense of additional provisions for loans	**(57,519)**	**(42,882)**
Additional provisions for commercial loans.	(52,519)	(20,882)
Additional provisions for mortgage loans.	(5,000)	(9,000)
Additional provisions for consumer loans.	-	(13,000)
Expense of provisions for adjustments to the minimum provision required for normal portfolio with individual evaluation	**(3,677)**	**-**
Expense of provisions constituted for credit risk as a result of complementary prudential requirements	-	-
Total	**(56,948)**	**(39,737)**

NOTE 42 – PROFIT OR LOSS FROM DISCONTINUED OPERATIONS

As March 31, 2022 and 2021, the Bank presents no profit or loss from discontinued operations.

NOTE 43 –RELATED PARTIES DISCLOSURES

a) As March 31, 2022 and December 31, 2021, the assets and liabilities for transactions with related parties are as follows:

March 31, 2022	Related Party Type				
	Parent entity (i)	Other legal entity (ii)	Key personnel of the Consolidated Bank (iii)	Other related parties (iv)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS					
Financial assets to be traded at fair value through profit or loss:	**-**	**-**	**3**	**14,432**	**14,435**
Financial derivative contracts	-	-	3	14,432	14,435
Debt financial instruments	-	-	-	-	-
Financial assets not held for trading compulsorily valued at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Financial assets designated at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Financial assets at fair value with changes in other comprehensive income:	**-**	**-**	**-**	**-**	**-**
Financial derivative contracts for accounting coverage	-	-			-
Financial assets at amortized cost:	**-**	**5,689**	**5,845**	**295,662**	**307,196**
Rights for repurchase agreements and securities lending	-	-	868	1,153	2,021
Debt financial instruments	-	-	-	-	-
Loans and accounts receivable from customers - Commercial	-	5,782	824	221,202	227,808
Loans and accounts receivable from customers - Housing	-	-	3,847	63,434	67,281
Loans and accounts receivable from customers - Consumption	-	-	316	10,525	10,841
Provisions made for credit risk	-	(93)	(10)	(652)	(755)
Other assets	**43**	**2,183**	**-**	**3,587**	**5,813**
Total assets	**43**	**7,872**	**5,848**	**313,681**	**327,444**
					-
contingent loans	26	75,181	1,296	4,227	80,730
LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Financial derivative contracts	**-**	**-**	**-**	**-**	**-**
Financial liabilities designated at fair value through profit or loss				**-**	**-**
Financial derivative contracts for accounting coverage					**-**
Financial liabilities at amortized cost:	**-**	**44,752**	**9,292**	**151,989**	**206,033**
Deposits and other on-demand deposits	-	29,761	1,311	101,623	132,695
Deposits and other term deposits	-	14,991	7,102	49,208	71,301
Obligations for repurchase agreements and securities lending	-	-	879	1,158	2,037
Bank borrowings					-
Debt financial instruments issued	-	-	-	-	-
Other financial obligations	-	-	-	-	-
Lease liabilities	**-**	**-**	**-**	**-**	**-**
Other liabilities	**-**	**495**	**95**	**8,795**	**9,385**
Total liabilities	**-**	**45,247**	**9,387**	**160,784**	**215,418**

December 31, 2021	Related Party Type				
	Parent entity (i)	Other legal entity (ii)	Key personnel of the Consolidated Bank (iii)	Other related parties (iv)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS					
Financial assets held for trading at fair value through profit or loss:	**-**	**-**	**-**	**15,721**	**15,721**
Financial derivative contracts					**-**
Debt financial instruments	**-**	**-**	**-**	**15,721**	**15,721**
Financial assets not held for trading mandatorily measured at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Financial assets designated at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Financial assets at fair value through other comprehensive income:	**-**	**-**	**-**	**-**	**-**
Financial derivative contracts for accounting hedge					-
Financial assets at amortized cost:	**-**	**5,558**	**5,664**	**271,240**	**282,462**
Rights for reverse repurchase agreements and securities lending	-	-	868	129	997
Debt financial instruments	-	-	-	-	-
Loans and receivables from customers - Commercial	-	5,648	686	203,115	209,449
Loans and receivables from customers - Mortgage	-	-	3,805	58,290	62,095
Loans and receivables from customers - Consumption	-	-	313	10,775	11,088
Provisions for credit risk	-	(90)	(8)	(1,069)	(1,167)
Other assets	**41**	**8,277**	**-**	**16,807**	**25,125**
Total assets	**41**	**13,835**	**5,664**	**303,768**	**323,308**
					-
Contingent loans	27	70,493	1,358	73,094	144,972
LIABILITIES					
Financial liabilities held for trading at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Financial derivative contracts	**-**	**-**	**-**	**-**	**-**
Financial liabilities designated at fair value through profit or loss				**-**	**-**
Financial derivative contracts for accounting hedge					**-**
Financial liabilities at amortized cost:	**-**	**30,287**	**4,280**	**150,690**	**185,257**
Deposits and other on-demand deposits	-	20,342	979	99,181	120,502
Deposits and other term deposits	-	9,945	2,422	51,380	63,747
Obligations for repurchase agreements and securities lending	-	-	879	129	1,008
Bank borrowings	-	-	-	-	-
Debt financial instruments issued	-	-	-	-	-
Other financial obligations	-	-	-	-	-
Lease liabilities	**-**	**-**	**-**	**-**	**-**
Other liabilities	**-**	**282**	**60**	**3,361**	**3,703**
Total liabilities	**-**	**30,569**	**4,340**	**154,051**	**188,960**

b) As March 31, 2022 and 2021, income and expenses from related party transactions, is as follows:

March 31, 2022	Related Party Type				
	Parent entity (i)	Other legal entity (ii)	Key personnel of the Consolidated Bank (iii)	Other related parties (iv)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
Interest income	-	101	21	3,046	3,168
Inflation-indexation income	-	13	107	4,190	4,310
Fee income	104	2,391	28	13,451	15,974
Net financial result	-	2,929	-	(11,911)	(8,982)
Other income	-	-	-	10	10
Total income	**104**	**5,434**	**156**	**8,786**	**14,480**
Interest expense	-	(138)	(57)	(622)	(817)
Inflation-indexation expense	-	-	(2)	(153)	(155)
Commission expense	-	(4)	-	(43)	(47)
Credit loss expense	-	(37)	-	356	319
Expenses for employee benefit obligations	-	-	-	9	9
Administrative expenses	-	582	-	3,225	3,807
Other expenses	-	173	(5)	(53)	115
Total expenses	**-**	**576**	**(64)**	**2,719**	**3,231**

March 31, 2021	Related Party Type				
	Parent entity (i)	Other legal entity (ii)	Key personnel of the Consolidated Bank (iii)	Other related parties (iv)	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
Interest income	-	-	-	213	213
Inflation-indexation income	-	-	-	-	-
Fee income	-	8,277	26	59,961	68,264
Net financial result	-	-	-	-	-
Other income	-	-	-	260	260
Total income	**-**	**8,277**	**26**	**60,434**	**68,737**
Interest expense	-	-	-	-	-
Inflation-indexation expense	-	-	-	-	-
Commission expense	-	-	-	-	-
Credit loss expense	-	-	-	-	-
Expenses for employee benefit obligations	-	-	-	14	14
Administrative expenses	-	1,326	-	1,307	2,633
Other expenses	-	-	-	108	108
Total expenses	**-**	**1,326**	**-**	**1,429**	**2,755**

c) As March 31, 2022 and 2021, related-party transactions in the period are as follows:

As of March 31, 2021										
Business name	Nature of the relationship with the bank	Description of the transaction			Transactions under equivalence conditions to those transactions with mutual independence between the parties	Amount	Effect on the Statement of Income		Effect on the Statement of Financial Position	
		Type of service	Term	Renewal Conditions			Income	Expense	Receivables	Payables
						MCh$	MCh$	MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Procurement service	Undefined	Automatic renewal every 1 year	Yes	272	-	272	-	-
BCI Life Insurance SA	Others	Collection service and use of channels, suitcase	Annual	Annual Hiring	Yes	326	326	-	-	-
		brand use				331	331	-	-	-
		I use channels				110	110	-	-	-
		Claims management				250	250	-	-	-
		junior bond				608	-	17	-	-
		Financial Bonus				6,156	-	32	-	-
		Term Deposits				894	-	2	-	-
		Commissions for collection Financial Services and Administration of Commercial Credits SA				1,608	1,352	-	-	-
		Collection commissions Marketing Services and Financial and Management Support Ltda.				78	65	-	-	-
		Brokerage commissions BCI CCSS				2,443	2,443	-	-	-

As of March 31, 2021										
Business name	Nature of the relationship with the bank	Description of the transaction			Transactions under equivalence conditions to those transactions with mutual independence between the parties	Amount	Effect on the Statement of Income		Effect on the Statement of Financial Position	
		Type of service	Term	Renewal Conditions			Income	Expense	Receivables	Payables
						MCh$	MCh$	MCh$	MCh$	MCh$
BCI General Insurance SA	Others	brand use	Annual	Annual Hiring	Yes	331	331	-	-	-
		I use channels				110	110	-	-	-
		Operation Forward				3,028	39	-	-	-
		Fixed Term Deposits				19,637	-	-	-	-
		Financial Bonus				160	-	-	-	-
		Brokerage commissions SSFF Corredores de Seguros y Gestión Financiera Ltda.				513	431	-	-	-
		Commissions for collection Services of Marketing and Financial and Management Support Ltda.				1,306	1,098	-	-	-
		Brokerage commissions BCI CCSS				6,153	6,153	-	-	-
Zenit General Insurance SA	Others	Financial Bonus	Annual	Annual Hiring	Yes	612	-	29	-	-
		Fixed Term Deposits				800	-	-	-	-
Automated Clearing Center SA	Others	Electronic banking transactions	Undefined	Automatic renewal every 1 year.	Yes	447	-	447	-	-
Combanc S.A.	associate	Compensation and high value payments	Undefined	Automatic renewal.	Yes	126	-	126	-	-
Comder Central Counterpart SA	associate	bank processing	Undefined	Automatic renewal.	Yes	189	-	189	-	-
Spa Connection	Others	postal mail service	Undefined	Automatic renewal every 1 year.	Yes	64	-	64	-	-
Central Securities Depository S.A.	Others	Custody of financial instruments	Undefined	Automatic renewal.	Yes	187	-	187	-	-
Digitech Solutions S.A.	Others	Document digitalization	Undefined	Automatic renewal.	Yes	78	-	78	-	-
Jordan (Chile) S.A.	common controller	Printing of forms	Undefined	Automatic renewal every 1 year.	Yes	411	-	411	-	-
Credit Card Operators Nexus SA	associate	card processing	Undefined	Automatic renewal every 3 years.	Yes	2,078	-	2,078	-	-
Redbank SA	associate	ATM operation	Undefined	Automatic renewal every 3 years.	Yes	1,607	-	1,607	-	-
Advanced Information Services SA	Others	Commercial information service	Undefined	Automatic renewal.	Yes	226	-	226	-	-
Servipag Ltda.	joint venture	Collection and payment of services	Undefined	Automatic renewal.	Yes	1,099	-	1,099	-	-
National System of Com. Financial SA (Sinacofi)	Others	Financial information service	Undefined	Automatic renewal.	Yes	139	-	139	-	-
Transbank SA	Others	Administration of credit cards and income from the use of credit cards	Undefined	Automatic renewal every 2 years.	Yes	491	135	356	-	-

As of March 31, 2022										
Business name	Nature of the relationship with the bank	Description of the transaction			Transactions under equivalence conditions to those transactions with mutual independence between the parties	Amount	Effect on the Statement of Income		Effect on the Statement of Financial Position	
		Type of service	Term	Renewal Conditions			Income	Expense	Receivables	Payables
						MCh$	MCh$	MCh$	MCh$	MCh$
Artikos Chile S.A.	joint venture	Procurement service	Undefined	Automatic renewal every 1 year	Yes	322	-	322	-	-
BCI Life Insurance SA	Others	Collection service and use of channels, suitcase	Annual	Annual Hiring	Yes	564	564	-	-	-
		brand use				357	357	-	-	-
		I use channels				119	119	-	-	-
		Claims management				270	270	-	-	-
		junior bond				532	-	21	-	-
		Financial Bonus				6,946	-	112	-	-
		Operation Forward				2,609	-	222	-	-
		Commissions for collection Financial Services and Administration of Commercial Credits SA				3,256	2,736	-	-	-
		Brokerage commissions BCI CCSS				2,455	2,455	-	-	-
BCI General Insurance SA	Others	brand use	Annual	Annual Hiring	Yes	357	357	-	-	-
		I use channels				119	119	-	-	-
		Operation Forward				1,790	-	52	-	-
		Fixed Term Deposits				1,454	-	17	-	-
		Financial Bonus				11,527	-	97	-	-
		Contracted insurance				2,855	-	2,400	-	-

As of March 31, 2022										
Business name	Nature of the relationship with the bank	Description of the transaction			Transactions under equivalence conditions to those transactions with mutual independence between the parties	Amount	Effect on the Statement of Income		Effect on the Statement of Financial Position	
							Income	Expense	Receivables	Payables
		Type of service	Term	Renewal Conditions		MCh$	MCh$	MCh$	MCh$	MCh$
		Brokerage Commissions SSFF Corredores de Seguros y Gestión Financiera Ltda.				2,895	2,434	-	-	-
		Brokerage commissions BCI CCSS				6,492	6,492	-	-	-
Zenit General Insurance SA	Others	Investments at Fair Value, Financial Bond	Annual	Annual Hiring	Yes	1,471	-	6	-	-
Automated Clearing Center SA	Others	Electronic banking transactions	Undefined	Automatic renewal every 1 year.	Yes	376	-	376	-	-
Combanc S.A.	associate	Compensation and high value payments	Undefined	Automatic renewal.	Yes	114	-	114	-	-
Comder Central Counterpart SA	associate	bank processing	Undefined	Automatic renewal.	Yes	332	-	332	-	-
Central Securities Depository S.A.	Others	Custody of financial instruments	Undefined	Automatic renewal.	Yes	147	-	147	-	-
Digitech Solutions S.A.	Others	Document digitalization	Undefined	Automatic renewal.	Yes	65	-	65	-	-
Jordan (Chile) S.A.	common controller	Printing of forms	Undefined	Automatic renewal every 1 year.	Yes	516	-	516	-	-
Credit Card Operators Nexus SA	associate	card processing	Undefined	Automatic renewal every 3 years.	Yes	2,321	-	2,321	-	-
Redbank SA	associate	ATM operation	Undefined	Automatic renewal every 3 years.	Yes	1949	-	1949	-	-
Servipag Ltda.	joint venture	Collection and payment of services	Undefined	Automatic renewal.	Yes	1,162	-	1,162	-	-
Boston Consulting Group	Others	strategic advice	Definite	Definite.	Yes	832	-	832	-	-
Transbank SA	Others	Administration of credit cards and income from the use of credit cards	Undefined	Automatic renewal every 2 years.	Yes	547	155	392	-	-

d) As March 31, 2022, the composition of the key personnel of the Bank and its subsidiaries is as follows:

Payments to the Board of Directors and Key Personnel of the Management of the Bank and its Subsidiaries	As of March 31,	
	2022	2021
	MCh$	MCh$
Directors:		
Payment of salaries and expenses of the Board of Directors - Bank and Bank Subsidiaries	(1,600)	(1,422)
Key personnel of the Management of the Bank and its Subsidiaries:	**(1,600)**	**(1,422)**
Payment for short-term term employee benefits	15,684	11,442
Payment for benefits to post-employment employees	-	-
Payment for benefits to long-term employees	-	-
Payment for benefits to employees for termination of employment contract	-	-
Payment to employees based on shares or equity instruments	-	-
Payment for obligations for defined contribution post-employment plans	-	-
Payment for obligations for post-employment defined benefit plans	-	-
Payment for other staff obligations	-	-
Subtotal - Payments for employee benefit obligations:	**15,684**	**11,442**
TOTAL	**14,084**	**10,020**

e) As of December 31, 2020, the Bank presents the following related contracts:

Composition of the Board of Directors and key personnel of the Management of the Bank and its Subsidiaries	As of March 31,	
	2022	2021
	No. of Executives	
Directors:		
Directors - Bank and Bank Subsidiaries	87	86
Key personnel of the Management of the Bank and its Subsidiaries:	**87**	**86**
General Manager - Bank	1	1
General managers - Bank subsidiaries	10	10
Division/Area Managers - Bank	11	11
Division/Area Managers - Bank Subsidiaries	56	46
Subtotal	**78**	**68**
TOTAL	**165**	**154**

NOTE 44 – FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Assets and liabilities at fair value

The following table summarizes the carrying amounts and fair values of the main financial assets and liabilities not presented in the Interim Consolidated Financial Statements at their fair values

	As of March 31, 2022	
	Carrying amount	Fair Value
	MCh$	MCh$
ASSETS		
Cash and bank deposits	5,924,699	5,924,699
Transactions in course of collection	229,453	229,453
Financial assets held for trading at fair value through profit or loss	6,362,074	6,362,073
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-
Financial assets designated at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	8,403,310	8,403,310
Financial derivative contracts for accounting hedge	1,645,967	1,645,967
Financial assets at amortized cost	44,286,867	47,425,512
Total assets	**66,852,370**	**69,991,014**
LIABILITIES		
Financial liabilities held for trading at fair value through profit or loss	815,053	815,053
Financial liabilities designated at fair value through profit or loss	5,197,898	5,197,898
Financial liabilities designated at fair value through profit or loss	-	-
Financial derivative contracts for accounting hedge	2,060,303	2,060,303
Financial liabilities at amortized cost	53,154,760	56,509,518
Total Liabilities	**61,228,014**	**64,582,772**

The fair value estimates presented above do not attempt to estimate the value of the Bank's earnings, generated by its business, or future activities, and therefore, do not represent the value of the Bank as a going concern. Loans are shown net of provisions.

The methods used to estimate the fair value of financial instruments are detailed below.

Financial assets at amortized cost

This account includes Loans and receivables from customers and repurchase agreements.

Loans and receivables from customers are shown net of their provision for credit or impairment risk. The estimated fair value of loans represents the discounted amount of future cash flows expected to be received.

Cash flows are discounted at the base market interest rate; in this case, we use an interbank rate, considering the relevant term and currency.

The criteria used for the incorporation of credit risk of the assets considered for these purposes are:

1. From the expected loss estimation models, it is possible to infer about the credit quality of the portfolio (at least in qualitative terms), for the residual term of the operations that make up the asset accounts considered (commercial loans, mortgage loans for housing and consumer loans).
2. In quantitative terms, the provision percentage assigned to an operation is an approximation variable to the credit profile of said operation.
3. The amount resulting from applying the 'provisions/total loans' factor to the present value of the respective loans is an approximation of the adjustment for credit risk.

Liabilities at amortized cost

In this section we include on-demand and term deposits, bank borrowings and debt instruments issued.

The estimated fair value of on demand accounts and deposits, that is, without an established term, including those accounts that do not accrue interest, is the amount to be paid when the client demands it. Therefore, the amortized cost of these deposits is a reasonable approximation of their fair value.

The fair value of term deposits has been estimated based on discounted future cash flows based on interest rate structures adjusted from transactions observed at the measurement date.

The fair value of liabilities with financial institutions has been determined using discounted cash flow models, based on the relevant interest rate curve for the remaining term of the instrument until maturity.

The fair value of these liabilities has been determined using discounted cash flow models, based on the relevant interest rate curve for the remaining term of the instrument until maturity.

Financial assets and liabilities held for trading through profit or loss

The fair value of financial assets and liabilities (fixed income instruments classified as Held for Trading and Available for Sale, in addition to Derivative instruments) is estimated using the valuation techniques detailed in the following letters.

Financial instruments measured at fair value

Please refer to Note 1, letter k) for further details on the criteria used to determine fair value.

Hierarchy used to determine fair value

The regulations distinguish between different hierarchies of inputs used for valuation techniques, discriminating between "observable" or "unobservable" inputs. Observable inputs reflect market data obtained from independent sources, and unobservable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behavior. From these two types of inputs, the following hierarchy has been created:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities to those being measured. This level includes debt instruments, whether they are fixed or variable income, equity instruments and derivative financial instruments traded on local or international stock markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable inputs directly (i.e. as prices) or indirectly (i.e. derived from prices) for assets and liabilities. This category includes prices that require interpolation within a price structure, such as derivative instruments. The same occurs with bonds valued with some valuation technique such as interpolation or matrixpricing, based on inputs that are observable.

Level 3 – Inputs that are not based on observable market data (unobservable inputs). This level includes equity and debt instruments that have significant unobservable inputs.

This hierarchy requires that when there are observable market data, they are used. The Bank and subsidiaries consider observable relevant market data in their valuations whenever possible.

Non-recurring assets and liabilities are presented below according to the hierarchy to determine the fair value.

	As of March 31, 2022			
	Total	Level 1	Level 2	Level 3
	MCh$	MCh$	MCh$	MCh$
Assets				
Financial assets at amortized cost	47,425,512	-	47,425,512	-
Total	**47,425,512**	**-**	**47,425,512**	**-**
Liabilities				
Financial liability at amortized cost	**56,509,518**	**-**	**56,509,518**	**-**
Total	**56,509,518**	**-**	**56,509,518**	**-**

	As of December 31, 2021			
	Total	Level 1	Level 2	Level 3
	MCh$	MCh$	MCh$	MCh$
Assets				
Financial assets at amortized cost	43,954,637	-	43,954,637	-
Total	**43,954,637**	-	**43.954637**	**-**
Liabilities				
Financial liability at amortized cost	**55,887,076**	**-**	**55,887,076**	**-**
Total	**55,887,076**	**-**	**55,881,076**	**-**

The Bank and Subsidiaries have not made transfers of financial assets or liabilities between levels 1 and 2 during the period 2022 and fiscal year 2021.

	As of March 31, 2022			
	Level 1	Level 2	Level 3	Total
	MCh$	MCh$	MCh$	MCh$
FINANCIAL ASSETS				
Financial assets held for trading at fair value through profit or loss:				
Financial derivative contracts	-	5,237,828	503	5,238,331
Debt instruments	1,042,557	-	-	1,042,557
Other Financial Instruments	81,186	-	-	81,186
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income:				
Debt financial instruments	8,403,310	-	-	8,403,310
Other Financial Instruments	-	-	-	-
Financial derivative contracts for accounting hedge	-	1,645,967	-	1,645,967
Total financial assets	**9,527,053**	**6,883,795**	**503**	**16,411,351**
FINANCIAL LIABILITIES				
Financial liabilities held for trading at fair value through profit or loss				
Financial derivative contracts	-	5,197,898	-	5,197,898
Others	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Financial derivative contracts for hedging	-	2,060,303	-	2,060,303
Total financial liabilities	**-**	**7,258,201**	**-**	**7,258,201**

a) Valuation of La Polar Bonds

As of March 31, 2022, the Bank has applied valuation techniques to determine the fair value of the financial instruments "BLAPO-F" and "BLAPO-G". Such valuation is based on the IRR of the last existing market transaction between the closing date of the Interim Consolidated Financial Statements and the exchange date of said financial instrument.

b) Level 3 Reconciliation

Value changes in level 3 derivatives are explained by the following reconciliation table

	As of March 31, 2022					
Reconciliation level 3	Opening balance	Gain (loss) recognized in profit or loss	Gain (loss) recognized in Equity	Net of purchases, sales and agreements	Transfers from level 1 and 2	Closing balance
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets						
Derivative Contracts	-	-	-	-	-	-
Forwards	-	-	-	-	-	-
Swaps	1,227	(725)	-	-	-	503
Call Options	-	-	-	-	-	-
Put Options	-	-	-	-	-	-
Total	**1,227**	**(725)**	**-**	**-**	**-**	**503**
	-	-	-	-	-	-
Liabilities	-	-	-	-	-	-
Derivative Contracts	-	-	-	-	-	-
Forwards	-	-	-	-	-	-
Swaps	-	-	-	-	-	-
Call Options	-	-	-	-	-	-
Put Options	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

NOTE 45 – MATURITY OF FINANCIAL ASSETS AND LIABILITIES AS PER THEIR REMAINING TERMS

a) As March 31, 2022 and December 31, 2021, the new contractual maturities according to remaining terms of financial assets and liabilities, are as follows:

As of March 31, 2022	On-demand	Up to a month	More than one month and three months	More than three months up to one year	Between 1 year and 3 years	More than 3 years up to 5 years	More than five years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS								
Cash and bank deposits	5,924,699	-	-	-	-	-	-	5,924,699
Transactions in course of collection	-	229,453	-	-	-	-	-	229,453
Financial assets held for trading at fair value through profit or loss	-	311,804	475,289	1,864,091	1,786,425	964,751	959,714	6,362,074
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	1,577,048	91,825	518,148	605,147	134,514	5,476,628	8,403,310
Financial derivative contracts for hedge accounting	-	12,052	35,433	233,125	478,945	471,879	414,533	1,645,967
Financial assets at amortized cost	-	10,720,696	3,353,358	5,383,695	6,762,242	4,010,951	14,055,925	44,286,867
Total assets	**5,924,699**	**12,851,053**	**3,955,905**	**7,999,059**	**9,632,759**	**5,582,095**	**20,906,800**	**66,852,370**
LIABILITIES								
Transactions in course of payment	-	815,053	-	-	-	-	-	815,053
Financial liabilities held for trading at fair value through profit or loss	-	256,092	387,270	1,530,220	1,448,613	795,887	779,816	5,197,898
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	-	17,770	43,311	204,242	589,436	550,350	655,194	2,060,303
Financial liabilities at amortized cost	-	21,156,820	4,096,420	2,948,171	7,330,934	1,332,997	16,289,418	53,154,760
Lease liabilities	-	1,841	4,648	15,856	53,215	72,016	12,950	160,526
Issued regulatory capital financial instruments	-	1,370,085	-	-	-	-	-	1,370,085
Total Liabilities	**-**	**23,615,820**	**4,527,001**	**4,720,241**	**9,488,195**	**2,793,660**	**17,835,148**	**62,980,065**
Net mismatch between financial assets and liabilities	**(5,924,699)**	**10,764,767**	**571,096**	**(3,278,818)**	**(144,564)**	**(2,788,435)**	**(3,071,652)**	**(3,872,305)**

As of December 31, 2021	On-demand	Up to a month	More than one month and three months	More than three months up to one year	Between 1 year and 3 years	More than 3 years up to 5 years	More than five years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS								
Cash and bank deposits	3,960,496	-	-	-	-	-	-	3,960,496
Transactions in course of collection	-	350,072	-	-	-	-	-	350,072
Financial assets held for trading at fair value through profit or loss	-	1,677,142	98,932	851,207	1,078,212	783,874	1,576,965	6,066,332
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	2,702,569	158,514	526,849	1,611,888	1,181,509	4,632,318	10,813,647
Financial derivative contracts for hedge accounting	-	-	4,954	-	315,764	145,604	1,122,737	1,589,059
Financial assets at amortized cost	-	913,464	1,467,988	5,139,909	9,241,789	9,246,370	17,721,213	43,730,733
Total assets	**3,960,496**	**5,643,247**	**1,730,388**	**6,517,965**	**12,247,653**	**11,357,357**	**25,053,233**	**66,510,339**
LIABILITIES								
Transactions in course of payment	-	258,686	-	-	-	-	-	258,686
Financial liabilities held for trading at fair value through profit or loss	-	1,013,904	232,891	818,742	1,106,753	860,226	1,061,715	5,094,231
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	-	330,978	59,768	184,934	317,896	256,941	342,298	1,492,815
Financial liabilities at amortized cost	26,823,060	7,680,742	4,504,550	2,755,255	7,104,964	1,188,499	4,029,833	54,086,903
Lease liabilities	-	1986	5,016	14,478	55,195	49,509	47,542	173,726
Issued regulatory capital financial instruments	-	1,332,936	-	-	-	-	-	1,332,936
Total Liabilities	**26,823,060**	**10,617,246**	**4,797,209**	**3,784,239**	**8,609,837**	**2,382,670**	**5,442,656**	**62,456,917**
Net mismatch between financial assets and liabilities	**22,862,564**	**4,973,999**	**3,066,821**	**(2,733,726)**	**(3,637,816)**	**(8,974,687)**	**(19,610,577)**	**(4,053,422)**

NOTE 46 – FINANCIAL AND NON-FINANCIAL ASSETS AND LIABILITIES BY CURRENCY

As of March 31, 2022	Chilean pesos		Adjustable by Exchange rate	Us dollars	Colombian pesos	Pound sterling	Euro	Swiss francs	yen	Chinese yuan	Other Foreign Currencies	Total
	CLP	UF	ER	USD	COP	GBP	EUR	CHF	JPY	CNY	OTHERS	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSET												
Cash and bank deposits	3,623,582	-	-	2,155,652	-	16,663	58,146	1,693	18,541	20,128	30,294	5,924,699
Transactions in course of collection	106,955	-	-	106,263	-	343	15,417	30	-	396	49	229,453
Financial assets held for trading at fair value through profit or loss	5,741,488	529,311	-	91,180	8	-	-	-	-	-	87	6,362,074
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	2,553,943	1,701,159	-	4,018,897	-	-	129,311	-	-	-	-	8,403,310
Financial derivative contracts for hedge accounting	1,339,457	22,180	-	27,681	-	-	77	254,807	81	-	1,684	1,645,967
Financial assets at amortized cost:	12,384,463	14,129,983	136,131	17,566,919	-	435	45,278	8	5,725	-	17,925	44,286,867
Investments in companies	33,420	-	-	-	-	-	-	-	-	-	-	33,420
Intangible Assets	207,581	-	38,268	169,101	-	-	-	-	-	-	67	415,017
Property and equipment	197,692	-	-	51,342	-	-	-	-	-	-	3	249,037
Right-of-use assets	21,120	95,203	-	57,568	-	-	-	-	-	-	-	173,891
Current tax assets	9,241	-	-	13,746	-	-	-	-	-	-	2	22,989
Deferred tax assets	256,684	-	-	63,907	-	-	-	-	-	-	788	321,379
Other assets	261,508	69	37,809	1,125,604	-	-	(566)	-	-	-	7,049	1,431,473
Non-current assets and disposal groups held for sale	46,709	-	-	-	-	-	-	-	-	-	-	46,709
Total assets	**26,783,843**	**16,477,905**	**212,208**	**25,447,860**	**8**	**17,441**	**247,663**	**256,538**	**24,347**	**20,524**	**57,948**	**69,546,285**
LIABILITIES												
Transactions in course of payment	683,370	-	-	113,905	-	-	15,585	-	409	1,784	-	815,053
Financial liabilities held for trading at fair value	5,194,917	12	-	5,438	8	-	(2,657)	-	-	-	180	5,197,898
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	1,753,793	22,180	-	27,681	-	-	77	254,807	81	-	1,684	2,060,303
Financial liabilities at amortized cost	21,555,710	4,754,164	13	25,785,912	-	16,101	118,494	684,765	73,820	16,938	148,843	53,154,760
Lease liabilities	-	111,153	-	49,477	-	-	-	-	-	-	(104)	160,526
Issued regulatory capital financial instruments	-	1,370,085	-	-	-	-	-	-	-	-	-	1,370,085
Provisions for contingencies	65,073	-	-	31,584	-	-	-	-	-	-	153	96,810
Provisions for dividends, payment of interest and revaluation of regulatory capital financial instruments issued	212,937	-	-	-	-	-	-	-	-	-	-	212,937
Special provisions for credit risk	428,184	-	-	35,446	-	-	79	-	10	2	-	463,721
Current tax	114,502	-	-	-	-	-	-	-	-	-	-	114,502
Deferred tax	1960	-	-	-	-	-	-	-	-	-	-	1960
Other liabilities	603,964	355,674	1,546	559,412	-	-	-	-	-	-	(410)	1,520,186
Liabilities included in disposal groups held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	**30,614,410**	**6,613,268**	**1,559**	**26,608,855**	**8**	**16,101**	**131,578**	**939,572**	**74,320**	**18,724**	**150,346**	**65,168,741**
Mismatches by currency as of March 31, 2022	**(3,830,567)**	**9,864,637**	**210,649**	**(1,160,995)**	**-**	**1,340**	**116,085**	**(683,034)**	**(49,973)**	**1,800**	**(92,398)**	**4,377,544**

As of December 31, 2021	Chilean pesos		Adjustable by CT	US dollars	Colombian pesos	Pound sterling	Euro	Swiss francs	yen	Chinese yuan	Other Foreign Currencies	Total
	CLP	UF	CT	USD	COP	GBP	EUR	CHF	JPY	CNY	OTHERS	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSET												
Cash and bank deposits	618,825	-	-	3,220,837	-	21,463	43,584	1,152	19,204	9,713	25,718	3,960,496
Transactions in course of collection	159,555	-	-	171,178	-	482	18,273	156	4	106	318	350,072
Financial assets held for trading at fair value through profit or loss	5,346,338	596,647	-	127,009	24	-	(4,304)	-	-	-	618	6,066,332
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	4,139,559	1,895,246	-	4,625,708	-	-	153,134	-	-	-	-	10,813,647
Financial derivative contracts for hedge accounting	1,465,139	20,543	-	1,200	-	-	45	101,056		-	1,053	1,589,059
Financial assets at amortized cost:	12,259,203	13,746,812	128,327	17,529,325	-	549	32,683	-	12,087	-	21,747	43,730,733
Investments in companies	33,302	-	-	-	-	-	-	-	-	-	-	33,302
Intangible Assets	210,976	-	43,400	186,597	-	-	-	-	-	-	(13)	440,960
Property and equipment	197,509	-	-	55,222	-	-	-	-	-	-	3	252,734
Right-of-use assets	22,714	101,489	-	64,822	-	-	-	-	-	-	-	189,025
Current tax assets	7,123	-	-	12,449	-	-	-	-	-	-	-	19,572
Deferred tax assets	224,076	-	-	29,081	-	-	-	-	-	-	395	253,552
Other assets	301,396	71	41,212	1,052,876	-	-	(631)	-	-	-	7,153	1,402,077
Non-current assets and disposal groups held for sale	45,719	-	-	-	-	-	-	-	-	-	-	45,719
Total assets	**25,031,434**	**16,360,808**	**212,939**	**27,076,304**	**24**	**22,494**	**242,784**	**102,364**	**31,318**	**9,819**	**56,992**	**69,147,280**
LIABILITIES												
Transactions in course of payment	124,345	-	-	119,376	-	2,087	8,678	196	3,872	106	26	258,686
Financial liabilities held for trading at fair value	5,071,631	31	-	22,521	24	-	(219)	-	-	-	243	5,094,231
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	1,368,895	20,543	-	1,200	-	-	45	101,056		-	1,053	1,492,815
Financial liabilities at amortized cost	21,670,271	4,604,138	3,250	26,893,226	-	18,910	122,935	564,534	44,918	9,386	155,335	54,086,903
Lease liabilities	1	118,005	-	55,721	-	-	-	-	-	-	(1)	173,726
Issued regulatory capital financial instruments	1,176,819	156,117	-	-	-	-	-	-	-	-	-	1,332,936
Provisions for contingencies	104,520	-	-	34,003	-	-	-	-	-	-	87	138,610
Provisions for dividends, payment of interest and revaluation of regulatory capital financial instruments issued	156,117	-	-	-	-	-	-	-	-	-	-	156,117
Special provisions for credit risk	376,338	-	-	35,729	-	-	-	-	-	-	-	412,067
Current tax	129,078	-	-	12,449	-	-	-	-	-	-	8	141,535
Deferred tax	(28,155)	-	-	29,081	-	-	-	-	-	-	-	926
Other liabilities	436,239	484,873	1,308	441,516	-	-	-	-	-	-	574	1,364,510
Liabilities included in disposal groups held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	**30,586,099**	**5,383,707**	**4,558**	**27,644,822**	**24**	**20,997**	**131,439**	**665,786**	**48,813**	**9,492**	**157,325**	**64,653,062**
Mismatches by currency as of December 31, 2021	**(5,554,665)**	**10,977,101**	**208,391**	**(568,518)**	**-**	**1,497**	**111,345**	**(563,422)**	**(17,495)**	**327**	**(100,333)**	**4,494,218**

NOTE 47 – RISK MANAGEMENT AND REPORTING

1. INTRODUCTION

a) Credit risk structure

Financial risk management is performed throughout the organization, under a framework containing policies that define the criteria and procedures guiding the actions of the Bank and its subsidiaries.

Business activities performed by the Bank involve identifying, assessing, accepting and managing different types of risks or combinations of risks. The main risk categories to which the Bank is exposed are financial risk; market risk, structural risk and liquidity risk.

To manage financial risks, the Bank's Board of Directors and Senior Management are responsible for:

- understanding the nature and magnitude of the financial risks assumed, as well as the strategies implemented to manage them;
- directing the management of financial risks using prudential criteria, which avoid exposing the Bank to insolvency or financial instability;
- defining a framework of policies that comprehensively regulate the management of financial risks, considering the best practices in the market, current regulations and the Bank's culture;
- establishing a structure of limits structure that covers all relevant risks, is consistent with the Board of Directors' risk tolerance and current regulatory margins;
- establishing a clear segregation of duties between trading and control activities, so that risk measurement, supervision and information are performed by units that are independent from the risk-assuming areas;
- receiving relevant, complete and timely information; and
- verifying the application of policies and compliance with limits through a continuous internal audit process.

2. GOVERNANCE AND MANAGEMENT

The Board of Directors, through the Executive Committee, approves the policies and defines the level of financial risk tolerance. The Comptroller supervises compliance with risk policies, using independent evaluations. Likewise, the Bank controls exposure to financial risks through the Finance and Risk Committee.

The Chief Executive Officer, as the main individual responsible for the Bank's overall management, must conduct the business strictly adhering to the current legal framework and internal policies, limits and procedures established. He chairs the Assets and Liabilities Committee (ALCO), a body where he is informed about the risks assumed by the Corporation and provides guidelines for such purposes.

The Assets and Liabilities Committee (ALCO) is the highest-ranking executive body assigned to manage financial risks. In its regular meetings, the ALCO Committee reviews the liquidity position, asset and liability management and investment strategies, with due regard to risks assumed.

The Finance Department is responsible for the direct management of financial risks. Such department must implement business, investment and financing strategies for the Bank to achieve its objectives while minimizing the risks assumed.

The Market and Liquidity Risk Management measures and controls financial risks. This Department is responsible for proposing policies and limits to mitigate risks, as well as designing measurement tools according to the size and complexity of operations.

The limit structure and daily control ensure that risks are within the margins established by the ALCO Committee and approved by the Executive Committee. This is strengthened by an adequate segregation of duties and the control by opposition established in the Bank's organizational structure, which allows managing risks without any conflict of interest.

The Market and Liquidity Risk Management reports on a daily basis risk exposures and the use of limits. In addition, on a monthly basis it communicates the overall financial risk position to the ALCO Committee, so that Senior Management understands the risks assumed, and if required, establishes guidelines.

The supervision of the financial risks performed by the Bank on the subsidiaries is covered by the Subsidiary Control Policy. This is performed through the process of annual review of policies, quantification of risks, definition of stand-alone or consolidated limits, and coordination between the different vehicles when appropriate.

3. MARKET RISK

Market risk represents losses that could affect the value of investment portfolios because of adverse movements in market prices.

Principles for managing market risk include: the use of methodologies to quantify market risks in accordance with the volume and complexity of the activities performed; mechanisms for periodic review of the models used to quantify market risks, including their independent validations; formal and periodic performance of stress exercises, appropriate for the scale and complexity of transactions and daily monitoring of limits and excesses.

In the field of market risks, the following are managed:

Price risk: it is the risk of losses that can cause a change in the value of a portfolio of financial instruments, in trading activities with customers (*marketmaking)* and proprietary investments. This risk is found in all portfolios subject to market valuation.

Base risk (*basisrisk*): losses that may originate from an imperfect correlation between two or more market variables used to hedge the risk of a financial position.

Convexity or mismatch risk: losses that may originate when assuming positions in a risk factor, generating mismatches in time periods. Those terms where there is greater market depth should be considered as one of the important variables.

Optionality risk: Buying or writing options carries its own risks. These are closely characterized by the non-linear relationship between the gain generated by the option, the value of the underlying factors and the volatility of such factors.

Banco BCI separates the management, control and measurement of market risks between trading portfolios and available-for-sale and/or held-to-maturity portfolios. The former include positions as a result of the flow of sales to corporate and institutional customers, positions as a result of the marketmaking business, and hedge or trading positions. The latter holds positions that come mainly from the management of interest rates associated with personal and commercial banking loans, in addition to a portfolio of financial investments.

3.1 MARKET RISK IN THE TRADING BOOK

The main market risks generated in the trading book are the following:

Interest rate risk: arise as a result of exposure to movement in the different interest rate curves on which a current position is maintained. The typical products that generate this sensitivity correspond to interest rate derivative products (Swap or Cross Currency Swap), such as those products of the capital market business (Debt Securities, Term Deposits, Futures or others). However, in practice, all financial products are exposed to movements in interest rates due to the effect on the valuation associated with their discount factor.

Currency risk: this risk is generated by the movements from the several exchange rates with the currencies on which current positions are held. This risk is generated in currency spot positions, as well as in any derivative product whose underlying is an exchange rate.

Optionality risk: The purchase or writing of options carries its own risks. These are closely characterized by the non-linear relationship between the gain generated by the option, the value of the underlying factors and the volatility of said factors.

Equity security risk: arises as a result of movements in share prices. Such risk is generated in cash positions of shares as well as in any derivative product whose underlying is a share or a variable income index. This type of instrument mainly arises from the subsidiary BCI Corredor de Bolsa, whereas Banco BCI, by regulation, does not have access to these markets.

3.1.1 Management and Limits

The functions established for Financial Risk include the daily control of market risk positions, which implies ensuring compliance with the limits and/or alerts approved by Senior Management. This follow-up is performed regularly to assess the evolution of risk metrics and their significant movements, as well as communicate risks and possible excesses through the channels established for such purposes.

Setting limits for trading market risk is a dynamic process that is associated with the level of risk appetite established by the BCI Corporation. Such process is part of the annual limit review and update plan.

Limits are established on different metrics and are intended to cover all activities subject to this risk from multiple views, applying a prudent criterion, where the main are as follows:

- VaR limits (Total and by risk factor).
- Sensitivity limits to the exchange rate.
- Interest rate sensitivity limits (total and by terms).
- Sensitivity limits for positions in significant products.
- Sensitivity limits for positions in significant spreads.
- Vega limits.

These general limits are supplemented by other sub-limits for structure that is granular to allow the effective control of the different types of trading market risk factors to which the Corporation is exposed in its trading activities.

These limits are approved by senior management (ALCO and/or Board of Directors).

3.1.2 Metrics

a) **VaR (Value at Risk):** this is a methodology that estimates losses that a portfolio would incur as a result of an adverse movement of interest rates and/or market prices over a time horizon and for a certain confidence level.

The VaR methodology used is historical simulation that recognizes the fat-tail property of financial returns. A 2-year rolling window of daily data is used. The 1st percentile of the P&L distribution is measured, or VaR at 99% confidence. The volatility updating technique is used, which recognizes the existence of volatility clusters.

Objectives and limitations of the VaR methodology: The objective of VaR is to measure the risk of a portfolio of assets by determining how much it can lose over a period of time and with a given level of confidence, under normal market conditions. This method is applied to portfolios that have information on the relevant market variables. In addition, it does not depend on the calculation of correlations and volatilities, as these are calculated implicitly when using historical information, which means having the history of the associated variables to perform this calculation.

The 1-day VaR for each portfolio is shown below.

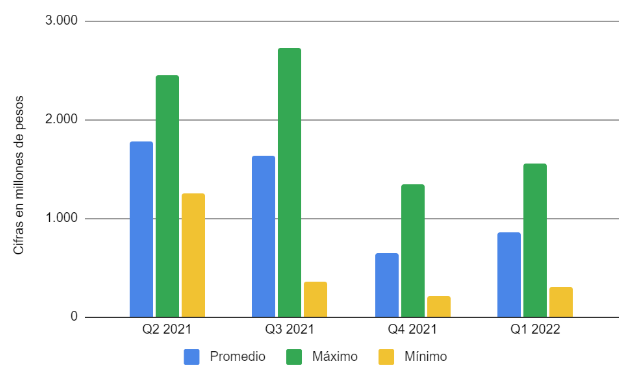
VaR tables by Portfolio: annual comparison as of March 31, 2022

Figures in millions of Chilean pesos, with a 1-day time horizon.

VaR	2022	2021	Variance
	MCh$	**MCh$**	**MCh$**
Trading	**1046**	**894**	**152**
Maximum	1549	2723	-1174
Minimum	303	211	92
Average	853	1309	-456
Balance	**988**	**893**	**95**
Maximum	1133	3887	-2754
Minimum	503	81	422
Average	920	694	226
BCI Corredor de Bolsa	**648**	**258**	**390**
Maximum	872	952	-80
Minimum	215	88	127
Average	540	346	195
BCI Asset Management	**212**	**204**	**8**
Maximum	316	386	-70
Minimum	151	127	24
Average	222	247	-24

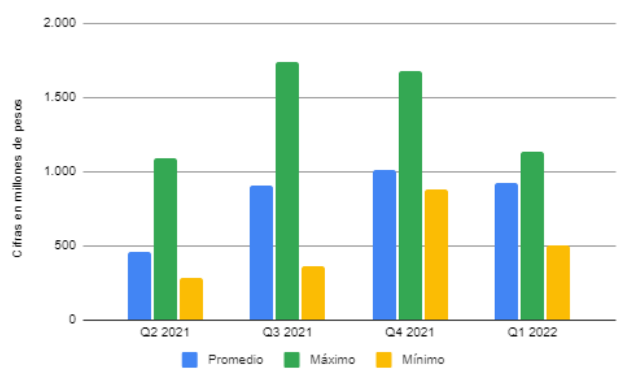
VaR Trading: Quarterly graphic comparison as of March 31, 2022

Amounts in millions of Chilean pesos, with a 1-day time horizon.



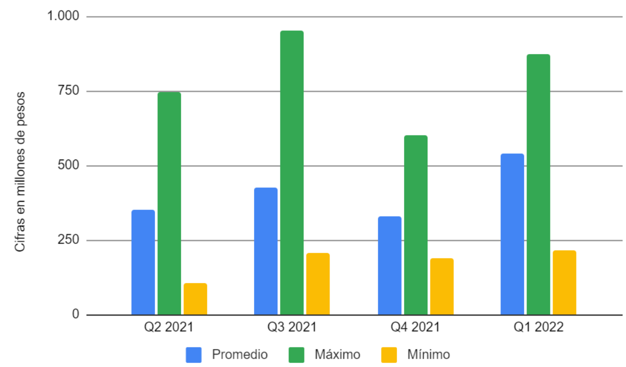
VaR Balance: quarterly graphic comparison as of March 31, 2022

Amounts in millions of Chilean pesos, with a 1-day time horizon.



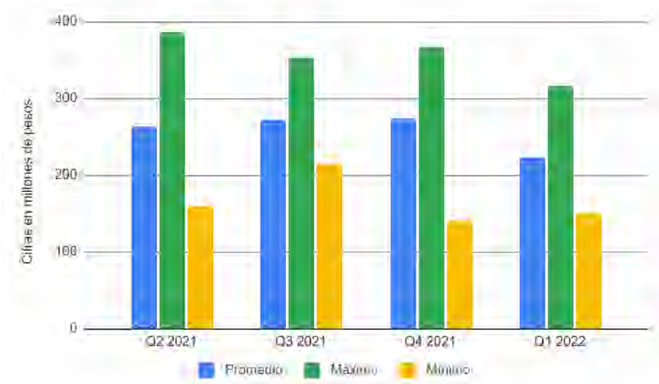
VaR Bci Corredora de Bolsa: quarterly graphic comparison as of March 31, 2022

Amounts in millions of Chilean pesos, with a 1-day time horizon.



VaR Bci Asset Management: quarterly graphic comparison as of March 31, 2022

Amounts in millions of Chilean pesos, with a 1-day time horizon.



For the current period, the VaR (Value at Risk) is broken down into the different risk factors that compose it for its management, this corresponds to:

VaR by Risk factor: comparative table as of March 31, 2022 v/s 2021 period end

Amounts in millions of Chilean pesos.

Value at Risk	2022	2021	Variance
	MCh$	MCh$	MCh$
Total	**1,046**	**894**	**1,525**
Interest rate	947	810	137
Foreign currency	133	123	10
Optionality	43	110	(67)

Note : consider that the calculation of VAR having correlations, the sum of its factors is not the same related to the Total VAR.

a) Stressed VaR (sVaR): there are limitations of the VaR models, mainly in the face of extreme events that have not been noted in the historical information or because they do not capture the intra-day movements in the portfolio. Because of this, stress situations are modeled to assess potential impacts on the value of the most extreme event portfolios. The following analysis presents the Stress VaR study for the main current risks.

Stress VaR: annual comparison as of March 31, 2022

Figures in millions of Chilean pesos, with a 1-day time horizon.

STRESS VaR	2022	2021	Variance
	MCh$	MCh$	MCh$
Total	**4,843**	**3,684**	**1,159**
Maximum	5,604	5,358	246
Minimum	2,516	1559	957
Average	3,797	3,216	581

3.2 COUNTERPARTY MARKET RISK

Counterparty risk management encompasses the management of financial risks that seeks to recognize and subsequently manage the possible credit deterioration of each counterparty, arising from investments and/or businesses related to the capital market.

This risk is defined as the possibility that the issuer or the counterparty does not comply with its obligations or commitments within the agreed terms and amounts. This risk is determined by the debt at the time of default, by the probability of default by the counterparty, and by the loss given default. On a daily basis, the current market value plus the potential future exposure of the derivatives is calculated; estimating the value of the debt in an event of default that has not yet occurred. The potential future exposure represents the maximum market value that the instruments could reach during the remaining term of the contract. The result of this calculation determines the use of the credit facility associated with derivative instruments.

As part of counterparty risk management, Senior Management encourages direct involvement in both local and foreign clearing houses, as applicable, and the trading of derivative instruments must be conducted in accordance with the policies, limits and procedures established by the Bank, in compliance with internal and external regulations, and all new products must comply with the provisions of the New Products Policy prior to being traded.

3.2.1 Management and Limits

The Bank manages its counterparty risk through analysis of the future exposure of financial instruments, called PFE (Potential Future Exposure) and in turn through adjustments to the Fair value of derivative instruments, referred to as CVA (Credit Value Adjustment).

3.2.2 Metrics

a) **Future Exposures:** The future exposure of an *over-the-counter (OTC) derivative* is directly related to the credit exposure generated by this type of product for BCI. The risk from such contracts exists when the valuation or *mark-to-market (MTM)* is positive in favor of BCI. These contracts are measured on a daily basis, and the risk or uncertainty arises regarding the potential value that the MTM may reach throughout the life of the operation.

Monte Carlo simulation techniques are used to calculate future exposures by counterparty. Specific limits by counterparty ensure that defined risk levels are not exceeded and adequate diversification is achieved. The following table provides the detail of the exposure for each segment for the periods ended March 2022 and December 2021

Future Exposure by Banks: as of March 31, 2021

Amounts in millions of Chilean pesos.

Future Exposure		
Banking	03-31-2022	12-31-2021
	MCh$	MCh$
Bci Bank	1,773,273	2,467,991
Private banking	73,604	88,535
Banks	197,118	641,300
Corporate	525,497	765,047
SMEs	1,728	1,610
Business	30,973	38,110
Large Corporations	80,663	98,075
Real estate	98,563	104,509
Institutional	765,127	730,806
Total	**1,773,273**	**2,467,991**

b) **Derivative credit valuation adjustment (CVA):** The objective is to determine the expected losses due to counterparty risk in OTC derivative contracts. The CVA of a derivative is defined as the difference between the market value free of credit risk (without risk of default by the counterparty) and the value of the derivative engaged that carries the possibility of default by the counterparty. Accordingly, the CVA of a customer can be obtained from the expected exposure (EE) by counterparty risk (the expected loss amount) and the expected loss rate (EL) associated with the default of the counterparty. The table below details the allowance for CVA by segment for the periods ended December 2021 and December 2020.

CVA (Credit Value Adjustment): as of March 31, 2022

Amounts in millions of Chilean pesos.

Credit Value Adjustment (CVA)			
Banking	03-31-2022	12-31-2021	Variation
	MCh$	MCh$	MCh$
Bci Bank	10,914	11,149	-229
Private banking	353	428	-76
Banks	9	237	-229
Corporate	4,998	5,090	-92
SMEs	6	8	-2
Business	590	585	5
Large Corporations	1,511	1,535	-23
Real estate	2,812	2,888	-76
Institutional	635	372	263
City National Bank	28	1,409	-1,341
Bci Cdb	O,20	0.23	-0.03
Total	**10,943**	**12,552**	**-1,610**

3.3 MARKET RISK OUTSIDE OF THE TRADING BOOK

Financial assets at fair value through other comprehensive income relate to all financial instruments that have not been acquired for trading them at short-term, where the Bank intends to keep them on its balance sheet. Instruments that are classified as financial assets at fair value through other comprehensive income may not be subsequently reclassified to the category financial assets held for trading at fair value through profit or loss.

Certain definitions that should be considered for the market of these assets are included below.

Debt Securities (IRF): this is the name given to securities representing medium and long-term obligations, issued in series, intended to finance different production and housing activities. They bear interest and are generally quoted as a percentage of par value.

Portfolio of Non-Derivative Financial Instruments: relates to the set of investment debt securities classified as Available for Sale, Investments to Maturity and the portfolio of corporate bonds classified in Trading, which weight different economic sectors, issuers, terms, rates (fixed versus floating or mixed rates), currencies, prepayment options, etc.

Investment Grade Instruments: relate to instruments to which the investment grade classification has been associated by one of the international rating agencies: S&P, Moody's, Fitch. This is equivalent to a BBB- or higher rating for the International market and A- for domestic instruments.

Covenants : restrictions used by banks or institutional investors to ensure that issuers will operate prudently, allowing them to pay their debt on agreed terms. A *covenant* may require the issuer to present its financial statements to the bank or, an extreme covenant, would prohibit it from assuming new debt.

3.3.1 Management and Limits

Like the management of limits for the trading book, for the available for sale book, the duties established by Financial Risk are, in general, the definition of measurement criteria and regular control of the portfolio, which implies ensuring compliance with the limits and/or warnings approved by Senior Management.

Setting market risk limits for available for sale securities is a dynamic process associated with the level of risk appetite established by the BCI Corporation. This process is part of the annual limit review and update plan.

Limits applied are different for the different portfolios due to their different nature and objectives.
We highlight the following market risk limits associated with available-for-sale instruments:

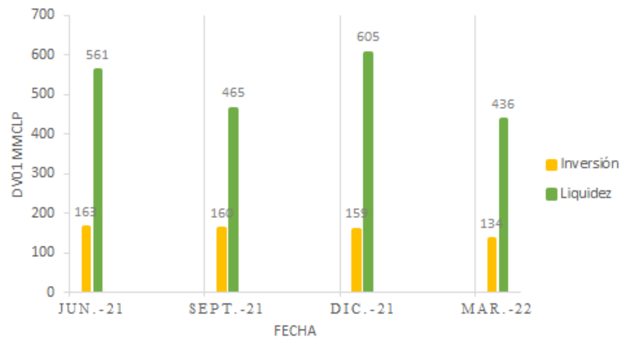
- ➔ Interest rate sensitivity limits. It is the maximum amount by which the market value of the investment portfolio can change due to a one basis point increase in discount rates.
- ➔ Diversification limits. Investment concentration limits by country, type of industry and business.
- ➔ Portfolio permanence limits. According to the business model, the investments must remain a minimum amount of time in the portfolio as a whole.

3.3.1.1 Metrics

Sensitivities and positions

The sensitivity analysis assesses the impact of one basis point on the interest rates at which each of the instruments in the available-for-sale investment portfolio are carried at fair value.

Evolution of DV01 Investment book and Liquidity management. Amounts in millions of Chilean pesos



The main positions in investments available for sale by type of issuer and currency are detailed below. The risk rating of such positions at the end of the most recent period is also reported.

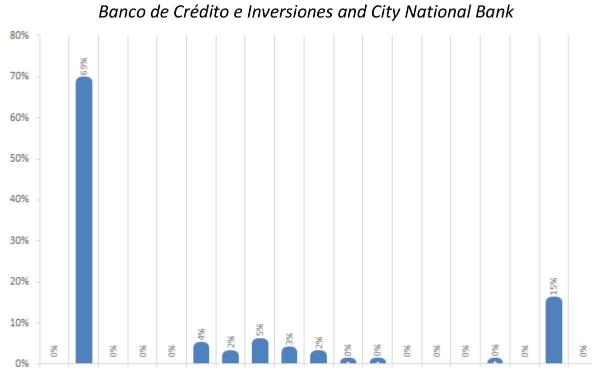
Investments available for sale
Fair value as of March 31, 2022 (MCh$)
Banco de Crédito e Inversiones and City National Bank

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	1,157,032	8,608	-	-	-
Corporate bonds	-	9,545	277,976	48,839	-
Financial institutions bonds	18,144	300,775	23,889	-	-
Mortgage-funding notes		24,768	-	-	-
Term deposits	261,072		-	-	-
Investment funds			15,971		
Total	**1,436,248**	**343,696**	**317,836**	**48,839**	**-**

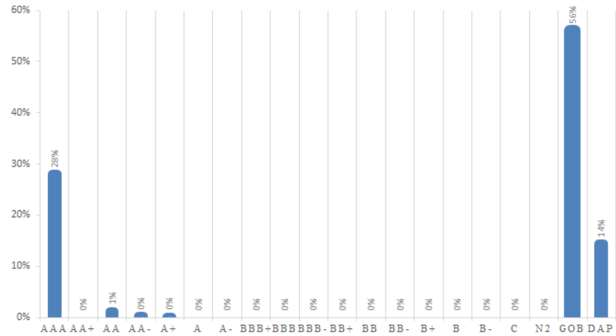
Investments available for sale
Fair value as of December 31, 2021 (MCh$)
Banco de Crédito e Inversiones and City National Bank

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	1,205,272	9,496	-		-
Corporate bonds	-	9,325	226,728	56,600	-
Financial institutions bonds	21,236	296,644	29,405	-	-
Mortgage-funding notes		26,572	-	-	-
Term deposits	399,040		-	-	-
Investment funds (*)			17,757		
Total	**1,625,548**	**342,037**	**273,890**	**56,600**	**-**

Investments available for sale
International bond portfolio risk rating as of March 31, 2022 (%)
Banco de Crédito e Inversiones and City National Bank



Investments available for sale
Risk rating of bond portfolio and LCH of national issue as of March 31, 2022 (%)
Banco de Crédito e Inversiones and City National Bank



3.4 STRUCTURAL INTEREST RATE RISK

The management of the structural risks of interest rates and inflation seeks to manage the risks arising from the Bank's operations and asset and liability positions, derivatives and non-derivatives, excluding trading activities.

In this area, the following risks are managed:

➔ **Interest rate risk** : possibility of economic losses in the Bank's equity position (profit or loss or equity) as a result of adverse and unexpected changes in interest rates (parallel movements in the level of general rates and spreads).

➔ **Repricing risk** : arises from differences in the maturity or repricing structure between assets and liabilities, as well as off-balance sheet positions. Repricing risk occurs when there are gaps or mismatches in the maturity structure or " *repricing* " of the Bank's assets and liabilities, whether on or off the balance sheet (e.g., positions in derivative financial instruments, contingent loans, etc.) . Exposure varies according to the magnitude of the mismatches and the direction of the change in rates.

➔ **Risk in the structure of interest rates** : arises from changes in the shape of the intertemporal structure of interest rates.

➔ **Base risk** : results from the existence of an imperfect correlation in the adjustment of interest rates received and paid on certain financial instruments, which should have similar adjustment characteristics in their prices.

➔ **Optionality risk** : arises from short positions in implicit options both in assets, liabilities as well as in off-balance sheet instruments or explicit options. This risk includes the option of an prepayment of loans, translating this payment option as a prepayment risk.

➔ **Inflation risk** : possibility of economic losses in the Bank's equity position (profit or loss or equity) as a result of adverse changes in the price path or price index.

3.4.1 Management and Limits

Currently, limits are set on the following metrics to ensure consistency with the Bank's strategic objectives and avoid risk situations in stress scenarios (illiquidity, loss of profitability, among others).

➔ **Short-term risk** : it is controlled with the *SaR methodology* , the result of which may not be higher than a percentage of the Bank's financial margin.

➔ **Long-term risk:** controlled by the *MVS methodology* , the result of which may not be higher than a percentage of the Bank's basic capital.

➔ **Limits** are established **for metrics X1** (short-term rate risk) and **X2** (long-term rate risk) of the C40 regulatory report.

3.4.2 Metrics

Unexpected changes in interest rates or inflation can have negative effects on both the Bank's profit for the period and economic value. Exposure to interest rate risks is noted in:

1. The short-term impact on the Bank's revenue (typically 1 year).
2. Long-term impact on the present value of future cash flows.
3. The impact on other sources of revenue.
4. This view allows using two supplementary methodologies to assess such exposure to interest rate risk:

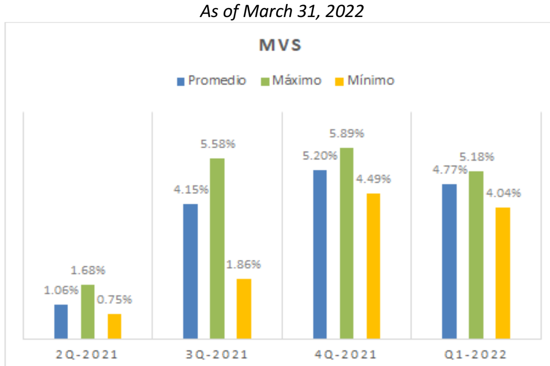
Accumulated Net Interest Margin (Spread at Risk, *SaR*)
The analysis focuses on the impact associated with variations in interest rates and short-term inflation on annual revenue The analysis is performed considering the impact of changes in interest rates on the Bank's financial margin over a given time horizon.

Economic Value (MarketValueSensitivity, *MVS*)
The economic value of a bank can be expressed as the present value of the expected net cash flows, defined as the expected cash flows of assets less the expected cash flows of liabilities, plus the expected net flows of positions recorded off-balance.

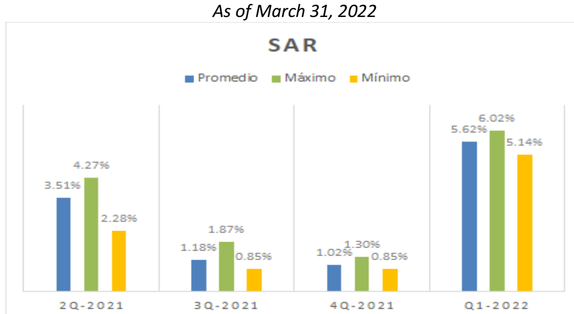
As the economic value considers the potential impact of changes in interest rates on the present value of future cash flows, it provides a better view of the potential long-term effects of changes in interest rate structures.

The average long-term SVM measurement for 2022 is 4.82% (0.65% year 2021) of capital over a limit of 12%. The SaR meanwhile has an average in 2021 of 5.1% versus an average of 0.65% in 2021.

SVM
As of March 31, 2022

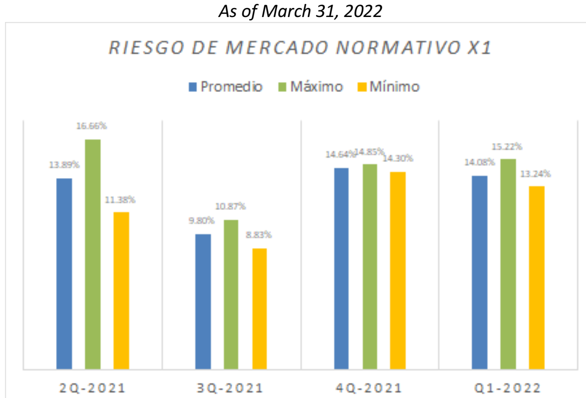


SaR
As of March 31, 2022

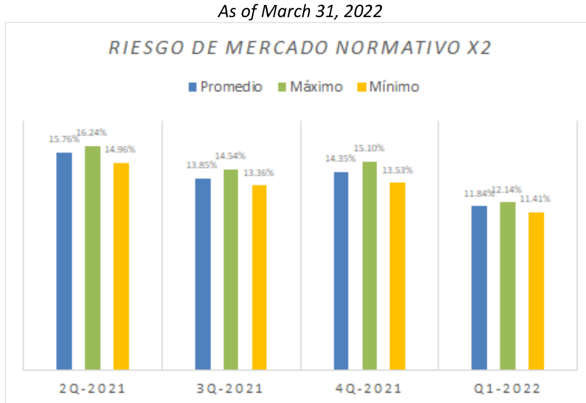


The evolution of regulatory indices X1 (exposure to short-term market risk) and X2 (exposure to long-term market risk) registered slack with respect to the limits so far in 2021, mainly explained by the management of the balance sheet with accounting hedges .

Regulatory Market Risk X1
Banco de Crédito e Inversiones and City National Bank
As of March 31, 2022



Regulatory Market Risk X2
Banco de Crédito e Inversiones and City National Bank
As of March 31, 2022



LIQUIDITY RISK

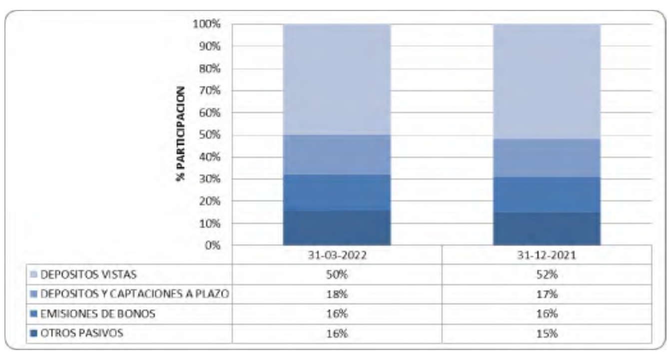
Liquidity management is a strategic activity, it must be aligned at all times at the corporate level in terms of its objectives, guidelines and resources assigned in the commercial line, risk control, financial operations and technology, among other areas.

For these purposes, the liquidity risk will correspond to the impossibility of:

- ➔ Comply with contractual obligations.
- ➔ Avoid regulatory sanctions for non-compliance with regulatory ratios.
- ➔ Permanently and competitively finance commercial activity.
- ➔ Liquidate positions without significant losses.

The concentration of liabilities by main sources of funding is presented below.

Evolution of main sources of funding
As of March 31, 2022 and December 31, 2021
Banco de Crédito e Inversiones and City National Bank



4.1 Management and Limits

The Bank's liquidity management policy and models seek to guarantee, even in the face of unexpected events, the Bank's ability to adequately respond to its obligations.

Liquidity and funding management is performed by treasury in accordance with practices and limits aligned with local regulations, best international practices and the Bank's risk appetite. For this reason, the Bank must maintain a limit structure that allows an adequate and robust risk management. Currently, limits are set on the following metrics:

- ➔ **Liquidity barrier:** A ratio that is controlled on a daily basis and whose objective is to constitute a minimum highly liquid reserve fund, which allows it to face unexpected situations of illiquidity, bank runs or confidence crises. The limit is reviewed at least annually.
- ➔ **Concentration of deposits and time deposits:** it is controlled on a daily basis, to prevent the Bank from being exposed to a sudden outflow from its source of funding.
- ➔ **Accumulated cash flow mismatches:** it is controlled on a daily basis, in order to ensure that there is a sufficient income flow to meet short-term obligations.
- ➔ **Liquidity coverage ratios (LCR):** controlled on a daily basis to provide a liquidity structure that is capable of withstanding a stress scenario in the short term. The LCR measures a bank's liquidity risk profile, ensuring that it has an adequate pool of high-quality assets (ALAC), which can be easily and immediately converted into cash, without significant loss of value, in the financial markets.
- ➔ **Net Stable Funding Ratio (NSFR):** requires banks to maintain a stable funding profile in relation to their assets. The objective is to reduce the risk that the volatility of funding sources deteriorates the Bank's liquidity position. It is controlled on a daily basis, seeking to discourage excessive short-term wholesale funding. The metric seeks for the Bank to diversify its sources of financing.

Since the latter are the main ratios of liquidity, it should be noted that they have remained comfortable with respect to both regulatory and internal limits.

4.2 Metrics

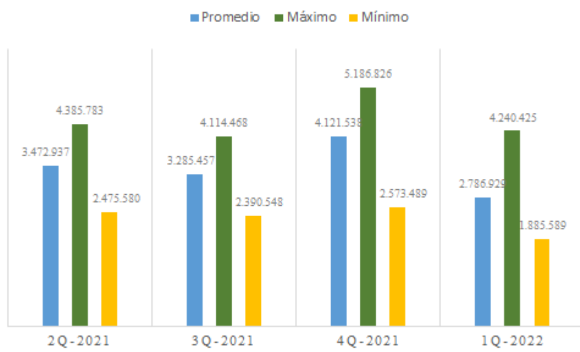
➔ **Liquidity barrier**

The liquidity barrier established in BCI consists of a minimum *buffer* of highly liquidity and credit quality assets, of a counter-cyclical nature in relation to liquidity, whose purpose is to support the ability to cover short-term obligations.
The measurement of the level of requirement of the barrier considers on average the wholesale DAP maturities, issued bonds, liquidity provision of subsidiaries and external funding (Miami Branch) of the last year.

In order to comply with the requirement of a minimum buffer of High Quality Liquid Assets, two short-term measurement periods are defined, which constitute an Alert (15 days) and a Limit (10 days). Both values are reviewed and updated annually by the Financial Risk team. As of March 31, 2022 and December 31, 2021, the liquidity barrier is as follows:

	As of March 31, 2022					As of March 31, 2021			
	Average	Maximum	Minimum	Close		Average	Maximum	Minimum	Close
Liquidity Barrier (*)	2,786,929	4,240,425	1,885,589	3,259,909		3,615,093	5,186,826	2,390,548	2,573,489

Liquidity barrier evolution as of March 31, 2022
Amounts in millions of Chilean pesos



➔ **Liquidity Coverage Ratio (*LCR*)**

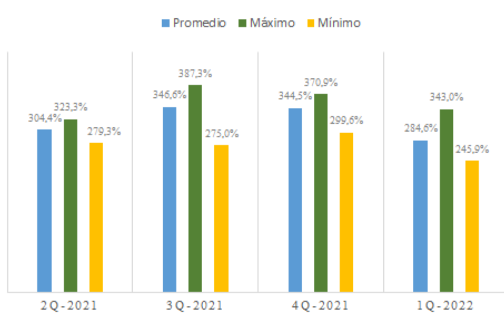
This ratio is within the Basel III standards and aims to ensure that banks have an adequate fund of High Quality Assets (ALAC), which can be easily and immediately converted into cash, in order to meet their obligations in a 30-day liquidity stress scenario. This ratio has a regulatory limit and will increase to 100% as of June 2022. Its form of measurement is ALAC on net expenses, where the different items have different weights.

As of March 2022, BCI had a Global consolidation LCR of 245.9%, well above the required limit, given the current regulation.

	As of March 31, 2022					As of March 31, 2021			
	Average	Maximum	Minimum	Close		Average	Maximum	Minimum	Close
LCR	284.6%	343.0%	245.9%	245.9%		326.1%	387.3%	275.0%	299.6%

As the latter are the main indicators of liquidity, note that they have remained comfortable with respect to both regulatory and internal limits.

LCR evolution as of March 31, 2022



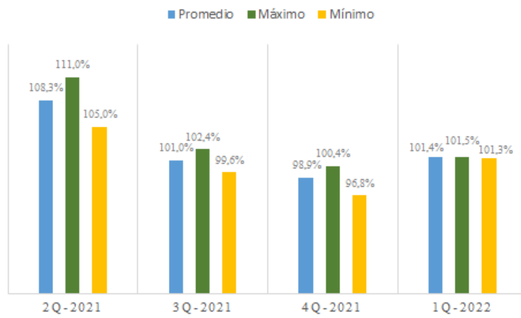
➔ **Net Stable Funding Ratio (*NSFR*)**

This ratio is designed to address long-term liquidity mismatches, and covers the entire balance sheet by providing incentives for financial institutions to use stable sources of funding. It is measured given the Stable Financing Available (FED) over the Stable Financing Required (FER), the first being the proportion of own and external resources that are classified as reliable. The FER, on the other hand, corresponds to the book value of the assets based on the characteristics of liquidity and residual maturities.

Currently, this ratio does not have a regulatory limit, however, the Bank has decided to consider an incremental internal limit, which expects to reach a 100% NSFR requirement in 2025. As of March 2022, BCI placed its Global consolidation NSFR at 101.4%.

	As of March 31, 2022					As of March 31, 2022			
	Average	Maximum	Minimum	Close		Average	Maximum	Minimum	Close
NSFR	101.4%	101.5%	101.3%	101.4%		103.9%	111.0%	96.8%	96.8%

NSFR evolution (global consolidated) as of March 31, 2022



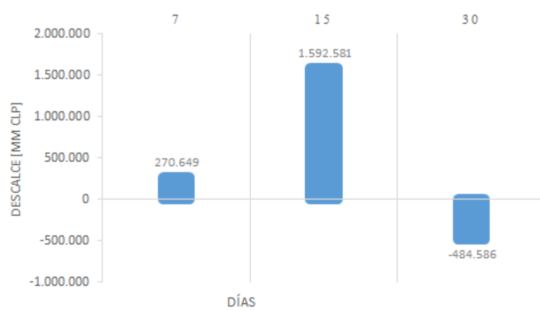
➔ **Liquidity early warning ratios**

BCI has a set of early warnings that allow capturing negative trends in the markets or in the balance structure. Both market variables and information from the Bank's balance sheet are monitored. The funding liquidity prizes in local banks, or the increase in the volatility of market prices, are some of the market variables that stand out. On the other hand, demand deposit flight rates or *deficits* in the renewal of time deposits are relevant balance sheet information among other elements of periodic monitoring.

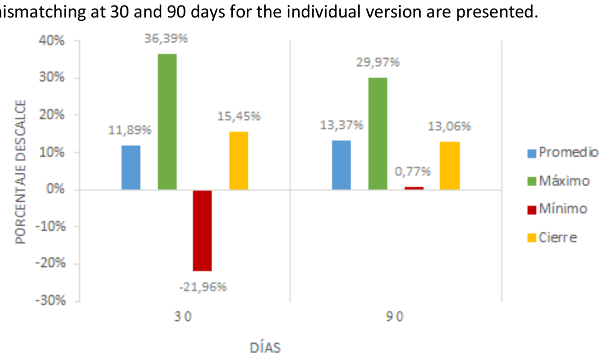
➔ **Mismatch of deadlines**

The mismatch is the metric that determines the difference between Expenditures and Income of the flows of the main items of the Bank. For its determination, adjusted flows were considered, that is, considering behavioral models for some items. In this sense, for example, the liabilities associated with financial and non-financial calls are considered, considering the unstable part and the stable part as the demand balance according to their behavior. Below is the mismatch of terms at 7, 15 and 30 days in the case of the local version considering adjusted flows.

Local consolidation term mismatch as of March 31, 2022

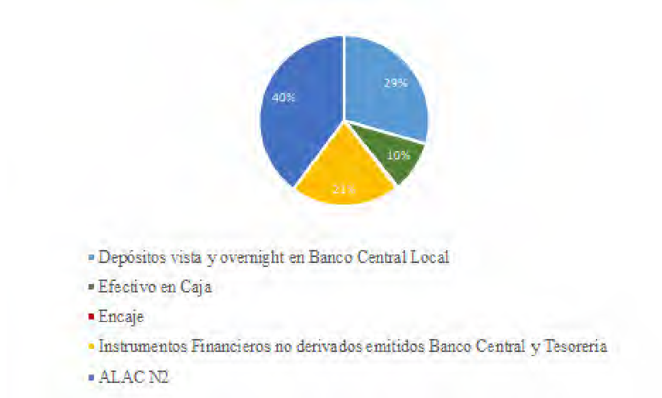


Additionally, the relevant metrics for mismatching at 30 and 90 days for the individual version are presented.



In addition to the aforementioned metrics, it is important to highlight the distribution of high-quality Liquid Assets held by the Bank for optimal liquidity management.

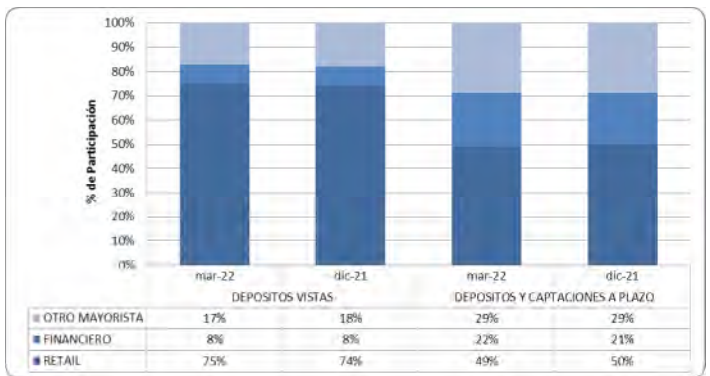
Composition of liquid assets as of 03/31/2022



→ **Concentration of Time Deposits and Funding**

Below is the concentration by counterparty for sight and time deposit items.

Composition of Counterparties by Main Liabilities as of 03/31/2022



	mar-22	dic-21	mar-22	dic-21
OTRO MAYORISTA	17%	18%	29%	29%
FINANCIERO	8%	8%	22%	21%
RETAIL	75%	74%	49%	50%

→ **Maturity of non-derivative and derivative liabilities**

To see the details of maturities, it is recommended to see note 45 - Contractual Maturity according to the remaining terms of financial assets and liabilities.

6. FINANCIAL RISK STRESS TESTING EXERCISES

Stress tests are risk measurement tools designed with the aim of gaining a deeper understanding of the profile and dynamics of the different market and liquidity risks associated with Trading and Banking books with regard to:

- → Measurement of the impact of extreme movements in the markets (prospective, hypothetical, historical and idiosyncratic)
- → Isolated measurement of the impact of a particular/specific risk component
- → Measurement of a dynamic interdependence between relevant risk factors

The stress tests are intended to identify financial vulnerabilities in the balance sheet structure and trading book against low-probability but plausible situations or risk scenarios that can be seen in a short-term horizon. The analysis separates the impacts on those positions that affect the income statement from those that affect the equity accounts.

The scope and criteria for the development of stress tests are given by:

- → Limitations of the methodological approaches used: these approaches intervene in the calculation of the shocks to be applied in the different scenarios and their limitations correspond to obtaining the shocked curves that are modeled from macroeconomic factors. Therefore, there is a tolerance margin of how this modeling of curves can be explained by macroeconomic factors.

- → For liquidity stress scenarios, these are configured, on the one hand, by calibrating prices and system stress measures (monitor of market conditions), as well as short-term impacts (30 days and 90 days) on the structure balance.

- → The market monitor is calibrated by estimating the price levels at which the stress scenario is estimated. In the case of historical scenarios, the basic argument is historical information and estimates of the impact of the crisis, while in the case of prospective scenarios, the analysis is based on the risks inherent to the banking industry, which are included with information to raise awareness of risk scenarios and vision is essential.

- → On the other hand, the changes in the balance sheet structure are projected as stress scenarios, and in no case are the estimates based exclusively on historical measurements. Depending on the level of criticality of the estimated market conditions for each scenario, conservative estimates of leak rates and balance sheet movements are projected. In general, the higher the estimated criticality for each scenario, the higher the leakage rate associated with the sources of funding. In addition, depending on the characteristics of the depositor and the estimated stability of the deposits, the flight rates are modeled with different movements and sensitivities to stress scenarios.

- ➔ The bank's capacity to absorb potential losses is contained within the established risk appetite and the action plans that the bank has to modify its risk profile.

- ➔ Action plans: As a preventive financial measure, BCI constitutes the liquidity barrier, which represents the minimum level of liquid assets evaluated to ensure liquidity even in extreme illiquidity events, calibrated with the level of tension that the system evidences. In addition to the above, to take action in the face of any liquidity contingency, BCI has a Liquidity Contingency Plan, which meets with a liquidity contingency committee (CCL). The CCL must consider various sources of funds to face a liquidity crisis. The set of tentative actions, visualized before performing a risk scenario, may consider:

a) Subordinate trading portfolio to declarations of liquidity needs. The amount may vary according to the considerations of the committee, and the entire portfolio may be used for liquidity purposes in case of contingency.

b) Manage funding sources. Stimulate the raising of funds with adequate prices in the event of a contingency declaration.

c) Conditions to make FPL and Repos with the Central Bank. The Liquidity Sub-Management will manage, at its discretion, the use of facilities with the Central Bank of Chile.

d) Stimulate Sales with an agreement, Repo and funding via TRS when feasible. Monitor assets to finance the contingency. Potential available monitoring of Barrier Papers, Monitoring of Liquid Assets issued abroad, in BCI, Miami Branch and City National Bank portfolios.

e) Use of local and international interbank lines. Costs and ease of use of the available lines will be evaluated.

f) Use windowdiscount FED. Semi-annual monitoring of fund raising capacity with FED windowdiscount.

g) Sale of loan portfolio subject to evaluation by the contingency committee.

6.1. Scenario Analysis

The scenarios associated with the banking book seek to capture, through hypothetical, prospective or historical scenarios, the dynamics between nominal short-term and long-term rates and inflation (Real TPM). These effects are represented by shocks in the rates in the different time horizons, reflecting the variations in inflation expectations if they correspond to each scenario.

For their part, the trading book scenarios aim to capture movements in relative prices as a result of changes in expectations or flows in derivative instruments associated with differentials in external and internal rates that allow us to identify risk exposures outside the normal behavior of the portfolio.

At least 3 scenarios are established, which aim to measure the bank's exposure to stress situations observed at a global and/or systemic level. These were conceived based on expert opinion, historical crisis situations and developed with econometric techniques.

The proposed scenarios are:

I. Historical.
II. Pessimistic.
II. Idiosyncratic.

I. Historical setting

The mortgage default crisis in the US inevitably led to a counterparty crisis and severe liquidity shortages that had profound repercussions on the real economy and global financial markets.

Stock markets in the US fall more than 4%, Asian markets 5%, the most important markets in Europe fall an average of 3.3%, Brazil falls more than 7% and Argentina more than 5%, all this on the same day of the fall of Lehman Brothers.

Copper for its part falls 53%, WTI 50%, Japan 38%, Dow Jones 30% and Chile 16%. All this 3 months after the fall.

In the 2 months following the fall of Lehman Brothers, the dollar rises 21% while the Euro strengthens against the dollar by more than 3% during the first week after the Lehman crash, although it ends up collapsing by more 12% during the first two months.

II. Pessimistic scenario

The pessimistic scenario is characterized by external and domestic impacts. Externally, there is a global recession (USA, Asia, Europe and Latam) accompanied by a lower demand for commodities. At the local level, there is a strong contraction (economic recession) in the construction, commerce and mining sectors.

Commodity prices (copper price) plummet as a result of the global recession. World demand for Chilean exports decreases significantly, accelerating the external imbalance. Imports of capital goods fall sharply. The exchange rate depreciates significantly amid massive capital flight, generating inflationary pressures.

The labor market deteriorates, unemployment increases, salaried employment and wages fall sharply, the MPR (monetary policy rate) falls in the face of a smaller output gap and strong inflationary pressures. As a final consequence, the GDP contracts significantly throughout the stress scenario, converging to a lower growth rate in the long term.

III. Idiosyncratic scenario

In this scenario, due to endogenous situations, the market would lower BCI's expectations of future income generation. It would also expect impacts on financing spreads and a fall in shares price, generating restrictions on the institution's liabilities.

6.2 Results and impacts

➔ **Market risk**

The following tables show the results of the banking and trading books, distinguishing the effects on the income statement from the effects on the bank's capital.

Summary of Banking Book results as of March 31, figures in millions of CLP
(Impacts are measured for the next 12 months)

Banking Book	Inflation	Reprice	PnL
Historical	4,676	45,359	50,035
Pessimistic	83,500	106,412	189,912
Idiosyncratic	-	-	-

Summary of trading book results as of March 31, figures in millions of CLP
(Impacts are measured based on the duration of each scenario)

Trading	Income
Historical	6,878
Pessimistic	21,986
Idiosyncratic	-
Balance Sheet - Trading Book	**PnL**
Historical	11,386
Pessimistic	33,336
Idiosyncratic	-

Summary results portfolios Available for Sale as of March 31, figures in millions of CLP
(Impacts are measured based on the duration of each scenario)

Available for sale - Consolidated	Equity	Budget 2022	T%	Effect T/C (P&L)
Historical	-59,955		-2	110,439
Pessimistic	195,316	27,000	7	121,744
Idiosyncratic	-		-	-

The effects on Equity correspond to movements in both discount rates and spread, corresponding to CEMBI. While the effects shown in results are directly related to the exchange rate risk in the investment portfolio.

Summary results Fair Value Hedges as of March 31, figures in millions of CLP
(Impacts are measured based on the duration of each scenario)

	Fair Value Hedge		
Fair Value hedge	**Adjustment (P&L)**	**Rate (P&L)**	**Total**
Historical	-	38,875	38,875
Pessimistic	-	60,338	60,338
Idiosyncratic	-	-	-

Fair Value hedges correspond to strategies to float the base risk of active bonds, whose interest rate is fixed and its currency is foreign.

Summary of Bank portfolio results as of March 31, figures in millions of CLP
(Impacts are measured based on the duration of each scenario)

Scenario	**P&L**	**Equity**	**Total Economic**
Historical	68,299	-59,955	8,344
Pessimistic	245,234	195,316	440,550
Idiosyncratic	-	-	-
Effect on P&L	**Bank book**	**Negotiation Book**	**Total P&L**
Historical	50,035	18,264	68,299
Pessimistic	189,912	55,322	245,234
Idiosyncratic	-	-	-

Effect on Equity	**Bank Portfolio**	**Total Equity**
Historical	-59,955	-59,955
Pessimistic	195,316	195,316
Idiosyncratic	-	-

With these results we can analyze its impact on solvency and effective equity ratios. The stressed items on the market risk-weighted assets side are as follows:

- Banking Book (Placements in dollars (USD)).
- Trading Book.

Summary of impact on Ratios as of March 31
(Figures in Millions of CLP)

	Histórico	**Pesimista**	**Idiosincrático**
Patrimonio Efectivo	5,815,920	5,815,920	5,815,920
Activos Ponderados por Riesgo	44,472,542	44,472,542	44,472,542
Exposición al Riesgo de Tasa Libro de Negociación	227,229	227,229	227,229
Exposicíñon al Riesgo de Moneda en el Libro de Negociación y Banca	156,909	156,909	156,909
Riesgo de Opciones sobre Tasa de Interés en el Libro de Negociación y Libro de Banca	0	0	0
Riesgo de Opciones sobre Moneda en el Libro de Negociación y Libro de Banca	217	217	217
Exposición al Riesgo de Mercado	384,355	384,355	384,355
Cambio por riesgo de moneda y tasa en el Libro de Negociación	18,264	55,322	0
Cambio por riesgo de moneda en el Libro de Banca	-191,811	-211,447	0
Activos Ponderados por Riesgo de Mercado	2,635,100	2,852,478	4,804,438
Activos Ponderados por Riesgo luego Prueba de Tensión	47,107,642	47,325,420	49,276,980
ÍNDICE BASILEA	**12.35%**	**12.29%**	**11.80%**

It can be seen that the application of these stress scenarios does not significantly alter the Bank's solvency, since the variations resulting from the change in risk exposure are compensated with movements in equity value.

Additionally, we visualize that we have sufficient cash equity to face a crisis situation and not alter our level of solvency.

Liquidity risk

The following tables show the results of the effects on the Bank's liquidity, in each of the scenarios:

Table # 5: Additional Needs of Funds for liquidity 30 and 90 days to March 31,
(Figures in Billions of CLP)

	Demand for Liquidity 30 days	**Demand for Liquidity 90 days**	**Available Liquid Assets**	**Liquidity Needs**
Historical	7,293	712	4,809	3,196
Pessimistic	-69	7,301	4,809	2,403
Idiosyncratic	5,470	591	4,458	1,602

Survival Period: From the data obtained for the Bank's liquidity stress test, it can be observed that the survival period under the Historical and Idiosyncratic Scenario is less than 30 days. On the other hand, in case of the Pessimistic Scenario, the survival period is between 30 and 90 days.

3. Credit Risk

a) Credit risk structure

Credit risk is defined as the probability that a given counterparty will not be able to repay the resources delivered by the creditor institution under the originally agreed conditions, resulting in the loss of part or all of the amount loaned or agreed interest. This breach may be due to capacity, disposition, transferability or convertibility.

Likewise, there are sub-risks that arise from contractual conditions with customers, but which were not necessarily generated by a monetary disbursement from Bci. In short, credit risk is the sum of payment risk, contingent risk, market and counterparty risk, *overnight position* risk and *settlement risk* .

The Bank assumes the entire credit risk while the obligation of the client or counterparty is in force. The risk is extinguished with the full payment of principal, interest and readjustments.

Credit risk governance

At Banco BCI, credit risk governance is determined by the interaction of the various areas, as well as by the instances in which the Board of Directors and Senior Management participate. The main roles and responsibilities in the field of credit risk governance are as follows:

Executive Committee of the Board of Directors: the Board of Directors, through this body, is responsible for approving general risk policies; reviewing and approving credit operations submitted to its resolution; approving credit and risk policy manuals; determine the resources that will be allocated periodically to provisions and penalties.

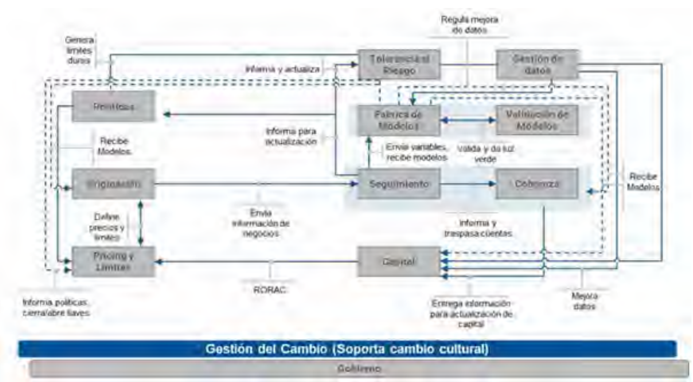
Finance and Corporate Risk Committee: Committee in which the directors participate and whose objective is to monitor and control the credit risk profile and periodically monitor the evolution of adherence to risk tolerance, analyze the proposed measures when they reach critical levels and requests that the pertinent measures be adopted to prevent the limits established for such ratios from being exceeded .

Credit Risk Management: Reports to the Corporate Risk Management and has the following objectives and responsibilities; execute the origination process under the tolerance framework and risk policies, collaborate with commercial teams in business configuration, monitoring of debtors, raising early warnings (visits, financial information, behavior, etc.) and execution of strategies defined.

Credit resolution instances: The Bank has structured its credit approval process based on personal and non-delegable credit powers granted by the Board of Directors. Based on these credit faculties, the operations are approved at the different levels of the Administration, always requiring the concurrence of two executives with faculties.

As the amount of the operation increases, it is approved by pairs of senior executives from both the commercial and risk areas and senior management committees, up to the highest instance that corresponds to the Executive Committee of the Board of Directors.

Below you can see a matrix scheme of the main functions of credit risk:



The credit risk environment is a continuous process in which various areas interact, whose functions are intertwined for the development of a governance and management chain.

<u>Main equipment and its functions</u>

Commercial teams / Risk Strategy: they evaluate and establish the initial credit configuration of the customers in accordance with the current policy framework. They are also responsible for collecting and validating information for credit evaluation and entry into the systems; resolve or recommend credit operations within the framework of its powers and the level of risk; verify course documentation and approval conditions; give permanent follow-up and ensure the adequate qualification of its portfolio.

Origination Risk: responsible for the execution and permanent optimization of the origination process, under the framework of tolerance, policies and appetite for risk. This team must resolve or recommend credit operations within the framework of its powers and their risk level; ensure and execute an adequate integration to the monitoring and collection process; participate in the Strategic Risk, Tolerance, and Model Risk Councils and Credit Committees.

Policies: responsible for the administration, drafting, renewal and adherence control of the Bank's policies. Credit policies are presented and authorized annually by the board of directors.

Monitoring: responsible for monitoring the portfolio and its debtors, as well as adherence to risk strategies.

Rating: its function is to properly interpret the rating regulations for individual portfolio customers and ensure their correct application in the Bank. Likewise, the team must ensure the correct constitution of provisions for the individual portfolio.

Prosecutor's Office: it is responsible for informing companies and powers of attorney of customers, legal entities, in order to act. You must generate documentation that allows the legal support of the operation courses (promissory notes, credit applications, etc.); report guarantees and prepare the necessary documentation and the correct constitution when appropriate.

Collection: its function is to monitor and execute collection processes for customers with high delinquency.

Model Factory: responsible for developing risk models to leverage comprehensive credit process decisions (origination, monitoring and collection) and in all customer segments (Individuals, SMEs and Wholesale & Investment Banking). Likewise, it must generate models for the management of non-financial risks, among which the prevention of asset laundering and operational risk management stand out. Likewise, the area is responsible for managing risk data.

Comprehensive model risk management: unit that carries out independent controls and tests to ensure that the models built for credit risk management meet the desired standards and the purpose for which they were designed. Likewise, it has the role of certifying the models associated with provisions for credit risk.

Operations (ACA): responsible for ensuring that operations are processed in accordance with the criteria approved by the credit solver, validating, among other things, the validity, the margins and the conditions.

Exploitation of policies: area responsible for the margin loading processes and owner of the limit control systems.

b) Credit risk measurement methodologies

In accordance with the provisions of Chapter B 1 of the Compendium of Accounting Standards for Banks, banks must permanently evaluate their portfolio of loans and contingent loans, in order to timely establish the necessary and sufficient provisions to cover the expected losses associated with the characteristics of debtors and their credits, which determine payment behavior and subsequent recovery.

The Bank has a series of models that are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, who is informed annually of the sufficiency of provisions. In accordance with the aforementioned standard, the provision models are divided into individual portfolio or group portfolio models. These models, as well as other management models, are managed through a mature governance structure, whose components are:

- Policies and Regulations: clearly establish the roles and responsibilities of each unit involved in this process. The guiding principles are control by opposition and the fact that management is based on three lines of defense. These policies and regulations also establish the approval routes of the models according to their inherent risk.

- Collegiate Structures: The different councils that officiate as approval instances, as well as where corrective and alignment measures are taken to guarantee the correct management of the risk implicit in the use of models are: The Technical Council of Models, the Council of Risk of Models, the Management Committee and the Executive Committee (Board of Directors). The instances necessary for approval are determined by the Inherent Risk of the model to be approved.

- Units participating in Model Management are divided into three lines of defense:

    - First Line: This line includes the teams that develop analytical solutions, monitor the implemented models, deploy said solutions (IT) in the Bank's systems, and the business units that use said results and integrate them into management. Its objective is to ensure the transparency and sustainability of the model throughout its life cycle.
    - Second Line: in this line is the Validation Unit, which with independent tests (proportional to the inherent risk of the model) ensures that the model was estimated without flaws and that it has an adequate methodological approach. It is concerned with carrying out tests to ensure the correct functioning of the model once it is productive, as well as compliance with the internal regulatory framework. Its goal is to challenge designed solutions.
    - Third Line: this function is performed by the Comptroller, it is responsible for ensuring that both the first and second lines adhere to the declared management framework, as well as the directions of the Regulator and internal policy.

c) credit risk appetite

The risk appetite framework establishes the limits within which Management must execute the strategy and conduct the Corporation's business, optimizing the risk-return relationship. Through this, the aim is to understand the risks to which the Bank and its subsidiaries are exposed in order to manage them proactively.

The conceptual framework of the risk appetite is defined based on the following elements: (1) Corporate risk tolerance statement, (2) Governance and monitoring of risk tolerance ratios and (3) Incorporation of the risk appetite in the key processes.

Having a risk appetite framework makes it possible to ensure prudent and efficient risk taking and helps to conduct the strategy, through regular and systematic analysis of the evolution of material risks and timely communication of the risk profile to the High Administration and Directory.

Different areas and committees of the Bank and its subsidiaries participated in the survey of risks and in the definition of the guiding principles and the dimensions and metrics for their control.

The review of the appetite framework is a process that takes place annually, in accordance with the best practices and main risks present in the Bank and the financial system. Through this process, areas and dimensions of risk are identified, as well as emerging risks (based on the risk identification and assessment process).
Additionally, there is a monthly follow-up and monitoring process of risk appetite ratios, where the following activities are distinguished:

- Monitoring, review and consolidation of risk tolerance reports of the Bank and subsidiaries.
- Review and monitoring of action plans associated with ratios at risk.
- Sending of results report to risk owners.
- Monthly monitoring report of risk appetite ratios to the Risk Appetite Council and the corresponding executive-level committees (Profitability and Capital Adequacy Committee, Operational Risk Committee, Assets and Liabilities Committee, among others)
- Submission of monthly appetite report to the Management Committee (CDD) and Directors.
- Presentation of the status of corporate risk appetite and the status of current plans in the Finance and Risk Committee.

Figure N° 1: Monthly follow-up scheme and monitoring of risk tolerance ratios

The material risks managed under the appetite framework are as follows: Credit, market and counterparty, liquidity, operational, compliance, strategic, capital adequacy, reputational, models and ESG risk.

In the case of credit risk, they correspond to the economic losses assumed by the Bank and its subsidiaries as a result of non-compliance with the contractual obligations assumed by the counterparties . It is the most relevant risk for the Bank and its subsidiaries, its full and detailed understanding is essential for proper performance.

Compliance with the credit limit for related debtors according to Art.84 No. 2 of the General Law of Banks and RAN 12-4

In accordance with article 84 of the General Bank Law, the relationship of related debtors that affects both natural and legal persons with the Bank occurs when:

a) Has a direct, indirect or through third party participation in the property of the institution greater than or equal to 5% of the capital.
b) Participates in the management of the entity: corresponding to those people who, without necessarily having an ownership interest, exercise some degree of control over the decisions of the entity or any of its subsidiaries. Directors, the general manager, the assistant general manager, managers and assistant managers, agents, and persons who are general attorneys-in-fact or serve as advisers to the board of directors, a committee of directors, or management, such as also the prosecutor, the chief lawyer and the comptroller.

The global limit for all loans granted to groups of people related to the Bank by ownership or management as of March 31, 2022 is 7.15%.

Nombre Indicador	Límite Normativo	Mar-22 % sobre Pat. efectivo	Mar-22 MM$
Exposición máxima grupo de relacionadas por gestión o propiedad (Sin Garantía)	5%	1,94%	185.330
Exposición máxima grupo de relacionadas por gestión o propiedad (Con Garantía)	25%	2,50%	135.941
Exposición total relacionados por gestión o propiedad	100%	7,15%	386.187

e) Collateral Guarantees and other credit enhancements obtained

The maximum exposure to credit risk is reduced by guarantees, credit enhancements and other actions that mitigate the Bank's exposure. Therefore, the constitution of guarantees in favor of the Bank is a necessary mechanism, but not sufficient for the granting of a loan; therefore, the acceptance of the risk by the Bank will require the verification of other variables such as the payment capacity or generation of resources to mitigate the risk incurred.

The Bank has robust procedures for the management and valuation of its collateral guarantees, for which it has internal regulations, approved by the Corporate Risk Management.

The BCI appraisal process is described below:

The appraisal value corresponds to the value assigned to the asset to receive it as collateral, at the time the appraisal is requested, at a current market value, added to the risks of possible price fluctuations and difficulties in disposing of the asset in the event of having to be liquidated, due to default by the debtor.

Therefore, the value obtained by the appraiser is given by taking into account the different records compiled for its evaluation, taking into account the real transaction values, "offer value according to the market", as well as complementary records of leases or manufacturing of goods. similar characteristics and conditions, existing in the market at the time of appraisal, excluding considerations based on mere expectations regarding the improvement of future conditions.

Appraisal Methodology

The Bank uses various methodologies to determine the value of the appraisal, such as the comparative method or market value, depending on the type of asset to be appraised.

Regardless of the valuation method used, the so-called "settlement value" will be generated, which will consider adjustments to the value of the collateral asset in order to incorporate in it some of the following aspects, which could affect its value in the future:

- Expected depreciation or obsolescence
- Price Fluctuation Risk
- Execution expenses and marketing costs
- Economic, social, health or war crisis.

Types of guarantees

The guarantees can be grouped between real guarantees and personal guarantees, within the first ones are:

- Property

They are things that cannot be transported from one place to another, such as land, for example, things or objects that adhere permanently, to which they cannot be transported, such as solid material buildings, bridges, sewers, are also considered real estate. , wells, tunnels, aqueducts, etc.

- Movable property

Under this denomination, transferable assets such as machinery, vehicles or any other asset of the company that does not comply with being real estate are understood.

- financial guarantees

They correspond to representative documents of value such as term deposits, pledges on mutual funds, stand-by credit letter or other financial instruments whose issuers are recognized by the CMF.

The so-called personal guarantees include guarantees and solidarity bonds granted by natural or legal persons to support credit operations of third parties.

Maximum exposure to credit risk

The maximum exposure to credit risk varies significantly and depends both on individual risks and on general economic and market risks.

As of December 31, 2021, the maximum credit risk exposure is as follows:

Operational risk management

Goals

Bci has adopted the definition of Operational Risk of the Basel Committee, which defines it as the "risk of losses resulting from a lack of adaptation or failure of processes, personnel and internal systems or due to external events ". This definition includes technological risk and legal risk.

Operational risk is a risk inherent to all banking products and services, processes and systems, therefore, the effective management of this risk is a fundamental element of Bci's risk management program.

Description of operational risk policies

Our Operational Risk Policy establishes the operational risk management framework, which contains the necessary elements for its governance, executed through the actions of different committees defined in this policy, whose purpose is to build a robust culture for effective management; through the risk identification and management process on an ongoing basis; measurement; definition of strategies for its mitigation; operational risk reporting and culture, establishing clear roles and responsibilities based on the three lines of defense approach.

The principles of the policy are as follows:

- The Board of Directors and senior management promote the generation of a healthy risk culture in all Bci employees in terms of operational risk.

- Bci has a framework for operational risk management consistent with the volume and complexity of its activities, which is implemented throughout the organization.

- Bci manages operational risk based on the three lines of defense approach, where all employees assume and understand their roles and responsibilities regarding the management of this risk.

- For Bci, operational risk management is a fundamental element for achieving the business strategy. Through the strengthening of the internal control environment, the generation and maintenance of safe, simple processes with effective controls are promoted, which allow reducing losses, claims, operational and technological incidents, improving the customer experience and protecting the assets and reputation of the Bci Corporation.

The policy considers the guidelines and requirements established by the Financial Market Commission and the recommendations of the Basel Committee, regarding good operational risk management practices.

Operational risk management structure

The Bank manages its operational risks on a day-to-day basis and makes decisions with a solid Corporate Governance made up of the following structure:

Committees made up of Directors:

- Executive Committee of the Board of Directors, responsible for approving operational risk policies that address the relative importance of operational risks considering the volume and complexity of operations and approval of the Operational Risk Tolerance.

- Finance and Corporate Risk Committee, responsible for monitoring the levels of Bci's different operational risks.

- Directors' Committee, becomes aware of the important operational risks detected by the Comptroller's Office, third line of defense, Non-Financial Risk Management, External Auditors or other sources, being informed of the action plans or measures that have been defined or are being implemented to mitigate them. Analyzes reports on inspection visits, instructions and presentations made by regulatory bodies related to Operational Risk.

Committees formed by Senior Management:

The committees formed by the General Manager and/or first-level Managers reporting to the General Manager that have a direct relationship in operational risk management are as follows:

- **Operational Risk and Information Security Committee**, Committee chaired by the General Manager of Bci and which is responsible for the strategy and management of operational risk in the Bank and its subsidiaries.

- **Specific Operational Risk and Information Security Committees for risk management in each line of business** . There are 4 different committee sessions for the Finance Division, Wholesale Banking, Retail Banking and MACH. Each of these committees is chaired by the respective first-level Manager who reports to the General Manager of these four Business and Support Units, and who is responsible for operational risk management in each Business.

Committees specialized in the specific management of operational risks

The purpose of these committees is the specific and specialized management of operational risks:

- **Information Security and Cybersecurity** Committee: Committee responsible for the governance of the information security and cybersecurity management system, made up of representatives from various areas of the Bank, who ensure that the regulatory framework is updated to new risks and threats, the implementation and monitoring of the security manual and compliance with the specific policies and information security and cybersecurity program.

- **Risk Management Committee for Outsourced Services** : Committee responsible for the governance of the management of operational risks in services provided to third parties and strategic suppliers.

- **Corporate Business Continuity Risk** Committee: Committee responsible for the governance of business continuity management, disaster recovery plan and crisis management.

- **New Products** Committee: Committee responsible for risk analysis in new initiatives and the launch of products and services with identified and controlled risks.

Operational risk management in subsidiaries

Regarding the management of operational risk in the subsidiaries, the operational risk work methodologies have been continuously reinforced with the risk management teams of the Bank's subsidiaries, who execute the risk management program in each subsidiary with a corporate governance that is independent, coordinated and aligned with policies, risk tolerance framework and corporate risk governance.

Non-Financial Risk Management

It is responsible for designing policies, programs and methodologies for the adequate management of non-financial risk, understood as the different types of operational risks and compliance risks, among which are the prevention of money laundering and regulatory risks. The role of this management is to mobilize the execution of the activities of the management program for this risk, measure and monitor the level of risk independently of the first line. Responsible for the development of the government committees and the reporting of risk levels.

The Non-Financial Risk Management actively participates in:

- **Operational Incident Management**

The Bank has systems, procedures, organization and governance that allow identifying operational incidents, evaluating the impact, mitigating their effects, monitoring safety and operations, and reporting them in a timely manner. Incidents are a source of root cause analysis and implementation of improvement plans, which are shared with the CMF.

- **Information Security and Cybersecurity**

The Bank has an information security and cybersecurity strategy based on the best industry practices that is supported by a comprehensive management program, whose main component is the general information security policy approved by the Executive Committee of the Board of Directors and reviewed annually, complemented by a normative body of regulations for specific controls, a security culture program aimed at employees, customers and suppliers, continuous vulnerability analysis and ethical hacking programs, and an organization made up of specialized areas in the three lines of defense of the Bank, oriented to the operation of security controls and the specialized management of these risks.

The information security and cybersecurity strategy contemplates the execution of various initiatives and investments to strengthen the technological infrastructure, the training of the teams and the specific processes of operation and monitoring of cybersecurity, aimed at preventing, detecting and stopping cyberattacks on the bank and its subsidiaries.

- **Business continuity and crisis management**

The business continuity and crisis management strategies developed in recent years have been consolidated, adding new risk scenarios and increasing the coverage of the plan to different units that need to maintain the continuity of their services in the face of contingency scenarios.
The Bank is constantly working on strengthening its business continuity plan and training the teams that make up the contingency and crisis management teams. The coverage of the plan has increased according to the Bank's requirements, including the processes that, according to their criticality, require it.

- **Fraud prevention**

This function is responsible for implementing a corporate fraud prevention strategy, both internal and external, that safeguards the assets of our customers and the Bank, while also ensuring BCI's reputation and image. To this end, the processes, technologies, methodologies and models for making optimal decisions in real time have been reinforced, which allows the prevention and anticipation of emerging and sophisticated fraud risks, as well as activities to reinforce the culture and attachment to the ethical framework for the good conduct of the employees of the Bank and its subsidiaries.

- **Operational risk management in outsourced services**

The Non-Financial Risk Management has a risk management program for outsourced services for the Bank, the purpose of which is to identify and timely manage the risks that may exist in a process to be contracted or contracted to a third party. This management is performed throughout the life cycle of the outsourced service, that is, from the time the service is contracted until the contractual relationship is terminated. On
decisions are taken to keep risks within acceptable levels for BCI, based on the risks identified.

- **Insurance**

The Bci Corporation has risk mitigation programs through insurance policies that allow the transfer of the risk of high-severity losses.
severity.

- **Physical security procedures and controls**

The Corporation has adequate security controls for the physical protection of cash, negotiable instruments, precious metals and customer assets.

- **Prevention of Money Laundering and Financing of Terrorism**

The objective of the "Money Laundering and Terrorist Financing Prevention" Program is full compliance with all current regulations on these matters, both in Chile and in all the countries in which BCI operates, thus preventing the Corporation from may be used by third parties to launder funds that come from illegal or criminal activities, or to facilitate the transfer of funds for the purpose of financing terrorist operations.

- **Regulatory Risk Prevention:**

Crime Prevention Program

Bci has a crime prevention program certified by an independent organization, established in accordance with the provisions of Law No. 20.393 on Criminal Liability of Legal Entities, which establishes a corporate organization to prevent the commission of these and other crimes by of some of the members of the Corporation. Therefore, it seeks to prevent and avoid the commission of behaviors described in this regulation and guarantee that, in the event that any collaborator has any of these behaviors, they will do so not only in contradiction with the corporate culture, but also that it will occur despite the efforts made by the company to prevent it.

Free Competition Protection Program

The objective of the Free Competition Protection Program is to avoid practices contrary to free competition, which are established in DL 211, because they can delay the development of new goods and services, the efficient allocation of resources, the adequate satisfaction of needs, and the participation of new and better suppliers of goods and services in the different markets.

- **Regulatory Management**

Bci performs all of its activities in strict adherence and compliance with all external and internal applicable regulations, and with respect to all the countries and jurisdictions in which it has a presence. For the above, there is a continuous review process of new external regulations for their incorporation into the internal regulatory framework.

NOTE 48 – INFORMATION ON REGULATORY CAPITAL AND CAPITAL ADEQUACY RATIOS

a) Regulatory capital strategy and objectives

The management of the Bank's regulatory capital seeks to ensure: (i) a level of capital adequacy in the short, medium and long term, (ii) a profitability commensurate with the risks assumed by the business units, (iii) compliance with strategic financial objectives and (iv) compliance with internal limits and the regulatory framework.

To this end, the main ratios and metrics associated with capital management are periodically generated, analyzed and reported to the relevant governing bodies (Profitability and Capital Adequacy Council, Executive Committee and Board of Directors) and the necessary action plans are drawn up.

Bci defines its capital management objectives considering the level of effective equity that the entity considers necessary to maintain both now and in the future, formally contemplated in its capital planning process and that is consistent with the risks inherent to its activity. to the economic environment in which it operates, its governance, risk management and control systems, its strategic business plan, the quality of the available assets and the real possibilities of obtaining greater own resources.

In accordance with the regulatory capital objective, Bci defines the following minimum capital requirements estimated in Basel III to 2021 of 10.38%, considering the schedule of the regulations it will reach 13.83% by 2025:

- Minimum CET1 capital : 4.5%
- Systemic charge (1) : 0.00%
- Conservation buffer : 0.63 %
- Pillar II charge (2): 0.74%
- Management buffer (3): 0.71 %
- Capital AT1: 1.62%
- Capital T2: 2.18%

(1) Systemic charge: considers the gradual incorporation according to the regulatory capital of 1.58% (Tier 2) calculated based on the levels of December 2020.
(2) Pillar II: Pillar II assumption of 0.74% in CET1, 0.12% AT1 and 0.18% Tier II in line with the limits allowed by the new Basel III regulations.
(3) Management buffer: considers a buffer of 0.71% of core capital.
(4) AT1: initially considers that the 1.5% of the subordinated bonds currently on the balance sheet will be phased out and replaced by perpetual bonds in line with the new Basel III regulations. It also includes the Pillar II assumption.

b) Policies and processes for capital management

In order to achieve the aforementioned objectives, regulatory capital management will be articulated based on the following essential elements, in line with chapter 21-13 of the RAN on the evaluation of the sufficiency of effective equity of banks:

1. Identification and evaluation of risks: Senior Management must perform the corporate risk identification and evaluation process in order to assess the material risks to which the Bank and its subsidiaries are exposed.
2. Tolerance framework: There must be a tolerance framework that ensures the conduct of business within the established and approved risk ranges. The most relevant risks must have limits and regular monitoring by Senior Management.
3. Determination of an internal capital objective: The Bank must establish an internal capital objective higher than the minimum requirements established in article 66 of the LGB, which will be approved by the Board of Directors.
4. Stress tests: There must be a corporate stress testing program that identifies possible vulnerabilities and allows analysis of the ability to generate results and the adequacy of capital under severe, low-probability but plausible scenarios. Additionally, the bank must have capital recovery plans that allow it to meet the target solvency levels.
5. Corporate strategic planning and monitoring process: The strategic planning process must be developed continuously considering a reflection and adaptation of the strategy, the prioritization of resource allocation, the definition of financial planning with a prospective vision, the setting of goals and the monitoring of strategic objectives.
6. Monitoring and follow-up: Adequate monitoring and follow-up systems must be established for risk assessment that allow effective supervision of compliance with business plans and determine how the incidence of changes in the risk profile could translate into capital requirements. additional.
7. Internal control: The internal control structure is a fundamental part of the capital evaluation process. Effective control over the capital evaluation process must incorporate an independent review, and when required, the involvement of internal auditors and/or an external audit firm.

c) External capital requirement

Bci manages the capital considering the definition of articles 66, 55 and 55bis of the LGB and chapter 21-1 of the RAN on equity for legal and regulatory purposes, and is made up of basic capital (common equity tier 1 capital or CET1) , additional tier 1 capital (AT1) and tier 2 capital (T2).

- The CET1 corresponds to subscribed and paid shares plus the other items that are part of the accounting equity of the banks, with a floor of 4.5% of the RWA.
- AT1 is defined in chapter 21-2 of the RAN, and corresponds to preferred shares and bonds without a fixed maturity date, subordinated to T2 and subject to capitalization, depreciation and re-appreciation or expiration, depending on the issuance conditions. The LGB imposes a floor of 6% of the RWAs for Tier 1 capital (CET1+AT1).
- T2 is made up of fixed-term bonds, subordinated to other obligations, for up to 50% of CET1, plus voluntary provisions (whatever exceeds the specific ones) for up to 1.25% of APRC, net of required provisions, when the banks use standardized methodologies to calculate the denominator, or 0.625%, in the case of using their own methodologies.

The regulatory minimum effective equity is not the same for all banks in the system, but rather depends on their systemic importance (systemic charge) and their strategic objectives (pillar 2).

On top of this specific minimum for each bank, basic capital buffers are added to deal with stress situations: the conservation buffer and the countercyclical buffer. The regulatory limits established in the LGB will be measured at the global consolidated level and at the local consolidated level.

As of March 31, 2022, total assets, risk-weighted assets and components of effective equity are as follows:

Item No.	Total assets, risk-weighted assets and effective equity components as per Basel III - Item description	Note	Global consolidated 03-31-2022 MCh$	Global consolidated 12-31-2021 MCh$	Local consolidated 03-31-2022 MCh$	Local consolidated 12-31-2021 MCh$
1	Total assets as per the statement of financial position		69,564,281	69,158,636	53,931,418	52,448,910
2	Investment in unconsolidated subsidiaries	a	-	-	1,629,887	1,881,577
	Assests discounted from the regulatory capital, othr than ítem 2		164,265	176,582	39,006	40,132
3	Financial derivatives	b	6,884,298	6,781,525	6,842,108	6,731,019
4	Credit equivalents	c	1,789,902	1,558,625	1,705,708	1,531,140
5	Contingent loans	d	4,200,018	4,123,157	3,457,365	3,455,537
6	Assets generated from the intermediation of financial instruments	e	-	-	-	-
7	Total assets for regulatory purposes		68,487,638	67,882,311	50,583,490	48,782,859
8.a	Credit risk-weighted assets, estimated as per standard methodology (CRWA)	f	36,566,228	36,365,384	26,418,148	26,083,475
8.b	Credit risk-weighted assets, stimated as per internal methodologies (CRWA)	f	-	-	-	-
9	Market risk-weighted asset (MRWA)	g	3,891,666	3,998,066	3,456,141	2,812,074
10	Operational risk-weighted asset (ORWA)	h	3,157,427	2,926,335	2,642,385	2,427,111
11.a	Risk-weighted asset (RWA)		7,049,093	6,924,401	6,098,526	5,239,185
11.b	Risk-weighted asset, after application of output floor (RWA)		43,615,322	43,289,784	32,516,673	31,322,661
12	Interest of owners		4,376,423	4,500,076	4,376,423	4,500,076
13	Non-controlling interests	j	1,118	1,400	2	2
14	Goodwill	j	164,265	176,582	39,006	40,132
15	Excess of minority investments	k	-	-	-	-
16	Equivalent common equity tier 1 (CET1)		4,213,276	4,324,894	4,337,419	4,459,946
17	Additional deductions from common equity tier 1, other than ítem 2	l	-	-	-	-
18	Common equity tier 1 (CET1)		4,213,276	4,324,894	4,337,419	4,459,946
19	Voluntary (additional) provisions charged as additional tier 1 (AT1)	m	109,810	99,552	80,306	68,325
20	Subordinated bonds charged as additional tier 1 (AT1)	m	326,344	333,346	244,860	244,901
21	Preference shares charged as additional tier 1 (AT1)		-	-	-	-
22	Bonds with no fixed maturity date charged as additional tier 1 (AT1)		-	-	-	-
23	Discounts applied to AT1	l	-	-	-	-
24	Additional tier 1 (AT1)		436,154	432,898	325,166	313,226
25	Tier 1 capital		4,649,430	4,757,792	4,662,585	4,773,172
26	Voluntary (additional) provisions charged as tier 2 capital (T2)	n	295,550	250,591	314,794	258,775
27	Subordinated bonds charged as tier 2 capital (T2)	n	878,347	839,096	959,831	927,540
28	Equivalent tier 2 capital (T2)		1,173,897	1,089,687	1,274,625	1,186,315
29	Discounts applied to T2	l	-	-	10,688	-
30	Tier 2 capital (T2)		1,173,897	1,089,687	1,263,937	1,186,315
31	Effective equity		5,823,327	5,847,479	5,926,522	5,959,487
32	Additional basic capital required for generation of conservation buffer	p	-	-	-	-
33	Additional basic capital required for generation of countercyclical buffer	q	-	-	-	-
34	Additional basic capital required for banks qualified as systemically important banks	r	-	-	-	-
35	Additional basic capital required for the asessment of effective equity sufficiency (Pillar 2)	s	-	-	-	-

Item No.		Note	Global consolidated 03-31-2022 %	Global consolidated 12-31-2021 %	Local consolidated 03-31-2022 %	Local consolidated 12-31-2021 %
1	Leverage indicator (T1_I1 8/T1_I7)		-	-	-	-
1.b	Leverage indicator the Bank must comply with, considering minimum requirements	a				
2	Indicator of common equity tier 1(T1_I1 8/T1_I11.b)					
2.a	Leverage indicator the Bank must comply with (not considering the additional payment for systemically important bank, if applicable)	a	9.66	6.37	8.33	5.29
2.b	Capital buffer deficit	b	-	-	-	-
3	Indicator of common equity tier 1(T1_I25/T1_I11.b)					
3.a	Indicator of equity tier 1 the Bank must comply with, considering minimum requirements	a	10.66	10.99	9.33	9.23
4	Indicator of effective equity (T1_I31/T1_I11.b)					
4.1	Indicator of effective equity the Bank must comply with, considering minimum requirements	a	13.35	13.51	13.21	13.02
4.b	Indicator of effective equity the Bank must comply with, considering cahrges for article 35 bis, if applicable	c	-	-	-	-
4.c	Indicator of effective equity the Bank must comply with, considering minimum requirements, conservation buffer and coutercyclical buffer	b	-	-	-	-
5	Solvency ratio (A, B or C level)	d	A	A	A	A
	Indicators of regulatory compliance for solvency					
6	Voluntary (additional) provisions charged to tier 2 capital (t2) with respect to the CRWAs (T1_I26/(T1_I8.a ó 8.b))	e	0.81	0.69	1.19	0.99
7	Subordinated loans charged to tier 2 capital (t2) with respect to common equity	f	20.85	19.40	35.45	35.97
8	Additional tier 1 (AT1) with respect to common equity (T1_I24/T1_I18)	g	10.35	10.01	12.01	12.15
9	Voluntary (additional) provisions and subordinated loans charged to additional tier 2 (AT1) with respect to RWAs ((T1_I19+t1T1_120)/T1_I20)/T1_I18)	h	1.00	1.00	1.00	1.00

NOTE 49 – SUBSEQUENT EVENTS

On April 26, 2022, the Bank's Board of Directors approved a capital increase for Pagos y Servicios SA of US$5 million, of which BCI must contribute 49.9%, equivalent to US$2,495,000.

Between April 1, 2022 and the date of issuance of these Interim Consolidated Financial Statements, there have been no other subsequent events that may affect their presentation.

Alfredo Mendoza Osorio	Eugenio Von Chrismar Carvajal
Chief Accounting Officer	Chief Executive Officer

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES

Consolidated Financial Statements
as of December 31, 2021, and 2020
and for the years then ended.

(With the Independent Auditor's Report)

BANCO DE CRÉDITO E INVERSIONES

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MCh$	:	Amounts expressed in millions of Chilean pesos
UF	:	Amounts expressed in Unidades de Fomento (inflation-adjusted units)

Independent Auditors' Report

To the Chairman and Board of Directors of
Banco de Crédito e Inversiones:

We have audited the accompanying consolidated financial statements of Banco de Crédito e Inversiones and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021 and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards and instructions issued by the Financial Market Commission; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Santiago
Isidora Goyenechea 3520
Piso 2, Las Condes
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KPMG

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco de Crédito e Inversiones and its subsidiaries as of December 31, 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting standards and instructions issued by the Financial Market Commission.

Other matters

The accompanying consolidated financial statements of Banco de Crédito e Inversiones and its subsidiaries as of December 31, 2020 and for the year then ended, was audited by other auditors whose report thereon dated January 26, 2021, expressed an unmodified opinion, including an emphasis of matter paragraph to those consolidated financial statements for the acquisition of Executive National Bank by City National Bank of Florida, a subsidiary of Banco de Crédito e Inversiones, and their subsequent merger.

Ernesto Guzmán V. KPMG SpA

Santiago, January 27, 2022

Consolidated Financial Statements

As of and for the years ended December 31, 2021 and 2020

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BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2021, and 2020
(In millions of Chilean pesos - MCh$)

	Note	As of December, 31 2021 MCh$	As of December 31 2020 MCh$
ASSETS			
Cash and deposits in banks	6	3,960,497	4,597,867
Items in course of collection	6	350,073	236,710
Securities held for trading	7	873,869	1,147,279
Agreements to repurchase and securities lending	8	186,753	190,248
Derivative financial agreements and hedge accounting	9	6,781,524	5,451,897
Loans and receivables to banks, net	10	639,533	356,669
Loans and receivables to customers, net	11	40,230,382	34,718,681
Financial investments available for sale	12	11,204,593	7,996,040
Financial investments held to maturity	12	2,297,355	25,144
Investments in other companies	13	32,762	26,625
Intangible assets	14	440,958	395,276
Property, plant and equipment, net	15	252,736	251,217
Right-of-use asset	15	189,025	204,807
Current income tax	16	19,977	36,270
Deferred income taxes	16	251,196	211,224
Other assets	17	1,447,401	1,310,345
TOTAL ASSETS		**69,158,634**	**57,156,299**
LIABILITIES			
Deposits and other on-demand liabilities	18	27,653,442	19,726,574
Items in course of collection	6	258,686	201,438
Liabilities under agreements to repurchase	8	141,178	350,314
Deposits and other term loans	18	10,865,148	10,839,611
Derivative financial agreements and hedge accounting	9	6,587,047	5,793,354
Bank borrowings	19	6,970,962	6,270,699
Debt issued	20	8,761,131	7,431,624
Other financial liabilities	20	1,027,978	911,044
Lease liabilities	15	173,726	186,293
Current income tax	16	141,535	9,072
Deferred income taxes	16	926	22,188
Provisions	21	710,889	441,577
Other liabilities	22	1,364,510	1,077,806
TOTAL LIABILITIES		**64,657,158**	**53,261,594**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital		3,862,386	3,655,828
Reserves		109	109
Accumulated other comprehensive income		273,307	22,223
Retained earnings:			
Net income from prior periods		-	(6,758)
Profit or loss for the year	24	520,391	317,454
Less: Accrual for minimum dividends	24	(156,117)	(95,236)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		**4,500,076**	**3,893,620**
Non-controlling interest		1,400	1,085
TOTAL SHAREHOLDERS' EQUITY		**4,501,476**	**3,894,705**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**69,158,634**	**57,156,299**

The accompanying notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2021 and 2020
(In millions of Chilean pesos - MCh$)

	Note	For the year ended December 31 2021 MCh$	2020 MCh$
Interest and indexation income	25	2,359,133	2,088,604
Interest and indexation expense	25	(761,611)	(630,063)
Net interest and indexation income		**1,597,522**	**1,458,541**
Fee and commission income	26	474,401	433,887
Fee and commission expense	26	(127,876)	(98,303)
Net fee and commission income		**346,525**	**335,584**
Net gain from financial operations	27	139,777	148,799
Foreign exchange gain, net	28	22,547	44,765
Other operating income	33	54,932	44,639
Operating income		**2,161,303**	**2,032,328**
Provision for loan losses	29	(400,545)	(653,911)
OPERATING INCOME, NET OF ALLOWANCE FOR CREDIT RISK		**1,760,758**	**1,378,417**
Staff costs	30	(540,053)	(522,080)
Administrative expenses	31	(333,625)	(319,202)
Depreciation and amortization	32	(106,931)	(109,010)
Impairment of property, plant and equipment and intangible assets	32	(23)	(5,073)
Other operating expenses	33	(60,388)	(80,496)
TOTAL OPERATING EXPENSES		**(1,041,020)**	**(1,035,861)**
TOTAL NET OPERATING INCOME		**719,738**	**342,556**
Share of profit (loss) of investments accounted for using the equity method	13	2,290	(358)
Profit before tax		**722,028**	**342,198**
Income tax expense	16	(201,483)	(24,665)
Net income from continuing operations		**520,545**	**317,533**
Net income from discontinued operations		-	-
CONSOLIDATED PROFIT FOR THE YEAR		**520,545**	**317,533**
Attributable to:			
Equity holders of the Bank		520,391	317,454
Non-controlling interest		154	79
Total		**520,545**	**317,533**
Earnings per share:			
(stated in Ch$)			
Basic earnings per share		$ 3,657	$ 2,236
Diluted earnings per share		$ 3,657	$ 2,236

The accompanying notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020
(In millions of Chilean pesos - MCh$)

	Note	For the years ended December 31	
		2021	**2020**
		MCh$	**MCh$**
CONSOLIDATED NET INCOME FOR THE YEAR		**520,545**	**317,533**
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO THE STATEMENT OF INCOME			
Net (gain) loss resulting on revaluation of financial investments available for sale		(350,103)	42,487
Loss (gain) on cash flow hedge derivatives		353,330	(49,503)
Gain (Loss) - cumulative translation adjustment		325,378	(95,503)
Other comprehensive income before income tax		**328,605**	**(102,519)**
Income tax on other comprehensive income	16	(77,521)	10,023
Total other comprehensive income that may be reclassified to the statements of income for the year		**251,084**	**(92,496)**
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO THE STATEMENT OF INCOME		161	(36)
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		**251,245**	**(92,532)**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**771,790**	**225,001**
Attributable to:			
Equity holders of the Bank		771,636	224,958
Non-controlling interest		154	43
Comprehensive income per share attributable to equity holders of the Bank:			
Basic comprehensive income per share		$5,423	$1,585
Diluted comprehensive income per share		$5,423	$1,585

The accompanying notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

(In millions of Chilean pesos - MCh$)

	Paid-in Capital	Reserves	Accumulated Other Comprehensive Income: Investment instruments available for sale	Accumulated Other Comprehensive Income: Cash flows hedges	Accumulated Other Comprehensive Income: Cumulative translation adjustment	Accumulated Other Comprehensive Income: Income tax	Accumulated Other Comprehensive Income: Total	Retained earnings: Retained Earnings	Retained earnings: Net Income for year	Retained earnings: Minimum dividends provision	Retained earnings: Total	Total Equity: Total attributable to equity holders of the Bank	Total Equity: Non-controlling interest	Total Equity: Total equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As of January 1, 2021	**3,655,828**	**109**	**77,966**	**(176,292)**	**79,987**	**40,562**	**22,223**	**(6,758)**	**317,454**	**(95,236)**	**215,460**	**3,893,620**	**1,085**	**3,894,705**
Transfer to retained earnings	-	-	-	-	-	-	-	317,454	(317,454)		-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(104,138)	-	95,236	(8,902)	(8,902)	-	(8,902)
Capital increase	206,558	-	-	-	-	-	-	(206,558)	-	-	(206,558)	-	-	-
Other comprehensive income	-	-	(350,103)	353,330	325,378	(77,521)	251,084	-	-	-	-	251,084	161	251,245
Net income for the year 2021	-	-	-	-	-	-	-	-	520,391	-	520,391	520,391	154	520,545
Provision for minimum dividends 2021	-	-	-	-	-	-	-	-	-	(156,117)	(156,117)	(156,117)	-	(156,117)
As of December 31, 2021	**3,862,386**	**109**	**(272,137)**	**177,038**	**405,365**	**(36,959)**	**273,307**	**-**	**520,391**	**(156,117)**	**364,274**	**4,500,076**	**1,400**	**4,501,476**
As of January 1, 2020	**3,394,799**	**109**	**35,479**	**(126,789)**	**175,490**	**30,539**	**114,719**	**-**	**402,645**	**(120,794)**	**281,851**	**3,791,478**	**1,042**	**3,792,520**
Transfer to retained earnings	-	-	-	-	-	-	-	402,645	(402,645)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(141,616)	-	120,794	(20,822)	(20,822)	-	(20,822)
Retained earnings	261,029	-	-	-	-	-	-	(261,029)	-	-	(261,029)	-	-	-
Other equity transactions	-	-	-	-	-	-	-	(6,758)			(6,758)	(6,758)	-	(6,758)
Other comprehensive income	-	-	42,487	(49,503)	(95,503)	10,023	(92,496)	-	-	-	-	(92,496)	(36)	(92,532)
Net income for the year 2020	-	-	-	-	-	-	-	-	317,454	-	317,454	317,454	79	317,533
Provision for minimum dividends 2020	-	-	-	-	-	-	-	-	-	(95,236)	(95,236)	(95,236)	-	(95,236)
As of December 31, 2020	**3,655,828**	**109**	**77,966**	**(176,292)**	**79,987**	**40,562**	**22,223**	**(6,758)**	**317,454**	**(95,236)**	**215,460**	**3,893,620**	**1,085**	**3,894,705**

The accompanying notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(In millions of Chilean pesos - MCh$)

	Note	For the years ended December 31, 2021 MCh$	2020 MCh$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:			
PROFIT BEFORE TAX		**722,028**	**342,198**
Charges (credits) to income not representing cash flows:			
Depreciation and amortization	32	106,931	109,010
Impairment	32	23	5,073
Provision for loan losses		479,191	720,482
Adjustment to market value of financial instruments		(47,273)	(2,850)
Net loss (gain) from investment in companies	13	(2,290)	358
Net gain from sale of repossessed assets	33	(1,721)	(1,953)
Gain from sale of property, plant and equipment	33	(1,059)	(2,077)
Loss on sale of property, plant and equipment	33	54	32
Write-off of repossessed assets	33	(347)	1,487
Net interest and indexation income		(1,597,524)	(1,458,541)
Net fee and commission income		(346,525)	(335,584)
Other (credits) charges to income that do not represent cash flows		113,601	(15,881)
Changes in assets and liabilities affecting operating cash flows:			
Net (Increase) decrease in loans and receivables to banks		(283,534)	97,884
Net (Increase) decrease in loans and receivables to customers		(5,427,172)	(2,117,990)
Net (Increase) decrease in financial investments		(3,045,280)	(2,328,178)
Net Increase (decrease) in other demand deposits		7,925,933	5,545,687
Net Increase (decrease) in repurchase agreements and securities lending		(236,469)	(607,116)
Net Increase (decrease) in term deposits and savings accounts		1,793	(2,429,858)
Net Increase (decrease) in borrowing from financial institutions		(838,270)	(556,185)
Net Increase (decrease) in other financial liabilities		116,965	(538,745)
Proceeds from loans from (paid to) Central Bank of Chile (long-term)		637,053	3,904,285
Income tax refunded (paid)		(39,101)	73,513
Interest and indexation received		1,695,622	2,017,228
Proceeds from foreign borrowings (long-term)		2,013,264	1,129,610
Repayment of foreign borrowings (long term)		(1,111,380)	(1.671.046)
Interest and indexation paid		(175,652)	(406,855)
Fees and commissions received	26	474,401	433,887
Fees and commissions paid	26	(127,876)	(98,303)
Net cash (used in) from operating activities		**1,005,386**	**1,809,572**
CASH FLOW FROM (USED IN) INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	15	(15,286)	(23,790)
Proceeds from sale of property, plant and equipment		877	10,155
Purchase of intangible assets	14	(75,275)	(75,517)
Investments in other companies	13	(3,861)	(392)
Acquisition of Executive National Bank	4	-	57,852
Dividends received from investments in other companies	13	239	388
Sale of assets received in lieu of payment or awarded		12,074	14,165
Net increase (decrease) in other assets and liabilities		125,433	300,395
Net cash from investing activities		**44,201**	**283,256**
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:			
Redemption of letters of credit		(2,871)	(3,679)
Bond issuance		1,282,489	405,992
Bond redemption		(816,575)	(366,126)
Lease interest and indexation		(3,348)	(4.149)
Dividends paid		(104,138)	(141,616)
Net cash from financing activities		**355,557**	**(109,578)**
INCREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR		**533,387**	**1,545,732**
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH AND CASH EQUIVALENTS		**871,757**	**437,518**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**5,414,978**	**3,431,728**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	**6,820,122**	**5,414,978**

The accompanying notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

(In millions of Chilean pesos - MCh$)

Reconciliation of provisions for loan losses to consolidated statements of cash flows for the year

	Note	For the years ended December 31 2021 MCh$	2020 MCh$
Provision for loan losses presented in the consolidated statements of cash flows		479,191	720,482
Recovery of loans previously written off		(78,646)	(66,571)
Expenses related to allowance for credit risk	29	**400,545**	**653,911**

The following table details the changes in liabilities originated from financing activities, including those changes that represent and do not represent cash flows as of December 31, 2021 and 2020.

Liabilities arising from financing activities	Beginning balance 1-1-2021	Cash flow from financing activities			Changes that do not represent cash flows			Ending balance 12-31-2021
		Received	Paid	Total	Acquisition	Changes in fair value	Interest and Indexation	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Letters of credit	6,511	-	(2,871)	(2,871)	-	-	247	**3,887**
Bonds	7,425,113	1,282,489	(816,575)	465,914	-	308,638	557,580	**8,757,245**
Lease interest	-		(3,348)	(3,348)	-	-	-	**(3,348)**
Dividends	-	-	(104,138)	(104,138)	-	-	-	**(104,138)**
Total	**7,431,624**	**1,282,489**	**(926,932)**	**355,557**	**-**	308,638	557,827	**8,653,646**

Liabilities arising from financing activities	Beginning balance 1-1-2020	Cash flow from financing activities			Changes that do not represent cash flows			Ending balance 12-31-2020
		Received	Paid	Total	Acquisition	Changes in fair value	Interest and Indexation	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Letters of credit	9,629	-	(2,674)	(2,674)	-	-	410	**7,365**
Bonds	7,007,113	405,992	(249,421)	156,571	-	148,741	210,871	**7,523,296**
Lease interest	-	-	(3,222)	(3,222)	-	-	-	**(3,222)**
Dividends	-	-	(141,616)	(141,616)	-	-	-	**(141,616)**
Total	**7,016,742**	**405,992**	**(396,933)**	**9,059**	**-**	**148,741**	**211,281**	**7,385,823**

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

a) The Bank

Banco de Crédito e Inversiones or Banco BCI (hereinafter the "Bank") is a bank incorporated in Chile and regulated by the Financial Market Commission (hereinafter the "CMF"), according to the General Banking Act as amended by Act No. 21,130, which establishes the CMF as a regulator effective as of June 1, 2019 (Official Gazette No. 42,343 of May 2, 2019). The registered office of the Bank is located at 125 El Golf Avenue, Las Condes, Santiago. The consolidated financial statements as of and for the years ended December 31, 2021 and 2020, include financial information of the Bank and its subsidiaries listed below, as well as its Miami branch. The Bank's business consists of all the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

b) Basis of preparation of the consolidated financial statements

These Consolidated Financial Statements have been prepared in accordance with the Compendium of Accounting Standards and instructions issued by the Financial Market Commission (hereinafter "CMF"), a regulatory body created by Act No. 21,000, which in paragraph 6, article 5, states that the CMF is entitled to "establish the standards for the preparation and presentation of annual reports, balance sheets, statements of financial position and other financial statements of the audited entities, and to determine the principles that govern their accounting. In all matters not covered by this Act, audited entities must adhere to the generally accepted accounting criteria (provided they are compatible with the CMF instructions), which are the technical standards issued by the Chilean Institute of Accountants and which match the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In case of any discrepancy between IFRS and CMF ("The Compendium"), the latter should be followed.

Notes to the Consolidated Financial Statements contain additional information to that presented in the Consolidated statements of Financial Position, Consolidated statements of Income, Consolidated statements of Other Comprehensive Income, Consolidated statements of Changes in Equity and Consolidated statements of Cash Flows.

The Consolidated Financial Statements of the Bank and its subsidiaries as of December 31, 2021 have been approved and authorized for issuance by the Board of Directors at their Board of Directors' meeting held on January 27, 2022.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

c) Controlled companies (subsidiaries)

The consolidated financial statements as of December 31, 2021 and 2020, include financial information of the Bank and controlled companies (subsidiaries) (hereinafter the "Group"). Control is achieved when the Bank is exposed, or is entitled, to variable returns from its involvement in the investee and could influence those returns through its power over it.

Specifically, control is achieved when the following conditions are met:

I. Power over the investee (i.e.: consists of having the rights that give the Bank the current ability to direct relevant activities of the investee);
II. Is exposed, or has rights, to variable returns from the Bank´s involvement with the investee; and
III. Can use power over the investee to affect the amount of returns.

When the Bank has less than most voting rights of an investee, it has power over the investee when the voting rights are enough to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether the Bank's voting rights in an investee are enough to give it power, including:

- The size of Bank's voting rights relative to the size and dispersion of the other vote holders.
- Potential voting rights held by the Bank, other vote holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate the Bank has, or does not have, the current ability to direct relevant activities, at the time decisions need to be taken, including voting patterns at previous shareholders' meetings.

The Bank reassesses whether it controls an investee if facts and circumstances indicate there are changes in one or more of the three elements of control listed above.

Consolidation of a subsidiary ceases when the Bank loses control of the subsidiary. Income and expenses of a subsidiary disposed of during the year are included in the Consolidated statements of Financial Position until the date when the Bank ceases to control the subsidiary.

The consolidated financial statements include financial information of the Bank and its subsidiaries, as well as adjustments and reclassifications made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Bank's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition, third party interest in the equity of the Bank is presented as "Non-controlling Interest" in the Consolidated statements of Financial Position. Its share in profit or loss is presented as "Consolidated net income for the period attributable to non-controlling interest" in the Consolidated statements of Income.

The following table represents the entities over which the Bank exercises control and therefore are included in the consolidation:

i. Entities controlled by the Bank through controlling interest:

	% Interest			
	Direct		**Indirect**	
Entity	**2021**	**2020**	**2021**	**2020**
	%	%	%	%
Análisis y Servicios S.A. (**)	-	99.00	1.00	1.00
BCI Asset Management Administradora General de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group, INC. and Subsidiaries	100.00	100.00	-	-
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada.(*)	-	99.99	-	0.01
Servicios Financieros y Administración de Créditos Comerciales S.A.	99.98	99.98	0.02	- 0.02
Administradora de Tarjetas Servicios Financieros Limitada.	99.99	99.99	0.01	0.01
SSFF Corredores de Seguros y Gestión Financiera Limitada.	99.00	99.00	1.00	1.00
Servicios y Cobranzas SEYCO Limitada.	99.00	99.00	1.00	1.00
BCI Perú S.A.	99.99	-	-	-

(*) On January 26, 2021, the Financial Market Commission authorized the merger of Servicios Financieros y Administración de Créditos Comerciales S.A., which will be the legal successor and Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada. Management made the decision to perform the merger on January 31, 2021. The purpose of the merger is to enhance efficiency and profitability, improve the ease of the inspection and oversight of the line of business supporting companies, achieve greater organizational alignment and integrated management of the credit card business, simplifying business management, among others.

(**) As of December 31, 2021 the Company was liquidated, see Note No. 3 letter d).

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Information and corporate purposes of the entities controlled by the Bank, are as follows:

Análisis y Servicios S.A. was incorporated as a closely-held shareholders' corporation via public deed of August 19, 1996, and commenced its operations on November 1, 1996. It is engaged in to acting on behalf of financial institutions, the pre-assessment of all financial products and services that such institutions commission it, being able to perform all those acts or operations that are necessary for the performance of its line of business.

On November 15, 2019, the CMF was requested to approve the dissolution of the company Análisis y Servicios S.A., its shareholders are Banco de Crédito e Inversiones holding intersest of 99% and BCI Corredor de Bolsa, S.A. holding interest of 1%, respectively. Such dissolution was approved by the Board of Directors of BCI at its meeting held on August 27, 2019.

On December 12, 2019, the Board of the CMF approved the aforementioned request, art the ordinary meeting number 161. As of December 31, 2020, the company is in the process of liquidation

On September 30, 2020, Análisis y Servicios SA was liquidated, where the corporate books and the accounting and financial information contained in the balance sheet as of that date were reviewed, where equity amounted to Ch$47,174,185, divided into 22,096 same-series subscribed and fully-paid shares with no par value paid by 99% by Banco de Crédito e Inversiones and by 1% by BCI Corredor de Bolsa S.A. The Company's assets, liabilities and accumulated deficit amounted to $0.

BCI Asset Management Administradora de Fondos S.A. was incorporated by public deed dated January 7, 1988. Its corporate purpose is management of all types of mutual funds, investment funds and individual portfolios regulated by Law No, 20,712, including the development of voluntary pension savings plans "Voluntary Pension Savings" ("APV" for its acronym in Spanish) and "Collective Voluntary Pension Savings" ("APVC" for its acronym in Spanish), other complementary activities authorized by the Financial Market Commission (Former SVS, current CMF) through Circular No, 1,566 of 2001, and the administration of third parties' funds and portfolios, authorized by Circular No, 1,897 of 2008.

BCI Asesoria Financiera S.A. was established as a closely held corporation by public deed dated October 23, 1992. Its corporate purpose is provision of advice on the analysis, evaluation and search of alternative financing sources, on the restructuring of liabilities, on the negotiations to acquire, capitalize, sell or merge companies, on the issuance and placement of bonds and debentures and on the placement of equity.

BCI Corredor de Bolsa S.A. was incorporated by public deed dated July 24, 1987. Its corporate purpose is provision of financial instruments brokering operations, and in general, all the activities permitted to a stockbroker by the law.

BCI Corredores de Seguros S.A. was incorporated by public deed dated January 15, 1997. Its corporate purpose is provision of remunerated brokering operations with general and life insurance contracts with any insurance company located in the country, and the provision of advisory services and services related to the contracting of insurance.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

BCI Factoring S.A. was incorporated by public deed dated December 13, 1994. Its corporate purpose is provision of all kinds of factoring services; acquisition and discounting of documents and commercial papers, in general, development and operation of different types of factoring businesses; investment, reinvestment and acquisition of dues, shares or rights, all types of movable, tangible or intangible property, real estate, and legal entities, civil societies, companies or associations; or realization of takeovers, investment in all kinds of securities; management and exploitation of such property under any title; and receiving profit from them.

BCI Securitizadora S.A. was established as a closely held corporation by public deed dated March 1, 2001. Its corporate purpose is the acquisition of the credits referred to in Article No, 135 of Law No, 18,045 (i.e. mortgage loan, finance leases, concession rights) or the rules that replace or complement it, and the issuance of debt securities, short or long term, causing for each issuance the formation of capital separate from its own, supervised by the Financial Market Commission (“CMF”, formerly the SVS).

Banco de Credito e Inversiones Sucursal Miami (Branch in Miami) is a branch of Banco de Credito y Inversiones, established in the state of Florida in the United States of America. The branch was initially authorized to operate as an international banking agency by the Department of Banking and Finance of the state of Florida on May 10, 1999. The branch is not a separate legal entity, it carries out banking activities that provide a complete range of banking services to national and foreign physical persons and legal entities, mainly from Latin America.

Servicio de Normalizacion y Cobranza, Normaliza S.A. is closely held corporation, which was incorporated by public deed dated June 8, 1990. Its corporate purpose is the provision of extrajudicial collection services, on its own account or on behalf of others, on any document representing liability, as well as performance of the background check of physical persons or legal entities, the delivery of commercial reports and any other business that the stockholders agree to execute.

BCI Securities INC. was established in the state of Florida, United States of America on July 6, 2011. Its corporate purpose is to buy and sell stocks, mutual funds, corporate debt, US government bonds, sovereign debt, and call and put options for its customers, primarily residents of South America. BCI Securities Inc. may establish network agreements with banks, savings banks or credit unions. This investment was authorized by the Financial Market Commission on January 10, 2013, and by the Central Bank of Chile on February 21, 2013. It began operations on March 1, 2016.

BCI Corredores de Bolsa de Productos S.A. was established by public deed dated April 16, 2015. Its sole corporate purpose is to act as intermediary in operations with agricultural products, as established in Articles Four and Five of the Law No, 19,920, as broker of agricultural products, including the purchase or sale of products in the Agricultural Products Stock Exchange for its own benefit with the aim of transferring rights thereto, and the complementary activities authorized by the Financial Market Commission for which it may execute all actions and enter into all contracts and act as intermediary in operations of the Agricultural Products Stock Exchange, according to the regulation in force.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

BCI Financial Group, INC. and Subsidiaries, a parent company of City National Bank (CNB), was acquired in 2015. CNB is a banking financial institution established in 1946 with headquarters in Miami, offering a wide range of financial products (including real estate, commercial and consumer banking) to more than 22,000 customers, with 26 branches in four Florida counties. On March 10, 2017, the CMF issued Letter No, 02751, which granted approval to carry out leasing transactions through a new subsidiary of CNB The new subsidiary of CNB is a corporation that began operations on June 28, 2017 under the corporate name of City National Capital Finance, Inc. (CNCF). On August 1, 2018, the subsidiary City National Capital Finance, Inc. (CNCF) changed its name to BCI CAPITAL, INC.

Servicios Financieros y Administración de Créditos Comerciales S.A., acquired on December 2018, was established as a limited liability company by public deed on November 4, 1997; and has undergone several changes. According to its current corporate purpose, it issues credit cards and conducts complementary activities authorized by the CMF through the general regulations of credit card issuance; granting of loans as a subsidiary of the Bank on an enhanced basis.

Administradora de Tarjetas Servicios Financieros Limitada; acquired on December 2018, was established as a closely held corporation by public deed on August 6, 1998 and has undergone several modifications. Its current corporate purpose is service and development of all kinds of activities related to debit, credit and prepaid cards in accordance with Central Bank of Chile's Compendium of Financial Standards and other applicable norms including but not limited to the following: (i) service of supply of physical payments cards; (ii) service, maintenance and management of computer systems for operations and issuance of cards and; (iii) any other activities connected and complementary to the operation and issuance of payment cards, on condition that said services and activities do not involve the payment of benefits owed to subsidiaries for the use of said instruments.

Servicios y Cobranzas SEYCO Limitada, also acquired on December 2018 and established as a limited liability company by public deed on March 31, 2010 has had several amendments. Its corporate purpose is framed in:(a) provision of preliminary and judicial collection services for all types of payment obligations, regardless of their cause or origin; (b) debt collection services; including but not limited to debt collection services by third parties for the payment of all kind of payment obligations(c) document custody and administrative proceedings;(d) the rendering of marketing services, programming or execution of campaigns, database preparation, necessary or recommended for debt collection services;(e) collection, storage, custody, administration, processing, studies and data analysis, background and information for debt collection services; (f) acquiring or participating in other companies, subject to the requirements and limitations established in current regulations. The previously described activities could be performed by the entity or delegated to third parties acting on their behalf. The entity may execute all necessary contracts with respect thereto.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

SSFF Corredores de Seguros y Gestión Financiera Limitada. Acquired on December 2018 and established as a limited liability company by public deed on November 17, 2004 has had several amendments. Its current corporate purpose is: (a) supply the intermediation and advisory services between general and life insurance of any national insurance company and natural and legal persons. Notwithstanding the foregoing, the entity could develop activities such as home, roadside, legal and medical assistance regarding goods and services supplied by third parties; (b) pension advisory services in accordance with Executive Order number 3500 subject to the provisions of Article 70 bis of the General Banking Law, its modifications or replacements. The entity may execute all necessary contracts for the given purpose or business development or related to the investment of the available funds of the company.

Banco BCI Peru S.A. was established by public deed dated September 14, 2021 in the Republic of Peru and registered with the Registry of Legal Entities of Lima and Callao on September 28, 2021. Likewise, on August 20, 2021, the Superintendency of Banking, Insurance and AFP through SBS Resolution No. 02454-2021 authorized the organization of the banking company called Banco Bci Peru and indicated that for the authorization of operation, the terms of the law and the requirements established in the Regulations for the Authorization of Companies and Representatives of the Financial and Insurance Systems and the other requirements established by the Superintendence.

The request for Operating Authorization was submitted on October 13, 2021 and is currently under evaluation by the Superintendence of Banking, Insurance and AFPs. Although Banco Bci Peru is a company incorporated and has an organization authorization granted by the Peruvian regulator, it is important to indicate that the entity will not be able to start operations until the respective operating authorization is obtained, which is expected to be obtained during 2022. The corporate purpose of Banco Bci Peru will be to operate as a banking company in accordance with the provisions of the General Laws of the Financial System (LGSF) and other applicable regulations.

The Bank may carry out all operations and provide all services through the corresponding modalities and forms that are applicable, as established in the legal provisions that regulate banking companies in Peru. In particular and without this reference being limiting, it may carry out the operations and provide the services indicated in articles 221° and 283° of the LGSF, as well as in the amending or substituting provisions of said rule. Likewise, it may carry out all those operations and services authorized or that may be developed according to its uses, practices and customs that are applicable to banking companies in Peru, including operations of derivative financial products for hedging and/or negotiation purposes, prior authorization. of the Superintendence of Banking, Insurance and AFP (SBS).

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Additionally, the Bank may enter into other supplementary and related acts and contracts related to the operations it performs or in which it operates, as well as all acts and contracts that are required for its proper operation.

ii. Entities controlled by the Bank through other considerations:

Although the Bank holds less than most voting rights in the following companies, they are considered subsidiaries since the Bank exercises control through ability to direct the relevant activities and oversight of financial and operational policy decisions:

	%Interest			
	Direct		**Indirect**	
Entity	**2021**	**2020**	**2021**	**2020**
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Fondo de Inversión Privado BCI LMV II (2)	100.00	100.00	-	-
Incentivos y Promociones Limitada (3)	SE	SE	SE	SE

		Financial information			
Entity	**Legal Address**	**Assets**	**Liabilities**	**Equity**	**Profit or loss**
		MCh$	MCh$	MCh$	MCh$
BCI Activos Inmobiliarios Fondo de Inversión Privado	Magdalena #140 OF 602, Las Condes	3,186	5	3,180	21
Fondo de Inversión Privado BCI LMV II	Magdalena #140 OF 602, Las Condes	438	6	432	(148)
Incentivos y Promociones Limitada	Huerfanos #1160 OF 912, Santiago	631	580	52	51

(1) Fund over which BCI Asset Management Administradora General de Fondos S.A. subsidiary, has control.

(2) This Fund has been organized and established by the subsidiary BCI Asset Management Administradora General de Fondos S.A., which manages it in its entirety.

(3) Structured Entity ("SE") is responsible for the promotion of credit and debit card products. The Bank does not hold any ownership interest in that company and does not exercise control, however its revenue depends on the Bank.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

d) Associates and Joint Ventures

An associate is an entity over which the Bank has significant influence but over which the Bank does not have control. Significant influence is the power to participate in the financial and operational policy decisions of the investee but is not control or joint control.

Joint venture is an entity over which there is joint control, which occurs only when the strategic decisions regarding both financial and operating activities require the unanimous consent of the parties that are sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control over the agreement (that is, the joint operators) have rights derived from the assets and obligations derived from the liabilities, related to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement (that is, the participants in a joint venture) have rights over the net assets related to the arrangement.

Joint ventures and those over which significant influence is exercised are accounted for under the equity method and initially recognized at cost; their carrying amount is increased or decreased to recognize the corresponding proportion in net income and other comprehensive income. Dividends received are recognized by decreasing the investment carrying amount.

If the acquisition cost is lower than the fair value of the net assets of the acquired associate, the difference is recognized directly in profit or loss and is presented in the line “Other Income (Loss)”. Investments in associates and joint ventures are presented in the Consolidated statements of Financial Position in the line “Investments accounted for using the equity method. ”Only if the investor has incurred legal or constructive obligations, or has made payments on behalf of the associate or the joint venture, should they recognize a negative carrying amount, otherwise the investment alternatively would be recognized at zero until such time as it generates profits that reverse the negative equity.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following entities are considered associates:

Company	Interest 2021	Interest 2020
	%	%
Centro de Compensación Automatizado S.A.	33.33	33.33
AFT S.A.	20.00	20.00
Nexus S.A.	14.81	14.81
Redbanc S.A.	12.71	12.71
Servicio de Infraestructura de Mercado OTC S.A.	13.61	13.61
Combanc S.A. (**)	13.30	11.74
Transbank S.A. (*)	8.72	8.72
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03

(*) During the year, the Bank made a capital increase of MCh$872 on May 5 and a capital increase of MCh$1,744 on August 30, see Note 3 Significant Events letter j).

(**) On November 10, 2021 151 shares were acquired from Scotiabank Chile S.A. amounting to MCh$101. This decision was result of the review of the distribution of shares of that Company.

The following entities are considered as "Joint Ventures":

Company	Interest 2021	Interest 2020
	%	%
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00
Pagos y Servicios S.A. (*)	49.90	49.90

Entities in the table above, in which the Bank holds less than 20%, are still considered associates given the Bank's ability to appoint a member to their Board of Directors, one consideration in determining significant influence over such associates.

(*) During the year, the Bank made a capital increase of MCh$354 on February 23 and a capital increase of MCh$790 on September 10, see Note 3 Significant Events letter h).

e) Investments in other companies

In this category are presented those entities over which the Bank has neither control nor significant influence. It includes interests in local and foreign companies, which according to CMF regulations, are recorded at cost and subject to impairment tests when indicators have been identified.

As of December 31, 2021 and 2020, the Bank has investments in the following companies: SWIFT, BLADEX and others.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

f) Basis of consolidation

The consolidated financial statements comprise financial information of the Bank and its subsidiaries as of year ended December 31, 2021 and 2020.

The subsidiaries' financial statements (including the structured entity controlled by the Bank), were aligned with the financial statements of the Bank according to the rules set in the Compendium of Accounting Standards and Instructions issued by the CMF.

The consistent application of accounting policies also includes investments recognized using the equity method of accounting.

The intercompany balances and any income or expense arising from intercompany transactions between Group entities are eliminated in full in the consolidation process. The unrealized income or expense arising from transactions with associates are eliminated to the extent of the Group's interest in these companies.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign consolidated entities whose functional currencies are other than the Chilean Peso are translated into the presentation currency as follows:

a. Assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position.
b. Income and expenses for each statement presenting profit or loss and comprehensive income shall be translated at the average rate for the year(unless such average rate is not a reasonable estimate of the cumulative effect of foreign exchange rates existing at the transaction date, in which case, the Bank uses the exchange rate prevailing at the date of each transaction).
c. Share capital and other components of equity are translated at the historical exchange rate at the date of acquisition or approval.
d. The exchange differences that arise in the translation of the financial statements are recorded in the caption "Cumulative translation adjustment" within the consolidated statement of other comprehensive income for the period.

g) Non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by the Bank. Non-controlling interests are presented separately in the consolidated statements of income, the consolidated statements of other comprehensive income and consolidated statements of financial position.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

h) Functional currency

The Bank has determined its functional currency and presentation currency as the Chilean Peso (Ch$). Likewise, all the entities of the Group have determined the Chilean Peso as the functional currency, except for BCI Financial Group, Inc. and subsidiaries and BCI Securities, Inc. which have determined the US dollar as their functional currency.

All the information presented in Chilean Pesos has been rounded to the closest millions of Chilean Pesos.

i) Transactions in foreign currency

Transactions denominated in currencies different from the Chilean peso are considered as denominated in “foreign currency.” Transactions carried out by each entity in currencies other than its functional currency are recognized using the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the prevailing exchange rate at the date of the transaction and those that arise from such date to the date of collection or payment are recognized in the consolidated statements of income.

The differences that arise from translation of transactions denominated in foreign currency into functional currency are recognized as “Foreign exchange gains, net” in the consolidated statements of income.

As of December 31, 2021, the Bank's assets and liabilities in foreign currency are shown at their equivalent value in Chilean pesos, calculated using the exchange rate of Ch$854.4 (Ch$711.78 per US$1 in 2020).

j) Operating segments

Operating segments are determined by the Bank based on its different business units:

(i) That engage in business activities from which the Bank may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank);

(ii) Whose operating results are regularly reviewed by the entity’s chief operating decision maker to make Decisions about resources to be allocated to the segment and assess it performance and;

(iii) For which discrete financial information is available.

These operating segments deliver products and services subject to different risks and returns and therefore the chief operating decision makers of the Bank separately evaluate their individual performance.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

k) Measurement of financial assets and liabilities

Measurement criteria of financial assets and liabilities used in the consolidated statements of financial position are the following:

i. Assets and liabilities measured at amortized cost:

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

In the case of financial assets, the amortized cost also includes adjustments to their value due to the impairment they have experienced.

In the case of financial instruments, the portion systematically charged (credited) to the profit and loss accounts is accounted for under the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ii. Assets and liabilities measured at fair value:

For financial instruments traded in active markets, the determination of fair values is based on their listed or recent transaction prices. This includes instruments traded in domestic or international stock markets, brokers quotation or “Over-the-counter transactions” (OTC).

A financial instrument is considered quoted on an active market, if prices are regularly and freely available on a stock exchange or index by a broker or dealer, through supplier prices or regulatory agencies and those prices represent current and regular market transactions. If the market does not meet that condition, it is considered inactive. The lack of recent transactions or a too widespread between bid-offer prices, are indications that the market is inactive.

For all other financial instruments, fair value is determined using valuation techniques. In such techniques, fair value is estimated from observable inputs for similar financial instruments, using models to estimate the present value of expected cash flows or other valuation techniques, using inputs or data (e.g., deposits, swap rates, exchange rates, volatilities, etc.), existing at the date of the Consolidated Financial Statements.

As of the dates of the consolidated financial statements, the Bank has instruments whose fair value had been determined based on significant unobservable data. For this type of instruments, the Bank has models developed internally. When the data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fair values. These valuations are known as Level 3 valuations: Instruments classified according to their valuation level are detailed in Note 35 to the consolidated financial statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The results of the models are always an estimate or approximation of the value and cannot be determined with certainty. Therefore, the valuation techniques used may not reflect all the factors relevant to the Bank's positions. Valuations are adjusted, when applicable, in order to reflect additional factors, such as liquidity or credit risks of the counterparty based on the model and the credit risk policies of the Bank. Management estimates that these adjustments to the valuations are necessary and appropriate in order to reasonably present the fair values of the financial instruments in the consolidated financial statements. The information, prices and parameters used in the valuations are carefully and regularly checked and adjusted if necessary.

iii. Assets and liabilities measured at historic cost:

Historic cost measurement is the recognition of the asset at the consideration paid for the purchase of the asset, less impairment losses if applicable.

The consolidated financial statements have been prepared based on a historic cost, except for (among others):

- Derivative financial assets/liabilities measured at their fair value.

- Available for sale assets, measured at fair value, when this is lower than their carrying amount less costs to sell.
- Trading portfolio financial assets measured at their fair value.

iv. Derecognition of financial assets and liabilities:

The accounting treatment of transfers of financial assets depends on the extent and the way the risks and rewards associated with the financial assets are transferred to third parties:

1. If the Bank transfers substantially all the risks and rewards of ownership to third parties, as in the case of unconditional sales of financial assets, sales under repurchase agreements at fair value at the date of repurchase, sales of financial assets with a purchased call option or written put option deeply out of the money, utilization of assets in which the transferor does not retain subordinated debt nor grants any credit enhancement to the new holders, and other similar cases, the transferred financial asset is derecognized from the consolidated statement of financial position and any rights or obligations retained or created in the transfer are simultaneously recorded.

2. If substantially all the risks and rewards of the transferred financial asset are retained, such as the financial assets sale with a resale agreement at a fixed price or at sale price plus interest, the contracts for securities in which the borrower has the obligation to return the same or similar assets, among other similar cases, the transferred financial asset is not derecognized from the consolidated statements of financial position and continuously measured under the same criteria which were applied before the transfer, Consequently, it recognizes:

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

a) A financial liability for an amount equivalent to the consideration received that is subsequently measured at amortized cost.

b) Any income on the transferred (but not derecognized) financial asset and any expenses incurred with respect to the recorded financial liability.

3. If the Bank neither transfers nor retains substantially all the risks and rewards of the financial asset transferred, such as the sale of financial assets with the option to buy or sell issued with a high or low probability of exercising it, the use of assets where the grantor does not retain subordinated financing or give up a credit improvement for a portion of the transferred asset among other similar cases, it makes determinations as follows:

   a) If the Bank does not maintain control of the transferred financial asset: then it derecognizes the asset in the consolidated statements of financial position and recognizes any financial right or liability resulting from the transfer.

   b) If the Bank maintains control of the transferred financial asset, then it continues recognizing the asset in the in the consolidated statements of financial position at an amount equal to its exposure to the changes in value that it may experience and recognizes a financial liability associated with the transferred financial asset. Accordingly, financial assets are derecognized from the consolidated statements of financial position when, and only when, the contractual rights to the cash flows from the financial asset expire; or when the Bank transfers the financial assets and substantially all the risks and rewards of ownership of the assets to third parties.

In accordance with the foregoing, financial assets are only derecognized from the Consolidated statements of Financial Position when the rights to the generated cash flows have been extinguished or when the risks and benefits carried have been substantially transferred to third parties.

Similarly, financial liabilities are derecognized from the consolidated statements of financial position when, as applicable, the obligations these generate are extinguished.

l) Investment instruments

Investment instruments are classified into two categories: held to maturity and available for sale. The category of financial assets held to maturity includes only those instruments which the Bank has the capacity and intention of holding until their maturity. The rest of the investment instruments are considered as available for sale.

Investment instruments are initially recognized at their fair value, including transaction costs directly attributable to acquisition. The available for sale instruments are then marked to market at their fair value according to market prices or valuations obtained from models. The unrealized gains or losses originated by the change in their fair value are recognized in other comprehensive income. When these investments are sold, the available for sale investment instrument's reserve accumulated in other comprehensive income associated with these instruments is reclassified to the consolidated statements of income and recognized under "Trading and investment income, net" heading as well as any realized gain/loss on disposal. In the case of a significant or prolonged decline in the fair value of any of these debt instruments or other objective evidence of impairment, an impairment is recognized by a reclassification of the cumulative loss recognized in other comprehensive income to the line item "Impairment" in the statements of income.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The investments in held to maturity financial assets are subsequently measured at their amortized cost plus interest and indexation for inflation, less impairment recorded when their carrying amount exceeds the estimated recovery value.

The interest and indexation for inflation of held to maturity and available for sale investments are included in the "Interest income" line in the consolidated statements of income for the period.

The purchases and sales of investment instruments that must be submitted within the period established by the market's regulations or conventions are recognized at their trade date, on which the purchase or sale of the asset is agreed. All other purchases and sales are recognized at their settlement date.

m) Trading investments

The trading investments correspond to securities acquired with the intention to generate profits from the price fluctuation in the short-term or through gross earnings' margins, or that are included in a portfolio in which there is a short-term profit taking strategy.

Trading investments are measured at their fair value in accordance with the market prices at the reporting date of the consolidated statements of financial position. The transaction costs are recognized directly in the consolidated statements of income. The mark to market adjustments, as well as the realized income/loss from trading activities, are included under the "Trading and investment income, net" heading in the consolidated statements of income.

The interest and indexation for inflation income are recognized in "Trading and investment income (loss), net" line in the consolidated statements of income.

All the purchases and sales of trading investments that must be delivered within the period established by the market's regulations or conventions are recognized at the trade date, on which the purchase or sale of the asset is agreed. Any other purchase or sale is recognized on its settlement date.

n) Transactions with resell, repurchase agreements and securities lending

Reverse repurchase agreement is an agreement to receive a financial asset from another party in exchange for cash or other consideration and a concurrent obligation to resell the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. These agreements are accounted for as operating transactions. Assets purchased under reverse repurchase agreements are recognized in the consolidated financial statements as "Investments under agreements to resell" and are measured at amortized cost.

The operation of repurchase agreement are also carried out as a form of financing. Financial assets sold under repurchase agreements are retained in the consolidated financial statements in "Trading portfolio financial assets" or "Financial investments available for sale" categories, and consideration received under these agreements is recognized as a collateralized liability within "Liabilities under agreements to repurchase" line, and measured at amortized cost.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

o) Financial derivative instruments

The financial derivative instruments, which include foreign currency and Unidades de Fomento (UF) forwards, interest rate futures, currency and interest rate swaps, currency and interest rate options and other financial derivative instruments are initially recognized in the consolidated statements of financial position at their fair value (including transaction costs), except for those classified in hierarchy level 3 (when applicable), and subsequently measured at their fair value. The fair value is obtained from corresponding market pricings, discounted cash flow models and pricing valuation models. The derivative instruments are recognized as an asset when their fair value is positive and as a liability when they are negative in “Derivative financial assets” or “Derivative financial liabilities” lines, respectively, of the consolidated statements of financial position.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and rewards are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss. Upon the contracting of a derivative agreement, the Bank must designate it either as a derivative instrument for trading or for hedge accounting purposes or speculative.

The changes in the fair value of those instruments defined as speculative are included in “Trading and investment income, net” line of the consolidated statements of income.

If the derivative instrument is classified for hedge accounting purposes, the hedge can be: (1) a fair value hedge of existing assets or liabilities or firm commitments or (2) a cash flow hedge of existing assets or liabilities or forecast transactions, A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met: (a) at the inception of the hedge there is formal designation and documentation of the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reliably measured and; (d) the hedge is assessed on an ongoing basis and determined to have actually been highly effective throughout the financial reporting periods for which the hedge was designated.

Certain transactions with derivatives that do not qualify for being classified as hedging derivatives are treated and recognized as trading derivatives, even when they provide effective economic hedges of the risk positions.

When a derivative designated as a fair value hedge hedges the exposure to changes in the fair value of an existing item of the asset or liability, such hedged item is measured at fair value from the designation of the fair value hedge until its expiration, termination, etc. The mark to market adjustments for both the hedged item and the hedging instrument are recognized in the consolidated statements of income.

If the item hedged in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment regarding the covered risk are recognized as assets or liabilities with effects on the income for the period. Gains or losses arising from the measurement at fair value of the hedging derivative are recognized through profit or loss for the period. When a new asset or liability is acquired as a result of the firm commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the accumulated effect of the fair value valuation of the firm commitment recognized in the consolidated statements of financial position. When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities (cash flow hedge), or forecast transactions, the effective portion of changes in fair value related to the hedged risk is recognized in other comprehensive income and accumulated in equity. Any ineffective portion is recognized directly in the consolidated statements of income for the year.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The amounts recorded directly in equity are reclassified to p & l in the same periods in which hedged cash flows affect results.

In case of fair value hedge of interest rate risk of a portfolio with the hedged item representing currency value instead of individual assets or liabilities, gains or losses from the fair value measurement for both the hedged item and the hedging instrument, are recognized in the consolidated statements of income. The fair value adjustment of the hedged instrument is presented in the consolidated statements of financial position the "Other assets" or "Other liabilities" lines, depending on the hedged item position as of reporting date.

The adjustment for counterparty credit risk in derivatives (Credit Valuation Adjustment "CVA") represents the expected losses from counterparty risk. The CVA of a derivative is defined as the difference between the value of free derivative counterparty risk (equivalent to the original derivative but without the risk of default of either party) or the value of the derivative considering the possibility of counterparty default. In this way, a customer CVA can be obtained from the expected exposure (EE) to counterparty risk and the expected loss rate ("PE" for its acronym in Spanish) associated with the potential default of the counterparty.

The valuation adjustment for the existence of the spread bid/ask on financial instruments (which applies to all financial instruments recognized at market value, both in normal market conditions and financial stress conditions), is based on best practices, the recommendations of the Basel Committee and the requirements of the CMF and the Central Bank of Chile.

In order to make the bid/ask adjustment to financial instruments of Banco de Credito e Inversiones portfolios, the following methodology was established:

i. Define market makers or BCI customer condition:

   On an annual basis the Bank condition will be defined as to whether the Bank is market makers (the Bank must be within the 4 main market operators) or customers in each of the financial products it operates. This will be done with the information provided by the two main brokers in the national market: Tradition and Icap.

ii. Market makers condition

   For products (markets) where the Bank is considered to be a liquidity provider, they will be valued at mid-price and there will be no bid-offer adjustment to their valuation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

iii. Customer status

For products (markets) where BCI is considered the debtor, the instrument shall be valued at mid-price and adjusted for bid/ask, or, in case of high liquidity, valued at bid price.

During the first quarter of 2021, the Bank adopted new adjustments associated with the valuation of derivative instruments in order to improve these estimates. Therefore, a Funding Valuation Adjustment (FVA) was added, which captures the funding cost of uncollateralized derivatives above the risk-free rate of return and other technical considerations. As of March 31, 2021, the aforementioned adjustment implied recognizing a net charge to profit or loss for the period of MCh$11,966.

p) Hedge of a net investment in a foreign operation

According to current applicable standards, the requirements to recognize hedge accounting are the following:

IAS 21 requires that an entity should determine the functional currency of each of its foreign operations as the currency of the primary economic environment in which it operates. When a hedge of a net investment in a foreign operation qualifies for hedge accounting, the statement of financial position and results of a foreign operation are translated from a currency different from the reporting currency of the parent, the entity will recognize the exchange differences through other comprehensive income in equity as well as the effects of hedging such net investment, under cumulative translation adjustment reserve, until the sale or disposal by other means of the foreign operation. The accumulated difference is to be transferred to the consolidated statements of income at the date on which such sale or disposal occurs.

The hedge of a net investment in a foreign operation seeks to mitigate the foreign exchange rate risk associated with the valuation of the foreign operation.

The current standard establishes the following conditions in order to apply hedge accounting:

a) At the inception of the hedge there is formal designation and documentation of the hedging relationship
b) The hedge is expected to be highly effective.
c) The effectiveness of the hedge can be reliably measured.
d) The accumulated difference is to be transferred to the consolidated statements of income at the date on which such sale or disposal occurs.

q) Loans and receivables from customers

Loans receivable are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and which the Bank does not intend to sell immediately or in the short-term.

Loan placements are initially measured at fair value plus direct transaction costs and subsequently measured at amortized cost using the effective interest rate method. These include commercial and foreign trade loans, consumer and mortgage loans, among others.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

i. Financial lease contracts

Accounts receivable from lease contracts, included under "Loans and receivables to customers" heading, correspond to the sum of periodic instalments of lease contracts that comply with the requirements to be qualified as financial leases and are measured at present value.

ii. Factoring Operations:

The Bank and its subsidiary BCI Factoring S.A. perform operations with their clients, in which they receive invoices and other credit representative trading instruments with or without recourse to the transferor, anticipating a percentage of the total amount receivable of the borrower upon collection.

r) Allowances for loan losses and others

The allowances required to cover the expected losses of certain financial assets have been recognized in accordance with the regulations and instructions of the CMF.

The assets are presented net of such allowances, or at a new cost basis in the case of investments. The allowance for credit commitments is presented as a liability under "Provisions" in the statement of financial position.

The Bank and subsidiaries use models and methodologies based on individual and collective analysis of the borrowers, approved by the Board of Directors, to recognize the allowance for loan losses as indicated in the Accounting Standards Compendium issued by the CMF.

i. Individual assessment:

Individual assessment of borrowers is performed when the customer, due to its size, complexity or exposure, is required to be identified and analyzed on an individual basis.

Naturally, the analysis of the borrowers should be focused on their capacity and ability to comply with their credit obligations, evaluated based on sufficient and reliable information. Analysis should consider collateral, terms, interest rates, currency, indexation for inflation related to the loan, etc.

The need for an allowance is assessed based on the classification of the borrowers and their related loans and credit commitments in their corresponding risk category, after being assigned to one of the following portfolio categories: normal, substandard and non-compliant.

- Normal and substandard portfolios:

The normal portfolio includes those borrowers, whose payment capacity allows them to comply with their obligations and commitments, and, according to the evaluation of their economic and financial situation, is not expected to change. The classifications assigned to this portfolio are categories A1 to A6.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The substandard portfolio includes the borrowers which have financial difficulties, or whose payment capacity worsened significantly, presenting reasonable doubt regarding the probability of reimbursement of total principal and interest under the contractually agreed terms, indicating that they are less likely to comply with their financial obligations in the short term.

In addition, borrowers that recently held loans in default for over 30 days also form part of the substandard portfolio. The classifications assigned to this portfolio are categories B1 to B4.

As a result of an individual analysis of these borrowers, the banks must classify them under the following categories, assigning to them, subsequently, the probability percentages of probability of default and loss given default, resulting in the consequent percentage of expected loss:

Type of portfolio	Borrower Category	Probability of Default (PD) (%)	Loss given default (PDI) (%)	Expected Loss (%)
Normal portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

Collective assessment of normal and substandard portfolios:

In order to determine the amount of allowance to be established for the normal and substandard portfolios, the first step is that the exposure must be estimated, to which the related loss percentages (expressed in decimals) will be applied. This expected loss percentage is comprised of the probability of default (PD) and loss given default (LGD) established for the category in which the borrower and/or guarantor is classified, as applicable.

The exposure subject to allowances corresponds to the loans and receivables plus loan commitments (recorded as a provision), less the amount to be recovered by collateral execution. Likewise, loans and receivables are understood as the carrying value of loans and receivables to the respective borrower, while loan commitments are understood as the amount resulting from applying the clause indicated in No, 3 of Chapter B-3 of the Accounting Standards Compendium.

- Non-compliant portfolio:

Non-compliant portfolio includes the loans to borrowers for which recovery is considered remote, given that they have suffered a loss event resulting in impairment. This portfolio includes borrowers with evident signs of possible bankruptcy, as well as those in which a forced debt renegotiation is required, and also includes any borrower with loans in default for equal to or greater than 90 days in the payment of interest or principal of any loan. This portfolio includes borrowers classified under categories C1 to C6 in the classification scale established below and classification is assigned for all a debtor’s portfolio at the classification at the riskiest level, including 100% of the loan commitments that those borrowers maintain.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For the effects of allocating allowances on the non-compliant portfolio, loss rate percentages are used, which must be applied to the exposure, corresponding to the sum of loans and receivables and loan commitments held. In order to apply this percentage, an expected loss rate must be estimated first, deducting from the exposure the amounts expected to be recovered by execution of collateral and, in the case of having solid data that justifies them, deducting also the net present value of expected recoveries that can be obtained by execution of collection actions, net of expenses associated with them.

That loss rate must be classified into one of the six categories defined according to the range of losses effectively expected by the Bank for all the operations of an individual borrower.

These categories and the loss rates which must be applied on the exposures are indicated in the following table:

Type of portfolio	Risk Scale	Expected Loss Range	Allowance (%)
Default portfolio	C1	Up to 3 %	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30 % up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

ii. Collective assessment:

Collective evaluation is focused on the following portfolios: Commercial Loans, Consumer Loans and Mortgage Loans.

For the determination of the collective allowance, loan portfolios with homogeneous features, such as the type of borrower and loan terms, are analyzed. Thus, allowances are based on expected losses based on a certain probability of default (PD) and a loss given default (LGD); both parameters are based on historical information and technically substantiated estimates.

Allowances are established by multiplying the exposure of the respective portfolio by the estimated percentages of PD and LGD.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

a. Group Portfolio Trade Credits:

In accordance with General Rulings No.3,638 and No.3,647, as of July 1, 2019, the Bank has begun to apply the standard model of provisions for commercial credits of the group portfolio, as applicable to commercial lease operations, student loans or other types of commercial loans. Prior to the implementation of the standard model, the Bank used its internal models for the determination of group portfolio commercial provisions.

i. Commercial Lease Operations

For these operations, the provision factor must be applied to the present value of commercial leasing operations (including the purchase option) and will depend on the delinquency of each operation, the type of leased asset and the ratio, at closing of each month, between the present value of each operation versus the value of the leased asset (PVB), as indicated in the following tables:

Probability of Default (PD) applicable according to delinquency and type of good (%)		
Days of default of the operation at the end of the month	**Type of good**	
	Real estate	**Non-real estate**
0	0.79	1.61
1- 29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Default portfolio	100.00	100.00

Loss Given Default (LGD) applicable according to PVB tranche and type of good %		
PVB = Current value of the operation / Value of the leased asset		
PVB Tranche	**Real estate**	**Non-real estate**
PVB ≤ 40%	0.05	18.2
40% < PVB ≤ 50%	0.05	57.00
50% < PVB ≤ 80%	5.10	68.40
80% < PVB ≤ 90%	23.20	75.10
<PVB > 90%	36.20	78.90

PVB= Present value of the operation/Value of the leased asset

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Allowance determination is based on statistical models of expected loss, which estimates the probability of default for each customer (PD) and loss give default (LGD) for each operation. Both parameters are defined in terms of customer behavior and characteristics of each loan, including delinquencies (internal and/or external), loan/collateral ratio (loan-to-value), non-compliant portfolio, customer seniority and type of product, among others.

ii. Student Loans

For these operations, the provisioning factor should be applied to the student loan placement and contingent credit exposure, when applicable. The calculation of this factor depends on the type of student loan and the repayment of principal or interest at each month-end. When payment is due, the factor will also depend on its delinquency.

For loan classification purposes, a distinction is made between those granted for the financing of higher education in accordance with Law No. 20,027 (CAE, Spanish acronym for State-secured loan) and, on the other hand, loans secured by CORFO or other student loans.

Probability of Default (PD) applicable according to enforceability of payment, delinquency and type of loan			
Exigency of the payment of principal or interest at the end of the month	**Days of default of the operation at the end of the month**	**Type of student loan**	
		CAE	**CORFO or other**
Yes	**0**	5.2	2.9
	1-29	37.2	15.0
	30-59	59.0	43.4
	60-89	72.8	71.9
	Default portfolio	100.0	100.0
No	**n/a**	41.6	16.5

Loss given Default (LGD) applicable according to enforceability of payment and type of loan		
Exigency of the payment of principal or interest at the end of the month	**Type of student loan**	
	CAE	**CORFO or other**
Yes	70.9	
No	50.3	45.8

iii. Generic Commercial Loans and Factoring

For factoring operations and other commercial loans, the provisioning factor applicable to the amount of the placement and the contingent credit exposure will depend on the delinquency of each operation and the relationship that exists at each month-end between the debtor's obligations to the bank and the value of the actual guarantees that protect them (PTVG), as shown in the following tables:

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Probability of default (PD) applicable according to delinquency and PTVG(%) tranche			
Days of default of the operation at the end of the month	**With guarantee**		**Without guarantee**
	PTVG ≤ 100%	**PTVG > 100%**	
0	1.86	2.68	4.91
1-29	11.60	13.45	22.93
30-59	25.33	26.92	45.30
60-89	41.31	41.31	61.63
Default portfolio	100.00	100.00	100.00

Loss given default (LGD) applicable according to PTVG (%) tranche			
Guarantees (with/without)	**PTVG**	**Factoring without the responsibility of the assigner**	**Factoring with the responsibility of the assigner**
With guarantee	**PTVG ≤ 60%**	5.0	3.2
	60% < PTVG ≤ 75%	20.3	12.8
	75% PTVG ≤ 90%	32.2	20.3
	90% < PTVG	43.0	27.1
Without guarantees		56.9	35.9

The guarantees used for the purposes of calculating the PTVG ratio of this method may be specific or general, including those that are simultaneously specific and general.

A guarantee can only be considered if, according to the respective coverage clauses, it was furnished in the first degree of preference on behalf of the bank and only guarantees the credits of the debtor in respect of which it is recorded (not shared with other debtors). In the calculation, the invoices assigned in factoring operations will not be considered, nor will the guarantees associated with the housing loans of the mortgage portfolio, regardless of their coverage clause.

The following considerations must be considered when calculating PTVG ratio:

I. Operations with specific guarantees: when the debtor provided specific guarantees for generic commercial loans and factoring, the PTVG ratio is calculated separately for each transaction guaranteed, such as the difference between the amount of the loan and the contingent credit exposure and the value of the collateral covering it.

II. Operations with general guarantees: when the debtor granted general guarantees or general and specific guarantees, the Bank calculates the respective PTVG, jointly for all generic commercial loans and factoring and loans not included in i) above, as the difference between the sum of the amounts of the loans and exposures of contingent credits and the general guarantees, or general and specific guarantees that, according to the scope of the remaining coverage clauses, safeguard the credits considered in the numerator of the aforementioned ratio.

The amounts of the guarantees used in the PTVG ratio in (i) and (ii) must be calculated in accordance with:
- The last valuation of the collateral, whether appraised or fair value, depending on the type of collateral in question.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For the calculation of fair value, the criteria stated in Chapter 7-12 of the Revised Updated Compendium of Regulations should be considered.
- Possible situations that could be resulting in temporary increases in the values of the guarantees.
- Limitations on the amount of coverage set forth in their respective clauses.

iv. Provisions for deductible of FOGAPE Covid-19 guarantee

To determine the specific provisions for the loans secured by the FOGAPE Covid-19 guarantee, the expected losses must be determined by estimating the risk of each operation, without considering the substitution of the credit rating of the guarantor, according to the corresponding individual or group analysis method, in accordance with the provisions of Chapter B-1 of the Compendium of Accounting Standards.

The amounts associated with such operations that have been written off in accordance with the provisions established in Chapter B-2 of the Compendium of Accounting Standards, must be added to the previously mentioned expected losses.

Therefore, the total amount of expected losses resulting from the aggregated calculation of each group of operations, including the written-off amounts in that group as indicated in the preceding paragraph, must be compared with the respective total amount of deductible that is applicable to them, and then one should proceed as indicated below:

- Expected losses less than the deductible

When the expected losses from the operations of a group to which the same deductible percentage should be applied, determined according to the procedure indicated above, are less than or equal to the aggregate amount of the deductible, the provisions are determined without considering the coverage of FOGAPE Covid-19, that is, without replacing the credit rating of the direct debtor with that of the guarantor.

- Expected losses greater than the deductible

When the expected losses from the operations of a group to which the same deductible percentage should be applied, determined according to the procedure indicated above, are greater than the aggregate amount of the deductible, the provisions are determined using the substitution method set forth in paragraph 4.1 a) of Chapter B-1 of the Compendium of Accounting Standards.

For these purposes, the proportion to be replaced will be that defined by the limits established in article 13 of the Administration Regulations of the FOGAPE, applicable to the COVID-19 Guarantee Lines.

Additionally, one must determine the provisions associated with the deductible resulting from multiplying the guaranteed amount of the corresponding group by the percentage of the applicable deductible.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

b. Consumer Loans:

Model allowances for credit risk in collective portfolio

The allowances for credit risk models in accordance with Chapter B-1 of the Compendium of Accounting Standards for Banks issued by the CMF, are based on an expected loss approach, following the approach "throughout the cycle" and not "at a point in time."

These expected loss (EL) models are used to estimate future portfolio losses and are based on three fundamental components: Probability of Default (PD), Loss Given Default (PLGD) and Exposure at Default (EAD). The final objective is to establish a sufficient level of allowances to cover future expected losses:

EL = Exposure * PD * LGD

The allowance models are organized according to segments, which are defined according to the types of debtors and the types of loans: Consumer, Commercial and Mortgage. In this macro-segmentation, reasonableness criteria, depending on how customers and products are managed from a commercial and risk point of view.

From these macro-segments, higher levels of segmentation are generated to the extent that they improve the estimates of the aforementioned parameters, and on these segmentation levels scores are built to identify homogeneous groups of debtors, which allow better distribution of the risk in the customer portfolio.

Currently, the Bank makes allowances using the maximum value between the result obtained by the standard matrix in the Compendium of Accounting Standards for Banks, Chapter B-1 and the internal models.

The Bank adjusted its group portfolio credit risk models for calculating provisions on consumer loans in order to achieve greater precision in estimating the expected loss of this portfolio, in accordance with the requirements issued by the CMF. These models were approved by the Board of Directors in December 2021. The implementation of these models implied a debit to profit or loss for the year of MCh$10,026 as at December 31, 2021.

c. Mortgage Loans:

This portfolio includes loans, which have the following characteristics: the objective is the financing of the acquisition, extension, repair or construction of housing; the borrower is a physical person who is buying or owns the housing, and the value of the mortgage collateral covers the total amount of loan.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank uses the "Standard Method for Provisioning the Residential Mortgage Loan" established by CMF in its Circular No. 3.573. This circular establishes provisioning factors, representing expected losses over the amount of the loan, applied based on the level of delinquency of each loan, and the loan/collateral ratio (Loan-to-Value or LtV) at the end of each month, as shown in the following table:

Provisioning Factor according to delinquency status and LtV						
		Days in default as of the end of the month				
LtV (loan-to-value)	Concept	Current	1-29	30-59	60-89	Portfolio in default
LtV≤ 40%	PD (%)	1.0916	21.3407	46.0536	75.1614	100.0000
	LGD (%)	0.0225	0.0441	0.0482	0.0482	0.0537
	EL (%)	0.0002	0.0094	0.0222	0.0362	0.0537
40%<LtV≤ 80%	PD (%)	1.9158	27.4332	52.0824	78.9511	100.0000
	LGD (%)	2.1955	2.8233	2.9192	2.9192	3.0413
	EL (%)	0.0421	0.7745	1.5204	2.3047	3.0413
80%<LtV≤ 90%	PD (%)	2.5150	27.9300	52.5800	79.6952	100.0000
	LGD (%)	21.5527	21.6600	21.9200	22.1331	22.2310
	EL (%)	0.5421	6.0496	11.5255	17.6390	22.2310
LtV> 90%	PD (%)	2.7400	28.4300	53.0800	80.3677	100.0000
	LGD (%)	27.2000	29.0300	29.5900	30.1558	30.2436
	EL (%)	0.7453	8.2532	15.7064	24.2355	30.2436

Where:

PD = Probability of default
LGD = Loss given default
EL = Expected loss
LtV = Outstanding principal/Value of the collateral

In cases where the same client has more than one mortgage loan outstanding and one of them is past-due 90 days or more, all such loans will be classified as "Non-Compliant" and the allowance for each one of them will be calculated in accordance with their respective level of Loan-to-Value.

iii. Write-off of loans:

Generally, when contractual rights expire over cash flows, assets must be written off. In the case of loans, even if this does not happen, respective asset balances are written off in accordance with the requirements established by Title II of Chapter B-2 of the Compendium of Accounting Standards and Instructions issued by the CMF.

Such write-offs refer to the derecognition in the Consolidated statements of Financial Position of the assets for the related transaction, including the portion that may not be past due in the case of a loan payable in installments or partial payments, or a lease transaction (no partial write-offs exist).

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Write-offs are always recognized against allowances for loan losses, according to Chapter B-1 of the Compendium of Accounting Standards, regardless of the reason. Subsequent repayments of the assets previously written off are recognized in the consolidated statements of income, as recoveries of loans written-off.

Write-offs of loans and accounts receivable are performed on past due, delinquent and outstanding installments, and the term must be calculated from the beginning of the delinquency, i.e., when the delinquency time of an installment or portion of a loan of an operation reaches the term for write-off, as follows:

Type of loan	Period
Consumer loans secured and unsecured	6 months
Other unsecured operations	24 months
Commercial loans secured	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other non-property leasing operations	12 months
Property leasing (commercial or residential)	36 months

The term corresponds to the time elapsed from the date on which the payment of all or part of the obligation in arrears became due.

iv. Recovery of written off loans:

The recoveries of loans that were written-off are recognized directly as income, as recoveries of previously written off loans.

s) Fee and commission income and expense

Fee and commission income and expense are recognized in profit or loss in accordance with the 5-step approach established in IFRS 15, as follows:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

t) Impairment

I. Financial Assets:

A financial asset is assessed on each reporting date to determine if objective evidence of impairment exists. A financial asset is impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

For financial assets recognized at amortized cost, impairment is calculated as the difference between the carrying value of the asset and the net present value of the estimated future cash flows, discounted using the effective interest rate.

An impairment of financial investments available for sale is calculated in relation to their fair value.

Financial assets that are individually significant are individually assessed for impairment. The remaining financial assets are assessed on the collective basis in groups of assets that share similar credit risk characteristics.

Impairment is recognized in the consolidated statements of income for the period. Any impairment of financial investments available for sale previously accumulated as negative revaluation reserve in equity is transferred to the consolidated statements of income for the year.

The previously recognized impairment is reversed only if in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized. The reversal of an impairment loss cannot exceed an asset's carrying amount that could have been obtained if an impairment loss had not been recognized for that asset in previous periods. The reversal is recognized in the result of the fiscal period.

For loans and receivables to customers, the impaired loans are defined according to Chapter B-2 of the Accounting Standards Compendium of the CMF as "borrower loans on which there is evidence they will not meet any of their obligations under the agreed-upon payment conditions, without the possibility of recovering the loan by repossessing collateral, by means of judicial collection actions or by renegotiation."

Impairment policies indicate that impairment is measured monthly, and consider the following criteria:

i. Impaired Portfolio:

Impaired portfolio includes loans individually assessed by the Bank which have a credit risk classified as substandard in categories B3 and B4 and loans in the non-compliant portfolio.

The collectively assessed loans are classified as impaired loans when they present at least one of the following conditions:

- Loans in default more than or equal to 90 days.
- Renegotiated loans.
- 100% of the loans associated with the client, when any of its loans is classified as impaired, are reclassified to the impaired portfolio.

Operations related to residential mortgage loans or student loans for higher education under Law No, 20,027 are excluded from the requirements of this classification as long as non-compliance conditions as established in Circular No. 3,454 dated December 10, 2008 are not presented.

The behavior of the client in the financial system is not considered determinative as to whether the loan should be included in the impaired portfolio.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Exit Conditions

- Individual assessment: improvement in risk rating, movement to B3 and above category of the individual classification.

- Collective assessment:

  a) Non-renegotiated loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

     - Receipt of at least six consecutive installments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
     - All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
     - In any case, there must not be any installments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the CMF at the date of inquiry).

  b) Renegotiated loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

     - Receipt of at least six consecutive installments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
     - All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
     - No other renegotiations of the borrower's loans within the last six months.
     - In any case, there must not be any installments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the CMF at the date of inquiry).

  c) Collectively renegotiated portfolio written-off: written-off loans that had been renegotiated may be reclassified back to the normal portfolio only upon compliance with the following conditions:

     - Payment of 30% of the originally renegotiated balance or payment of the first nine payments agreed for the renegotiated loan.
     - Principal and interests' payments up to date.
     - No other loans of the borrower in the impaired portfolio.
     - No instalments in default in the Chilean financial system in the last 90 days.

II. Non-financial assets:

Non-financial assets of the Bank, except for goodwill, intangible assets with an indefinite useful life and assets not yet available for use and excluding investment property and deferred taxes are evaluated at least annually or more frequently, should circumstances warrant, in order to determine if indicators of impairment exist. If such indicators exist, then the recoverable amount of the asset is calculated. Additionally, goodwill and intangible assets with indefinite useful lives or not yet available for use are tested for impairment on each reporting date.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In accordance with to IAS 36 "Impairment of Assets", the entity must evaluate at the end of each reporting year, if there is any impairment of its intangible assets with indefinite useful lives, as well as of the goodwill generated in a business combination. On the other hand, the Financial Market Commission (CMF in Spanish) requires that "the valuations of goodwill and other intangible non-amortizable assets must be supported by two reports issued by independent professionals of the bank and its external auditors. These reports support the initial value of intangible assets and valuations as of December 31 of each year.

An impairment loss related to goodwill is not reversed. Impairment losses of other non-financial assets recognized in previous periods are evaluated to determine if events or circumstances indicate the need for reversal of the impairment loss. A loss from impairment is reversed if a change in the estimate has occurred. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The Bank carries out quarterly monitoring of intangible assets and goodwill generated in the business combination of its subsidiaries BCI Servicios Financieros in Chile and City National Bank in the United States. On December 31, 2020, the Bank assessed if any asset impairment had occurred, concluding that there are no impairments to be recorded in the indefinite useful life intangibles and goodwill of said investments. Regarding the assessment of amortizable intangible assets acquired on the merging of BCI Servicios Financieros businesses, an impairment loss of MCh$4,994 was determined, corresponding to the following intangibles: MCh$2,636 for Client Relations, and MCh$2,358 for Rights acquired under cross-sales agreement. These recorded impairments represent 9% and 59% over book value, respectively. For further information, see Note 32. As of December 31, 2021, the bank determined that there was no impairment.

u) Interest and indexation for inflation income and expenses:

Income and expenses from interest and indexation for inflation are recognized in the consolidated statements of income based on the accrual principle using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issuance of a financial asset or liability.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

However, in the case of past-due loans which correspond to installments overdue for 90 days or more or the current loans with high credit risk, a prudent criterion is followed to suspend the accrual of interest and indexation for inflation. Such items are recognized only when they are received.

- Amounts to suspend:

The amount of suspended income on an accrual basis posted to memo accounts corresponds to the amount calculated between the date of suspension and the consolidated statements of financial position reporting date.

- Date of suspension:

Individually assessed loans:

Case a) Loans classified as C5 and C6: the accrual is suspended when the loan is classified as non-compliant.

Case b) Loans classified as C3 and C4: the accrual is suspended when the loan has been classified as non-compliant for more than three months.

Collectively assessed loans:

For the loans with collateral whose fair value of collateral is less than 80% of the loan balance, accrual of interest income is suspended when the loan or one of the installments has not been paid for six months.

The 80% percent of collateral refers to the value of the collateral and the estimated value of all obligations covered by the same collateral, including credit commitments.

v) Intangible assets

i) Software

The software acquired by the Bank is recognized at cost less the accumulated amortization and impairment, if any.

The expenditures or costs in software developed internally are recorded as assets when the Bank can prove its intention and ability to complete development, when internal use will generate future economic benefits, and when the cost of completing its development can be reliably measured. The capitalized costs of the software developed internally include all the direct costs attributable to the development of the software, and it is amortized over the course of its useful life. Software developed internally is recorded at cost less the accumulated amortization and losses from impairment.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. All other expenses are recognized in the consolidated statements of income for the year.

Amortization is recorded in the income statement using the straight-line method according to the estimated useful life of the software, starting on the date it is ready for use and it is usually six years.

ii) Intangibles acquired in a business combination

As a consequence of the purchase process of BCI Financial Group, INC. and Subsidiaries, agreed upon in October 2015, the acquisition of Total Bank by City National Bank of Florida was consummated (simultaneously merging with CNB) on June 15, 2018 and the acquisition of the credit card business from Walmart (Servicios Financieros) was consummated on December 4, 2018. Amortized intangible assets were recognized with an indefinite useful life were recognized, which originated in the process of distributing the price paid for the acquisition or Purchase Price Allocation (PPA). The Bank is constantly evaluating for impairment its intangible assets in accordance with the CMF regulations of the Compendium of Accounting Standards, Chapter A-2 number 7; during 2019 two independent consultants reviewed the basis for the PPA valuation.

For the acquisition of Total Bank the value of the assets acquired, and liabilities assumed was provisionally determined, and the Bank adjusted the provisionally determined values to their final values within the term established in IFRS 3, “Business Combinations” on December 31, 2018.

For the acquisition of BCI Servicios Financieros, the value of the assets acquired, and liabilities assumed was provisionally determined, and the Bank adjusted the provisionally determined values to their final values within the term established in IFRS 3, “Business Combinations” on December 4, 2019 as at December 31, 2019 without retrospective restatement due to the immaterial nature of the adjustments to the provisional amounts.

The amortizable intangibles will be subject to straight-line amortization, according to the estimated useful life.

iii) Goodwill

The goodwill generated in a business combination will be distributed from the date of acquisition, between each of the cash generating unit (CGU) or the acquired entity CGU group, when applicable, which are expected to benefit from the synergies of the business combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units or groups of units.

The goodwill is subject to tests to determine if there is an impairment of value, on an annual basis, or more frequently, when the circumstances indicate that the carrying amount may be impaired.

Impairment losses related to goodwill cannot be reversed in future periods.

Intangible assets, including goodwill, were subject to the impairment tests indicated by IAS 36.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As of December 31, 2021 and 2020, there were no significant changes between the book value and the recoverable value of cash generating units containing goodwill and intangibles with indefinite useful lives.

w) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognized in the consolidated statements of income as incurred.

In a business combination, an independent expert is used to decide of fair value of assets acquired and liabilities assumed including intangible assets identified. For the estimation of recovery of these intangibles identified in a business combination, cash flow projections are used based on yield estimates of acquired businesses.

At the acquisition date, the identifiable assets acquired, and liabilities assumed are recognized at their fair value, except for the following:

- The deferred tax assets or liabilities, and assets or liabilities related to agreements of employee benefits are recognized and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits”, respectively;

- Liabilities or equity instruments related to share-based arrangements of the acquiree or share-based company agreements entered into agreements to replace share-based payments of the acquired payment transactions, are measured in accordance with IFRS 2 “Share-based Payment” at acquisition date; and

- Assets (or group of assets for disposal) that are classified as held for sale .

The goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in acquiree (if any) over the net amounts (at fair value) of the acquisition-date fair value amount of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in statements of income as a bargain purchase gain.

Non-controlling interests that represent ownership interest and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interest’s proportionate share of the recognized amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which may not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

x) Property, plant and equipment

The items of property, plant and equipment, excluding real estate, are measured at acquisition cost, net of accumulated depreciation and impairment.

The capitalized cost includes expenses attributed directly to the asset acquisition and any other costs directly attributable to the process of placing the asset in conditions to be used.

When some part of an item of the property, plant and equipment has a different useful life to that property, plant and equipment, it is recognized as a separate component (i.e., real estate remodeling).

Depreciation is recognized in the consolidated statements of income on the straight-line basis over the useful life of the item or each component of an item of the property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life, unless it is certain that the Bank will retain the property at the end of the leasing period.

The estimated useful lives for the property, plant and equipment, as of December 31, 2021 and 2020, are the following:

	As of December 31	
	2021	**2020**
Buildings	50 years	50 years
Machinery and equipment	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	3 - 6 years	3 - 6 years
Real estate improvements	10 years	10 years
Other property, plant and equipment	3 - 6 years	3 - 6 years

y) Repossessed assets

Repossessed assets are classified under "Other assets" heading and recognized at the lesser of their adjudicated-in-court value and net realizable value, net of regulatory write-offs required by the CMF. Repossessed assets are presented net of impairment. Assets not sold within 18 months the adjudication date must be written off.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

z) Staff benefits

i. Unused Vacations:

The annual cost of staff vacations and benefits are recognized on an accrual basis.

ii. Short-term benefits:

The entity provides for its employees an annual incentive plan for meeting certain objectives. The incentive is defined as a determined number or portion of monthly remuneration.

A corresponding provision is recognized based on the estimated amount to be distributed.

iii. Severance indemnities:

The Bank and its subsidiaries have no agreements with their employees with respect to severance payments, except for the subsidiaries BCI Servicios Financieros y Administración de Créditos Comerciales S.A. and BCI Administradora de Tarjetas Servicios Financieros Limitada, which have certain severance plans defined in a collective agreement with a portion of their employees; these plans provide severance payments regardless of the reason for terminating the employment, and the obligation is accounted for at actuarial value.

These companies recognize a provision (see note 21) to reflect the obligation to pay severance indemnities to employees who are entitled to receive these payments regardless of the reason for terminating the employment. This provision has been calculated using an actuarial methodology that considers estimates of staff turnover, discount rate, salary increase rate and mortality. The employee benefits liability is recognized at present value using the projected unit credit method, in accordance with the provisions of "IAS 19 — Employee Benefits". Actuarial gains or losses related to experience adjustments and changes in variables are recognized as Other comprehensive income and form part of the balance of Other Equity Reserves.

The cost of services for the current period is the increase in the present value of the defined benefit obligations, which occurs because of the services provided by employees in the current period.

The financial cost is the increase during a period in the present value of the defined benefit obligations because such benefits are a period closer to their due date.

There is a present obligation when, and only when, the Entity has no other more realistic alternative than to make the corresponding payments.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following are the assumptions used:

Detail	Source
Mortality	"RV-2014" Mortality tables established by the Financial Market Commission (CMF) were used.
Worker turnover	The historical turnover for executives, considering the collective bargaining agreement, voluntary resignation or termination of employment due to company needs, is 1.11%
Discount rate	The discount rate used to discount the benefit payment flows for severance indemnities was an actual 3.13% year. This rate corresponds to the 20-year BCU as of December 27, 2021. (Source: Banco Central de Chile).
Salary Growth Rate	The salary growth used for the projections, both for base salary growth and for total salaries, is an actual 3.0% a year.
Retirement	The retirement ages used to make the payment projections are the minimum statutory ages for retirement in Chile (according to Decree Law 3500). These ages are widely used in the market, except when the reality of the company indicates otherwise. These ages are 65 years for men and 60 years for women.

aa) Leases

On the start date of a lease the bank recognizes a right of use asset and a lease liability in accordance with the provisions of IFRS 16.

(i) Right of use assets

The Bank has lease contracts through which it has offices and branches, which are necessary to carry out its activities. Contract terms are negotiated individually and include a wide range of terms and conditions.

Leases are recognized, measured and disclosed in accordance with IFRS 16 "Leases." This requires that a right of use asset be determined and its corresponding lease liability at the date that the asset is available for use. Each rent payment consists of principal and interest. Financial interest is charged to the interest expense over the term of the lease agreement; the right-of-use asset is depreciated on a straight-line basis over the term of the contract.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The term of the lease includes the non-cancellable period established in the lease agreements, and generally has an automatic renewal clause, which is not included in the calculation of the financial liability. Additionally, each party can terminate the contract before expiration, upon notice. For both concepts, only the current contractual period has been considered for the calculation. For lease agreements with indefinite useful life, the Bank has determined to assign a useful life equal to the longest non-cancellable period of its lease agreements.

The present value of the lease payments is determined using the discount rate that represents the incremental rate of the Bank at the start date of the contracts.

In the initial measurement, the Bank measures the right of use asset at cost. The rent of the lease agreements is agreed in UF and paid in Chilean pesos. In accordance with the provisions of Circular No. 3,649 by the Financial Market Commission, the monthly variation in UF that affects the contracts established in said monetary unit must be treated as a new measurement; therefore, the adjustments must be recognized as a modification to the obligation and at the same time the amount of the asset must be adjusted for the right to use leased assets.

Contracts whose non-cancellable year is equal or less than 12 months are treated as short-term leases. Therefore, the associated payments are recorded as a straight-line expense. Any modification (as defined in the standard) in the terms or rental fee is treated according to IFRS 16.

The Bank has not entered into lease agreements with residual value guarantee clauses or variable lease payments.

The Bank applies IAS 36 “Impairment of assets” to determine if the right-of-use asset shows impairment and recognizes the identified impairment losses.

As of December 31, 2021 and 2020 the Bank has not identified impairment in the value of right-to-use assets.

(ii) Lease liability

The Bank measures the lease liability at the present value of the lease payments that have not been made as of that date. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be easily determined. If that rate cannot be easily determined, the Bank will use the incremental rate. The lease payments included in the measurement of the lease liability include payments for the right to use the underlying asset during the term of the lease not made at the measurement date, which include (a) fixed payments, less any collectible lease incentive; (b) variable lease payments, which depend on an index or a rate, initially measured using the index or rate on the start date; (c) amounts expected by the lessee to pay as residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably sure to exercise that option; and (e) payments for penalties arising from the termination of the lease, if the term of the lease reflects that the lessee will exercise an option to terminate the lease.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

After the initial recognition date, the Bank measures the lease liability in order to recognize (a) the interest on the lease liability; (b) the lease payments made; and (c) the new lease measurements or modifications, and also to reflect the essentially fixed lease payments that have been modified.

The Bank makes new measurements of the lease liability, discounting the modified lease payments, if, among other things, (a) there is a change in the expected amounts payable related to a residual value guarantee. A lessee will determine the lease payments to reflect the change in the amounts expected to be paid under the residual value guarantee; (b) there is a change in future lease payments from a change in an index or rate used to determine those payments.

The Bank measures the lease liability again to reflect modified lease payments only when there is a change in cash flows. The Bank will determine the revised lease payments, for the remainder of the lease term, based on the revised contractual payments.

As of January 1, 2019, the Bank measured the lease liability at the present value of the lease payments discounted using the incremental interest rate.

ab) Cash flow statement

The indirect method was applied for presentation of the consolidated statements of cash flows. This method is a starting point of profit before tax. Revenues and expenses associated with cash flows from investing or financing activities are presented in such categories.

The following concepts are applied for the consolidated statements of cash flows:

- Cash flows: the inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in their maturity value equal or less to 90 days, such as: deposits with the Central Bank of Chile, with domestic and foreign banks.

- Operating activities: are the principal revenue-producing activities of the Bank and other activities that are not investing or financing activities.

- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: are activities that result in changes in size and composition of equity and borrowings and that do not form part of the operating and investing activities.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ac) Provisions and contingent liabilities

Provisions are liabilities for which there is uncertainty regarding their amount or maturity. Provisions are recognized in the consolidated statements of financial position when they comply with all the following requirements:

- It is a present obligation as a result of a past event, and at the date of the consolidated financial statements, it is probable that an outflow of economic benefits will be required by the Bank or its subsidiaries to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A contingent asset is an asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.

Provisions (which are quantified considering the best available information regarding the consequences of the related triggering event and are estimated again at each accounting close) are used to cover specific obligations for which they were originally recognized and reversed in full or partially when such obligations cease to exist or decrease.

Provisions are recognized for the following categories:

- Provisions for staff benefits and remunerations.
- Provisions for minimum dividends.
- Provisions for contingent credit risk.
- Provisions for contingencies (include additional provisions).

i. Additional provisions:

The CMF has defined that the additional provisions are those not deriving from the application of valuation models to the portfolio in order to compensate deficiencies in them, and that their establishment must be justified by assumed risk as defined in unpredictable economic fluctuations.

The additional allowances are established in order to protect against the risk of macroeconomic fluctuations in order to anticipate situations of reversal of expansionary economic cycles that, in the future, could result in a worsening of the conditions of the economic environment and, accordingly, function as a countercyclical mechanism of the accumulation of additional allowances when the scenario is favorable and of release or allocation to specific provisions when the conditions of the environment deteriorate.

The Bank has formal criteria and procedures for the use and constitution for the determination of additional provisions, which are approved by the Board of Directors.

As of December 31, additional provisions of MCh$189,967 (MCh$160,176 as of December 31, 2020) have been made. These have been made to anticipate the potential impairment of the loan portfolios resulting from the crisis caused by the COVID-19 pandemic.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

These provisions are established as set forth on Number 10 of Chapter B-1 of Accounting Regulations Compendium of the Financial Market Commission, which will be reported in liabilities (see Note 21 of Provisions).

ii. Minimum provisions required for the normal individual portfolio:

The CMF has determined that the Bank must maintain a percentage of minimum provision of 0.50% on loans and credit commitments from the normal individual portfolio in accordance with Chapter 2,1,3 of the number B-1 Compendium of Accounting Standards.

ad) Use of estimates and judgments

In the application of the Bank's accounting policies, Bank management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Modifications to accounting estimates are recognized in the period in which the estimate is revised if the modification affects only that period, or in the period of the modification and future periods if the modification affects both current and future periods.

In particular, the information regarding the most significant areas of uncertainties and critical judgments in the application of accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in the following notes:

- Allowances for loan losses (Notes 10, 11 y 29).
- Impairment of certain assets (Note 32).
- Valuation of financial instruments (Notes 7, 9 and 12).
- Useful life of property, plant and equipment and intangible assets (Notes 14 and 15).
- Use of tax loss carry-forward (Note 16).
- Contingencies and commitments (Note 23).
- Impairment test and intangible (Note 14).
- Employee benefits (Note 21).

af) Income tax and deferred tax

The corporate income tax expense is calculated in accordance with IAS 12 and the Chilean Income Tax Act, which has a statutory rate of 27% for the default tax system under article 14 section A, which is the rate applied to both BCI and its subsidiaries in Chile.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in the tax regulations or in tax rates are recognized in deferred taxes as of the date of the law enactment or substantial law enactment.

As of December 31, 2021 and 2020, the Bank recognized deferred tax assets for which Management has assessed that it is probable that taxable profits will be available against which tax loss carry forwards can be utilized.

Deferred tax assets and deferred tax liabilities are offset in the consolidated statement of financial position, if you have the legally enforceable right to offset assets for current taxes against current tax liabilities, and only if these deferred taxes are related to taxes on the corresponding profits of the same taxable entity levied by the same tax authority.

ag) Dividends on common shares

Dividends on ordinary shares are recognized in equity in the year in which they were approved by the Shareholders' Meeting of the Bank.

The Bank recognizes a liability for the portion of the period profit that must be distributed among the shareholders in compliance with Corporate Law, establishing that a minimum of 30% of net income for the period, or more, must be distributed as dividend, or according to the dividends policy.

ah) Earnings per share

Basic earnings per share are determined by dividing the consolidated net income for the period attributable to the Bank by the weighted average number of shares during that year.

Diluted earnings per share is calculated similarly to basic earnings, but the weighted average number of shares outstanding is adjusted to consider the potential dilutive effect of stock options, warrants and convertible debt.

ai) Collection operations and Protected Assets No, 27 formed by the direct subsidiary BCI Securitizadora S.A.

i) Collection Operations:

BCI Securitizadora S.A. may acquire assets in order to form a separate fund ("Protected Assets Fund") that supports the issuance of securitized bonds. These assets must have similar characteristics in order to be securitized and a separate fund must be formed for each separate issuance.

These assets may represent future cash flows (a "business plan" or future cash flows to be obtained from a specific asset or group of assets or entity) or existing asset (a portfolio of receivables, mortgage loans, etc.).

The above distinction is relevant when it comes to accounting for the debt at the Bank; in the first case, future cash flows should be accounted for at the Protected Assets Fund and also at the originator, and in the case of existing assets they should be accounted for only at the Protected Assets Fund.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Collection operations form part of the securitization process. In fact, the Securities Market Law itself, foreseeing the practical difficulty of forming a Protected Assets Fund, contemplates the possibility of acquiring assets that represent Protected Assets Fund underlying even before the placement of the respective bonds.

Since there is a possibility that the respective Protected Assets Fund never will be created or the securitized bond not be issued for any reason (legal, market, etc.), these transactions contract a put option where BCI Securitizadora S.A. may put the asset back under certain circumstances (mainly in the case when an entity cannot issue securitized bonds for the reasons discussed above).

ii) Separate Formation Equity Transaction No. 27:

On June 16, 2021, all receivables were amortized in advance, Separate Formation Equity No. 27. Such early amortization was made under the conditions established in the Precautionary Legal Agreement of November 7, 2011 of Ch$15,672 million. There are no receivables due from the subsidiary BCI Securitizadora Subsidiary as of December 31, 2021 related to the Separate Formation Equity No. 27.

aj) Reclassifications

As of December 31, 2021 and 2020, no material reclassifications have been made.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ak) Accounting pronouncements by the International Accounting Standards Board (IASB)

a.- Application of new and revised International Financial Reporting Standards (IFRS).

Amendments to IFRS	Effective date
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7).	Annual periods beginning on or after January 1, 2021
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	Annual periods beginning on or after January 1, 2021

Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7)

In August 2020, the IASB issued amendments supplementing the amendments issued in 2019 (Benchmark Interest Rate Reform - Phase 1), which are focused on the effects they may have on the financial statements, when a benchmark interest rate is replaced with another rate.

The amendments of Phase 2 address the aspects that may affect financial information during the Interest rate benchmark reform, including the effects of contractual changes in cash flows or hedging relationships, which may exist when replacing the benchmark interest rate with an equivalent rate. As part of the main amendments, the Board considered the following amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases:

- changes in the basis for determining contractual cash flows related to financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures

The Bank's Management has been working on the amendments beginning on January 1, 2021. Customer rates and several áreas in the bank, will be impacted for such changes. For such purposes, multidisciplinary teams have been established to face the challenges opposed by this reform, through action plans, which highlight identifying the main exposures and risks related to the transition of the LIBOR rate, development of products associated with the new benchmark interest rate, review of current contracts and renegotiation with some of our customers, among others.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

COVID-19-related Rent Concessions (Amendment to IFRS 16)

In May 2020, the International Accounting Standards Board (the Board) issued the amendment to IFRS 16 *Leases* that allows lessees not to assess whether rent concessions, which are a direct consequence of the effects of COVID-19 and meet a number of conditions, are lease modifications.

Amendments include an optional practical expedient that simplifies how the lessee accounts for rent concessions that are a direct result of COVID-19. The lessee applying the practical expedient is not required to assess whether the rent reductions are modifications to the lease, and to account for them along with the other considerations established in the guidance. The resulting accounting will depend on the details of the rent concession. For example, if the concession is in the form of a one-off reduction in rent, it will be accounted for as a variable lease payment and recognized in profit or loss.

The practical solution can be adopted only for rent concessions as a direct consequence of the COVID-19 and only if all the following conditions are met:

- the revised consideration is substantially equal to or less than the original consideration;
- any rent concession relates to payments which originally expired on or prior to June 30, 2021; and
- no other significant changes have been made to the terms of the lease.

The Bank’s Management believes that the implementation of these amendments had no effect on the Consolidated Financial Statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

b.- New and revised IFRS issued but not yet effective:

New Standards	Effective date
IFRS 17 Insurance contracts	Annual periods beginning on or after January 1, 2023. This date includes the exemption of insurers from the application of IFRS 9 to allow them to implement IFRS 9 and IFRS 17 at the same time. Early adoption is permitted for entities that apply IFRS 9 and IFRS 15 on or before such date.
Amendments and Improvements to IFRS	
Classification of liabilities as current or non-current (amendments to IAS 1).	Annual periods beginning on or after January 1, 2023. Early adoption is permitted
References to the Conceptual Framework (amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted
Annual improvements to IFRS, cycle 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16)	Annual periods beginning on or after, January 1, 2022. Early adoption is permitted
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely.
Disclosure initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 – Making Materiality Judgments)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the first annual reporting period in which the entity applies the amendments.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(*Amendments to IAS 12*)*	Annual periods beginning on or after January 1, 2023. Early adoption is permitted
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17).	This amendment is applicable beginning on the Application of IFRS 17 Insurance Contracts

IFRS 17 Insurance contracts

Issued on May 18, 2017, this Standard requires that insurance obligations are measured at current compliance values and provides a more consistent approach for presenting and measuring all insurance contracts. Such requirements are designed to provide a consistent principle-based accounting treatment.

In March 2020, the International Accounting Standards Board (the Board) decided to defer the effective date of IFRS 17 to January 1, 2023. Early adoption is permitted if IFRS 9 and IFRS 15 have been adopted. The Board also decided to extend the temporary exemption to IFRS 9 granted to insurers who meet specified criteria, through January 1, 2023.

The Bank's Management believes this new standard will not have an impact on the Consolidated Financial Statements, as companies in their consolidation perimeter do not issue insurance contracts.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The International Accounting Standards Board amended IAS 1 *Presentation of Financial Statements* to foster consistent application and clarify the requirements to determine whether an liability is current or non-current. As a result of such amendment, entities are required to review their loan contracts to determine whether their classification will change.

The amendments include the following:

- Right to defer settlement must have substance: under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for, at least, twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

- Classification of revolving credit facilities may change: entities classify a liability as non-current if they have a right to defer its settlement for at least twelve months after the end of the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.

- Liabilities with equity-settlement features: the amendments state that settlement of a liability includes transferring an entity's own equity instruments to the counterparty. The amendments clarify how a company classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component foreseen in IAS 32 *Financial Instruments: Presentation*.

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2023. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in their next annual financial statements.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this standard will not have any effect on the Bank's Consolidated Financial Statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Reference to the Conceptual Framework (Amendments to IFRS 3)

In May 2020, the International Accounting Standards Board (the Board), issued the Reference to Conceptual Framework, which amends IFRS 3 Business Combinations. The amendment replaces the reference made to a previous version of the Conceptual Framework for Financial Reporting containing a reference to the last version issued in March 2018. In addition, the IASB included an exception to its requirement to the entity to make reference to the Conceptual Framework to determine what is an asset or a liability. This exception establishes that, for certain types of contingent assets and contingent liabilities, the entity that applies IFRS 3 must refer to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets."

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this reform will not have any effect on the Bank's Consolidated Financial Statements.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

In order to provide guidance on the accounting for sales and costs that entities can generate in the process of making an item of property, plant and equipment available for use, the International Accounting Standards Board (the Board) issued in May 2020 the amendment to IAS 16.

In accordance with these amendments, proceeds from the sale of the assets obtained in the process in which an item of Property, Plant and Equipment is available for use, should be recognized in the statement of income together with the costs of producing such assets. IAS 2 Inventories should be applied in identifying and measuring these items.

Entities will have the need to make the difference between:

- costs associated with producing and selling items before the item of Property, plant and equipment is available for use; and
- costs associated with making the item of Property, plant and equipment available for its intended use.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this reform will not have any effect on the Bank's Consolidated Financial Statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

In order to clarify the types of costs a company includes as fulfillment costs when assessing whether a contract is onerous, the IASB issued the amendment to IAS 37 *"Provisions, Contingent Liabilities and Contingent Assets"* in May 2020. As a result of such amendment entities which currently apply the "incremental cost" approach will be required to recognize larger provisions and an increased number of onerous contracts.

The amendment clarifies that cost of fulfilling a contract includes:

- the incremental costs, e.g. direct labor and materials; and
- allocations of other directs costs, e.g. the allocation of a depreciation expense of an item of property, plant and equipment used in fulfilling the contract.

At the date of initial application, the cumulative effect of the application of this amendment to the Standard is recognized in the opening balances as an adjustment to retained earnings or any other item in equity, as applicable.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this standard will not have any effect on the Bank's Consolidated Financial Statements.

2018-2020 Annual Improvements Cycle to IFRSs

Annual improvements includes amendments to four Standards, as follows:

- IFRS 1 *First-time Adoption of International Financial Reporting Standards*: This amendment simplifies the initial adoption of a subsidiary that adopts IFRS at a date later than the Parent, i.e., if a subsidiary adopts IFRS at a date later than the Parent and applies IFRS 1.D16(a), then the subsidiary is able to opt for measuring the cumulative translation effects for all foreign operations considering the amounts included in the Parent's consolidated financial statements on the basis of the Parent's date of transition to IFRS.

- IFRS 9 *Financial Instruments*. This amendment clarifies that – for the purpose of performing the '10 percent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- IFRS 16 *Leases.* The amendment eliminates the illustrative example of lessor payments related to improvements to the leased property. As currently drafted, the example is unclear as to why such payments are not a lease incentive. The amendment will help eliminate the possibility of confusion in the identification of lease incentives in real estate agent transactions.

The Bank's Management is assessing the possible impact of this amendment, however, it believes the application of this standard will not have any effect on the Bank's Consolidated Financial Statements. IFRS 9 will be applied by the Bank from January 2022, except for Section 5.5 on impairment of loans classified as "financial assets at amortized cost".

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

On September 11, 2014, the IASB issued this amendment that requires that when transferring subsidiaries to an associate or joint venture, the total gain should be recognized when assets transferred meet the definition of "business" under IFRS 3, Business Combinations. This amendment establishes a strong pressure on the definition of "business" for recognition in profit or loss. Also, it introduces new and unexpected recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application date has been deferred indefinitely.

The Bank's Management has not determined the potential impact of the application of this amendment on its Consolidated Financial Statements.

Disclosure of Accounting Policy (Amendments to IAS 1 and IFRS Practice Statement 2)

In October 2018, the Board refined the definition of materiality so that it is easier to understand and apply. Such definition is aligned with the entire IFRS framework including the Conceptual framework. Changes to the definition of materiality complement the non-binding Statement of Practice 2 *Making Materiality Judgments* issued by the Board in 2017, which outlines a four-step procedure that can be used to assist in making materiality judgments in the preparation of financial statements.

In February 2021, the Board issued amendments to IAS 1 *Presentation of Financial Statements* and an update to Statement of Practice 2.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The amendments include the following:

- Require companies to disclose their *material accounting policies* rather than *significant accounting policies;*
- Clarify that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and therefore need not be disclosed;
- Clarify that not all accounting policies that relate to material transactions, other events or conditions are themselves material to the Company's financial statements.

Amendments to Practical Statement 2 include two additional examples of the application of materiality in accounting policy disclosures.

The Bank’s Management has not determined the potential impact of adopting this amendment on its Consolidated Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus on the definition and clarification of accounting estimates.

Amendments clarify the relationship between accounting policies and accounting estimates, specifying that a company develops an accounting estimate to achieve the objective defined previously in an accounting policy.

The Bank's Management has not determined the potential impact of the application of this amendment on its Consolidated Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction *(*Amendments to IAS 12*)*

In May 2021, the Board issued amendments to IAS 12 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*, to clarify how companies should account for deferred tax in certain types of transactions where an asset and a liability are recognized, such as leases and decommissioning obligations.

Amendments reduce the scope of the exemption on initial recognition so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning obligation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank's Management has not determined the potential impact of the application of this amendment on its Consolidated Financial Statements.

Initial application of IFRS 17 and IFRS 9 – Comparative information (Amendments to IFRS 17)

In December 2021, the Board issued the amendments to IFRS 17 Initial application of IFRS 17 and IFRS 9 – Comparative information, in order to provide relief the operational complexities between accounting for insurance contract liabilities and financial assets related to the initial application of IFRS 17.

The amendments allow the presentation of comparative information on financial assets related to insurance contracts to be presented in a manner consistent with those established in International Financial Reporting Standard 9 (IFRS 9) Financial Instruments.

The Bank's Management believes this new regulation will have no impact on the Consolidated Financial Statements as the companies in our consolidation radius do not issue insurance contracts.

aj) Standards and Instructions issued by the Financial Market Commission (CMF).

General Standard No.451: On January 25, 2021, the CMF established features and conditions that shall be complied with, in order to register debt securities such as: bonds, securitized bonds, convertible bonds, commercial papers and, in general, any short-term and long-term debt security, under automatic registry. Provided that the issuer's registration in the Securities Registry is valid as of the date of deposit of the issue for which registration is requested, and the issuer's registration has been in effect continuously during the 12 months prior to that date. In the case of mutual funds and investment funds supervised by this Commission, it shall be sufficient to meet this condition that, at the time of the request, the fund has the minimum equity and number of participants required by Article 5 of Article First of Law No. 20.712 on the Administration of Third-Party Funds and Individual Portfolios.

The Bank's Management considers that the application of this standard will have no significant effect on the Consolidated Financial Statements.

Circular 2.285: the CMF complements instructions and extends the deadline to March 31, 2021 for the first submission of the R11 file on the rating of systemically important banks, which includes information for each of the twelve months of 2020.

The Bank's Management implemented these measures in the regulatory report R11 beginning on March 31,2021.

Circular N ° 2.288: On April 27, 2021, the Financial Market Commission included new regulatory files on the implementation of the capital framework of the Basel III standards, creating files R01 "Limits of solvency and effective equity", R02 “Regulatory capital instruments”, R06 “Assets weighted by credit risk”, R07 “Assets weighted by market risk” and R08 “Credit risk weighted asserts”, together with the new tables complementing them.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Additionally, it established dates for the first submission of regulatory files R06, R07 and R08, which must be sent on the 9^{th} business day of July 2021. The first report for file R01 should be sent in September 2021 and the first report for file R02 was established for January 2022.

The Bank's Management implemented these measures in regulatory reports R06, R07 and R08 beginning in July 2021 and RO1 beginning in September 2021.

Circular No. 2.289: On April 27, 2021, the CMF amended Chapter of RAN 2-2 on Bank Accounts and Checks, incorporating the modifications made by the Central Bank of Chile regarding the authorization of a series of new operations that may be performed in domestic currency to expand cross-border transactions in Chilean pesos, including the opening and holding of bank checking accounts in Chilean pesos by individuals not domiciled or resident in Chile.

The Bank’s Management believes the application of this standard will have no significant effects on the Consolidated Financial Statements.

Circular No. 1.207: On April 28, 2021, the CMF provided clarifications regarding the accounting treatment of subordinated bonds and additional provisions that are accounted for as equivalent to preferred shares or bonds with no fixed maturity date in accordance with the third transitory article of Law No. 21. 130 on the modernization of the banking legislation, which must comply with the limits established in paragraphs c) and d) of Article 66 of the General Banking Law according to Basel III standards, as follows: a) Subordinated bonds may not exceed 50% of basic capital. In addition, subordinated bonds may be computed as equivalent to preferred shares or bonds with no fixed maturity, i.e., allocated as additional tier 1 capital (AT1). b) Additional provisions computed as regulatory capital may not exceed 1.25% of credit risk-weighted assets. Additionally, the General Banking Law allows additional provisions, which are usually allocated in Tier 2 capital (T2), to be computed as preferred shares or bonds with no fixed maturity, i.e., as additional AT1 capital

The Bank's Management believes that the application of this standard will have no significant effect on the Consolidated Financial Statements.

Circular No. 2.291: On July 8, 2021, the CMF requests information on deferred credits, amends economic activity codes for FOGAPE Reactivation loans and updates instructions on Form M2. In order to have information for monitoring assets subject to allowances for credit risk related to deferred commercial loans and associated operations.

The Bank's Management implemented these measures in the regulatory reports of August 2021.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Circular No. 2.292: On August 19, 2021, the CMF introduces different adjustments to the standards described below, in the context of the implementation of the Basel III standards in Chile.

Amending and updating the following chapters of the RAN:

21-1: Effective equity for legal and regulatory purposes
21-6: Determination of credit risk weighted assets
21-8: Standardized methodology for the calculation of operational risk weighted assets.
21-20: Market discipline and transparency

Additionally, it makes reference adjustments to the following chapters of the RAN:

8-37: Lease operations.
11-6: Investments in companies in Chile.
11-7: Branches and investments in banks and other companies abroad.
12-3: Individual credit limits and guarantees, article 84 No.1 of the General Banking Law.
12-4: Limit of credits granted to related persons, article 84 No. 2 of the General Banking Law.

Finally, it modifies Chapter B-1 of the Compendium of Accounting Standards, incorporates more precise conditions to determine the debtors that must be evaluated by means of models based on group analysis on the aggregate exposure.

The Bank's Management implemented these measures in the regulatory reports of August 2021.

Circular No. 1.222: On September 2, 2021, the CMF has deemed necessary to emphasize and reinforce some aspects of the regulations relating to the general treatment of the information contained in the consolidated list of debtors referred to in article 14 of the General Banking Law, contained in the Chapter of RAN18-5 on "Information on debtors of financial institutions", in view of its sensitive nature, considering that beginning in April 2022 it must be updated on a weekly basis and that in the following months, it will begin to incorporate information on the debtors of the non-banking credit card issuing companies, in accordance with the amendment of the aforementioned legal precept through Law No. 21,130.

The Bank's Management is assessing the impact on its systems for the implementation of these regulatory reports.

Circular No. 2.293: On September 2, 2021, in order to have more up-to-date information, which allows improving the timing of the debt report, both for the public and for the institutions inspected that receive the list of debtors, in accordance with article 14 of the General Banking Law, the Chilean Financial Market Commission has resolved to increase the frequency of submission of files D10 on Debtor Information, Article 14 of the General Banking Law and D27 on tenants' obligations in lease operations, from monthly to weekly periodicity, modifying at the same time the deadline for sending such information, from 7 to 3 business days.

As trial phase, files D10 and D27 with weekly frequency will be sent for the first time in the second week of December 2021.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank's Management is assessing the impact on its systems for the implementation of these regulatory reports.

Circular No.1.226: On October 2, 2021, the CMF has deemed it necessary to specify certain aspects of the procedure that banks must follow for the registration of bonds without a fixed maturity or perpetual term referred to in article 55bis of the General Banking Law, in those cases in which the issuance and placement is intended to be performed abroad in its entirety.

The Bank's Management believes that the application of this standard will not have significant effects on the Consolidated Financial Statements.

Circular 2,295: On October 7, 2021, the Commission has resolved to modify certain instructions of the Summary of Accounting Standards that will be in force beginning on January 1, 2022, in order to adapt it to Basel III standards. Likewise, certain adjustments are considered that aim at perfecting the amendments introduced to the aforementioned Summary through Circular No. 2.243, of December 20, 2019.

The Bank's Management will implement these changes in its Consolidated Financial Statements beginning on January 1, 2022.

i. Accounting changes made during 2021: Regarding the change of criteria for the suspension of the recognition of interest income and adjustments on an accrual basis in accordance with the provisions of Chapter B-2 of this Compendium, it must be adopted prospectively no later than January 1, 2022, so its transition date and first application would be at the beginning of any month in which the new criterion is adopted, recording its impact on profit or loss in the event that the new criterion is adopted during 2021 and in the equity item "Reserves not from profits" (item 32000.01.00) in the event that the new criterion is adopted on January 1, 2022.

ii. Considerations for first-time application of IFRS 9 and disclosures to be made under IFRS 7: On the date of first-time application of IFRS 9 on January 1, 2022, the Bank shall apply IFRS 7 and Chapter 7.2 of IFRS 9 as applicable, subject to the limitations defined in paragraph 5, Chapter A-2 of this Compendium. In this context, the resulting classification and impairment should be applied retrospectively while the accounting hedge should be applied prospectively. The disclosures shall comply with IFRS 7 for the reconciliation of the Statement of Financial Position balances under IAS 39 and IFRS 9, respectively, at the date of first-time application and at the transition date.

iii. New presentation formats for financial statements applied as of fiscal year 2022: In Chapter C-1, C-2 and C-3 of the aforementioned compendium of standards, the CMF established the new presentation formats for financial statements, for which the transition date has been established as January 1, 2021 for the purposes of the comparative financial statements that must be published beginning on March 2022.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

iv. Standards that will become effective beginning in 2022: Additionally, in the aforementioned compendium of standards it has been established that, beginning on January 1, 2022, banks must begin the application of the new accounting criteria established by the CMF, and in those matters not covered by the Compendium, apply the International Financial Reporting Standards (IFRS). Changes in accounting criteria are related, among others, to the following matters:

As a result of the application of these new accounting criteria, adjustments will be generated on the balances of the Bank's equity accounts as at January 1, 2022, as well as the determination of the results for future years. Likewise, and only for comparative purposes with the financial statements presented for 2022, the Bank must present the financial statements for 2021 in accordance with the new accounting criteria, which will differ from those presented herein.

As of the date of issuance of these consolidated financial statements, the Bank has estimated the approximate impacts of this application at the Equity account level, which would amount to MCh$17,413 and would represent a decrease of 0.39% of the Bank's total consolidated equity at December 31, 2021.

Circular 2,296: On November 2, 2021, the CMF updated the RAN 1-13 instructions on Solvency Rating, referring to the standards that regulate the determination of effective equity and basic capital within the framework of the solvency rating of banking institutions established in Chile, agreeing them with those contained in the relevant chapters of the Updated Compilation of Standards.

The Bank's Management believes the application of this standard will not have significant effects on regulatory reports.

Circular 2,297: On November 2, 2021, the CMF issued a new chapter of RAN 12-14 on credit limits granted to business groups. This chapter establishes the scope and exceptions for the application of the aforementioned limit, together with the way to make up the payroll of the business groups and the entities that compose them for this purpose; as well as, the way of computing the credits granted to entities belonging to the same business group is defined, in order to determine their degree of credit concentration and compliance with the aforementioned limit. Together with this new chapter of the RAN, the new file D60, referred to as Operations with entities of the same business group", is incorporated into the Information System Manual for banks to report monthly the information referring to the daily operations that are performed with entities of the same business group, in addition to identifying the groups to which they belong and the amounts they owe. This new file must be sent based on the information referring to January 2022. However, and exceptionally, files referring to the months between January and April 2022 will be sent in June, together with the file related to May.

The Bank's Management is assessing the impact on its systems for the implementation and generation of this regulatory report.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Circular 2,300: On November 25, 2021, the CMF updated instructions and instructed the amendment of the sub-factors of the index of systemic importance of the regulatory file R11 on "rating of banks of systemic importance." Adjustments to the definitions of the sub-factors refer to “assets at fair value” and “third-party assets under management of the Bank”. The period established to amend the information is until January 13, 2022, referring to the months between January and December 2021.

Circular 2,302: On December 23, 2021, as a result of the latest amendment to the new Compendium of Accounting Standards for Banks (CNCB), which became effective beginning on January 1, 2022, the CMF considered it necessary to update the provisions on limits of obligations with other banks in Chile based on their current assets, which are contained in Chapter 12-7 of the Updated Compilation of Standards (RAN) and the instructions in file C18 of the Information System Manual (MSI) .

The Bank's Management implemented these measures in the regulatory reports for December 2021.

NOTE 2 - ACCOUNTING CHANGES

During the period ended December 31, 2021, there have been no accounting changes with respect to the prior year that affect these Consolidated Financial Statements.

NOTE 3 - SIGNIFICANT EVENTS

a) Agreement to distribute year 2020 profits

A Board meeting held on February 25, 2021 agreed to distribute the net profits of the Bank in 2020, which was approved at the Ordinary Shareholders' Meeting held on April 6, 2021. The Board approved the following matters:

• Distribute the net income for the year 2019, amounting to Ch$310,696,231,357 (MCh$310,696), as follows:

-Distribute a dividend of Ch$700 per share among the total of 148,767,940 shares issued and registered in the Shareholder Registry, which involves allocating for this purpose the sum of Ch$104,137,558,000 (MCh$ 104,138), that is 32.8% of the Bank's distributable net profit for 2020, and;

-Allocate the remaining balance of profits for the year, to the fund of reserves from profits, that is, the sum of Ch$ 206,558,673,357 (MCh$ 206,559).

At the Extraordinary Shareholders' Meeting held on April 6, 2021, the shareholders approved:

• Capitalizing reserves from profits for Ch$ 206,558,673,357 (MCh$ 206,559) as follows:

-The sum of Ch$ 206,558,646,037 (MCh $ 206,559) through the issuance of 7,118,565 shares exempt from payment with no par value.

-The sum of Ch$ 27,320 (MCh $ 0), to capitalization, without issuance of shares.

The Bank’s subscribed and paid-in capital would amount to Ch$ 3,862,386,369,359 (MCh$ 3,862,386) divided into 155,886,505 nominative, single series shares with no par value.

On July 22, 2021, the bank received resolution No. 3874 from the Chilean Financial Market Commission, which approved the amendment of the bylaws agreed upon at the Extraordinary Shareholders' Meeting held on April 6, 2021, which is currently pending legalization by the Bank, to subsequently request the registration of paid-in shares with the Commission's Securities Registry and issue and distribute such shares on the date agreed by the Bank's Board of Directors.

The related Certificate and extract from the aforementioned Resolution was published in the Official Gazette on August 10, 2021 and registered on Page 58,048 Number 26,957 of the Trade Registry of the Santiago Real Estate Registry for 2021. The issuance of the paid-in shares was registered with the Securities Registry of the Chilean Financial Market Commission, under No. 2 // 2021, on October 5, 2021. At a meeting held on July 27, 2021, the Bank's Board of Directors agreed to set as the date for the issuance and distribution of the paid-in shares, the thirtieth day after the registration of the shares with the Chilean Financial Market Commission, or the next business day if the thirtieth day is a Saturday or holiday, i.e., November 4, 2021.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

b) Issuance and placement of bonds

During 2020, the following issuance of ordinary bonds took place in Chilean pesos:

Series	Issuance date	Chilean Pesos	TIR rate	Maturity date
BBCIO31220	11.30.2020	100,000,000,000	3.52%	12.01.2027

During 2021, the following placement of ordinary bonds took place in Chilean pesos:

Series	Placement date	Chilean Pesos	TIR rate	Maturity date
BBCIO31220	04.23.2021	45,000,000,000	3.52%	12.01.2027

During 2021, the following placement of ordinary bonds took place in UF:

Series	Placement date	UF	TIR*rate	Maturity date
BBCIM31019	01.08.2021	3,000,000	(0.09)%	10.01.2028
BBCIM51019	01.13.2021	3,000,000	0.27%	10.01.2030
BBCIM41019	02.10.2021	3,000,000	(0.31)%	10.01.2029
BBCII20219	03.11.2021	100,000	0.01%	02.01.2029
BBCIN11220	09.22.2021	3,000,000	2.05%	06.01.2027
BBCIN31220	09.23.2021	3,000,000	2.25%	12.01.2028

During 2021, the following issuances of ordinary bonds took place in U.S. dollars:

Series	Issuance date	USD	TIR* rate	Maturity date
XS2318617185	03.17.2021	54,000,000.00	2.37%	12.03.2029
XS2337108497	04.27.2021	10,000,000.00	0.78%	04.27.2026
XS2357310379	06.23.2021	10,000,000.00	2.60%	06.23.2031
XS2377687442	08.18.2021	10,000,000.00	2.53%	08.18.2031
XS2387450393	09.16.2021	30,000,000.00	1.12%	09.16.2026
XS2388190592	09.21.2021	10,000,000.00	0.93%	09.21.2026
XS2384719667	09.24.2021	133,000,000.00	1.89%	09.24.2026
XS2389126280	09.27.2021	10,000,000.00	2.42%	09.27.2031
US05890MAB90	10.14.2021	500,000,000.00	3.08%	10.14.2031
XS2398895651	10.19.2021	17,000,000.00	0.94%	10.19.2026
XS2402142371	10.27.2021	20,000,000.00	1.13%	10.27.2028
XS2407022313	12.01.2021	20,000,000.00	1.01%	12.01.2026

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

During 2021, the following placement of ordinary bonds took place in U.S. dollars:

Series	Placement date	USD	TIR*rate	Maturity date
XS2318617185	03.17.2021	54,000,000.00	2.37%	12.03.2029
XS2337108497	04.27.2021	10,000,000.00	0.78%	04.27.2026
XS2357310379	06.23.2021	10,000,000.00	2.60%	06.23.2031
XS2377687442	08.18.2021	10,000,000.00	2.53%	08.18.2031
XS2387450393	09.16.2021	30,000,000.00	1.12%	09.16.2026
XS2388190592	09.21.2021	10,000,000.00	0.93%	09.21.2026
XS2384719667	09.24.2021	133,000,000.00	1.89%	09.24.2026
XS2389126280	09.27.2021	10,000,000.00	2.42%	09.27.2031
US05890MAB90	10.14.2021	500,000,000.00	3.08%	10.14.2031
XS2398895651	10.19.2021	17,000,000.00	0.94%	10.19.2026
XS2402142371	10.27.2021	20,000,000.00	1.13%	10.27.2028
XS2407022313	12.01.2021	20,000,000.00	1.01%	12.01.2026

During 2021, the following issues of Current Bonds in Swiss Francs were performed.

Series	Issuance date	Chilean Pesos	TIR rate	Maturity date
CH1120085696	07.15.2021	100,000,000.00	0.39%	12.15.2026

During 2021, the following issues of Current Bonds in Swiss Francs were performed.

Series	Issuance date	Chilean Pesos	TIR rate	Maturity date
CH1120085696	07.15.2021	100,000,000.00	0.39%	12.15.2026

c) Incorporation of Banco BCI Perú

The Bank's Board of Directors has authorized BCI's management to incorporate a bank in the city of Lima, Peru, which will become a subsidiary of BCI (hereinafter "Banco BCI Peru") subject to the conditions set forth below. Banco BCI Peru will have the nature of a corporation under the regulations of the Republic of Peru. This corporation will be registered with the National Superintendency of Public Registries of Peru and its shares will be registered with the Public Registry of the Securities Market and the Registry of the Lima Stock Exchange.

Locally, on June 9, 2021 and September 2, 2021, BCI obtained approval from the CMF and the Central Bank of Chile to establish a banking subsidiary in Peru, in accordance with Article 76 of the General Banking Law and Chapter 11-7 of Updated Compilation of Rules issued by the CMF.

99.99% of the shares of Banco BCI Peru will be owned by BCI and the remaining 0.01% will be owned by Empresas JY S.A. Banco BCI Peru will be subject to the supervision of the appropriate Chilean and Peruvian regulatory entities.

NOTE 3 - SIGNIFICANT EVENTS , CONTINUED

The start of operations of Banco BCI Peru is still subject to obtaining the regulatory authorizations, inscriptions and records required under Peruvian law.

d) Dissolution of the Subsidiary Análisis y Servicios S.A.

On November 15, 2019, the Financial Market Commission was requested to approve the dissolution of the company Análisis Servicios S.A. This company's shareholders are Banco de Crédito e Inversiones with a 99% interest and BCI Corredor de Bolsa, S.A. with a 1% interest, respectively. The dissolution was approved by the Board of Directors of BCI at its meeting on August 27, 2019.

On December 12, 2019, the Council of the Financial Market Commission approved the request in ordinary meeting number 161.

On January 20, 2021, the resolution from the Chilean Internal Revenue Service was officially received confirming the end of business activities of Sociedad de Análisis y Servicios S.A.

Extraordinary General Shareholders' Meeting, held on April 1, 2021, whose minutes were drafted as public deed of April 27, 2021 under number 2357/2021, witnessed by the notary of Santiago Mr. Alberto Mozo Aguilar, the owners were informed of the dissolution of the Company.

An extract of such public deed is registered on page 42,776, number 19,792 of the Trade record of the Santiago Real Estate Registry for 2021, and published in the Official Gazette on June 7, 2021.

On September 30, 2020, "Análisis y Servicios SA" was liquidated, where the corporate books and the accounting and financial information contained in the balance sheet as at that date were reviewed, where the capital amounted to Ch$47,174,185, divided into 22,096 same-series subscribed and fully-paid shares with no par value and paid by 99% by Banco de Crédito e Inversiones and by 1% by BCI Corredor de Bolsa, S.A. The Company's accumulated assets, liabilities, and losses amounted to $0.

e) Merger of the subsidiaries Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF and Servicios Financieros y Administración de Créditos Comerciales S.A.

On January 26, 2021, the Bank received authorization by the Financial Market Commission to perform the merger between Servicios Financieros y Administración de Créditos Comerciales S.A, the surviving company, and Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada. Management decided to perform the merger on January 31, 2021. The purpose of the merger is to enhance the efficiency and profitability, facilitate the supervision and oversight of the supporting companies, achieve greater organizational alignment and integrated management of the credit card business, simplifying business management, among others.

NOTE 3 - SIGNIFICANT EVENTS , CONTINUED

f) Ratification of Directors

At the Ordinary Meeting of April 6, 2021, Mr. Jorge Becerra Urbano was ratified as Bank Director, until the next Ordinary Shareholders' Meeting of the year.

g) Pagos y Servicios S.A.

On March 25, 2020, through resolution No. 2450, the Financial Market Commission authorized Banco de Crédito e Inversiones to make an investment, as a non-controlling interest, in the special stock company called Pagos y Servicios S.A., which operates under the commercial name “BCI Pagos”, and which will have as single line of business to act as a payment card operator. The Bank has contributed the amount of MCh$ 356 to this entity, divided into 499 shares, which is equivalent to a 49.9% interest.

On June 2, 2021, the Financial Market Commission, in compliance with the current legal framework and in accordance with the information presented, authorizes the operation of the Sociedad Pagos y Servicios SA, providing for the registration in the Single Registry of Payment Card Operators which, empowers the special purpose company to commence its exclusive line of business as a payment card operator.

In addition, on June 2, 2021, Pagos y Servicios S.A., communicated to the Chilean Financial Market Commission that it has signed an agreement to acquire PST Pago Fácil SpA, a leading payment platform for electronic commerce in Chile. The acquisition will provide approximately 3,000 businesses affiliated with the Bank expanding its market-integrated payment solutions and technological capabilities, which will enhance the Bank’s business adherence and membership services and attract new customers.

h) Capital increase at Pagos y Servicios S.A.

On February 23, 2021 a capital increase was performed in Pagos y Servicios S.A, of which the Bank contributed with MCh$ 354. Also, on September 10, 2021 a contribution of MCh$ 790 was made, maintaining its interest percentage of 49.9%.

i) FOGAPE Reactiva

On February 12, 2021, the Chilean Government implemented a new financing through FOGAPE Reactiva, which is an instrument that allows economic support to companies whose income was affected due to the difficulties generated by the pandemic and that were unable to apply to the 2020 version of this benefit. Note that the new credits may be used for investment, working capital and to refinance FOGAPE credits already requested, term and guarantee coverage for up to 7 years (2028). In addition, stamp tax is exempted from payment, but the company must not be in default for more than 29 days in the financial system, and must not be in default for more than 60 days in the Bank. As of December 31, 2021, the Bank has processed 12,855 transactions amounting to MCh$891,108 for this type of loan.

NOTE 3 - SIGNIFICANT EVENTS , CONTINUED

j) Capital increase in Transbank S.A.

At the Extraordinary Shareholders' Meeting of Transbank S.A. of April 22, 2021, the shareholders agreed to increase share capital by MCh$ 30,000 through the issuance of 152,905,194 new shares. The funds obtained by such company will be used to comply with the minimum capital requirements and liquidity reserves established in Chapter III.J.2 of the Summary of Financial Regulations issued by the Central Bank of Chile for payment card operators. On May 5, 2021, the Bank made a contribution of MCh$ 872 resulting in ownership percentage of 9.54408% and on August 30, a new capital increase of MCh$1,744 was made, resulting in interest of 8.72%.

k) Capital increase at Bci Perú S.A.

On December 17, 2021, a capital increase was made at Bci Perú S.A. of which the Bank has contributed MCh$10,398 maintaining interest of 99.99%.

l) Capital increase at BCI Securities S.A.

On December 21, 2021, a capital increase was made at BCI Securities S.A., of which the Bank has contributed the amount of MCh$1,742.

m) Capital increase at Administradora de Tarjeta Servicios Financieros Limitada.

On December 30, 2021, a capital increase was made at Administradora de Tarjeta Servicios Financieros Limitada, of which the Bank has contributed MCh$5,500.

NOTE 4 - BUSINESS COMBINATION

Acquisition of National Bank acquisition

i. General aspects

On October 9, 2020, Banco de Crédito e Inversiones, through its indirect subsidiary City National Bank of Florida (hereinafter “CNB”) acquired Executive National Bank by buying a 100% interest.

With this transaction, BCI reinforces its strategy of consolidating its presence in the market of the State of Florida, in the United States of America, expanding CNB's presence in this State through the growth of its customer base, offering exceptional service and a personalized experience. The Bank paid a total of US$62 million, equivalent in Chilean pesos to MCh$49,930, for this acquisition.

ii. Description of Acquired Bank

Executive National Bank is the investment company that merged with CNB, with the latter becoming the absorbing and legal successor to Executive National Bank.

Executive National Bank is a leading retail and commercial banking financial institution in South Florida and has more than 40 years of presence in Miami, where its headquarters are located, offering a wide range of financial services, to small businesses and individuals.

At the time of acquisition, Executive National Bank had a loan portfolio of MCh$270,881, deposits of MCh$365,093 and equity of MCh$36,062, represents to 0.75%, 1.24% and 0.91% of the consolidated respective balances of such accounts in consolidation as of September 30, 2020.

iii. Main reasons for the purchase

This operation is another step in BCI's decision of increasing its presence in Florida, an attractive market because of its size and growth; therefore, the Bank plans to become a platform with regional coverage, to accompany its clients as they expand their operations outside of Chile, through BCI Miami Branch, BCI Securities, City National Bank of Florida and representative offices.

This represents an advance of BCI's strategic objective of generating new sources of income; having a geographic diversification that allows the company not only to diversify risks, but also having access to new markets and clients; and serving current clients seeking solutions at a regional level. Therefore, the Bank is able to expend in Latin America.

With this transaction, City National Bank of Florida reached the consolidated assets for US$18 billion (or US$18,000 million). This growth will improve the position of the Bank as a leading competitor in the Miami market.

NOTE 4 - BUSINESS COMBINATION, CONTINUED

iv. Detail of assets acquired, and liabilities assumed at fair value

The following is detail of assets and liabilities assumed at fair value of Executive National Bank at the acquisition date, as of October 9, 2020:

	Fair value recognized on date of acquisition (Provisional)	Reference
	MCh$	
ASSETS		
Cash and deposits in banks	107,282	
Items in course of collection	-	
Trading portfolio financial assets	22,282	a
Liabilities under agreements to repurchase	-	
Derivative financial liabilities	6,113	
Loans and receivables to banks, net	-	
Loans and receivables from customers, net	267,439	b
Financial investments available for sale	-	
Financial investments held to maturity	-	
Investments in other companies	-	
Intangible assets	4,482	c
Property, plant and equipment	2,664	d
Current and deferred taxes	384	e
Other assets	3,243	f
TOTAL ASSETS	**413,889**	
LIABILITIES		
Current accounts and demand deposits	356,702	g
Items in course of collection	-	
Liabilities under agreements to repurchase	-	
Deposits and other term loans	8,904	g
Derivative financial liabilities	6,113	
Borrowings from financial institutions	-	
Debt issued	-	
Other financial liabilities	4,210	h
Current and deferred taxes	-	
Provisions	-	
Other liabilities	2,617	i.
TOTAL LIABILITIES	**378,546**	
Total net identifiable assets at fair value	**35,343**	
Goodwill arising from acquisition	14,087	j
Consideration transferred in exchange for the acquire	**49,430**	
Net cash received with subsidiary (including cash flow from investing activities)	107,282	
Payment in cash	(49,430)	
Net cash difference	**57,852**	

NOTE 4 - BUSINESS COMBINATION, CONTINUED

The fair value adjustments presented have been determined on a provisional basis. The valuation process was carried out by qualified professionals independent from BCI Management and their external auditors.

Fair value is defined as the price that would be received for selling an asset or that would be paid for transferring a liability in an orderly transaction between market participants at the valuation date, or acquisition in the case of BCI.

The way to determine the fair values at the date of purchase of the assets acquired and liabilities assumed is as follows:

a) Instruments for trading are valued at fair value in accordance with market prices on the date of the transaction.

b) Loans and accounts receivable from customers are presented net of provisions, unearned income and unaccreted amounts. The client portfolio is not impaired in value and the contractual cash flows are expected to be received in full.

c) Intangibles, this valuation corresponds to two concepts:

   a. Derecognition of goodwill generated in the previous acquisition or business combination which is present in the Executive National Bank financial statements,

   b. Assets identified through business combination, which will be detailed in the following table:

Summary of intangibles identified in the business combination

Detail	Amount MCh$	Type	Useful life
Core deposits	3,667	Amortizable	8 years

Core deposits

Executive National Bank 's term deposits available to finance the placement of loans placed at a rate below the current market placement rates.

NOTE 4 - BUSINESS COMBINATION, CONTINUED

d) Adjustment related to Property, plant and equipment, corresponds to revaluation of Executive National Bank ’s buildings.

e) Deferred tax asset corresponds to the tax effect associated with loans and intangibles recorded in the acquisition.

f) Other assets was adjusted to fair value based on the derecognition of low value and brand assets.

g) Deposits and other term deposits corresponds to valuations at market rates to recognize the deposits at fair value.

h) Other financial liabilities correspond to the valuations at market rates of Banco Federal de Préstamos Hipotecarios. (Federal Home Loan Bank)

i) Other liabilities correspond to severance indemnities payment obligations.

j) Goodwill

This corresponds to the goodwill generated on the acquisition of Executive National Bank and is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree over the net amounts at the acquisition date of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net amounts at the acquisition date of the identifiable assets acquired and liabilities assumed exceed the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), such excess is recognized immediately in net income as a bargain purchase gain. Goodwill generated is not deductible for tax purposes.

Intangible assets will be subject to an annual impairment test according to the definitions and terms of IAS 36 for the asset value impairment.

v. Other considerations

a) In the business combination, no contingent assets and liabilities were identified, nor contingent consideration.

b) Transaction costs related to the acquisition amounted to approximately US$900,000, which mainly corresponds to external legal advice and due diligence costs.

NOTE 5 - INFORMATION BY SEGMENTS

In accordance with IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria specified in the standard. Thus, a reporting segment comprises clients to whom differentiated products are addressed, which are homogeneous and whose performance is measured in a similar way, thus part of the same reporting segment. In general, this aggregation does not have any significant impact for understanding the nature and effects of the Bank's business activities and the economic environment in which it operates.

Segment reporting is presented by the Bank based on a defined business structure, which is focused on optimizing assistance to clients with products and service, according to relevant commercial characteristics.

The allocation of the results of asset and liability management of the reporting segments is performed according to the composition of assets of each business.

1. A proportion of corporate expenses is allocated to the reporting segments, under the same allocation methodology that is used for other expenses or support staff.

2. Corporate expenses are allocated to business segments, based on allocation criteria for each of the units established as Corporate (Comptroller's Office, Accounting, Chairman's Office, among others).

3. Results for recognition or reversal of additional provisions and minimum provision adjustments were allocated to the segments in accordance with the proportion of customers for which these results were tabulated.

Beginning in June 2021, the integration of Private Banking to Investment & Finance Banking takes place in order to deepen our business model and enhance investment opportunities. Accordingly, Private Banking moves from the Wholesale segment to the Finance segment. The data for the year ended December 31, 2020 was reformulated to align it with the presentation of the segments.

Following is the Bank's commercial structure with its reporting segments:

Retail Banking Segment: serves individual consumers. Its business units are: People and preferential customers.

SME Banking Segment: This segment includes entities with annual sales of up to UF80,000.

Wholesale Banking Segment: This segment is composed of companies whose annual sales exceed UF80,000.

Finance Segment: This segment includes financial position intermediation and the management of the Bank's own investments. It also considers high net worth clients and investors with high value financial service needs (Private Banking).

NOTE 5 - INFORMATION BY SEGMENTS, CONTINUED

BCI Financial Group: corresponds to business and operations carried out in the United States through the City National Bank of Florida (CNB), which operates as an independent unit, under the senior management supervision in Chile.

Financial Services: corresponds to the businesses associated with the issuance and operation of BCI Lider Mastercard and Presto credit cards, the origination of advances and brokerage of personal insurance, among others, which operates as an independent unit, under the supervision of BCI's top management.

In “**Others**” are included those expenses and/or income, which by their nature are not directly identifiable within the reportable segments and therefore are not assigned.

Income from subsidiaries allocation by client:

Consistent with its customer-focused strategy, management of the above segments considers each segment’s income and expenses recorded in the subsidiaries as a result of the customer service in each segment, as well as the gain or loss from the distribution desk.

Investment management results allocation:

In order to allocate in each segment all, the benefits and costs associated with services provided to clients, the results of investment management services are allocated to the segments in proportion to total income for assets in each segment less average cost of funding.

Allocation of expenses to reporting segments:

Own expenses: correspond to the expenses of the commercial units that are divided into direct business expenses (personnel expenses, customer service, extra expenses, materials and supplies, among others) and intercommercial expenses, which are assigned to the business by survey or ABC (transactions).

Expenses allocated: these are expenses of support units (Operations, Risk, Management, etc.) that are allocated based on surveys (according to the services they provide to the business) or ABC (transactions).

Technology expenses: correspond to technology expenses, whether depreciation, recurring expenses (software, licenses, maintenance, etc.) and expenses for new projects, which are grouped into the Bank’s different technology applications, which have a defined allocation driver for the banks based on their use (ABC model).

These criteria have been applied for the periods ended December 31, 2021 and 2020.

NOTE 5 - INFORMATION BY SEGMENTS, CONTINUED

a) Profit or loss in 2021:

	As of December 31, 2021							
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Other	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and indexation income	525,979	184,352	415,016	(183,283)	401,505	112,877	141,076	**1,597,522**
Net fee and commission income	169,055	37,794	75,895	8,034	31,576	26,252	(2,081)	**346,525**
Other operating income	4,644	11,831	52,123	275,644	21,601	13,987	(162,574)	**217,256**
Total operating income	**699,678**	**233,977**	**543,034**	**100,395**	**454,682**	**153,116**	**(23,579)**	**2,161,303**
Provisions for loan losses	(83,991)	(63,323)	(48,797)	(6,073)	8,253	(48,144)	(158,470)	**(400,545)**
Operating income, net	**615,687**	**170,654**	**494,237**	**94,322**	**462,935**	**104,972**	**(182,049)**	**1,760,758**
Total operating expenses	**(377,323)**	**(108,634)**	**(167,491)**	**(68,992)**	**(197,657)**	**(84,236)**	**(36,687)**	**(1,041,020)**
OPERATING INCOME	**238,364**	**62,020**	**326,746**	**25,330**	**265,278**	**20,736**	**(218,736)**	**719,738**
Profit or loss from investments in companies								**2,290**
Profit or loss before income tax								**722,028**
Income tax								**(201,483)**
CONSOLIDATED PROFIT OR LOSS FOR THE PERIOD								**520,545**

b) Business volume in 2021:

	As of December 31, 2021						
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	12,401,681	2,992,834	10,379,808	23,935,500	18,776,359	672,452	**69,158,634**
LIABILITIES	7,836,578	2,434,905	10,886,404	25,999,929	16,920,068	579,274	**64,657,158**
EQUITY							**4,501,476**

NOTE 5 - INFORMATION BY SEGMENTS, CONTINUED

c) Profit or loss in 2020:

	As of December 31, 2020							
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Other	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and indexation income	461,225	176,689	360,692	84,824	369,743	125,392	(120,024)	**1,458,541**
Net fee and commission income	158,158	36,488	62,345	6,108	45,908	27,892	(1,315)	**335,584**
Other operating income	5,953	10,363	56,954	38,607	4,965	25,444	95,917	**238,203**
Operating income	**625,336**	**223,540**	**479,991**	**129,539**	**420,616**	**178,728**	**(25,422)**	**2,032,328**
Provision for loan losses	(241,624)	(80,764)	(108,644)	1,908	(84,065)	(76,127)	(64,595)	**(653,911)**
Operating income, net	**383,712**	**142,776**	**371,347**	**131,447**	**336,551**	**102,601**	**(90,017)**	**1,378,417**
Total operating expenses	**(388,726)**	**(103,595)**	**(147,990)**	**(67,005)**	**(204,433)**	**(84,245)**	**(39,867)**	**(1,035,861)**
OPERATING INCOME	**(5,014)**	**39,181**	**223,357**	**64,442**	**132,118**	**18,356**	**(129,884)**	**342,556**
Share of profits of investments accounted for using the equity method								**(358)**
Profit or loss before income tax								**342,198**
Income tax								**(24,665)**
CONSOLIDATED PROFIT OR LOSS FOR THE PERIOD								**317,533**

d) Business volume in 2020:

	As of December 31, 2020						
	Personal banking	Small & Medium Entities	Wholesale	Finance	BCI Financial Group	Financial Services	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	11,453,946	2,933,613	8,701,240	20,144,260	13,288,183	635,057	**57,156,299**
LIABILITIES	6,197,187	1,969,917	10,911,130	21,748,826	11,876,011	558,523	**53,261,594**
EQUITY							**3,894,705**

NOTE 6 - CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the consolidated statements of cash flows, are as follows:

	As of December 31	
	2021	2020
	MCh$	MCh$
Cash and deposits in banks		
Cash	614,536	608,987
Deposits in Central Bank of Chile (*)	720,369	1,708,329
Deposits in domestic banks	19,423	20,945
Deposits in foreign banks	2,606,169	2,259,606
Subtotal cash and deposits in banks	**3,960,497**	**4,597,867**
Items in course of collection, net	91,387	35,272
Highly liquid financial instruments	2,608,506	625,391
Repurchase agreements	159,732	156,448
Total cash and cash equivalents	**6,820,122**	**5,414,978**

(*) Deposits in Central Bank of Chile reflects the monthly average that the Bank must maintain in accordance with the regulations governing minimum reserves although the balance can be withdrawn on demand.

The main highly-liquid financing instruments presented in the note are Discountable Promissory Notes from the Central bank of Chile (PDBC), Bonds, Bills, Fixed Term Deposits (DPF).

b) Items in course of collection

Items during collection correspond to those transactions pending settlement which will increase or decrease deposits in Central Bank of Chile or in foreign banks, usually within 12 or 24 hours. At the end of each period, these operations are presented according to the following detail:

	As of December 31	
	2021	2020
	MCh$	MCh$
Assets		
Outstanding notes from other Banks	75,249	71,092
Funds receivable	274,824	165,618
Subtotal assets	**350,073**	**236,710**
Liabilities		
Funds payable	258,686	201,438
Subtotal liabilities	258,686	**201,438**
Items in course of collection, net	**91,387**	**35,272**

NOTE 7 - TRADING PORTFOLIO FINANCIAL ASSETS

The following is the detail of trading portfolio financial assets as of December 31, 2021 and 2020:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Instruments of the state and Central Bank of Chile (*)		
Bonds of the Central Bank of Chile	4,388	5,239
Promissory notes of the Central Bank of Chile	2,404	189,001
Other instruments of the State and Central Bank of Chile	366,591	242,844
Instruments of other domestic institutions:		
Bonds	105,363	397,541
Term deposits	153,561	119,599
Letters of credit	6,658	4,160
Documents issued by other financial institutions	46,517	68,613
Other instruments	38,722	19,388
Instruments of other foreign institutions:		
Other instruments	3,818	3,463
Investments in mutual funds:		
Funds administered by related parties	104,270	61,441
Funds administered by third parties	41,577	35,990
Total	**873,869**	**1,147,279**

(*) As of December 31, 2021 and 2020, the Bank holds instruments issued by the Central Bank of Chile, classified under "Instruments of the State and Central Bank of Chile" for MCh$4,487 and MCh$44,684, respectively.

NOTE 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE

a) Securities purchased under agreements to resell:

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31, 2021
	MCh$	Average rate %	MCh$	Average rate %	MCh$	Average rate %	MCh$
Individuals and/or related parties	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	23,009	0.39	438	0.41	-	-	**23,447**
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Other legal and/or natural persons	136,723	0.34	26,583	0.50	-	-	**163,306**
Total	**159,732**		**27,021**		**-**		**186,753**

Type of entity	Maturity of the agreement: Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31, 2020
	MCh$	Average rate %	MCh$	Average rate %	MCh$	Average rate %	MCh$
Individuals and/or related parties	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	4,955	0.14	895	0.12	-	-	**5,850**
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Other legal and/or natural persons	151,493	0.08	32,905	0.11	-	-	**184,398**
Total	**156,448**		**33,800**		-		**190,248**

NOTE 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE, CONTINUED

b) Securities sold under repurchase agreements:

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
Type of entity		Average rate		Average rate		Average rate	As of December 31, 2021
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individuals and/or related parties	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	-	-	-	-	-	-	-
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Other legal and/or natural persons	140,877	0.12	301	0.15	-	-	**141,178**
Total	**140,877**		**301**		**-**		**141,178**

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
Type of entity		Average rate		Average rate		Average rate	As of December 31, 2020
	MCh$	%	MCh$	%	MCh$	%	MCh$
Individuals and/or related parties	-	-	-	-	-	-	-
Domestic banks	52,018	0.04	-	-	-	-	**52,018**
Securities brokers	-	-	-	-	-	-	-
Other domestic financial institutions	79,997	0.03	-	-	-	-	**79,997**
Foreign financial institutions	-	-	-	-	-	-	-
Other legal and/or natural persons	218,222	0.07	77	0.06	-	-	**218,299**
Total	**350,237**		**77**		**-**		**350,314**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING

a) As of December 31, 2021 and 2020, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As of December 31, 2021

	Notional Amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$
Trading Derivatives				
Forwards	40,120,015	40,647,829	1,034,767	1,004,603
Swaps	130,660,950	129,476,555	4,151,097	4,081,745
Call Options	129,538	122,985	6,294	4,417
Put Options	128,314	115,442	126	521
Futures	128,163	128,163	182	1,448
Other	-	-	-	-
Subtotal	**171,166,980**	**170,490,974**	**5,192,466**	**5,092,734**
Fair Value Hedge Derivatives				
Forwards	-	-		-
Swaps	3,345,205	1,952,820	312,370	119,364
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**3,345,205**	**1,952,820**	**312,370**	**119,364**
Cash Flow Hedge Derivatives				
Forwards	551,088	582,645	47,330	38,920
Swaps	2,733,950	6,754,581	1,229,358	1,336,029
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**3,285,038**	**7,337,226**	**1,276,688**	**1,374,949**
Total	**177,797,223**	**179,781,020**	**6,781,524**	**6,587,047**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

As of December 31, 2020

	Notional Amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives				
Forwards	29,425,884	28,023,386	527,822	562,464
Swaps	121,459,609	119,407,296	3,887,843	3,960,328
Call Options	112,745	125,696	664	518
Put Options	114,710	120,516	3,846	4,868
Futures	3	3	-	238
Other	-	-	-	-
Subtotal	**151,112,951**	**147,676,897**	**4,420,175**	**4,528,416**
Fair Value Hedge Derivatives				
Forwards	-	-	-	-
Swaps	1,455,209	1,057,972	208,858	78,803
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**1,455,209**	**1,057,972**	**208,858**	**78,803**
Cash Flow Hedge Derivatives				
Forwards	-	287,380	3,573	4,106
Swaps	2,116,451	2,970,952	819,291	1,182,029
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	2,116,451	**3,258,332**	**822,864**	**1,186,135**
Total	**154,684,611**	**151,993,201**	**5,451,897**	**5,793,354**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

b) Types of derivatives

The Bank uses hedge accounting to manage its exposure to fair value risk and risk of changes in cash flows.

Fair value hedges:

For hedged items in both foreign currency and local currency, the fair value of the hedged item is hedged to protect against changes in the base interest rate. These hedges reduce the risk related to fair value changes due to changes in the interest rate or foreign exchange rates, among others.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of December 31, 2021 and 2020:

	As of December 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedged item	MCh$	MCh$	MCh$	MCh$
Bonds issued MX/MN	-	1,924,533	-	976,348
Term deposits MN	-	165,500	-	219,061
Investment MX	1,605,713	-	514,357	-
Macro hedge MN, MX	347,107	-	543,615	-
Obligations MN	-	1,255,172	-	259,800
Total	**1,952,820**	**3,345,205**	**1,057,972**	**1,455,209**

	As of December 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedging instrument	MCh$	MCh$	MCh$	MCh$
Cross Currency Swaps	568,456	399,835	396,601	591,271
Interest rate Swap MN	1,309,600	636,027	219,061	-
Interest rate Swap MX	1,467,149	916,958	839,547	466,701
Total	**3,345,205**	**1,952,820**	**1,455,209**	**1,057,972**

MX: Foreign currency
MN: Domestic currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

Cash flow hedges:

The Bank uses cash flow hedging instruments such as cross currency swaps, forwards (inflation and exchange rate) and UF rate swaps to hedge the assets and liabilities exposed to variations in interest rates, exchange rates and/or inflation.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of December 31, 2021 and 2020:

	As of December 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets UF > 1Y	5,590,784	-	1,992,524	-
Future obligations US$	-	627,984	-	64,060
Term deposits Ch$	-	2,055,155	-	1,853,524
Assets UF	375,936	-	313,183	-
Credits MX	833,040	-	480,451	-
Bond MN/MX	512,640	601,899	427,068	198,867
Assets US$	24,826	-	45,106	-
Total	**7,337,226**	**3,285,038**	**3,258,332**	**2,116,451**

	As of December 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Hedging instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	678,794	4,983,585	262,927	2,047,163
Forward UF	-	582,645	-	284,889
Swap MX	-	833,040	-	480,451
Forward US$	551,088	-	-	2,491
Swap rate	2,055,156	937,956	1,853,524	443,338
Total	**3,285,038**	**7,337,226**	**2,116,451**	**3,258,332**

MX: Foreign currency
MN: Domestic currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

The following table provides details of the expected future cash flows related to cash flow hedges:

Periods of expected future cash flows

	As of December 31, 2021				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash inflows	1,733,427	5,807,776	2,930,148	199,493	10,670,844
Cash outflows	(1,873,967)	(5,655,999)	(2,716,119)	(229,212)	(10,475,297)
Net cash flows	**(140,540)**	**151,777**	**214,029**	**(29,719)**	**195,547**
Hedging instrument					
Cash inflows	1,873,967	5,655,999	2,716,119	229,212	10,475,297
Cash outflows	(1,733,427)	(5,807,776)	(2,930,148)	(199,493)	(10,670,844)
Net cash flows	**140,540**	**(151,777)**	**(214,029)**	**29,719**	**(195,547)**

Periods of expected future cash flows

	As of December 31, 2020				
	Within 1 year	**Between 1 and 5 years**	**Between 5 and 10 years**	**More than 10 years**	**Total**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cash inflows	633,123	3,353,185	2,235,947	79,268	6,301,523
Cash outflows	(641,547)	(3,184,154)	(1,935,290)	(94,781)	(5,855,772)
Net cash flows	**(8,424)**	**169,031**	**300,657**	**(15,513)**	**445,751**
Hedging instrument					
Cash inflows	641,547	3,184,154	1,935,290	94,781	5,855,772
Cash outflows	(633,123)	(3,353,185)	(2,235,947)	(79,268)	(6,301,523)
Net cash flows	**8,424**	**(169,031)**	**(300,657)**	**15,513**	**(445,751)**

NOTE 10 - LOANS AND RECEIVABLES FROM BANKS

a) As of December 31, 2021 and 2020, balances for this concept are the following:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Domestic banks		
Liquidity interbank loans	-	-
Allowance for loans with domestic banks	-	-
Foreign banks		
Commercial interbank loans	546,911	357,032
Foreign trade credits Chilean exports	43,629	-
Foreign trade credits between third countries	49,792	-
Allowance for loans with foreign banks	(799)	(363)
Total	**639,533**	**356,669**

b) The rollforward as of December 31, 2021 and 2020 of provisions and impairment is as follows:

	As of December 31, 2021			As of December 31, 2020		
Detail	**Domestic banks MCh$**	**Foreign banks MCh$**	**Total MCh$**	**Domestic banks MCh$**	**Foreign banks MCh$**	**Total MCh$**
Balance as of January 1	**-**	**363**	**363**	**-**	**505**	**505**
Write-offs	-	-	-	-	-	-
Allowances established	-	436	436	-	-	-
Allowances released	-	-	-	-	(142)	**(142)**
Impairment	-	-	-	-	-	-
Reversal of impairment	-	-	-	-	-	-
Balances	**-**	**799**	**799**	**-**	**363**	**363**

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS

a) Loans and receivables from customers

As of December 31, 2021 and 2020 the composition of the loan portfolio was as follows:

	Assets before allowances				Allowances established			
As of December 31, 2021	**Normal portfolio**	**Substandard portfolio**	**Non-compliant portfolio**	**Total**	**Individual allowance**	**Collective allowance**	**Total**	**Net assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:								
Commercial loans (*)	20,250,382	1,604,382	721,203	22,575,967	(257,551)	(157,268)	(414,819)	22,161,148
Foreign trade loans	1,204,068	44,255	334	1,248,657	(19,361)	(820)	(20,181)	1,228,476
Current accounts receivable	99,649	4,709	8,224	112,582	(1,812)	(5,314)	(7,126)	105,456
Factoring operations	1,077,001	10,070	947	1,088,018	(10,233)	(1,974)	(12,207)	1,075,811
Student Loans	119,625	-	18,527	138,152	-	(5,014)	(5,014)	133,138
Consumer leasing transactions	1,444,962	81,247	37,581	1,563,790	(17,516)	(6,671)	(24,187)	1,539,603
Other loans and receivables	53,152	799	7,803	61,754	(1,456)	(4,122)	(5,578)	56,176
Subtotal	**24,248,839**	**1,745,462**	**794,619**	**26,788,920**	**(307,929)**	**(181,183)**	**(489,112)**	**26,299,808**
Mortgage loans:								
Letters of credit	2,950	-	239	3,189	-	(1)	(1)	3,188
Negotiable mortgage loans	2,104,964	-	20,512	2,125,476	-	(4)	(4)	2,125,472
Other mortgage loans	8,274,207	-	236,609	8,510,816	-	(54,563)	(54,563)	8,456,253
Consumer leasing transactions	-	-	-	-	-	-	-	-
Other loans and receivables	116,415	-	6,728	123,143	-	(682)	(682)	122,461
Subtotal	**10,498,536**	**-**	**264,088**	**10,762,624**	**-**	**(55,250)**	**(55,250)**	**10,707,374**
Consumer loans:								
Consumer loans in installments	1,821,171	-	126,519	1,947,690	-	(111,563)	(111,563)	1,836,127
Current accounts receivable	65,289	-	7,612	72,901	-	(8,858)	(8,858)	64,043
Credit card borrowers	1,315,640	-	43,173	1,358,813	-	(86,793)	(86,793)	1,272,020
Consumer leasing transactions	388	-	-	388	-	(5)	(5)	383
Other loans and receivables	51,106	-	100	51,206	-	(579)	(579)	50,627
Subtotal	**3,253,594**	**-**	**177,404**	**3,430,998**	**-**	**(207,798)**	**(207,798)**	**3,223,200**
TOTAL	**38,000,969**	**1,745,462**	**1,236,111**	**40,982,542**	**(307,929)**	**(444,231)**	**(752,160)**	**40,230,382**

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

As of December 31, 2020	Assets before allowances				Allowances established			
	Normal portfolio	Substandard portfolio	Non-compliant portfolio	Total	Individual allowance	Collective allowance	Total	Net assets
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans:								
Commercial loans (*)	17,504,282	1,582,279	680,960	19,767,521	(233,967)	(170,030)	(403,997)	19,363,524
Foreign trade loans	666,961	33,733	279	700,973	(11,935)	(633)	(12,568)	688,405
Current accounts receivable	121,036	1,969	10,806	133,811	(1,560)	(6,652)	(8,212)	125,599
Factoring operations	907,285	14,026	2,305	923,616	(6,832)	(1,830)	(8,662)	914,954
Student Loans	125,148	-	21,082	146,230	-	(5,339)	(5,339)	140,891
Consumer leasing transactions	1,337,162	79,192	27,675	1,444,029	(14,089)	(7,028)	(21,117)	1,422,912
Other loans and receivables	47,615	366	9,566	57,547	(1,115)	(5,600)	(6,715)	50,832
Subtotal	**20,709,489**	**1,711,565**	**752,673**	**23,173,727**	**(269,498)**	**(197,112)**	**(466,610)**	**22,707,117**
Mortgage loans:								
Letters of credit	5,190	-	379	5,569	-	(9)	(9)	5,560
Negotiable mortgage loans	1,509,776	-	23,314	1,533,090	-	(10)	(10)	1,533,080
Other mortgage loans	7,056,103	-	214,884	7,270,987	-	(47,758)	(47,758)	7,223,229
Consumer leasing transactions	-	-	-	-	-	-	-	-
Other loans and receivables	132,021	-	4,034	136,055	-	(453)	(453)	135,602
Subtotal	**8,703,090**	**-**	**242,611**	**8,945,701**	**-**	**(48,230)**	**(48,230)**	**8,897,471**
Consumer loans:								
Consumer loans in installments	1,839,122	-	251,056	2,090,178	-	(176,326)	(176,326)	1,913,852
Current accounts receivable	56,790	-	8,595	65,385	-	(9,349)	(9,349)	56,036
Credit card borrowers	1,161,662	-	63,265	1,224,927	-	(89,010)	(89,010)	1,135,917
Consumer leasing transactions	728	-	34	762	-	(21)	(21)	741
Other loans and receivables	7,866	-	167	8,033	-	(486)	(486)	7,547
Subtotal	**3,066,168**	**-**	**323,117**	**3,389,285**	**-**	**(275,192)**	**(275,192)**	**3,114,093**
		-						
TOTAL	**32,478,747**	**1,711,565**	**1,318,401**	**35,508,713**	**(269,498)**	**(520,534)**	**(790,032)**	**34,718,681**

(*) Includes loans corresponding to Protected Assets Fund No. 27 as stated in Note 1, ai).

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

The collateral received by the Bank with respect to the mortgage loan portfolio consists of cash, securities, accounts receivable, property and real estate assets, and guarantees, among others.

The Bank uses finance lease agreements for terms from 1 to 10 years, depending on the contract, to finance acquisition of property, both movable and immovable, for its clients. Those are presented in the heading of leasing operations. As of December 31, 2021 and 2020, the Bank held MCh$582,875 and MCh$575,648, respectively, of movable property under finance leases, and MCh$981,303 and MCh$869,143, respectively, of immovable property under finance lease arrangements.

The following tables provide a reconciliation between gross investment in and present value of minimum payments As of December 31, 2021 and 2020 as well as a maturity analysis at such dates:

.	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Gross finance leases	1,747,359	1,612,395
Unaccrued finance income	(183,181)	(167,604)
Net finance leases	**1,564,178**	**1,444,791**

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Less than 1 year	372,063	350,850
Over 1 year and less than 5 years	667,268	633,074
Over 5 years	524,847	460,867
Total	**1,564,178**	**1,444,791**

There is no evidence of impairment of the financial lease contracts that the Bank holds.

The Bank has obtained repossessed assets for an amount of MCh$7,090 as of December 31, 2021 and MCh$6,037 as of December 31, 2020 through the execution of collateral held on assets.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

b) Portfolio characteristics:

As of December 31, 2021 and 2020, the loan portfolio, before allowances, by type of customer economic activity is as follows:

	Domestic loans		Foreign loans		Total			
	As of December 31	As of December 31	As of December 31	As of December 31	As of December 31	As of December 31	As of December 31	As of December 31
	2021	2020	2021	2020	2021	2020	2021	2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	%	%
Commercial loans:								
Agriculture and livestock except fruit farming	375,380	362,664	219,688	136,201	595,068	498,865	1.45%	1.33%
Fruit farming	135,186	125,220	209,279	146,164	344,465	271,384	0.84%	0.84%
Forestry and wood extraction	150,154	124,884	21,955	21,085	172,109	145,969	0.42%	0.42%
Fishing	50,982	43,994	113,974	103,435	164,956	147,429	0.40%	0.40%
Mining	65,532	66,874	164,517	91,149	230,049	158,023	0.56%	0.56%
Crude oil and natural gas production	57,745	30,238	59,010	40,614	116,755	70,852	0.28%	0.36%
Food, beverage and tobacco industry	358,458	292,586	122,705	103,320	481,163	395,906	1.17%	1.17%
Textile and leather industry	44,082	53,125	8,819	22,471	52,901	75,596	0.13%	0.13%
Timber and furniture industry	58,252	61,224	638	4,065	58,890	65,289	0.14%	0.14%
Print and editorial industry	63,110	81,237	24,384	12,921	87,494	94,158	0.21%	0.21%
Chemical product, derived from oil, coal, rubber and plastic	163,619	165,965	89,937	49,065	253,556	215,030	0.62%	0.62%
Production of metal and non-metal products, machinery and equipment	476,294	501,233	219,813	119,339	696,107	620,572	1.70%	1.70%
Other manufacturing industries	42,249	39,508	1,527,676	211,081	1,569,925	250,589	3.83%	1.09%
Electricity, gas and water	359,999	270,663	419,610	309,253	779,609	579,916	1.90%	1.80%
Home construction	151,853	109,323	7,821	2,467	159,674	111,790	0.39%	0.39%
Other construction	1,565,091	1,571,475	682,837	257,667	2,247,928	1,829,142	5.49%	4.45%
Wholesale business	1,175,852	1,183,063	552,213	387,691	1,728,065	1,570,754	4.22%	4.22%
Retail, restaurants and hotels	860,749	972,932	1,413,207	1,378,470	2,273,956	2,351,402	5.55%	6.17%
Transporting and storage	721,571	522,923	1,939,120	574,164	2,660,691	1,097,087	6.49%	3.68%
Communications	266,547	270,543	131,332	182,757	397,879	453,300	0.97%	0.93%
Financial and insurance companies	2,493,444	2,271,488	387,764	399,290	2,881,208	2,670,778	7.03%	7.17%
Real estate and service providers	2,092,096	2,100,433	1,318,774	2,757,274	3,410,870	4,857,707	8.32%	8.52%
Communal, social and personal services	2,348,435	2,255,641	3,077,167	2,386,548	5,425,602	4,642,189	13.24%	19.06%
Subtotal	**14,076,680**	**13,477,236**	**12,712,240**	**9,696,491**	**26,788,920**	**23,173,727**	**65.37%**	**65.37%**
Mortgage loans	8,639,577	7,416,285	2,123,047	1,529,416	10,762,624	8,945,701	26.26%	26.26%
Consumer loans	3,347,823	3,326,941	83,175	62,344	3,430,998	3,389,285	8.37%	8.37%
Total	**26,064,080**	**24,220,462**	**14,918,462**	**11,288,251**	**40,982,542**	**35,508,713**	**100.00%**	**100.00%**

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

c) Provisions

The changes in allowances for loan losses as of December 31, 2021 and 2020:

	As of December 31, 2021			As of December 31, 2020		
	Individual allowance	Collective allowance	Total	Individual allowance	Collective allowance	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1,	**269,498**	**520,534**	**790,032**	**189,281**	**479,040**	**668,321**
Portfolio write-offs:						
Commercial loans	(18,679)	(69,005)	(87,684)	(42,323)	(64,632)	(106,955)
Mortgage loans	-	(10,077)	(10,077)	-	(7,896)	(7,896)
Consumer loans	-	(195,883)	(195,883)	-	(334,383)	(334,383)
Total Write-offs	**(18,679)**	**(274,965)**	**(293,644)**	**(42,323)**	**(406,911)**	**(449,234)**
Allowances established	103,518	310,671	414,189	146,828	496,987	643,815
Release of allowances	(15,301)	(112,009)	(127,310)	(24,288)	(48,582)	(72,870)
Use of allowances(*)	(31,107)	-	(31,107)	-	-	-
Ending balance	**307,929**	**444,231**	**752,160**	**269,498**	**520,534**	**790,032**

(*) On April 30, 2021 the Bank conducted an exchange of the loan transactions it had with the Enjoy S.A. for R, Q, T and S series bonds of such, which were exchanged under the same terms and conditions of the loan transactions.

Bonds exchanged were classified as available for sale and entered into this portfolio for the value of the loan transactions operations net of an allowance account for credit risk (use of the allowance of MCh$ 2,035).

The exchange was generated considering the observable market value of an identical asset under its conditions and taking care that there are no effects on profit or loss that are not explained by a variation in the asset's market value.

Such exchange was performed in accordance with the bankruptcy agreement signed on August 14, 2020, which provides the option to use Enjoy S.A. Credit. (placement) in two Senior and Junior bonds (series F and G, respectively).

Additionally, on May 18, 2021, the Bank generated the assignment of loan transactions of the customer Agrogestion Vitra S.A. Such assignment generated a payment for sale of portfolio of 40% of the debt recorded in BCI for a total of US $ 45,469,991.89 (MCh$ 32,620).

As of the payment date, the customer had a risk rating in the individual portfolio of C6, accordingly, its allowance corresponds to 90% of such debt, which is equivalent to MCh$ 29,072.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

In addition to these allowances for loan losses, the provisions for country risk are maintained to cover operations abroad, as well as additional provisions approved by the Board, which are presented as liabilities under “Provisions” (See Note 21). Therefore, the total amount of allowances and provisions for credit risk constituted for different concepts corresponds to the following:

	As of December 31	As of December 31
	2021	2020
	MCh$	MCh$
Individual and collective allowance (*)	752,160	790,032
Provisions for contingent credit risk (Note 21)	62,536	51,593
Additional provisions (Note 21)	350,143	160,176
Minimum provision 0.50% (Note 21)	-	-
Provisions for country risk (Note 21)	3,482	3,608
Allowances on loans and receivables to banks (Note 10)	799	363
Total	**1,169,120**	**1,005,772**

(*) As of December 31, 2021 and 2020 the Bank has established provisions totaling MCh$ 46,193 and MCh$ 29,276, respectively, to cover the FOGAPE Covid-19 deductible guarantees, associated with commercial banking loans.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

During the period 2021 and year 2020, the Bank has not participated in any purchase, sale, substitution or swap of the loan portfolio with other financial institutions, except for operations disclosed in these consolidated financial statements.

d) Collateral

Impaired loan portfolio, secured and unsecured, before allowances for loan losses, as of December 31, 2021 and 2020 was as follows:

	As of December 31, 2021				As of December 31, 2020			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	974.882	261.065	43.163	1.279.110	813,030	236,927	77,433	**1,127,390**
Unsecured debt	86.492	3.023	134.241	223.756	129,139	5,684	245,684	**380,507**
Total	**1.061.374**	**264.088**	**177.404**	**1.502.866**	**942,169**	**242,611**	**323,117**	**1,507,897**

e) Past due portfolio

The past due portfolio (overdue for 90 days or more) as of December 31, 2021 and 2020 was as follows:

	As of December 31, 2021				As of December 31, 2020			
	Commercial	Mortgage	Consumer	Total	Commercial	Mortgage	Consumer	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Secured debt	194,875	69,596	4,247	268,718	198,888	74,984	6,621	**280,493**
Unsecured debt	33,171	1,148	39,202	73,521	72,893	3,133	61,137	**137,163**
Total	**228,046**	**70,744**	**43,449**	**342,239**	**271,781**	**78,117**	**67,758**	**417,656**

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

f) Normal, substandard and non-compliant portfolio:

	As of December 31, 2021															
	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Portfolio Current	22,888,882	10,389,897	3,238,046	36,516,825	1,655,289	-	-	1,655,289	563,411	235,010	119,973	918,394	25,107,582	10,624,907	3,358,019	39.090.508
Overdue for 1 to 29 days	1,321,959	77,582	14,616	1,414,157	80,716		-	80,716	9,662	4,216	1,362	15,240	1,412,337	81,798	15,978	1.510.113
Overdue for 30 to 89 days	37.998	31,057	932	69,987	9,457	-	-	9,457	53,194	2,803	22,758	78,755	100,649	33,860	23,690	158,199
Overdue for 90 days or more	-	-	-	-	-	-	-	-	168,352	22,059	33,311	223,722	168,352	22,059	33,311	223,722
Total portfolio before allowances	**24.248.839**	**10,498,536**	**3,253,594**	**38,000,969**	**1,745,462**	**-**	**-**	**1,745,462**	**794,619**	**264,088**	**177,404**	**1,236,111**	**26,788,920**	**10,762,624**	**3,430,998**	**40,982,542**
Past due loans (less than 90 days in default) as a percentage of the portfolio	5.61%	1.03%	0.48%	3.91%	5.17%	0.00%	0.00%	5.17%	7.91%	2.66%	13.60%	7.60%	5.65%	1.07%	1.16%	4.07%
Past due loans (less than 90 days in default) as a percentage of the portfolio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	21.19%	8.35%	18.78%	18.10%	0.63%	0.20%	0.97%	0.55%

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, CONTINUED

As of December 31, 2020

	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total Normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Portfolio Current	19,703,320	8,542,695	3,048,838	31,294,853	1,520,077	-	-	1,520,077	520,901	211,217	258,214	990,332	21,744,298	8,753,912	3,307,052	33,805,262
Overdue for 1 to 29 days	958,139	127,245	14,767	1,100,151	152,895	-	-	152,895	6,329	1,021	5,247	12,597	1,117,363	128,266	20,014	1,265,643
Overdue for 30 to 89 days	48,030	32,780	2,563	83,373	37,560	-	-	37,560	18,123	4,138	12,031	34,292	103,713	36,918	14,594	155,225
Overdue for 90 days or more	-	370	-	370	1,033	-	-	1,033	207,320	26,235	47,625	281,180	208,353	26,605	47,625	282,583
Total portfolio before allowances	**20,709,489**	**8,703,090**	**3,066,168**	**32,478,747**	**1,711,565**	**-**	**-**	**1,711,565**	**752,673**	**242,611**	**323,117**	**1,318,401**	**23,173,727**	**8,945,701**	**3,389,285**	**35,508,713**
Past due loans (less than 90 days in default) as a percentage of the portfolio	4.86%	1.84%	0.57%	3.64%	11.13%	0,00%	0,00%	11.13%	3.25%	2.13%	5.35%	3.56%	5.27%	1.85%	1.02%	4.00%
Past due loans (less than 90 days in default) as a percentage of the portfolio	0,00%	0,00%	0,00%	0,00%	0.06%	0,00%	0,00%	0.06%	27.54%	10.81%	14.74%	21.33%	0.90%	0.30%	1.41%	0.80%

NOTE 12 - FINANCIAL INVESTMENTS

As of December 31, 2021 and 2020, financial investments available for sale and held to maturity are as follows:

	As of December 31, 2021			As of December 31, 2020		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial investments quoted in active markets						
Of the state and the Central Bank of Chile (a):						
Instruments of the Central Bank of Chile (b)	2,653,556	-	2,653,556	1,840,936	-	1,840,936
Bonds or promissory notes of the Treasury	2,324,965	1,024,195	3,349,160	1,578,684	-	1,578,684
Other fiscal instruments	4,290	-	4,290	5,110	-	5,110
Other domestic instruments:						
Financial instruments issued by other domestic banks	1,267,829	-	1,267,829	913,288	-	913,288
Bonds and corporate commercial papers	8,516	-	8,516	11,792	-	11,792
Other domestic instruments:	2,014	-	2,014	2,443	-	2,443
Foreign instruments:						
Instruments issued by foreign states and central banks (c)	503,247	22,573	525,820	486,068	18,626	504,694
Other foreign instruments	4,440,176	1,250,587	5,690,763	3,157,719	6,518	3,164,237
Total	**11,204,593**	**2,297,355**	**13,501,948**	**7,996,040**	**25,144**	**8,021,184**

(a) As of December 31, 2021 and 2020, the Bank does not hold brokerage securities classified in the available for sale portfolio.

(b) As of December 31, 2021 and 2020, the Bank does not maintain instruments of the Central Bank of Chile, sold with repurchase agreements classified in the caption "Instruments issued by the Government and the Central Bank of Chile."

(c) Financial investments held to maturity correspond to the portfolio of the Bank subsidiary, BCI Financial Group, INC. and subsidiaries, that holds investments in state bonds on the balance sheet of CNB, and the intent is to hold them to maturity.

As of December 31, 2021, the Bank reclassified from Available-for-sale investments (AFS) to Held-to-maturity investments (HTM), is in accordance with the requirements of IAS 39. The effect of this reclassification amounted to MCh$132,802 between asset accounts.

As of December 31, 202| and 2020, there is no evidence of impairment in the investment instruments available for sale.

NOTE 13 - INVESTMENTS IN OTHER COMPANIES

a) As of December 31, 2021 and 2020, principal investments in associates, joint ventures and other entities are detailed below:

	As of December 31, 2021				As of December 31, 2020			
Company	**Equity**	**Ownership**	**Investment value**	**Accrued profit or loss**	**Equity**	**Ownership**	**Investment value**	**Accrued profit or loss**
	MCh$	**%**	**MCh$**	**MCh$**	**MCh$**	**%**	**MCh$**	**MCh$**
Investments under equity method:								
Redbanc S.A.	9,935	12.71	1,263	180	8,663	12.71	1,101	(82)
Combanc S.A.	6,638	13.30	883	52	6,436	11.74	756	22
Transbank S.A.	84,898	8.72	7,402	(1,085)	67,336	8.72	5,871	(1,453)
Nexus S.A. (*)	11,471	14.81	1,699	468	8,626	14.81	1,277	(1,341)
Servicio de Infraestructura de Mercado OTC S.A.	12,508	13.61	1,702	36	12,248	13.61	1,667	(26)
AFT S.A.	19,158	20.00	3,832	385	19,171	20.00	3,834	389
Centro de Compensación Automatizado S.A.	10,728	33.33	3,576	1,013	8,182	33.33	2,727	635
Sociedad Interbancaria de Depósitos de Valores S.A.	6,317	7.03	444	83	5,526	7.03	388	72
Investment measured at cost:								
SWIFT shares			56	-			56	-
Bladex shares			219	808			219	266
Other shares			2,513	4			429	119
Total			**23,589**	**1,944**			**18,325**	**(1,399)**
Investment in joint ventures								
Investments under equity method:								
Servipag Ltda.	14,930	50.00	7,465	831	13,268	50.00	6,634	488
Artikos Chile S.A.	2,526	50.00	1,263	606	2,547	50.00	1,274	553
Pagos y Servicios S.A.	892	49.90	445	(1,091)	654	49.90	392	-
Total			**9,173**	**346**			**7,908**	**1,041**
Total investments in other companies			**32,762**	**2,290**			**26,625**	**(358)**

(*) On July 27, 2021, the Bank's Board of Directors agreed to sell its interest in Nexus S.A., which may be performed during the first half of 2022.

NOTE 13 - INVESTMENTS IN OTHER COMPANIES, CONTINUED

b) The rollforward of investments in other companies as of December 31, 2021 and 2020, is as follows:

	As of December 31, 2021	As of December 31, 2020
	MCh$	MCh$
Balances as of January 1	**26,625**	**27,823**
Acquisition of investments	3,861	392
Share of profit or loss of equity-accounted investees	2,290	(358)
Dividends received	(239)	(388)
Adjustment for minimum dividend provision	731	(465)
Minimum dividends provision	(506)	(379)
Ending balance	**32,762**	**26,625**

c) Summarized significant information on associates and joint ventures.

1) The information on investments in associates and joint ventures as of December 31, 2021, is detailed as follows:

Investment in affiliated company or joint business	Involvement	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Operational Income	Operational expenses	Net Gain (Loss)
	%	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Redbanc S.A.	12.71	12,006	16,404	13,490	4,985	43,192	(41,066)	1,788
Combanc S.A.	13.30	5,259	2,310	836	95	3,898	(3,653)	392
Servicio de Infraestructura de Mercado OTC S.A.	13.61	27,628	8,013	21,179	1,844	7,210	(6,864)	372
Transbank S.A.	8.72	1,198,729	118,858	1,230,001	2,688	821,362	(757,773)	(12,439)
Nexus S.A.	14.81	14,607	6,537	8,936	737	46,655	(42,322)	3,161
Centro de Compensación Automatizado S.A.	33.33	10,501	2,745	2,126	393	5,675	(2,377)	2,628
Servipag Ltda.	50.00	65,126	15,721	61,079	4,839	39,309	(37,047)	1,662
Artikos Chile S.A.	50.00	2,067	2,277	1,167	650	4,813	(837)	1,211
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	108	6,567	358	-	10	(43)	1,175
Administrador Financiero del Transantiago S.A.	20.00	53,724	711	35,278	-	4,032	(2,181)	1,925
Pagos y Servicios S.A	49.90	1,698	9,115	3,859	6,061	159	(1,548)	(1,708)

2) The information on investments in associates and joint ventures as of December 31, 2020, is as follows:

Investment in affiliated company or joint business	Involvement	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Operational Income	Operational expenses	Net Gain (Loss)
	%	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Redbanc S.A.	12.71	7,123	18,361	6,997	9,824	36,111	(36,683)	(644)
Combanc S.A.	11.74	5,190	1,968	516	206	3,623	(3,495)	188
Servicio de Infraestructura de Mercado OTC S.A.	13.61	2,028	12,452	517	1,715	106	(531)	(192)
Transbank S.A.	8.72	893,293	112,845	937,138	1,663	463,087	(417,401)	(16,670)
Nexus S.A.	14.81	10,687	8,523	6,957	3,628	45,137	(44,326)	(9,051)
Centro de Compensación Automatizado S.A.	33.33	49,529	525	29,763	1,300	3,836	2,195	1,944
Servipag Ltda.	50.00	7,438	3,696	2,534	418	12,227	(9,774)	1,810
Artikos Chile S.A.	50.00	71,711	14,942	70,887	2,498	40,138	(38,841)	976
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	140	5,700	314	-	10	(42)	1,030
Administrador Financiero del Transantiago S.A.	20.00	49,243	598	29,412	1,258	3,836	(2,195)	1,944
Pagos y Servicios S.A	49.90	770	-	116	-	-	(110)	(131)

NOTE 14 - INTANGIBLE ASSETS

a) The composition of intangible assets as of December 31, 2021 and 2020 was the following:

Concept	Average useful life years	Remaining average useful life years	As of December 31, 2021 Gross balance MCh$	Accumulated amortization MCh$	Net balance MCh$
Intangible assets acquired separately (a)	6	5	131,307	(55,196)	**76,111**
Intangible generated internally (b)	6	5	282,219	(184,710)	**97,509**
Intangible assets acquired in business combination (c):					
Core deposits	9	4	106,707	(71,013)	**35,694**
Leasehold interest	30	25	8,583	(2,802)	**5,781**
Relationship with clients	10	8	34,890	(13,921)	**20,969**
Other	10	8	19,367	(6,435)	**12,932**
Intangible assets not amortizable acquired in business combination (c):					
Trademark			15,379	-	**15,379**
Goodwill			176,583	-	**176,583**
Total			**775,035**	**(334,077)**	**440,958**

Concept	Average useful life years	Remaining average useful life years	As of December 31, 2020 Gross balance MCh$	Accumulated amortization MCh$	Net balance MCh$
Intangible assets acquired separately (a)	6	5	98,269	(44,506)	**53,763**
Intangible generated internally (b)	6	5	245,126	(155,165)	**89,961**
Intangible assets acquired in business combination (c):					
Core deposits	9	5	88,894	(46,081)	**42,813**
Leasehold interest	30	26	6,521	(1,677)	**4,844**
Relationship with clients	10	9	34,890	(10,190)	**24,700**
Other	10	9	19,367	(4,498)	**14,869**
Intangible assets not amortizable acquired in business combination (c):					
Trademark			12,812	-	**12,812**
Goodwill			151,514	-	**151,514**
Total			**657,393**	**(262,117)**	**395,276**

a. Corresponds to software purchased from parties not related to the Bank or its subsidiaries.

b. Corresponds to software developed internally for the bank or subsidiaries to generate profits for the bank or subsidiaries.

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

c. Corresponds to intangible assets for the business combinations of BCI Financial Group, INC, and Subsidiaries and the merger between City National Bank of Florida and TotalBank, City National Bank of Florida and Executive Banking Corporation and acquisition by the Financial Services business of Walmart by BCI.

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

b) The movements of intangible assets as of December 31, 2021 and 2020 are the following:

			Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		
	Intangible assets acquired separately	Intangible generated internally	Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2021	**98,269**	**245,126**	**88,894**	**6,521**	**34,890**	**19,367**	**12,812**	**151,514**	**657,393**
Acquisitions	25,564	48,955	-	756	-	-	-	-	**75,275**
Disposals/ transfers	4,373	(11,862)	-	-	-	-	-	-	**(7,489)**
Exchange differences	3,101	-	17,813	1,306	-	-	2,567	25,069	**49,856**
Remeasurement of goodwill and intangible assets	-	-	-	-	-	-	-	-	**-**
Other	-	-	-	-	-	-	-	-	**-**
Impairment	-		-	-	-	-	-	-	**-**
Gross balance as of December 31, 2021	**131,307**	**282,219**	**106,707**	**8,583**	**34,890**	**19,367**	**15,379**	**176,583**	**775,035**
Amortization for the year	(9,591)	(29,677)	(13,475)	(922)	(3,731)	(1,937)	-	-	**(59,333)**
Accumulated amortization	(44,506)	(155,165)	(46,081)	(1,677)	(10,190)	(4,498)	-	-	**(262,117)**
Transfers	-	-	-	-	-	-	-	-	**-**
Other	(1,099)	132	(11,457)	(203)					**(12,627)**
Impairment	-	-	-	-	-	-	-	-	**-**
Total accumulated amortization and impairment	(55,196)	(184,710)	(71,013)	(2,802)	(13,921)	(6,435)	-	-	**(334,077)**
Net balance as of December 31, 2021	**76,111**	**97,509**	**35,694**	**5,781**	**20,969**	**12,932**	**15,379**	**176,583**	**440,958**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

			Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		
	Intangible assets acquired separately	Intangible generated internally	Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January1, 2020	**84,278**	**215,972**	**90,444**	**5,427**	**37,526**	**21,726**	**13,534**	**144,508**	**613,415**
Acquisitions	10,870	46,893	3,667	-	-	-	-	14,087	**75,517**
Disposals/ transfers	3,738	(312)	-	-	-	-	-	-	**3,426**
Exchange differences	(595)	(17,427)	(5,217)	-	-	-	(722)	(7,081)	**(31,042)**
Remeasurement of goodwill and intangible assets	-	-	-	-	-	-	-	-	**-**
Other	(22)	-	-	1,094	-	(1)	-	-	**1,071**
Impairment	-	-	-	-	(2,636)	(2,358)	-	-	**(4,994)**
Gross balance as of December 31, 2020	**98,269**	**245,126**	**88,894**	**6,521**	**34,890**	**19,367**	**12,812**	**151,514**	**657,393**
Amortization for the year	(8,096)	(27,366)	(14,432)	(247)	(4,676)	(2,153)	-	-	**(56,970)**
Accumulated amortization	(36,486)	(128,546)	(35,095)	(1,214)	(5,514)	(2,345)	-	-	**(209,200)**
Transfers	76	747	3,446	(216)	-	-	-	-	**4,053**
Other	-	-	-	-	-	-	-	-	**-**
Impairment	-	-	-	-	-	-	-	-	**-**
Total accumulated amortization and impairment	(44,506)	(155,165)	(46,081)	(1,677)	(10,190)	(4,498)	-	-	**(262,117)**
Net balance as of December 31, 2020	**53,763**	**89,961**	**42,813**	**4,844**	**24,700**	**14,869**	**12,812**	**151,514**	**395,276**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

d) Impairment

The Bank assesses, at the end of the reported fiscal year, if there is any indicator of impairment of any amortizable asset. If any indicator is present, or an impairment test is needed, the Bank calculates the recoverable amount of the asset.

As of December 31, 2021, the Bank performed an assessment on the impairment of its non-amortizable intangible assets, concluding that there is no indication of impairment as of that date.

As of December 31, 2020, the Bank recorded impairment on the following amortizable intangible assets generated in the acquisition of BCI Servicios Financieros business: Client Relations and Rights acquired for cross-sales equal to MCh $2,636 and MCh $2,358, respectively.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

a) The composition of property, plant and equipment as of December 31, 2021 and 2020 was the following:

	As of December 31, 2021				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	36	29	243,378	(46,441)	**196,937**
Equipment	4	4	131,141	(100,468)	**30,673**
Other property, plant and equipment	8	7	63,152	(38,026)	**25,126**
Total			**437,671**	**(184,935)**	**252,736**

	As of December 31, 2020				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	36	30	235,657	(43,304)	192,353
Equipment	4	3	124,672	(87,969)	36,703
Other property, plant and equipment	8	7	57,770	(35,609)	22,161
Total			**418,099**	**(166,882)**	**251,217**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

b) The movements of property, plant and equipment as of December 31, 2021 and 2020 are the following:

	Buildings and land	Equipment	Other property, assets	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2021	**235,657**	**124,672**	**57,770**	**418,099**
Additions	193	3,201	11,892	**15,286**
Disposals	(2,529)	(7,922)	(1,163)	**(11,614)**
Transfers	1,587	7,349	(5,472)	**3,464**
Other	8,470	3,841	148	**12,459**
Impairment	-	-	(23)	**(23)**
Gross balance As of December 31, 2021	**243,378**	**131,141**	**63,152**	**437,671**
Depreciation for the period	(3,093)	(15,590)	(3,160)	**(21,843)**
Disposals	425	3,280	907	**4,612**
Transfer	-	-	-	**-**
Accumulated depreciation	(43,304)	(87,969)	(35,609)	**(166,882)**
Other	(469)	(189)	(164)	**(822)**
Impairment	-	-	-	**-**
Total accumulated depreciation	**(46,441)**	**(100,468)**	**(38,026)**	**(184,935)**
Net balance As of December 31, 2021	**196,937**	**30,673**	**25,126**	**252,736**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Buildings and land	Equipment	Other property, assets	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2020	**235,941**	**160,457**	**57,394**	**453,792**
Additions	4,871	7,527	11,392	**23,790**
Disposals	(4,727)	(57,212)	(2,283)	**(64,222)**
Transfers	1,686	14,645	(8,614)	**7,717**
Other	(2.114)	(745)	(40)	**(2,899)**
Impairment	-	-	(79)	**(79)**
Gross balance as of December 31, 2020	**235,657**	**124,672**	**57,770**	**418,099**
Depreciation for the year	(4,732)	(16,896)	(3,610)	**(25,238)**
Disposals	2,571	57,328	1,641	**61,540**
Transfer	-	-	-	**-**
Accumulated depreciation	(41,241)	(128,678)	(33,679)	**(203,598)**
Other	98	277	39	**414**
Impairment	-	-	-	**-**
Total accumulated depreciation	**(43,304)**	**(87,969)**	**(35,609)**	**(166,882)**
Net balance as of December 31, 2020	**192,353**	**36,703**	**22,161**	**251,217**

c) As of December 31, 2021 and 2020 the impact of impairment amounted to MCh$23 and MCh$79, respectively, related to other property, plant and equipment.

d) The detail of the right-of-use asset as of December 31, 2021 and 2020 is as follows:

	As of December 31, 2021				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	10	9	223,152	(55,230)	167,922
Leasehold improvements	9	7	69,646	(48,543)	21,103
Total			**292,798**	**(103,773)**	**189,025**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	As of December 31, 2020				
Concept	**Average useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	10	9	219,662	(37,374)	**182,288**
Leasehold improvements	10	8	69,165	(46,646)	**22,519**
Total			**288,827**	**(84,020)**	**204,807**

e) Movements in right-of-use asset as of December 31, 2021 and 2020 are as follows:

	Buildings and land	**Leasehold improvements**	**Total**
	MCh$	**MCh$**	**MCh$**
Balance as of January 1, 2021	**219,662**	**69,165**	**288,827**
Additions	42,769	1,419	**44,188**
Disposals	(51,756)	(3,423)	**(55,179)**
Other	12,477	2,485	**14,962**
Impairment	-	-	**-**
Gross balance As of December 31, 2021	**223,152**	**69,646**	**292,798**
Depreciation for the period	(24,310)	(1,445)	**(25,755)**
Disposals	8,831	108	**8,939**
Other	(2,377)	(560)	**(2,937)**
Accumulated depreciation	(37,374)	(46,646)	**(84,020)**
Impairment	-	-	**-**
Total accumulated depreciation	**(55,230)**	**(48,543)**	**(103,773)**
Net balance As of December 31, 2021	**167,922**	**21,103**	**189,025**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Buildings and land	Leasehold improvements	Total
	MCh$	MCh$	MCh$
Balance as of January 1, 2020	**223,147**	**70,296**	**293,443**
Additions	42,125	3,952	**46,077**
Disposals	(42,098)	(4,212)	**(46,310)**
Other	(3,512)	(871)	**(4,383)**
Impairment	-	-	**-**
Gross balance as of December 31, 2020	**219,662**	**69,165**	**288,827**
Depreciation for the year	**(23,585)**	**(3,217)**	**(26,802)**
Disposals	4,286	426	**4,712**
Other	1,020	(851)	**169**
Accumulated depreciation	(19,095)	(43,004)	**(62,099)**
Impairment	-	-	**-**
Total accumulated depreciation	**(37,374)**	**(46,646)**	**(84,020)**
Net balance as of December 31, 2020	**182,288**	**22,519**	**204,807**

f) As of December 31, 2021 and 2020, there is no evidence of impairment in right-of-use assets.

g) Lease liabilities as of December 31, 2021 and 2020:

	Analysis of maturity				
	Up to 1 year	1 to 3 years	1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
As of December 31, 2021	21,479	55,196	49,508	47,543	**173,726**

	Analysis of maturity				
	Up to 1 year	1 to 3 years	1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
As of December 31, 2020	20,664	44,313	46,365	74,951	**186,293**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

h) As of December 31, 2021 and 2020, movements in lease liabilities as of December 31, 2021 and 2020 are as follows:

	As of December 31	
	2021	2020
	MCh$	MCh$
Balance as of January 1	186,293	206,376
Accrued Interests	-	-
Depreciation	(11,690)	(12,859)
Other	(877)	(7,224)
Balance as of December 31, 2021	**173,726**	**186,293**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX

a) Current Income Tax

As of December 31, 2021 and 2020, the Bank has recognized a provision for the corporate income tax and the provision for one-off tax under Article No. 21 of the Income Tax Law, which were determined based on the current tax legal provisions, which resulted in liabilities amounting to MCh$121,558 as of December 31, 2021 (assets amounting to MCh$ 27,198 as of December 31, 2020). This provision is presented net of recoverable taxes, as detailed below:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Summary of assets (liabilities) for current taxes:		
Current tax assets	19,977	36,270
(Liabilities) for current taxes	(141,535)	9,072
Total Assets (Liabilities)	**(121,558)**	**27,198**
Income tax (tax rate of 27% for 2021 and 2020)	(307,300)	(116,300)
Prior year provision	-	-
40% Provision for Income Tax	(212)	(251)
Less:		
Monthly provisional income tax payments	170,171	123,972
Credit for training expenses	2,286	2,104
Credit for acquisition of property, plant and equipment	118	128
Credit for donations	1,138	2,064
Recoverable taxes from prior years	9,478	12,723
Other recoverable taxes and withholdings	2,763	2,758
Total current taxes, net	**(121,558)**	**27,198**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

The net current tax is presented below by economic entity as well as by geographical unit, in accordance with the provisions of IAS 12:

	As of December 31, 2021			
	Chile	**Florida**	**Perú**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Current tax assets	7,528	12,449	-	19,977
Current tax liabilities	(141,527)	-	(8)	(141,535)
Neto total	**(133,999)**	**12,449**	**(8)**	**(121,558)**

	As of December 31, 2020		
	Chile	**Florida**	**Total**
	MCh$	**MCh$**	**MCh$**
Current tax assets	36,270	-	36,270
Current tax liabilities	(2,742)	(6,330)	(9,072)
Total, net	**33,528**	**(6,330)**	**27,198**

b) Income Tax Expense

The tax expense for the periods between January 1 and December 31, 2021 and 2020, consists of the following items:

	As of December 31	
	2021	**2020**
	MCh$	**MCh$**
Income tax expenses:		
Current tax for the year, net of tax credits	(320,467)	(136,209)
Surplus/Deficit of prior year provision	3,485	3,449
Credit (debit) for deferred taxes:		
Origination and reversal of temporary differences	115,711	108,346
Subtotal	**(201,271)**	**(24,414)**
Non-deductible expenses under Article No.21	(212)	(251)
	-	-
Net debit to profit or loss for income taxes	**(201,483)**	**(24,665)**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

c) Reconciliation of nominal income tax rate with effective income tax rate

The reconciliation of the income tax rate to the effective rate applied for the determination of tax expense as of December 31, 2021 and 2020 is detailed as follows:

	As of December 31			
	2021		2020	
	Tax rate %	Amount MCh$	Tax rate %	Amount MCh$
Profit before tax		722,028		342,198
Nominal tax rate	27.000	194,948	27.000	92,393
Effect of non-deductible expenses in calculation of taxable income:				
Price-level adjustment, BCI Financial Group (1)	7.59	54,776	(5.16)	(17,666)
Rate difference USA (2)	(1.03)	(7,446)	(2.26)	(7,727)
Price-level adjustment of equity	(10.37)	(74,894)	(8.41)	(28,775)
One-off tax (non-deductible expenses)	0.03	212	0.07	251
Income tax from prior years	(0.48)	(3,485)	(1.01)	(3,448)
Bonds under the Income Tax Law	4.86	35,075	(4.53)	(15,507)
Other	0.32	2,297	1.50	5,144
Effective rate and income tax expense	**27.92**	**201,483**	**7.20**	**24,665**

The effective income tax rate for the periods 2021 and 2020 is 27.92% and 7.20%, respectively.

(1) BCI's investment in the US, which is BCI Financial Group INC, is adjusted for tax purposes in Chile, for the variation in the exchange rate (between the Chilean peso and the US dollar), which is subject to the first category (Chilean corporate) income tax. The impact of this adjustment as of December 2021 and 2020 is an income tax expense of MCh$54,776 and MCh$17,666, respectively.

(2) The statutory tax rate in Chile is 27%, while in the US the tax rate is 24.522%. Therefore, regarding a portion of BCI's consolidated profit or loss (BCI Financial Group, Miami Branch, and BCI Securities) reduction were made in taxes as a result of the tax rate difference between the two separate jurisdictions.

(3) Corresponds to Government bonds covered by Article 104 of the Income Tax Law (LIR) registered in the Bank's trading portfolio, which belong to the Non-Income Income regime.

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

d) Effect of deferred tax recognized in equity

The deferred tax recognized in equity as of December 31, 2021 and 2020 is composed of the following:

	Accumulated		**Effect for the period/year ended**	
	As of December 31 2021	**As of December 31 2020**	**As of December 31 2021**	**As of December 31 2020**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Financial Investments Available for Sale	10,841	(7,036)	17,877	(3,343)
Cash flow hedges	(47,800)	47,598	(95,398)	13,366
Effect of deferred taxes on equity	**(36,959)**	**40,562**	**(77,521)**	**10,023**

e) Effect of deferred taxes

As of December 31, 2021 and 2020, the Bank recognized the effects of deferred taxes in its consolidated financial statements in accordance with IAS 12.

	As of December 31	
	2021	**2020**
	MCh$	**MCh$**
Deferred tax assets:		
Effect on result	214,237	170,662
Effect on equity	36,959	40,562
Total deferred tax assets	**251,196**	**211,224**
Deferred tax liabilities:		
Effect on result	(926)	(22,188)
Effect on equity	-	-
Total deferred tax liabilities	**(926)**	**(22,188)**
Total assets (liabilities) for net deferred tax:	**250,270**	**189,036**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

The effects of deferred taxes on assets, liabilities and equity allocated by temporary differences are detailed as follows:

	As of December 31, 2021			As of December 31, 2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Item:						
Allowances for loans	223,465	-	223,465	173,757	-	173,757
Accrued vacations and provision for personnel bonuses	51,169	-	51,169	41,328	-	41,328
Leasing operations (net)	-	(39,919)	(39,919)	4,000		4,000
Other	14,817		14,817	4,242	-	4,242
Subordinated bonds	21,049	-	21,049	15,803	-	15,803
Property, plant and equipment, net	-	(19,630)	(19,630)	-	(17,970)	(17,970)
Transitory assets	-	(29,743)	(29,743)	-	(29,471)	(29,471)
Derivative contract operations	36,545	-	36,545	-	(32,974)	(32,974)
Temporary differences generated in Florida (*)	29,476	-	29,476	-	(10,241)	(10,241)
Total assets (liabilities) net	**376,521**	**(89,292)**	**287,229**	**239,130**	**(90,656)**	**148,474**
Effect of deferred taxes on equity	-	(36,959)	(36,959)	40,562	-	40,562
Net effect of deferred tax assets	**376,521**	**(126,251)**	**250,270**	**279,692**	**(90,656)**	**189,036**

(*) This deferred tax asset corresponds to temporary differences generated by subsidiaries located and the Bank's branch in the United States of America arising mainly from the tax losses, intangible assets and provisions for credit risk. The variation in deferred taxes of subsidiaries which functional currency is the U.S. dollar.

Below is a detail of the net deferred taxes, by geographic unit, in accordance with the provisions of IAS 12:

	As of December 31, 2021			
	Chile	**Florida**	**Perú**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Deferred tax asset	258,679	29,082	394	**288,155**
Deferred tax liability	(926)	-	-	**(926)**
Total, net	**257,753**	**29,082**	**394**	**287,229**
Deferred taxes generated through equity	(36,959)	-	-	**(36,959)**
Total deferred taxes, net	**220,794**	**29,082**	**394**	**250,270**

	As of December 31, 2020		
	Chile	**Florida**	**Total**
	MCh$	**MCh$**	**MCh$**
Deferred tax asset	170,518	144	170,662
Deferred tax liability	(11,803)	(10,385)	(22,188)
Total, net	158,715	(10,241)	148,474
Deferred taxes generated through equity	40,562	-	40,562
Total deferred taxes, net	**199,277**	**(10,241)**	**189,036**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

f) Supplementary Information on Current and Deferred taxes.

As of December 31, 2021, and 2020, the Bank presents the following tax information related to provisions, write-offs, renegotiations and credit refunds. This information includes the Bank's operations; therefore, subsidiaries have been excluded.

a. Loans and receivables to customers

		Assets at tax value		
Loans and receivables from customers as of December 31, 2021	**Carrying value in the financial statements**	**Total**	**Past-due portfolio secured**	**Past-due portfolio unsecured**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial loans	15,385,255	15,389,467	21,611	160,685
Consumer loans	8,639,577	8,640,803	7	143,873
Mortgage loans	2,715,735	2,737,633	1,355	4,300
Total	**26,740,567**	**26,767,903**	**22,973**	**308,858**

		Assets at tax value		
Loans and receivables from customers as of December 31, 2020	**Carrying value in the financial statements**	**Total**	**Past-due portfolio secured**	**Past-due portfolio unsecured**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial loans	11,309,919	11,313,821	32,146	162,934
Consumer loans	2,704,095	5,452,379	6	210,323
Mortgage loans	7,280,230	7,280,962	1,668	5,257
Total	**21,294,244**	**24,047,162**	**33,820**	**378,514**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

b. Provisions

Provisions on past-due portfolio	Balance as of 01.01.2021	Write-off against Provision	Provisions established	Provisions reversed	Balance as of 12.31.2021
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	123,124	(8,692)	76,821	(73,477)	117,776
Consumer loans	45,155	(11,414)	37,226	(43,058)	27,909
Mortgage loans	142	-	91	(74)	159

Provisions on past-due portfolio	Balance as of 01.01.2020	Write-off against Provision	Provisions established	Provisions reversed	Balance as of 12.31.2020
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	126,672	(9,567)	77,537	(71,518)	**123,124**
Consumer loans	57,954	(28,592)	70,168	(54,375)	**45,155**
Mortgage loans	5,298	-	85	(5,241)	**142**

Write-offs

Write offs and repossessions as of December 31, 2021	MCh$
Direct write-off art.31 Nº4 second paragraph	220,075
Condemnations that led to the reversal of provisions	-
Recovery or renegotiation of loans previously written off	64,257

Application of article 31 No. 4 first and third paragraphs	MCh$
Write-offs as per first paragraph	-
Condemnations according to third paragraph	-

Writte offs and repossessions as of December 31, 2020	MCh$
Direct write-off art.31 Nº4 second paragraph	288,176
Condemnations that led to the reversal of provisions	-
Recovery or renegotiation of loans previously written off	55,659

Application of article 31 No. 4 first and third paragraphs	MCh$
Write-offs as per first paragraph	-
Condemnations according to third paragraph	-

NOTE 17 - OTHER ASSETS

a) As of December 31, 2021 and 2020 the composition of other assets is as follows:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Assets under lease agreements (a)	82,144	90,317
Assets received in lieu of payment or awarded:		
Assets received in lieu of payment	404	59
Assets awarded from judicial auctions	2,133	2,230
Provisions received in lieu of payment or awarded (b)	-	(73)
Other assets:		
Cash deposits held as guarantee	487,069	535,771
Investment in gold	7,153	6,084
VAT fiscal credit	8,163	7,161
Prepaid expenses	42,108	38,079
Assets recovered from lease agreements held for sale (c)	43,182	43,290
Accounts receivable	527,451	322,648
Amounts to be recovered	11,968	19,474
Valuation adjustment for macro hedges	-	53,452
Insurance policy rights in favor of City National Bank of Florida (CNB) (d)	90,245	97,358
FED and FHLB shares (e)	82,112	79,615
Other assets	63,269	14,880
Total	**1,447,401**	**1,310,345**

(a) Corresponds to property, plant and equipment available to be used in finance leases.

(b) Impairment of repossessed or awarded assets is recognized in accordance with the Accounting Standards Compendium Chapter B-5 No. 3, which implies recognition of impairment for the difference between the carrying value and the net realizable value, when the first is higher.

(c) Corresponds to assets recovered from leasing and held for sale, principally real estate. These assets are held for sale, which is considered highly likely to occur. For most assets, it is expected that the sale will be completed within a one year period from the date on which the asset is classified as “Property, plant and equipment held for sale” and/or “Assets recovered from lease agreements held for sale.”

(d) Corresponds to life insurance contracts of the subsidiary City National Bank of Florida for certain senior management and employees where CNB is the owner and beneficiary. These policies are known by its acronym in English, as BOLI (Bank Owned Life Insurance).

NOTE 17 - OTHER ASSETS, CONTINUED

(e) These are shares that BCI Financial Group, Inc, and subsidiaries holds on its balance sheet, related to equity securities of the Federal Reserve (FED) and Federal Home Bank Loans (FHBL) acquired by CNB in order to participate in the funding program provided by these governmental agencies to the banks established in the state of Florida. CNB is required to maintain a specific level of holdings based on a formula provided by the respective agency.

b) The changes in the impairment of repossessed or awarded assets during period 2021 and year 2020 are as follows:

	Provision established
	MCh$
Balance as of January 1, 2021	**(73)**
Provisions established	203
Release of provisions	(130)
Balance As of December 31, 2021	**-**
Balance as of January 1, 2020	**-**
Provisions established	**914**
Release of provisions	(987)
Balance as of December 31, 2020	**(73)**

NOTE 18 - DEPOSITS AND OTHER ON-DEMAND LIABILITES AND ON-DEMAND DEPOSITS

As of December 31, 2021 and 2020 the composition of borrowings from customers is as follows:

	As of December 31 2021	As of December 31 2020
	MCh$	MCh$
Deposits and other on-demand liabilities:		
Current accounts	24,345,330	17,264,331
Other deposits and accounts payable on demand	1,675,986	1,322,312
Other liabilities payable on demand	1,632,126	1,139,931
Total	**27,653,442**	**19,726,574**
Deposits and term deposits		
Term deposits	10,797,310	10,783,161
Savings accounts	66,960	55,176
Other credit term balances	878	1,274
Total	**10,865,148**	**10,839,611**

NOTE 19 - BANK BORROWINGS

As of December 31, 2021 and 2020, the composition of borrowings from financial institutions is as follows:

	As of December 31	As of December 31
	2021	2020
	MCh$	MCh$
Loans received from financial institutions and Central Bank of Chile:		
Other liabilities with Central Bank of Chile	4,541,402	3,904,339
Subtotal	4,541,402	3,904,339
Loans received from domestic financial institutions:		
Interbank loans	160,018	1,004,361
Other liabilities	256,709	250,618
Subtotal	416,727	1,254,979
Loans received from foreign financial institutions:		
Foreign trade financing	515,205	367,286
Loans and other liabilities	1,497,628	744,095
Subtotal	2,012,833	1,111,381
Total	**6,970,962**	**6,270,699**

NOTE 20 - DEBT SECURITIES ISSUED AND OTHER FINANCIAL LIABILITIES

a) As of December 31, 2021 and 2020 the composition of debt issued, and other financial liabilities is as follows:

	As of December 31	As of December 31
	2021	2020
	MCh$	MCh$
Debt securities issued:		
Letters of credit	3,887	6,510
Ordinary bonds	7,424,308	6,166,461
Subordinated bonds	1,332,936	1,258,653
Total	**8,761,131**	**7,431,624**
Other financial liabilities:		
Public bonds	2,381	3,138
Other domestic bonds	73,083	43,394
Foreign bonds	952,514	864,512
Total	**1,027,978**	**911,044**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

b) As of December 31, 2021 and 2020, the classification of the ordinary and subordinated bonds is as follows:

	As of December 31, 2021		
	Long-term	**Short-term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term			
Ordinary bonds	6,381,095	1,043,213	7,424,308
Subordinated bonds	1,332,936	-	1,332,936
Total	**7,714,031**	**1,043,213**	**8,757,244**

	As of December 31, 2020		
	Long-term	**Short-term**	**Total**
	MCh$	**MCh$**	**MCh$**
By long and short term			
Ordinary bonds	5,663,712	502,749	6,166,461
Subordinated bonds	1,258,653	-	1,258,653
Total	**6,922,365**	**502,749**	**7,425,114**

c) Details of placements of ordinary and subordinated bonds as of December 31, 2021 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Issuance date	Average rate	Balance due Ch$	Balance due MCh$
SERIES_AM	50,000,000,000	50,000,000,000	01/06/2016	01/06/2023	4.90%	49,596,117,712	49,596
SERIES_E	100,000,000,000	100,000,000,000	01/11/2017	01/11/2022	4.27%	100,470,785,984	100,471
SERIES_O3	100,000,000,000	45,000,000,000	01/12/2020	01/12/2027	3.52%	43,937,680,021	43,938
Fair Value Adjustment (fair value hedges)						(2,788,854,908)	(2,789)
Subtotal	**250,000,000,000**	**195,000,000,000**				**191,215,728,809**	**191,216**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIE_AF2	10,000,000	10,000,000	08/01/2012	08/01/2022	3.43%	10,061,781	311,832
SERIE_AI2	5,000,000	-	03/01/2014	03/01/2024	-	-	-
SERIE_AJ2	20,000,000	20,000,000	10/01/2014	10/01/2024	2.23%	19,806,224	613,829
SERIE_AL1	3,000,000	3,000,000	06/01/2016	06/01/2022	1.89%	3,013,909	93,406
SERIE_AL2	3,000,000	3,000,000	06/01/2016	06/01/2023	2.15%	3,021,287	93,635
SERIE_AL3	3,000,000	3,000,000	06/01/2016	06/01/2024	2.40%	3,014,049	93,411
SERIE_AL4	3,000,000	3,000,000	06/01/2016	06/01/2028	2.36%	3,033,207	94,004
SERIE_AL5	3,000,000	3,000,000	06/01/2016	06/01/2031	2.50%	3,009,721	93,277
SERIE_AN2	3,000,000	3,000,000	12/01/2016	12/01/2024	1.95%	3,009,794	93,279
SERIE_AN3	3,000,000	3,000,000	12/01/2016	12/01/2026	2.00%	3,006,143	93,166
SERIE_A1	3,000,000	3,000,000	04/01/2017	04/01/2022	1.72%	3,016,921	93,500
SERIE_A2	3,000,000	3,000,000	04/01/2017	04/01/2027	2.18%	2,989,911	92,663
SERIE_B1	3,000,000	3,000,000	05/01/2017	05/01/2022	1.50%	3,015,004	93,440
SERIE_B2	3,000,000	3,000,000	05/01/2017	05/01/2023	1.67%	3,023,199	93,694
SERIE_C1	3,000,000	3,000,000	07/01/2017	01/01/2022	2.24%	3,029,815	93,899
SERIE_C2	3,000,000	3,000,000	07/01/2017	07/01/2023	2.32%	3,016,599	93,490
SERIE_C3	3,000,000	3,000,000	07/01/2017	07/01/2025	2.28%	3,003,084	93,071
SERIE_C4	3,000,000	3,000,000	07/01/2017	07/01/2026	2.42%	2,978,304	92,303
SERIE_D1	3,000,000	3,000,000	11/01/2017	11/01/2023	1.84%	3,018,915	93,561
SERIE_D2	3,000,000	3,000,000	11/01/2017	11/01/2025	2.04%	3,006,408	93,174
SERIE_D3	3,000,000	3,000,000	11/01/2017	11/01/2028	2.34%	2,947,932	91,362
SERIE_D4	3,000,000	3,000,000	11/01/2017	11/01/2029	2.45%	2,916,871	90,399
SERIE_F1	3,000,000	3,000,000	04/01/2018	04/01/2022	1.46%	3,019,072	93,566
SERIE_F2	3,000,000	3,000,000	04/01/2018	04/01/2024	1.60%	3,041,713	94,268
SERIE_F3	3,000,000	3,000,000	04/01/2018	04/01/2025	2.00%	3,015,727	93,463
SERIE_F4	3,000,000	3,000,000	04/01/2018	04/01/2028	2.17%	2,987,036	92,573
SERIE_F5	3,000,000	3,000,000	04/01/2018	04/01/2029	2.36%	2,945,770	91,295
SERIE_G1	3,000,000	3,000,000	06/01/2018	06/01/2025	1.47%	3,058,190	94,779
SERIE_G2	3,000,000	3,000,000	06/01/2018	06/01/2026	1.09%	3,122,703	96,778
SERIE_G3	3,000,000	3,000,000	06/01/2018	06/01/2029	2.10%	2,986,397	92,554
SERIE_I1	3,000,000	3,000,000	02/01/2019	02/01/2028	0.70%	3,256,940	100,938
SERIE_I2	3,000,000	2,730,000	02/01/2019	02/01/2029	0.49%	3,038,776	94,177
SERIE_I3	3,000,000	3,000,000	02/01/2019	02/01/2030	1.19%	3,212,298	99,555
SERIE_K1	3,000,000	3,000,000	05/01/2019	05/01/2023	(0.03)%	3,091,220	95,802
SERIE_K4	3,000,000	3,000,000	05/01/2019	05/01/2029	0.45%	3,345,118	103,671
SERIE_M3	3,000,000	3,000,000	10/01/2019	10/01/2028	(0.09)%	3,334,259	103,334
SERIE_M4	3,000,000	3,000,000	10/01/2019	10/01/2029	(0.31)%	3,437,634	106,538
SERIE_M5	3,000,000	3,000,000	10/01/2019	10/01/2030	0.27%	3,330,123	103,206
SERIE_N1	3,000,000	3,000,000	12/01/2020	06/01/2027	2.05%	2,920,851	90,522
SERIE_N3	3,000,000	3,000,000	12/01/2020	12/01/2028	2.25%	2,862,289	88,707
Fair Value Adjustment (fair value hedges)						(1,153,593)	(35,758)
Subtotal	**146,000,000**	**140,730,000**				**141,791,601**	**4,394,363**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount US	Placed amount US	Issuance date	Maturity date	Average rate	Balance due USD	Balance due in MCh$
USP32133CG63	500,000,000	500,000,000	11/02/2013	11/02/2023	4.09%	501,677,456	433,122
XS1655597034	50,000,000	50,000,000	01/08/2017	01/08/2022	2.96%	50,148,197	43,192
XS1692845396	50,000,000	50,000,000	06/10/2017	06/10/2022	3.00%	50,624,970	42,960
US05890MAA18	500,000,000	500,000,000	12/10/2017	12/10/2027	3.65%	500,906,234	424,604
XS1703060829	50,000,000	50,000,000	19/10/2017	19/10/2022	2.30%	50,003,058	42,748
XS1702405702	40,000,000	40,000,000	20/10/2017	20/10/2022	2.25%	40,003,982	34,199
XS1879614755	50,000,000	50,000,000	13/09/2018	13/03/2024	3.85%	49,862,836	43,044
XS1888335194	100,000,000	100,000,000	04/10/2018	04/04/2024	4.02%	101,510,935	85,933
XS1895749593	45,000,000	45,000,000	19/10/2018	19/04/2024	4.03%	45,598,799	38,600
XS1919312626	25,000,000	25,000,000	07/12/2018	07/12/2023	1.75%	24,880,369	21,276
XS1984711355	10,000,000	10,000,000	23/04/2019	23/04/2024	1.49%	9,962,313	8,517
XS2012024696	50,000,000	50,000,000	14/06/2019	14/06/2029	3.32%	50,090,965	42,469
XS2024766276	50,000,000	50,000,000	10/07/2019	10/07/2029	3.21%	49,952,087	43,048
XS2047630970	10,000,000	10,000,000	28/08/2019	28/08/2024	1.33%	9,956,886	8,513
XS2085920416	20,000,000	20,000,000	02/12/2019	02/06/2025	1.33%	19,846,253	16,972
XS2318617185	54,000,000	54,000,000	17/03/2021	03/12/2029	2.37%	53,701,039	45,646
XS2337108497	10,000,000	10,000,000	27/04/2021	27/04/2026	0.74%	9,928,347	8,489
XS2357310379	10,000,000	10,000,000	23/06/2021	23/06/2031	2.60%	9,948,357	8,450
XS2377687442	10,000,000	10,000,000	18/08/2021	18/08/2031	2.53%	9,900,971	8,520
XS2387450393	30,000,000	30,000,000	16/09/2021	16/09/2026	1.21%	29,679,670	25,384
XS2388190592	10,000,000	10,000,000	21/09/2021	21/09/2026	1.02%	9,855,876	8,431
XS2384719667	133,000,000	133,000,000	24/09/2021	24/09/2026	1.89%	131,103,773	112,676
XS2389126280	10,000,000	10,000,000	27/09/2021	27/09/2031	2.42%	9,881,113	8,500
US05890MAB90	500,000,000	500,000,000	14/10/2021	14/10/2031	3.08%	488,000,449	416,948
XS2398895651	17,000,000	17,000,000	19/10/2021	19/10/2026	0.94%	16,842,051	14,390
XS2402142371	20,000,000	20,000,000	27/10/2021	27/10/2028	1.13%	19,844,643	16,955
XS2407022313	20,000,000	20,000,000	01/12/2021	01/12/2026	1.01%	19,801,591	16,918
Fair Value Adjustment (fair value hedges)						44.090.019	37.671
Subtotal	**2,374,000,000**	**2,374,000,000**				**2,407,603,239**	**2,058,175**

(*) Balance owed in accordance with the effective interest rate, i.e. after deducting all bond placement origination costs, which will be repaid during the expected life of the financial instrument.

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – EURO

Series	Issued amount EU	Placed amount EU	Issuance date	Maturity date	Average rate	Balance due EUR	Balance due in MCh$
XS1493734971	20,000,000	20,000,000	09/23/2016	09/23/2024	0.89%	19,951,956	19,303
Fair Value Adjustment (fair value hedges)						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,951,956**	**19,303**

ORDINARY BONDS DENIMINATED IN FOREIGN CURRENCY-AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Balance due AUD	Balance due in MCh$
XS1717587007	80,000,000	80,000,000	11/15/2017	11/15/2027	4.150%	79,827,433	49,506
XS1859545367	40,000,000	40,000,000	07/25/2018	07/25/2033	4.670%	40,489,365	25,110
XS1879612973	60,000,000	60,000,000	09/14/2018	09/14/2033	4.650%	60,284,711	37,387
XS1897619968	40,000,000	40,000,000	10/24/2018	10/24/2033	4.700%	39,710,059	24,627
XS2087687435	30,000,000	30,000,000	12/02/2019	12/03/2029	1.807%	29,777,509	18,467
Fair Value Adjustment (fair value hedges)						11,275,206	6,993
Subtotal	**250,000,000**	**250,000,000**				**261,364,283**	**162,090**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY- SWISS FRANCS (CHF)

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Balance due CHF	Balance due in MCh$
CH0471298007	175,000,000	175,000,000	05/22/2019	11/22/2024	0.320%	174,454,807	163,025
CH0494734376	100,000,000	100,000,000	09/24/2019	09/24/2029	0.225%	99,233,735	92,732
CH0505011889	105,000,000	105,000,000	10/29/2019	10/29/2025	0.247%	104,189,707	97,364
CH0506071239	125,000,000	125,000,000	03/18/2020	09/18/2026	0.099%	123,858,958	115,744
CH1120085696	100,000,000	100,000,000	15/07/2021	15/12/2026	0,385%	98,637,894	92,176
Fair Value Adjustment (fair value hedges)						1.492.916	1.395
Subtotal	**605,000,000**	**605,000,000**				**601,868,017**	**562,436**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – YEN

Series	Issued amount YEN	Placed amount YEN	Date placed	Maturity date	Average rate	Balance due YEN	Balance due in MCh$
XS1830985781	5,000,000,000	5,000,000,000	06/01/2018	12/01/2028	0.750%	4,965,188,128	36,843
						(15,953,459)	(118)
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,949,234,669**	**36,725**
Total ordinary bonds							**7,424,308**

SUBORDINATED BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due in MCh$
SERIES_F	1,200,000	1,200,000	05/01/1999	05/01/2024	7.73%	237,285	7,354
SERIES_G	400,000	400,000	05/01/1999	05/01/2025	7.92%	106,482	3,300
SERIES_L	1,200,000	1,200,000	10/01/2001	10/01/2026	6.39%	432,170	13,394
SERIES_M	1,800,000	1,800,000	10/01/2001	10/01/2027	6.43%	737,291	22,850
SERIES_N	1,500,000	1,500,000	06/01/2004	06/01/2029	5.25%	709,562	21,991
SERIES_O	1,500,000	1,500,000	06/01/2004	06/01/2030	3.93%	715,274	22,168
SERIES_R	1,500,000	1,500,000	06/01/2005	06/01/2038	4.72%	818,620	25,370
SERIES_S	2,000,000	2,000,000	12/01/2005	12/01/2030	4.86%	1,016,145	31,492
SERIES_T	2,000,000	2,000,000	12/01/2005	12/01/2031	4.52%	1,094,502	33,921
SERIES_U	2,000,000	2,000,000	06/01/2007	06/01/2032	4.19%	1,934,205	59,944
SERIES_Y	4,000,000	4,000,000	12/01/2007	12/01/2030	4.25%	2,759,064	85,508
SERIES_W	4,000,000	4,000,000	06/01/2008	06/01/2036	4.05%	2,255,804	69,911
SERIES_AC	6,000,000	6,000,000	03/01/2010	03/01/2040	3.96%	5,661,348	175,455
SERIES_AD 1	4,000,000	4,000,000	06/01/2010	06/01/2040	4.17%	3,666,989	113,646
SERIES_AD 2	3,000,000	3,000,000	06/01/2010	06/01/2042	4.14%	2,729,361	84,588
SERIES_AH	15,000,000	9,000,000	09/01/2013	09/01/2043	3.63%	7,868,860	243,869
SERIE_B1S	3,000,000	3,000,000	06/11/2020	12/01/2039	1.32%	3,331,268	103,241
SERIE_B2S	3,000,000	3,000,000	06/22/2020	12/01/2044	1.30%	3,422,067	106,056
SERIE_B3S	3,000,000	3,000,000	06/24/2020	12/01/2049	1.28%	3,513,088	108,878
Total subordinated bonds	**60,100,000**	**54,100,000**				43,009,385	1,332,936
TOTAL BONDS							**8.757.244**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

d) Details of placements of ordinary and subordinated bonds as of December 31, 2020 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Issuance date	Average rate	Balance due Ch$	Balance due MCh$
SERIES_AM	50,000,000,000	50,000,000,000	06/01/2016	06/01/2023	4.90%	49,214,879,222	49,215
SERIES_E	100,000,000,000	100,000,000,000	11/01/2017	11/01/2022	4.27%	100,260,320,839	94,521
SERIES_H	50,000,000,000	50,000,000,000	06/01/2018	06/01/2021	2.36%	50,629,675,064	50,630
Fair Value Adjustment						9,932,593,030	9,933
Subtotal	**200,000,000,000**	**200,000,000,000**				**210,037,468,155**	**204,299**

ORDINARY BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_AE2	10,000,000	10,000,000	08/01/2011	08/01/2021	3.73%	9,952,681	292,019
SERIE_AF2	10,000,000	10,000,000	08/01/2012	08/01/2022	3.43%	9,899,875	290,256
SERIE_AI2	5,000,000	-	03/01/2014	03/01/2024	-	-	-
SERIES_AJ2	20,000,000	20,000,000	10/01/2014	10/01/2024	2.23%	19,928,962	571,230
SERIE_AL1	3,000,000	3,000,000	06/01/2016	06/01/2022	1.89%	3,031,982	88,141
SERIE_AL2	3,000,000	3,000,000	06/01/2016	06/01/2023	2.15%	3,031,682	88,132
SERIE_AL3	3,000,000	3,000,000	06/01/2016	06/01/2024	2.40%	3,017,251	87,712
SERIE_AL4	3,000,000	3,000,000	06/01/2016	06/01/2028	2.36%	3,037,091	88,289
SERIE_AL5	3,000,000	3,000,000	06/01/2016	06/01/2031	2.50%	3,010,037	87,503
SERIE_AN1	3,000,000	3,000,000	12/01/2016	12/01/2021	1.50%	3,018,130	87,738
SERIE_AN2	3,000,000	3,000,000	12/01/2016	12/01/2024	1.95%	3,011,519	87,546
SERIE_AN3	3,000,000	3,000,000	12/01/2016	12/01/2026	2.00%	3,006,411	87,397
SERIE_A1	3,000,000	3,000,000	04/01/2017	04/01/2022	1.72%	3,024,561	87,925
SERIE_A2	3,000,000	3,000,000	04/01/2017	04/01/2027	2.18%	2,985,367	86,786
SERIE_B1	3,000,000	3,000,000	05/01/2017	05/01/2022	1.50%	3,029,698	88,074
SERIE_B2	3,000,000	3,000,000	05/01/2017	05/01/2023	1.67%	3,032,905	88,168
SERIE_C1	3,000,000	3,000,000	07/01/2017	01/01/2022	2.24%	3,022,764	87,873
SERIE_C2	3,000,000	3,000,000	07/01/2017	07/01/2023	2.32%	3,007,948	87,442
SERIE_C3	3,000,000	3,000,000	07/01/2017	07/01/2025	2.28%	2,995,821	87,089
SERIE_C4	3,000,000	3,000,000	07/01/2017	07/01/2026	2.42%	2,967,644	86,270
SERIE_D1	3,000,000	3,000,000	11/01/2017	11/01/2023	1.84%	3,023,671	87,899
SERIE_D2	3,000,000	3,000,000	11/01/2017	11/01/2025	2.04%	3,005,610	87,374
SERIE_D3	3,000,000	3,000,000	11/01/2017	11/01/2028	2.34%	2,939,694	85,458
SERIE_D4	3,000,000	3,000,000	11/01/2017	11/01/2029	2.45%	2,906,286	84,487
SERIE_F1	3,000,000	3,000,000	04/01/2018	04/01/2022	1.46%	3,035,111	88,232
SERIE_F2	3,000,000	3,000,000	04/01/2018	04/01/2024	1.60%	3,053,197	88,757
SERIE_F3	3,000,000	3,000,000	04/01/2018	04/01/2025	2.00%	3,016,116	87,679
SERIE_F4	3,000,000	3,000,000	04/01/2018	04/01/2028	2.17%	2,982,951	86,715
SERIE_F5	3,000,000	3,000,000	04/01/2018	04/01/2029	2.36%	2,937,126	85,383
SERIE_G1	3,000,000	3,000,000	06/01/2018	06/01/2025	1.47%	3,073,419	89,345
SERIE_G2	3,000,000	3,000,000	06/01/2018	06/01/2026	1.09%	3,148,542	91,529
SERIE_G3	3,000,000	3,000,000	06/01/2018	06/01/2029	2.10%	2,984,174	86,751
SERIE_I1	3,000,000	3,000,000	02/01/2019	02/01/2028	0.70%	3,294,171	95,763
SERIE_I2	3,000,000	2,630,000	02/01/2019	02/01/2029	0.51%	2,961,523	86,092
SERIE_I3	3,000,000	3,000,000	02/01/2019	02/01/2030	1.19%	3,234,275	94,021
SERIE_K1	3,000,000	3,000,000	05/01/2019	05/01/2023	(0.03)%	3,152,187	91,635
SERIE_K4	3,000,000	3,000,000	05/01/2019	05/01/2029	0.45%	3,389,962	98,547
Fair Value Adjustment (fair value hedges)							59,536
Subtotal	**144,000,000**	**138,630,000**				**142,198,425**	**4,130,793**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount USD	Placed amount USD	Date placed	Maturity date	Average rate	Balance due USD	Balance due in MCh$ (*)
USP32133CG63	500,000,000	500,000,000	02/11/2013	02/11/2023	4.09%	506,129,212	360,253
XS1655597034	50,000,000	50,000,000	08/01/2017	08/01/2022	2.96%	50,422,702	35,890
XS1692845396	50,000,000	50,000,000	10/06/2017	10/06/2022	3.00%	50,164,661	35,706
US05890MAA18	500,000,000	500,000,000	10/12/2017	10-12-2027	3.65%	495,427,297	352,635
XS1703060829	50,000,000	50,000,000	10/19/2017	10/19/2022	2.32%	49,913,246	35,527
XS1702405702	40,000,000	40,000,000	10/20/2017	10/20/2022	2.27%	39,936,113	28,426
XS1879614755	50,000,000	50,000,000	09/13/2018	03/13/2024	3.85%	50,251,621	35,768
XS1888335194	100,000,000	100,000,000	10/04/2018	04/04/2024	4.02%	100,327,490	71,411
XS1895749593	45,000,000	45,000,000	10/19/2018	04-19-2024	4.03%	45,061,875	32,074
XS1919312626	25,000,000	25,000,000	12/07/2018	12/07/2023	1.78%	24,822,338	17,668
XS1984711355	10,000,000	10,000,000	04/23/2019	04/23/2024	1.53%	9,940,673	7,076
XS2012024696	50,000,000	50,000,000	06/14/2019	06/14/2029	3.32%	49,600,844	35,305
XS2024766276	50,000,000	50,000,000	07/10/2019	07/10/2029	3.21%	50,277,527	35,787
XS2047630970	10,000,000	10,000,000	08/28/2019	08-28-2024	1.37%	9,937,567	7,073
XS2085920416	20,000,000	20,000,000	12/02/2019	06/02/2025	1.38%	19,795,808	14,090
Fair Value Adjustment (fair value hedges)						71,130,610	50,629
Subtotal	**1,550,000,000**	**1,550,000,000**				**1,623,139,584**	**1,155,318**

(*) Balance owed in accordance with the effective interest rate, i.e. after deducting all bond placement origination costs, which will be repaid during the expected life of the financial instrument.

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EU	Placed amount EU	Issuance date	Maturity date	Average rate	Balance due EUR	Balance due in MCh$
XS1493734971	20,000,000	20,000,000	09/23/2016	09/23/2024	0.89%	19,913,502	17,413
Fair Value Adjustment (fair value hedges)						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,913,502**	**17,413**

ORDINARY BONDS DENIMINATED IN FOREIGN CURRENCY-AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Balance due AUD	Balance due in MCh$
XS1717587007	80,000,000	80,000,000	11/15/2017	11/15/2027	4.150%	79,681,938	43,575
XS1859545367	40,000,000	40,000,000	07/25/2018	07/25/2033	4.670%	40,434,211	22,112
XS1879612973	60,000,000	60,000,000	09/14/2018	09/14/2033	4.650%	60,199,719	32,921
XS1897619968	40,000,000	40,000,000	10/24/2018	10/24/2033	4.700%	39,641,015	21,678
XS2087687435	30,000,000	30,000,000	12/02/2019	12/03/2029	1.811%	29,719,188	16,252
Fair Value Adjustment						22,627,688	12,374
Subtotal	**250,000,000**	**250,000,000**				**272,303,759**	**148,912**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY- SWISS FRANCS (CHF)

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Balance due CHF	Balance due in MCh$
XS1520623627	90,000,000	90,000,000	11/17/2016	11/17/2021	0.000%	89,829,605	72,362
CH0471298007	175,000,000	175,000,000	05/22/2019	11/22/2024	0.320%	174,127,345	140,267
CH0494734376	100,000,000	100,000,000	09/24/2019	09/24/2029	0.225%	99,036,402	79,778
CH0505011889	105,000,000	105,000,000	10/29/2019	10/29/2025	0.247%	103,881,088	83,681
CH0506071239	125,000,000	125,000,000	03/18/2020	09/18/2026	0.099%	123,486,271	99,474
Fair Value Adjustment (fair value hedges)						1	-
Subtotal	**595,000,000**	**595,000,000**				**590,360,712**	**475,562**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - YEN

Series	Issued amount YEN	Placed amount YEN	Date placed	Maturity date	Average rate	Balance due YEN	Balance due in MCh$
XS1830985781	5,000,000,000	5,000,000,000	06/01/2018	12/01/2028	0.750%	4,958,600,911	34,164
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,958,600,911**	**34,164**
Total ordinary bonds							**6,166,461**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

SUBORDINATED BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due in MCh$
SERIE_F	1,200,000	1,200,000	05/01/1999	05/01/2024	7.73%	320,522	9,318
SERIE_G	400,000	400,000	05/01/1999	05/01/2025	7.92%	132,039	3,838
SERIE_L	1,200,000	1,200,000	10/01/2001	10/01/2026	6.39%	503,689	14,642
SERIE_M	1,800,000	1,800,000	10/01/2001	10/01/2027	6.43%	835,572	24,290
SERIE_N	1,500,000	1,500,000	06/01/2004	06/01/2029	5.25%	785,211	22,826
SERIE_O	1,500,000	1,500,000	06/01/2004	06/01/2030	3.93%	785,037	22,821
SERIE_R	1,500,000	1,500,000	06/01/2005	06/01/2038	4.72%	781,726	22,725
SERIE_S	2,000,000	2,000,000	12/01/2005	12/01/2030	4.86%	1,104,580	32,110
SERIE_T	2,000,000	2,000,000	12/01/2005	12/01/2031	4.52%	1,179,644	34,293
SERIE_U	2,000,000	2,000,000	06/01/2007	06/01/2032	4.19%	1,923,946	55,930
SERIE_Y	4,000,000	4,000,000	12/01/2007	12/01/2030	4.25%	2,646,400	76,932
SERIE_W	4,000,000	4,000,000	06/01/2008	06/01/2036	4.05%	2,168,000	63,024
SERIE_AC	6,000,000	6,000,000	03/01/2010	03/01/2040	3.96%	5,636,211	163,847
SERIE_AD 1	4,000,000	4,000,000	06/01/2010	06/01/2040	4.17%	3,645,908	105,988
SERIE_AD 2	3,000,000	3,000,000	06/01/2010	06/01/2042	4.14%	2,715,219	78,932
SERIE_AH	15,000,000	9,000,000	09/01/2013	09/01/2043	3.63%	7,819,965	227,328
SERIE_B1S	3,000,000	3,000,000	06/11/2020	12/01/2039	1.32%	3,347,467	97,311
SERIE_B2S	3,000,000	3,000,000	06/22/2020	12/01/2044	1.30%	3,437,614	99,932
SERIE_B3S	3,000,000	3,000,000	06/24/2020	12/01/2049	1.28%	3,528,062	102,566
Total subordinated bonds	**60,100,000**	**54,100,000**				**43,296,812**	**1,258,653**
TOTAL BONDS							**7,425,114**

NOTE 21 - PROVISIONS

a) As of December 31, 2021 and 2020, the breakdown of the balance of this item is as follows:

	As of December 31	As of December 31
	2021	**2020**
	MCh$	**MCh$**
Provisions for staff benefits and remuneration	110,595	97,406
Provisions for minimum dividends	156,117	95,236
Provisions for credit commitments	62,536	51,593
Provisions for contingencies	28,016	33,558
Provisions for country risk	3,482	3,608
Additional Provisions	350,143	160,176
Total	**710,889**	**441,577**

As of December 31, 2021 and 2020 no provisions were made to comply with the minimum of 0.50% required by the CMF for the normal portfolio of individuals (see Note 1, ab, ii and Note 11c).

NOTE 21 - PROVISIONS, CONTINUED

b) Provisions for staff benefits and remunerations

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Provision for other personnel benefits	93,232	81,573
Accrued vacations	17,363	15,833
Total	**110,595**	**97,406**

The provisions for staff benefits include bonuses related to the achievement of goals which will be paid in the following period and provisions for severance indemnity payments.

c) Provisions for credit commitments

The detail of provisions for credit commitments as of December 31, 2021 and 2020 is as follows:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Provisions for credit commitments		
Endorsements and performance bonds	4,606	3,720
Confirmed foreign letters of credit	15	1
Issued documentary letters of credit	940	720
Guarantees	13,588	9,979
Available credit lines	39,819	34,219
Other credit commitments	3,568	2,954
Total	**62,536**	**51,593**

d) Movements in provisions during period 2021 and year 2020 are as follow:

	Staff benefits and remuneration MCh$	Minimum dividends MCh$	Provisions for Risk of Credit Commitments MCh$	Contingencies MCh$	Country risk MCh$	Additional provisions MCh$	Total MCh$
As of January 1,2021	**97,406**	**95,236**	**51,593**	**33,558**	**3,608**	**160,176**	**441,577**
Provisions established	17,989	156,117	12,415	1,731	382	209,600	**398,234**
Provisions used/ released	(15,015)	(95,236)	(3,737)	(7,273)	(1,168)	(26,307)	**(148,736)**
Exchange differences	10,215	-	2,265	-	660	6,674	**19,814**
As of December 31, 2021	**110,595**	**156,117**	**62,536**	**28,016**	**3,482**	**350,143**	**710,889**
As of January 1,2020	**98,100**	**120,794**	**42,669**	**27,767**	**3,017**	**16,693**	**309,040**
Provisions established	4,320	95,236	15,942	8,506	1,143	151,475	**276,622**
Provisions used/ released	5,402	(120,794)	(4,243)	(12,227)	(323)	(2,809)	**(134,994)**
Exchange differences	(10,416)	-	(2,775)	9,512	(229)	(5,183)	**(9,091)**
As of December 31, 2020	**97,406**	**95,236**	**51,593**	**33,558**	**3,608**	**160,176**	**441,577**

NOTE 22 - OTHER LIABILITIES

As of December 31, 2021 and 2020, the detail of other liabilities is as follows:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Account payables and notes payable	290,994	357,729
Unearned income	18,299	18,764
Valuation adjustments for macro hedges	5,934	-
Sundry creditors	1,018,742	673,082
Other liabilities	30,541	28,231
Total	**1,364,510**	**1,077,806**

NOTE 23 - CONTINGENCIES AND COMMITMENTS

a) Commitments and liabilities recognized in off-balance sheet memorandum accounts.

The Bank and its subsidiaries have recognized the following balances related to contingencies and commitments, in off-balance sheet memorandum accounts:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
CONTINGENT RECEIVABLES		
Collateral and guarantees:		
Collateral and guarantees in foreign currency	277,922	196,037
Confirmed foreign letters of credit	6,202	5,189
Issued documentary letters of credit	360,329	317,129
Performance bonds:		
Performance bonds in Chilean currency	1,508,049	1,222,972
Performance bonds in foreign currency	754,327	596,912
Amount available of revolving credit facilities	8,376,418	7,245,618
Other credit commitments:		
Higher education loans in accordance with Law No.20,027	3,097	4,608
Other	787,647	430,258
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	45,943	30,946
Domestic collections	193,016	187,635
CUSTODY OF SECURITIES		
Securities in custody with the bank	60,090	66,466
Total	**12,373,040**	**10,303,770**

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

b) Lawsuits and legal proceedings:

BCI Bank

The Bank and its subsidiaries are involved in several pending legal lawsuits related to their lines of business and, based on facts related to the defense presented, it is the opinion of Management and their internal legal advisers, that no additional liabilities or updated estimates for those already recognized by the Bank and its subsidiaries are required. Accordingly, no additional provisions have been deemed necessary or recorded for such contingencies. As of December 31, 2021, the Bank and its subsidiaries maintained provisions for civil, labor and other lawsuits for MCh$724 (MCh$991 in 2020).

c) Operating guarantees granted:

- Direct commitments

  As of December 31, 2021 and 2020 the Bank has no such types of guarantees.

- Operating guarantees

BCI Corredor de Bolsa S.A.

As of December 31, 2021, company has made a deposit to guarantee compliance with the commitments for simultaneous operations on the Santiago Stock Exchange for MCh$76,147 (MCh$41,170 as of December 31, 2020).

As of December 31, 2021, the company made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system of the Santiago Stock Exchange for MCh$24,081 (MCh$7,200 as of December 31, 2020).

As of December 31, 2021, the company made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system in financial derivatives of the Santiago Stock Exchange for MCh$605 (MCh$295 as of December 31, 2020).

As of December 31, 2021, the company made a foreign deposit to guarantee compliance with the international market operations for MCh$43 (MCh$36 as of December 31, 2020).

As of December 31, 2021 and 2020, the company has made guarantee deposit for MCh$15. As of December 31, 2020, has not made guarantee.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

As of December 31, 2021, BCI Corredor de Bolsa S.A., the subsidiary of the Bank, acquired a UF20,000 maximum guarantee to ensure compliance with the provisions of Article No. 30 of Law No. 18,045, in order to ensure proper and full compliance with all its obligations as securities intermediary. The beneficiaries of this guarantee are current or future creditors, which it has or will have as a result of stockbroker operations, this warranty applies to a policy taken on August 19, 2021 No. 330-21-00031042 and is valid until August 19, 2022. The insurer is the Compañía de Seguros de Mapfre Garantía y Crédito, and Santiago Stock Exchange is the representative of potential beneficiaries.

As of December 31, 2021, there is a bond of UF 10,000 to fulfill what is set forth in Article 12 and following, and 99 and following, of Law 20,712, guaranteeing the complete fulfillment of BCI Corredor de Bolsa obligations of fund and portfolio management for third parties, valid from November 18, 2021 to November 17, 2022.

- Employee loyalty insurance

BCI Corredor de Bolsa S.A.

As of December 31, 2020, it had taken out an insurance policy signed with Southbridge Compañía de Seguros Generales S.A., which covers Banco de Crédito e Inversiones and its subsidiaries up to UF500,000, for faithful compliance of duties by employees whose effective date is from November 30, 2020 until May 31, 2022.

BCI Corredores de Seguros S.A.

As of December 31, 2021, the following insurance policies have been contracted to comply with the provisions of letter d) of Article No. 58 of Decree Law No. 251 of 1931, in order to respond to the correct and full compliance with all obligations arising from its activity:

- Guarantee Policy for Insurance Brokers No. 10047742 for an insured amount of UF500 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., whose term is from April 15, 2021 to April 14, 2022, establishing the right of the insurance company to collect from the broker all the sums disbursed by the insurance company to third parties affected by the broker's deficient intermediation in excess of the insured amounts.

- Professional Civil Liability Policy for Insurance Brokers No. 10047743 for an insured amount of UF60,000 contracted with Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., whose term is from April 15, 2021 to April 14, 2022, for the purpose of safeguarding the broker in the event of possible claims by third parties, with the insurance company having the right to ask the broker to reimburse the amount paid to the third party claimant.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

BCI Factoring S.A.

As of December 31, 2021, BCI Factoring S.A., the subsidiary of the Bank, has approved guarantee lines for operators with Factor Chain International for MCh$1,233 (MCh$2,596 in December 2020), equivalent to US$1,450,000.00 (US$3,650,000,00 in December 2020) of which MCh$0 (MCh$439 in December 2020) has been used, equivalent to US$0 (US$618,222.35 in December 2020).

BCI Corredores de Bolsa de Productos S.A.

As of December 31, 2021, it has a Bank guarantee No. 529972 taken with Banco de Crédito e Inversiones, for UF6,000, in favor of Bolsa de Productos Agropecuarios S.A., to guarantee compliance with the Company's obligations as an intermediary of products in accordance with article 11 of Act 19,220. The possibility of payment of this bond is covered by a "Contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency," which is held by the financial institution with due date on October 19, 2023.

As of December 31, 2021, it has a Bank guarantee No. 609565 taken with Banco de Crédito e Inversiones, for UF2,000, in favor of Bolsa de Productos Agropecuarios SA, to guarantee the fulfillment of all its obligations as a stock exchange broker in connection with operations invoiced to the Company. The possibility of payment of this bond is covered by a "Contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency," which is held by the financial institution with due date on October 19, 2023.

BCI Asset Management Administradora General de Fondos S.A

Collaterals established in articles 12, 13 and 14 of the Single Act on Funds No. 20.712.

As of December 31, 2021, there are policies securing all funds and portfolio administration, which amount to MCh$93,907.

Funds	Type of collateral	Amount MCh$	Amount paid UF
Funds	Guarantees in UF	83,091	2,681,060.58
Portfolio administration	Guarantees in UF	10,801	348,516.47
Other guarantees	Guarantees in UF	15	500.00
	Total	**93,907**	**3,030,077.05**

The foregoing is in accordance with the provisions of article 226 of Act No. 18.045 on the Stock Market and the provisions in NCG No. 125 of 2001, which stipulate that General Fund Administrators must permanently maintain a guarantee for each managed fund, which should always be equivalent to UF 10,000 or 1% of the average assets of the corresponding calendar year prior to the date of calculation.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

Also, in order to comply with the requirements of Title IV of Circular 1790, mutual funds defined as structured and secured must always have collateral provided by a third party other than the administrator company.

To ensure compliance with these standards, BCI Asset Management Administradora General de Fondos S.A. maintains deposits with BCI Bank.

d) Credit commitments

In order to satisfy the needs of its customers, the Bank assumed several irrevocable commitments and contingent liabilities. Although these obligations are not recognized in the consolidated statements of financial position, they are subject to credit risks and, therefore, are part of the Bank's overall risk.

The table below presents the contractual amounts of the transactions that require the Bank to grant loans and the amount of the provisions made for the credit commitment risk assumed:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Endorsements and performance bonds	277,922	196,037
Documentary letters of credit	360,329	317,129
Guarantees	2,262,376	1,819,884
Amount available of revolving credit facilities	8,376,418	7,245,618
Provisions established (Note 21)	(62,536)	(51,593)
Total	**11,214,509**	**9,527,075**

e) Documents in custody and for collection on the part of the Bank

The Bank and its subsidiaries have the following operations derived from the normal course of business:

	As of December 31 2021 MCh$	As of December 31 2020 MCh$
Documents in collection	238,959	218,581
Custody of assets	60,090	66,466
Total	**299,049**	**285,047**

NOTE 24 - SHAREHOLDERS' EQUITY

a) Issued capital and shares

Movements in common shares during the periods ended December 31, 2021 and 2020 are the following:

	As of December 31 2021 No.	As of December 31 2020 No.
Issued as of January 1	**148,767,940**	**141,616,409**
Issuance of shares released	7,118,565	7,151,531
Shares subscribed and paid for capital increase	-	-
Total issued	**155,886,505**	**148,767,940**

As of December 31, 2021 and 2020, the distribution of shareholders is as follows:

As of December 31, 2021	**Shares**	
	No. of shares	**Ownership %**
Empresas Juan Yarur S.P.A.	86,297,708	55.36%
Banco de Chile on behalf of non-resident third parties	8,993,578	5.77%
BTG Pactual Chile S.A. Corredores de Bolsa	3,921,535	2.52%
Banco Santander on behalf of foreign investors	3,883,578	2.49%
AFP Habitat S.A	3,843,412	2.47%
BCI Corredor de Bolsa S.A. on behalf of third parties	3,826,906	2.45%
AFP Cuprum S.A.	3,251,359	2.09%
AFP Capital S.A.	3,064,000	1.97%
AFP Provida S.A	2,652,390	1.70%
Inversiones Cerro Sombrero Financiero S.P.A.	2,367,117	1.52%
Imsa Financiera S.P.A.	2,326,715	1.49%
Larraín Vial S.A. Corredora de Bolsa	2,139,987	1.37%
Banchile Corredores de Bolsa S.A.	1,971,204	1.26%
Inversiones Tarascona Corporation Agencia en Chile	1,802,789	1.16%
Inversiones VYR S.P.A.	1,776,930	1.14%
Inversiones Nueva Altamira S.P.A	1,662,255	1.07%
Luis Enrique Yarur Rey	1,555,849	1.00%
Jorge Yarur Bascuñán	1,541,786	0.99%
AFP Modelo S.A.	1,499,458	0.96%
Empresas JY S.A	869,942	0.56%
Bolsa de comercio de Santiago Bolsa de Valores	857,457	0.55%
Inversiones Colibrí Financiera S.A.	727,972	0.47%
Credicorp Capital S.A. Corredores de Bolsa	578,279	0.37%
AFP Planvital S.A.	528,058	0.34%
Bice inversiones Corredores de Bolsa S.A.	521,980	0.33%
Other shareholders	13,424,261	8.61%
Subscribed and paid-in shares	**155,886,505**	**100.00%**

NOTE 24 - SHAREHOLDERS' EQUITY, CONTINUED

As of December 31, 2020	**Shares**	
	No. of shares	**Ownership %**
Empresas Juan Yarur S.P.A.	82,356,919	55.36%
Banco de Chile on behalf of non-resident third parties	7,903,241	5.31%
Jorge Yarur Bascuñán	4,916,919	3.31%
Banco Santander on behalf of foreign investors	3,869,509	2.60%
BCI Corredor de Bolsa S.A. on behalf of third parties.	3,709,455	2.49%
AFP Habitat S.A	3,532,781	2.37%
AFP Provida S.A	2,891,507	1.94%
Larraín Vial S.A. Corredora de Bolsa	2,597,592	1.75%
AFP Capital S.A.	2,570,090	1.73%
Inversiones Cerro Sombrero Financiero S.P.A.	2,531,269	1.70%
Banchile Corredores de Bolsa S.A.	2,247,127	1.51%
Imsa Financiera S.P.A.	2,220,465	1.49%
AFP Cuprum S.A.	2,090,561	1.41%
Inversiones Tarascona Corporation Agencia en Chile	1,807,326	1.21%
Inversiones VYR S.P.A.	1,695,786	1.14%
Inversiones Nueva Altamira S.P.A	1,484,801	1.00%
Luis Enrique Yarur Rey	1,471,380	0.99%
Inversiones Meyar S.A.C.	1,104,880	0.74%
Bolsa de Comercio de Santiago Bolsa de Valores	962,989	0.65%
AFP Modelo S.A	863,228	0.58%
Empresas JY S.A.	818,301	0.55%
Credicorp Capital S.A. Corredores de Bolsa	753,546	0.51%
Inversiones Colibrí Financiera S.A.	694,729	0.47%
BTG Pactual Chile S.A. Corredores de Bolsa	675,833	0.45%
Compañía de Seguros de Vida Consorcio Nacional de Seguro S.A.	652,752	0.44%
Other shareholders	12,344,954	8.30%
Subscribed and paid-in shares	**148,767,940**	**100.00%**

b) Dividends

During the periods ended December 31, 2021 and 2020, the following dividends were declared by the Bank:

	As of December 31	
	2021	**2020**
	Ch$	**Ch$**
Ch$ per ordinary share	700	1,000

The provision for minimum dividends As of December 31, 2021 amounts to MCh$156,117 (MCh$95,236 as of December 31, 2020).

NOTE 24 - SHAREHOLDERS' EQUITY, CONTINUED

c) The composition of basic and diluted earnings per share is as follows:

	As of December, 31	
	2021	**2020**
Net income for the period attributable to the equity holders of the Bank in MCh$	520,391	317,454
Income available for shareholders in MCh$	**520,391**	**317,454**
Weighted average number of shares	142,299,514	141,960,196
Basic and diluted earnings per share (Ch$-Share)	**3,657**	**2,236**

d) Translation adjustment reserve

As of December 31, 2021 and 2020, the reconciliation of the cumulative translation adjustment reserve as a separate component of shareholders' equity is as follows:

	Translation adjustment reserve
	MCh$
As of January 1, 2020	**175,490**
Net Exchange rate charges for subsidiaries in Florida	(95,503)
As of December 31, 2020	**79,987**
As of January 1, 2021	**79,987**
Net Exchange rate charges for subsidiaries in Florida	325,378
As of December 31, 2021	**405,365**

Reconciliation of the investment revaluation reserve and cash flow hedge reserve is as follows:

	Investment revaluation reserve	Cash flow hedges reserve
	MCh$	**MCh$**
Accumulated other comprehensive income 2019	**35,479**	**(126,789)**
Transferred to statements of income 2020	3,408	828
Mark to market adjustment	39,079	(50,331)
Accumulated other comprehensive income 2020	**77,966**	**(176,292)**
Transferred to statements of income 2021	13,337	723
Mark to market adjustment	(363,440)	352,607
Accumulated other comprehensive income 2021	**(272,137)**	**177,038**

NOTE 24 - SHAREHOLDERS' EQUITY, CONTINUED

e) Nature of valuation reserves

- Cumulative translation adjustment reserve:

Originated by exchange rate differences arising from the conversion of a net investment in a foreign entity which has a different functional currency.

- Cash flow hedges reserve:

Originated by the valuation at fair value of the derivative contracts designated as hedging instruments in cash flow hedges.

- Fair value reserves:

The fair value reserve includes the accumulated net changes in the market value of the investments available for sale. When the investment (all or part) is sold or disposed of, these reserves are recognized in the Consolidated Statement of Profit or Loss as part of the loss or gain related to investments (Note 1, section t, indicates the accounting treatment in case of impairment).

f) Capital requirements

Regulations effective through November 30, 2021

According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets, net of required loan loss allowances and provisions and deductions, of 8%, and a minimum ratio of basic capital to consolidated total assets, net of required loan loss allowances and provisions and deductions of 3%. Regulatory capital for these purposes is defined as basic capital (which represents paid-in capital and reserves) with the following adjustments: a) aggregate subordinated bonds for up to 50% of the basic capital, b) aggregate additional allowances, c) deductions of the balance of assets corresponding to goodwill or overprices paid and investments in companies not included in the consolidation, and (d) aggregate the balance of the non-controlling interest.

The assets are weighted according to a risk category to which a risk percentage is assigned according to the amount of capital necessary to support each of these assets, five risk categories are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits in banks, and financial instruments issued by the Central Bank of Chile have 0% risk, which means that according to the regulations in force, capital is not needed to maintain these assets. Property, plant and equipment have 100% risk, which means that a minimum capital, equivalent to 8% of these assets, should be held.

All over the counter ("OTC") derivative securities are considered in the determination of risk-weighted assets with a conversion factor over the notional values, thus obtaining the amount of credit risk exposure (or "credit equivalent") that complies with Chapter 12-1 of the Updated Compilation of Standards issued by the CMF. Contingent credits, recognized off – balance sheet, which are also considered as a "credit equivalent" for purposes of risk exposure.

NOTE 24 - SHAREHOLDERS' EQUITY, CONTINUED

The regulatory and basic capital for the year ended 2020 are the following:

	Consolidated assets	Risk – weighted assets
	As of December 31	As of December 31
	2020	2020
	MCh$	MCh$
Assets – consolidated statements of financial position (net of provisions)		
Cash and deposits in banks	4,597,867	-
Items in course of collection	236,710	40,899
Trading portfolio financial assets	1,147,279	230,456
Liabilities under agreements to repurchase	190,248	190,248
Derivative financial liabilities	5,451,897	834,039
Credit equivalent	(4,388,819)	-
Loans and receivables due from banks	356,669	356,669
Loans and receivables from customers	34,718,681	29,841,236
Financial investments available for sale	7,996,040	1,541,591
Financial investments held to maturity	25,144	10,244
Investments in other companies	26,625	26,625
Intangible assets	395,276	243,764
Property, plant and equipment	251,217	251,217
Right-of-use assets	204,807	204,807
Current income taxes	36,270	3,627
Deferred income taxes	211,224	21,122
Other assets	1,310,345	877,563
Assets off– balance sheet		
Contingent loans	4,085,765	2,451,459
Total	**56,853,245**	**37,125,566**

	As of December 31
	2020
	MCh$
Basic capital	3,893,620
Regulatory capital	4,971,521
Total consolidated assets	56,853,245
Total Risk- weighted assets	37,125,566

Concept	Ratio
	As of December 31
	2021
	%
Basic capital-Consolidated assets	6.85
Basic capital- Risk-weighted assets	10.49
Regulatory capital- Risk-weighted assets	13.39

NOTE 24 - SHAREHOLDERS' EQUITY, CONTINUED

Regulations effective through December 1, 2021

- On January 12, 2019, the CMF began the regulatory process for the implementation of Basel III standards in Chile, in accordance with the provisions of Law No. 21,130 that Modernizes Banking Legislation.

- As of March 30, 2020, the CMF reported the relaxation of the Basel III implementation deadlines. In coordination with the Central Bank of Chile, they decided to postpone the implementation of the capital requirements required by the standard for one year and maintain the current general regulatory framework for bank capital requirements until November 30, 2021.

- From December 1, 2021 to December 1, 2025, the new regulations for the adoption of Basel III standards began to be implemented gradually. Levels of basic capital and effective equity for the year ended December 31 December 2021, is as follows:

-

	12-31- 2021
	MCh$
Basic capital	4,324,895
Net Worth	5,847,479
Total consolidated assets	67,882,311
Risk-weighted consolidated assets:	
Risk-weighted assets by credit	36,365,383
Risk-weighted assets by Market	3,998,066
Operational risk-weighted assets by	2,926,335
Total	**43,289,784**

Solvency ratios and effective equity	**12-31-2021**
	%
Leverage ratio (Basic capital / total consolidated assets)	6.37
Basic Capital Index (Basic Capital/Risk-weighted consolidated assets)	9.99
Capital adequacy ratios (Effective net-worth/ Risk-weighted consolidated assets)	13.51

NOTE 25 - INTEREST INCOME AND EXPENSES AND INDEXATION FOR INFLATION

a) At the end of the 2021 and 2020 financial years, the composition of income from interest and indexation for inflation is the following:

	For the year ended December 31					
	2021			2020		
Concept	**Interest**	**Indexation for inflation**	**Total**	**Interest**	**Indexation for inflation**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Repurchase agreements	777	248	1,025	1,262	4,919	6,181
Interbank loans	6,698	-	6,698	11,749	-	11,749
Commercial loans	963,747	313,520	1,277,267	1,019,773	124,122	1,143,895
Mortgage loans	216,820	512,601	729,421	195,260	183,034	378,294
Consumer loans	411,344	1,787	413,131	505,072	1,095	506,167
Investment instruments	135,714	98,800	234,514	82,561	18,164	100,725
Other income from interest or indexation (*)	4,297	4,796	9,093	11,608	2,923	14,531
Hedge accounting offset effect	(312,016)	-	(312,016)	(72,938)	-	(72,938)
Total income from interest and indexation for inflation	**1,427,381**	**931,752**	**2,359,133**	**1,754,347**	**334,257**	**2,088,604**

(*)Includes interest on overnight deposits, the liquidity current account with Central Bank of Chile, and others.

At the end of the 2021 and 2020 financial years the sum of interest expenses and indexation for inflation is as follows:

	For the year ended December 31	
	2021	**2020**
Concept	**MCh$**	**MCh$**
Demand deposits	(35,703)	(49,329)
Repurchase agreements	(9,112)	(4,309)
Term deposits and borrowings	(85,921)	(172,835)
Borrowings from financial institutions	(40,937)	(60,168)
Debt issued	(558,092)	(325,402)
Other financial liabilities	(5,660)	(10,934)
Lease liabilities	(3,348)	(4,149)
Other interest expenses and indexation for inflation	(33,944)	(10,715)
Hedge Accounting Results	11,106	7,778
Total interest expenses and-indexation for inflation	**(761,611)**	**(630,063)**

NOTE 25 - INTEREST INCOME AND EXPENSES AND INDEXATION FOR INFLATION, CONTINUED

b) At the end of the 2021 and 2020 financial years the detail of income and expenses related to hedge accounting is as follows:

	For the year ended December 31					
	2021			2020		
	Income	Expense	Total	Income	Expense	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Asset hedge margin						
Fair value hedges	168,607	(104,082)	**64,525**	28,131	(39,369)	**(11,238)**
Cash flow hedges	51,396	(427,937)	**(376,541)**	21,255	(82,955)	**(61,700)**
Subtotal	**220,003**	**(532,019)**	**(312,016)**	**49,386**	**(122,324)**	**(72,938)**
Liabilities hedge margin						
Fair value hedges	203,527	(192,421)	**11,106**	643,936	(636,158)	**7,778**
Subtotal	**203,527**	**(192,421)**	**11,106**	**643,936**	**(636,158)**	**7,778**
Total	**423,530**	**(724,440)**	**(300,910)**	**693,322**	**(758,482)**	**(65,160)**

NOTE 26 - FEE AND COMMISSION INCOME AND EXPENSES

At the end of the 2021 and 2020 financial years, the composition of fee and commission income and expenses is the following:

	For the year ended December 31	
	2021	2020
	MCh$	MCh$
Fee and commission income:		
Commissions for credit lines and overdrafts	3,772	3,284
Commissions for guarantees and letters of credit	25,842	24,457
Commissions for credit card services	99,307	87,069
Commissions for administration of accounts	52,811	48,567
Commissions for collection services	68,352	62,496
Commissions for securities brokerage	8,112	6,972
Commissions for management of mutual and investment funds	58,802	54,226
Commissions for insurance brokerage	60,296	72,188
Commissions for other services provided	71,429	57,929
Other commissions	25,678	16,699
Total fee and commission income	**474,401**	**433,887**
Fee and commission expenses:		
Commissions on operations with credit cards:	(48,328)	(48,989)
Commissions on securities trading	(30,278)	(25,194)
Other commissions	(49,270)	(24,120)
Total fee and commission expenses	**(127,876)**	**(98,303)**

NOTE 27 - GAIN OR LOSS FROM FINANCIAL OPERATIONS

At the end of the 2021 and 2020 financial years, the detail of gain or loss from financial operations is the following:

	For the year ended December 31	
	2021	**2020**
	MCh$	**MCh$**
Trading instruments	38,952	114,243
Derivative financial agreements (speculative)	135,117	(20,094)
Other instruments at fair value through profit or loss	(497)	(401)
Gains on financial investments available for sale	(42,954)	55,051
Other	9,159	-
Total	**139,777**	**148,799**

NOTE 28 - NET FOREIGN EXCHANGE GAIN OR LOSS

At the end of the 2021 and 2020 financial years, the detail of the net foreign exchange gain or loss is the following:

	For the year ended December 31	
	2021	**2020**
	MCh$	**MCh$**
Exchange difference		
Gains from exchange differences	37,083,572	37,047,639
Losses from exchange differences	(37,494,503)	(36,986,152)
Subtotal	**(410,931)**	**61,487**
Foreign currency fluctuation		
Effect for assets and liabilities denominated in foreign currency	46,461	(10,500)
Subtotal	**46,461**	**(10,500)**
Hedge Accounting Results		
Assets hedge results	74,345	(28,860)
Liabilities hedge results	312,672	22,638
Subtotal	**387,017**	**(6,222)**
Total	**22,547**	**44,765**

This item includes income accrued in the period, related to holding of assets and liabilities in foreign currency or indexed to the exchange rate, for ex trading and results of derivatives used to hedge foreign currency.

NOTE 29 - PROVISIONS AND IMPAIRMENT FOR CREDIT RISK

The detail of provisions and impairment for credit risk at the end of the 2021 and 2020 financial years is as follows:

		Loans and receivables from customers						
December 2021	**Owed by banks**	**Consumer loans**	**Mortgage loans**	**Consumer loans**	**Credit Commitments**	**Additional**	**Adjustment to minimum provision for normal portfolio**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Provisions:								
Individual provisions	436	103,518	-	-	10,053	-	-	**114,007**
Collective provisions	-	87,989	12,054	210,628	2,362	209,600	-	**522,633**
Total provisions	**436**	**191,507**	**12,054**	**210,628**	**12,415**	**209,600**	**-**	**636,640**
Impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions								
Individual provisions	(94)	(15,301)	-	-	(971)	-	-	**(16,366)**
Collective provisions	-	(34,145)	(93)	(77,771)	(2,766)	(26,307)	-	**(141,082)**
Total reversal of provisions	**(94)**	**(49,446)**	**(93)**	**(77,771)**	**(3,737)**	**(26,307)**	**-**	**(157,448)**
Recovery of loans previously written off	-	(19,701)	(3,161)	(55,785)	-	-	-	(78,647)
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for credit risk	**342**	**122,360**	**8,800**	**77,072**	**8,678**	**183,293**	**-**	**400,545**

NOTE 29 - PROVISIONS AND IMPAIRMENT FOR CREDIT RISK, CONTINUED

In Management's opinion, the provisions recorded for credit risk and for impairment cover all possible losses that may result if assets are not recovered based on the information corroborated by the Bank.

December 2020	Owed by banks	Loans and receivables from customers			Credit Commitments	Additional	Adjustment to minimum provision for normal portfolio	Total
		Consumer loans	Mortgage loans	Consumer loans				
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Provisions:								
Individual provisions	23	146,828	-	-	9,900	-	-	**156,751**
Collective provisions	-	122,919	4,487	369,581	6,042	151,475	-	**654,504**
Total provisions	**23**	**269,747**	**4,487**	**369,581**	**15,942**	**151,475**	**-**	**811,255**
Impairment								
Individual impairment	-	-	-	-	-	-	-	**-**
Collective impairment	-	-	-	-	-	-	-	**-**
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions								
Individual provisions	(143)	(24,288)	-	-	(3,343)	-	(10,708)	**(38,482)**
Collective provisions	-	(12,655)	(7,036)	(28,891)	(900)	(2,809)	-	**(52,291)**
Total reversal of provisions	**(143)**	**(36,943)**	**(7,036)**	**(28,891)**	**(4,243)**	**(2,809)**	**(10,708)**	**(90,773)**
Recovery of loans previously written off	-	(18,178)	(2,151)	(46,242)	-	-	-	**(66,571)**
Reversal of impairment	-	-	-	-	-	-	-	**-**
Net provisions for loan losses	**(120)**	**214,626**	**(4,700)**	**294,448**	**11,699**	**148,666**	**(10,708)**	**653,911**

NOTE 30 - STAFF COSTS

The composition of staff costs as December 31, 2021 and 2020 is as follows:

	For the year ended December 31	
	2021	2020
	MCh$	MCh$
Staff remuneration	301,967	291,929
Bonuses or awards	181,510	166,359
Severance payments	21,495	26,465
Training expenses	3,452	2,813
Other staff expenses	31,629	34,514
Total	**540,053**	**522,080**

NOTE 31 - ADMINISTRATIVE EXPENSES

As December 31, 2021 and 2020, the composition of administrative expenses is as follows:

	As of December 31	
	2021	2020
	MCh$	MCh$
General Administrative Expenses		
Repair and mantenance of fixed asset	14,555	14,553
Insurance Premiums	10,526	8,940
Office Supplies	3,013	4,176
Computing and communication costs	109,624	103,069
Illumination, heating and other services	8,309	8,704
Surveilance service and carriage of valuables	13,309	12,884
Representation and travel expenses	2,073	2,964
Legal and notarial expenses	2,398	5,028
Technical reports fees	6,700	8,440
Audit and financial statements fees	5,226	4,405
Penalties applied by other entities	85	247
Penalties applied by CMF	13	-
Low value lease contracts expenses	9,216	10,745
Cleaning Services	4,292	4,624
Consultancies	21,288	12,481
Postal box, mail and postage	1,226	1,406
Other managemnent's general expenses	29,649	31,253
Outsoucings services		
Data processing	6,173	6,858
Product sale	1,980	1,797
Credits Evaluation	1	426
Others	8,792	8,732
Director's expenses		
Director's remunerations	5,199	4,706
Director's other expenses	469	423
Advertising and propaganda	36,394	30,791
Taxes and contributions		
Property contributions	3,232	3,016
Patent	2,261	2,394
Other taxes	12,203	12,106
CMF contribution	15,419	14,034
Total	**333,625**	**319,202**

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) As December 31, 2021 and 2020, depreciation and amortization expenses are detailed below:

	For the year ended December 31	
	2021	2020
	MCh$	MCh$
Depreciation and amortization		
Depreciation of property, plant and equipment	(21,843)	(25,238)
Amortization of intangible assets	(59,333)	(56,970)
Amortization and depreciation of right-to- use assets	(25,755)	(26,802)
Total	**(106,931)**	**(109,010)**

b) As December 31, 2021 and 2020, the bank presents impairment which is detailed below:

	For the year ended December 31	
	2021	2020
	MCh$	MCh$
Impairment of property, plant and equipment and intangible assets		
Property, plant and equipment (1)	(23)	(79)
Intangibles	-	(4,994)
Total	**(23)**	**(5,073)**

(1) As December 31, 2021 and 2020, the impairment of property, plant and equipment of MCh$23 and MCh$79, respectively, corresponds to the gross balance of property, plant and equipment.

The Bank and its branches assess, on the end of the reported fiscal period if there is any indicator of impairment of any asset with a defined life. If any indicator is present, or an impairment test is needed, the entity calculates the recoverable amount of the asset.

(2) The Bank acquired intangible assets on the merging of businesses with BCI Servicios Financieros and City National Bank, whose flow generation and management are analyzed by high-level management separately, as their contributions to the consolidated entity can be analyzed independently.

The carrying amount of intangible assets with a defined useful life before e impairment losses is as follows.

	As of December, 31	
	2021	2020
	MCh$	MCh$
Intangible assets		
Relationship with clients	-	34,890
Rights acquired under cross-selling agreement	-	2,538

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT, CONTINUED

b) Impairment test of intangible assets

i. Impairment loss of intangible assets

As a result of the recent impacts described in Note 3 "Significant Events", the recoverable amount from Servicios Financieros CGU presenting intangible asset balances was calculated, resulting in the recognition of an impairment loss of MCh$4,994 on the following assets for the year ended December 31, 2020:

	As of November, 2020
	MCh$
Intangibles impairment (1)	
Relationship with clients	2,636
Rights acquired under cross-selling agreement	2,358
Impairment total	**4,994**

(1) At the closing of November 2020, the Bank recorded an intangible impairment loss for intangibles generated in the merging of businesses due to the acquisition of BCI Servicios Financieros on December 2018, for a total of MCh $4,994. An impairment test was performed on the indefinitely-lived intangible assets identified in the assignment of the price paid on December 2018. For the assessment of the loan portfolio, the value of the intangible asset was adjusted according to an impairment indicator analysis, using the real client loss rate between December 2018 and September 2020 as a benchmark. Based on the results of the analysis, it was concluded that there was an impairment on the Client Relations for MCh$2,636, and the Rights acquired under cross-selling agreement, for MCh$2,358. These recorded impairments represent a carrying amount of 9.3% and 58.6%, respectively.

As of December 31, 2021, the bank has not assessed any impairment as a result of the annual impairment test..

ii. Intangible assets distribution

The distribution of intangible assets generated in the acquisition of BCI Servicios Financieros and the transactions incurred, are presented below:

	Relationship with clients	Rights acquired under cross-selling agreement
	MCh$	MCh$
Balance as of December 31, 2019	**32,012**	**4,366**
Amortization for the year	(4,676)	(470)
Impairment of property, plant and equipment and intangible assets	(2,636)	(2,358)
Balance as of December 31, 2020	**24,700**	**1,538**

The figures presented as of December 31, 2020 have been adjusted to their recoverable amount, recognizing an impairment loss as indicated above.

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT, CONTINUED

iii. Methodology used by the Bank

- **Relationship with clients**

The methodology used for the assessment of the fair value of the relation with clients was to adjust the value of the intangible asset according to an impairment indicator analysis, using the real client loss rate between December 2018 and September 2020 as a benchmark.

- **Rights acquired under cross-selling agreement**

The methodology used for the assessment of the fair value of the rights acquired under cross-selling agreement was the income approach, where the value of an asset is assessed according to the current value of its future net benefits. The steps to apply this approach include the estimation of expected cash flows attributable to the asset throughout its useful life, discounting them at an adequate rates according to the specific risks of future benefits of the asset, and to the value of cash over time.

iv. Assessment results

As a result of the assessment process, the Management concludes that the ratios of recoverable amounts and carrying amount of intangible assets to December 31, 2020, are the following:

	As of December 31, 2020	
	Relationship with clients	**Rights acquired under cross-selling agreement**
Discount rate	14.4%	14.4%
Recoverable amount/ Carrying amount	90.7%	41.4%
Impairment of property, plant and equipment to intangible asset carrying amount	9.3%	58.6%

The recoverable amount for each intangible asset corresponds to the value in use, since it is the greater amount when compared to the fair value less costs to sell.

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT, CONTINUED

c) The reconciliation between the amounts as of January 1, 2021 and 2020 and the balances as of December 31, 2021 and 2020 is as follows:

	Accumulated depreciation and amortization 2021			
	Property, plant and equipment, net	**Leased assets**	**Intangible assets**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**166,882**	**84,020**	**262,117**	**513,019**
Charges for depreciation and amortization	21,843	25,755	59,333	**106,931**
Disposals	(4,612)	(8,939)	-	**(13,551)**
Others	822	2,937	12,627	**16,386**
Balance as of December 31	**184,935**	**103,773**	**334,077**	**622,785**

	Accumulated depreciation and amortization 2020			
	Property, plant and equipment, net	**Leased assets**	**Intangible assets**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**203,598**	**62,099**	**209,200**	**474,897**
Charges for depreciation and amortization	25,238	26,802	56,970	**109,010**
Disposals	(61,540)	(4,712)	(4,053)	**(70,305)**
Others	(413)	(169)	-	**(582)**
Balance as of December 31	**166,883**	**84,020**	**262,117**	**513,020**

NOTE 33 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

As of December 31, 2021 and 2020, the composition of other operating income is as follows:

	As of December 31	
	2021	2020
Concept	MCh$	MCh$
Income from repossessed assets		
Gain on sale of repossessed assets	1,721	1,953
Other income	3,575	642
Subtotal	5,296	2,595
Reversal of provisions for credit commitments		
Reversal of provisions for country risk	-	323
Other provisions for contingencies	-	-
Subtotal	-	323
Other income		
Gains on sale of property, plant and equipment	1,059	2,077
Insurance claims	1,191	2,124
Leasing income	7,414	5,035
Dividends received	2,014	3,571
Recovery of taxes	4,683	4,157
Marketing Income	6,859	6,213
Income by products exchange	3,483	3,454
Other commissions	1,177	3,113
Non operational punishments recoveries	2,446	610
Insurance income	10,918	-
Other income	8,392	11,367
Subtotal	49,636	41,721
Total	**54,932**	**44,639**

b) Other operating expenses

During 2021 and 2020, the composition of other operating income is as follows:

	For the year ended December 31	
	2021	2020
Concept	MCh$	MCh$
Impairment and expenses for repossessed assets		
Provisions for repossessed assets	-	73
Write-off of repossessed assets	347	1,487
Maintenance expenses for repossessed assets	840	928
Subtotal	1,187	2,488
Establishment of provisions for credit commitments		
Provisions for country risk	432	1,143
Other provisions for credit commitments	4,090	14,771
Subtotal	4,522	15,914
Other expenses		
Loss on sale of property, plant and equipment	54	32
Contributions and donations	2,822	7,327
Penalties for judicial and notary expenses	5,108	4,576
Leasing expenses	20,760	21,112
Non-operating expenses	18,128	14,474
Other expenses	7,807	14,573
Subtotal	54,679	62,094
Total	**60,388**	**80,496**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES

a) Loans with related parties

The following shows the loans and accounts receivable, contingent loans and assets for trading and investment instruments, corresponding to related entities:

	As of December 31, 2021			As of December 31, 2020		
	Operating companies MCh$	Investment companies MCh$	Individuals MCh$	Operating companies MCh$	Investment companies MCh$	Individuals MCh$
Loans and receivables to customers						
Commercial loans	88,194	72,773	21,455	113,594	83,731	22,152
Mortgage loans	176	388	53,967	-	-	46,894
Consumer loans	29	38	7,534	-	-	7,483
Gross loans	**88,399**	**73,199**	**82,956**	**113,594**	**83,731**	**76,529**
Allowances for loan losses	(617)	(20)	(313)	(282)	(50)	(477)
Net loans	**87,782**	**73,179**	**82,643**	**113,312**	**83,681**	**76,052**
Loan commitments	108,820	10,644	17,281	68,031	10,047	17,707
Provisions for loan commitments	(489)	(9)	(37)	(231)	(10)	(61)
Loan commitments, net	**108,331**	**10,635**	**17,244**	**67,800**	**10,037**	**17,646**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

b) Other transactions with related parties

During 2021 and 2020, the Bank conducted the following transactions with related parties:

December 2021 Firm Name	Relationship With the group	Description	Amount of the Transaction	Effect In income Charge	 Payment
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint Ventures	Procurement Service	1,028	1,028	-
BCI Seguros de Vida S.A.	Others	Revenue and use of channels service, suitcase	1,871	-	1,871
		Trademark Use	1,395	-	1,395
		Suitcase	158	-	158
		Use of channels	465	-	465
		Claims management	1,054	-	1,054
		Marketing	587	-	587
		Contracted insurance	39	39	-
		Subordinated bond	511	74	-
		Financial bond	1,162	364	-
		Forward Operation	24	24	-
		Banking Expenses	188	158	-
		Revenue commissions Servicios Financieros y Administración de Créditos Comerciales S.A.	9,194	-	7,726
		Intermediary commission BCI CCSS	10,780	-	10,780
BCI Seguros Generales S.A.	Others	Revenue and use of channels service, suitcase	38	-	38
		Trademark Use	1,395	-	1,395
		Suitcase	89	-	89
		Use of channels	465	-	465
		Marketing	417	-	417
		Fixed Term Deposit	1,439	-	-
		Financial bond	10,487	-	-
		Contracted insurance	6,626	5,568	-
		SSFF Corredores de Seguros y Gestión Financiera Ltda. revenue commissions	7,950	-	6,681
		Intermediary commission BCI CCSS	31,989	-	31,989
		Intermediary commission BCI CCSS Aporte Marketing	183	-	183
Zenit Seguros Generales S.A.	Others	Banking Expenses	44	-	44
		Investments at fair value, Financial bonds	1,450	37	-
Centro de Compensación Automatizado S.A.	Others	Electronic Banking Transactions	2,012	2,012	-
Combanc S.A.	Affiliated	Compensations and high-value payments	515	515	-
Comder Contraparte Central S.A.	Affiliated	Bank processing	984	984	-
Conexxion Spa	Others	Postal service mail	239	239	-
DCV Registros S.A.	Others	Shareholders management and register	102	102	-
Depósitos Central de Valores S.A.	Others	Safekeeping of financia instruments	586	586	-
Digitech Solutions S.A.	Others	Documents digitalization	306	306	-
Inmobiliaria Anya S.A.	Others	Property projects	122	122	-
Inmobiliaria JY S.A.	Others	Property projects	232	232	-
Jordan (Chile) S.A.	Common Controller	Forms printing	2,279	2,279	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Affiliated	Card processing	8,581	8,581	-
Redbanc S.A.	Affiliated	Cash machines operations	7,165	7,165	-
Salcobrand S.A.	Common Controller	Space rental for ATM´s cash machines	249	249	-
Servicios de Información avanzada S.A.	Others	Financial information service	990	990	-
Servipag Ltda.	Joint Ventures	Services revenues and payments	4,290	4,290	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	570	570	-
Galería de Arte Patricia Ready Ltda.	Others	Art Gallery	41	41	-
Inmobiliaria SB SPA	Others	Office Rentlas	58	58	-
Boston Consulting Group	Others	Strategic consulting	3,176	3,176	-
Transbank S.A.	Others	Credit card management and revenues by credit card use	1,866	1,377	489

NOTE: Only transactions over UF1,000 are disclosed.
All these transactions were undertaken under prevailing market conditions at the date on which they were entered.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

December 2020				Effect	
Firm Name	Relationship With the group	Description	Amount of the Transaction	In income Cargo	Abono
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint Ventures	Procurement Service	1,033	1,033	-
Bolsa de Comercio de Santiago	Others	Arriendo terminales	168	168	-
BCI Seguros de Vida S.A.	Others	Revenue and use of channels service, suitcase	1,686	-	1,686
		Trademark Use	1,308	-	1,308
		Suitcase	166	-	166
		Use of channels	436	-	436
		Claims management	988	-	988
		Marketing	1,059		1,059
		Contracted insurances	60	60	-
		Subordinated bond	592	62	-
		Financial bond	2,735	79	-
		Fixed- Term Deposits	4,000	63	-
		Forward Operations	75	75	-
		Banking Expenses	203	203	-
		Revenue commissions Servicios Financieros y Adminitración de Créditos Comerciales S.A.	8,370	-	7,033
		Revenue commissions Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda.	1,290	-	1,084
		Intermediary commission BCI CCSS	9,408	-	9,408
BCI Seguros Generales S.A.	Others	Revenue and use of channels service, suitcase	57	-	57
		Trademark use	1,308	-	1,308
		Suitcase	68	-	68
		Use of channels	436	-	436
		Marketing	1,389		1,389
		Financial Bonds	158	6	-
		Fixed-term Deposits	17,134	-	4
		Forward Operation	38	38	-
		Intermediary and of financial services commission, Corredora de Seguros y Gestión Financiera Limitada.	1,458	-	1,225
		Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda revenue commission	6,763	-	5,683
		Intermediary comissions BCI CCSS	24,128	-	24,128
		BCI CCSS intermediary prizes	565	-	565
		Marketing contribution	486	-	486
Centro de Compensación Automatizado S.A.	Others	Electronic Banking Transactions	1,814	1,814	-
Compañía Nacional de Teléfonos Telefónica de Sur S.A.	Others	Link leases	51	51	-
Combanc S.A.	Affiliated	Compensation and high value payments	496	496	-
Comder Contraparte Central S.A.	Affiliated	Bank Processing	819	819	-
Conexxion Spa	Others	Postal Service mail	292	292	-
DCV Registros S.A.	Others	Shareholders management and register	95	95	-
Depósitos Central de Valores S.A.	Others	Safekeeping of financia instruments	471	471	-
Digitech Solutions S.A.	Others	Documents digitalization	287	287	-
Fernando Vallejos V	Others	Advisory and consultancy	79	79	-
Inmobiliaria Anya S.A.	Others	Property projects	113	113	-
Inmobiliaria JY S.A.	Others	Property projects	223	223	-
Jordan (Chile) S.A.	Common Controller	Forms Printing	2,012	2,012	-
Mario Gómez D.	Others	Advisory and consultancy	144	144	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Affiliated	Card processing	8,770	8,770	-
Redbanc S.A.	Affiliated	Cash machines operations	6,276	6,276	-
SalcobrandS.A.	Common Controller	Space rental for ATM´s cash machines	225	225	-
Servicios de Información avanzada S.A.	Others	Financial information service	832	832	-
Servipag Ltda.	Joint Ventures	Services's revenue and payment	4,750	4,750	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	575	575	-
Transbank S.A.	Others	Credit card management and revenues by credit card use	20,178	4,916	15,262

NOTE: Only transactions over UF1,000 are disclosed.
All these transactions were undertaken under prevailing market conditions at the date on which they were entered.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

c) Other assets and liabilities with related parties

	As of December 31	As of December 31
	2021	**2020**
	MCh$	**MCh$**
ASSETS		
Derivative financial assets	-	-
Other assets	-	-
LIABILITIES		
Derivative financial liabilities	-	-
On-demand deposits	49,075	99,686
Term and other on-demand deposits	112,139	315,306
Other liabilities	-	-

d) Income (expense) recognized on transactions with related parties:

		For the year ended December 31			
		2021		2020	
Type of income or (expense) recognized	**Entity**	**Income**	**Expense**	**Income**	**Expense**
		MCh$	**MCh$**	**MCh$**	**MCh$**
Income and expenses	Sundry	17,765	(1,360)	11,728	(3,368)
Operational support expenses	Companies supporting the line of business	65,826	(41,166)	73,779	(35,027)
Total		**83,591**	**(42,526)**	**85,507**	**(38,395)**

e) Remuneration of the Board of Directors and key management personnel.

Compensation earned by key management personnel corresponds to the following categories:

	For the year ended December 31	
	2021	**2020**
	MCh$	**MCh$**
Short-term remuneration of key management personnel (*)	18,489	17,952
Severance indemnities	-	-
Total	**18,489**	**17,952**

(*) As of December 31, 2021 total expenses for the corresponding remuneration of the Board of Directors of the Bank and subsidiaries amounted to MCh$5,668 (MCh$5,129 in 2020).

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

f) Composition of key management personnel

As of December 31, 2021, the composition of the key management personnel of the Bank and its subsidiaries is as follows:

Position	No. of executives
Director	20
General manager	8
Division and Area Manager	25
Total	**53**

g) Transactions with key management personnel

As of December 31, 2021 and 2020, the Bank has undertaken the following transactions with key management personnel, as specified below:

	For the year ended December 31,					
	2021			2020		
	Balance owed	Interest income	Income of key executives	Balance owed	Interest income	Income of key executives
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Credit cards and other services	2,271	1,629,712	7	2,264	1,710,310	6
Mortgage loans	4,535	729,421	338	2,275	378,294	97
Collateral	3,704	-	-	2,948	-	-
Total	**10,510**	**2,359,133**	**345**	**7,487**	**2,088,604**	**103**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

As of December 31, 2021, the Bank has the following contracts:

No.	Related company	The service involved	Concept	Description of the Contract	Period	Condition
1	Archivos Credenciales e Impresos Archivert Ltda.	Production of credit and debit plastic cards	Credit and Debit Card Production	Production of credit and debit plastic cards	Indefinite	Automatic renewal every two years.
2	Artikos Chile S.A.	Purchases and logistics services portal	Purchase of supplies	Electronic purchase service for assets and/or logistics services	Indefinite	Annual automatic renewal
3	Automotora Aventura Motors S.A.	Vehicle maintenance	Vehicle maintenance	Vehicle maintenance	Indefinite	Seasonal purchase
4	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards	Annual	Annual Hiring
5	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank's physical assets, leased assets and comprehensive banking policy	Annual	Annual Hiring
6	Boston Consulting Group	Advisory and consulting services	Advisory and consulting services	Advisory and consulting services	Definite	Definite
7	Centro de Automatizado S.A.(CCA)	Electronic transactions adjustment center	Centre adjustment Services	Participation in and incorporation into the electronic transfer center to expedite the completion of fund transfer transactions, the Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution)	Indefinite	Annual automatic renewal
8	Combanc S.A.	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer of customers' funds)	Settlement of significant amount payments	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds)	Indefinite	Automatic renewal every year
9	Comder Contraparte Central S.A.	Operating systems clearing and settlement of financial instruments	Clearing house of derivatives	Clearing and Settlement as Central counterparty mode of Financial Instruments	Indefinite	Automatic renewal every year
10	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and manufacturing of checkbooks,	Form printing	Printing services are contracted for basic lists, special forms, and revenue stamped forms, such as checks and at sight promissory notes	Indefinite	Annual automatic renewal

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

No.	Related company	The service involved	Concept	Description of the Contract	Period	Condition
11	Conexxion Spa	Postal mail service (normal and registered letter), Messaging (internal courier service and motorbikes)	Mail and Messaging	Postal mail service (regular and registered letter), Messaging (internal courier service and motorbikes)	Indefinite	Annual automatic renewal
12	Corporación Cultural Arte +	Advertising spaces	Advertising spaces	Advertising in magazine La Panera.	Definite	Seasonal purchase
13	Corporación de Crédito al Menor o Demos una Oportunidad al Menor	Donation for social purposes	Donation for social purposes	Donations for social purposes to fund the Continuous Improvement Program for the comprehensive development of the Villa Jorge Yarur Banna Protection Residence for Girls and Adolescents seriously violated in their rights.	52 months (4 years and 4 months)	Definite
14	DCV Registros S.A.	Management of register of shareholders	Management of register of shareholders	Comprehensive and personalized attention of the shareholders of BCI and brokers	Indefinite	Automatic renewal every year
15	Depósitos Central de Valores S.A.	Service Custody Deposit and Securities	Securities Custody	Service Custody Deposit and Securities	Indefinite	Automatic renewal every year
16	Digitech Solutions S.A.	Document digitalization	Document Scanning Service	Digitizing documents Back Office, Foreign Trade, document management Mortgage and Corporate Banking	Indefinite	Automatic renewal every year
17	Galería de Arte Patricia Ready Ltda.	Exhibition Hall Art Gallery	Sponsorship	Ensure BCI brand presence in all invitations printed for each exhibition and in the invitation in digital format, Include the BCI logo in all catalogues	Indefinite	Automatic renewal every year
18	Inmobiliaria Anya S.A.	Rent for BCI branch	Lease	Lo Echevers branch lease	8 years	Automatic renewal for the same period
19	Inmobiliaria JY S.P.A.	Real estate projects	Real estate projects	Real estate projects	Indefinite	Automatic renewal every year
20	Inmobiliaria SB SPA	Real estate services	Lease	Sub-lease of stores in Building Centro Santa María de Manquehue.	Indefinite	Automatic renewal every year
21	Inversiones Edelweiss Chile Limitada	Sale of supplies	Sale of supplies	Purchase of supplies	Definite	Seasonal purchase
22	Irarrazabal Ruiz-Tagle Goldenberg Lagos & Silva Abogados Ltda.	Intangible Services Lawyers Presidency	Advisory services	Professional Advice in General to the Bank and Subsidiaries	Indefinite	Automatic renewal every year

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

No.	Related company	The service involved	Concept	Description of the Contract	Period	Condition
23	Mario Gómez D.	Advisory and consulting services	Advisory services	Development of banking and micro-business plan. Comprehensive advice to commercial bank management	Definite	Definite, subject to renewal every 30 days
24	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card Processing	Operations of Mastercard, Visa credit cards and debit card regarding processing the issuer list	Indefinite	Automatic renewal every three years.
25	Redbanc S.A.	Administration of the operations of ATMs, Redcompra and RBI	ATMs Operation	In fulfilling its corporate purpose, the company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means	Indefinite	Automatic renewal every three years.
26	Reparaciones Express Ltda.	Vehicle maintenance	Vehicle maintenance	Vehicle maintenance	Indefinite	Automatic renewal every year
27	Salcobrand S.A.	Lease of ATM's site (affordable)	Lease of ATM's site	Lease of ATM's site (affordable)	Indefinite	Annual automatic renewal
28	Servicios de Información Avanzada Comercial y Financiera S.A. (SINACOFI BURO)	Computer Services	Computer Services	IT services	Indefinite	Automatic renewal every year
29	Servipag Ltda.	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service	Collection and payment of services	The service is engaged for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite	Automatic renewal every year
30	Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Electronic Messaging Service: secure information exchange Clearing Service: Corresponds to the electronic exchange	Financial and business Information	Electronic Messaging Service: secure information exchange Clearing Service: Corresponds to the electronic exchange	Indefinite	Automatic renewal every year
31	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards	Provision of Visa, Mastercard credit card services regarding the user list	Indefinite	Automatic renewal every two years.
32	Tu Ves S.A.	Advertising exhibition	Basic services	Provision of satellite television service and equipment leasing	Definite	Seasonal purchase
33	Vigamil S.A.C.I.	Making of envelopes	Making of envelopes	Services for making of envelopes	Definite	Seasonal purchase

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
34	Viña Morandé S.A.	Wine for gifts to customers and consumption	Wine for gifts to customers	Wine for gifts to customers and consumption	Indefinite	Automatic renewal every year
35	Pagos y Servicios S.A	Lease of offices	Lease	Sublease of office	2 years	Automatic renewal every year
36	Plaza S.A.	Lease of offices	Lease	Rent for BCI Branch	Lease	Rent for BCI Branch
37	Sixtra Chile S.A	Telecommunications	Telephone service	Communications and other related services	Telephone service	Communications and other related services
38	Servicio de Infraestructura de Mercado OTC S.A	Electronic signature platform	Electronic signature platform	Availability of technological infrastructure to provide the Bank with an advanced electronic signature service for documents.	Indefinite	Automatic renewal
39	Chile Converge SpS Asesoria Emprendimiento	Advisory and consulting services	Advisory services	Develop capacities in organizations (Beneficiaries of volunteering), Contribute to Bci's Corporate Reputation, Increase engagement and the feeling of belonging of employees, Contribute to the development of professional and personal skills of employees, and contribute to their well-being.	3 months	Seasonal purchase

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE

a) The following table summarizes the carrying amounts and fair values of the principal financial assets and liabilities in the Bank´s Consolidated statements of Financial Position:

	As of December 31, 2021		As of December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCh$	MCh$	MCh$	MCh$
Assets				
Cash and deposits in banks	3,960,497	3,960,497	4,597,867	4,597,867
Items in course of collection	350,073	350,073	236,710	236,710
Trading portfolio financial assets	873,869	873,869	1,147,279	1,147,279
Liabilities under agreements to repurchase	186,753	186,753	190,248	190,248
Derivative financial liabilities	6,781,524	6,781,524	5,451,897	5,451,897
Loans and receivables to banks, net	639,533	639,533	356,669	356,669
Loans and receivables to customers, net	40,230,382	41,583,157	34,718,681	39,017,527
Commercial loans	26,299,808	26,747,738	22,707,117	23,239,166
Mortgage loans	10,707,374	10,762,259	8,897,471	11,412,160
Consumer loans	3,223,200	4,073,160	3,114,093	4,366,200
Financial investments available for sale	11,204,593	11,204,593	7,996,040	7,996,040
Financial investments held to maturity	2,297,355	2,297,355	25,144	25,144
Total assets	**66,524,579**	**67,877,354**	**54,720,535**	**59,019,381**
Liabilities				
Deposits and other on-demand liabilities	27,653,442	27,653,442	19,726,574	19,726,574
Items in course of collection	258,686	258,686	201,438	201,438
Liabilities under agreements to repurchase	141,178	141,178	350,314	350,314
Term and on-demand deposits	10,865,148	10,868,623	10,839,611	10,910,289
Derivative financial liabilities	6,587,047	6,587,047	5,793,354	5,793,354
Bank borrowings	6,970,962	6,970,962	6,270,699	6,270,699
Debt securities issued	8,761,131	9,224,894	7,431,624	8,827,380
Other financial liabilities	1,027,978	1,027,978	911,044	911,044
Total liabilities	**62,265,572**	**62,732,810**	**51,524,658**	**52,991,092**

The fair value estimates presented above, do not attempt to estimate the value of the bank's profits generated by their business or future activities and therefore, do not represent the value of the Bank as a going concern. Loans are recorded net of allowances.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Methods used to estimate financial instruments' fair value are detailed below:

Loans and receivables to customers

Loans and receivables to customers are presented net of their allowance for loan losses and impairment. The estimated fair value represents the discounted future cash flows expected to be received.

Cash flows are discounted at market interest rate, using an interbank rate that considers the relevant term and currency.

The approaches used for the incorporation of credit risk of the assets are:

1. Based on the models of estimation of expected loss, it is possible to infer the credit quality of the portfolio (at least in qualitative terms) specifically, for the remaining term of the operations comprising the asset accounts considered (commercial loans, mortgage loans and consumer loans).

2. In quantitative terms, the provision percentage assigned to an operation results in an estimate of the provision based on the credit profile of the operation.

3. The resulting amount when applying the 'allowance-total loans' factor on the present value of the related loans, approximates the adjustment for credit risk.

Term and on-demands deposits

The estimated fair value of demand accounts and deposits, for which maturity is not established, including non-interest-bearing accounts, is the amount payable when the customer demands it. The redeemed cost of these deposits is a reasonable approximation of their fair value.

The fair value of term deposits has been estimated based on discounted future cash flows based on interest-rate structures adjusted from transactions observed at the valuation date.

Bank borrowings

For the items in the previous table, their fair value will be equivalent to their carrying amount, because it reflects the corresponding market price.

Debt securities issued

The fair value of these liabilities has been determined using discounted cash flow models, based on the relevant interest-rate curve for the remaining term of the instrument until maturity.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Fixed Income Securities and Derivatives

The fair value of debt instruments classified as trading and available for sale, as well as derivative instruments, is estimated using valuation techniques detailed in the c) below.

Other balance sheet accounts

For other balance sheet accounts the carrying amount was used, because they are items with very short-term flows and therefore their discounted value does not differ significantly from their carrying amount.

b) Financial instruments measured at fair value.

Please refer to Note 1,k for further details on the criteria used to determine the fair value.

c) Hierarchy used for determining the fair value

The regulation distinguishes among different types of inputs used for the valuation techniques, differentiating between ‘‘observable’’ or ‘‘unobservable’’ inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behavior. The following hierarchy has been established based on these types of inputs:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes the debt instruments (whether fixed or variable income), equity instruments, and financial derivative instruments traded on domestic or international stock markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities or similar assets and liabilities , either directly (i.e. as prices) or indirectly (i.e. derived from prices). Prices may require interpolation within a price structure (e.g., derivative instruments belong to this level), and the same occurs with bonds assessed using a valuation technique like interpolation or matrix pricing, based on observable inputs.

Level 3 - Inputs for assets or liabilities that are not based on observable market data (significant unobservable input). This level includes equity and debt instruments whose valuation uses significant unobservable input.

This hierarchy requires the maximization of the use of relevant observable inputs and the minimization of unobservable inputs. The Bank and its subsidiaries consider the relevant observable market data in their valuations whenever it is possible.

Financial assets and liabilities classified by valuation levels

The following chart shows the assets and liabilities that are presented at fair value in the consolidated financial statements, classified in their respective levels of hierarchy previously described.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

	Level 1		Level 2		Level 3		Total	
	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial Assets								
Trading portfolio financial assets								
State and Central Bank of Chile	376,864	437,084	-	-	-	-	376,864	437,084
Other domestic institutions	347,339	609,301	-	-	-	-	347,339	609,301
Foreign institutions	3,818	3,463	-	-	-	-	3,818	3,463
Investments in mutual funds	145,848	97,431	-	-	-	-	145,848	97,431
Subtotal	**873,869**	**1,147,279**	**-**	**-**	**-**	**-**	**873,869**	**1,147,279**
Trading Derivative contracts								
Forwards	-	-	1,034,767	527,822	-	-	1,034,767	527,822
Swaps	-	-	4,134,738	3,852,775	1,227	8,210	4,135,965	3,860,985
Call Options	-	-	6,294	664	-		6,294	664
Put Options	-	-	126	3,846	-	-	126	3,846
Futures	-	-	182	-	-	-	182	-
Subtotal	**-**	**-**	**5,176,107**	**4,385,107**	**1,227**	**8,210**	**5,177,334**	**4,393,317**
Hedging derivatives								
Forwards	-	-			-	-		
Fair value hedges:(swap)	-	-	47,330	3,573	-	-	47,330	3,573
Cash flow hedges (swap)	-	-	312,370	208,858	-	-	312,370	208,858
Subtotal	**-**	**-**	1,229,358	819,291	**-**	**-**	1,229,358	819,291
Available-for-sale investment securities			**1,589,058**	**1,031,722**	-	-	**1,589,058**	**1,031,722**
State and Central Bank of Chile	4,982,811	3,424,730	-	-	-	-	4,982,811	3,424,730
Other domestic institutions	1,278,359	927,523	-	-	-	-	1,278,359	927,523
Foreign institutions	4,943,423	3,643,787	-	-	-	-	4,943,423	3,643,787
Subtotal	**11,204,593**	**7,996,040**	**-**	**-**	**-**	**-**	**11,204,593**	**7,996,040**
Total financial assets	**12,078,462**	**9,143,319**	**6,765,165**	**5,416,829**	**1,227**	**8,210**	**18,844,854**	**14,568,358**

	Level 1		Level 2		Level 3		Total	
	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial liabilities								
Trading Derivative contracts								
Forwards	-	-	1,004,603	562,464	-	-	1,004,603	562,464
Swaps	-	-	4,081,745	3,960,328	-	-	4,081,745	3,960,328
Call Options	-	-	4,417	518	-	-	4,417	518
Put Options	-	-	521	4,868	-	-	521	4,868
Futures	-	-	1,448	238	-	-	1,448	238
Subtotal	**-**	**-**	**5,092,734**	**4,528,416**	**-**	**-**	**5,092,734**	**4,528,416**
Hedging derivatives								
Forwards	-	-	38,920	4,106	-	-	38,920	4,106
Fair value hedges:(swap)	-	-	119,364	78,803	-	-	119,364	78,803
Cash flow hedges (swap)	-	-	1,336,029	1,182,029	-	-	1,336,029	1,182,029
Subtotal	**-**	**-**	**1,494,313**	**1,264,938**	**-**	**-**	**1,494,313**	**1,264,938**
Total financial liabilities	**-**	**-**	**6,587,047**	**5,793,354**	**-**	**-**	**6,587,047**	**5,793,354**

The above amounts do not include adjustments for CVA, Bid Offer and FVA (Credit Value Adjustment or Adjustment for Credit Counterparty Derivative Risk), the latter being applicable beginning in March 2021, and As of December 31, 2021, the total of the items sum to MCh$15,132 (MCh$26,858 as of December 31, 2020).

Transfers between Level 1 and 2

The Bank and its subsidiaries have not made any transfers of financial assets or liabilities between Levels 1 and 2 during the period 2021 and 2020.

Level 3 valuation reconciliation

As of December 31, 2021, the consolidated statements of financial position have assets classified as Level 3 which relate to Swap TAB contracts for which there are no market observable inputs.

d) Valuation of La Polar Bonds

As of December 31, 2021, the Bank has applied valuation techniques to determine the fair value of the financial instruments “BLAPO-F” and “BLAPO-G.” This enhancement builds on the Internal Rate of Return (IRR) of the last transaction of the existing market between the closing date of the consolidated financial statements and the date of redemption of the financial instrument.

NOTE 36 - RISK MANAGEMENT

1. Introduction

The Bank's business activities involve identifying, evaluating, accepting and managing different kinds of risk or combinations of such. The main categories of risk to which the corporation is exposed are credit, liquidity, market, operations, and legal and reputation risks.

The Bank policies are designed to identify and analyze these risks, to establish adequate limits and controls, and to monitor the risks and compliance with established limits by reliable and updated information systems. The Bank periodically reviews its risk management policies and systems to incorporate changes in the markets, regulations, products and new best practices.

In relation to financial risks, the organizational structure is designed to manage these risks efficiently, transparently and timely. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee, and the Asset and Liabilities Committee ("ALCO"). These are divided into operative units such as the Corporate Risk Management and the Balance Sheet, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. All this information flow is processed and analyzed by supporting units, such as Accounting, Middle and Back Office (Supporting Areas and Operational Departments), Management and Processes Control and Information Technology and Systems.

The senior strategic unit is the Board of Directors; its main responsibilities regarding financial risk management are establishing adequate policies and levels of risk, establishing exposure limits, the monitoring of risks, and ensuring best practices through the permanent evaluation of the actions of the Finance and Investment Banking and the Corporate Risk Management areas. The Board of Directors delegates to the Executive Committee and the Finances and Risk Committee the supervision and support to carry out the Bank's strategic objectives in their interactions with corporate Management.

The Finances and Risk Committee also analyses in detail the strategies and models associated with the treasury function, both in the trading portfolio and the Bank's books, and the performance and risks associated with such strategies.

ALCO *(Assets & Liabilities Committee)* is the committee where the corporation's assets and liabilities policy is discussed and agreed for the approval of the Board of Directors or the Executive Committee. The general objectives of the ALCO Committee are to ensure the Bank's adequate liquidity, protect the capital, make decisions on the financing of loans, and maximize the financial margin subject to the risk restrictions imposed by the Board of Directors and the Finances and Risk Committee.

The Corporate Risk Management and its Operating Risk, Credit Risk, and Market Risk units are responsible for the integral management of the Bank's risk. While a few years ago it was common in the industry to have an independent, internal department manage these risks, the development of derivative markets and the acceptance of common methodologies, such as the concept of maximum loss, value at risk, etc., have made limits increasingly more subject to fluctuation. Therefore, this management area has a corporate reach, with a comprehensive vision of the risks involved.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the consolidated statements of financial position; pricing risks associated with interest rates, exchange rates, volatility, maximum loss, etc., are measured and monitored. This is complemented by the analysis of scenarios and simulations to obtain a better measure of the risk. The Financial Risk Management is also responsible for defining the valuation methodologies for the financial assets and liabilities measured at fair value held by the corporation on or off the consolidated statements of financial position.

In accordance with best practices, the Bank defines the segregation of duties between areas that could present conflicts of interest in their objectives, such as:

i. Investment and Finance Banking *(CIB division)*.
ii. Support areas and operative departments *(Back Office, Middle Office).*
iii. Financial Control and Planning (Accounting, Management Control).
iv. Financial Risk and Credit Risk, components of Corporate Risk Management.

The total segregation of duties implies a physical and organizational separation of the areas.

2. Liquidity and financing

When banks face confidence crises and bank runs, even if they are solvent, they may find it difficult to comply with their short-term obligations and even face bankruptcy. These situations are uncommon but have large potential losses associated with them. For this reason, the Bank has improved the management of liquidity, defining adequate policies along with procedures and models that accordingly satisfy the regulations in force. The model has four core elements:

1. Presence of a minimum reserve of liquid assets to face stress situations.
2. Regulatory and internal liquidity indicators.
3. Accounting mismatches (relating to maturity).
4. Alert and contingency plans.

The policy and liquidity management models seek to guarantee, even in front of unexpected events, the Bank's capacity to respond adequately to its short-term obligations. In this regard, the Bank has continuously monitored the impact of recent events on financial markets, introducing more conservative assumptions when justified.

The management of liquidity and funding is basically carried out by Treasury in accordance with practices and limits reviewed periodically by ALCO and authorized by the Board of Directors.

These limits may vary according to the depth and liquidity shown by the markets in order to anticipate unlikely capital expenditures while providing funding at a competitive cost.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The Bank has internally set explicit minimum limits for the liquidity level, parallel to the limits of Technical Reserve, which are periodically subject to simulations of stress testing for balances of current accounts and deposits, which are the Bank's main sources of liquidity. This is performed using a periodic evaluation framework of the additional needs of financing due to events of tight liquidity, together with the monitoring of the market. In this way, the periodic generation, projection, evaluation, and analysis of liquidity stress scenarios facilitate the anticipation of future difficulties and the agile and reliable execution of preventive actions before unfavorable scenarios.

At the regulatory level, liquidity is measured and reported to the CMF through standardized reports of liquidity position. According to bank regulations, the Bank has been authorized to use an adjusted liquidity model, generating procedures and models that allow an evaluation of future income and liabilities that affect the Bank's liquidity position, keeping in control the internal and external limits that the regulatory purposes, especially for mismatches between assets and liabilities at 30 and 90 days.

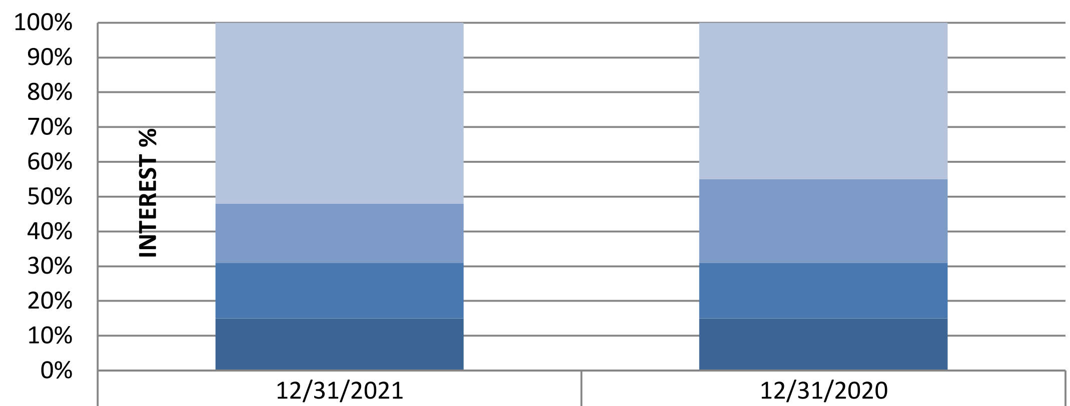
The Bank has set strict limits, forcing itself to maintain a large amount of liquid assets on its consolidated statements of financial position which, in the event of any unexpected requirement, can maintain liquidity through repurchase agreements with the Central Bank of Chile. The counter-cyclical nature of this liquidity reserve is adjusted to comply with the spirit of the latest recommendations proposed by Basel.

In the measurement of liquidity, both internal and regulatory, a reasonable level of liquidity was observed in line with the Bank's policies. Even in the moments of highest uncertainty due to the global financial crisis, there were no events indicative of a loss of confidence of the people, nor mass removal of accounts or deposits by customers.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

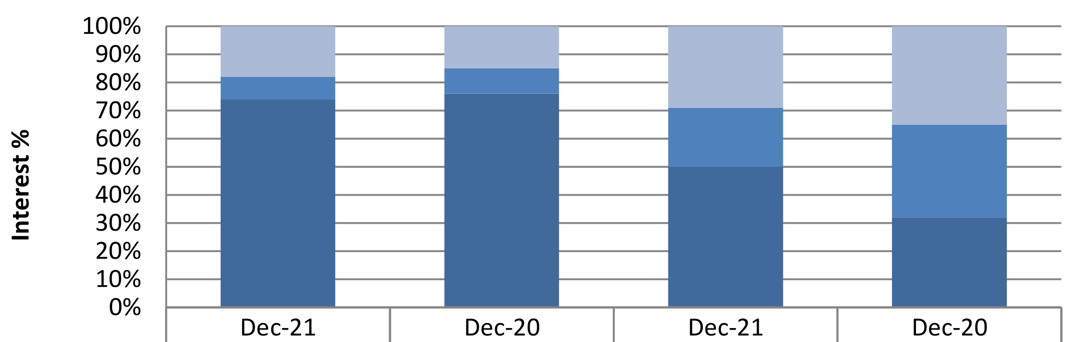
NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 1. Evolution of principal funding sources
As of December 31, 2021 and 2020
Banco de Credito e Inversiones and City National Bank



	12/31/2021	12/31/2020
DEMAND DEPOSITS	52%	45%
TIME DEPOSITS	17%	24%
BOND ISSUANCES	16%	16%
OTHER LIABILITIES	15%	15%

Fig. 2. Diversification of liquidity sources by segment
As of December 31, 2021 and 2020
Banco de Credito e Inversiones and City National Bank



	DEMAND DEPOSITS		TIME DEPOSITS	
	Dec-21	Dec-20	Dec-21	Dec-20
OTHER WHOLESALE	18%	15%	29%	35%
FINANCIAL	8%	9%	21%	33%
RETAIL	74%	76%	50%	32%

NOTE 36 - RISK MANAGEMENT, CONTINUED

a. Variations in 2021 (domestic consolidation)

The rates of short-term mismatch remained bounded, keeping a certain amount of slack with respect to regulatory limits given the capital base measured at 30 days and two times capital (for measurement at 90 days).

Fig. 3. Liquidity Ratios (domestic consolidation)
As of December 31, 2021 and 2020
(maximum = 1)

(a) Short-term mismatch (% on basic capital)

	As of December 31, 2021				As of December 31, 2020			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Total mismatch 30 days	(1.34)%	44.13%	(35.19)%	36.39%	9.86%	50.91%	(24.98)%	0.39%
Total mismatch 90 days (*)	10.34%	35.07%	(4.09)%	29.97%	30.09%	50.90%	8.29%	35.07%

(*)Measurement in relation to 2 times basic capital.

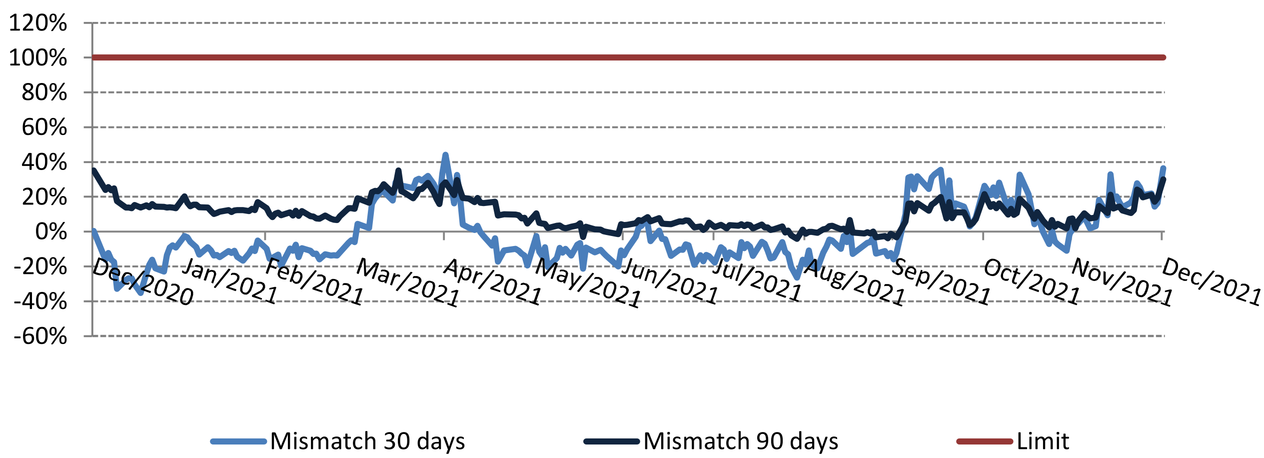
(b)Short- term mismatch Ch$-UF (% on basic capital)

	As of December 31, 2021				As of December 31, 2020			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	(7.76)%	41.76%	(39.35)%	38.93%	4.32%	37.90%	(33.93)%	15.65%

(c) Short-term mismatch FX (% on basic capital)

As of December 31, 2021				As of December 31, 2020			
Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
6.43%	41.76%	(16.14)%	(2.54)%	5.55%	22.28%	(17.77)%	(15.27)%

Fig. 4. Liquidity Evolution (domestic consolidation) As of December 31, 2021 (maximum = 1)
Liquidity 30 days = Mismatch /Basic Capital
Liquidity 90 days = Mismatch /2x Basic Capital



NOTE 36 - RISK MANAGEMENT, CONTINUED

Regarding the impact of the pandemic on liquidity, in 2020, prior to the spread of the Covid-19 virus, the Bank was in a favorable and sound liquidity position both in the short-term and structural metrics. Partly due to a generally conservative administration both before and after the October 2019 crisis, as well as the use of the different liquidity facilities of the Central Bank and the increase in balances observed as a result of partial withdrawals of pension funds during 2020. During 2021, a similar situation has been experienced, where the increase in balances noted because of partial withdrawals of the pension funds also adds to our customers' administration focused on the short term. All this allows the Bank to maintain comfortable levels of liquidity to date. In particular, the levels of the short-term liquidity ratio (LCR) remain on average over 200%, which is well above the regulatory limit (80%).

3. Market Risk

Market risk is the risk inherent in the price variations of financial assets.

Variations in interest rates, the exchange rate, commodities and shares prices, credit spreads, volatility, etc., constitute a risk known as market risk. This is expressed in the possibility of incurring losses that will be translated to the consolidated statements of income for the period or the consolidated statements of financial position depending on the type of financial instrument and its respective accounting treatment.

The Bank manages its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity. Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The AFS and held to maturity portfolios hold positions mainly related to interest rate management associated with personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and their change in fair value does not affect the consolidated statements of income for the year until maturity, except in the case of impairment over the available for sale portfolio or held to maturity portfolio.

The Financial Risk Management uses a series of tools to monitor the Bank's intrinsic risk and that is acquired through the management of financial instruments. Among the main methodologies are, Value at Risk (VaR), CVaR and Stress VaR as main tools that measure market risk. Additional methodologies are available to simulate the situation of each counterparty dependent upon the portfolio of derivative instruments that they possess, within these methodologies are PFE (Potential Future Exposure) and EPE (Expected Potential Exposure) among others. The Bank uses the Algorithmics system to support the measurement of market and counterparty risk.

NOTE 36 - RISK MANAGEMENT, CONTINUED

a. Top holdings

The principal positions of the consolidated statements of financial position as of December, 2021 are listed by maturity band or repricing and their comparison to the year 2020.

Fig. 5. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2021 (MCh$)

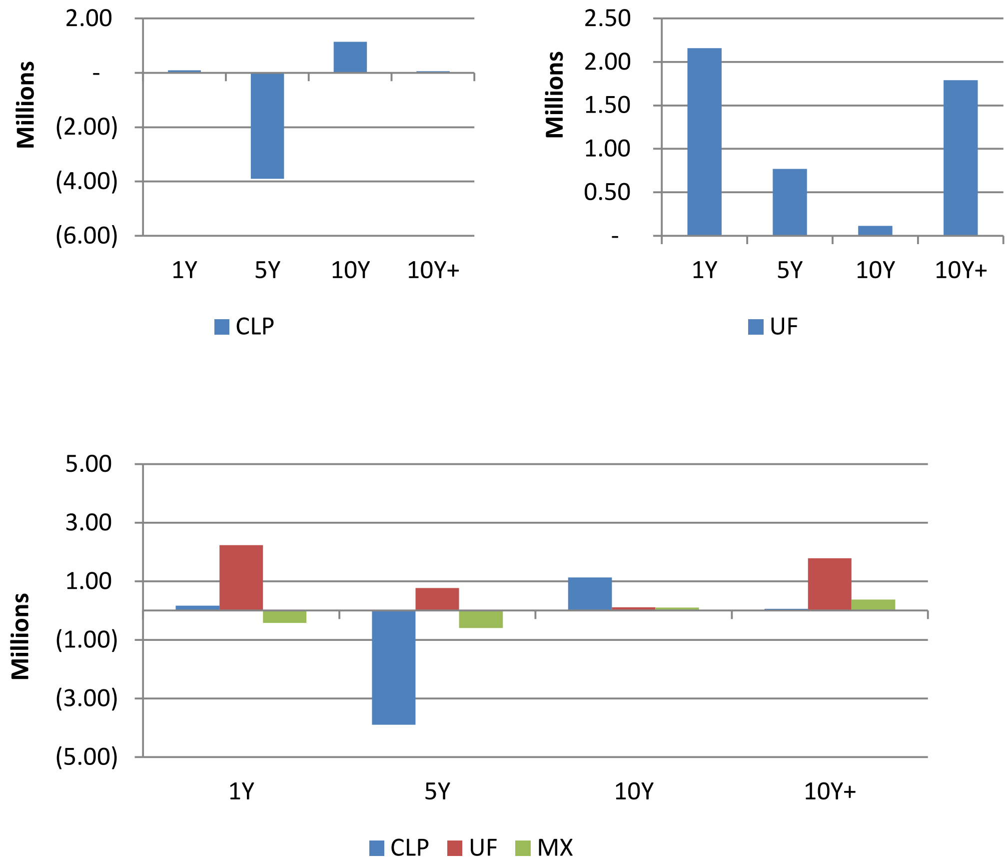
ASSETS	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	15,725,807	7,956,259	1,464,885	313,758	25,460,709
UF	4,521,694	8,372,905	4,199,163	3,338,010	20,431,772
MX	5,894,957	1,217,378	1,570,726	483,407	9,166,468
Total	**26,142,458**	**17,546,542**	**7,234,774**	**4,135,175**	**55,058,949**

LIABILITIES	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	15,555,680	11,849,283	336,704	258,674	28,000,341
UF	2,287,399	7,608,776	4,085,980	1,552,336	15,534,491
MX	6,321,586	1,814,936	1,466,115	113,070	9,714,707
Total	**24,164,665**	**21,271,995**	**5,888,799**	**1,924,080**	**53,250,539**

MISMATCH	**1Y**	**5Y**	**10Y**	**10Y+**	**Total**
Ch$	170,127	(3,893,024)	1,128,181	55,084	(2,539,632)
UF	2,234,295	761,129	113,183	1,785,673	4,897,281
MX	(426,629)	(596,558)	104,611	370,337	(549,239)
Total	**1,977,793**	**(3,726,453)**	**1,345,975**	**2,211,095**	**1,808,410**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 6. Carrying amount to maturity range or re-pricing by currency Positions As of December 31, 2021 (MCh$)



Ch$: Chilean pesos
UF: Unidades de Fomento
MX: Foreign currency

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 7. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh$)

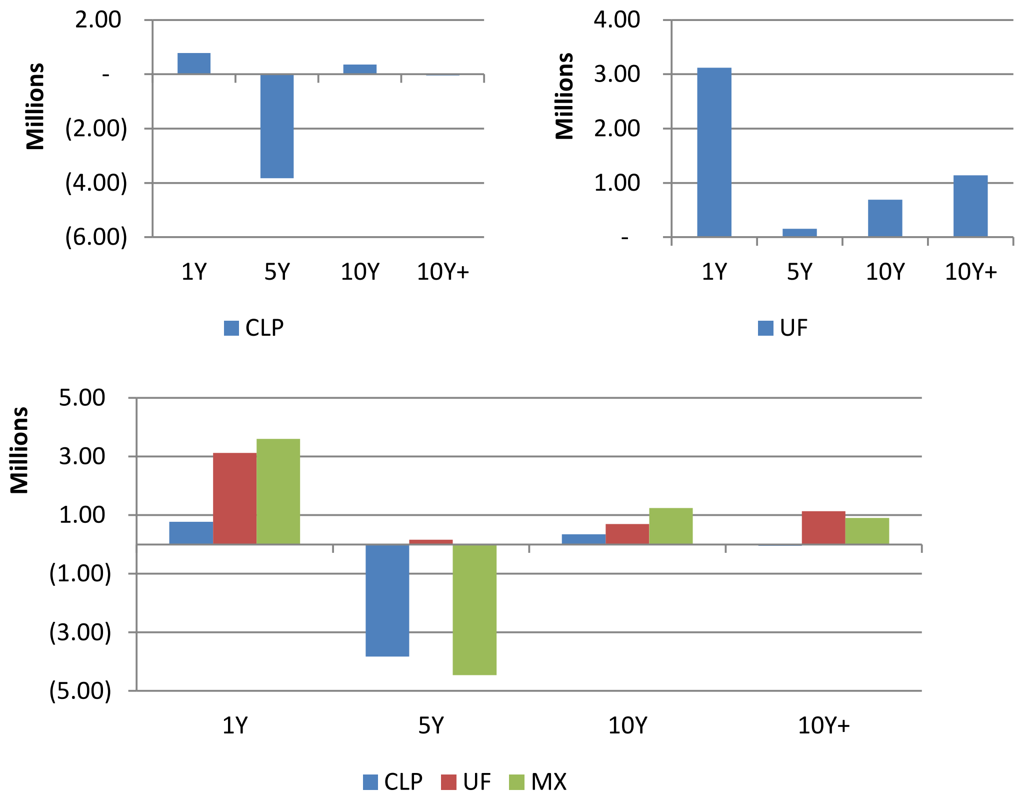
ASSETS	1Y	5Y	10Y	10Y+	Total
Ch$	13,533,950	5,204,403	494,497	127,425	19,360,275
UF	4,654,863	5,778,857	3,967,524	2,754,589	17,155,833
MX	10,690,627	6,225,117	2,007,756	996,069	19,919,569
Total	**28,879,440**	**17,208,377**	**6,469,777**	**3,878,083**	**56,435,677**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
Ch$	12,758,055	9,027,988	143,481	170,521	22,100,045
UF	1,535,748	5,620,822	3,273,878	1,614,803	12,045,251
MX	7,083,368	10,688,360	764,002	87,390	18,623,120
Total	**21,377,171**	**25,337,170**	**4,181,361**	**1,872,714**	**52,768,416**

MISMATCH	1Y	5Y	10Y	10Y+	Total
Ch$	775,895	(3,823,585)	351,016	(43,096)	(2,739,770)
UF	3,119,115	158,035	693,646	1,139,786	5,110,582
MX	3,607,259	(4,463,243)	1,243,754	908,679	1,296,449
Total	**7,502,269**	**(8,128,793)**	**2,288,416**	**2,005,369**	**3,667,261**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 8. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh$)



Ch$: Chilean pesos
UF: Unidades de Fomento
MX: Foreign currency

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 9. Carrying amount to maturity range or re-pricing by Account Positions As of December 31, 2021 (MCh$)

Assets	1Y	5Y	10Y	10Y+	Total
Central Bank of Chile	2,653,595	3,869	-	-	2,657,464
Domestic banks and financial institutions	498,516	811,721	7,691	2,216	1,320,143
Investments under agreements to resell	36,833	-	-	-	36,833
Commercial loans	6,727,650	3,459,246	1,503,447	975,600	12,665,944
Consumer loans	1,061,678	1,425,062	95,726	37,217	2,619,683
Negotiable residential mortgage loans	1,254,542	3,794,323	2,762,571	2,222,584	10,034,020
Residential mortgage loans with funding notes	6,966	1,862	2	-	8,830
Cash	1,283,680	-	-	-	1,283,680
Forwards	879,236	259,518	-	-	1,138,754
Chilean State	268,222	1,633,366	324,477	686,773	2,912,839
Consumer leasing	1	-	-	-	1
Commercial leasing operations	493,748	651,825	177,751	47,536	1,370,860
Other domestic entities	-	-	-	-	-
Other foreign entities	21,764	38,708	98,025	39,993	198,490
Other assets	4,575,055	106,430	3,072	68	4,684,625
Other residential mortgage loans	4,960	-	-	-	4,960
Other, excluding options	-	-	-	-	-
Swaps	6,376,012	5,360,612	2,262,012	123,188	14,121,824
Total assets	**26,142,458**	**17,546,542**	**7,234,774**	**4,135,175**	**55,058,949**

Liabilities	1Y	5Y	10Y	10Y+	Total
Ordinary bonds	1,362,520	3,563,024	3,089,171	94,932	8,109,647
Subordinated bonds	55,074	234,257	364,530	1,326,858	1,980,719
Saving accounts with deferred withdrawal	49,472	-	-	-	49,472
Savings accounts with unconditional withdrawal	17,488	-	-	-	17,488
Demand deposits (*)	4,841,948	6,871,864	-	-	11,713,812
Term deposits	8,318,234	-	-	-	8,318,234
Forwards	877,883	247,894	-	-	1,125,777
Letters of credit	2,139	1,902	4	-	4,045
Other liabilities	1,390,065	-	-	-	1,390,065
Other, excluding options	-	-	-	-	-
Foreign loans and other obligations	313,016	-	-	-	313,016
Domestic loans and other obligations	1,534,682	2,789,219	-	-	4,323,901
Swaps	5,402,144	5,226,249	2,435,095	502,290	13,565,778
Liabilities under agreements to repurchase	-	2,337,586	-	-	2,337,586
Total liabilities	**24,164,665**	**21,272,995**	**5,888,800**	**1,924,080**	**53,250,540**

(*) Determined in accordance with internal models.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 10. Carrying amount to maturity range or re-pricing by Account Positions as of December 31, 2020 (MCh$)

Assets	1Y	5Y	10Y	10Y+	Total
Central Bank of Chile	1,836,271	4,562	-	-	1,840,833
Domestic banks and financial institutions	946,147	1,467,389	376,644	478,269	3,268,449
Investments under agreements to resell	39,402	-	-	-	39,402
Commercial loans	9,367,938	6,386,746	1,741,995	924,548	18,421,227
Consumer loans	1,133,786	1,557,837	135,763	46,566	2,873,952
Negotiable residential mortgage loans	1,106,196	3,135,328	2,404,547	1,873,075	8,519,146
Residential mortgage loans with funding notes	8,387	4,333	30	-	12,750
Cash	3,584,889	-	-	-	3,584,889
Forwards	226,919	119,799	-	-	346,718
Chilean State	197,442	658,622	296,687	149,802	1,302,553
Consumer leasing	5	-	-	-	5
Commercial leasing operations	490,352	625,326	160,045	37,981	1,313,704
Other domestic entities	-	-	-	-	-
Other foreign entities	51,884	210,216	103,869	32,655	398,624
Other assets	4,179,774	187,435	9,763	1,773	4,378,745
Other residential mortgage loans	718,068	667,020	213,646	215,977	1,814,711
Other, excluding options	-	-	-	-	-
Swaps	4,991,980	2,183,764	1,026,788	117,437	8,319,969
Total assets	**28,879,440**	**17,208,377**	**6,469,777**	**3,878,083**	**56,435,677**

Liabilities	1Y	5Y	10Y	10Y+	Total
Ordinary bonds	764,157	3,654,268	2,028,836	176,681	6,623,942
Subordinated bonds	51,670	217,940	224,266	1,416,073	1,909,949
Saving accounts with deferred withdrawal	43,605	-	-	-	43,605
Savings accounts with unconditional withdrawal	163,171	-	-	-	163,171
Demand deposits (*)	4,540,929	14,658,824	-	-	19,199,753
Term deposits	9,840,352	187,152	48	105	10,027,657
Forwards	226,885	116,285	-	-	343,170
Letters of credit	2,669	4,219	70	-	6,958
Other liabilities	1,090,598	-	-	-	1,090,598
Other, excluding options	-	-	-	-	-
Foreign loans and other obligations	1,014,305	-	7,924	-	1,022,229
Domestic loans and other obligations	803,023	2,031,716	-	-	2,834,739
Swaps	2,754,875	3,360,344	1,920,217	279,855	8,315,291
Liabilities under agreements to repurchase	80,932	1,106,422	-	-	1,187,354
Total liabilities	**21,377,171**	**25,337,170**	**4,181,361**	**1,872,714**	**52,768,416**

(*) Determined in accordance with internal models.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The principal positions of financial investments available for sale by type of issuer and currency and risk classification as of December 31, 2021 and 2020, are stated below. The risk classification of these positions at the end of the last fiscal year is also reported.

Fig. 11.a Fair Value of Financial Investments Available for Sale
As of December 31, 2021 (MCh$)
Banco de Credito e Inversiones and City National Bank (CNB)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	1,205,272	9,496	616,468	-	-
Corporate bonds	-	9,325	226,728	56,600	-
Financial institutions bonds	21,236	296,644	3,800,490	-	-
Mortgage-funding notes	-	26,572	-	-	-
Term deposits	399,040	-	-	-	-
Investment funds (*)	-	-	43,914	-	-
Shares (*)	-	-	67,178	-	-
Total	**1,625,548**	**342,037**	**4,754,778**	**56,600**	**-**

(*) The investment funds and the shares correspond to the available-for-sale portfolio of City National Bank of Florida (CNB).

Fig. 11.b Fair Value of Financial Investments Available for Sale
As of December 31, 2020 (MCh$)
Banco de Credito e Inversiones and City National Bank (CNB)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	791,083	213,940	283,206	-	-
Corporate bonds	-	9,116	173,504	48,682	-
Financial institutions bonds	15,036	426,640	2,635,956	-	-
Mortgage-funding notes	-	32,204	-	-	-
Term deposits	429,429	-	-	-	-
Investment funds (*)	-	-	59,735	-	-
Shares (*)	-	-	159,378	-	-
Total	**1,235,548**	**681,900**	**3,311,779**	**48,682**	**-**

(*) The investment funds and the shares correspond to the available-for-sale portfolio of City National Bank of Florida (CNB).

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 12. Financial Investments Available for Sale
Internationally Issued Bond Portfolio Credit Rating as of December 31, 2021 (%)
Banco de Credito e Inversiones and City National Bank (CNB)

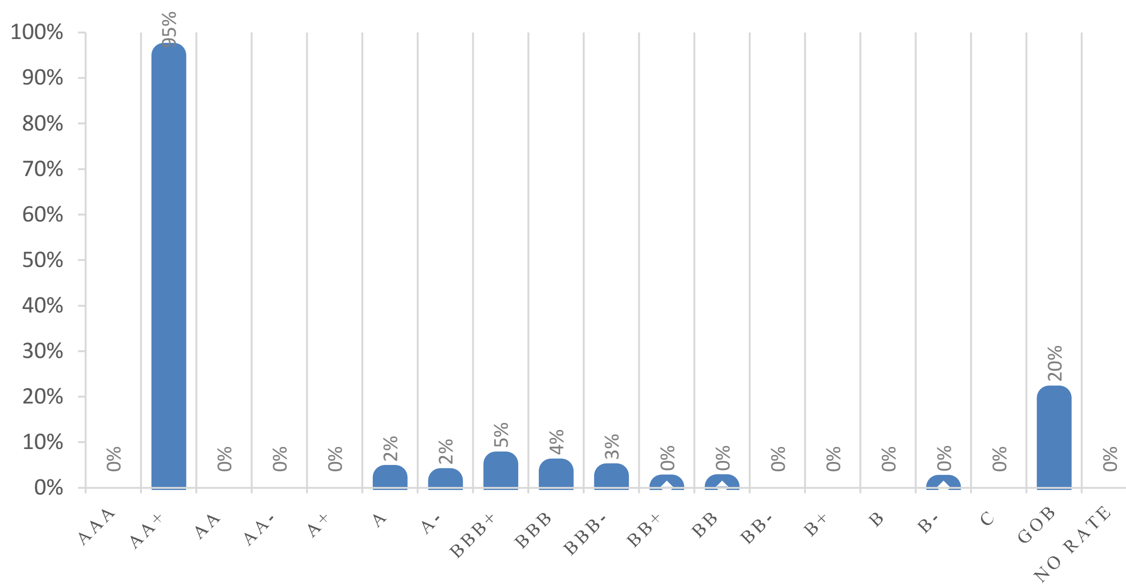
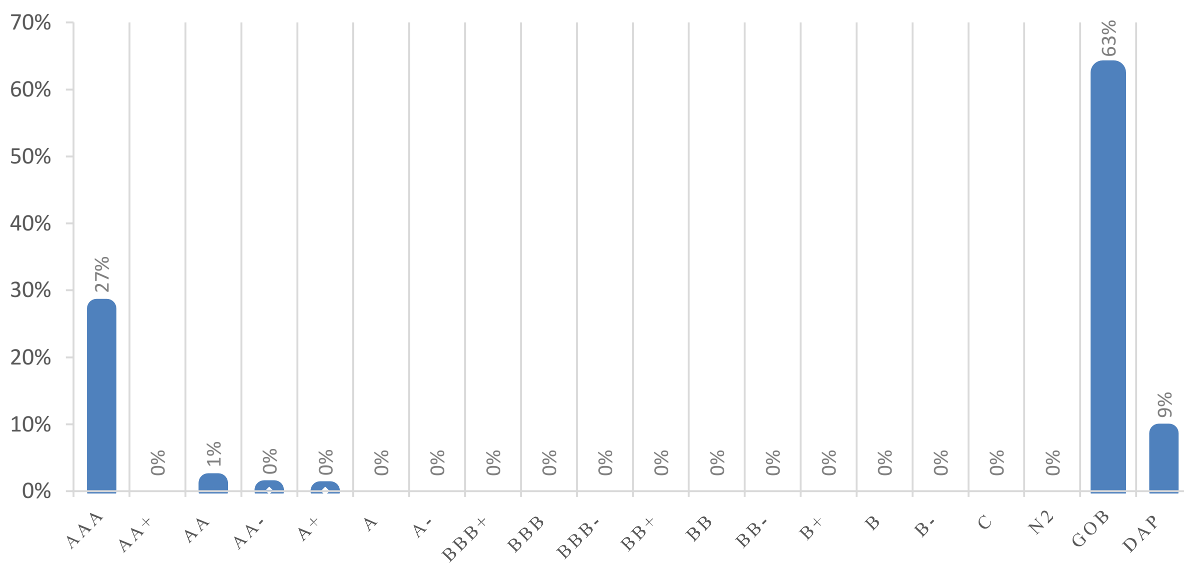


Fig. 13. Financial Investments Available for Sale
Portfolio Risk Classification Bonds and LCH National Issue As of December 31, 2021 (%)
Banco de Credito e Inversiones and City National Bank (CNB)



NOTE 36 - RISK MANAGEMENT, CONTINUED

b. Sensitivity analysis

Sensitivity analysis is used to monitor the market risk of positions by sensitivity to each of the risk factors. For example, a change in the present value of 100 basis points in the interest rate is a type of risk factor. This type of model is especially useful for measuring the risk of a mismatch between assets and liabilities, i.e., essentially the banking book.

The regulatory sensitivity measurements perform these analyses by applying interest rates, exchange rates, inflation, commodities positions, shares positions, and exposure to derivative instruments, according to predetermined sensitivities.

The Corporation additionally performs measurements for sub-portfolios and different risk factors.

One of the models used is the Market Value Sensitivity (MVS), which measures the change in the economic value of equity in six scenarios of movements in the rate structures: two parallel-shift scenarios, two scenarios of increase or decrease in the slope and two scenarios of short-term shocks in the rate structure. The maximum amount at risk among the six scenarios is considered as risk without considering compensation between risk in local currency and foreign currency. In addition, in August 2021 the risk measurement methodology in local currency was modified, going from a total offset between CLP and CLF risks to a partial offset based on the current correlation structure of the rate curves for the currencies.

For a short-term horizon, the *Spreads at Risk* or SAR model is used, which measures the impact on results in 12 months' time of a parallel movement in rates. For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of financial margin (for SAR). Like the MVS, during August 2021, the SaR was updated in its methodology, now considering as risk the maximum of two parallel-shift movements of the current interest rate structure (100 bps up or down). In addition, risks in local currency are offset according to the current correlation structure.

The Bank structurally generates risk rate exposure, which is mainly explained by maintaining long-term fixed rate assets and obtaining short-term financing, such as deposits. In this regard, the Bank is an active market participant in managing their interest rate risk strategy using hedge accounting.

Some of the hedging strategies are a) moving short-term risk to the long-term (moving short-term liabilities to the long-term through rate swap) and b) floating long-term borrowings with the use of rate swap.

NOTE 36 - RISK MANAGEMENT, CONTINUED

In the scenario of 100 basis points increase, holding other variables constant, the effects compared at December 31, 2021 and 2020 are the following:

- In the short-term, exposure to interest rates as of December 31, 2021 and 2020 amounted to MCh$11,073 and MCh$23,885 respectively, equivalent to expecting an adverse effect on the financial margin over a 9-month horizon.

- The sensitivity rate risk applied to all items in the banking book and all deadlines, measured by MVS, As of December 31, 2021 and 2020, are MCh$260,057 and MCh$15,026 respectively.

c. Value at Risk

Value-at-Risk (VaR) is a methodology that estimates potential losses that might affect a portfolio as a result of adverse interest-rate movements and/or market-price changes over a period and for a certain level of confidence.

The VaR methodology used is a historic simulation that records the fat-tails property of the financial income; it uses a window of nine years of daily data, and it is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The *volatility updating* technique is used, which records the existence of volatility *clusters*.

The *forecast* horizon is of 1 day. The square root rule is used to project this value to the regulatory horizon of ten days.

The *value-at-risk* model is validated by back-testing the daily results, both observed and theoretical.

Statistically, excess losses of VaR are expected to be observed on average 1% daily. As of December 31, 2021, *back-test* places the model in the yellow area of Basel with 5 fails in the last 250 business days.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period and with a given confidence level under normal market conditions.

This method is very easy to apply in portfolios that include information on relevant market variables. Furthermore, calculation does not depend on correlations and volatilities, as these are implicitly calculated using historical information. However, this means obtaining the history of associated variables for performing this calculation, which implies an effort to have such data. In addition, to have a certain degree of confidence in the measurement, in this case with VaR at 99%, this leads to the loss of 1 in every 100 days, which will be the least as predicted by the VaR, without a possible limit for this value.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- Stress Testing VaR

There are limitations of the VaR models, particularly in the presence of extreme events that have not been observed in recent historic information or for not capturing the intra-day movements of the portfolio; therefore, stress situations are modelled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

I. Historic simulation scenarios that incorporate fluctuations observed during historic extreme events.
II. Monte-Carlo simulation scenarios, which generate multiplicity of possible scenarios from the historic data.
III. Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.

- VaR limits

The Bank has set specific limits to the corporate VaR, as well as sublimits to the trading, balance and investment portfolios available for sale.

d. Position Limit

In addition to the limits of predictive risk models such as VaR and sensitivity analyzes, there are accounting limits for maximum positions.

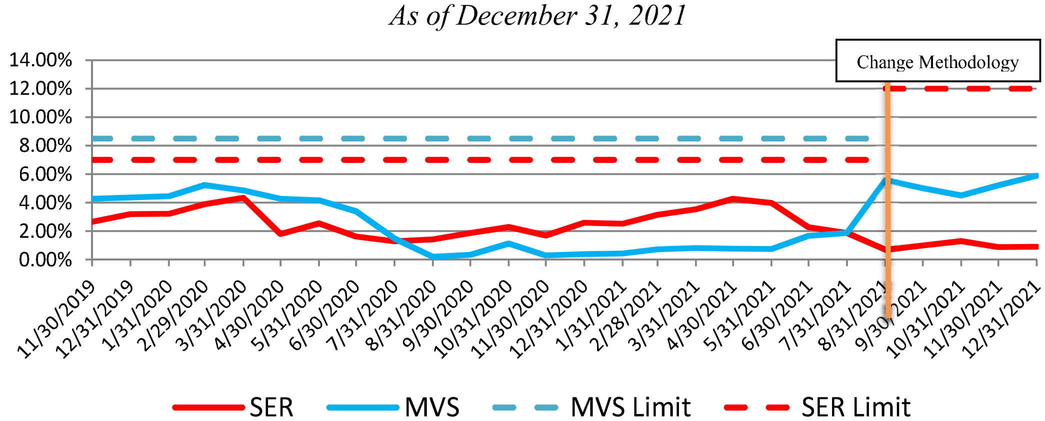
e. Variations

- Sensitivity analysis of the banking book.

Asset and liability management team constantly monitors the use of hedge accounting and the potential advantages of bond issuances, helping to keep the risk of interest rate limited in the banking book.

During 2021, long-term risk MVS averaged 2.19% (2.52% during 2020) over the capital limit of 12%. Additionally, the short-term risk (SeR), presented a mean of 2.37% for 2021 versus a mean of 2.38% for 2020 over the capital limit of 13%.

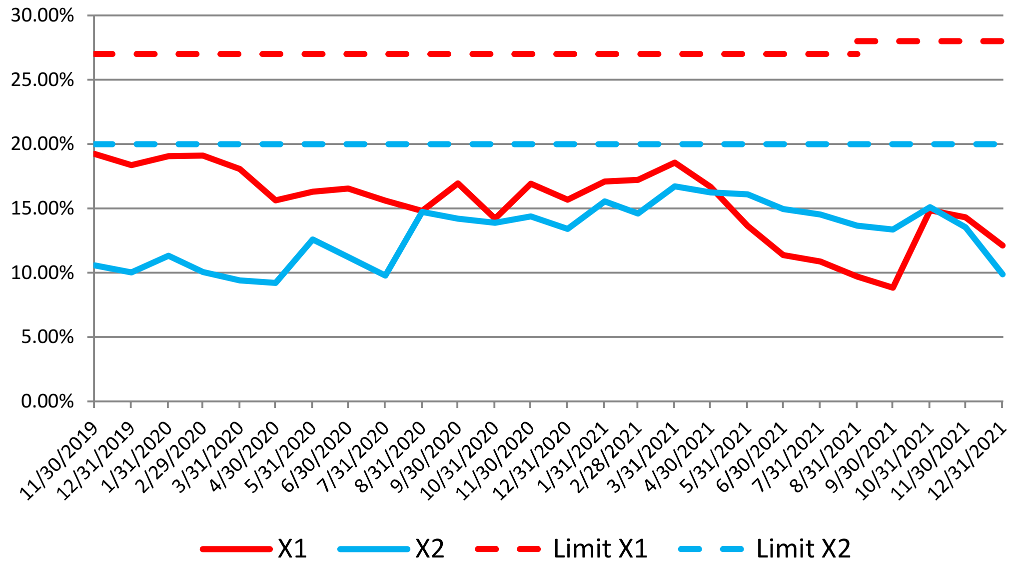
Fig. 14. MVS – SeR
As of December 31, 2021



NOTE 36 - RISK MANAGEMENT, CONTINUED

The evolution of regulatory ratios X1 (short term exposure to market risk) and X2 (long term exposure to market risk) were below the limits as of December 31, 2021, mainly due to the management of the balance sheet through hedge accounting.

Fig. 15. Regulatory Market Risk X1 - X2
Banco Crédito e Inversiones and City National Bank [1]
As of December 31,2021



X1: Limit on financial margin
X2: Limit on effective equity

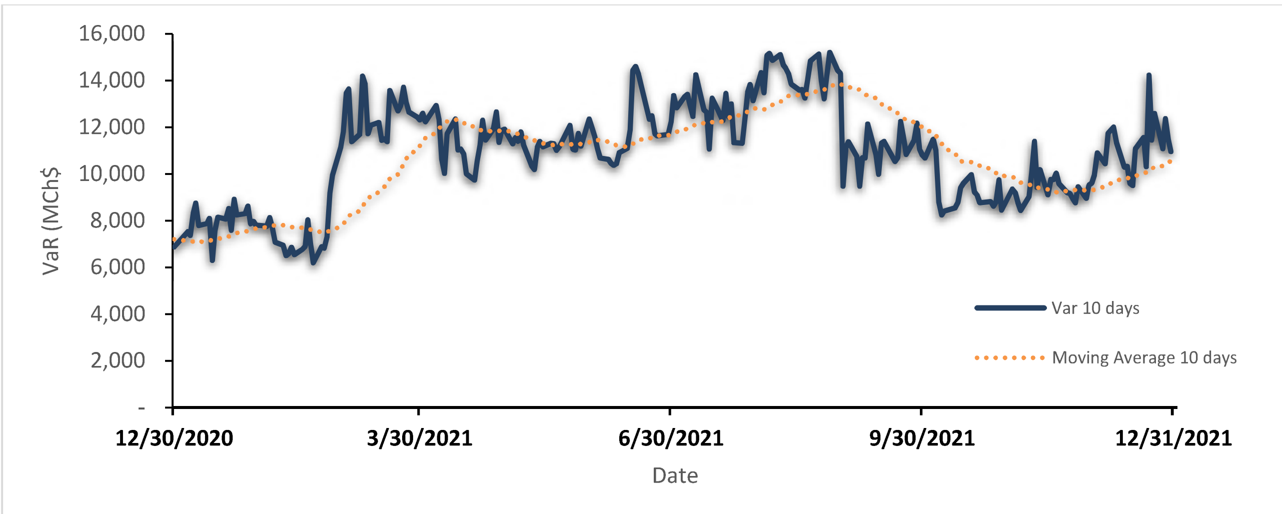
[1] Financial margin values are added for X1 while consolidated equity is used for X2.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- Value at Risk

The evolution of the 10-day VaR for the last six months. Data As of December 31, 2021.

Fig. 16. Consolidated Value at Risk
As of December 31, 2021 (MCh$)



NOTE 36 - RISK MANAGEMENT, CONTINUED

During the third quarter of 2021, the total consolidated risk averaged MCh$10,894, measured over the 10-day regulatory horizon, and increased by 9.8% compared to December 2020. In the period between January and September, the exchange rate volatility increased dramatically as a result of both the social crisis in Chile and the impact of COVID-19 on world markets, which also has an impact on the levels of bond rates. In this period the senior management approved excesses over the limits.

On a consolidated basis, the risk of interest rate averages MCh$5,616 while the foreign currency risk averages (FX) MCh$1,488 In trading the aggregate average was MCh$4,158, MCh$3,546 for interest rate risk and MCh$814 for foreign currency risk. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCh$2,145; MCh$1,967 for interest rate risk and MCh$557 for foreign currency risk.

Fig. 17. Value at risk by portfolio and type of risk
As of December 31, 2021 (MCh$) (*)

(A) Consolidated VaR by type of risk (MCh$)

	12 months until December 31, 2021			
	Average	Maximum	Minimum	Close
FX risk	1,488	9,315	117	1,097
Interest rate risk	5,616	9,496	1,383	5,327
Diversification (*)	3,789	3,607	4,690	4,525
Total VaR	**10,893**	**15,204**	**6,190**	**10,949**

(b) VaR trading portfolio by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	814	3,442	20	390
Interest rate risk	3,546	7,000	601	2,562
Diversification	201	1,832	48	125
Total VaR	**4,159**	**8,610**	**669**	**2,827**

(c) VaR portfolio of investments available for sale by type of risk (MCh$)

	12 months until December 31, 2021			
	Average	Maximum	Minimum	Close
FX risk	557	3,696	11	706
Interest rate risk	1,967	4,950	146	2,765
Diversification	379	3,152	100	648
Total VaR	**2,145**	**5,494**	**257**	**2,823**

(*) Diversification is defined as the effect of correlation of total VaR.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 18. Value at risk by portfolio and type of risk
As of December 31, 2020 (MCh$)(*)

(a) Consolidated VaR by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	7,860	15,820	1,445	4,020
Interest rate risk	7,123	11,931	1,965	4,900
Diversification (*)	2,907	5,894	1,971	2,047
Total VaR	**12,076**	**21,857**	**5,381**	**6,873**

(b) VaR trading portfolio by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	1,058	5,784	3	106
Interest rate risk	2,830	5,165	481	1,853
Diversification	423	3,291	116	96
Total VaR	**3,465**	**7,658**	**600**	**1,863**

(c) VaR portfolio of investments available for sale by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	1,884	5,176	101	908
Interest rate risk	779	2,902	5	531
Diversification	394	3,033	292	409
Total VaR	**2,269**	**5,045**	**398**	**1,030**

(*) Diversification is defined as the effect of correlation of total VaR.

While VaR captures the Bank's daily exposure to the risks of currency and interest rate sensitivity analysis, it also evaluates the impact of a reasonably possible change in interest rates and exchange rates over one year. The longer time frame of sensitivity analysis complements VaR and helps the Bank to assess their exposure to market risk. The details of the sensitivity analysis for the risk of exchange rate and interest rate risk are set out below.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Sensitivity of interest rate

The table below shows the sensitivity of fair values to reasonably possible alternative assumptions:

	Recognition in statements of income		Recognition in statements of other comprehensive income	
	Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
	MCh$	**MCh$**	**MCh$**	**MCh$**
As of December 31, 2021				
Securities backed by assets held for trading	(7)	7	-	-
Other non-derivative assets held for trading	(38)	38	-	
Securities backed by available for sales assets	-	-	(147)	147
As of December 31, 2020				
Securities backed by assets held for trading	(88)	88	-	
Other non-derivative assets held for trading	(6)	6	-	
Securities backed by available for sales assets	-	-	(218)	218

Currency risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Bank is exposed to the effects of fluctuations in prevailing exchange rates regarding its financial position and cash flows.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The Bank's exposure to the risk of exchange rates of foreign currencies is presented in the table below:

As of December 31, 2021

Amounts in MCh$

Assets	**US$**	**EUR**	**Other**
Cash	740,824	38,000	18,698
Commercial loans	2,287,893	20,973	1,523
Investments under agreement to resell	-	-	-
Commercial leasing operations	128,266	-	-
Mortgage loans LC- Credit line	-	-	-
Endorsable mortgage loans MHE	-	-	-
Other residential mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	31,073	-	-
Consumer leasing	-	-	-
Commercial loans - credit lines and overdrafts	-	-	-
Consumer loans - credit lines and overdrafts	-	-	-
Central Bank of Chile	-	-	-
Chilean State	178,920	54,596	-
Domestic banks and financial institutions	18,291	-	-
Other domestic entities	-	-	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	106,251	-	7,153
Forward	13,877,864	261,877	196,841
Futures	7,871	-	-
Swaps	18,382,927	424,365	876,202
Other, excluding options	-	-	-
Other assets	4,145,235	32,354	13,426
Delta Options	71,461	-	-
Total assets	**39,976,876**	**832,165**	**1,113,843**
Liabilities			
Demand deposits	1,758,836	87,902	134
Term deposits	1,766,867	7,368	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN (National Currency)	1,030,388	-	-
Loans and other liabilities contracted MX (Foreign Currency)	311,971	703	258
Letters of credit	-	-	-
Ordinary bonds	2,034,115	19,374	759,840
Subordinated bonds	-	-	-
Forward	11,959,642	239,969	245,858
Futures	8,039	-	-
Swaps	18,183,967	462,571	72,434
Other, excluding options	-	-	-
Other liabilities	1,094,390	8,650	6,286
Delta Options	39,524	-	-
Total liabilities	**38,187,739**	**826,537**	**1,084,810**
Net	**1,789,137**	**5,628**	**29,033**

NOTE 36 - RISK MANAGEMENT, CONTINUED

As of December 31, 2020

Amounts in MCh$

Assets	**US$**	**EUR**	**Other**
Cash	802,590	57,942	10,958
Commercial loans	1,739,304	26,736	2,506
Investments under agreement to resell	-	-	-
Commercial leasing operations	101,911	-	-
Mortgage loans LC- Credit line	-	-	-
Endorsable mortgage loans MHE	-	-	-
Other residential mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	19,788	-	-
Consumer leasing	-	-	-
Commercial loans - credit lines and overdrafts	-	-	-
Consumer loans - credit lines and overdrafts	-	-	-
Central Bank of Chile	-	-	-
Chilean State	-	49,484	-
Domestic banks and financial institutions	15,519	-	-
Other domestic entities	-	125	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	106,095	-	6,084
Forward	7,905,396	215,282	127,373
Futures	5,388	-	-
Swaps	16,043,011	385,603	788,077
Other, excluding options	-	-	-
Other assets	2,986,144	36,294	13,654
Delta Options	50,457	-	-
Total assets	**29,775,603**	**771,466**	**948,652**
Liabilities			
Demand deposits	1,085,846	62,444	726
Term deposits	1,354,029	5,894	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN (National Currency)	921,114	-	-
Loans and other liabilities contracted MX (Foreign Currency)	148,545	4,554	786
Letters of credit	-	-	-
Ordinary bonds	1,110,614	17,504	652,627
Subordinated bonds	-	-	-
Forward	7,905,248	230,591	151,364
Futures	5,164	-	-
Swaps	15,187,036	429,489	70,266
Other, excluding options	-	-	-
Other liabilities	577,837	17,722	1,238
Delta Options	46,659	-	-
Total liabilities	**28,342,092**	**768,198**	**877,007**
Net	**1,433,511**	**3,268**	**71,645**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies. The 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of reasonable possible changes in exchange rates.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and it adjusts its conversion at the end of the period, where it reports a 10% change in the exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations with the Bank where the loan is denominated in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in earnings and other net equity when the Chilean peso goes up by 10%, compared to the corresponding currency.

In the case of a decrease of 10% of the Chilean peso against the relevant currency, a comparable impact on the earnings and other equity would be produced, and the amounts would be negative, as shown below.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh$	As of December 31, 2021			
	Decrease of 10%		Increase of 10%	
Assets	**US$**	**EUR**	**US$**	**EUR**
Cash	666,741	34,200	814,906	41,800
Commercial loans	2,059,104	18,875	2,516,683	23,070
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	115,440	-	141,093	-
Mortgage loans LC- Credit line	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other residential mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	27,966	-	34,181	-
Consumer leasing	-	-	-	-
Commercial loans LCS- Credit Line and overdraft	-	-	-	-
Consumer loans LCS- Credit line and overdraft	-	-	-	-
Central Bank of Chile	-	-	-	-
Chilean State	161,028	49,136	196,812	60,055
Domestic banks and financial institutions	16,462	-	20,121	-
Other domestic entities	-	-	-	-
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	95,626	-	116,877	-
Forward	12,490,078	235,689	15,265,651	288,064
Futures	7,084	-	8,658	-
Swaps	16,544,634	381,929	20,221,220	466,802
Other, excluding options	-	-	-	-
Other assets	3,730,712	29,119	4,559,759	35,590
Delta Options	64,314	-	78,607	-
Total assets	**35,979,189**	**748,948**	**43,974,568**	**915,381**
Liabilities				
Demand deposits	1,582,952	79,111	1,934,719	96,692
Term deposits	1,590,181	6,631	1,943,554	8,105
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN (National Currency)	927,349	-	1,133,427	-
Loans and other liabilities contracted MX (Foreign Currency)	280,774	633	343,168	773
Letters of credit	-	-	-	-
Ordinary bonds	1,830,703	17,437	2,237,526	21,311
Subordinated bonds	-	-	-	-
Forward	10,763,678	215,972	13,155,606	263,965
Futures	7,235	-	8,843	-
Swaps	16,365,570	416,314	20,002,363	508,828
Other, excluding options	-	-	-	-
Other liabilities	984,951	7,785	1,203,829	9,515
Delta Options	35,572	-	43,477	-
Total liabilities	**34,368,965**	**743,883**	**42,006,512**	**909,189**
Net	**1,610,224**	**5,065**	**1,968,056**	**6,192**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh$	As of December 31, 2020			
	Decrease of 10%		Increase of 10%	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	722,331	52,148	882,849	63,736
Commercial loans	1,565,374	24,062	1,913,235	29,409
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	91,720	-	112,102	-
Mortgage loans LC- Credit line	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other residential mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	17,809	-	21,767	-
Consumer leasing	-	-	-	-
Commercial loans LCS- Credit Line and overdraft	-	-	-	-
Consumer loans LCS- Credit line and overdraft	-	-	-	-
Central Bank of Chile	-	-	-	-
Chilean State	-	44,535	-	54,432
Domestic banks and financial institutions	13,967	-	17,071	-
Other domestic entities	-	112	-	137
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	95,486	-	116,705	-
Forward	7,114,856	193,754	8,695,936	236,810
Futures	4,849	-	5,927	-
Swaps	14,438,710	347,042	17,647,312	424,163
Other, excluding options	-	-	-	-
Other assets	2,687,529	32,667	3,284,757	39,926
Delta Options	45,412	-	55,503	-
Total assets	**26,798,043**	**694,320**	**32,753,164**	**848,613**
Liabilities				
Demand deposits	977,262	56,199	1,194,431	68,688
Term deposits	1,218,626	5,305	1,489,431	6,484
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN (Domestic Currency)	829,002	-	1,013,225	-
Loans and other liabilities contracted MX (Foreign Currency)	133,690	4,099	163,399	5,009
Letters of credit	-	-	-	-
Ordinary bonds	999,552	15,753	1,221,675	19,254
Subordinated bonds	-	-	-	-
Forward	7,114,723	207,532	8,695,773	253,650
Futures	4,647	-	5,680	-
Swaps	13,668,333	386,540	16,705,740	472,438
Other, excluding options	-	-	-	-
Other liabilities	520,055	15,950	635,623	19,495
Delta Options	41,993	-	51,325	-
Total liabilities	**25,507,883**	**691,378**	**31,176,302**	**845,018**
Net	**1,290,160**	**2,942**	**1,576,862**	**3,595**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain the same. In fact, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger and smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not consider that the Bank's assets and liabilities are actively managed. Moreover, the financial position of the Bank may vary at the time when an actual market movement occurs. For example, the strategy of financial risk management of the Bank seeks to manage the exposure to market fluctuations. As investment markets go through different trigger levels, management actions could include selling investments, changing the allocation of the investment portfolio and taking other protective measures.

Therefore, the actual impact of a change in assumptions may not have any impact on the liabilities, while the assets remain at market value in the Consolidated statements of Financial Position. In these circumstances, the different measurement bases of assets and liabilities could result in volatility of equity.

Price risk - own products

The Bank is exposed to price risks of its products that are subject to general and specific fluctuations in the market.

The Bank manages price risk through periodic stress tests, which establish various scenarios of adverse market conditions; on the other hand, it has contingency plans that address mitigating actions in the corporation in order to face scenarios that expose the corporation to significant loss.

Other Price Risks

The price risk on equity instruments is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to individual value and its issuer or factors affecting all actual market values.

The following sensitivity analysis described below have been determined based on the exposure of equity prices at the end of the reporting period.

On a scenario where the equity prices had been 1% higher - lower:

The net income of the period as of December 31, 2021 would not have been affected given that all bank´s equity instruments are classified as available for sale, and no investment was impaired; notwithstanding, the possible negative effect on equity would have amounted to MCh$260,057 while the impact for the year ended December 31, 2020 would have been MCh$15,026.

NOTE 36 - RISK MANAGEMENT, CONTINUED

f. Fair value

The area of Market Risk is responsible for defining the methodologies of valuation of assets and liabilities measured at fair value, while operations are responsible for their implementation. The fundamental principle of the task of fair value measurement is to determine the starting price of an asset or liability in an ordinary transaction in a representative market. Not only does the accounting information depend on this assessment, risk indicators such as value-at-risk are also based on these prices, so that the implied volatility on any valuation model is also very relevant.

The following international accounting rules are used, provided they are available: quotations or observable prices of identical assets or liabilities that are measurable. These are known as Level 1 inputs, Absent identical assets or liabilities, measurement is made based on observable prices. Interpolations are typically performed in this group in the case of derivatives and other instruments or matrix pricing models for fixed income instruments. This class is known as Level 2 inputs.

Finally, when it is not possible to rely on the above inputs, the measurement is performed based on inputs that are not directly observable on the market. These are the Level 3 Inputs. Note 35 presents the classification of financial instruments according to the valuation hierarchy, below is a brief explanation of that system.

Positions in foreign currency bonds, Central Bank bonds, futures contracts and other instruments traded on exchanges have very liquid markets where prices or prices for identical instruments are usually observable. These instruments are included in Level 1.

Even for liquid instruments, some markets require the existence of brokers to equate supply with demand and allow transactions to be carried out. Normally deposits and derivatives traded over- the-counter are in this segment. These have quotes from different broker, which guarantees the existence of market prices or inputs needed for valuation. Among derivative instruments are currency forwards and interest rate forwards, interest rate swaps, cross-currency swap and foreign currency options. As usual for those instruments other than those listed, valuation techniques and interpolation curves are used. Debt instruments are less liquid such as some sovereign bonds, corporate bonds and mortgage securities of domestic issue, and are valued - unless there is available pricing - based on fair value models based on directly observable prices or market factors. All these instruments are classified in Level 2 valuation.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The base model for the valuation of fixed income securities without much liquidity in the local market is a dynamic model of interest rates using panels of incomplete data and incorporates all the recent price history of the instruments in question and instruments with similar characteristics as to issuer risk rating, duration, etc. The fair value models used (both internal and external) are tested periodically and back tested by independent parties.

Finally, all instruments whose prices or market factors are not directly observable are classified in Level 3.

g. Derivative instruments

As of December 31, 2021, the Bank had a net liability position of MCh$179,348 in derivative instruments measured at fair value. Derivatives are classified into two groups according to their accounting treatment: (1) instruments for trading and (2) instruments with hedge accounting treatment. The trading instruments come from activities of Sales & Trading (S&T), whether from sales to third parties or hedging the risks involved in such sales. The areas responsible for Asset & Liability Management (ALM) also use derivatives to hedge their risks. They can follow the standard treatment for trading or have hedge accounting treatment under the applicable accounting standards. The recording, according to current accounting standards, may reduce fluctuations in the value of assets and liabilities or cash flows.

The market risk associated with derivative instruments is measured by VaR and stress tests.

h. Counterparty risk

The Bank manages its counterparty risk by establishing a limit for transactions (credit line) to enter with each customer in derivatives and recognizes the *Credit Value Adjustment (CVA).*

Use of line to operate with derivative instruments

The level of usage of the credit line approved by the Bank for each customer due to an *over the counter (OTC)* derivative transaction must match the credit exposure that this transaction generates to the Bank. The credit risks on these contracts exist when the recovery or *mark-to-market (MTM)* is positive in favor of the Bank. As these contracts are valued daily, in this there is uncertainty regarding the mark to market adjustment over the life of the operation.

Montecarlo simulation techniques are used to estimate future peak exposures by counterparty. Specific counterparty limits ensure that the accepted risk levels are not exceeded, and proper diversification is achieved. The table below details the level of usage of the credit line by segment for the periods ended December 31, 2021 and 2020.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Segment	Use of line to operate with derivative instruments 12.31.2021	Use of line to operate with derivative instruments 12.31.2020
	MCh$	MCh$
Retail Banking	**1,610**	**1,998**
Retail Banking	-	-
Small and Medium Enterprises	1,610	1,998
Wholesale Banking	**1,094,276**	**833,033**
Commercial Banking	240,694	229,314
C&IB Commercial Division	853,582	603,719
Finance Division	**1,372,106**	**661,687**
Total	**2,467,992**	**1,496,718**

Credit Valuation Adjustment in derivatives (CVA)

The objective of the credit valuation adjustments is to determine the counterparty risk associated with the credit exposure in OTC derivative contracts. The CVA of a derivative is defined as the difference between its market-to-market value determined without the risk of default from the counterparty and its market-to-market value with the probability of default of the counterparty. Thus, the CVA of a client can be determined from the expected exposure (EE) to counterparty risk (how much loss is expected) and the probability of default (PD) associated with the risk of default of the counterparty. The table below details the CVA for periods ended December 31, 2021 and 2020.

Credit Value Adjustment			
Segment	**12.31.2021**	**12.31.2020**	**Variation**
	MCh$	MCh$	MCh$
Retail Banking	**8**	**32**	**(24)**
Retail Banking	-	-	-
Small & Medium Enterprise	8	32	(24)
Wholesale Banking	**10,526**	**25,727**	**(15,201)**
Commercial Banking	5,008	6,028	(1,020)
C&IB Commercial Division	5,518	19,699	(14,181)
Finance division	**609**	**409**	**200**
City National Bank	**1,465**	**2,807**	**(1,342)**
Total	**12,608**	**28,975**	**(16,367)**

During the first half of 2021, the Bank adopted new adjustments associated with the valuation of derivative instruments in order to improve these estimates. Therefore, a Funding Valuation Adjustment (FVA) was added, which captures the funding cost of uncollateralized derivatives above the risk-free rate of return and other technical considerations. As of December 31, 2021, the aforementioned adjustment implied recognizing a net charge to profit or loss for the period of MCh$2,975.

NOTE 36 - RISK MANAGEMENT, CONTINUED

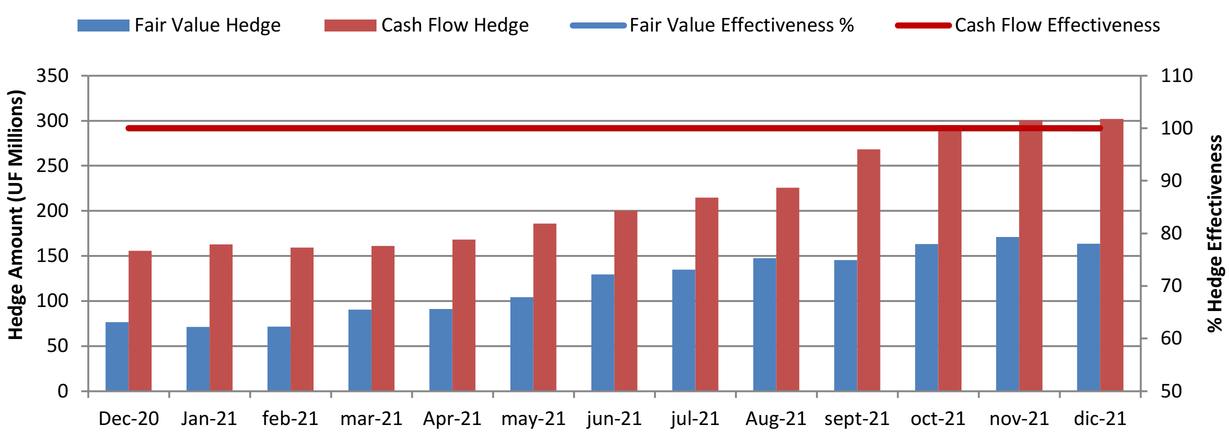
i. Hedge accounting

The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed. Fair value hedges use derivative instruments to hedge the change in fair value of an asset or liability in the consolidated statements of financial position.

Cash flow hedges, meanwhile, record in equity the changes in fair value of the derivatives that are part of the hedge. The treatment of this type of instrument is strictly in accordance with current regulations. The Financial Risk Management is in charge of designing and validating the effectiveness of hedges, generating effectiveness indicators that are constantly monitored and reported to ALCO.

As of December 31, 2021, the total notional amount of cash flow hedges amounted to UF 302,017,902 whereas fair value hedges reach UF 163,417456. As of December 31, 2020, the total notional amount of cash flow hedges amounted to UF 150,246,360 whereas fair value hedges reach UF 79,672,930.

Fig. 19. Amount, Type and effectiveness of Hedge Accounting
As of December 31, 2021 (UF Millions)



NOTE 36 - RISK MANAGEMENT, CONTINUED

4. Credit Risk

Risk Management structure

The Bank has structured its credit approval process based on personal and non-delegable discretionary limits authorized by the Board of Directors. Based on these credit faculties, the operations are approved at the different levels of Management, always requiring the concurrence of two executives with discretionary limits.

As the amount of the operation increases, pairs of senior executives both from the commercial and risk areas and from the senior management committees must approve the operation, until reaching the highest level represented by approval from the Board of Director's Executive Committee.

Provision for credit risk

According to the Financial Market Commission (CMF), the Banks should permanently maintain evaluations of their loans and contingent credit portfolios, in order to establish provisions timely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Commission, contained in the Compendium of Accounting Standards, chapter B-1 referring to provisions for credit risk.

The Bank has a series of models both for the individual and the group portfolios, which are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, which is informed annually about the adequacy of the provisions.

Additionally, Note 1, letter ac), informs that the Bank's Board of Directors approved the constitution of additional provisions during 2021 for MCh$350,143 (MCh$160,176 as of December 31, 2020). These provisions were constituted to anticipate the potential impairment of the placement portfolio due to the crisis produced by the COVID-19 pandemic.

Models based on the individual analysis of borrowers

These are required when customers, because of their size, complexity or level of exposure to the entity, need to be individually identified and analyzed in detail.

These models consider the analysis of issues such as the financial situation of the borrower, payment behavior, knowledge and experience of the partners and managers in the business, the degree of commitment of the same with the company and the industry in which it operates and its relative position.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Quality of the loans by type of financial asset

Regarding the quality of the loans, these are described in accordance with the Compendium of Accounting Standards issued by the Financial Market Commission (CMF):

	As of December 31, 2021					
	DEBT			ALLOWANCE		
Debt	Loans and Receivables from Banks	Loans and receivables from customers	Total	Loans and Receivables from Banks	Loans and receivables from customers	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	115,032	115,032	-	41	41
A2	65,684	1,509,793	1,575,477	54	989	1,043
A3	27,737	2,565,299	2,593,036	61	3,348	3,409
A4	-	2,174,600	2,174,600	-	15,302	15,302
A5	-	2,446,770	2,446,770	-	17,849	17,849
A6	-	1,174,650	1,174,650	-	15,668	15,668
B1	-	639,139	639,139	-	12,383	12,383
B2	-	221,447	221,447	-	5,467	5,467
B3	-	53,493	53,493	-	6,901	6,901
B4	-	189,044	189,044	-	6,294	6,294
C1	-	110,394	110,394	-	2,208	2,208
C2	-	34,809	34,809	-	3,481	3,481
C3	-	101,577	101,577	-	25,394	25,394
C4	-	38,504	38,504	-	15,402	15,402
C5	-	33,924	33,924	-	22,051	22,051
C6	-	50,772	50,772	-	45,695	45,695
Collective assessment	-	15,188,015	15,188,015	-	316,024	316,024
Subsidiaries	546,911	14,335,280	14,882,191	684	237,663	238,347
Total	**640,332**	**40,982,542**	**41,622,874**	**799**	**752,160**	**752,959**

NOTE 36 - RISK MANAGEMENT, CONTINUED

	As of December 31, 2020					
	DEBT			ALLOWANCE		
Debt	Loans and Receivables from Banks	Loans and receivables from customers, net	Total	Loans and Receivables from Banks	Loans and receivables from customers, net	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	110,073	110,073	-	37	37
A2	99,482	1,109,838	1,209,320	82	611	693
A3	13,229	2,132,819	2,146,048	29	2,626	2,655
A4	-	2,155,577	2,155,577	-	13,969	13,969
A5	-	2,583,798	2,583,798	-	22,053	22,053
A6	-	1,090,902	1,090,902	-	12,345	12,345
B1	-	600,028	600,028	-	9,433	9,433
B2	-	251,341	251,341	-	4,556	4,556
B3	-	57,518	57,518	-	6,656	6,656
B4	-	126,968	126,968	-	23,439	23,439
C1	-	98,965	98,965	-	1,979	1,979
C2	-	44,544	44,544	-	4,454	4,454
C3	-	28,059	28,059	-	7,015	7,015
C4	-	26,719	26,719	-	10,688	10,688
C5	-	30,929	30,929	-	20,104	20,104
C6	-	63,025	63,025	-	56,723	56,723
Collective assessment	-	13,810,496	13,810,496	-	394,363	394,363
Subsidiaries	244,321	11,187,114	11,431,435	252	198,981	199,233
Total	**357,032**	**35,508,713**	**35,865,745**	**363**	**790,032**	**790,395**

The analysis of the age of overdue installments and their accrued interest by type of financial assets is the following:

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables from banks	-	-	-	-	-	-	-	-
Loans and receivables from customers	1,510,113	1,265,643	158,199	155,225	223,722	282,583	1,892,034	1,703,451
Total	**1,510,113**	**1,265,643**	**158,199**	**155,225**	**223,722**	**282,583**	**1,892,034**	**1,703,451**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Maximum exposure to credit risk

The exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

As of December 31, 2021

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	873,869	-	873,869	-	873,869
Loans and receivables to banks, net	640,332	(799)	**639,533**	-	**639,533**
Loans and receivables from customers, and credit commitments (1)	53,056,533	(814,696)	**52,241,837**	(12,649,323)	**39,592,514**
Financial investments available for sale	11,204,593	-	11,204,593	-	11,204,593
Financial investments held to maturity	2,297,355	-	2,297,355	-	2,297,355
Financial derivative agreements (2)	6,796,656	(15,132)	**6,781,524**		**6,781,524**

(1) In this line loans and receivables are included for an amount of MCh$40,982,542 (see Note 11) and credit commitments of MCh$12,073,991 (see Note 23). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(2) For 2021, no collateral was provided in favor of the Bank.

As of December 31, 2020

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	1,147,279	-	**1,147,279**	-	**1,147,279**
Loans and receivables to banks, net	357,032	(363)	**356,669**	-	**356,669**
Loans and receivables from customers, and credit commitments (3)	45,527,436	(813,188)	**44,714,248**	(15,247,171)	**29,467,077**
Financial investments available for sale	7,996,040	-	**7,996,040**	-	**7,996,040**
Financial investments held to maturity	25,144	-	**25,144**	-	**25,144**
Financial derivative agreements (4)	5,485,123	(33,226)	**5,451,897**	-	**5,451,897**

(3) In this line loans and receivables are included for an amount of MCh$35,508,713 (see Note 11) and credit commitments of MCh$10,018,723 (see Note 23). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(4) As of December 31, 2020, no collateral was provided in favor of the Bank.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Operating Risk

Goals

BCI has adopted the Operating Risk definition of the Basel Commission, defining it as "loss risk resulting from the lack of adequacy or fail of processes, personnel, and internal systems, or due to an external event." This definition includes technological and legal risks.

The operating risk is an inherent risk to all banking products and services, processes and systems. Therefore, effective management of the risk is a vital element of BCI's risk management program.

Description of Operating Risk Policies

Our Operating Risk Policy sets the operating risk management framework, including all the required governance elements, performed through the actions of different committees defined in this policy, in order to build a sturdy and effective operating risk management and culture through a process of continuous risk identification and management; a measurement of risk; definition of strategies for mitigating risk; and operating risk reports and culture, setting clear roles and responsibilities based on three defense lines.

The principles of the policy are the following:

- The Board of Directors and High-Level Management promote a healthy risk culture between all BCI collaborators in matters of operating risk.

- Bci has an operating risk management framework consistent with the volume and complexity of its activities, implemented in the whole organization.

- Bci manages operating risk based on the three defense lines approach, where all collaborators assume and understand their roles and responsibilities regarding risk management.

- For Bci, risk management is a vital element for the fulfillment of its business strategy. Through the enhancement of its internal controlling environment, the Bank promotes safe and simple process generation and maintenance of effective controls, allowing the reduction of losses, complaints, operating and technological issues, and improving the client's experience and protecting the equity and reputation of Corporación Bci.

The policy contemplates all guidelines and requirements set forth by Comisión del Mercado Financiero (Financial Market Commission) and the recommendations of the Basel Committee regarding good practices of operating risk management.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Operating risk management structure

The Bank manages its operating risks daily, and makes decisions with a solid Corporate Governance, according to the following structure:

- Committees Integrated by Directors:

- **Executive Board Committee,** responsible for the approval of operating risk policies, assessing the relative importance of operating risks, considering the volume and complexity of operations and approval of Operating Risk Tolerance.

- **Finance and Corporate Risk Committee,** responsible for acknowledging the follow-up of the different operating risk levels for Bci.

- **Directors' Committee** acknowledges the relevant operating risks detected by the comptrollers, third line of defense, Non-Financial Risk Management, External Auditors, or other sources, learning about action plans or measures defined or under execution for their mitigation. It analyzes reports on inspection visits, instructions, and presentations made by regulators related to operating risk.

Committees Integrated by Senior Management:

The committees integrated by the General Manager and/or Top-level managers reporting to the General manager, with direct participation in operating risk management are:

- **Information Security and Operating Risk Committee,** headed by BCI's General Manager, responsible for operating risk strategy and management in the Bank and its subsidiaries.

- **Information Security and Operating Risk Committees** specific for the risk management at each business line. There are 3 committee's meetings for Finance, Wholesale Banking, and Retail Banking risk management. Each of these committees are headed by the corresponding High-level Manager reporting directly to the General Manager of these three Business and Support Units and is responsible for the operating risk management in each Business.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Committees specialized in specific management of operating risks

These committees' goal is the specific and specialized management of operating risks.

- **Information Security and Cyber security Committee:** The Bank has an Information Security and Cyber security Risk Committee, made up of representatives from various areas in the Bank, which ensures that the regulatory framework is updated for new risks and threats, and is responsible for the execution and monitoring of the annual security and compliance with specific policies and the information security and cybersecurity program.

- **Risk Management in Outsourced Services Committee:** Committee responsible for governance of operating risk management in services outsourced to third parties and strategic suppliers.

- **Corporate Business Continuity Risk Committee:** Committee responsible for governance of the business continuity management, disaster recovery plans and crisis management.

- **New Products Committee:** Committee responsible for the risk analysis of new initiatives and the launching of products and services with identified and controlled risks.

Operating Risk Management in Branches

Regarding operating risk management in branches, operating risk work methodologies have been continuously strengthened with risk management teams in the Bank's branches, who execute the risk management program in each branch with an independent corporate governance, coordinated and aligned with policies, risk tolerance reference framework, and corporate risk governance.

Non-Financial Risk Management

It is responsible for designing policies, programs and methodologies for the adequate management of non-financial risk, understanding by this the different types of operating risks and compliance risks, among which are the prevention of money laundering and regulatory risks. The role of this management is to mobilize the execution of the program activities to manage this risk, measure and monitor the level of risk independent from the first line. Responsible for the development of government committees and reporting risk levels.

The Operating Risk Management and Information Security Management actively participates in:

- **Operating Issues Management**

The Bank has systems, procedures, organization and governance allowing it to identify operating issues, assess their impact, mitigate their effects, monitor security and operating and report them in a timely manner. Issues discovered are a source for cause analysis and improvement plan implementing, which are shared with CMF.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Information Security and Cyber security**

The Bank has an information security and cybersecurity strategy based on best industry practices that is based on a comprehensive management program, whose main component is the overall information security policy approved by the Board Executive Committee, reviewed on an annual basis, and supplemented by a regulatory body of specific controls regulations, a security culture program aimed at employees, customers and suppliers, ongoing programs of vulnerability analysis and ethical hacking, and an organization formed by areas specializing in the Bank's three lines of defense, focused on the operation of security controls and specialized management of these risks.

The information Security and cyber security strategy contemplates the execution of various initiatives and investments to strengthen technological infrastructure, team training and specific procedures of operation and monitoring of cyber security, oriented towards preventing, identifying and stopping cyber attacks on the bank and its subsidiaries.

- **Business continuity and management of the crisis**

The continuity strategies and crisis management developed during the last several years have been consolidated, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency.

The Bank is constantly working on strengthening of its business continuity plan, on training contingency team members and on crisis management. Plan coverage has increased according to the requirements of the Bank, including the processes that are critical.

- **Prevention of fraud**

This function is responsible for implementing a corporate fraud prevention strategy, both internal and external, that safeguards the equity of our clients, the Bank and ensuring the reputation and corporative image of BCI. To this end, processes, technologies, methodologies and data models for optimal decision making in real time have been reinforced to prevent and anticipate emerging and sophisticated fraud risks, as well as activities to strengthen the culture and adherence to the ethical framework for the good work of the employees of the Bank and its subsidiaries.

- **Management of operating risk in outsourced services**

Non-Financial Risk Management has a risk management program in outsourced services for the Bank, which aims to identify and timely manage the risks that may exist in a process contracted to a third party. This management is carried out throughout the life cycle of the outsourced service, that is, from when the service is contracted until the contractual relationship is terminated. Depending on the risks identified, decisions are made to keep risks within acceptable levels for BCI.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Insurance**

Corporación BCI has risk reduction programs through insurance policies allowing to transfer the risk of high-severity losses.

- **Physical security Procedures and Controls**

Corporación BCI has adequate security controls for physical protection of cash, negotiable instruments, precious metals and client assets.

- **Prevention of Money Laundering and Financing of Terrorism**

The objective of the "Money Laundering and Financing of Terrorism" program is full compliance with all current regulations on these matters, both in Chile and in all the countries in which BCI operates, preventing the Corporation from may be used by third parties to launder money from illegal or criminal activities, or to improve the ease of the transfer of funds for the purpose of financing terrorist operations.

- **Regulatory Risk Prevention:**

  Crime Prevention Program

  BCI has a crime prevention program certified by an independent organization, established in accordance with the provisions of Law No. 20,393 on Criminal Liability of Legal Entities, which establishes a corporate organization to prevent the performance of these and other crimes by some of the members of the entity. Accordingly, it seeks to prevent and avoid the behaviors described in this regulation and guarantee that, in the event that any employee has any of these behaviors, they will do so not only in contradiction with the corporate culture, but also that it will occur despite the efforts made by the entity to prevent it.

  Free Competition Protection Program
  The objective of the Free Competition Protection Program is to avoid practices contrary to free competition, which are established in DL 211, because they can delay the development of new goods and services, the efficient allocation of resources, the adequate satisfaction of needs, and the participation of new and better suppliers of goods and services in the different markets.

- **Regulatory Management**

Bci performs all activities with strict respect and compliance of the applicable regulations, both external and internal, in all countries and jurisdictions where it operates. For this, it has a continuous review process for new external regulations, for their incorporation into the internal regulatory framework.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES

As of December 31, 2021 and 2020 the breakdown of maturities of assets and liabilities is as follows:

December 31, 2021

	Current	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal Over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	3,960,497	-	-	-	3,960,497	-	-	-	**3,960,497**
Items in course of collection	-	350,073	-	-	350,073	-	-	-	**350,073**
Trading portfolio financial assets	-	873,869	-	-	873,869	-	-	-	**873,869**
Liabilities under agreements to repurchase	-	115,443	44,290	27,020	186,753	-	-	-	**186,753**
Derivative financial liabilities	-	1,318,944	313,610	1,065,885	2,698,439	2,291,442	1,791,643	4,083,085	**6,781,524**
Loans and receivables from banks (*)	-	28,556	140,127	463,105	631,788	8,544	-	8,544	**640,332**
Loans and receivables from customers (**)	-	2,989,066	2,735,731	5,844,301	11,569,098	14,327,030	14,889,811	29,216,841	**40,785,939**
Financial investments available for sale	-	2,702,569	158,514	526,849	3,387,932	2,793,397	5,023,264	7,816,661	**11,204,593**
Financial investments held to maturity	-	-	-	-	-	1,046,374	1,250,981	2,297,355	**2,297,355**
Total assets	**3,960,497**	**8,378,520**	**3,392,272**	**7,927,160**	**23,658,449**	**20,466,787**	**22,955,699**	**43,422,486**	**67,080,935**
Liabilities									
Current accounts and demand deposits	27,653,442	-	-	-	27,653,442	-	-	-	**27,653,442**
Items in course of collection	-	258,686	-	-	258,686	-	-	-	**258,686**
Liabilities under agreements to repurchase	-	118,421	12,610	2,703	133,734	7,444	-	7,444	**141,178**
Term deposits and savings accounts	-	6,339,958	2,805,720	1,673,564	10,819,242	45,595	311	45,906	**10,865,148**
Derivative financial liabilities	-	1,311,020	301,138	1,058,666	2,670,824	2,543,383	1,372,840	3,916,223	**6,587,047**
Borrowings from financial institutions	-	752,636	1,536,127	287,995	2,576,758	4,394,204	-	4,394,204	**6,970,962**
Debt issued	-	114,489	-	982,878	1,097,367	3,408,475	4,255,289	7,663,764	**8,761,131**
Other financial liabilities	-	1,025,651	191	1,068	1,026,910	1,068	-	1,068	**1,027,978**
Lease liabilities	-	-	-	76,675	76,675	49,508	47,543	97,051	**173,726**
Total liabilities	**27,653,442**	**9,920,861**	**4,655,786**	**4,083,549**	**46,313,638**	**10,449,677**	**5,675,983**	**16,125,660**	**62,439,298**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES, CONTINUED

December 31, 2020

	Current Current	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal Up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal Over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	4,597,867	-	-	-	4,597,867	-	-	-	**4,597,867**
Items in course of collection	-	236,710	-	-	236,710	-	-	-	**236,710**
Trading portfolio financial assets	-	1,147,279	-	-	1,147,279	-	-	-	**1,147,279**
Liabilities under agreements to repurchase	-	101,300	55,148	33,800	190,248	-	-	-	**190,248**
Derivative financial liabilities	-	1,024,060	182,351	503,850	1,710,261	1,907,714	1,833,922	3,741,636	**5,451,897**
Loans and receivables from banks (*)	-	33,761	74,112	245,600	353,473	3,559	-	3,559	**357,032**
Loans and receivables from customers (**)	-	2,882,628	2,179,938	5,283,901	10,346,467	12,821,030	12,117,582	24,938,612	**35,285,079**
Financial investments available for sale	-	2,283,920	179,347	566,155	3,029,422	2,019,497	2,947,121	4,966,618	**7,996,040**
Financial investments held to maturity	-	-	-	-	-	-	25,144	25,144	**25,144**
Total assets	**4,597,867**	**7,709,658**	**2,670,896**	**6,633,306**	**21,611,727**	**16,751,800**	**16,923,769**	**33,675,569**	**55,287,296**
Liabilities									
Current accounts and demand deposits	19,726,574	-	-	-	19,726,574	-	-	-	**19,726,574**
Items in course of collection	-	201,438	-	-	201,438	-	-	-	**201,438**
Liabilities under agreements to repurchase	-	128,779	31,024	132,696	292,499	55,429	2,386	57,815	**350,314**
Term deposits and savings accounts	-	4,439,324	4,384,381	1,814,907	10,638,612	200,862	137	200,999	**10,839,611**
Derivative financial liabilities	-	195,005	192,851	1,446,093	1,833,949	2,128,715	1,830,690	3,959,405	**5,793,354**
Borrowings from financial institutions	-	708,824	519,382	887,661	2,115,867	4,154,832	-	4,154,832	**6,270,699**
Debt issued	-	26,811	98	539,547	566,456	3,600,069	3,265,099	6,865,168	**7,431,624**
Other financial liabilities	-	875,318	32,025	1,922	909,265	1,779	-	1,779	**911,044**
Lease liabilities	-	-	-	64,977	64,977	46,365	74,951	121,316	**186,293**
Total liabilities	**19,726,574**	**6,575,499**	**5,159,761**	**4,887,803**	**36,349,637**	**10,188,051**	**5,173,263**	**15,361,314**	**51,710,951**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 38 - FOREIGN CURRENCY

The consolidated financial statements as of December 31, 2021 and 2020 include assets and liabilities in foreign currencies or in Chilean Pesos according to the following detail:

	In foreign currency		In Chilean Pesos		Total	
	As of December, 31		As of December, 31		As of December, 31	
	2021	2020	2021	2020	2021	2020
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS						
Cash and deposits in banks	3,341,671	2,470,703	618,826	2,127,164	**3,960,497**	**4,597,867**
Items in course of collection	190,518	154,042	159,555	82,668	**350,073**	**236,710**
Trading portfolio financial assets	63,497	71,074	810,372	1,076,205	**873,869**	**1,147,279**
Liabilities under agreements to repurchase	-	-	186,753	190,248	**186,753**	**190,248**
Derivative financial liabilities	163,227	191,970	6,618,297	5,259,927	**6,781,524**	**5,451,897**
Loans and receivables to banks, net	639,533	356,669	-	-	**639,533**	**356,669**
Loans and receivables to customers, net	15,306,988	11,617,411	24,923,394	23,101,270	**40,230,382**	**34,718,681**
Financial investments available for sale	5,169,786	3,695,972	6,034,807	4,300,068	**11,204,593**	**7,996,040**
Financial investments held to maturity	1,273,160	25,144	1,024,195	-	**2,297,355**	**25,144**
Investments in other companies	-	-	32,762	26,625	**32,762**	**26,625**
Intangible assets	186,584	153,476	254,374	241,800	**440,958**	**395,276**
Property, plant and equipment, net	55,225	52,962	197,511	198,255	**252,736**	**251,217**
Right-of-use asset	64,822	60,024	124,203	144,783	**189,025**	**204,807**
Current income tax	12,449	-	7,528	36,270	**19,977**	**36,270**
Deferred income taxes	29,476	144	221,720	211,080	**251,196**	**211,224**
Other assets	1,059,415	972,763	387,986	337,582	**1,447,401**	**1,310,345**
TOTAL ASSETS	**27,556,351**	**19,822,354**	**41,602,283**	**37,333,945**	**69,158,634**	**57,156,299**
LIABILITIES						
Current accounts and demand deposits	17,538,879	11,261,139	10,114,563	8,465,435	**27,653,442**	**19,726,574**
Items in course of collection	134,340	98,923	124,346	102,515	**258,686**	**201,438**
Liabilities under agreements to repurchase	102,616	112,467	38,562	237,847	**141,178**	**350,314**
Term deposits and savings accounts	4,408,741	2,973,923	6,456,407	7,865,688	**10,865,148**	**10,839,611**
Derivative financial liabilities	121,634	214,343	6,465,413	5,579,011	**6,587,047**	**5,793,354**
Borrowings from financial institutions	2,012,672	2,115,614	4,958,290	4,155,085	**6,970,962**	**6,270,699**
Debt issued	2,785,967	1,758,748	5,975,164	5,672,876	**8,761,131**	**7,431,624**
Other financial liabilities	960,367	870,582	67,611	40,462	**1,027,978**	**911,044**
Lease liabilities	55,721	51,554	118,005	134,739	**173,726**	**186,293**
Current income tax	8	6,330	141,527	2,742	**141,535**	**9,072**
Deferred income taxes	-	10,385	926	11,803	**926**	**22,188**
Provisions	69,820	91,498	641,069	350,079	**710,889**	**441,577**
Other liabilities	442,091	268,056	922,419	809,750	**1,364,510**	**1,077,806**
TOTAL LIABILITIES	**28,632,856**	**19,833,562**	**36,024,302**	**33,428,032**	**64,657,158**	**53,261,594**

NOTE 39 - SUBSEQUENT EVENTS

Between January 1, 2022 and the date of issuance of these Consolidated Financial Statements, no subsequent events have been recorded that could significantly affect the adequate presentation of these Financial Statements.

Alfredo Mendoza Osorio Corporate Accounting Manager	Eugenio Von Chrismar Carvajal General Manager

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES

Consolidated financial statements as of and for the years ended December 31, 2020 and 2019 and independent auditors' report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To Shareholders and the Board of Directors of
Banco de Crédito e Inversiones

We have audited the accompanying consolidated financial statements of Banco de Crédito e Inversiones and subsidiaries (the "Bank"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards and instructions issued by the Financial Market Commission; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Banco de Crédito e Inversiones and its subsidiaries as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Financial Market Commission.

Emphasis of Matter

As detailed in Note 3 and 4 to the consolidated financial statements, dated October 9, 2020, and after having complied with all the requirements and approvals in both Chile and the United States, BCI concluded the acquisition of Executive National Bank through its subsidiary City National Bank of Florida (CNB). Later that same day, the two latter companies merged, and CNB became the successor entity. The transaction price amounted to US$62 million and it was financed with CNB's own funds. Our opinion is not modified with respect to this matter.

Other matter

The accompanying financial statements have been translated into English for the convenience of readers outside Chile.

Deloitte.

January 26, 2021
Santiago, Chile

Consolidated Financial Statements

As of and for the years ended December 31, 2020 and 2019

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BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As of December 31, 2020, and 2019
(In millions of Chilean pesos - MCh$)

	Note	As of December, 31 2020 MCh$	As of December, 31 2019 MCh$
ASSETS			
Cash and deposits in banks	6	4,597,867	3,153,760
Items in course of collection	6	236,710	310,602
Trading portfolio financial assets	7	1,147,279	2,212,257
Investments under agreements to resell	8	190,248	196,015
Derivative financial agreements and hedge accounting	9	5,451,897	4,261,289
Loans and receivables to banks, net	10	356,669	457,640
Loans and receivables to customers, net	11	34,718,681	33,212,457
Financial investments available for sale	12	7,996,040	4,011,029
Financial investments held to maturity	12	25,144	7,369
Investments in other companies	13	26,625	27,823
Intangible assets	14	395,276	404,215
Property, plant and equipment, net	15	251,217	250,194
Right-of-use asset	15	204,807	231,344
Current income tax	16	36,270	89,495
Deferred income taxes	16	211,224	103,329
Other assets	17	1,310,345	1,407,802
TOTAL ASSETS		**57,156,299**	**50,336,620**
LIABILITIES			
Current accounts and demand deposits	18	19,726,574	14,180,699
Items in course of collection	6	201,438	200,976
Liabilities under agreements to repurchase	8	350,314	909,391
Deposits and other term loans	18	10,839,611	13,372,756
Derivative financial agreements and hedge accounting	9	5,793,354	4,412,365
Borrowings from financial institutions	19	6,270,699	3,482,261
Debt issued	20	7,431,624	7,016,742
Other financial liabilities	20	911,044	1,450,586
Lease liabilities	15	186,293	206,376
Current income tax	16	9,072	1,240
Deferred income taxes	16	22,188	23,829
Provisions	21	441,577	309,040
Other liabilities	22	1,077,806	977,839
TOTAL LIABILITIES		**53,261,594**	**46,544,100**
SHAREHOLDERS' EQUITY			
Attributable to equity holders of the Bank:			
Capital		3,655,828	3,394,799
Reserves		109	109
Accumulated other comprehensive income		22,223	114,719
Retained earnings:			
Net income from prior periods		(6,758)	-
Profit or loss for the year	24	317,454	402,645
Less: Accrual for minimum dividends	24	(95,236)	(120,794)
TOTAL EQUITY OF EQUITY HOLDERS OF THE BANK		**3,893,620**	**3,791,478**
Non-controlling interest		1,085	1,042
TOTAL SHAREHOLDERS' EQUITY		**3,894,705**	**3,792,520**
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		**57,156,299**	**50,336,620**

Notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
For the years ended December 31, 2020 and 2019
(In millions of Chilean pesos - MCh$)

	Note	For the year ended December 31 2020 MCh$	2019 MCh$
Interest income	25	2,088,604	2,206,557
Interest expense	25	(630,063)	(885,063)
Net interest and indexation income		**1,458,541**	**1,321,494**
Fee and commission income	26	433,887	462,313
Fee and commission expense	26	(98,303)	(110,553)
Net fee and commission income		**335,584**	**351,760**
Trading and investment income, net	27	148,799	183,805
Foreign exchange results, net	28	44,765	(18,334)
Other operating income	33	44,639	53,063
Operating income		**2,032,328**	**1,891,788**
Provision for loan losses and impairment of repossessed assets	29	(653,911)	(415,519)
OPERATING INCOME, NET OF PROVISION FOR LOAN LOSSES		**1,378,417**	**1,476,269**
Staff costs	30	(522,080)	(483,886)
Administrative expenses	31	(319,202)	(326,149)
Depreciation and amortization	32	(109,010)	(103,649)
Impairment of property, plant and equipment and intangible assets	32	(5,073)	(478)
Other operating expenses	33	(80,496)	(43,569)
TOTAL OPERATING EXPENSES		**(1,035,861)**	**(957,731)**
TOTAL NET OPERATING INCOME		**342,556**	**518,538**
Share of profit (loss) of investments accounted for using the equity method	13	(358)	12,638
Income before income tax		**342,198**	**531,176**
Income tax expense	16	(24,665)	(128,437)
Net income from continuing operations		**317,533**	**402,739**
Net income from discontinued operations		-	-
CONSOLIDATED NET INCOME FOR THE YEAR		**317,533**	**402,739**
Attributable to:			
Equity holders of the Bank		317,454	402,645
Non-controlling interest		79	94
Total		**317,533**	**402,739**
Earnings per share:			
(stated in Ch$)			
Basic earnings per share		$ 2.236	$ 2.843
Diluted earnings per share		$ 2.236	$ 2.843

Notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
For the years ended December 31, 2020 and 2019
(In millions of Chilean pesos - MCh$)

	Note	For the years ended December 31 2020 MCh$	2019 MCh$
CONSOLIDATED NET INCOME FOR THE YEAR		**317,533**	**402,739**
OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO THE STATEMENT OF INCOME			
Net gain resulting on revaluation of financial investments available for sale		42,487	53,539
Net (loss) on cash flow hedge derivatives		(49,503)	(114,826)
(Loss) income - cumulative translation adjustment		(95,503)	100,778
Other comprehensive income before income tax		**(102,519)**	**39,491**
Income tax effect on other comprehensive income- items that may be classified to the statement of income	16	10,023	29,782
Total other comprehensive income that may be reclassified to the statements of income for the year		**(92,496)**	**69,273**
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO THE STATEMENT OF INCOME		(36)	94
TOTAL OTHER COMPREHENSIVE (LOSS) INCOME		**(92,532)**	**69,367**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**225,001**	**472,106**
Attributable to:			
Equity holders of the Bank		224,958	471,918
Non-controlling interest		43	188
Comprehensive income per share attributable to equity holders of the Bank:			
Basic comprehensive income per share		$1.585	$3,333
Diluted comprehensive income per share		$1.585	$3.333

Notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2020 and 2019
(In millions of Chilean pesos - MCh$)

			Accumulated Other Comprehensive Income					Retained earnings:				Total Equity		
	Paid-in Capital	Reserves	Investment instruments available for sale	Cash flows hedges	Cumulative translation adjustment	Income tax	Total	Retained earnings	Net Income for year	Minimum dividends provision	Total	Total attributable to equity holders of the Bank	Non-controlling interest	Total equity
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As of January 1, 2020	**3,394,799**	**109**	**35,479**	**(126,789)**	**175,490**	**30,539**	**114,719**	**-**	**402,645**	**(120,794)**	**281,851**	**3,791,478**	**1,042**	**3,792,520**
Transfer to retained earnings	-	-	-		-	-	-	402,645	(402,645)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(141,616)	-	120,794	**(20,822)**	**(20,822)**	-	**(20,822)**
Retained earnings	**261,029**	-	-	-	-	-	-	(261,029)	-	-	**(261,029)**	-	-	-
Other equity transactions	-	-	-	-	-	-	-	(6,758)	-	-	**(6,758)**	**(6,758)**	-	**(6,758)**
Other comprehensive income	-	-	**42,487**	**(49,503)**	**(95,503)**	**10,023**	**(92,496)**	-	-	-	-	**(92,496)**	(36)	**(92,532)**
Net income for the year 2020	-	-	-	-	-	-	-	-	317,454	-	**317,454**	**317,454**	79	**317,533**
Provision for minimum dividends 2020	-	-	-	-	-	-	-	-	-	(95,236)	**(95,236)**	**(95,236)**	-	**(95,236)**
As of December 31, 2020	**3,655,828**	**109**	**77,966**	**(176,292)**	**79,987**	**40,562**	**22,223**	**(6,758)**	**317,454**	**(95,236)**	**215,460**	**3,893,620**	**1,085**	**3,894,705**
As of January 1, 2019	**3,134,898**	**109**	**(18,060)**	**(11,963)**	**74,712**	**757**	**45,446**	**-**	**395,794**	**(118,738)**	**277,056**	**3,457,509**	**854**	**3,458,363**
Transfer to retained earnings	-	-	-	-	-	-	-	395,794	(395,794)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	(135,893)	-	118,738	**(17,155)**	**(17,155)**	-	**(17,155)**
Capitalization of reserves	259,901	-	-	-	-	-	-	(259,901)	-	-	**(259,901)**	-	-	-
Other comprehensive income	-	-	53,539	(114,826)	100,778	29,782	**69,273**	-	-	-	-	**69,273**	94	**69,367**
Net income for the year 2019	-	-	-	-	-	-	-	-	402,645	-	**402,645**	**402,645**	94	**402,739**
Provision for minimum dividends 2019	-	-	-	-	-	-	-	-	-	(120,794)	**(120,794)**	**(120,794)**	-	**(120,794)**
As of December 31, 2019	**3,394,799**	**109**	**35,479**	**(126,789)**	**175,490**	**30,539**	**114,719**	**-**	**402,645**	**(120,794)**	**281,851**	**3,791,478**	**1,042**	**3,792,520**

Notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2020 and 2019
(In millions of Chilean pesos - MCh$)

	Note	For the years ended December 31, 2020 MCh$	2019 MCh$
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
INCOME BEFORE INCOME TAX		**342,198**	**531,176**
Charges (credits) to income not representing cash flows:			
Depreciation and amortization	32	109,010	103,649
Impairment of property, plant and equipment and intangible assets	32	5,073	478
Provision for loan losses and impairment of repossessed assets		720,482	480,074
Adjustment to fair value of financial instruments		(2,850)	(7,654)
Share of profit on investments accounted for under the equity method	13	358	(12,638)
Net gain from sale of repossessed assets	33	(1,953)	(4,776)
Gain from sale of property, plant and equipment	33	(2,077)	(5,078)
Loss on sale of property, plant and equipment	33	32	10
Write-off of repossessed assets	33	1,487	3,934
Net interest and indexation income		(1,458,541)	(1,321,494)
Net fee and commission income		(335,584)	(351,760)
Other (credits) charges to income that do not represent cash flows		(15,881)	261,900
Changes in assets and liabilities affecting operating cash flows:			
Net decrease (increase) in loans and receivables to banks		97,884	(124,093)
Net (increase) in loans and receivables to customers		(2,117,990)	(4,059,050)
Net (increase) in investments		(2,328,178)	(861,571)
Net increase in current accounts and other demand deposits		5,545,687	1,957,830
Net decrease (increase) in liabilities under agreements to repurchase		(607,116)	261,538
Net (decrease) increase in term deposits and savings accounts		(2,429,858)	1,036,235
Net (decrease) increase in borrowing from financial institutions		(556,185)	221,479
Net (decrease) increase in other financial liabilities		(538,745)	694,361
Proceeds from loans from (paid to) Central Bank of Chile (long-term)		3,904,285	(10,503)
Proceeds from foreign borrowings (long-term)		1,129,610	3,029,326
Repayment of foreign borrowings (long term)		(1.671.046)	(2,516,908)
Income tax refunded (paid)	16	73,513	(128,437)
Interest and indexation received		2,017,228	2,103,333
Interest and indexation paid		(406,855)	(501,112)
Fees and commissions received	26	433,887	462,313
Fees and commissions paid	26	(98,303)	(110.553)
Total cash flows provided by (used in) operating activities		**1,809,572**	**1,132,009**
CASH FLOW (USED IN) INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	15	(23,790)	(33,643)
Proceeds from sale of property, plant and equipment		10,155	4,098
Purchase of intangible assets	14	(75,517)	(80,255)
Investments in other companies	13	(392)	(98)
Acquisition of Servicios Financieros	13	-	(1,693)
Acquisition of Executive National Bank	4	57,852	-
Sale of investments in other companies	13	-	29,029
Dividends received from investments in other companies	13	388	224
Sale of repossessed assets		14,165	13,560
Net increase (decrease) in other assets and liabilities		300,395	(215,492)
Total cash flows provided by (used in) investing activities		**283,256**	**(284,270)**
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:			
Redemption of letters of credit		(3,679)	(4,397)
Bond issuance		405,992	1,273,626
Bond redemption		(366,126)	(789,206)
Lease interest and indexation		(4.149)	-
Dividends paid		(141,616)	(135,893)
Total cash flows provided by (used in) financing activities		**(109,578)**	**344,130**
NET Increase IN CASH AND CASH EQUIVALENTS FOR THE YEAR		**1,545,732**	**317,222**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**437,518**	**874,647**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**3,431,728**	**2,239,859**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	**5,414,978**	**3,431,728**

Notes No. 1 to No. 39 are an integral part of the consolidated financial statements.

(In millions of Chilean pesos - MCh$)

Reconciliation of provisions for loan losses to consolidated statements of cash flows for the year

	Note	For the years ended December 31 2020 MCh$	2019 MCh$
Provision for loan losses presented in the consolidated statements of cash flows		720,482	480,074
Recovery of loans previously written off		(66.571)	(64,555)
Provision for loan losses	29	**653,911**	**415,519**

The following table details the changes in liabilities originated from financing activities, including those changes that represent and do not represent cash flows as of December 31, 2020 and 2019.

Liabilities arising from financing activities	Beginning balance 1-1-2020	Cash flow from financing activities			Changes that do not represent cash flows			Ending balance 12-31-2020
		Received	Paid	Total	Acquisition	Changes in fair value	Interest and Indexation	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Letters of credit	9,629	-	(3,679)	(3,679)	-	-	561	**6,511**
Bonds	7,007,113	405,992	(366,126)	39,866	-	53,294	324,841	**7,425,114**
Lease interest	-	-	(4,149)	(4,149)	-	-	-	**(4,149)**
Dividends	-	-	(141,616)	(141,616)	-	-	-	**(141,616)**
Total	**7,016,742**	**405,992**	**(515,570)**	**(109,579)**	**-**	**53,294**	**325,402**	**7,285,860**

Liabilities arising from financing activities	Beginning balance 1-1-2019	Cash flow from financing activities			Changes that do not represent cash flows			Ending balance 12/31/2019
		Received	Paid	Total	Acquisition	Changes in fair value	Interest and Indexation	
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Letters of credit	13,232	-	(4,397)	(4,397)	-	-	794	9,629
Bonds	5,964,716	1,273,626	(789,206)	484,420	-	246,937	311,040	7,007,113
Dividends	-	-	(135,893)	(135,893)	-	-	-	(135,893)
Total	**5,977,948**	**1,273,626**	**(929,496)**	**344,130**	**-**	**246,937**	**311,834**	**6,880,849**

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

a) The Bank

Banco de Credito e Inversiones or Banco BCI (hereinafter the "Bank") is a bank incorporated in Chile and regulated by the Financial Market Commission (hereinafter the "FMC"), according to the General Banking Act as amended by Act No. 21,130, which establishes the FMC as a regulator effective as of June 1, 2019 (Official Gazette No. 42,343 of May 2, 2019). The registered office of the Bank is located at 125 El Golf Avenue, Las Condes, Santiago. The consolidated financial statements as of and for the years ended December 31, 2020 and 2019, include financial information of the Bank and its subsidiaries listed below, as well as its Miami branch. The Bank's business consists of all the businesses and transactions permitted by the General Banking Law, including retail, corporate and real estate banking, large and medium size companies' services, private banking and asset management services.

b) Basis of preparation of the consolidated financial statements

These Consolidated Financial Statements have been prepared in accordance with the Compendium of Accounting Standards and instructions issued by the Commission for the Financial Market (hereinafter "CMF"), a regulatory body created by Act No. 21,000, which in paragraph 6, article 5, states that the CMF is entitled to "establish the standards for the preparation and presentation of annual reports, balance sheets, statements of financial position and other financial statements of the audited entities, and to determine the principles that govern their accounting. In all matters not covered by this Act, audited entities must adhere to the generally accepted accounting criteria (provided they are compatible with the CMF instructions), which are the technical standards issued by the Chilean Institute of Accountants and which match the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). In case of any discrepancy between IFRS and CMF ("The Compendium"), the latter should be followed.

Notes to the consolidated financial statements contain additional information to that presented in the consolidated statements of financial position, consolidated statements of income, consolidated statements of other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows.

The Consolidated Financial Statements of the Bank and subsidiaries as of and for the year ended December 31, 2020 have been approved and authorized for issuance by the Board of Directors in a meeting held on January 26, 2021.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

c) Controlled companies (subsidiaries)

The consolidated financial statements as of and for the years ended December 31, 2020 and 2019 include financial information of the Bank and controlled companies (subsidiaries) (hereinafter the "Group"). Control is achieved when the Bank is exposed, or is entitled, to variable returns from its involvement in the investee and could influence those returns through its power over it.

Specifically, control is achieved when the following conditions are met:

I. Power over the investee (i.e.: consists of having the rights that give the Bank the current ability to direct relevant activities of the investee);
II. is exposed, or has rights, to variable returns from the Bank´s involvement with the investee; and
III. can use power over the investee to affect the amount of returns.

When the Bank has less than most voting rights of an investee, it has power over the investee when the voting rights are enough to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether the Bank's voting rights in an investee are enough to give it power, including:

- The size of Bank's voting rights relative to the size and dispersion of the other vote holders.
- Potential voting rights held by the Bank, other vote holders or other parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate the Bank has, or does not have, the current ability to direct relevant activities, at the time decisions need to be taken, including voting patterns at previous shareholders' meetings.

The Bank reassesses whether it controls an investee if facts and circumstances indicate there are changes in one or more of the three elements of control listed above.

Consolidation of a subsidiary ceases when the Bank loses control of the subsidiary. Income and expenses of a subsidiary disposed of during the year are included in the Consolidated Statements of Financial Position until the date when the Bank ceases to control the subsidiary.

The consolidated financial statements include financial information of the Bank and its subsidiaries, as well as adjustments and reclassifications made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Bank's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition, third party interest in the equity of the Bank is presented as “Non-controlling Interest” in the Consolidated Statements of Financial Position. Its share in profit or loss is presented as “Consolidated net income for the year attributable to non-controlling interest” in the Consolidated Statements of Income.

The following table represents the entities over which the Bank exercises control and therefore are included in the consolidation:

i. Entities controlled by the Bank through controlling interest:

	% Interest			
	Direct		Indirect	
Entity	2020	2019	2020	2019
	%	%	%	%
Análisis y Servicios S.A.(in liquidation)	99.00	99.00	1.00	1.00
BCI Asset Management Administradora General de Fondos S.A.	99.90	99.90	0.10	0.10
BCI Asesoría Financiera S.A.	99.00	99.00	1.00	1.00
BCI Corredor de Bolsa S.A.	99.95	99.95	0.05	0.05
BCI Corredores de Seguros S.A.	99.00	99.00	1.00	1.00
BCI Factoring S.A.	99.97	99.97	0.03	0.03
BCI Securitizadora S.A.	99.90	99.90	-	-
Banco de Crédito e Inversiones Sucursal Miami	100.00	100.00	-	-
Servicio de Normalización y Cobranza, Normaliza S.A.	99.90	99.90	0.10	0.10
BCI Securities INC.	99.90	99.90	0.10	0.10
BCI Corredores de Bolsa de Productos S.A.	99.00	99.00	1.00	1.00
BCI Financial Group, INC. and Subsidiaries	100.00	100.00	-	-
Servicios Financieros y Administración de Créditos Comerciales S.A.	99.98	99.98	0.02	- 0.02
Administradora de Tarjetas Servicios Financieros Limitada.	99.99	99.99	0.01	0.01
SSFF Corredores de Seguros y Gestión Financiera Limitada.	99.00	99.00	1.00	1.00
Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada.	99.99	99.99	0.01	0.01
Servicios y Cobranzas SEYCO Limitada.	99.00	99.00	1.00	1.00

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Information and corporate purposes of the entities controlled by the Bank, are as follows:

Analisis y Servicios S.A. (in liquidation), was established as a closely held corporation by public deed dated August 19, 1996 and started its operations on November 1, 1996. Its corporate purpose is conducting activities on behalf of financial institutions, pre-evaluation of all financial products and services these institutions are involved in and performance of all activities or operations necessary for the pursuit of its objective.

On November 15, 2019, the Financial Market Commission was requested to approve the dissolution of the company Analisis Servicios S.A. This company's shareholders are Banco de Crédito e Inversiones with a 99% interest and BCI Corredor de Bolsa, S.A. with a 1% interest, respectively. The dissolution was approved by the Board of Directors of BCI at its meeting on August 27, 2019.

On December 12, 2019, the Council of the Financial Market Commission approved the request in ordinary meeting number 161. As of December 31, 2020, the company is in a liquidation process.

BCI Asset Management Administradora de Fondos S.A. was incorporated by public deed dated January 7, 1988. Its corporate purpose is management of all types of mutual funds, investment funds and individual portfolios regulated by Law No, 20,712, including the development of voluntary pension savings plans "Voluntary Pension Savings" ("APV" for its acronym in Spanish) and "Collective Voluntary Pension Savings" ("APVC" for its acronym in Spanish), other complementary activities authorized by the Commission for the Financial Market (Former SVS, current CMF) through Circular No, 1,566 of 2001, and the administration of third parties' funds and portfolios, authorized by Circular No, 1,897 of 2008.

BCI Asesoria Financiera S.A. was established as a closely held corporation by public deed dated October 23, 1992. Its corporate purpose is provision of advice on the analysis, evaluation and search of alternative financing sources, on the restructuring of liabilities, on the negotiations to acquire, capitalize, sell or merge companies, on the issuance and placement of bonds and debentures and on the placement of equity.

BCI Corredor de Bolsa S.A. was incorporated by public deed dated July 24, 1987. Its corporate purpose is provision of financial instruments brokering operations, and in general, all the activities permitted to a stockbroker by the law.

BCI Corredores de Seguros S.A. was incorporated by public deed dated January 15, 1997. Its corporate purpose is provision of remunerated brokering operations with general and life insurance contracts with any insurance company located in the country, and the provision of advisory services and services related to the contracting of insurance.

BCI Factoring S.A. was incorporated by public deed dated December 13, 1994. Its corporate purpose is provision of all kinds of factoring services; acquisition and discounting of documents and commercial papers, in general, development and operation of different types of factoring businesses; investment, reinvestment and acquisition of dues, shares or rights, all types of movable, tangible or intangible property, real estate, and legal entities, civil societies, companies or associations; or realisation of takeovers, investment in all kinds of securities; management and exploitation of such property under any title; and receiving profit from them.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

BCI Securitizadora S.A. was established as a closely held corporation by public deed dated March 1, 2001. Its corporate purpose is the acquisition of the credits referred to in Article No, 135 of Law No, 18,045 (i.e. mortgage loan, finance leases, concession rights) or the rules that replace or complement it, and the issuance of debt securities, short or long term, causing for each issuance the formation of capital separate from its own, supervised by the Commission for the Financial Market ("CMF", formerly the SVS).

Banco de Credito e Inversiones Sucursal Miami is a branch of Banco de Credito y Inversiones, established in the state of Florida in the United States of America. The branch was initially authorized to operate as an international banking agency by the Department of Banking and Finance of the state of Florida on May 10, 1999. The branch is not a separate legal entity, it carries out banking activities that provide a complete range of banking services to national and foreign physical persons and legal entities, mainly from Latin America.

Servicio de Normalizacion y Cobranza, Normaliza S.A. is closely held corporation, which was incorporated by public deed dated June 8, 1990. Its corporate purpose is the provision of extrajudicial collection services, on its own account or on behalf of others, on any document representing liability, as well as performance of the background check of physical persons or legal entities, the delivery of commercial reports and any other business that the stockholders agree to execute.

BCI Securities INC. was established in the state of Florida, United States of America on July 6, 2011. Its corporate purpose is to buy and sell stocks, mutual funds, corporate debt, US government bonds, sovereign debt, and call and put options for its customers, primarily residents of South America. BCI Securities Inc. may establish network agreements with banks, savings banks or credit unions. This investment was authorized by the Financial Market Commission on January 10, 2013, and by the Central Bank of Chile on February 21, 2013. It began operations on March 1, 2016.

BCI Corredores de Bolsa de Productos S.A. was established by public deed dated April 16, 2015. Its sole corporate purpose is to act as intermediary in operations with agricultural products, as established in Articles Four and Five of the Law No, 19,920, as broker of agricultural products, including the purchase or sale of products in the Agricultural Products Stock Exchange for its own benefit with the aim of transferring rights thereto, and the complementary activities authorized by the Commission for the Financial Market for which it may execute all actions and enter into all contracts and act as intermediary in operations of the Agricultural Products Stock Exchange, according to the regulation in force.

BCI Financial Group, INC. and Subsidiaries, a parent company of City National Bank (CNB), was acquired in 2015. CNB is a banking financial institution established in 1946 with headquarters in Miami, offering a wide range of financial products (including real estate, commercial and consumer banking) to more than 22,000 customers, with 26 branches in four Florida counties. On March 10, 2017, the FMC issued Letter No, 02751, which granted approval to carry out leasing transactions through a new subsidiary of CNB The new subsidiary of CNB is a corporation that began operations on June 28, 2017 under the corporate name of City National Capital Finance, Inc. (CNCF). On August 1, 2018, the subsidiary City National Capital Finance, Inc. (CNCF) changed its name to BCI CAPITAL, INC.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Servicios Financieros y Administración de Créditos Comerciales S.A., acquired on December 2018, was established as a limited liability company by public deed on November 4, 1997; and has undergone several changes. According to its current corporate purpose, it issues credit cards and conducts complementary activities authorized by the FMC through the general regulations of credit card issuance; granting of loans as a subsidiary of the Bank on an enhanced basis.

Administradora de Tarjetas Servicios Financieros Limitada; acquired on December 2018, was established as a closely held corporation by public deed on August 6, 1998 and has undergone several modifications. Its current corporate purpose is service and development of all kinds of activities related to debit, credit and prepaid cards in accordance with Central Bank of Chile's Compendium of Financial Standards and other applicable norms including but not limited to the following: (i) service of supply of physical payments cards; (ii) service, maintenance and management of computer systems for operations and issuance of cards and; (iii) any other activities connected and complementary to the operation and issuance of payment cards, on condition that said services and activities do not involve the payment of benefits owed to subsidiaries for the use of said instruments.

Sociedad de Servicios de Comercialización y Apoyo Financiero y de Gestión SSFF Limitada, acquired on December 2018, was established as a limited liability company by public deed on April 6, 2005 and has had several modifications. Its current corporate purpose is /i/ service of supply of management and aftermarket and customer support, related to allocation, performance and maintenance of arranged products with banks, subsidiaries and support companies, and /ii/ promotions and distributions services of banking products, subsidiaries and support companies. The previously described activities could be performed by the entity or delegated to third parties acting on their behalf. In general, the entity could develop any other commercial activities that members decide to either complement the objective or result in a better performance.

Servicios y Cobranzas SEYCO Limitada, also acquired on December 2018 and established as a limited liability company by public deed on March 31, 2010 has had several amendments. Its corporate purpose is framed in: (a) provision of preliminary and judicial collection services for all types of payment obligations, regardless of their cause or origin; (b) debt collection services; including but not limited to debt collection services by third parties for the payment of all kind of payment obligations (c) document custody and administrative proceedings;(d) the rendering of marketing services, programming or execution of campaigns, database preparation, necessary or recommended for debt collection services; (e) collection, storage, custody, administration, processing, studies and data analysis, background and information for debt collection services; (f) acquiring or participating in other companies, subject to the requirements and limitations established in current regulations. The previously described activities could be performed by the entity or delegated to third parties acting on their behalf. The entity may execute all necessary contracts with respect thereto.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

SSFF Corredores de Seguros y Gestión Financiera Limitada. Acquired on December 2018 and established as a limited liability company by public deed on November 17, 2004 has had several amendments. Its current corporate purpose is: (a) supply the intermediation and advisory services between general and life insurance of any national insurance company and natural and legal persons. Notwithstanding the foregoing, the entity could develop activities such as home, roadside, legal and medical assistance regarding goods and services supplied by third parties; (b) pension advisory services in accordance with Executive Order number 3500 subject to the provisions of Article 70 bis of the General Banking Law, its modifications or replacements. The entity may execute all necessary contracts for the given purpose or business development or related to the investment of the available funds of the company.

ii. Entities controlled by the Bank through other considerations:

Although the Bank holds less than most voting rights in the following companies, they are considered subsidiaries since the Bank exercises control through ability to direct the relevant activities and oversight of financial and operational policy decisions:

	%Interest			
	Direct		**Indirect**	
Entity	**2020**	**2019**	**2020**	**2019**
	%	%	%	%
BCI Activos Inmobiliarios Fondo de Inversión Privado (1)	40.00	40.00	-	-
Fondo de Inversión Privado BCI LMV II (2)	100.00	100.00	-	-
Incentivos y Promociones Limitada (3)	SE	SE	SE	SE

(1) Fund over which BCI Asset Management Administradora General de Fondos S.A. subsidiary, has control.

(2) This Fund has been organized and established by the subsidiary BCI Asset Management Administradora General de Fondos S.A., who manages it in its entirety.

(3) Structured Entity (“SE”) is responsible for the promotion of credit and debit card products. The Bank does not hold any ownership interest in that company and does not exercise control, however its revenue depends on the Bank.

d) Associates and Joint Ventures

An associate is an entity over which the Bank has significant influence but over which the Bank does not have control. Significant influence is the power to participate in the financial and operational policy decisions of the investee but is not control or joint control.

Joint venture is an entity over which there is joint control, which occurs only when the strategic decisions regarding both financial and operating activities require the unanimous consent of the parties that are sharing control.

A joint operation is a joint arrangement whereby the parties that have joint control over the agreement (that is, the joint operators) have rights derived from the assets and obligations derived from the liabilities, related to the arrangement.

A joint venture is a joint arrangement whereby the parties that have joint control over the arrangement (that is, the participants in a joint venture) have rights over the net assets related to the arrangement.

Joint ventures and those over which significant influence is exercised are accounted for under the equity method and initially recognized at cost; their carrying amount is increased or decreased to recognize the corresponding proportion in net income and other comprehensive income. Dividends received are recognized by decreasing the investment carrying amount.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

If the acquisition cost is lower than the fair value of the net assets of the acquired associate, the difference is recognized directly in profit or loss and is presented in the line "Other Income (Loss)". Investments in associates and joint ventures are presented in the Consolidated Statements of Financial Position in the line "Investments accounted for using the equity method." Only if the investor has incurred legal or constructive obligations, or has made payments on behalf of the associate or the joint venture, should they recognize a negative carrying amount, otherwise the investment alternatively would be recognized at zero until such time as it generates profits that reverse the negative equity.

The following entities are considered associates:

	Interest	
Company	**2020**	**2019**
	%	%
Centro de Compensación Automatizado S.A.	33.33	33.33
AFT S.A.	20.00	20.00
Nexus S.A.	14.81	14.81
Redbanc S.A.	12.71	12.71
Servicio de Infraestructura de Mercado OTC S.A.	13.61	13.61
Combanc S.A.	11.74	11.74
Transbank S.A.	8.72	8.72
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	7.03
Pagos y Servicios S.A.	49.9	-

The following entities are considered joint ventures:

	Interest	
Company	**2020**	**2019**
	%	%
Artikos Chile S.A.	50.00	50.00
Servipag Ltda.	50.00	50.00

Entities in the table above, in which the Bank holds less than 20%, are still considered associates given the Bank's ability to appoint a member to their Board of Directors, one consideration in determining significant influence over such associates.

e) Investments in other companies

In this category are presented those entities over which the Bank has neither control nor significant influence. It includes interests in local and foreign companies, which according to FMC regulations, are recorded at cost and subject to impairment tests when indicators have been identified.

As of December 31, 2020, and 2019, the Bank has investments in the following companies: SWIFT, BLADEX and others.

f) Basis of consolidation

The consolidated financial statements comprise financial information of the Bank and its subsidiaries as of December 31, 2020 and 2019, and for the years then ended.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The subsidiaries' financial statements (including the structured entity controlled by the Bank), were aligned with the financial statements of the Bank according to the rules set in the Compendium of Accounting Standards and Instructions issued by the FMC.

The intercompany balances and any income or expense arising from intercompany transactions between Group entities are eliminated in full in the consolidation process. The unrealized income or expense arising from transactions with associates are eliminated to the extent of the Group's interest in these companies.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign consolidated entities whose functional currencies are other than the Chilean Peso are translated into the presentation currency as follows:

a. Assets and liabilities for each statement of financial position presented (i.e. including comparatives) shall be translated at the closing rate at the date of that statement of financial position.
b. Income and expenses for each statement presenting profit or loss shall be translated at the average rate for the year.
c. Share capital and other components of equity are translated at the historical exchange rate at the date of acquisition or approval.

d. The exchange differences that arise in the translation of the financial statements are recorded in the caption "Cumulative translation adjustment" within the consolidated statement of other comprehensive income for the period.

g) Non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly, by the Bank. Non-controlling interests are presented separately in the consolidated statements of income, the consolidated statements of other comprehensive income and consolidated statements of financial position.

h) Functional currency

The Bank has determined its functional currency and presentation currency as the Chilean Peso (Ch$). Likewise, all the entities of the Group have determined the Chilean Peso as the functional currency, except for BCI Financial Group, Inc. and subsidiaries and BCI Securities, Inc. which have determined the US dollar as their functional currency.

All the information presented in Chilean Pesos has been rounded to the closest millions of Chilean Pesos.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

i) Transactions in foreign currency

Transactions denominated in currencies different from the Chilean peso are considered as denominated in "foreign currency." Transactions carried out by each entity in currencies other than its functional currency are recognized using the exchange rates prevailing at the date of the transaction. During the year, the differences that arise between the prevailing exchange rate at the date of the transaction and those that arise from such date to the date of collection or payment are recognized in the consolidated statements of income.

The differences that arise from translation of transactions denominated in foreign currency into functional currency are recognized as "Foreign exchange gains, net" in the consolidated statements of income.

As of December 30, 2020, the Bank's assets and liabilities in foreign currency are shown at their equivalent value in Chilean pesos, calculated using the exchange rate of Ch$711.78 (Ch$751.88 per US$ 1 in 2019).

j) Operating segments

Operating segments are determined by the Bank based on its different business units:

(i) That engage in business activities from which the Bank may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Bank);

(ii) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make Decisions about resources to be allocated to the segment and assess it performance and;

(iii) For which discrete financial information is available.

These operating segments deliver products and services subject to different risks and returns and therefore the chief operating decision makers of the Bank separately evaluate their individual performance.

k) Measurement of financial assets and liabilities

Measurement criteria of financial assets and liabilities used in the consolidated statements of financial position are the following:

i. Assets and liabilities measured at amortized cost:

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In the case of financial assets, the amortized cost also includes adjustments to their value due to the impairment they have experienced.

In the case of financial instruments, the portion systematically charged (credited) to the profit and loss accounts is accounted for under the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

ii. Assets and liabilities measured at fair value:

For financial instruments traded in active markets, the determination of fair values is based on their listed or recent transaction prices. This includes instruments traded in domestic or international stock markets, brokers quotation or "Over-the-counter transactions" (OTC).

A financial instrument is considered quoted on an active market, if prices are regularly and freely available on a stock exchange or index by a broker or dealer, through supplier prices or regulatory agencies and those prices represent current and regular market transactions. If the market does not meet that condition, it is considered inactive. The lack of recent transactions or a too widespread between bid-offer prices, are indications that the market is inactive.

For all other financial instruments, fair value is determined using valuation techniques. The valuation techniques used should maximize the use of relevant observable inputs with respect to similar financing instruments. The fair value is estimated using models to estimate the present value of the expected cash flows or other valuation techniques, using inputs observable at the date of the consolidated financial statements.

As of the dates of the consolidated financial statements, the Bank has instruments whose fair value had been determined based on significant unobservable data. For this type of instruments, the Bank has models developed internally. When the data used in the models is unobservable, the Bank must develop assumptions in order to estimate the fair values. These valuations are known as Level 3 valuations: Instruments classified according to their valuation level are detailed in Note 35 to the consolidated financial statements.

The results of the models are always an estimate or approximation of the value and cannot be determined with certainty. Therefore, the valuation techniques used may not reflect all the factors relevant to the Bank's positions. Valuations are adjusted, when applicable, in order to reflect additional factors, such as liquidity or credit risks of the counterparty based on the model and the credit risk policies of the Bank. Management estimates that these adjustments to the valuations are necessary and appropriate in order to reasonably present the fair values of the financial instruments in the consolidated financial statements. The information, prices and parameters used in the valuations are carefully and regularly checked and adjusted if necessary.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

iii. Assets and liabilities measured at historic cost:

Historic cost measurement is the recognition of the asset at the consideration paid for the purchase of the asset, less impairment losses if applicable.

The consolidated financial statements have been prepared based on a historic cost, except for (among others):

- Derivative financial assets/liabilities measured at their fair value.
- Repossessed assets measured at the lower of carrying amount or fair value less costs to sell.
- Trading portfolio financial assets measured at their fair value.

iv. Derecognition of financial assets and liabilities:

The accounting treatment of transfers of financial assets depends on the extent and the way the risks and rewards associated with the financial assets are transferred to third parties:

1. If the Bank transfers substantially all the risks and rewards of ownership to third parties, as in the case of unconditional sales of financial assets, sales under repurchase agreements at fair value at the date of repurchase, sales of financial assets with a purchased call option or written put option deeply out of the money, utilization of assets in which the transferor does not retain subordinated debt nor grants any credit enhancement to the new holders, and other similar cases, the transferred financial asset is derecognized from the consolidated statement of financial position and any rights or obligations retained or created in the transfer are simultaneously recorded.

2. If substantially all the risks and rewards of the transferred financial asset are retained, such as the financial assets sale with a resale agreement at a fixed price or at sale price plus interest, the contracts for securities in which the borrower has the obligation to return the same or similar assets, among other similar cases, the transferred financial asset is not derecognized from the consolidated statements of financial position and continuously measured under the same criteria which were applied before the transfer, Consequently, it recognizes:

   a) A financial liability for an amount equivalent to the consideration received that is subsequently measured at amortized cost.

   b) Any income on the transferred (but not derecognized) financial asset and any expenses incurred with respect to the recorded financial liability.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

3. If the Bank neither transfers nor retains substantially all the risks and rewards of the financial asset transferred, such as the sale of financial assets with the option to buy or sell issued with a high or low probability of exercising it, the use of assets where the grantor does not retain subordinated financing or give up a credit improvement for a portion of the transferred asset among other similar cases, it makes determinations as follows:

   a) If the Bank does not maintain control of the transferred financial asset: then it derecognizes the asset in the consolidated statements of financial position and recognizes any financial right or liability resulting from the transfer.

   b) If the Bank maintains control of the transferred financial asset, then it continues recognizing the asset in the in the consolidated statements of financial position at an amount equal to its exposure to the changes in value that it may experience and recognizes a financial liability associated with the transferred financial asset. Accordingly, financial assets are derecognized from the consolidated statements of financial position when, and only when, the contractual rights to the cash flows from the financial asset expire; or when the Bank transfers the financial assets and substantially all the risks and rewards of ownership of the assets to third parties.

In accordance with the foregoing, financial assets are only derecognized from the Consolidated Statements of Financial Position when the rights to the generated cash flows have been extinguished or when the risks and benefits carried have been substantially transferred to third parties.

Similarly, financial liabilities are derecognized from the consolidated statements of financial position when, as applicable, the obligations these generate are extinguished.

l) Investment instruments

Investment instruments are classified into two categories: held to maturity and available for sale. The category of financial assets held to maturity includes only those instruments which the Bank has the capacity and intention of holding until their maturity. The rest of the investment instruments are considered as available for sale.

Investment instruments are initially recognized at their fair value, including transaction costs directly attributable to acquisition. The available for sale instruments are then marked to market at their fair value according to market prices or valuations obtained from models. The unrealized gains or losses originated by the change in their fair value are recognized in other comprehensive income. When these investments are sold, the available for sale investment instrument's reserve accumulated in other comprehensive income associated with these instruments is reclassified to the consolidated statements of income and recognized under "Trading and investment income, net" heading as well as any realized gain/loss on disposal. In the case of a significant or prolonged decline in the fair value of any of these debt instruments or other objective evidence of impairment, an impairment is recognized by a reclassification of the cumulative loss recognized in other comprehensive income to the line item "Impairment" in the statements of income.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The investments in held to maturity financial assets are subsequently measured at their amortized costplus interest and indexation for inflation, less impairment recorded when their carrying amount exceeds the estimated recovery value.

The interest and indexation for inflation of held to maturity and available for sale investments are included in the "Interest income" line in the consolidated statements of income for the year.

The purchases and sales of investment instruments that must be submitted within the period established by the market's regulations or conventions are recognized at their trade date, on which the purchase or sale of the asset is agreed. All other purchases and sales are recognized at their settlement date.

m) Trading investments

The trading investments correspond to securities acquired with the intention to generate profits from the price fluctuation in the short-term or through gross earnings' margins, or that are included in a portfolio in which there is a short-term profit taking strategy.

Trading investments are measured at their fair value in accordance with the market prices at the reporting date of the consolidated statements of financial position. The transaction costs are recognized directly in the consolidated statements of income. The mark to market adjustments, as well as the realized income/loss from trading activities, are included under the "Trading and investment income, net" heading in the consolidated statements of income.

The interest and indexation for inflation income are recognized in "Trading and investment income (loss), net" line in the consolidated statements of income.

All the purchases and sales of trading investments that must be delivered within the period established by the market's regulations or conventions are recognized at the trade date, on which the purchase or sale of the asset is agreed. Any other purchase or sale is recognized on its settlement date.

n) Transactions with resell, repurchase agreements and securities lending

Reverse repurchase agreement is an agreement to receive a financial asset from another party in exchange for cash or other consideration and a concurrent obligation to resell the financial assets at a future date for an amount equal to the cash or other consideration exchanged plus interest. These agreements are accounted for as operating transactions. Assets purchased under reverse repurchase agreements are recognized in the consolidated financial statements as "Investments under agreements to resell" and are measured at amortized cost.

The operation of repurchase agreement are also carried out as a form of financing. Financial assets sold under repurchase agreements are retained in the consolidated financial statements in "Trading portfolio financial assets" or "Financial investments available for sale" categories, and consideration received under these agreements is recognized as a collateralized liability within "Liabilities under agreements to repurchase" line, and measured at amortized cost.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

o) Financial derivative instruments

The financial derivative instruments, which include foreign currency and Unidades de Fomento (UF) forwards, interest rate futures, currency and interest rate swaps, currency and interest rate options and other financial derivative instruments are initially recognized in the consolidated statements of financial position at their fair value (including transaction costs), except for those classified in hierarchy level 3 (when applicable), and subsequently measured at their fair value. The fair value is obtained from corresponding market pricings, discounted cash flow models and pricing valuation models. The derivative instruments are recognized as an asset when their fair value is positive and as a liability when they are negative in “Derivative financial assets” or “Derivative financial liabilities” lines, respectively, of theconsolidated statements of financial position.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and rewards are not closely related with those of the host contract and when such host contracts are not measured at fair value through profit or loss. Upon the contracting of a derivative agreement, the Bank must designate it either as er as a derivative instrument for trading or for hedge accounting purposes or speculative.

The changes in the fair value of those instruments defined as speculative are included in “Trading and investment income, net” line of the consolidated statements of income.

If the derivative instrument is classified for hedge accounting purposes, the hedge can be: (1) a fair value hedge of existing assets or liabilities or firm commitments or (2) a cash flow hedge of existing assets or liabilities or forecast transactions, A hedging relationship qualifies for hedge accounting if, and only if, all of the following conditions are met: (a) at the inception of the hedge there is formal designation and documentation of the hedging relationship; (b) the hedge is expected to be highly effective; (c) the effectiveness of the hedge can be reliably measured and; (d) the hedge is assessed on an ongoing basis and determined to have actually been highly effective throughout the financial reporting periods for which the hedge was designated.

Certain transactions with derivatives that do not qualify for being classified as hedging derivatives are treated and recognized as trading derivatives, even when they provide effective economic hedges of the risk positions.

When a derivative designated as a fair value hedge hedges the exposure to changes in the fair value of an existing item of the asset or liability, such hedged item is measured at fair value from the designation of the fair value hedge until its expiration, termination, etc. The mark to market adjustments for both the hedged item and the hedging instrument are recognized in the consolidated statements of income.

If the item hedged in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment regarding the covered risk are recognized as assets or liabilities with effects on the income for the year. When a new asset or liability is acquired as a result of the firm commitment, the initial recognition of the acquired asset or liability is adjusted to incorporate the accumulated effect of the fair value valuation of the firm commitment recognized in the consolidated statements of financial position.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

When a derivative hedges exposure to changes in the cash flows of existing assets or liabilities (cash flow hedge), or forecast transactions, the effective portion of changes in fair value related to the hedged risk is recognized in other comprehensive income and accumulated in equity. Any ineffective portion is recognized directly in the consolidated statements of income for the year.

The amounts recorded directly in equity are reclassified to p & l in the same periods in which hedged cash flows affect results.

In case of fair value hedge of interest rate risk of a portfolio with the hedged item representing currency value instead of individual assets or liabilities, gains or losses from the fair value measurement for both the hedged item and the hedging instrument, are recognized in the consolidated statements of income. The fair value adjustment of the hedged instrument is presented in the consolidated statements of financial position the "Other assets" or "Other liabilities" lines, depending on the hedged item position as of reporting date.

The adjustment for counterparty credit risk in derivatives (Credit Valuation Adjustment "CVA") represents the expected losses from counterparty risk. The CVA of a derivative is defined as the difference between the value of free derivative counterparty risk (equivalent to the original derivative but without the risk of default of either party) or the value of the derivative considering the possibility of counterparty default. In this way, a customer CVA can be obtained from the expected exposure (EE) to counterparty risk and the expected loss rate ("PE" for its acronym in Spanish) associated with the potential default of the counterparty.

The valuation adjustment for the existence of the spread bid/ask on financial instruments (which applies to all financial instruments recognized at market value, both in normal market conditions and financial stress conditions), is based on best practices, the recommendations of the Basel Committee and the requirements of the FMC and the Central Bank of Chile.

In order to make the bid/ask adjustment to financial instruments of Banco de Credito e Inversiones portfolios, the following methodology was established:

i. Define market makers or BCI customer condition:

   On an annual basis the Bank condition will be defined as to whether the Bank is market makers (the Bank must be within the 4 main market operators) or customers in each of the financial products it operates. This will be done with the information provided by the two main brokers in the national market: TRADITION e ICAP.

ii. Marketmakers condition

   For products (markets) where the Bank is considered to be a liquidity provider, they will be valued at midprice and there will be no bid-offer adjustment to their valuation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

iii. Customer status
For products (markets) where BCI is considered the debtor, the instrument shall be valued at mid-price and adjusted for bid/ask, or, in case of high liquidity, valued at bid price.

p) Hedge of a net investment in a foreign operation

According to current applicable standards, the requirements to recognize hedge accounting are the following:

IAS 21 requires that an entity should determine the functional currency of each of its foreign operations as the currency of the primary economic environment in which it operates. When a hedge of a net investment in a foreign operation qualifies for hedge accounting, the statement of financial position and results of a foreign operation are translated from a currency different from the reporting currency of the parent, the entity will recognize the exchange differences through other comprehensive income in equity as well as the effects of hedging such net investment, under cumulative translation adjustment reserve, until the sale or disposal by other means of the foreign operation. The accumulated difference is to be transferred to the consolidated statements of income at the date on which such sale or disposal occurs.

The hedge of a net investment in a foreign operation seeks to mitigate the foreign exchange rate risk associated with the valuation of the foreign operation.

IAS 39 establishes the following conditions in order to apply hedge accounting:

a) At the inception of the hedge there is formal designation and documentation of the hedging relationship
b) The hedge is expected to be highly effective.
c) The effectiveness of the hedge can be reliably measured.
d) The accumulated difference is to be transferred to the consolidated statements of income at the date on which such sale or disposal occurs.

q) Loans and receivables from customers

Loans receivable are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and which the Bank does not intend to sell immediately or in the short-term.

Loans receivable are initially recognized at their fair value plus direct transaction costs and subsequently measured at their amortized cost using the effective interest method.

i. Financial lease contracts

Accounts receivable from lease contracts, included under "Loans and receivables to customers" heading, correspond to the sum of periodic instalments of lease contracts that comply with the requirements to be qualified as financial leases and are measured at present value.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ii. Factoring Operations:

The Bank and its subsidiary BCI Factoring S.A. perform operations with their clients, in which they receive invoices and other credit representative trading instruments with or without recourse to the transferor, anticipating a percentage of the total amount receivable of the borrower upon collection.

r) Allowances for loan losses and others

The allowances required to cover the expected losses of certain financial assets have been recognized in accordance with the regulations and instructions of the FMC.

The assets are presented net of such allowances, or at a new cost basis in the case of investments. The allowance for credit commitments is presented as a liability under "Provisions" in the statement of financial position.

The Bank and subsidiaries use models and methodologies based on individual and collective analysis of the borrowers, approved by the Board of Directors, to recognize the allowance for loan losses as indicated in the Accounting Standards Compendium issued by the FMC.

i. Individual assessment:

Individual assessment of borrowers is performed when the customer, due to its size, complexity or exposure, is required to be identified and analyzed on an individual basis.

Naturally, the analysis of the borrowers should be focused on their capacity and ability to comply with their credit obligations, evaluated based on sufficient and reliable information. Analysis should consider collateral, terms, interest rates, currency, indexation for inflation related to the loan, etc.

The need for an allowance is assessed based on the classification of the borrowers and their related loans and credit commitments in their corresponding risk category, after being assigned to one of the following portfolio categories: normal, substandard and non-compliant.

- Normal and substandard portfolios:

The normal portfolio includes those borrowers, whose payment capacity allows them to comply with their obligations and commitments, and, according to the evaluation of their economic and financial situation, is not expected to change. The classifications assigned to this portfolio are categories A1 to A6.

The substandard portfolio includes the borrowers which have financial difficulties, or whose payment capacity worsened significantly, presenting reasonable doubt regarding the probability of reimbursement of total principal and interest under the contractually agreed terms, indicating that they are less likely to comply with their financial obligations in the short term.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In addition, borrowers that recently held loans in default for over 30 days also form the part of the substandard portfolio. The classifications assigned to this portfolio are categories B1 to B4.

As a result of an individual analysis of these borrowers, the banks must classify them under the following categories, assigning to them, subsequently, the probability percentages of probability of default and loss given default, resulting in the consequent percentage of expected loss:

Type of portfolio	Borrower Category	Probability of Default (PD) (%)	Loss given default (PDI)(%)	Expected Loss (%)
Normal portfolio	A1	0.04	90.0	0.03600
	A2	0.10	82.5	0.08250
	A3	0.25	87.5	0.21875
	A4	2.00	87.5	1.75000
	A5	4.75	90.0	4.27500
	A6	10.00	90.0	9.00000
Substandard portfolio	B1	15.00	92.5	13.87500
	B2	22.00	92.5	20.35000
	B3	33.00	97.5	32.17500
	B4	45.00	97.5	43.87500

Collective assessment of normal and substandard portfolios:

In order to determine the amount of allowance to be established for the normal and substandard portfolios, the first step is that the exposure must be estimated, to which the respective loss percentages (expressed in decimals) will be applied. This expected loss percentage is comprised of the probability of default (PD) and loss given default (LGD) established for the category in which the borrower and/or guarantor is classified, as applicable.

The exposure subject to allowances corresponds to the loans and receivables plus loan commitments (recorded as a provision), less the amount to be recovered by collateral execution. Likewise, loans and receivables are understood as the carrying value of loans and receivables to the respective borrower, while loan commitments are understood as the amount resulting from applying the clause indicated in No, 3 of Chapter B-3 of the Accounting Standards Compendium.

- Non-compliant portfolio:

Non-compliant portfolio includes the loans to borrowers for which recovery is considered remote, given that they have suffered a loss event resulting in impairment. This portfolio includes borrowers with evident signs of possible bankruptcy, as well as those in which a forced debt renegotiation is required, and also includes any borrower with loans in default for equal to or greater than 90 days in the payment of interest or principal of any loan. This portfolio includes borrowers classified under categories C1 to C6 in the classification scale established below and classification is assigned for all a debtor's portfolio at the classification at the riskiest level, including 100% of the loan commitments that those borrowers maintain.

For the effects of allocating allowances on the non-compliant portfolio, loss rate percentages are used, which must be applied to the exposure, corresponding to the sum of loans

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

and receivables and loan commitments held. In order to apply this percentage, an expected loss rate must be estimated first, deducting from the exposure the amounts expected to be recovered by execution of collateral and, in the case of having solid data that justifies them, deducting also the net present value of expected recoveries that can be obtained by execution of collection actions, net of expenses associated with them.

That loss rate must be classified into one of the six categories defined according to the range of losses effectively expected by the Bank for all the operations of an individual borrower.

These categories and the loss rates which must be applied on the exposures are indicated in the following table:

Type of portfolio	Risk Scale	Expected Loss Range	Allowance (%)
More than 90 days overdue	C1	Up to 3 %	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30 % up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

ii. Collective assessment:

Collective evaluation is focused on the following portfolios: Commercial Loans, Consumer Loans and Mortgage Loans.

For the determination of the collective allowance, loan portfolios with homogeneous features, such as the type of borrower and loan terms, are analyzed. Thus, allowances are based on expected losses based on a certain probability of default (PD) and a loss given default (LGD); both parameters are based on historical information and technically substantiated estimates.

Allowances are established by multiplying the exposure of the respective portfolio by the estimated percentages of PD and LGD.

a. Group Portfolio Trade Credits:

In accordance with General Rulings No.3,638 and No.3,647, as of July 1, 2019, the Bank has begun to apply the standard model of provisions for commercial credits of the group portfolio, as applicable to commercial lease operations, student loans or other types of commercial loans. Prior to the implementation of the standard model, the Bank used its internal models for the determination of group portfolio commercial provisions.

i. Commercial Lease Operations

For these operations, the provision factor must be applied to the present value of commercial leasing operations (including the purchase option) and will depend on the delinquency of each operation, the type of leased asset and the ratio, at closing of each month, between the present value of each operation versus the value of the leased asset (PVB), as indicated in the following tables:

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Probability of Default (PD) applicable according to delinquency and type of good (%)		
Days of default of the operation at the end of the month	**Type of good**	
	Real estate	**Non-real estate**
0	0.79	1.61
1- 29	7.94	12.02
30-59	28.76	40.88
60-89	58.76	69.38
Default portfolio	100	100

Loss Given Default (LGD) applicable according to PVB tranche and type of good %		
PVB = Current value of the operation / Value of the leased asset		
PVB Tranche	**Real estate**	**Non-real estate**
PVB ≤ 40%	0.05	18.2
40% < PVB ≤ 50%	0.05	57
50% < PVB ≤ 80%	5.1	68.4
80% < PVB ≤ 90%	23.2	75.1
<PVB > 90%	36.2	78.9

PVB= Present value of the operation/Value of the leased asset

Allowance determination is based on statistical models of expected loss, which estimates the probability of default for each customer (PD) and loss give default (LGD) for each operation. Both parameters are defined in terms of customer behavior and characteristics of each loan, including delinquencies (internal and/or external), loan/collateral ratio (loan-to-value), non-compliant portfolio, customer seniority and type of product, among others.

ii. Student Loans

For these operations, the provisioning factor should be applied to the student loan placement and contingent credit exposure, when applicable. The calculation of this factor depends on the type of student loan and the repayment of principal or interest at each month-end. When payment is due, the factor will also depend on its delinquency.

For loan classification purposes, a distinction is made between those granted for the financing of higher education in accordance with Law No. 20,027 (CAE, Spanish acronym for State-secured loan) and, on the other hand, loans secured by CORFO or other student loans.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Probability of Default (PD) applicable according to enforceability of payment, delinquency and type of loan			
Exigency of the payment of principal or interest at the end of the month	**Days of default of the operation at the end of the month**	**Type of student loan**	
		CAE	**CORFO or other**
Yes	**0**	5.2	2.9
	ene-29	37.2	15
	30-59	59	43.4
	60-89	72.8	71.9
	Default portfolio	100	100
No	**n/a**	41.6	16.5

Loss given Default (LGD) applicable according to enforceability of payment and type of loan		
Exigency of the payment of principal or interest at the end of the month	**Type of student loan**	
	CAE	**CORFO or other**
Yes	70.9	
No	50.3	45.8

iii. Generic Commercial Loans and Factoring

For factoring operations and other commercial loans, the provisioning factor applicable to the amount of the placement and the contingent credit exposure will depend on the delinquency of each operation and the relationship that exists at each month-end between the debtor's obligations to the bank and the value of the actual guarantees that protect them (PTVG), as shown in the following tables:

Probability of default (PD) applicable according to delinquency and PTVG(%) tranche			
Days of default of the operation at the end of the month	**With guarantee**		**Without guarantee**
	PTVG ≤ 100%	**PTVG > 100%**	
0	1.86	2.68	4.91
1-29	11.6	13.45	22.93
30-59	25.33	26.92	45.3
60-89	41.31	41.31	61.63
Default portfolio	100	100	100
Loss given Default (LgD) applicable according to PTVG (%) tranche			
Guarantees (with/without)	**PTVG**	**Factoring without the responsibility of the assigner**	**Factoring with the responsibility of the assigner**
With guarantee	**PTVG ≤ 60%**	5	3.2
	60% < PTVG ≤ 75%	20.3	12.8
	75% PTVG ≤ 90%	32.2	20.3
	90% < PTVG	43	27.1
Without guarantees		56.9	35.9

The guarantees used for the purposes of calculating the PTVG ratio of this method may be specific or general, including those that are simultaneously specific and general.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

A guarantee can only be considered if, according to the respective coverage clauses, it was furnished in the first degree of preference on behalf of the bank and only guarantees the credits of the debtor in respect of which it is recorded (not shared with other debtors). In the calculation, the invoices assigned in factoring operations will not be considered, nor will the guarantees associated with the housing loans of the mortgage portfolio, regardless of their coverage clause.

The following considerations must be considered when calculating PTVG ratio:

I. Operations with specific guarantees: when the debtor provided specific guarantees for generic commercial loans and factoring, the PTVG ratio is calculated separately for each transaction guaranteed, such as the difference between the amount of the loan and the contingent credit exposure and the value of the collateral covering it.

II. Operations with general guarantees: when the debtor granted general guarantees or general and specific guarantees, the Bank calculates the respective PTVG, jointly for all generic commercial loans and factoring and loans not included in i) above, as the difference between the sum of the amounts of the loans and exposures of contingent credits and the general guarantees, or general and specific guarantees that, according to the scope of the remaining coverage clauses, safeguard the credits considered in the numerator of the aforementioned ratio.

The amounts of the guarantees used in the PTVG ratio in (i) and (ii) must be calculated in accordance with:

- The last valuation of the collateral, whether appraised or fair value, depending on the type of collateral in question. For the calculation of fair value, the criteria stated in Chapter 7-12 of the Revised Updated Compendium of Regulations should be considered.
- Possible situations that could be resulting in temporary increases in the values of the guarantees.
- Limitations on the amount of coverage set forth in their respective clauses.

iv. Provisions for deductible of FOGAPE Covid-19 guarantee

To determine the specific provisions for the loans secured by the FOGAPE Covid-19 guarantee, the expected losses must be determined by estimating the risk of each operation, without considering the substitution of the credit rating of the guarantor, according to the corresponding individual or group analysis method, in accordance with the provisions of Chapter B-1 of the Compendium of Accounting Standards.

The amounts associated with such operations that have been written off in accordance with the provisions established in Chapter B-2 of the Compendium of Accounting Standards, must be added to the previously mentioned expected losses.

Therefore, the total amount of expected losses resulting from the aggregated calculation of each group of operations, including the written-off amounts in that group as indicated in the preceding paragraph, must be compared with the respective total amount of deductible that is applicable to them, and then one should proceed as indicated below:

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- Expected losses less than the deductible

When the expected losses from the operations of a group to which the same deductible percentage should be applied, determined according to the procedure indicated above, are less than or equal to the aggregate amount of the deductible, the provisions are determined without considering the coverage of FOGAPE Covid-19, that is, without replacing the credit rating of the direct debtor with that of the guarantor.

- Expected losses greater than the deductible

When the expected losses from the operations of a group to which the same deductible percentage should be applied, determined according to the procedure indicated above, are greater than the aggregate amount of the deductible, the provisions are determined using the substitution method set forth in paragraph 4.1 a) of Chapter B-1 of the Compendium of Accounting Standards.

For these purposes, the proportion to be replaced will be that defined by the limits established in article 13 of the Administration Regulations of the FOGAPE, applicable to the COVID-19 Guarantee Lines.

Additionally, one must determine the provisions associated with the deductible resulting from multiplying the guaranteed amount of the corresponding group by the percentage of the applicable deductible.

b. Consumer Loans:

This portfolio includes receivables from loans granted to natural persons, as well as loans resulting from the use of overdraft credit lines, emergency credit lines, credit cards, and consumer loans granted to this type of customer.

Allowance determination is based on statistical models of expected loss, which estimates the probability of default (PD) and loss given default (LGD) for each customer. Both parameters are defined in terms of customer behavior, highlighting delinquencies (internal and/or external), indebtedness level, non-compliant portfolio, renegotiations, customer seniority, overdrafts not agreed and protests, among others.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

c. Mortgage Loans:

This portfolio includes loans, which have the following characteristics: the objective is the financing of the acquisition, extension, repair or construction of housing; the borrower is a physical person who is buying or owns the housing, and the value of the mortgage collateral covers the total amount of loan.

Beginning January 1, 2016, the Bank adopted the "Standard Method for Provisioning the Residential Mortgage Loan" established by FMC in its Circular No, 3,573. This circular establishes provisioning factors, representing expected losses over the amount of the loan, applied based on the level of delinquency of each loan, and the loan/collateral ratio (Loan-to-Value or LtV) at the end of each month, as shown in the following table:

Provisioning Factor according to delinquency status and LtV						
		Days in default as of the end of the month				
LtV (loan-to-value)	Concept	Current	1-29	30-59	60-89	More than 90 days overdue
LtV≤ 40%	PD (%)	1.0916	21.3407	46.0536	75.1614	100.0000
	PDI (%)	0.0225	0.0441	0.0482	0.0482	0.0537
	PE (%)	0.0002	0.0094	0.0222	0.0362	0.0537
40%<LtV≤ 80%	PD (%)	1.9158	27.4332	52.0824	78.9511	100.0000
	PDI (%)	2.1955	2.8233	2.9192	2.9192	3.0413
	PE (%)	0.0421	0.7745	1.5204	2.3047	3.0413
80%<LtV≤ 90%	PD (%)	2.5150	27.9300	52.5800	79.6952	100.0000
	PDI (%)	21.5527	21.6600	21.9200	22.1331	22.2310
	PE (%)	0.5421	6.0496	11.5255	17.6390	22.2310
LtV> 90%	PD (%)	2.7400	28.4300	53.0800	80.3677	100.0000
	PDI (%)	27.2000	29.0300	29.5900	30.1558	30.2436
	PE (%)	0.7453	8.2532	15.7064	24.2355	30.2436

Where:

PD = Probability of default
LGD = Loss given default
EL = Expected loss
LtV = Outstanding principal/Value of the collateral

In cases where the same client has more than one mortgage loan outstanding and one of them is past-due 90 days or more, all such loans will be classified as "Non-Compliant" and the allowance for each one of them will be calculated in accordance with their respective level of Loan-to-Value.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

iii. Write-off of loans:

Generally, when contractual rights expire over cash flows, assets must be written off. In the case of loans, even if this does not happen, respective asset balances are written off in accordance with the requirements established by Title II of Chapter B-2 of the Compendium of Accounting Standards and Instructions issued by the FMC.

The write-offs in question refer to the write-offs of the assets previously recognized in the consolidated statements of financial position corresponding to the respective transaction, including, therefore, the portion that may be not overdue if a loan is to be repaid in installments, or in case of a leasing operation.

Write-offs are always recognized against allowances for loan losses, according to Chapter B-1 of the Compendium of Accounting Standards, regardless of the reason. Subsequent repayments of the assets previously written off are recognized in the consolidated statements of income, as recoveries of loans written-off.

Write-offs of loans and receivables are be made in accordance with the following deadlines after any default:

Type of loan	Period
Consumer loans secured and unsecured	6 months
Other unsecured operations	24 months
Commercial loans secured	36 months
Mortgage loans	48 months
Consumer leasing	6 months
Other non-property leasing operations	12 months
Property leasing (commercial or residential)	36 months

iv. Recovery of written off loans:

The recoveries of loans that were written-off are recognized directly as income, as recoveries of previously written off loans.

s) Fee and commission income and expense

Fee and commission income and expense are recognized in the consolidated statements of income using different criteria according to their nature.

The revenue recognition criteria depend on the execution of the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

t) Impairment

I. Financial Assets:

A financial asset is assessed on each reporting date to determine if objective evidence of impairment exists. A financial asset is impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets recognized at amortized cost, impairment is calculated as the difference between the carrying value of the asset and the net present value of the estimated future cash flows, discounted using the effective interest rate.

An impairment of financial investments available for sale is calculated in relation to their fair value.

Financial assets that are individually significant are individually assessed for impairment. The remaining financial assets are assessed on the collective basis in groups of assets that share similar credit risk characteristics.

Impairment is recognized in the consolidated statements of income for the year. Any impairment of financial investments available for sale previously accumulated as negative revaluation reserve in equity is transferred to the consolidated statements of income for the year.

The previously recognized impairment is reversed only if in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized. The reversal of an impairment loss cannot exceed an asset's carrying amount that could have been obtained if an impairment loss had not been recognized for that asset in previous years. The reversal is recognized in the result of the fiscal year.

For loans and receivables to customers, the impaired loans are defined according to Chapter B-2 of the Accounting Standards Compendium of the FMC as "borrower loans on which there is evidence they will not meet any of their obligations under the agreed-upon payment conditions, without the possibility of recovering the loan by repossessing collateral, by means of judicial collection actions or by renegotiation."

Impairment policies indicate that impairment is measured monthly, and consider the following criteria:

i. Impaired Portfolio:

Impaired portfolio includes loans individually assessed by the Bank which have a credit risk classified as substandard in categories B3 and B4 and loans in the non-compliant portfolio.

The collectively assessed loans are classified as impaired loans when they present at least one of the following conditions:

- Loans in default more than or equal to 90 days.
- Renegotiated loans.
- 100% of the loans associated with the client, when any of its loans is classified as impaired, are reclassified to the impaired portfolio.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Operations related to residential mortgage loans or student loans for higher education under Law No, 20,027 are excluded from the requirements of this classification as long as non-compliance conditions as established in Circular No. 3,454 dated December 10, 2008 are not presented.

The behavior of the client in the financial system is not considered determinative as to whether the loan should be included in the impaired portfolio.

Exit Conditions

- Individual assessment: improvement in risk rating, movement to B3 and above category of the individual classification.
- Collective assessment:

a) Non-renegotiated loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

  - Receipt of at least six consecutive installments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
  - All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
  - In any case, there must not be any installments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the FMC at the date of inquiry).

b) Renegotiated loans: loans of the impaired portfolio may be reclassified back to the normal portfolio only upon compliance with the following conditions:

  - Receipt of at least six consecutive installments of principal and interest, paid on time in accordance with the schedule of payments or with a maximum delay of 30 days.
  - All obligations up to date and no other loan operations of the borrower in the impaired portfolio.
  - No other renegotiations of the borrower's loans within the last six months.
  - In any case, there must not be any installments in default with other banks in the Chilean financial system in the last 90 days (last three periods informed to the FMC at the date of inquiry).

c) Collectively renegotiated portfolio written-off: written-off loans that had been renegotiated may be reclassified back to the normal portfolio only upon compliance with the following conditions:

  - Payment of 30% of the originally renegotiated balance or payment of the first nine payments agreed for the renegotiated loan.
  - Principal and interests' payments up to date.
  - No other loans of the borrower in the impaired portfolio.
  - No instalments in default in the Chilean financial system in the last 90 days.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

II. Non-financial assets:

Non-financial assets of the Bank, except for goodwill, intangible assets with an indefinite useful life and assets not yet available for use and excluding investment property and deferred taxes are evaluated at least annually or more frequently, should circumstances warrant, in order to determine if indicators of impairment exist. If such indicators exist, then the recoverable amount of the asset is calculated. Additionally, goodwill and intangible assets with indefinite useful lives or not yet available for use are tested for impairment on each reporting date.

According to IAS 36 "Impairment of Assets", the entity must evaluate at the end of each reporting year, if there is any impairment of its intangible assets with indefinite useful lives, as well as of the goodwill generated in a business combination. On the other hand, the Financial Market Commission (CMF in Spanish) requires that "the valuations of goodwill and other intangible non-amortizable assets must be supported by two reports issued by independent professionals of the bank and its external auditors. These reports support the initial value of intangible assets and valuations as of December 31 of each year.

An impairment loss related to goodwill is not reversed. Impairment losses of other non-financial assets recognized in previous periods are evaluated to determine if events or circumstances indicate the need for reversal of the impairment loss. A loss from impairment is reversed if a change in the estimate has occurred. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

The Bank carries out quarterly monitoring of intangible assets and goodwill generated in the business combination of its subsidiaries BCI Servicios Financieros in Chile and City National Bank in the United States. On December 31, 2020, the Bank assessed if any asset impairment had occurred, concluding that there are no impairments to be recorded in the indefinite useful life intangibles and goodwill of said investments. Regarding the assessment of amortizable intangible assets acquired on the merging of BCI Servicios Financieros' businesses, an impairment loss of MCh$4,994 was determined, corresponding to the following intangibles: MCh$2,636 for Client Relations, and MCh$2,358 for Rights acquired under cross-sales agreement. These recorded impairments represent 9% and 59% over book value, respectively. For further information, see Note 32.

u) Interest and indexation for inflation income and expenses:

Income and expenses from interest and indexation for inflation are recognized in the consolidated statements of income based on the accrual principle using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument. The calculation includes all fees and points paid or received between parties to the contract that

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issuance of a financial asset or liability.

However, in the case of past-due loans which correspond to installments overdue for 90 days or more or the current loans with high credit risk, a prudent criteria is followed to suspend the accrual of interest and indexation for inflation. Such items are recognized only when they are received.

- Amounts to suspend:

The amount of suspended income on an accrual basis posted to memo accounts corresponds to the amount calculated between the date of suspension and the consolidated statements of financial position reporting date.

- Date of suspension:

Individually assessed loans:

Case a) Loans classified as C5 and C6: the accrual is suspended when the loan is classified as non-compliant.

Case b) Loans classified as C3 and C4: the accrual is suspended when the loan has been classified as non- compliant for more than three months.

Collectively assessed loans:

For the loans with collateral whose fair value of collateral is less than 80% of the loan balance, accrual of interest income is suspended when the loan or one of the installments has not been paid for six months.

The 80% percent of collateral refers to the value of the collateral and the estimated value of all obligations covered by the same collateral, including credit commitments.

v) Intangible assets

I) Software

The software acquired by the Bank is recognized at cost less the accumulated amortization and impairment, if any.

The expenses in software developed internally are recorded as assets when the Bank can prove its intention and ability to complete development, when internal use will generate future economic benefits, and when the cost of completing its development can be reliably measured. The capitalized costs of the software developed internally include all the direct costs attributable to the development of the software, and it is amortized over the course of its useful life. Software developed internally is recorded at cost less the accumulated amortization and losses from impairment.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The subsequent expenditures associated with any software are capitalized only when the Bank may derive future economic benefits from them. All other expenses are recognized in the consolidated statements of income for the year.

Amortization is recorded in the income statement using the straight-line method according to the estimated useful life of the software, starting on the date it is ready for use and it is usually six years.

ii) Intangibles acquired in a business combination

As a consequence of the purchase process of BCI Financial Group, INC. and Subsidiaries, agreed upon in October 2015, the acquisition of Total Bank by City National Bank of Florida was consummated (simultaneously merging with CNB) on June 15, 2018 and the acquisition of the credit card business from Walmart (Servicios Financieros) was consummated on 4 December 2018. Amortized intangible assets were recognized with an indefinite useful life were recognized, which originated in the process of distributing the price paid for the acquisition or Purchase Price Allocation (PPA). The Bank is constantly evaluating for impairment its intangible assets in accordance with the CMF regulations of the Compendium of Accounting Standards, Chapter A-2 number 7; two independent consultants opine upon the purchase price allocation.

For the acquisition of TotalBank the value of the assets acquired, and liabilities assumed was provisionally determined, and the Bank adjusted the provisionally determined values to their final values within the term established in IFRS 3, “Business Combinations” on December 31, 2018.

For the acquisition of BCI Servicios Financieros, the value of the assets acquired, and liabilities assumed was provisionally determined, and the Bank adjusted the provisionally determined values to their final values within the term established in IFRS 3, “Business Combinations” on December 4, 2019 as at December 31, 2019 without retrospective restatement due to the immaterial nature of the adjustments to the provisional amounts.

The amortizable intangibles will be subject to straight-line amortization, according to the estimated useful life.

iii) Goodwill

The goodwill generated in a business combination will be distributed from the date of acquisition, between each of the cash generating unit (CGU) or the acquired entity CGU group, when applicable, which are expected to benefit from the synergies of the business combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units or groups of units.

The goodwill is subject to tests to determine if there is an impairment of value, on an annual basis, or more frequently, when the circumstances indicate that the carrying amount may be impaired.

Impairment losses related to goodwill cannot be reversed in future periods.

Intangible assets, including goodwill, were subject to the impairment tests indicated by IAS 36.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As of December 31, 2020, and 2019, there were no significant changes between the book value and the recoverable value of cash generating units containing goodwill and intangibles with indefinite useful lives.

w) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognized in the consolidated statements of income as incurred.

In a business combination, an independent expert is used to decide of fair value of assets acquired and liabilities assumed including intangible assets identified. For the estimation of recovery of these intangibles identified in a business combination, cash flow projections are used based on yield estimates of acquired businesses.

At the acquisition date, the identifiable assets acquired, and liabilities assumed are recognized at their fair value, except for the following:

- The deferred tax assets or liabilities, and assets or liabilities related to agreements of employee benefits are recognized and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits”, respectively;
- Liabilities or equity instruments related to share-based arrangements of the acquiree or share-based company agreements entered into agreements to replace share-based payments of the acquired payment transactions, are measured in accordance with IFRS 2 “Share-based Payment” at acquisition date; and
- Assets (or group of assets for disposal) that are classified as held for sale .
- in accordance with IFRS 5 “Non- current Assets Held for Sale and Discontinued Operations” are measured in accordance with that Standard.

The goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non- controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in acquiree (if any) over the net amounts (at fair value) of the acquisition-date fair value amount of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date fair value amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in statements of income as a bargain purchase gain.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Non-controlling interests that represent ownership interest and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non- controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.
The choice of measurement basis is made on a transaction-by-transaction basis.

The measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which may not exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

x) Property, plant and equipment

The items of property, plant and equipment, excluding real estate, are measured at acquisition cost, net of accumulated depreciation and impairment.

The capitalized cost includes expenses attributed directly to the asset acquisition and any other costs directly attributable to the process of placing the asset in conditions to be used.

When some part of an item of the property, plant and equipment has a different useful life to that property, plant and equipment, it is recognized as a separate component (i.e., real estate remodeling).

Depreciation is recognized in the consolidated statements of income on the straight-line basis over the useful life of the item or each component of an item of the property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful life, unless it is certain that the Bank will retain the property at the end of the leasing period.

The estimated useful lives for the property, plant and equipment, as of December 31, 2020 and 2019, are the following:

	As of December 31,	As of December 31
	2020	**2019**
Buildings	50 years	50 years
Machinery and equipment	3 - 10 years	3 - 10 years
Facilities	7 - 10 years	7 - 10 years
Furniture and fixtures	7 years	7 years
Computing equipment	3 - 6 years	3 - 6 years
Real estate improvements	10 years	10 years
Other property, plant and equipment	3 - 6 years	3 - 6 years

y) Repossessed assets

Repossessed assets are classified under "Other assets" heading and recognized at the lesser of their adjudicated- in-court value and net realizable value, net of regulatory write-offs required by the FMC.

Repossessed assets are presented net of impairment. Assets not sold within 18 months the adjudication date must be written off.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

z) Staff benefits

i. Unused Vacations:

The annual cost of staff vacations and benefits are recognized on an accrual basis.

ii. Short-term benefits:

The entity provides for its employees an annual incentive plan for meeting certain objectives. The incentive is defined as a determined number or portion of monthly remuneration.

A corresponding provision is recognized based on the estimated amount to be distributed.

iii. Severance indemnities:

The Bank and its subsidiaries have no agreements with their employees with respect to severance payments, except for the subsidiaries BCI Servicios Financieros y Administración de Créditos Comerciales S.A. and BCI Administradora de Tarjetas Servicios Financieros Limitada, which have certain severance plans defined in a collective agreement with a portion of their employees; these plans provide severance payments regardless of the reason for terminating the employment, and the obligation is accounted for at actuarial value.

These companies recognize a provision (see note 21) to reflect the obligation to pay severance indemnities to employees who are entitled to receive these payments regardless of the reason for terminating the employment. This provision has been calculated using an actuarial methodology that considers estimates of staff turnover, discount rate, salary increase rate and mortality. The employee benefits liability is recognized at present value using the projected unit credit method, in accordance with the provisions of "IAS 19 — Employee Benefits". Actuarial gains or losses related to experience adjustments and changes in variables are recognized as Other comprehensive income and form part of the balance of Other Equity Reserves.

The cost of services for the current year is the increase in the present value of the defined benefit obligations, which occurs because of the services provided by employees in the current year.

The financial cost is the increase during a year in the present value of the defined benefit obligations because such benefits are a year closer to their due date.

There is a present obligation when, and only when, the Entity has no other more realistic alternative than to make the corresponding payments.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following are the assumptions used:

Detail	**Source**
Mortality	“RV-2014” Mortality tables established by the Commission for the Financial Market (CMF) were used.
Worker turnover	The historical turnover for executives, considering the collective bargaining agreement, voluntary resignation or termination of employment due to company needs, is 0% for key executives and 15% for non-key executives.
Discount rate	The discount rate used to discount the benefit payment flows for severance indemnities was an actual 0.58% a year. This rate corresponds to the 20-year BCU (Central Bank of Chile bond rate for bonds denominated in U.F.) as of December 27, 2020. (Source: Banco Central de Chile).
Salary Growth Rate	The salary growth used for the projections, both for base salary growth and for total salaries, is an actual 2.0% a year.
Retirement	The retirement ages used to make the payment projections are the minimum statutory ages for retirement in Chile (according to Decree Law 3500). These ages are widely used in the market, except when the reality of the company indicates otherwise. These ages are 65 years for men and 60 years for women.

As of December 31, 2020, and December 31, 2019, there are no experience adjustments or changes in variables. Therefore, no adjustments have been made against other reserves.

aa) Leases

On the start date of a lease the bank recognizes a right of use asset and a lease liability in accordance with the provisions of IFRS 16.

(i) Right of use assets

The Bank has lease contracts through which it has offices and branches, which are necessary to carry out its activities. Contract terms are negotiated individually and include a wide range of terms and conditions.

Leases are recognized, measured and disclosed in accordance with IFRS 16 "Leases.” This requires that a right of use asset be determined and its corresponding lease liability at the date that the asset is available for use. Each rent payment consists of principal and interest. Financial interest is charged to the interest expense over the term of the lease agreement; the right-of-use asset is depreciated on a straight-line basis over the term of the contract.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The term of the lease includes the non-cancelable period established in the lease agreements, and generally has an automatic renewal clause, which is not included in the calculation of the financial liability. Additionally, each party can terminate the contract before expiration, upon notice. For both concepts, only the current contractual year has been considered for the calculation.

The present value of the lease payments is determined using the discount rate that represents the incremental rate of the Bank at the start date of the contracts.

In the initial measurement, the Bank measures the right of use asset at cost. The rent of the lease agreements is agreed in UF and paid in Chilean pesos. In accordance with the provisions of Circular No. 3,649 by the Financial Market Commission, the monthly variation in UF that affects the contracts established in said monetary unit must

be treated as a new measurement; therefore, the adjustments must be recognized as a modification to the obligation and at the same time the amount of the asset must be adjusted for the right to use leased assets.

Contracts whose non-cancellable year is equal or less than 12 months are treated as short-term leases. Therefore, the associated payments are recorded as a straight-line expense. Any modification (as defined in the standard) in the terms or rental fee is treated according to IFRS 16.

The Bank has not entered into lease agreements with residual value guarantee clauses or variable lease payments.

The Bank applies IAS 36 “Impairment of assets” to determine if the right-of-use asset shows impairment and recognizes the identified impairment losses.

As of December 31, 2020, and 2019 the Bank has not identified impairment in the value of right-to-use assets.

(ii) Lease liability

The Bank measures the lease liability at the present value of the lease payments that have not been made as of that date. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be easily determined. If that rate cannot be easily determined, the Bank will use the incremental rate. The lease payments included in the measurement of the lease liability include payments for the right to use the underlying asset during the term of the lease not made at the measurement date, which include (a) fixed payments, less any collectible lease incentive; (b) variable lease payments, which depend on an index or a rate, initially measured using the index or rate on the start date; (c) amounts expected by the lessee to pay as residual value guarantees; (d) the exercise price of a purchase option if the lessee is reasonably sure to exercise that option; and (e) payments for penalties arising from the termination of the lease, if the term of the lease reflects that the lessee will exercise an option to terminate the lease.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

After the initial recognition date, the Bank measures the lease liability in order to recognize (a) the interest on the lease liability; (b) the lease payments made; and (c) the new lease measurements or modifications, and also to reflect the essentially fixed lease payments that have been modified.

The Bank makes new measurements of the lease liability, discounting the modified lease payments, if, among other things, (a) there is a change in the expected amounts payable related to a residual value guarantee. A lessee will determine the lease payments to reflect the change in the amounts expected to be paid under the residual value guarantee; (b) there is a change in future lease payments from a change in an index or rate used to determine those payments.

The Bank measures the lease liability again to reflect modified lease payments only when there is a change in cash flows. The Bank will determine the revised lease payments, for the remainder of the lease term, based on the revised contractual payments.

As of January 1, 2019, the Bank measured the lease liability at the present value of the lease payments discounted using the incremental interest rate.

ab) Cash flow statement

The indirect method was applied for presentation of the consolidated statements of cash flows. This method is has a starting point of profit before tax. . Revenues and expenses associated with cash flows from investing or financing activities are presented in such categories.

The following concepts are applied for the consolidated statements of cash flows:

- Cash flows: the inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in their maturity value equal or less to 90 days, such as: deposits with the Central Bank of Chile, with domestic and foreign banks.

- Operating activities: are the principal revenue-producing activities of the Bank and other activities that are not investing or financing activities.

- Investing activities are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

- Financing activities: are activities that result in changes in size and composition of net equity and borrowings and that do not form part of the operating and investing activities.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ac) Provisions and contingent assets and liabilities

Provisions are liabilities for which there is uncertainty regarding their amount or maturity. Provisions are recognized in the consolidated statements of financial position when they comply with all the following requirements:

- It is a present obligation as a result of a past event, and at the date of the consolidated financial statements, it is probable that an outflow of economic benefits will be required by the Bank or its subsidiaries to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A contingent asset is an asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Provisions (which are measured considering the best available information regarding the consequences of the related event and are reviewed at the end of each reporting period and adjusted to reflect the current best estimate) are used to cover specific obligations for which they were originally recognized which are reversed or utilized upon non-occurrence or occurrence of the event.

Provisions are recognized for the following categories:

- Provisions for staff benefits and remunerations.
- Provisions for minimum dividends.
- Provisions for contingent credit risk.
- Provisions for contingencies (include additional provisions).

i. Additional provisions:

The FMC has defined that the additional provisions are those not deriving from the application of valuation models to the portfolio in order to compensate deficiencies in them, and that their establishment must be justified by assumed risk as defined in unpredictable economic fluctuations.

The Bank has formal criteria and procedures for the use and constitution for the determination of additional provisions, which are approved by the Board of Directors.

As of December 31, 2020, MCh$160,176 in additional provisions have been recorded. The Board of Directors of Bank in Chile has approved the constitution of additional provisions during 2020 for MCh$104,000, MCh$59,300 related to the Consumer Portfolio, MCh$41,900 related to the Commercial Portfolio, and MCh$2,800 related to the Real Estate Portfolio, and MCh$47,263 for the City National Bank branch (see Note 11 c) and 21). These provisions were established to anticipate the potential impairment of the placement portfolio due to the crisis produced by the COVID-19 pandemic.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

In no case have the additional provisions been established to compensate issues in the provision models used by the Bank, but to anticipate any potential impairment of the placement portfolio due to the crisis produced by the COVID-19 pandemic.

These provisions are established as set forth on Number 10 of Chapter B-1 of Accounting Regulations Compendium of the Commission for the Financial Market, which will be reported in liabilities (see Note 21 of Provisions).

ii. Minimum provisions required for the normal individual portfolio:

The FMC has determined that the Bank must maintain a percentage of minimum provision of 0.50% on loans and credit commitments from the normal individual portfolio in accordance with Chapter 2,1,3 of the number B-1 Compendium of Accounting Standards.

ad) Use of estimates and judgments

In the application of the Bank's accounting policies, Bank management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Modifications to accounting estimates are recognized in the period in which the estimate is revised if the modification affects only that period, or in the period of the modification and future periods if the modification affects both current and future periods.

In particular, the information regarding the most significant areas of uncertainties and critical judgments in the application of accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in the following notes:

- Allowances for loan losses (Notes 10, 11 y 29).
- Impairment of certain assets (Note 32).
- Valuation of financial instruments (Notes 7, 9 and 12).
- Useful life of property, plant and equipment and intangible assets (Notes 14 and 15).
- Use of tax loss carry-forward (Note 16).
- Contingencies and commitments (Note 23).
- Impairment test and intangible (Note 14).
- Employee benefits (note 19).

af) Income tax and deferred tax

The corporate income tax expense is calculated in accordance with IAS 12 and the Chilean Income Tax Act, which has a statutory rate of 27% for the default tax system under article 14 section A, which is the rate applied to both BCI and its subsidiaries in Chile.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The effects of changes in the tax regulations or in tax rates are recognized in deferred taxes as of the date of the law enactment or substantial law enactment.

As of December 31, 2020, and 2019, the Bank recognized deferred tax assets for which Management has assessed that it is probable that taxable profits will be available against which tax loss carryforwards can be utilized.

Deferred tax assets and deferred tax liabilities are offset in the consolidated financial statement, if you have the legally enforceable right to offset assets for current taxes against current tax liabilities, and only if these deferred taxes are related to taxes on the corresponding profits of the same taxable entity levied by the same tax authority.

In accordance with the Law 20,780 published in the Official Gazette on September 29, 2014, as amended by Law 20,899 published in the Official Gazette on February 8, 2016, the Bank as of the 2018 business year must apply a permanent rate of 27% for First Category tax. In addition, and temporarily, the Bank applied a rate of 24% for tax profits received or accrued in the 2016 business year and 25,5% was applied for tax profits received or accrued in the 2017 business year. In 2017, the tax reform law was published in the United States, which reduced the federal tax rate from 35% to 21%, as a result of which the subsidiaries domiciled in that country recalculated their deferred tax assets.

ag) Dividends on common shares

Dividends on ordinary shares are recognized in equity in the year in which they were approved by the Shareholders' Meeting of the Bank.

The Bank recognizes a liability for the portion of the period profit that must be distributed among the shareholders in compliance with Corporate Law, establishing that a minimum of 30% of net income for the period, or more, must be distributed as dividend, or according to the dividends policy.

ah) Earnings per share

Basic earnings per share are determined by dividing the consolidated net income for the year attributable to the Bank by the weighted average number of shares during that year.

Diluted earnings per share is calculated similarly to basic earnings, but the weighted average number of shares outstanding is adjusted to consider the potential dilutive effect of stock options, warrants and convertible debt.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ai) Collection operations and Protected Assets No, 27 formed by the direct subsidiary BCI Securitizadora S.A.

i) Collection Operations:

BCI Securitizadora S.A. may acquire assets in order to form a separate fund ("Protected Assets Fund") that supports the issuance of securitized bonds. These assets must have similar characteristics in order to be securitized and a separate fund must be formed for each separate issuance.

These assets may represent future cash flows (a "business plan" or future cash flows to be obtained from a specific asset or group of assets or entity) or existing asset (a portfolio of receivables, mortgage loans, etc.).

The above distinction is relevant when it comes to accounting for the debt at the Bank; in the first case, future cash flows should be accounted for at the Protected Assets Fund and also at the originator, and in the case of existing assets they should be accounted for only at the Protected Assets Fund.

Collection operations form part of the securitization process. In fact, the Securities Market Law itself, foreseeing the practical difficulty of forming a Protected Assets Fund, contemplates the possibility of acquiring assets that represent Protected Assets Fund underlying even before the placement of the respective bonds.

Since there is a possibility that the respective Protected Assets Fund never will be created or the securitized bond not be issued for any reason (legal, market, etc.), these transactions contract a put option where BCI Securitizadora S.A. may put the asset back under certain circumstances (mainly in the case when an entity cannot issue securitized bonds for the reasons discussed above).

ii) Protected Assets Fund No, 27:

The Consolidated Financial Statements through the subsidiary BCI Securitizadora S.A., as of December 31, 2020 and 2019, maintains a balance amounted to MCh$18,028 and MCh$20,609, respectively, corresponding to loan receivables being the underlying of the Protected Assets Fund No. 27.

aj) Reclassifications

As of December 31,2020, and December 31, 2019, no material reclassifications have been made.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ak) Accounting pronouncements by the International Accounting Standards Board (IASB)

a.- Application of new and revised International Financial Reporting Standards (IFRS).

Amendments and Improvements to IFRS	Effective date
Definition of a Business (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2020
IASB finalizes amendments to IAS 1 and IAS 8 regarding the definition of materiality	Annual periods beginning on or after January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards	Annual periods beginning on or after January 1, 2020
Average Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Annual periods beginning on or after January 1, 2020
Covid-19-Related Rent Concessions (amendments to IFRS 16)	Annual periods beginning on or after June 1, 2020

Definition of a Business (Amendments to IFRS 3)

In October 2018, the IASB published the document "Definition of a business (amendment to IFRS 3)" to resolve difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants can replace any missing inputs or processes and continuing to produce outputs; and add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after January 1, 2020 and for asset acquisitions that occur on after the beginning of that year. Earlier application is permitted.

The Management of the Bank believes that the implementation of these amendments had no effect on the Bank's Consolidated Financial Statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

IASB finalizes amendments to IAS 1 and IAS 8 regarding the definition of materiality

On October 31, 2018 the International Accounting Standards Board (IASB) issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments: *"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."*

Three new aspects of the new definition should especially be noted:
Obscuring: The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material information with information that can be omitted can have a similar effect. Although the term "obscuring" is new in the definition, it was already part of IAS 1 (IAS 1.30A).

Reasonably be expected to influence: The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote.

Primary users: The existing definition referred only to 'users' which again the IASB feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.

The new definition of material and the accompanying explanatory paragraphs are contained in IAS 1 Presentation of Financial Statements. The definition of material in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors has been replaced with a reference to IAS 1.

The amendments are effective for annual periods beginning on or after January 1, 2020. Earlier application is permitted.

The Management of the Bank believes that the implementation of these amendments did not have significant effects on the Bank's Consolidated Financial Statements.

Revised Conceptual Framework for Financial Reporting

On March 29, 2018, IASB published its revised "Conceptual Framework for Financial Reporting" (the "Conceptual Framework"). The Conceptual Framework is not a standard, and none of its provisions prevails over any standard nor over any of the requirements of a standard. The purpose of the Conceptual Framework is to assist the IASB when developing International Financial Reporting Standards. The Conceptual Framework also assists financial statement preparers in developing consistent accounting policies if there is no applicable or specific standard to address a particular issue. The new Conceptual Framework has an introduction, eight chapters and a glossary. Five of the chapters are new, or have been substantially modified.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The new Conceptual Framework:

- Introduces a new definition of assets focused on rights and a new definition of liabilities that is likely to be broader than the replaced definition but does not change the distinction between a liability and an equity instrument.
- Eliminates references to expected flows of economic benefits from asset and liability definitions. This reduces the obstacles to identifying the existence of an asset or liability and places more emphasis on reflecting uncertainty in measurement.
- Analyzes historical cost and present value measurements and provides some guidance on the considerations that the IASB would apply when selecting a measurement base for a specific asset or liability.
- Establishes that the main measurement of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use the other comprehensive income and only for income or expenses arising from a change in the present value of an asset or liability.
- Analyzes uncertainty, derecognitions, unit of account, the reporting entity and combined financial statements.

The new Conceptual Framework is effective immediately since its publication on March 29, 2018, The Bank has already considered this. Additionally, the IASB published a separate document "Updating a Reference to the Conceptual Framework" which contains revisions to the affected Standards in such a way that they now refer to the new Conceptual Framework. These modifications are effective for annual periods beginning on or after January 1, 2020. Earlier implementation is permitted.

The Bank's Management believes that the implementation of these changes to the Conceptual Framework had no effect on the Bank's Consolidated Financial Statements.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments cover the issues that affect the financial reporting in the year prior to the replacement of an existing benchmark interest rate with an alternative interest rate and addresses the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which requires prospective analysis. (IAS 39 was modified, as well as IFRS 9, since entities have an accounting policy choice when they first apply IFRS 9, which allows entities to continue applying the hedge accounting requirements of IAS 39). Amendments were also made to IFRS 7 Financial Instruments: Disclosures related to additional disclosures of the uncertainty caused by the interest rate benchmark reform.

Changes in the Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7): i) they modify specific hedge accounting requirements so that entities may apply those hedge accounting requirements assuming that the benchmark interest rate on which the hedged cash flows and the cash flows of the hedging instrument are based will be altered as a result of the reform in the benchmark interest rate; (ii) they are mandatory for all hedging relationships that are directly affected by the benchmark interest rate reform; (iii) they do not

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

intend to provide a solution to any other consequence caused by the benchmark interest rate reform (if a hedging relationship no longer meets the hedge accounting requirements for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and (iv) they require specific disclosures about the extent to which the hedging relationships of the entities are affected by the amendments.

The amendments are effective for annual periods beginning on or after January 1, 2020 and must be applied retrospectively. Earlier application is permitted.

The Management of the Bank believes that the implementation of these amendments had no significant effects on the Bank's Consolidated Financial Statements. IFRS 9 will be applied by the Bank from January 2022 except for Chapter 5.5 on impairment of loans classified as “financial assets at amortized cost.”

Lease concessions related to COVID-19 (amendments to IFRS 16)

The COVID-19 pandemic has led some lessors to provide relief to lessees by deferring, or releasing them from, amounts they would otherwise have to pay. In some cases, this is accomplished through negotiation between the parties, but it may be the consequence of measures taken by a government that encourage or require that such relief be provided. This relief is taking place in many jurisdictions in which entities that apply IFRS operate.

When there is a change in lease payments, the accounting consequences will depend on whether that change meets the definition of a lease modification, which IFRS 16 defines as “a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. (For example, a lease modification includes adding or terminating the right to use one or more underlying assets or extending or shortening the contractual lease term)”.

The amendments to IFRS 16:

1. Provide an exception for lessees to assess whether the COVID 19-related lease concession is a lease modification;
2. Require lessees to apply the exception to account for the COVID 19-related lease concession as if it were not a modification to the lease.
3. Require lessees applying the exception to disclose that fact; and
4. Require lessees to apply the exception retrospectively in accordance with IAS 8, but do not require that figures from prior years be restated.

The amendments do not provide additional relief to lessors since the current situation is not as challenging for them, and the required accounting is not as complex.

The amendments are effective for annual periods beginning on or after June 1, 2020. Early application is allowed, including financial statements that have not yet been authorized for issuance as of May 28, 2020. The amendment is also available for interim periods.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Management of the Bank believes that the implementation of these amendments had no significant effects on the Bank's Consolidated Financial Statements.

b.- New and revised IFRS issued but not yet effective:

New Standards	**Effective date**
IFRS 17 Insurance contracts	Annual periods beginning on or after Sunday, January 1, 2023
Amendments and Improvements to IFRS	
Classification of liabilities as current or non-current (amendments to IAS 1).	Annual periods beginning on or after Sunday, January 1, 2023
References to the Conceptual Framework (amendments to IFRS 3)	Annual periods beginning on or after Saturday, January 1, 2022
Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after Saturday, January 1, 2022
Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after Saturday, January 1, 2022
Annual improvements to IFRS, cycle 2018-2020 (Amendments to IFRS 1 Business Combinations, IFRS 9 Joint Arrangements, IAS 16 Income Taxes)	Annual periods beginning on or after Saturday, January 1, 2022
Extension of temporary exemption from the application of IFRS 9 (Amendments to IFRS 4).	Annual periods beginning on or after Sunday, January 1, 2023
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Annual periods beginning on or after Friday, January 1, 2021

IFRS 17 Insurance contracts

On May 18, 2017 the IASB issued IFRS 17 "Insurance Contracts."This new standard establishes principles for recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 "Insurance Contracts." The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 establishes a general model, which is modified for insurance contracts with discretionary participation described as the variable fee approach. An entity may apply a simplified measurement approach (the premium allocation approach) to some insurance contracts. The simplified measurement approach allows an entity to measure the amount relating to remaining service by allocating the premium over the coverage period.

The general model requires the use of assumptions to estimate the amount, timing and uncertainty of the future cash flows and will explicitly measure the cost of the uncertainty; considering market interest rates and the impact of policyholder's options and guarantees.

Policy sales income is deferred as a liability component segregated at day 1 and aggregated in groups of insurance contracts, which is subsequently systematically reported through profit & loss during the year for which the policyholders are insured after making adjustments arising from changes in the assumptions related to the future coverage.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

IFRS 17 is effective for periods beginning on or after January 1, 2021. Earlier application is permitted, an entity shall apply IFRS 17 retrospectively unless impracticable, in which case the entity shall apply the modified retrospective approach or the fair value approach.

Management does not anticipate that this new standard will have an impact on the consolidated financial statements, as neither the Bank nor any of the consolidated entities issue insurance contracts.

IAS 1 (amendments), classification of liabilities as current or non-current.

On January 23, 2020, amendments were published in regards to the classification of liabilities as current or non-current (amendments to IAS 1) which will affect only the presentation of liabilities in the statement of financial position, not the amount nor the timing for recognition of any asset, income or liability expense, or information that entities disclose about these items. The purpose of the amendment is:

- clarify that the classification of liabilities as current or non-current should be based on the rights existing at the end of the reporting year and align the wording in all amended paragraphs so that they refer to the “right" to defer the settlement by at least twelve months; and make it explicit that only the rights in force "at the end of the reporting period" should affect the classification of a liability;
- clarify that the classification is not affected by expectations about whether an entity will exercise its right to defer the settlement of a liability; and
- clarify that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Therefore, the amendment aims to promote consistency in the application of the requirements, helping companies to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (past due or potentially to be settled in one year) or non-current.

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this amendment will not have any effect on the Bank's Consolidated Financial Statements.

References to the Conceptual Framework (amendments to IFRS 3)

Changes to the References to the Conceptual Framework (amendments to IFRS 3) update IFRS 3 for the reference to the 2018 Conceptual Framework instead of 1989 Conceptual Framework. Additionally, this adds to IFRS 3 a requirement for transactions or other events within the scope of IAS 37 or IFRIC 21 that an acquirer applies IAS 37 or IFRIC 1 (instead of the Conceptual Framework) to identify liabilities assumed in a business combination. Finally, it adds an explicit statement in IFRS 3 that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for annual periods beginning on or after January 1, 2022. Early application is permitted, if an entity also applies all other updated references (published in conjunction with the updated Conceptual Framework) on or before the same date.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this amendment will not have any effect on the Bank's Consolidated Financial Statements.

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit the deduction of the cost of an item of property, plant and equipment from proceeds derived from the sale of items produced while the asset is placed in the location and in the necessary condition to operate in the manner intended by management. Instead, an entity recognizes the income from the sale of such items, and the cost of producing those items, in the statements of income.

The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. An entity applies the amendments retrospectively only to items of property, plant and equipment that were placed on the location and in the necessary condition for it to operate in the manner intended by management on or after the beginning of the most recent year in the financial statements in which the entity applies the modifications for the first time.

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this amendmentwill not have any effect on the Bank's Consolidated Financial Statements.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the "cost of fulfilling" a contract includes the "costs that are directly related to the contract." The costs directly related to the contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that are directly related to fulfilling the contracts (an example would be the allocation of the depreciation expense for an item of property, plant and equipment used to fulfill the contract).

The amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

Entities apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity applies the amendments for the first time. Comparative years are not restated.

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this amendment will not have any effect on the Bank's Consolidated Financial Statements.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Annual improvements to IFRS, cycle 2018-2020 (Amendments to IFRS 1 Business Combinations, IFRS 9 Joint Arrangements, IAS 16 Income Taxes, and IAS 41)

The annual improvements contain amendments to the following standards:

IFRS 1 First Time Adoption of IFRS

The amendment allows a subsidiary that applies paragraph D16 (a) of IFRS 1 to measure accumulated translation differences using the amounts reported by its parent, based on the date of transition to IFRS of its parent.

IFRS 9 Financial Instruments

The amendment clarifies what fees an entity includes when it applies the "10 percent" test under paragraph B3.3.6 of IFRS 9 when evaluating whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid by the entity or the lender on behalf of one another.

IFRS 16, Leases

The amendment to illustrative Example 13 attached in IFRS 16 removes from the example the illustration of the reimbursement of improvements to the leased asset made by the lessor to resolve any potential confusion in the treatment of lease incentives that could arise due to how lease incentives are illustrated in that example.

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this reform will not have any effect on the Bank's Consolidated Financial Statements. IFRS 9 will be applied by the Bank from January 2022 except for Chapter 5.5 on impairment of loans classified as “financial assets at amortized cost.”

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

On June 25, 2020, the IASB issued amendments to IFRS 17 to address the concerns and implementation challenges that were identified after IFRS 17 'Insurance contracts’ was published in 2017. The amendments are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The IASB has also issued 'Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)' to postpone the set expiration date of the amendment also to annual periods beginning on or after January 1, 2023.

The main changes resulting from the Amendments to IFRS 17 and the Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) are:

- Postponement of the initial application date of IFRS 17 by two years to annual periods beginning on or after January 1, 2023 and changing the set expiration date for the temporary exemption in IFRS 4 Insurance Contracts to apply IFRS 9 Financial instruments, so that entities are required to apply IFRS 9 for annual periods beginning on or after January 1, 2023.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage, as well as optional scope exclusion for loan contracts that transfer significant insurance risk.
- Recognition of cash flows from insurance acquisition related to expected contract renewals, including transition and guidance provisions for cash flows from insurance acquisition recognized in a business acquired in a business combination.
- Clarification of the application of IFRS 17 in interim financial statements that allows a choice of accounting policy at the reporting entity level.
- Clarification of the application of the contractual service margin (CSM) attributable to the return on investment service and the investment-related service and changes in the corresponding disclosure requirements.
- Expansion of the risk mitigation option to include held reinsurance contracts and non-financial derivatives.
- Amendments to require that an entity that on initial recognition recognizes losses on onerous insurance contracts issued, also recognizes a gain on held reinsurance contracts.
- Simplified presentation of insurance contracts in the statement of financial position so that entities present the insurance contracts' assets and liabilities in the statement of financial position calculated using portfolios of insurance contracts instead of groups of insurance contracts.
- Additional transition relief for business combinations and additional transition relief for the application date of the risk mitigation option and the use of the fair value transition approach.
- Several small amendments related to minor implementation issues.

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this amendment will not have any effect on the Bank's Consolidated Financial Statements. IFRS 9 will be applied by the Bank from January 2022 except for Chapter 5.5 on impairment of loans classified as "financial assets at amortized cost."

Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

On August 27, 2020, the IASB issued Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) with modifications that address issues that could affect the financial information after the reform off an interest rate benchmark, including its replacement with alternative interest rate benchmarks. These modifications are effective for annual periods beginning on January 1, 2021. Earlier implementation is permitted.

The IASB addressed the issues in a project divided into two phases: Phase 1 addressed the issues arising prior to replacement (issues that affect financial reporting in the period prior to the replacement of an existing interest rate benchmark). This part of the project concluded on September 26, 2019

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

with the issuance of the Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7).

Phase 2 of the project addressed replacement issues; therefore, the amendments issued address issues that could affect financial reporting when an existing interest rate benchmark is replaced. This part of the project has concluded with the issuance of these modifications.

The changes in the Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) are as follows:

- Modification of financial assets, financial liabilities and lease liabilities: the IASB introduces a practical expedient for the modifications required by the reform (modifications required as a direct consequence of the IBOR reform and made on an economically equivalent basis). These modifications are accounted for by updating the effective interest rate. All other amendments are accounted for using current IFRS requirements. A similar practical expedient is proposed for lessee accounting applying IFRS 16.

- Hedge Accounting Requirements: As amended, hedge accounting is not discontinued solely due to the IBOR reform. Hedging relationships (and related documentation) should be modified to reflect changes to the hedged item, the hedging instrument, and the hedged risk. Amended hedge relationships must meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.

- Disclosures: in order to enable users to understand the nature and scope of the risks arising from the IBOR reform to which the entity is exposed and how the entity manages those risks, as well as the entity's progress in the transition from IBORs to alternative interest rate benchmarks, and how the entity is managing this transition, the amendments require an entity to disclose information about:

  - ✓ how the transition from interest rate benchmarks to alternative interest rate benchmarks is managed, the progress made as of the reporting date, and the risks arising from the transition;

  - ✓ quantitative information on non-derivative financial assets, non-derivative financial liabilities, and derivatives that continue to refer to interest rate benchmarks subject to the reform, disaggregated by significant interest rate benchmarks;
  - ✓ to the extent that the IBOR reform has resulted in changes to an entity's risk management strategy, a description of these changes and how the entity manages those risks.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The IASB also amended IFRS 4 to require insurers applying the temporary exemption from IFRS 9 to apply the amendments in accounting for the amendments directly required by the IBOR reform.

The Management of the Bank is evaluating the possible impact that this amendment may generate. However, Management considers that the application of this reform will not have any significant effect on the Bank's Consolidated Financial Statements.

aj) Standards and instructions issued by the Financial Market Commission (CMF).

Circular No. 2.247: On March 25, 2020, this Circular update the RAN (Updated Compilation of Standards) chapter 10-1, concerning repossessed assets or assets awarded in payment, exceptionally authorizing an 18-month extension in the term that banks have for selling repossessed assets.

The Bank's Management implemented these changes in the Consolidated Financial Statements in March 2020.

Circular No. 2.249: Compendium of Accounting Standards for Banks. On April 20, 2020, the CMF amended Chapter E "Transitional Provisions" and postponed the period of first application of the new provisions of the Compendium of Accounting Standards, with the purpose that banks have more leeway to reallocate their technical and human resources during the duration of the Covid-19 pandemic. Therefore, the wording of Chapter E of the aforementioned compendium is replaced with the following wording: "The first application of this updated version of the Compendium of Accounting Standards for Banks will be effective as of January 1, 2022; the transition date will be January 1, 2021 for purposes of the comparative financial statements to be published beginning in March 2022 ."

The Bank's Management will implement these changes in the Consolidated Financial Statements as of January 1, 2022.

CMF statement: On March 23, 2020, the CMF reported that its Council approved new measures aimed at granting greater flexibility to the financial system in the context of the global pandemic caused by Covid-19. These measures are as follows:

- Regulatory treatment that makes it possible to postpone up to three mortgage payments.
- Measures have been implemented allowing banks to give SME debtors up to 6 months to repay their loans, without this being considered a renegotiation.
- Possibility of using excess mortgage guarantee as collateral for loans to SMEs.
- Extension of terms for the sale of repossessed assets.
- Treatment of the variation margin of derivatives.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank's Management implemented these measures gradually in the Interim Consolidated Financial Statements beginning on April 1, 2020.

CMF statement: On March 30, 2020, CMF reports flexibility in the implementation deadlines for Basel III. In coordination with the Central Bank of Chile, the CMF resolved to postpone by one year the implementation of the capital requirements required by the regulation and to maintain the general regulatory framework in force for bank capital requirements until December 2021.

The Bank's Management will implement these changes in the Consolidated Financial Statements as of December 31, 2021.

CMF statement: On April 2, 2020, the CMF reported flexibility in the treatment of provisions required from banks in rescheduling payments of mortgage, consumer and commercial loans, within the context of the Covid-19 pandemic. These measures will be temporary and are intended to avoid the recognition of an increased amount of provisions since payments of the installments corresponding to the flexibilities granted may not be made or may not be made timely.

The exceptional period for the treatment of provisions for collective portfolios takes effect on March 18, 2020 and ends on July 31, 2020, including both dates. As a necessary requirement to apply flexibility regarding provisions, banks must assess thoroughly the financial and credit conditions of the borrowers who will be eligible for the flexibility. In no case may the treatment include borrowers in default in accordance with the regulations applicable to provisions. In addition, borrowers eligible for the special treatment regarding provisions will be those who are up to date or are in default for no more than 30 days in the month in which the rescheduling takes place, during the period the flexibility measures are in force.

The Bank's Management implemented these changes in the Interim Consolidated Financial Statements effective as of the close of April 2020.

Circular No. 2,250: On April 20, 2020, this Circular updates the RAN (Updated Compilation of Standards), chapter 12-1 concerning Equity, for statutory and regulatory purposes; as a result, it incorporated an extraordinary clause that will allow to treat as part of the voluntary provisions recognized in effective equity a proportion of the collateral given by the Chilean Treasury, CORFO and FOGAPE to secure loans provided by banks.

The Bank's Management implemented these changes in its Basel regulatory report beginning on April 30, 2020.

Circular No. 2.253: On May 4, 2020, it provides guidance on aspects related to the COVID-19 guarantee lines of the Guarantee Fund for Small and Medium-sized Entrepreneurs (FOGAPE in Spanish), as regards provisions and other regulatory matters.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank's Management implemented these measures in the Interim Consolidated Financial Statements beginning on Sunday, May 31, 2020.

Letter from Management No. 92020036 On July 17, 2020, the CMF issued instructions for recording provisions related to financing with FOGAPE Covid-19 guarantee. The letter provides instructions on how banking institutions should consider the effect of the deductible in the calculation of provisions, as well as instructions on how the conditions under which the direct borrower's credit risk can be replaced with FOGAPE credit quality. On July 29, 2020, the CMF, through the Association of Banks, decided to extend the application until September 2020, allowing financial institutions to recognize the largest provisions on a monthly basis, and these provisions must be completely established by the end of 2020 at the latest.

The Bank's Management implemented these changes in the Interim Consolidated Financial Statements beginning on Wednesday, September 30, 2020.

Circular 2,272: dated September 25, 2020, through the provisions contained in article 66 bis and 66 term of the Chilean General Banking Act, Act 21.1230, which modernizes banking legislation, introduced additional capital requirements to banking regulation, in accordance with the principles of the latest Agreement of the Basel Committee on Banking Supervision (hereinafter Basel III). These requirements, commonly known as "buffers", constitute an additional capital requirement above the statutory minimum set in the Chilean General Banking Act and are divided into 2 types: a capital conservation buffer (CCoB) and a countercyclical capital buffer (CCyB). The capital conservation buffer, according to article 66 bis of the Chilean General Banking Act, corresponds to an additional basic capital equivalent to 2.5% of the risk-weighted assets, net of required provisions, above the minimum effective equity required as per Article 66 of the Act. For its part, the calculation of the countercyclical capital buffer, referred to in article 66 term, is made by the Central Bank of Chile (BCCh), provided it receives a favorable report from this Commission for the Financial Market, and may vary between 0% and 2.5% of the risk-weighted assets, net of required provisions.

The Bank's Management will implement these changes in its regulatory reports beginning on December 31, 2021.

ak) Standards and instructions issued by Central Bank of Chile (BCCh)

Statement BCCh: On March 23, 2020, the Central Bank announced the creation of a Credit Facility Conditional on the Increase of Loans program (FCIC in its Spanish acronym) and the Liquidity Credit Line (LCL) was activated in local currency. These are lines for banks, with funds and incentives for them to continue financing and refinancing loans to households and companies, especially those that do not have access to the capital market. The initial amount is equivalent to US$4.8 billion and may increase, as loans increase. In turn, the additional line has a growth margin four times the initial line, equivalent to US$19.2 billion, which would bring the total closer to US$24 billion. This measure at the same time considers the expansion of the collateral in order to allow borrowers to access this facility and includes a portfolio of commercial loans individually evaluated for high credit quality, categories A1 to A3.

NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Bank's Management implemented these measures beginning on April 1, 2020.

al) Instructions issued by the Ministry of Finance

Act 21,234: On May 29, 2020, the Ministry of Finance published Act 21,234 that limits the liability of holders or users of payment cards and electronic transactions in the event of loss, theft, or fraud, establishing a new liability regime in cases of loss, theft, or fraud associated with credit cards, debit cards, payment with provision of funds or any other similar system ("Payment Cards"), as well as in connection with fraudulent operations that are generated in electronic transactions carried out by electronic means that originate charges and payments or money transfers involving checking accounts, demand deposit accounts, fund provision accounts, payment cards or any other similar system. The new liability regime establishes the responsibility of issuers of payment systems, exempting users from the burden of proving operations and/or transactions unknown to them, both for those operations carried out before (up to 120 consecutive previous days) and after a notice concerning such unknown operations is submitted to the Bank, with the Bank having the burden of proving that said operations were authorized by the user and that they are recorded in the users' name. The new liability regime also establishes strict deadlines to annul charges and make refunds, as appropriate, regarding operations regarding which users are unaware of having granted their authorization or consent.

The Bank's Management implemented these measures effective May 2020.

CMF Statement on October 5, 2020, the Commission published a regulation for calculating the ratio between Tier 1 capital and total assets, or leverage ratio, as part of the process of adoption of Basel III standards. This regulation features improvements in the measurement of both Tier 1 capital (numerator) and the Bank's total assets (denominator). In the numerator, deductions are made from entries that do not have the capacity to absorb unexpected losses (in line with Chapter 21-1 on Equity for legal and regulatory purposes).For the denominator, a wider exposition spectra is used, in line with Chapter 21-6 (on weighted asset determination by credit risk). The regulation shall enter into force starting on December 1, 2020.

The Bank's Management implemented these changes in its Basel regulatory report beginning on December 31, 2020.

CMF Statement: on November 2, 2020, the Commission issued the regulation for the identification of system-relevant banks, and the determination of additional requirements for said institutions. The new regulation contemplates the building of a system-relevance index, per institution, from four elements reflecting the local impact of their financial impairment or default. These elements are size, interconnectedness, replaceability, and institution complexity. The requirements related to the first application may be implemented gradually from December 2021 to December 2025, with an additional 25% each year.

The Bank Management is assessing the potential impact of this regulation in the Basel normative report.

NOTE 2 - ACCOUNTING CHANGES

During the year ended December 31, 2020, there have been no accounting changes with respect to the prior year that affect these Consolidated Financial Statements.

NOTE 3 - SIGNIFICANT EVENTS

a) Agreement to distribute year 2019 profits

A Board meeting held on February 25, 2020 agreed to distribute the net profits of the Bank in 2019, which was approved at the Ordinary Shareholders' Meeting held on April 8, 2020. The Board approved the following matters:

• Distribute the net income for the year 2019, amounting to Ch$402,645,431,356 (MCh$402,645), as follows:

-Distribute a dividend of Ch$1,000 per share among the total of 141,616,409 shares issued and registered in the Shareholder Registry, which involves allocating for this purpose the sum of Ch$ 141.616.409.000 (MCh$ 141.616), that is, 35.17% of the Bank's profits, and;

-Allocate the remaining balance of profits of the year, to the fund of reserves from profits, that is, the sum of Ch$ 261,029,022,356 (MCh$ 261,029).

The Extraordinary Shareholders Meeting, held on Wednesday, April 8, 2020, approved :

• Capitalize reserves from profits of Ch$ 261,029,022,356 (MCh$ 261,029) as follows:

-The sum of Ch$261,028,993,054 (MCh$ 261,029) through the issuance of 7,151,531 no-payment no par value shares.
-The sum of Ch$29,302 (MCh$ 0), to issued capital, without issuance of shares.

The Bank's subscribed and paid-in capital would be Ch$ 3,655,827,696,002 (MCh$3,655,828) divided into 148,767,940 single series, nominative, no par value shares.

The by-law amendment related to this capital increase was approved by the CMF through Resolution No. 3058 dated June 10, 2020 and the capital increase was registered in the public registry of securities on July 20, 2020.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

b) Issuance and placement of bonds

During 2020, the following issue of ordinary bonds took place in Swiss Francs:

Series	Issuance date	CHF	TIR* rate	Maturity date
CH0506071239	03.18.2020	125,000,000	0.10%	09.18.2026

During 2020, the following placement of ordinary bonds took place in Swiss Francs:

Series	Issuance date	CHF	TIR*rate	Maturity date
CH00506071239	03.18.2020	125,000,000	0.10%	09.18.2026

During 2020, the following issue of subordinated bonds took place in UF:

Series	Issuance date	UF	TIR* rate	Maturity date
UBCIB11219	06.11.2020	3,000,000	1.32%	12.01.2039
UBCIB21219	06.22.2020	1,000,000	1.30%	12.01.2044
UBCIB21219	06.22.2020	1,000,000	1.30%	12.01.2044
UBCIB21219	06.22.2020	1,000,000	1.30%	12.01.2044
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28 %	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049

During 2020, the following issue of subordinated bonds took place in UF:

Series	Issuance date	UF	TIR* rate	Maturity date
UBCIB11219	06.11.2020	3,000,000	1.32%	12.01.2039
UBCIB21219	06.22.2020	1,000,000	1.30%	12.01.2044
UBCIB21219	06.22.2020	1,000,000	1.30%	12.01.2044
UBCIB21219	06.22.2020	1,000,000	1.30%	12.01.2044
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28 %	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049
UBCIB31219	06.24.2020	500,000	1.28%	12.01.2049

*TIR – internal rate of return

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

c) Incorporation of Banco BCI Perú

The Bank's Board of Directors has authorized BCI's management to incorporate a bank in the city of Lima, Peru, which will become a subsidiary of BCI (hereinafter "Banco BCI Peru") subject to the conditions set forth below. Banco BCI Peru will have the nature of a corporation under the regulations of the Republic of Peru. This corporation will be registered with the National Superintendency of Public Registries of Peru and its shares will be registered with the Public Registry of the Securities Market and the Registry of the Lima Stock Exchange. 99.9% of the shares of Banco BCI Peru will be owned by BCI and the remaining 0.1% will be owned by Empresas JY S.A. Banco BCI Peru will be subject to the supervision of the appropriate Chilean and Peruvian regulatory entities. The incorporation and operation of Banco BCI Peru is subject, among other conditions, to approval by the Commission for the Financial Market and the Central Bank of Chile, in accordance with the provisions of Article 76 of the General Banking Law and Chapter 11-7 of the Commission's Updated Compendium of Regulations, as well as to obtaining the regulatory authorizations, and registrations required under Peruvian law.

As of December 31, 2020, the authorization processes before CMF in Chile and Superintendencia de Banca, Seguros y AFP (SBS) in Peru continue progressing.

d) Acquisition of Executive Banking Corporation

On September 24, 2019, the "Agreement and Plan of Merger" was entered into by BCI Financial Group, Inc. ("BCI Financial") and City National Bank of Florida ("CNB"), both subsidiaries of BCI, and Executive Banking Corporation ("Executive Corporation") and Executive National Bank ("Executive Bank"), both incorporated and effective under the laws of Florida, USA. Through the Merger Agreement, the parties agreed to merge Executive Corporation into BCI Financial and, simultaneously or immediately after such merger is implemented, Executive Bank into CNB, succeeding and assuming BCI Financial and CNB, respectively, all rights and obligations of Executive Corporation and Executive Bank, and becoming legal successors of the latter (the "Transaction"). This transaction involves an investment of US$ 75 million and will be financed with BCI Financial Groups' own resources.

A subsequent December 18, 2019 amendment to the "Agreement and Plan of Merger" established that Executive Corporation would modify its ownership structure, and that the Executive Bank would be the successor entity; then BCI Financial would acquire all the shares in Executive Bank, and finally Executive Bank merges with CNB, with the latter becoming the successor entity (the "Transaction").

The closing of the Transaction is subject, among other conditions that are customary in operations of this nature, to obtaining of the authorizations of the competent authorities required pursuant to the laws and regulations of Chile and the United States of America.

As of June 30, 2020, Executive Bank had assets worth US$ 524 million, the Transaction had already been approved by the FDIC and the OCC in the United States and the remaining authorization processes continued to advance.

On July 30, 2020, a second amendment to the "Agreement and Plan of Merger" was signed that, among other matters, adjusted the investment to US$62 million (previously, it was US$ 75 million) and, on August 6, 2020, this received the authorization from the CMF. In this regard, in order to conclude the Transaction, the approvals of the Transaction by the Central Bank of Chile and the FED are required (the latter would ultimately be conditional upon the necessary approvals in Chile).

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

On October 9, 2020, and after having complied with all the requirements and approvals in both Chile and the United States, BCI concluded the acquisition of Executive National Bank through its subsidiary City National Bank of Florida (CNB). Later that same day, the two latter companies merged, and CNB became the successor entity. This acquisition immediately increased the assets by more than US$ 536 million and enabled the combined entity to reach approximately US$ 18 million in assets. The transaction price amounted to US$62 million and it was financed with CNB's own funds. See detail in note 4 Business combination

e) Dissolution of the Subsidiary Análisis y Servicios S.A.

On November 15, 2019, the Financial Market Commission was requested to approve the dissolution of the company Analisis Servicios S.A. This company's shareholders are Banco de Crédito e Inversiones with a 99% interest and BCI Corredor de Bolsa, S.A. with a 1% interest, respectively. The dissolution was approved by the Board of Directors of BCI at its meeting on August 27, 2019.

On December 12, 2019, the Council of the Financial Market Commission approved the request in ordinary meeting number 161. As of December 31, 2020, the company is in a liquidation process.

f) Servicios Financieros y Administración de Créditos Comerciales S.A.

On December 30, 2019, written authorization was received from the FMC to carry out a capital increase of MCh$ 22,500, divided into 37,815,126 nominatives, no par value shares.

On December 30, 2019, an Extraordinary Shareholder Meeting was held in which the shareholders approved the capital increase of MCh$ 22,500, In the same meeting, 13,447,563 shares are subscribed and paid in, pro rata of the current shareholding. The involved amount is MCh$ 8,001.

On September 16, 2020, a total of 24,367,563 shares were subscribed and paid in, pro rata of the current shareholding. The involved amount is MCh$ 14,499.

On July 24, 2020, a request to Comisión para el Mercado Financiero was made to merge the companies Servicios Financieros y Administración de Créditos Comerciales S.A and Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada, in order to boost their efficiency and profitability, facilitate supervision and vigilance of support societies, achieve a higher organizational alignment, and an integrated management of the credit card business, simplifying the business management, among others. To date, Management is currently waiting for a response from CMF.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

g) Election of Directors

At a Board Meeting on June 23, 2020, the Director Lionel Olavarria Leyton resigned from his position as Director and Vice Chairman of the Board. As a result, the Board appointed Mr. Jorge Becerra Urbano as his replacement until the next Ordinary Shareholders' Meeting, which must make the final appointment of the person who will take up the position of Director.
In the same Board meeting, the Director Mr. Juan Edgardo Goldenberg Peñafiel was appointed as Vice Chairman of the Board.

h) Covid-19

On March 23, 2020, the Central Bank of Chile announced the creation of the Conditional Credit Facility to Increase Bank Loans (FCIC for its acronym in Spanish). This is a special financial facility for banking entities and provides funds and incentives so that they continue to finance and refinance loans for households and companies, especially for those companies that do not have access to the capital market. In addition, the Liquidity Credit Line (LCL) in local currency was created, which provides funds under the same conditions as the FCIC line. As of December 31, 2020, the Bank has requested MCh$ 3,122,400 from FCIC line and MCh$ 781,885 from the LCL.

- On March 23, 2020, as indicated in Note 1, section aj), the CMF published a package of measures aimed at giving greater flexibility to the financial system: chief among them is the postponement of 3 mortgage payments (the Bank granted a 6-month delay on mortgage payments) and measures for banks to postpone by up to 6 months the repayment of loans owed by SMEs. As of December 31, 2020, the Bank has agreed that the payments of 64,291 mortgage loans, amounting to MCh$194,691, be postponed; and has agreed to the postponements of 4,393 repayments of loans, amounting to MCh$ 91,391, by SMEs, as a result of the Covid funding for working capital.
- On April 8, 2020, the State of Chile, promoted by the Ministry of Finance, proposed to expand significantly the Guarantee Fund for Small Entrepreneurs (FOGAPE for its acronym in Spanish). The State guarantees were increased up to US$ 3 billion, allowing the financing of companies with up to UF 1 million in annual sales. This measure consists in providing partial collateral to banks so that they can make working capital available to customers. This measure will be in force for 6 months until, December 31, 2020. The loans have a term of up to 48 months and there is a 6-month grace period. As of December 31, 2020, the Bank has granted 21,853 loans under a FOGAPE guarantee to the SME and Companies segment, totaling MCh$ 1,826,263.

On the other hand, in the United States the Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by Congress with overwhelming, bipartisan support and signed into law by President Trump on March 27th, 2020. This is the largest single economic relief package signed into law in the history of the United States and will provide relief to almost every person in that country. This economic relief package amounts to over US $2 trillion. The CARES Act will allocate US$ 376 billion to help workers and small businesses through the Federal Small Business Administration (SBA). This financing package has been implemented by BCI Financial Group, INC and Subsidiaries, and as of December 31, 2020, a total of 8,668 operations, worth US$ 1,653 million, have been conducted.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

Additionally, on July 21, 2020, another program called Main Street Lending Program (MSLP) was implemented, which is part of the CARES Act. This program is a new offering created by the Federal Reserve to assist businesses during the current COVID-19 crisis and associated economic recession. This program is aimed at companies with fewer than 15,000 employees or with annual revenue less than US$ 5 billion. This program is designed to help banks give money more freely to companies that need a loan by purchasing a large portion of the bank loan, thus relieving banks of most of the risk. In other words, once a company obtains the loan, the Federal Reserve buys 95% of the loan from the bank, leaving only 5% with the bank that provided the loan. As of, December 31, 2020, 371 operations amounting to 100 million dollars have been processed.

The Bank is in the process of determining additional effects going forward. Given the current level of uncertainty, it is not possible to have an estimate of such effects as of the date of these consolidated financial statements.

I) Pagos y Servicios S.A.

On March 25, 2020, through resolution No. 2450, the Financial Market Commission authorized Banco de Crédito e Inversiones to make an investment, as a non-controlling interest, in the special stock company called Pagos y Servicios S.A., which operates under the commercial name “BCI Pagos”, and which will have as single line of business to act as a payment card operator. The Bank has contributed the amount of MCh$ 356 to this entity, divided into 499 shares, which is equivalent to a 49.9% interest.

To the date of these financial statements, the company Pagos y Servicios S.A. is in the process of obtaining authorization from the CMF to start operations.

j) Constitution of additional provisions

To December 31, 2020, the Bank constituted additional provisions for MM $104,000, as set forth on Chapter B1 of Compendio de Normas Contables de la Comisión para el Mercado Financiero [Accounting Regulations Compendium of the Commission for the Financial Market] (see Note 1, letter ac)). The detail of approvals by the Directory of said provisions is the following:

On April 7, 2020, the Bank’s Management approved the creation of additional voluntary provisions for MM $10,000, in order to mitigate potential future consequences of the health crisis on the Bank’s placement portfolio.

On May 7, 2020, the Bank’s Management approved the creation of additional voluntary provisions for MM $9,000, in order to mitigate potential future consequences of the health crisis on the Bank’s placement portfolio.

On June 4, 2020, the Bank’s Management approved the creation of additional voluntary provisions for MM $7,000, in order to mitigate potential future consequences of the health crisis on the Bank’s placement portfolio.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

On July 7, 2020, the Bank's Management approved the creation of additional voluntary provisions for MCh$12,000, in order to mitigate potential future consequences of the health crisis on the Bank's placement portfolio.

On August 6, 2020, the Bank's Management approved the creation of additional voluntary provisions for MCh $16,000, in order to mitigate potential future consequences of the health crisis on the Bank's placement portfolio.

On September 8, 2020, the Bank's Management approved the creation of additional voluntary provisions for MCh$30,000, in order to mitigate potential future consequences of the health crisis on the Bank's placement portfolio.

On December 10, 2020, the Bank's Management approved the creation of additional voluntary provisions for MCh$20,000, in order to mitigate potential future consequences of the health crisis on the Bank's placement portfolio.

k) Impairment Recognition

Due to the application of the requirements set forth in the International Accounting Standards 36, "Impairment of Asset Value", the Bank performs the assessment of impairment indicators affecting the determining of the recoverable value of its assets on the end of each reported fiscal year.

Consistently with the aforementioned requirements, since the issuance of the Consolidated Financial Statements on December 31, 2019, the Bank stated that it was monitoring the possible effects of the social and economic consequences on significant estimates and judgments to be made as part of the preparation of the Consolidated Financial Statements, where it concluded there was no concrete evidence of impairment.

Consequently, on the Consolidated Financial Statements reported for the fiscal year 2020, considering the evolution of the economic and sanitary conditions, the Bank reported it continued to monitor and assess continuously the impact of the COVID-19 pandemic to its results, as well as their effect on significant estimates and judgments, including loan loss and asset impairment provisions in general, concluding these events did not have an impact on the results of the fiscal year, or its financial position on said dates.

Considering the evolution of the impacts on Chile and the United States economies (main operating markets for the Bank), and the different elements, such as the COVID-19 pandemic, and according to the constant monitoring performed by the bank, the indicators for interim tests of impairment of goodwill and intangibles made in the business combination assigned to BCI Servicios Financieros and City National Bank CGUs were triggered.

NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

Once the corresponding calculations are made, the following conclusions were made:

I. There is no goodwill impairment for BCI Servicios Financieros and City National Bank's CGUs (businesses in Chile and the United States, respectively).

II. Regarding the assessment of intangible amortizable assets acquired on the merging of BCI Servicios Financieros' businesses, an impairment loss of MCh$ 4,994 was determined, corresponding to MCh $2,636 for Client Relations, and MCh $2,358, for Rights acquired under cross-selling agreement. These recorded impairments represent a 9% and 59% over book value, respectively. For further information see Note 32.

NOTE 4 – BUSINESS COMBINATION

Acquisition of National Bank acquisition

i. General aspects

On October 9, 2020, Banco de Crédito e Inversiones, through its indirect subsidiary City National Bank of Florida (hereinafter "CNB") acquired Executive National Bank by buying a 100% interest.

With this transaction, BCI reinforces its strategy of consolidating its presence in the market of the State of Florida, in the United States of America, expanding CNB's presence in this State through the growth of its customer base, offering exceptional service and a personalized experience. The Bank paid a total of US$62 million, equivalent in Chilean pesos to MCh$ 49,930, for this acquisition.

ii. Description of Acquired Bank

Executive National Bank is the investment company that merges with CNB, with the latter becoming the absorbing and legal successor to Executive National Bank

Executive National Bank is a leading retail and commercial banking financial institution in South Florida and has more than 40 years of presence in Miami, where its headquarters are located, offering a wide range of financial services, to small businesses and individuals.

At the time of acquisition, Executive National Bank had a loan portfolio of MCh$ 270,881, deposits of MCh$ 365,903 and equity of MCh$ 36,062, equivalent to 0.75%, 1.24% and 0.91% of the consolidated respective balances of such accounts in consolidation as of September 30, 2020.

iii. Main reasons for the purchase

This operation is another step in BCI's decision of increasing its presence in Florida , an attractive market because of its size and growth; therefore, the Bank plans to become a platform with regional coverage, to accompany its clients as they expand their operations outside of Chile, through BCI Miami Branch, BCI Securities, City National Bank of Florida and representative offices.

This represents an advance of BCI's strategic objective of generating new sources of income; having a geographic diversification that allows the company not only to diversify risks, but also having access to new markets and clients; and serving current clients seeking solutions at a regional level. Therefore, the Bank is able to expend in Latin America.

With this transaction, City National Bank of Florida reached the consolidated assets for US$ 18 million. This growth will improve the position of the Bank as a leading competitor in the Miami market.

NOTE 4 – BUSINESS COMBINATION, CONTINUED

i. Detail of assets acquired, and liabilities assumed at fair value

The following is detail of assets and liabilities assumed at fair value of Executive National Bank at the acquisition date, as of October 9, 2020:

	Fair value recognized on date of acquisition (Provisional)	Reference
	MCh$	MCh$
ASSETS		
Cash and deposits in banks	107,282	
Items in course of collection	-	
Trading portfolio financial assets	22,282	a
Liabilities under agreements to repurchase	-	
Derivative financial liabilities	6,113	
Loans and receivables to banks, net	-	
Loans and receivables from customers, net	267,439	b
Financial investments available for sale	-	
Financial investments held to maturity	-	
Investments in other companies	-	
Intangible assets	4,482	c
Property, plant and equipment	2,664	d
Current and deferred taxes	384	e
Other assets	3,243	f
TOTAL ASSETS	**413,889**	
LIABILITIES		
Current accounts and demand deposits	356,702	g
Items in course of collection	-	
Liabilities under agreements to repurchase	-	
Deposits and other term loans	8,904	g
Derivative financial liabilities	6,113	
Borrowings from financial institutions	-	
Debt issued	-	
Other financial liabilities	4,210	h
Current and deferred taxes	-	
Provisions	-	
Other liabilities	2,617	i.
TOTAL LIABILITIES	**378,546**	
Total net identifiable assets at fair value	**35,343**	
Goodwill arising from acquisition	14,087	j
Consideration transferred in exchange for the acquire	**49,430**	
Net cash received with subsidiary (including cash flow from investing activities)	107,282	
Payment in cash	(49,430)	
Net cash difference	**57,852**	

NOTE 4 – BUSINESS COMBINATION, CONTINUED

The fair value adjustments presented have been determined on a provisional basis. The valuation process was carried out by qualified professionals independent from BCI Management and their external auditors.

Fair value is defined as the price that would be received for selling an asset or that would be paid for transferring a liability in an orderly transaction between market participants at the valuation date, or acquisition in the case of BCI.

The way to determine the fair values at the date of purchase of the assets acquired and liabilities assumed is as follows:

a) Instruments for trading are valued at fair value in accordance with market prices on the date of the transaction.

b) Loans and accounts receivable from customers are presented net of provisions, unearned income and unaccreted amounts.The client portfolio is not impaired in value and the contractual cash flows are expected to be received in full.

c) Intangibles, this valuation corresponds to two concepts:

   a. Derecognition of goodwill generated in the previous acquisition or business combination which is present in the Executive National Bank financial statements,
   b. Assets identified through business combination, which will be detailed in the following table, and

Summary of intangibles identified in the business combination

Detail	Amount MCh$	Type	Useful life
Core deposits	3,667	Amortizable	8 years

Core deposits

Executive National Bank 's term deposits available to finance the placement of loans placed at a rate below the current market placement rates.

NOTE 4 – BUSINESS COMBINATION, CONTINUED

d) Adjustment related to Property, plant and equipment, corresponds to revaluation of Executive National Bank 's buildings.

e) Deferred tax asset corresponds to the tax effect associated with loans and intangibles recorded in the acquisition.

f) Other assets was adjusted to fair value based on the the derecognition of low value and brand assets.

g) Deposits and other term deposits corresponds to valuations at market rates to recognize the deposits at fair value.

h) Other financial liabilities correspond to the valuations at market rates of Banco Federal de Préstamos Hipotecarios. (Federal Home Loan Bank)

i) Other liabilities correspond to severance indemnities payment obligations.

Intangible assets will be subject to an impairment test according to the definitions and terms of IAS 36 for the asset value impairment.

iv. Other considerations

a) In the business combination, no contingent assets and liabilities were identified, nor contingent consideration.

b) Transaction costs related to the acquisition amounted to approximately US$900,000, which mainly corresponds to external legal advice and due diligence costs.

NOTE 5 - INFORMATION BY SEGMENTS

Segment structure

In accordance with IFRS 8, the Bank has aggregated operating segments with similar economic characteristics based on the aggregation criteria specified in the standard. Thus, a reporting segment comprises clients to whom differentiated products are addressed, which are homogeneous and whose performance is measured in a similar way, thus part of the same reporting segment. In general, this aggregation does not have any significant impact for understanding the nature and effects of the Bank's business activities and the economic environment in which it operates.

Segment reporting is presented by the Bank based on a defined business structure, which is focused on optimizing assistance to clients with products and service, according to relevant commercial characteristics.

The allocation of the results of asset and liability management of the reporting segments is performed according to the composition of assets of each business.

1. A proportion of corporate expenses is allocated to the reporting segments, under the same allocation methodology that is used for other expenses or support staff.
2. A higher proportion of corporate expenses is allocated to the reporting segments, under the same allocation methodology that is used for other support expenses or staff expenses (see next page).

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

3. Results for recognition or reversal of additional provisions and minimum provision adjustments were allocated to the segments in accordance with the proportion of customers for which these results were tabulated.

Following is the Bank's commercial structure with its reporting segments:

Retail Banking Segment: This segment includes individuals and entities with sales and incomes up to UF80,000, annual.

Retail Banking: Individuals. Individuals, Preferential, and Nova.

Small and Medium Enterprises: This operating segment includes entrepreneurs and enterprising entities (with sales of between UF2,400 and UF80,000) and includes microenterprises (with sales of less than UF2,400).

Wholesale Banking Segment: This segment is composed of companies whose annual sales exceed UF80,000, with the following operating segments:

This segment is composed mainly of companies whose annual sales exceed UF80,000, with the following operating segments: Commercial Banking: This operating segment includes mainly companies whose annual sales exceed UF80,000. The operating units in this operating segment are: Real Estate and Companies.

Corporate & Investment Banking Commercial Division: This operating segment includes large corporations, financial institutions and high net worth investors with financial needs of high value-added financial services. The operating units in this operating segment are: Wholesale Banks, Corporate and Private.

Corporate & Investment Banking Finance Division Segment: This segment manages the Bank's own investment portfolio.

Segment BCI Financial Group, INC. and Subsidiaries corresponds to business and operations carried out in the United States through the City National Bank of Florida (CNB), which operates as an independent unit, under the senior management supervision in Chile.

Financial Services: corresponds to the businesses associated with the issuance and operation of BCI Lider Mastercard and Presto credit cards, the origination of advances and brokerage of personal insurance, among others, which operates as an independent unit, under the supervision of BCI's top management.

In "**Others**" are included those expenses and/or income, which by their nature are not directly identifiable within the reportable segments and therefore are not assigned.

Income from subsidiaries allocation by client:

Certain subsidiaries' revenue and expenses are allocated to the segments to which the Bank customer is assigned.

Investment management results allocation:

In order to allocate in each segment all, the benefits and costs associated with services provided to clients, the results of investment management services are allocated to the segments in proportion to total income for assets in each segment less average cost of funding.

Allocation of expenses to reporting segments:

Direct expenses: correspond to the costs directly attributable to each cost center of each segment which are clearly recognizable and assignable. For example, personnel expenses, materials and inventory, and depreciation.

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

Indirect expenses (centralized allocation of expenses): expenses recognized in general cost centers, according to Bank policy, are allocated to different segments.

Management support expenses: these expenses are allocated depending on the time and resources consumed by different segments, based on the need. These expenses are preliminarily defined and agreed to by the areas involved (user and support area).

These criteria have been applied for the years ended December 31, 2020 and 2019.

The management of the above-mentioned commercial areas is measured with the concepts presented in this note, which is based on the accounting principles applied to the Bank's Consolidated Statements of Income.

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

a) Profit or loss 2020:

	For the year ended December 31, 2020								
	Retail Banking		Wholesale Banking						
	Bank Retail	Small & Medium Enterprise	Commercial Banking	C&IB Commercial Division	C&IB Finance Division	BCI Financial Group, INC, and Subsidiaries (BCIFG):	Financial Services	Other	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and indexation income	430,551	162,292	245,139	144,278	1,212	369,743	125,392	(20,066)	**1,458,541**
Net fee and commission income	154,713	35,944	38,174	24,666	3,458	45,908	27,892	4,829	**335,584**
Other operating income	36,310	6,214	4,240	6,261	159,303	4,965	25,444	(4,534)	**238,203**
Operating income	**621,574**	**204,450**	**287,553**	**175,205**	**163,973**	**420,616**	**178,728**	**(19,771)**	**2,032,328**
Provision for loan losses Impairment of repossessed assets	(215.311)	(77,562)	(82,622)	(23,438)	9,213	(84,065)	(76,127)	(103,999)	**(653,911)**
Operating income, net	**406,263**	**126,888**	**204,931**	**151,767**	**173,186**	**336,551**	**102,601**	**(123,770)**	**1,378,417**
Total operating expenses	**(403,765)**	**(100,248)**	**(96,766)**	**(64,742)**	**(38,007)**	**(204,433)**	**(84,245)**	**(43,655)**	**(1,035,861)**
TOTAL NET OPERATING INCOME	**2,498**	**26,640**	**108,165**	**87,025**	**135,179**	**132,118**	**18,356**	**(167,425)**	**342,556**
Share of profits of investments accounted for using the equity method									**(358)**
Income before income tax									**342,198**
Income tax paid									**(24.665)**
CONSOLIDATED NET INCOME FOR THE YEAR									**317,533**

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

b) Business volume 2020:

	As of December 31, 2020							
	Retail Banking		Wholesale Banking					
	Bank Retail	Bank Small & Medium Enterprise	Bank Commercial	C&IB Commercial Division C&IB	C&IB Finance Division	BCI Financial Group, INC, and Subsidiaries (BCIFG):	Financial Services	Total Segments
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	11,429,385	3,057,285	7,046,234	5,532,529	16,168,991	13,288,182	633,693	**57,156,299**
LIABILITIES	6,495,243	2,188,707	4,577,169	9,477,103	18,090,205	11,876,009	557,158	**53,261,594**
SHAREHOLDERS' EQUITY								**3,894,705**

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

c) Profit or loss 2019:

	For the year ended December 31, 2019								
	Retail Banking		Wholesale Banking						
	Bank Retail	Small & Medium Enterprise	Commercial Banking	C&IB Commercial Division	C&IB Finance Division	BCI Financial Group INC. and Subsidiaries	Financial Services	Other	Consolidated balances
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Net interest and indexation income	454,713	162,840	237,970	123,572	(30,329)	277,867	113,523	(18,662)	**1,321,494**
Net fee and commission income	170,554	32,783	24,644	21,130	10,841	27,339	66,688	(2,219)	**351,760**
Other operating income	25,230	5,632	7,174	5,749	137,209	19,034	12,840	5,666	**218,534**
Operating income	**650,497**	**201,255**	**269,788**	**150,451**	**117,721**	**324,240**	**193,051**	**(15,215)**	**1,891,788**
Provision for loan losses Impairment of repossessed assets	(193.600)	(66,556)	(34,795)	(3,120)	(33)	(19,655)	(97,760)	-	**(415,519)**
Operating income, net	**456,897**	**134,699**	**234,993**	**147,331**	**117,688**	**304,585**	**95,291**	**(15,215)**	**1,476,269**
Total operating expenses	(398,775)	(100,975)	(99,784)	(61,745)	(48,777)	(148,756)	(88,009)	(10,910)	**(957,731)**
TOTAL NET OPERATING INCOME	**58,122**	**33,724**	**135,209**	**85,586**	**68,911**	**155,829**	**7,282**	**(26,125)**	**518,538**
Share of profits of investments accounted for using the equity method									**12,638**
Income before income tax									**531,176**
Income tax paid									**(128.437)**
CONSOLIDATED NET INCOME FOR THE YEAR									**402,739**

NOTE 5 – INFORMATION BY SEGMENTS, CONTINUED

d) Business volume 2019:

	As of December 31, 2019							
	Retail Banking		Wholesale Banking					
	Bank Retail	Bank Small & Medium Enterprise	Bank Commercial	C&IB Commercial Division C&IB	C&IB Finance Division	BCI Financial Group INC. and Subsidiaries	Financial Services	Total Segments
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS	11,027,083	2,387,656	6,604,359	5,547,872	12,146,955	11,927,385	695,310	**50,336,620**
LIABILITIES	4,874,161	1,699,964	3,983,645	9,318,381	15,457,063	10,567,897	642,989	**46,544,100**
SHAREHOLDERS' EQUITY								**3,792,520**

NOTE 6 - CASH AND CASH EQUIVALENTS

a) Details of balances included within cash and cash equivalents, and their reconciliation with the consolidated statements of cash flows, are as follows:

	As of December, 31	
	2020	**2019**
	MCh$	**MCh$**
Cash and deposits in banks		
Cash	608,987	530,345
Deposits in Central Bank of Chile (*)	1,708,329	917,204
Deposits in domestic banks	20,945	23,422
Deposits in foreign banks	2,259,606	1,682,789
Subtotal cash and deposits in banks	**4,597,867**	**3,153,760**
Items in course of collection, net	35,272	109,626
Highly liquid financial instruments	625,391	12,035
Repurchase agreements	156,448	156,307
Total cash and cash equivalents	**5,414,978**	**3,431,728**

(*) Deposits in Central Bank of Chile reflects the monthly average that the Bank must maintain in accordance with the regulations governing minimum reserves although the balance can be withdrawn on demand.

b) Items in course of collection

Items during collection correspond to those transactions pending settlement which will increase or decrease deposits in Central Bank of Chile or in foreign banks, usually within 12 or 24 hours. At the end of each fiscal year, these operations are presented according to the following detail:

	As of December, 31	
	2020	**2019**
	MCh$	**MCh$**
Assets		
Outstanding notes from other Banks	71,092	136,326
Funds receivable	165,618	174,276
Subtotal assets	**236,710**	310,602
Liabilities		
Funds payable	201,438	200,976
Subtotal liabilities	**201,438**	200,976
Items in course of collection, net	**35,272**	**109,626**

NOTE 7 - TRADING PORTFOLIO FINANCIAL ASSETS

The following is the detail of trading portfolio financial assets as of December 31, 2019 and 2018:

	As of December, 31	
	2020	**2019**
	MCh$	**MCh$**
Instruments of the state and Central Bank of Chile (*)		
Bonds of the Central Bank of Chile	5,239	518,073
Promissory notes of the Central Bank of Chile	189,001	29
Other instruments of the State and Central Bank of Chile	242,844	876,977
Instruments of other domestic institutions:		
Bonds	397,541	230,626
Term deposits	119,599	300,375
Letters of credit	4,160	2,106
Documents issued by other financial institutions	68,613	133,147
Other instruments	19,388	78,107
Instruments of other foreign institutions:		
Other instruments	3,463	1,940
Investments in mutual funds:		
Funds administered by related parties	61,441	34,591
Funds administered by third parties	35,990	36,286
Total	**1,147,279**	**2,212,257**

(*) As of December 31, 2020, and 2019, the Bank holds instruments issued by the Central Bank of Chile, classified under "Instruments of the State and Central Bank of Chile" for MCh$44,684 and MCh$591,476, respectively.

NOTE 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE

a) Securities purchased under agreements to resell:

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31
Type of entity		Average rate		Average rate		Average rate	2020
	MCh$	%	MCh$	%	MCh$	%	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	4,955	0.14	895	0.12	-	-	5,850
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Related party (individuals or entities)	151,493	0.08	32,905	0.11	-	-	184,398
Total	**156,448**		**33,800**		**-**		**190,248**

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31, 2019
Type of entity		Average rate		Average rate		Average rate	
	MCh$	%	MCh$	%	MCh$	%	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-
Securities brokers	49,766	0.26	9,332	0.26	-	-	**59,098**
Other domestic financial institutions	-	-	-	-	-	-	-
Foreign financial institutions	-	-	-	-	-	-	-
Related party (individuals or entities)	106,541	0.21	30,376	0.25	-	-	**136,917**
Total	**156,307**		**39,708**		**-**		**196,015**

NOTE 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE, CONTINUED

b) Securities sold under repurchase agreements:

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31
Type of entity		Average rate		Average rate		Average rate	2020
	MCh$	%	MCh$	%	MCh$	%	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	52,018	0.04	-	-	-	-	52,018
Securities brokers	-	-	-	-	-	-	-
Other domestic financial institutions	79,997	0.03	-	-	-	-	79,997
Foreign financial institutions	-	-	-	-	-	-	-
Related party (individuals or entities)	218,222	0.07	77	0.06	-	-	218,299
Total	**350,237**		**77**		**-**		**350,314**

	Maturity of the agreement						
	Up to 3 months		Between 3 months and 1 year		Over 1 year		As of December 31, 2019
Type of entity		Average rate		Average rate		Average rate	
	MCh$	%	MCh$	%	MCh$	%	MCh$
Related party (individuals or entities)	-	-	-	-	-	-	-
Domestic banks	9,992	0.21	-	-	-	-	9,992
Securities brokers	-	-	-	-	-	-	-
Other domestic financial institutions	99,988	0.16	-	-	-	-	99,988
Foreign financial institutions	-	-	-	-	-	-	-
Related party (individuals or entities)	799,411	0.44	-	-	-	-	799,411
Total	**909,391**		**-**		**-**		**909,391**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING

a) As of December 31, 2020, and 2019, the Bank and its subsidiaries held the following portfolio of derivative instruments:

As of December 31, 2020

	Notional Amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
	MCh$	MCh$	MCh$	MCh$
Trading Derivatives				
Forwards	29,425,884	28,023,386	527,822	562,464
Swaps	121,459,609	119,407,296	3,887,843	3,960,328
Call Options	112,745	125,696	664	518
Put Options	114,710	120,516	3,846	4,868
Futures	3	3	-	238
Other	-	-	-	-
Subtotal	**151,112,951**	**147,676,897**	**4,420,175**	**4,528,416**
Fair Value Hedge Derivatives				
Forwards	-	-	-	-
Swaps	1,455,209	1,057,972	208,858	78,803
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**1,455,209**	**1,057,972**	**208,858**	**78,803**
Cash Flow Hedge Derivatives				
Forwards	-	287,380	3,573	4,106
Swaps	2,116,451	2,970,952	819,291	1,182,029
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	2,116,451	**3,258,332**	**822,864**	**1,186,135**
Total	**154,684,611**	**151,993,201**	**5,451,897**	**5,793,354**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

As of December 31, 2019

	Notional Amount		Fair value	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Trading Derivatives				
Forwards	36,073,995	35,799,440	527,888	474,302
Swaps	129,467,616	127,855,131	3,011,080	3,242,642
Call Options	476,791	471,764	13,353	6,283
Put Options	426,560	396,365	1,599	3,131
Futures	67,672	67,672	53	312
Other	-	-	-	-
Subtotal	**166,512,634**	**164,590,372**	**3,553,973**	**3,726,670**
Fair Value Hedge Derivatives				
Forwards	-	-	-	-
Swaps	1,823,607	991,011	363,648	153,479
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**1,823,607**	**991,011**	**363,648**	**153,479**
Cash Flow Hedge Derivatives				
Forwards	-	523,734	19,687	16,496
Swaps	1,614,887	2,161,192	323,981	515,720
Call Options	-	-	-	-
Put Options	-	-	-	-
Futures	-	-	-	-
Other	-	-	-	-
Subtotal	**1,614,887**	**2,684,926**	**343,668**	**532,216**
Total	**169,951,128**	**168,266,309**	**4,261,289**	**4,412,365**

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

b) Types of derivatives

The Bank uses hedge accounting to manage its exposure to fair value risk and risk of changes in cash flows.

Fair value hedges:

For hedged items in both foreign currency and local currency, the fair value of the hedged item is hedged to protect against changes in the base interest rate. These hedges reduce the risk related to fair value changes due to changes in the interest rate or foreign exchange rates, among others.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of, December 31, 2020 and 2019:

	As of December 31, 2020		As of December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Hedged item	MCh$	MCh$	MCh$	MCh$
Bonds issued MX/MN	-	976,348	-	1,368,186
Term deposits	-	219,061	-	87,000
Investment MX	514,357	-	274,770	-
Macro hedge MN, MX	543,615	-	716,241	-
Obligations MN	-	259,800	-	368,421
Total	**1,057,972**	**1,455,209**	**991,011**	**1,823,607**

	As of, December 31, 2020		As of December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Hedging instrument	MCh$	MCh$	MCh$	MCh$
Cross Currency Swaps	396,601	591,271	913,788	769,721
Interest rate Swap MN	219,061	-	87,000	-
Interest rate Swap MX	839,547	466,701	822,819	221,290
Total	**1,455,209**	**1,057,972**	**1,823,607**	**991,011**

MX: Foreign currency
MN: Domestic currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

Cash flow hedges:

The Bank uses cash flow hedging instruments such as cross currency swaps, forwards (inflation and exchange rate) and UF rate swaps to hedge the assets and liabilities exposed to variations in interest rates, exchange rates and/or inflation.

The following tables provide a summary of the hedged items and hedging instruments for fair value hedge accounting as of December 31, 2020 and 2019:

	As of December 31, 2020		As of December 31, 2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Assets UF > 1Y	1,992,524	-	1,761,728	-
Future obligations USD	-	64,060	-	67,669
Term deposits Ch$	-	1,853,524	-	978,392
Assets UF	313,183	-	330,827	-
Credits MX	480,451	-	488,722	-
Bond MN/MX	427,068	198,867	75,188	568,826
Assets USD	45,106	-	28,461	-
Total	**3,258,332**	**2,116,451**	**2,684,926**	**1,614,887**

	As of, December 31, 2020		As of December 31, 2019	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Hedging instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Cross Currency Swaps	262,927	2,047,163	636,496	1,510,103
Forward UF	-	284,889	-	523,734
Swap MX	-	480,451	-	-
Forward USD	-	2,491	-	-
Swap rate	1,853,524	443,338	978,391	651,089
Total	**2,116,451**	**3,258,332**	**1,614,887**	**2,684,926**

MX: Foreign currency
MN: Domestic currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

Hedge of a net investment in a foreign operation:

The hedge of a net investment in a foreign operation seeks to mitigate the foreign exchange rate risk applied to the net assets of the foreign business, the detail is as follows in notional amounts:

	As of December 31, 2020		As of December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Hedged item	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Net investment in a foreign operation	-	-	114,224	-
Total	**-**	**-**	**114,224**	**-**

	As of December 31, 2020		As of Tuesday, December 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Hedging instrument	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Bonds in foreign currency	-	-	-	114,224
Total	**-**	**-**	**-**	**114,224**

MX: Foreign currency

NOTE 9 - DERIVATIVE FINANCIAL AGREEMENTS AND HEDGE ACCOUNTING, CONTINUED

The following table provides details of the expected future cash flows related to cash flow hedges:

Periods of expected future cash flows

	As of December 31, 2020				
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years	Total
Hedged item	MCh$	MCh$	MCh$	MCh$	MCh$
Cash inflows	633,123	3,353,185	2,235,947	79,268	6,301,523
Cash outflows	(641,547)	(3,184,154)	(1,935,290)	(94,781)	(5,855,772)
Net cash flows	**(8,424)**	**169,031**	**300,657**	**(15,513)**	**445,751**
Hedging instrument					
Cash inflows	641,547	3,184,154	1,935,290	94,781	5,855,772
Cash outflows	(633,123)	(3,353,185)	(2,235,947)	(79,268)	(6,301,523)
Net cash flows	**8,424**	**(169,031)**	**(300,657)**	**15,513**	**(445,751)**

Periods of expected future cash flows

	As of December 31, 2019				
	Within 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years	Total
Hedged item	MCh$	MCh$	MCh$	MCh$	MCh$
Cash inflows	990,675	2,024,860	1,367,582	55,230	4,438,347
Cash outflows	(753,431)	(1,810,551)	(1,428,555)	(62,456)	(4,054,993)
Net cash flows	**237,244**	**214,309**	**(60,973)**	**(7,226)**	**383,354**
Hedging instrument					
Cash inflows	753,431	1,810,551	1,428,555	62,456	4,054,993
Cash outflows	(990,675)	(2,024,860)	(1,367,582)	(55,230)	(4,438,347)
Net cash flows	**(237,244)**	**(214,309)**	**60,973**	**7,226**	**(383,354)**

NOTE 10 - LOANS AND RECEIVABLES FROM BANKS, NET

a) As of December 31, 2020, and 2019, balances for this concept are the following:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Domestic banks		
Highly liquid interbank loans	-	-
Allowance for loan losses of domestic banks	-	-
Foreign banks		
Highly liquid interbank loans	357,032	458,145
Allowance for loan losses of foreign banks	(363)	(505)
Total	**356,669**	**457,640**

b) The rollforward as of December 31, 2020 and 2019 of provisions and impairment is as follows:

	As of December 31, 2020			As of December 31, 2019		
Detail	Domestic banks	Foreign banks	Total	Domestic banks	Foreign banks	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1,	**-**	**505**	**505**	**-**	**606**	**606**
Write-offs	-	-	-	-	-	**-**
Allowances established	-	-	**-**	-	1,360	**1,360**
Reversal of provisions	-	(142)	**(142)**	-	(1,461)	**(1,461)**
Reversal of impairment						
Ending balance	**-**	**363**	**363**	**-**	**505**	**505**

NOTE 11 – LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET

a) Loans and receivables from customers, net

As of December 31, 2020, and 2019, the composition of the loan portfolio was as follows:

	Assets before allowances				Allowances established			
As of December 31, 2020	**Normal portfolio**	**Substandard portfolio**	**Non-compliant portfolio**	**Total**	**Individual allowance**	**Collective allowance**	**Total**	**Net assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:								
Commercial loans (*)	17,504,282	1,582,279	680,960	19,767,521	(233,967)	(170,030)	(403,997)	19,363,524
Foreign trade loans	666,961	33,733	279	700,973	(11,935)	(633)	(12,568)	688,405
Checking accounts	121,036	1,969	10,806	133,811	(1,560)	(6,652)	(8,212)	125,599
Factoring operations	907,285	14,026	2,305	923,616	(6,832)	(1,830)	(8,662)	914,954
Student Loans	125,148	-	21,082	146,230	-	(5,339)	(5,339)	140,891
Consumer leasing transactions	1,337,162	79,192	27,675	1,444,029	(14,089)	(7,028)	(21,117)	1,422,912
Other loans	47,615	366	9,566	57,547	(1,115)	(5,600)	(6,715)	50,832
Subtotal	**20,709,489**	**1,711,565**	**752,673**	**23,173,727**	**(269,498)**	**(197,112)**	**(466,610)**	**22,707,117**
Mortgage loans:								
Letters of credit	5,190	-	379	5,569	-	(9)	(9)	5,560
Negotiable mortgage loans	1,509,776	-	23,314	1,533,090	-	(10)	(10)	1,533,080
Other mortgage loans	7,056,103	-	214,884	7,270,987	-	(47,758)	(47,758)	7,223,229
Consumer leasing transactions	-	-	-	-	-	-	-	-
Other loans	132,021	-	4,034	136,055	-	(453)	(453)	135,602
Subtotal	**8,703,090**	**-**	**242,611**	**8,945,701**	**-**	**(48,230)**	**(48,230)**	**8,897,471**
Consumer loans:								
Consumer loans in installments	1,839,122	-	251,056	2,090,178	-	(176,326)	(176,326)	1,913,852
Checking accounts	56,790	-	8,595	65,385	-	(9,349)	(9,349)	56,036
Credit card borrowers	1,161,662	-	63,265	1,224,927	-	(89,010)	(89,010)	1,135,917
Consumer leasing transactions	728	-	34	762	-	(21)	(21)	741
Other loans	7,866	-	167	8,033	-	(486)	(486)	7,547
Subtotal	**3,066,168**	**-**	**323,117**	**3,389,285**	**-**	**(275,192)**	**(275,192)**	**3,114,093**
		-						
TOTAL	**32,478,747**	**1,711,565**	**1,318,401**	**35,508,713**	**(269,498)**	**(520,534)**	**(790,032)**	**34,718,681**

(*) Includes loans corresponding to Protected Assets Fund No. 27 as stated in Note 1, ag.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

	Assets before allowances				Allowances established			
As of December 31, 2019	**Normal portfolio**	**Substandard portfolio**	**Non-compliant portfolio**	**Total**	**Individual allowance**	**Collective allowance**	**Total**	**Net assets**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Commercial loans:								
Commercial loans (*)	16,331,627	604,568	512,985	17,449,180	(152,415)	(133,887)	(286,302)	17,162,878
Foreign trade loans	1,070,690	25,063	574	1,096,327	(9,591)	(1,955)	(11,546)	1,084,781
Checking accounts	170,938	3,139	12,851	186,928	(1,582)	(9,157)	(10,739)	176,189
Factoring operations	1,028,924	5,370	3,236	1,037,530	(4,158)	(2,666)	(6,824)	1,030,706
Student Loans	142,155	-	13,357	155,512	-	(4,370)	(4,370)	151,142
Consumer leasing transactions	1,509,647	49,780	52,062	1,611,489	(19,917)	(9,045)	(28,962)	1,582,527
Other loans	61,412	339	11,455	73,206	(1,618)	(6,734)	(8,352)	64,854
Subtotal	**20,315,393**	**688,259**	**606,520**	**21,610,172**	**(189,281)**	**(167,814)**	**(357,095)**	**21,253,077**
Mortgage loans:								
Letters of credit	7,653	-	581	8,234	-	(60)	(60)	8,174
Negotiable mortgage loans	1,697,093	-	16,799	1,713,892	-	(10,097)	(10,097)	1,703,795
Other mortgage loans	6,385,596	-	226,251	6,611,847	-	(31,477)	(31,477)	6,580,370
Consumer leasing transactions	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-
Subtotal	**8,090,342**	**-**	**243,631**	**8,333,973**	**-**	**(41,634)**	**(41,634)**	**8,292,339**
Consumer loans:								
Consumer loans in installments	2,151,324	-	265,823	2,417,147	-	(154,773)	(154,773)	2,262,374
Checking accounts	105,790	-	12,320	118,110	-	(9,340)	(9,340)	108,770
Credit card borrowers	1,289,210	-	74,110	1,363,320	-	(105,432)	(105,432)	1,257,888
Consumer leasing transactions	1,247	-	41	1,288	-	(47)	(47)	1,241
Other loans	36,355	-	413	36,768	-	-	-	36,768
Subtotal	**3,583,926**	**-**	**352,707**	**3,936,633**	**-**	**(269,592)**	**(269,592)**	**3,667,041**
Total	**31,989,661**	**688,259**	**1,202,858**	**33,880,778**	**(189,281)**	**(479,040)**	**(668,321)**	**33,212,457**

(*) Includes loans corresponding to Protected Assets Fund No. 27 as stated in Note 1, ag.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

The collateral received by the Bank with respect to the mortgage loan portfolio consists of cash, securities, accounts receivable, property and real estate assets, and guarantees, among others.

The Bank uses finance lease agreements for terms from 1 to 10 years, depending on the contract, to finance acquisition of property, both movable and immovable, for its clients. Those are presented in the heading of leasing operations. As of December 31, 2020, and 2019, the Bank held approximately Mch$575,648 and MCh$616,757, respectively, of financial leases on movable assets, and MCh$ 869,143 and MCh$ 996,020, respectively, of financial leases on property.

The following tables provide a reconciliation between gross investment in and present value of minimum payments as of December 31, 2020 and 2019 as well as a maturity analysis at such dates:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Gross investments in lease	1,612,395	1,812,480
Unearned income from financial lease	(167,604)	(199,703)
Net financial leases	**1,444,791**	**1,612,777**

	As of December, 31	
	2020	2019
	MCh$	MCh$
Less than 1 year	350,850	345,138
Between 1 and 5 years	633,074	755,004
Over 5 years	460,867	512,635
Total	**1,444,791**	**1,612,777**

There is no evidence of impairment of the financial lease contracts that the Bank holds.

The Bank has obtained repossessed assets for an amount of MCh$ 6,037 as of December 31, 2020 and MCh$ 9,509 for December 31, 2019 through the execution of collateral held on assets.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

b) Portfolio characteristics:

As of December 31, 2020, and 2019, the loan portfolio, before allowances, by type of customer economic activity is as follows:

	Domestic loans		Foreign loans		Total			
	As of December 31		As of December 31		As of December 31		As of December 31	
	2020	2019	2020	2019	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	%	%
Commercial loans:								
Agriculture and livestock except fruits	362,664	309,464	136,201	132,164	498,865	441,628	1.40%	1.30%
Fruits	125,220	71,790	146,164	180,790	271,384	252,580	0.76%	0.75%
Forestry and wood extraction	124,884	114,399	21,085	18,534	145,969	132,933	0.41%	0.39%
Fishing	43,994	30,619	103,435	127,668	147,429	158,287	0.42%	0.47%
Mining	66,874	59,896	91,149	189,831	158,023	249,727	0.45%	0.74%
Crude oil and natural gas production	30,238	1,631	40,614	129,105	70,852	130,736	0.20%	0.39%
Food, beverage and tobacco industry	292,586	252,141	103,320	126,031	395,906	378,172	1.11%	1.12%
Textile and leather industry	53,125	26,777	22,471	35,913	75,596	62,690	0.21%	0.19%
Timber and furniture industry	61,224	42,533	4,065	17,161	65,289	59,694	0.18%	0.18%
Print and editorial industry	81,237	48,332	12,921	13,801	94,158	62,133	0.27%	0.18%
Chemical product, derived from oil, coal, rubber and plastic	165,965	154,026	49,065	86,729	215,030	240,755	0.61%	0.71%
Production of metal and non-metal production, machinery and equipment	501,233	347,951	119,339	205,198	620,572	553,149	1.75%	1.63%
Other manufacturing industries	39,508	32,032	211,081	234,914	250,589	266,946	0.71%	0.79%
Electricity, gas and water	270,663	275,135	309,253	324,339	579,916	599,474	1.63%	1.77%
Home construction	109,323	170,061	2,467	7,098	111,790	177,159	0.31%	0.52%
Other construction	1,571,475	1,487,819	257,667	216,493	1,829,142	1,704,312	5.15%	5.03%
Wholesale business	1,183,063	851,995	387,691	738,469	1,570,754	1,590,464	4.42%	4.69%
Retail, restaurants and hotels	972,932	672,625	1,378,470	1,061,651	2,351,402	1,734,276	6.62%	5.12%
Transporting and storage	522,923	418,851	574,164	545,124	1,097,087	963,975	3.09%	2.85%
Communications	270,543	232,272	182,757	175,235	453,300	407,507	1.28%	1.20%
Financial and insurance companies	2,271,488	2,313,758	399,290	385,265	2,670,778	2,699,023	7.52%	7.97%
Real estate and service providers	2,100,433	2,019,681	2,757,274	2,659,335	4,857,707	4,679,016	13.68%	13.79%
Services	2,255,641	1,974,996	2,386,548	2,090,540	4,642,189	4,065,536	13.07%	12.00%
Subtotal	**13,477,236**	**11,908,784**	**9,696,491**	**9,701,388**	**23,173,727**	**21,610,172**	**65.26%**	**63.78%**
Mortgage loans	7,416,285	6,625,448	1,529,416	1,708,525	8,945,701	8,333,973	25.19%	24.60%
Consumer loans	3,326,941	3,861,838	62,344	74,795	3,389,285	3,936,633	9.54%	11.62%
Total	**24,220,462**	**22,396,070**	**11,288,251**	**11,484,708**	**35,508,713**	**33,880,778**	**100.00%**	**100.00%**

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

c) Provisions

The changes in allowances for loan losses as of December 31, 2020 and 2019 are summarized as follows:

	As of December 31, 2020			As of December 31, 2019		
	Individual allowance	Collective allowance	Total	Individual allowance	Collective allowance	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as of January 1,	**189,281**	**479,040**	**668,321**	**184,362**	**372,405**	**556,767**
Portfolio write-offs:						
Commercial loans	(42,323)	(64,632)	(106,955)	(37,978)	(72,802)	(110,780)
Mortgage loans	-	(7,896)	(7,896)	-	(8,846)	(8,846)
Consumer loans	-	(334,383)	(334,383)	-	(276,651)	(276,651)
Total Write-offs	**(42,323)**	**(406,911)**	**(449,234)**	**(37,978)**	**(358,299)**	**(396,277)**
Allowances established	146,828	496,987	643,815	71,249	477,348	548,597
Reversal of provisions	(24,288)	(48,582)	(72,870)	(28,352)	(12,414)	(40,766)
Ending balance	**269,498**	**520,534**	**790,032**	**189,281**	**479,040**	**668,321**

In addition to these allowances for loan losses, the provisions for country risk are maintained to cover operations abroad, as well as additional provisions approved by the Board, which are presented as liabilities under "Provisions" (See Note 21). Therefore, the total amount of allowances and provisions for credit risk constituted for different concepts corresponds to the following:

	As of December 31 2020	As of December 31 2019
	MCh$	MCh$
Individual and collective allowance (*)	790,032	668,321
Provisions for contingent credit risk (Note 21)	51,593	42,669
Additional provisions (Note 21)	160,176	16,692
Minimum provision 0.50% (Note 21)	-	10,708
Provisions for country risk (Note 21)	3,608	3,017
Allowances on loans and receivables to banks (Note 10)	363	505
Total	**1,005,772**	**741,912**

(*) As of December 31, 2020, the Bank has established provisions totaling MCh$ 29,276 to cover the FOGAPE Covid-19 deductible guarantees, associated with commercial banking loans.

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

During the years 2020 and 2019, the Bank has not participated in any purchase, sale, substitution or swap of the loan portfolio with other financial institutions, except for operations disclosed in the present consolidated financial statements.

d) Collateral

Impaired loan portfolio, secured and unsecured, before allowances for loan losses, as of December 31, 2020 and 2019 was as follows:

	As of December 31, 2020				As of December 31, 2019			
	Commercial	**Mortgage**	**Consumer**	**Total**	**Commercial**	**Mortgage**	**Consumer**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Secured debt	813,030	236,927	77,433	**1,127,390**	683,589	239,842	79,170	**1,002,601**
Unsecured debt	129,139	5,684	245,684	**380,507**	122,506	3,789	273,537	**399,832**
Total	**942,169**	**242,611**	**323,117**	**1,507,897**	**806,095**	**243,631**	**352,707**	**1,402,433**

e) Past due portfolio

The past due portfolio (overdue for 90 days or more) as of December 31, 2020 and 2019 was as follows:

	As of December 31, 2020				As of December 31, 2019			
	Commercial	**Mortgage**	**Consumer**	**Total**	**Commercial**	**Mortgage**	**Consumer**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Secured debt	198,888	74,984	6,621	**280,493**	221,811	84,118	6,393	**312,322**
Unsecured debt	72,893	3,133	61,137	**137,163**	61,775	3,915	83,744	**149,434**
Total	**271,781**	**78,117**	**67,758**	**417,656**	**283,586**	**88,033**	**90,137**	**461,756**

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

f) Normal, substandard and non-compliant portfolio:

	As of December 31, 2020															
	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total Normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Portfolio Current	19,703,320	8,542,695	3,048,838	31,294,853	1,520,077	-	-	1,520,077	520,901	211,217	258,214	990,332	21,744,298	8,753,912	3,307,052	33,805,262
Overdue for 1 to 29 days	958,139	127,245	14,767	1,100,151	152,895	-	-	152,895	6,329	1,021	5,247	12,597	1,117,363	128,266	20,014	1,265,643
Overdue for 30 to 89 days	48,030	32,780	2,563	83,373	37,560	-	-	37,560	18,123	4,138	12,031	34,292	103,713	36,918	14,594	155,225
Overdue for 90 days or more (“past due”)	-	370	-	370	1,033	-	-	1,033	207,320	26,235	47,625	281,180	208,353	26,605	47,625	282,583
Total portfolio before allowances	**20,709,489**	**8,703,090**	**3,066,168**	**32,478,747**	**1,711,565**	**-**	**-**	**1,711,565**	**752,673**	**242,611**	**323,117**	**1,318,401**	**23,173,727**	**8,945,701**	**3,389,285**	**35,508,713**
Overdue, but not past due loans (less than 90 days in default) as a percentage of the total portfolio	4.86%	1.84%	0.57%	3.64%	11.13%	0,00%	0,00%	11.13%	3.25%	2.13%	5.35%	3.56%	5.27%	1.85%	1.02%	4.00%
Past due loans (more than 90 days in default) as a percentage of the total	0,00%	0,00%	0,00%	0,00%	0.06%	0,00%	0,00%	0.06%	27.54%	10.81%	14.74%	21.33%	0.90%	0.30%	1.41%	0.80%

NOTE 11 - LOANS TO AND RECEIVABLES FROM CUSTOMERS, NET, CONTINUED

	As of December 31, 2019															
	Normal				Substandard				Non-compliant				Total portfolio			
	Commercial	Mortgage	Consumer	Total Normal	Commercial	Mortgage	Consumer	Total substandard	Commercial	Mortgage	Consumer	Total non-compliant	Commercial	Mortgage	Consumer	Total portfolio
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Portfolio Current	19,911,460	8,045,189	3,576,261	31,532,910	661,094	-	-	661,094	361,337	221,710	274,341	857,388	20,933,891	8,266,899	3,850,602	33,051,392
Overdue for 1 to 29 days	376,083	19,776	6,119	401,978	23,388	-	-	23,388	5,888	1,413	3,395	10,696	405,359	21,189	9,514	436,062
Overdue for 30 to 89 days	27,850	25,377	1,546	54,773	3,777	-	-	3,777	26,271	4,879	15,808	46,958	57,898	30,256	17,354	105,508
Overdue for 90 days or more ("past due")	-	-	-	-	-	-	-	-	213,024	15,629	59,163	287,816	213,024	15,629	59,163	287,816
Total portfolio before allowances	20,315,393	8,090,342	3,583,926	31,989,661	688,259	-	-	688,259	606,520	243,631	352,707	1,202,858	21,610,172	8,333,973	3,936,633	33,880,778
Overdue, but not past due loans (less than 90 days in default) as a percentage of the total portfolio	1.99%	0.56%	0.21%	1.43%	3.95%	0,00%	0,00%	3.95%	5.30%	2.58%	5.44%	4.79%	2.14%	0.62%	0.68%	1.60%
Past due loans (more than 90 days in default) as a percentage of the total	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	35.12%	6.42%	16.77%	23.93%	0.99%	0.19%	1.50%	0.85%

NOTE 12 – FINANCIAL INVESTMENTS

As of December 31, 2020, and 2019, financial investments available for sale and held to maturity are as follows:

	As of December 31, 2020			As of December 31, 2019		
	Available for sale	Held to maturity	Total	Available for sale	Held to maturity	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial investments quoted in active markets						
Of the state and the Central Bank of Chile (a):						
Instruments of the Central Bank of Chile (b)	1,840,936	-	1,840,936	182,100	-	182,100
Bonds or promissory notes of the Treasury	1,578,684	-	1,578,684	510,742	-	510,742
Other fiscal instruments	5,110	-	5,110	5,424	-	5,424
Other domestic instruments:						
Financial instruments issued by other domestic banks	913,288	-	913,288	140,011	-	140,011
Bonds and corporate commercial papers	11,792	-	11,792	6,044	-	6,044
Other domestic instruments:	2,443	-	2,443	2,683	-	2,683
Foreign instruments:						
Instruments issued by foreign states and central banks (c)	486,068	18,626	504,694	146,361	752	147,113
Other foreign instruments	3,157,719	6,518	3,164,237	3,017,664	6,617	3,024,281
Total	**7,996,040**	**25,144**	**8,021,184**	**4,011,029**	**7,369**	**4,018,398**

(a) As of December 31, 2020, and 2019, the Bank does not maintain zero coupon instruments classified in the portfolio available for sale.

(b) As of December 31, 2020, and 2019, the Bank does not maintain instruments of the Central Bank of Chile, sold with repurchase agreements classified in the caption "State Instruments and Central Bank of Chile."

(c) Financial investments held to maturity correspond to the portfolio of the Bank subsidiary, BCI Financial Group, INC. and subsidiaries, that holds investments in state bonds on the balance sheet of CNB, and the intent is to hold them to maturity.

As of December 31, 2020, and 2019, there is no evidence of impairment in the investment instruments available for sale.

NOTE 13 - INVESTMENTS IN OTHER COMPANIES

a) As of December 31, 2020, and 2019, principal investments in associates, joint ventures and other entities are detailed below:

	As of December 31, 2020				As of December 31, 2019			
Company	Equity	Interest	Investment carrying value	Income/(loss)	Equity	Interest	Investment carrying value	Income/(loss)
	MCh$	%	MCh$	MCh$	MCh$	%	MCh$	MCh$
Investment accounted for using equity method:								
Redbanc S.A.	8,663	12.71	1,101	(82)	9,221	12.71	1,172	110
Combanc S.A.	6,436	11.74	756	22	6,290	11.74	738	23
Transbank S.A.	67,336	8.72	5,871	(1,453)	82,667	8.72	7,208	1,168
Nexus S.A.	8,626	14.81	1,277	(1,341)	17,675	14.81	2,618	2
Servicio de Infraestructura de Mercado OTC S.A.	12,248	13.61	1,667	(26)	12,470	13.61	1,697	65
AFT S.A.	19,171	20.00	3,834	389	19,174	20.00	3,835	390
Centro de Compensación Automatizado S.A.	8,182	33.33	2,727	635	6,464	33.33	2,155	294
Sociedad Interbancaria de Depósitos de Valores S.A.	5,526	7.03	388	72	5,070	7.03	356	61
Pagos y Servicios S.A.	654	49.90	392	-	-	-	-	-
Investment measured at cost:								
SWIFT shares			56	-			56	-
Bladex shares			219	266			219	261
Credicorp LTD,			-	-			-	8,844
Other shares			429	119			299	224
Total			**18,717**	**(1,399)**			**20,353**	**11,442**
Investment in joint ventures								
Investment accounted for using equity method:								
Servipag Ltda.	13,268	50.00	6,634	488	12,543	50.00	6,271	572
Artikos Chile S.A.	2,547	50.00	1,274	553	2,399	50.00	1,199	624
Total			**7,908**	**1,041**			**7,470**	**1,196**
Total investments associates, joint ventures and other entities			**26,625**	**(358)**			**27,823**	**12,638**

NOTE 13 - INVESTMENTS IN OTHER COMPANIES, CONTINUED

b) The rollforward of investments in other companies as of December 31, 2020 and 2019, is as follows:

	As of December 31, 2020	As of December 31, 2019
	MCh$	MCh$
Balances as of January 1,	**27,823**	**44,740**
Acquisition of investments in other companies	392	98
Share of profit of investments accounted for using the equity method	(358)	12,638
Sale of investments in other companies (*)	-	(29,029)
Dividends received	(388)	(224)
Adjustment for minimum dividend provision	(465)	110
Minimum dividends provision	(379)	(510)
Ending balance	**26,625**	**27,823**

(*) Corresponds to sales of shares in Credicorp LTD.

c) Summary of relevant information on associates and joint ventures.

1) The information on investments in associates and joint ventures as of and for the year ended December 31, 2020, is as follows:

Investment in associate or joint venture	Interest	Current assets	Non-current assets	Current liabilities	Non - current Liabilities	Income	Expense	Net profit (loss)%
		MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Redbanc S.A.	12.71	7,123	18,361	6,997	9,824	36,111	(36,683)	(644)
Combanc S.A.	11.74	5,190	1,968	516	206	3,623	(3,495)	188
Servicio de Infraestructura de Mercado OTC S.A.	13.61	2,028	12,452	517	1,715	106	(531)	(192)
Transbank S.A.	8.72	893,293	112,845	937,138	1,663	463,087	(417,401)	(16,670)
Nexus S.A.	14.81	10,687	8,523	6,957	3,628	45,137	(44,326)	(9,051)
Centro de Compensación Automatizado S.A.	33.33	49,529	525	29,763	1,300	3,836	2,195	1,944
Servipag Ltda.	50.00	7,438	3,696	2,534	418	12,227	(9,774)	1,810
Artikos Chile S.A.	50.00	71,711	14,942	70,887	2,498	40,138	(38,841)	976
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	140	5,700	314	-	10	(42)	1,030
Administrador Financiero del Transantiago S.A.	20.00	49,243	598	29,412	1,258	3,836	(2,195)	1,944
Pagos y Servicios S.A.	49.90	770	-	116	-	-	(110)	(131)

NOTE 13 - INVESTMENTS IN OTHER COMPANIES, CONTINUED

2) The information on investments in associates and joint ventures as of and for the year ended December 31, 2019, is as follows:

Investment in associate or joint venture	Interest	Current assets	Non-current assets	Current liabilities	Non - current Liabilities	Income	Expense	Net profit (loss)%
		MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Redbanc S.A.	12.71	7,047	16,366	7,688	6,504	38,024	(36,693)	866
Combanc S.A.	11.74	6,019	1,353	769	313	3,386	(3,348)	193
Servicio de Infraestructura de Mercado OTC S.A.	13.61	21,585	8,216	16,789	534	6,292	(5,725)	478
Transbank S.A.	8.72	1,118,388	99,060	1,130,800	3,981	222,912	(143,042)	13,402
Nexus S.A.	14.81	9,586	21,561	7,951	5,521	49,944	(49,699)	17
Centro de Compensación Automatizado S.A.	33.33	5,087	3,463	1,947	139	3,384	(2,229)	881
Servipag Ltda.	50.00	74,748	18,005	74,745	5,716	43,259	(41,708)	894
Artikos Chile S.A.	50.00	1,701	1,944	1,083	163	3,643	(2,452)	1,248
Sociedad Interbancaria de Depósitos de Valores S.A.	7.03	113	4,961	263	-	15	(57)	861

NOTE 14 - INTANGIBLE ASSETS

a) The composition of intangible assets as of December 31, 2020 and 2019 was the following:

			As of December 31, 2020		
Concept	**Total useful life years**	**Remaining average useful life years**	**Gross balance** MCh$	**Accumulated amortization** MCh$	**Net balance** MCh$
Intangible assets acquired separately (a)	6	5	98,269	(44,506)	**53,763**
Intangible generated internally (b)	6	5	245,126	(155,165)	**89,961**
Intangible assets acquired in business combination (c):					
Core deposits	9	5	88,894	(46,081)	**42,813**
Leasehold interest	30	26	6,521	(1,677)	**4,844**
Relationship with clients	10	9	34,890	(10,190)	**24,700**
Other	10	9	19,367	(4,498)	**14,869**
Intangible assets not amortizable acquired in business combination (c):					
Trademark			12,812	-	**12,812**
Goodwill			151,514	-	**151,514**
Total			**657,393**	**(262,117)**	**395,276**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

Concept	Total useful life years	Remaining average useful life years	As of December 31, 2019 Gross balance MCh$	Accumulated amortization MCh$	Net balance MCh$
Intangible assets acquired separately (a)	6	5	84,278	(36,486)	**47,792**
Intangible generated internally (b)	6	5	215,972	(128,546)	**87,426**
Intangible assets acquired in business combination (c):					
Core deposits	9	6	90,444	(35,095)	**55,349**
Leasehold interest	30	27	5,427	(1,214)	**4,213**
Relationship with clients	10	10	37,526	(5,514)	**32,012**
Other	10	10	21,726	(2,345)	**19,381**
Intangible assets not amortizable acquired in business combination (c):					
Trademark	-	-	13,534	-	**13,534**
Goodwill	-	-	144,508	-	**144,508**
Total			**613,415**	**(209,200)**	**404,215**

a. Corresponds to software purchased from parties not related to the Bank or its subsidiaries.

b. Corresponds to software developed internally for the bank or subsidiaries to generate profits for the bank or subsidiaries.

c. Corresponds to intangible assets for the business combinations of BCI Financial Group, INC, and Subsidiaries and the merger between City National Bank of Florida and TotalBank, City National Bank of Florida and Executive Banking Corporation and acquisition by the Financial Services business of Walmart by BCI.

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

b) The movements of intangible assets as of December 31, 2020 and 2019 are the following:

			Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		
	Intangible assets acquired separately	Intangible generated internally	Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2020	**84,278**	**215,972**	**90,444**	**5,427**	**37,526**	**21,726**	**13,534**	**144,508**	**613,415**
Acquisitions	10,870	46,893	3,667	-	-	-	-	14,087	**75,517**
Disposals/ transfers	3,738	(312)	-	-	-	-	-	-	**3,426**
Exchange differences	(595)	(17,427)	(5,217)	-	-	-	(722)	(7,081)	**(31,042)**
Remeasurement of goodwill and intangible assets	-	-	-	-	-	-	-	-	**-**
Other	(22)	-	-	1,094	-	(1)	-	-	**1,071**
Impairment of property, plant and equipment and intangible assets	-	-	-	-	(2,636)	(2,358)	-	-	**(4,994)**
Gross balance as of December 31, 2020	**98,269**	**245,126**	**88,894**	**6,521**	**34,890**	**19,367**	**12,812**	**151,514**	**657,393**
Amortization for the year	(8,096)	(27,366)	(14,432)	(247)	(4,676)	(2,153)	-	-	**(56,970)**
Accumulated amortization from previous periods	(36,486)	(128,546)	(35,095)	(1,214)	(5,514)	(2,345)	-	-	**(209,200)**
Transfers	76	747	3,446	(216)	-	-	-	-	**4,053**
Other	-	-	-	-	-	-	-	-	**-**
Impairment of property, plant and equipment and intangible assets	-	-	-	-	-	-	-	-	**-**
Total accumulated amortization and impairment	(44,506)	(155,165)	(46,081)	(1,677)	(10,190)	(4,498)	-	-	**(262,117)**
Balance as of December 31, 2020	**53,763**	**89,961**	**42,813**	**4,844**	**24,700**	**14,869**	**12,812**	**151,514**	**395,276**

NOTE 14 - INTANGIBLE ASSETS, CONTINUED

			Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		
	Intangible assets acquired separately	Intangible generated internally	Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2019	**73,700**	**183,886**	**83,434**	**5,006**	**28,169**	**21,698**	**12,485**	**132,515**	**540,893**
Acquisitions	11,266	68,989	-	-	-	-	-	-	**80,255**
Disposals/ transfers	(1,121)	(36,903)	-	-	-	-	-	-	**(38,024)**
Exchange differences	-	-	7,010	421	-	1	1,049	9,789	**18,270**
Remeasurement of goodwill and intangible assets	-	-	-	-	9,357	27	-	2,204	**11,588**
Other	433	-	-	-	-	-	-	-	**433**
Impairment of property, plant and equipment and intangible assets	-	-	-	-	-	-	-	-	
Gross Balance as of December 31, 2019	**84,278**	**215,972**	**90,444**	**5,427**	**37,526**	**21,726**	**13,534**	**144,508**	**613,415**
Amortization for the year	(6,550)	(24,377)	(12,468)	(302)	(5,514)	(2,172)	-	-	**(51,383)**
Accumulated amortization from previous periods	(49,055)	(88,665)	(20,023)	(774)	-	(179)	-	-	**(158,696)**
Transfers	16,929	(16,929)	-	-	-	-	-	-	**-**
Other	2,190	1,425	(2,604)	(138)	-	6	-	-	**879**
Impairment of property, plant and equipment and intangible assets	-	-	-	-	-	-	-	-	**-**
Total accumulated amortization and impairment	(36,486)	(128,546)	(35,095)	(1,214)	(5,514)	(2,345)	**-**	**-**	**(209,200)**
Balance as of December 31, 2019	**47,792**	**87,426**	**55,349**	**4,213**	**32,012**	**19,381**	**13,534**	**144,508**	**404,215**

d) Impairment

The Bank assesses, at the end of the reported fiscal year, if there is any indicator of impairment of any amortizable asset. If any indicator is present, or an impairment test is needed, the Bank calculates the recoverable amount of the asset.

For the year ended December 31, 2020, the Bank recorded impairment on the following amortizable intangible assets generated in the acquisition of BCI Servicios Financieros business: Client Relations and Rights acquired for cross-sales equal to to MCh $2,636 and MCh $2,358, respectively. See further Information on Note 32.

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, NET

a) The composition of property, plant and equipment as of December 31, 2020 and 2019 was the following:

As of December 31, 2020

Concept	Total useful life	Remaining average useful life	Gross balance	Accumulated depreciation from previous years	Net balance
			MCh$	MCh$	MCh$
Land and buildings	36	30	235,657	(43,304)	192,353
Equipment	4	3	124,672	(87,969)	36,703
Other property, plant and equipment	8	7	57,770	(35,609)	22,161
Total			**418,099**	**(166,882)**	**251,217**

As of December 31, 2019

Concept	Total useful life	Remaining average useful life	Gross balance	Accumulated depreciation from previous years	Net balance
			MCh$	MCh$	MCh$
Land and buildings	36	30	235,941	(41,241)	194,700
Equipment	4	4	160,457	(128,678)	31,779
Other property, plant and equipment	8	6	57,394	(33,679)	23,715
Total			**453,792**	**(203,598)**	**250,194**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

b) The movements of property, plant and equipment for the years ended December 31, 2020 and 2019 are the following:

	Buildings and land	Equipment	Other property, assets	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2020	**235,941**	**160,457**	**57,394**	**453,792**
Additions	4,871	7,527	11,392	23,790
Disposals	(4,727)	(57,212)	(2,283)	(64,222)
Transfers	1,686	14,645	(8,614)	7,717
Other	(2,114)	(745)	(40)	(2,899)
Impairment of property, plant and equipment and intangible assets	-	-	(79)	(79)
Gross balance as of December 31, 2020	**235,657**	**124,672**	**57,770**	**418,099**
Depreciation for the year	(4,732)	(16,896)	(3,610)	**(25,238)**
Disposals	2,571	57,328	1,641	**61,540**
Transfer	-	-	-	**-**
Accumulated depreciation from previous periods	(41,241)	(128,678)	(33,679)	**(203,598)**
Other	98	277	39	**414**
Impairment of property, plant and equipment and intangible assets	-	-	-	**-**
Total Accumulated Depreciation	**(43,304)**	**(87,969)**	**(35,609)**	**(166,882)**
Balance as of December 31, 2020	**192,353**	**36,703**	**22,161**	**251,217**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Buildings and land	Equipment	Other property, assets	Total
	MCh$	MCh$	MCh$	MCh$
Balance as of January 1, 2019	**303,819**	**154,569**	**49,987**	**508,375**
Additions	8,491	12,417	12,735	**33,643**
Disposals	(17,474)	(7,390)	(584)	**(25,448)**
Transfers	(62,908)	-	(4,323)	**(67,231)**
Other	4,013	861	57	**4,931**
Impairment of property, plant and equipment and intangible assets	-	-	(478)	**(478)**
Gross Balance as of December 31, 2019	**235,941**	**160,457**	**57,394**	**453,792**
Depreciation for the year	(4,823)	(17,259)	(3,588)	**(25,670)**
Disposals	806	4,922	1,831	**7,559**
Transfer	41,591	-	-	**41,591**
Accumulated depreciation from previous years	(78,583)	(116,245)	(32,311)	**(227,139)**
Other	(232)	(96)	389	**61**
Impairment of property, plant and equipment and intangible assets	-	-	-	**-**
Total Accumulated Depreciation	**(41,241)**	**(128,678)**	**(33,679)**	**(203,598)**
Balance as of December 31, 2019	**194,700**	**31,779**	**23,715**	**250,194**

c) As of December 31, 2020, and 2019 the net impairment was MCh$79 and MCh$478, respectively, impacting property, plant and equipment.

d) The detail of the right-of-use asset as of December 31, 2020 and 2019 is as follows:

	As of December 31, 2020				
Concept	**Total useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	10	9	219,662	(37,374)	182,288
Leasehold improvements	10	8	69,165	(46,646)	22,519
Total			**288,827**	**(84,020)**	**204,807**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	As of December 31, 2019				
Concept	**Total useful life**	**Remaining average useful life**	**Gross balance**	**Accumulated depreciation from previous years**	**Net balance**
			MCh$	**MCh$**	**MCh$**
Land and buildings	10	10	223,147	(19,094)	**204,053**
Leasehold improvements	10	9	70,296	(43,005)	**27,291**
Total			**293,443**	**(62,099)**	**231,344**

e) The changes in the right-of-use asset as of December 31, 2020 and 2019 are as follows:

	Buildings and land	**Leasehold improvements**	**Total**
	MCh$	**MCh$**	**MCh$**
Balance as of January 1, 2020	**223,147**	**70,296**	**293,443**
Additions	42,125	3,952	**46,077**
Disposals	(42,098)	(4,212)	**(46,310)**
Other	(3,512)	(871)	**(4,383)**
Impairment of property, plant and equipment and intangible assets	-	-	**-**
Gross balance as of December 31, 2020	**219,662**	**69,165**	**288,827**
Depreciation for the year	**(23,585)**	**(3,217)**	**(26,802)**
Disposals	4,286	426	**4,712**
Other	1,020	(851)	**169**
Accumulated depreciation	(19,095)	(43,004)	**(62,099)**
Impairment of property, plant and equipment and intangible assets	-	-	**-**
Total Accumulated Depreciation	**(37,374)**	**(46,646)**	**(84,020)**
Balance as of December 31, 2020	**182,288**	**22,519**	**204,807**

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

	Buildings and land	Leasehold improvements	Total
	MCh$	MCh$	MCh$
Balance as of January 1, 2019	**231,992**	**62,908**	**294,900**
Additions	70,190	8,588	**78,778**
Disposals	(85,622)	(1,878)	**(87,500)**
Other	6,587	678	**7,265**
Impairment of property, plant and equipment and intangible assets	-	-	**-**
Gross Balance as of December 31, 2019	**223,147**	**70,296**	**293,443**
Depreciation for the year	(23,089)	(3,507)	**(26,596)**
Disposals	4,421	2,228	**6,649**
Other	(426)	(1,912)	**(2,338)**
Accumulated depreciation	-	(39,814)	**(39,814)**
Impairment of property, plant and equipment and intangible assets	-	-	**-**
Total Accumulated Depreciation	**(19,094)**	**(43,005)**	**(62,099)**
Balance as of December 31, 2019	**204,053**	**27,291**	**231,344**

f) As of December 31, 2020, and 2019, there is no evidence of impairment in right-of-use assets.

g) Lease liabilities as of December 31, 2020 and 2019:

	Analysis of maturity				
	Up to 1 year	Of 1 to 3 years	Of 1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
As of December 31, 2020	20,664	44,313	46,365	74,951	**186,293**

	Analysis of maturity				
	Up to 1 year	Of 1 to 3 years	Of 1 to 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$
As of December 31, 2019	21,176	43,363	45,648	96,189	**206,376**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX

a) Current Income Tax

As of December 31, 2020, and December 31, 2019, the Bank has recognized a provision for the first category (corporate) Income Tax and the provision for the Single Tax of Article No. 21 of the Income Act, which were determined based on the current tax legal provisions. This resulted in an net asset amounting to MCh$ 27,198 as of December 31, 2020 (asset of MCh$ 88,255 as of December 31, 2019). The detail is below:

	As of December 31, 2020	As of December 31 2019
	MCh$	MCh$
Income tax (tax rate of 27% for 2020 and 2019)	(116,300)	(84,560)
Prior year provision	-	(4,872)
40% Provision for Income Tax	(251)	(268)
Less:		
Monthly tax provisional payments	123,972	163,790
Credit for training expenses	2,104	2,000
Credit for acquisition of property, plant and equipment	128	125
Credit for donations	2,064	2,044
Income tax to be recovered	12,723	6,373
Other taxes and withholdings to be recovered	2,758	3,623
Current Income Tax	**27,198**	**88,255**

The net current tax is presented below by economic entity as well as by geographical unit, in accordance with the provisions of IAS 12:

	As of December 31, 2020		
	Chile	Florida	Total
	MCh$	MCh$	MCh$
Current tax asset	36,270	-	36,270
Current tax liability	(2,742)	(6,330)	(9,072)
Total, net	**33,528**	**(6,330)**	**27,198**

	As of December 31, 2019		
	Chile	Florida	Total
	MCh$	MCh$	MCh$
Current tax asset	80,273	9,222	89,495
Current tax liability	(1,240)	-	(1,240)
Total, net	**79,033**	**9,222**	**88,255**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

b) Income Tax Expense

The tax expense for the years ended December 31, 2020 and 2019, consists of the following items:

	For the year ended December 31	
	2020	**2019**
	MCh$	**MCh$**
Income tax expense:		
Current tax for the year, net of tax credits	(136,209)	(84,560)
Surplus/Deficit of prior year	3,449	-
	(132,760)	**(84,560)**
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences	108,346	(43,609)
Subtotal	**(24,414)**	**(128,169)**
Art 21 tax (disallowed expenses)	(251)	(268)
Net charge to income from income tax	**(24,665)**	**(128,437)**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

c) Reconciliation of nominal income tax rate with effective income tax rate

The following is the reconciliation of the nominal income tax rate with the effective income tax rate for the years ended December 31, 2020 and 2019:

	For the year ended December 31			
	2020		2019	
	Tax rate %	Amount MCh$	Tax rate %	Amount MCh$
Income before tax		342,198		531,176
Nominal tax rate	27.000	92,393	27.000	143,417
Effect of non-deductible expenses in calculation of taxable income:				
Price-level restatement BCI Financial Group (1)	(5.16)	(17,666)	3.74	19,891
Rate difference USA (2)	(2.26)	(7,727)	(1.36)	(7,233)
Price-level restatement of capital	(8.41)	(28,775)	(5.11)	(27,159)
Income tax (disallowed expenses)	0.07	251	0.05	268
Income tax from previous years	(1.01)	(3,448)	(0.06)	(315)
Other	(3.03)	(10,363)	(0.08)	(432)
Effective income tax rate and income tax expense	**7.20**	**24,665**	**24.18**	**128,437**

The effective income tax rate for the years ended December 31, 2020 2019 was 7.20% and 24.18%, respectively.

(1) BCI's investment in the US, which is BCI Financial Group INC, is adjusted for tax purposes in Chile, for the variation in the exchange rate (between the Chilean peso and the US dollar), which is subject to the first category (Chilean corporate) income tax. The impact of this adjustment for the year ended December 31, 2020 is a higher tax benefit of MCh$17,666 while as of December 2019, this effect was a higher tax expense of MCh$19,891.

(2) The statutory tax rate in Chile is 27%, while in the US the tax rate is 25.345%. Therefore, regarding a portion of BCI's consolidated profit or loss (BCI Financial Group, Miami Branch, and BCI Securities) reduction were made in taxes as a result of the tax rate difference between the two separate jurisdictions.

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

d) Effect of deferred tax recognized in equity

The deferred tax recognized in shareholder's equity as of December 2020 and 2019 is composed of the following:

	Accumulated		Effect for the year ended	
	As of December 31,		As of December 31,	
	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$
Financial Investments Available for Sale	(7,036)	(3,693)	(3,343)	(1,221)
Cash flow hedges	47,598	34,232	13,366	31,003
Effect of deferred tax in shareholder´s equity	**40,562**	**30,539**	**10,023**	**29,782**

e) Deferred tax breakdown

As of December 31, 2020, and 2019, the Bank recognized in its consolidated financial statements deferred taxes according to IAS 12 as follows:

The effect of deferred tax is presented below by assets and liabilities:

	As of December 31, 2020			As of December 31, 2019		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Item:						
Allowances for loan losses	173,757	-	173,757	94,372	-	94,372
Provision for staff vacation & bonuses	41,328	-	41,328	48,486	-	48,486
Leasing operations (net)	4,000		4,000	-	(14,701)	(14,701)
Other	4,242	-	4,242	20,989	-	20,989
Subordinated bonds	15,803	-	15,803	-	-	-
Property, plant and equipment, net	-	(17,970)	(17,970)	-	(17,919)	(17,919)
Transitory assets	-	(29,471)	(29,471)	-	(36,246)	(36,246)
Derivative contract operation	-	(32,974)	(32,974)	-	(27,528)	(27,528)
Temporary differences related to Florida (*)	-	(10,241)	(10,241)	-	(18,492)	(18,492)
Total assets (liabilities) net	**239,130**	**(90,656)**	**148,474**	**163,847**	**(114,886)**	**48,961**
Deferrred taxes recognized through equity (see detail in previous table)	40,562	-	40,562	30,539	-	30,539
Total deferred tax assets and liabilities	**279,692**	**(90,656)**	**189,036**	**194,386**	**(114,886)**	**79,500**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

(*) This deferred tax asset corresponds to those originated by the subsidiaries located in Miami and the Branch of the Bank in the United States; it is mainly originated by the tax loss carryforwards, and taxable differences related to intangible assets and the provision for loan losses of the subsidiary BCI Financial Group, Inc. and Subsidiaries.

Below is a detail of the net deferred taxes, by geographic unit, in accordance with the provisions of IAS 12:

	As of December 31, 2020		
	Chile	Florida	Total
	MCh$	MCh$	MCh$
Deferred tax asset	170,518	144	170,662
Deferred tax liability	(11,803)	(10,385)	(22,188)
Total, net	158,715	(10,241)	148,474
Deferred tax generated through equity	40,562	-	40,562
Total deferred income taxes, net	**199,277**	**(10,241)**	**189,036**

	As of December 31, 2019		
	Chile	Florida	Total
	MCh$	MCh$	MCh$
Deferred tax asset	68,711	4,079	72,790
Deferred tax liability	(1,262)	(22,567)	(23,829)
Total, net	**67,449**	**(18,488)**	**48,961**
Deferred tax generated through equity	30,539	-	30,539
Total deferred income taxes, net	**97,988**	**(18,488)**	**79,500**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

f) Supplementary Information on Current and Deferred taxes.

As of December 31, 2020, and 2019, the Bank presents the following tax information related to provisions, write-offs, renegotiations and credit refunds. This information includes the Bank's operations; therefore, subsidiaries have been excluded.

a. Loans and receivables to customers

		Assets at tax value		
Loans and receivables from customers as of December 31, 2020	**Carrying value in the financial statements**	**Total**	**Past-due portfolio secured**	**Past-due portfolio unsecured**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial loans	11,309,919	11,313,821	32,146	162,934
Consumer loans	2,704,095	5,452,379	6	210,323
Mortgage loans	7,280,230	7,280,962	1,668	5,257
Total	**21,294,244**	**24,047,162**	**33,820**	**378,514**

		Assets at tax value		
Loans and receivables from customers as of December 31, 2019	**Carrying value in the financial statements**	**Total**	**Past-due portfolio secured**	**Past-due portfolio unsecured**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Commercial loans	12,292,266	12,295,906	232,162	112,118
Consumer loans	3,159,531	6,361,445	8,477	55,739
Mortgage loans	6,625,448	6,625,432	301,870	5,295
Total	**22,077,245**	**25,282,783**	**542,509**	**173,152**

NOTE 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

B. Provisions

Provisions on past-due portfolio	Balance as of 01.01.2020	Write-off against Provision	Provisions established	Provisions reversed	Balance as of 12.31.2020
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	126,672	(9,567)	77,537	(71,518)	**123,124**
Consumer loans	57,954	(28,592)	70,168	(54,375)	**45,155**
Mortgage loans	5,298	-	85	(5,241)	**142**

Provisions on past-due portfolio	Balance as of 01.01.2019	Write-off against Provision	Provisions established	Provisions reversed	Balance as of 12.31.2019
	MCh$	MCh$	MCh$	MCh$	MCh$
Commercial loans	137,538	(61,687)	148,356	(97,535)	**126,672**
Consumer loans	47,291	(180,171)	232,667	(41,833)	**57,954**
Mortgage loans	2,412	-	5,741	(2,855)	**5,298**

Write-offs

Write offs and repossessions as of December 31, 2020	MCh$
Direct write-off art.31 Nº4 second paragraph	288,176
Condemnations that led to the reversal of provisions	-
Recovery or renegotiation of loans previously written off	55,659

Application of article 31 No. 4 first and third paragraphs	MCh$
Write-offs as per first paragraph	-
Condemnations according to third paragraph	-

Writte offs and repossessions as of December 31, 2019	MCh$
Direct write-off art.31 Nº4 second paragraph	47,922
Condemnations that led to the reversal of provisions	-
Recovery or renegotiation of loans previously written off	55,887

Application of article 31 No. 4 first and third paragraphs	MCh$
Write-offs as per first paragraph	-
Condemnations according to third paragraph	-

NOTE 17 - OTHER ASSETS

a) As of December 31, 2020, and 2019 the composition of other assets is as follows:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Assets acquired to transfer to leasing (a)	90,317	101,195
Repossessed or awarded assets:		
Repossessed assets	59	721
Assets awarded from judicial auctions	2,230	4,450
Provisions for repossessed or awarded assets (b)	(73)	-
Other assets:		
Cash deposits held as guarantee	535,771	574,302
Investment in gold	6,084	5,165
VAT	7,161	9,654
Prepaid expenses	38,079	45,720
Assets recovered from lease agreements held for sale (c)	43,290	21,522
Accounts receivable	322,648	113,054
Amounts to be recovered	19,474	58,547
Valuation adjustment for macro hedges	53,452	43,935
Cash surrender value of certain insurance contracts - National Bank of Florida (CNB) (d)	97,358	263,096
Other assets	14,880	63,736
FED and FHLB shares (e)	79,615	102,705
Total	**1,310,345**	**1,407,802**

(a) Corresponds to property, plant and equipment available to be used in finance leases.

(b) Impairment of repossessed or awarded assets is recognized in accordance with the Accounting Standards Compendium Chapter B-5 No. 3, which implies recognition of impairment for the difference between the carrying value and the net realizable value, when the first is higher.

(c) Corresponds to assets recovered from leasing and held for sale, principally real estate. These assets are held for sale, which is considered highly likely to occur. For most assets, it is expected that the sale will be completed within a one year period from the date on which the asset is classified as "Property, plant and equipment held for sale" and/or "Assets recovered from lease agreements held for sale."

(d) Corresponds to life insurance contracts of the subsidiary City National Bank of Florida for certain senior management and employees where CNB is the owner and beneficiary. These policies are known by its acronym in English, as BOLI (Bank Owned Life Insurance).

NOTE 17 - OTHER ASSETS, CONTINUED

(e) These are shares that BCI Financial Group, Inc, and subsidiaries holds on its balance sheet, related to equity securities of the Federal Reserve (FED) and Federal Home Bank Loans (FHBL) acquired by CNB in order to participate in the funding program provided by these governmental agencies to the banks established in the state of Florida. CNB is required to maintain a specific level of holdings based on a formula provided by the respective agency.

b) The changes in the impairment of repossessed or awarded assets, as of December 31, 2020 and 2019, are as follows:

	Provision established
	MCh$
Balance as of January 1, 2020	**-**
Provisions established	914
Reversal of provisions	(987)
Balance as of December 31, 2020	**(73)**
Balance as of January 1, 2019	**66**
Provisions established	-
Reversal of provisions	(66)
Balance as of December 31, 2019	**-**

NOTE 18 – BORROWINGS FROM CUSTOMERS

As of December 31,2020, and 2019 the composition of borrowings from customers is as follows:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Current accounts and demand deposits		
Checking accounts	17,264,331	12,879,341
Other deposits and accounts payable on demand	1,322,312	688,228
Other liabilities payable on demand	1,139,931	613,130
Total	**19,726,574**	**14,180,699**
Term deposits and savings accounts		
Term deposits	10,783,161	13,323,286
Savings accounts	55,176	48,668
Other credit term balances	1,274	802
Total	**10,839,611**	**13,372,756**

NOTE 19 - BORROWINGS FROM FINANCIAL INSTITUTIONS

As of December 31, 2020, and 2019, the composition of borrowings from financial institutions is as follows:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Loans received from financial institutions and Central Bank of Chile:		
Other liabilities to Central Bank of Chile	3,904,339	-
Subtotal	3,904,339	-
Loans received from domestic financial institutions:		
Interbank loans	1,004,361	1,507,348
Other liabilities to domestic financial institutions	250,618	303,865
Subtotal	1,254,979	1,811,213
Loans received from foreign financial institutions:		
Foreign trade financing	367,286	661,219
Loans and other liabilities from foreign financial institutions	744,095	1,009,829
Subtotal	1,111,381	1,671,048
Total	**6,270,699**	**3,482,261**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES

a) As of December 31, 2020, and 2019 the composition of debt issued, and other financial liabilities is as follows:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Other financial liabilities:		
Letters of credit	6,510	9,629
Ordinary bonds	6,166,461	6,066,492
Subordinated bonds	1,258,653	940,621
Total	**7,431,624**	**7,016,742**
Debt issued:		
Public bonds	3,138	13,781
Other domestic bonds	43,394	40,732
Foreign bonds	864,512	1,396,073
Total	**911,044**	**1,450,586**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

b) As of December 31, 2020, and 2019, the classification of the ordinary and subordinated bonds is as follows:

	As of December 31, 2020		
	Long-term	Short-term	Total
	MCh$	MCh$	MCh$
By long and short term			
Ordinary bonds	5,663,712	502,749	6,166,461
Subordinated bonds	1,258,653	-	1,258,653
Total	**6,922,365**	**502,749**	**7,425,114**

	As of December 31, 2019		
	Long-term	Short-term	Total
	MCh$	MCh$	MCh$
By long and short term			
Ordinary bonds	5,949,892	116,600	6,066,492
Subordinated bonds	940,621	-	940,621
Total	**6,890,513**	**116,600**	**7,007,113**

c) Details of placements of ordinary and subordinated bonds as of December 31, 2020 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Issuance date	Average rate	Balance due Ch$	Balance due MCh$
SERIES_AM	50,000,000,000	50,000,000,000	06//01/2016	06//01/2023	4.90%	49,214,879,222	49,215
SERIES_E	100,000,000,000	100,000,000,000	11//01/2017	11//01/2022	4.27%	100,260,320,839	94,521
SERIES_H	50,000,000,000	50,000,000,000	06//01/2018	06//01/2021	2.36%	50,629,675,064	50,630
Fair Value Adjustment						9,932,593,030	9,933
Subtotal	**200,000,000,000**	**200,000,000,000**				**210,037,468,155**	**204,299**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_AE2	10,000,000	10,000,000	08//01/2011	08//01/2021	3.73%	9,952,681	292,019
SERIE_AF2	10,000,000	10,000,000	08//01/2012	08//01/2022	3.43%	9,899,875	290,256
SERIE_AI2	5,000,000	-	03//01/2014	03//01/2024	-	-	-
SERIES_AJ2	20,000,000	20,000,000	10//01/2014	10//01/2024	2.23%	19,928,962	571,230
SERIE_AL1	3,000,000	3,000,000	06//01/2016	06//01/2022	1.89%	3,031,982	88,141
SERIE_AL2	3,000,000	3,000,000	06//01/2016	06//01/2023	2.15%	3,031,682	88,132
SERIE_AL3	3,000,000	3,000,000	06//01/2016	06//01/2024	2.40%	3,017,251	87,712
SERIE_AL4	3,000,000	3,000,000	06//01/2016	06//01/2028	2.36%	3,037,091	88,289
SERIE_AL5	3,000,000	3,000,000	06//01/2016	06//01/2031	2.50%	3,010,037	87,503
SERIE_AN1	3,000,000	3,000,000	12//01/2016	12//01/2021	1.50%	3,018,130	87,738
SERIE_AN2	3,000,000	3,000,000	12//01/2016	12//01/2024	1.95%	3,011,519	87,546
SERIE_AN3	3,000,000	3,000,000	12//01/2016	12//01/2026	2.00%	3,006,411	87,397
SERIE_A1	3,000,000	3,000,000	04//01/2017	04//01/2022	1.72%	3,024,561	87,925
SERIE_A2	3,000,000	3,000,000	04//01/2017	04//01/2027	2.18%	2,985,367	86,786
SERIE_B1	3,000,000	3,000,000	05//01/2017	05//01/2022	1.50%	3,029,698	88,074
SERIE_B2	3,000,000	3,000,000	05//01/2017	05//01/2023	1.67%	3,032,905	88,168
SERIE_C1	3,000,000	3,000,000	07//01/2017	01//01/2022	2.24%	3,022,764	87,873
SERIE_C2	3,000,000	3,000,000	07//01/2017	07//01/2023	2.32%	3,007,948	87,442
SERIE_C3	3,000,000	3,000,000	07//01/2017	07//01/2025	2.28%	2,995,821	87,089
SERIE_C4	3,000,000	3,000,000	07//01/2017	07//01/2026	2.42%	2,967,644	86,270
SERIE_D1	3,000,000	3,000,000	11//01/2017	11//01/2023	1.84%	3,023,671	87,899
SERIE_D2	3,000,000	3,000,000	11//01/2017	11//01/2025	2.04%	3,005,610	87,374
SERIE_D3	3,000,000	3,000,000	11//01/2017	11//01/2028	2.34%	2,939,694	85,458
SERIE_D4	3,000,000	3,000,000	11//01/2017	11//01/2029	2.45%	2,906,286	84,487
SERIE_F1	3,000,000	3,000,000	04//01/2018	04//01/2022	1.46%	3,035,111	88,232
SERIE_F2	3,000,000	3,000,000	04//01/2018	04//01/2024	1.60%	3,053,197	88,757
SERIE_F3	3,000,000	3,000,000	04//01/2018	04//01/2025	2.00%	3,016,116	87,679
SERIE_F4	3,000,000	3,000,000	04//01/2018	04//01/2028	2.17%	2,982,951	86,715
SERIE_F5	3,000,000	3,000,000	04//01/2018	04//01/2029	2.36%	2,937,126	85,383
SERIE_G1	3,000,000	3,000,000	06//01/2018	06//01/2025	1.47%	3,073,419	89,345
SERIE_G2	3,000,000	3,000,000	06//01/2018	06//01/2026	1.09%	3,148,542	91,529
SERIE_G3	3,000,000	3,000,000	06//01/2018	06//01/2029	2.10%	2,984,174	86,751
SERIE_I1	3,000,000	3,000,000	02//01/2019	02//01/2028	0.70%	3,294,171	95,763
SERIE_I2	3,000,000	2,630,000	02//01/2019	02//01/2029	0.51%	2,961,523	86,092
SERIE_I3	3,000,000	3,000,000	02//01/2019	02//01/2030	1.19%	3,234,275	94,021
SERIE_K1	3,000,000	3,000,000	05//01/2019	05//01/2023	(0.03)%	3,152,187	91,635
SERIE_K4	3,000,000	3,000,000	05//01/2019	05//01/2029	0.45%	3,389,962	98,547
Fair Value Adjustment							59,536
Subtotal	**144,000,000**	**138,630,000**				**142,198,425**	**4,130,793**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount USD	Placed amount USD	Date placed	Maturity date	Average rate	Balance due USD	Balance due in MCh$ (*)
USP32133CG63	500,000,000	500,000,000	02//11/2013	02/11/2023	4.09%	506,129,212	360,253
XS1655597034	50,000,000	50,000,000	08//01/2017	08/01/2022	2.96%	50,422,702	35,890
XS1692845396	50,000,000	50,000,000	10//06/2017	10/06/2022	3.00%	50,164,661	35,706
US05890MAA18	500,000,000	500,000,000	10//12/2017	10/12/2027	3.65%	495,427,297	352,635
XS1703060829	50,000,000	50,000,000	10//19/2017	10/19/2022	2.32%	49,913,246	35,527
XS1702405702	40,000,000	40,000,000	10//20/2017	10/20/2022	2.27%	39,936,113	28,426
XS1879614755	50,000,000	50,000,000	09//13/2018	03/13/2024	3.85%	50,251,621	35,768
XS1888335194	100,000,000	100,000,000	10//04/2018	04/04/2024	4.02%	100,327,490	71,411
XS1895749593	45,000,000	45,000,000	10//19/2018	04/19/2024	4.03%	45,061,875	32,074
XS1919312626	25,000,000	25,000,000	12//07/2018	12/07/2023	1.78%	24,822,338	17,668
XS1984711355	10,000,000	10,000,000	04//23/2019	04/23/2024	1.53%	9,940,673	7,076
XS2012024696	50,000,000	50,000,000	06//14/2019	06/14/2029	3.32%	49,600,844	35,305
XS2024766276	50,000,000	50,000,000	07//10/2019	07/10/2029	3.21%	50,277,527	35,787
XS2047630970	10,000,000	10,000,000	08//28/2019	08/28/2024	1.37%	9,937,567	7,073
XS2085920416	20,000,000	20,000,000	12//02/2019	06/02/2025	1.38%	19,795,808	14,090
Fair Value Adjustment						71,130,610	50,629
Subtotal	**1,550,000,000**	**1,550,000,000**				**1,623,139,584**	**1,155,318**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EU	Placed amount EU	Issuance date	Maturity date	Average rate	Balance due EUR	Balance due in MCh$
XS1493734971	20,000,000	20,000,000	09//23/2016	09//23/2024	0.89%	19,913,502	17,413
Fair Value Adjustment						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,913,502**	**17,413**

ORDINARY BONDS DENIMINATED IN FOREIGN CURRENCY-AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Balance due AUD	Balance due in MCh$
XS1717587007	80,000,000	80,000,000	11//15/2017	11/15/2027	4.150%	79,681,938	43,575
XS1859545367	40,000,000	40,000,000	07//25/2018	07/25/2033	4.670%	40,434,211	22,112
XS1879612973	60,000,000	60,000,000	09//14/2018	09/14/2033	4.650%	60,199,719	32,921
XS1897619968	40,000,000	40,000,000	10//24/2018	10/24/2033	4.700%	39,641,015	21,678
XS2087687435	30,000,000	30,000,000	12//02/2019	12/03/2029	1.811%	29,719,188	16,252
Fair Value Adjustment						22,627,688	12,374
Subtotal	**250,000,000**	**250,000,000**				**272,303,759**	**148,912**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY- SWISS FRANCS (CHF)

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Balance due CHF	Balance due in MCh$
XS1520623627	90,000,000	90,000,000	11//17/2016	11//17/2021	0.000%	89,829,605	72,362
CH0471298007	175,000,000	175,000,000	05//22/2019	11//22/2024	0.320%	174,127,345	140,267
CH0494734376	100,000,000	100,000,000	09//24/2019	09//24/2029	0.225%	99,036,402	79,778
CH0505011889	105,000,000	105,000,000	10//29/2019	10/29/2025	0.247%	103,881,088	83,681
CH0506071239	125,000,000	125,000,000	03//18/2020	09//18/2026	0.099%	123,486,271	99,474
Fair Value Adjustment						1	-
Subtotal	**595,000,000**	**595,000,000**				**590,360,712**	**475,562**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - YEN

Series	Issued amount YEN	Placed amount YEN	Date placed	Maturity date	Average rate	Balance due YEN	Balance due in MCh$
XS1830985781	5,000,000,000	5,000,000,000	06//01/2018	12//01/2028	0.750%	4,958,600,911	34,164
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,958,600,911**	**34,164**
Total ordinary bonds							**6,166,461**

SUBORDINATED BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due in MCh$
SERIES_F	1,200,000	1,200,000	05//01/1999	05//01/2024	7.73%	320,522	9,318
SERIES_G	400,000	400,000	05//01/1999	05//01/2025	7.92%	132,039	3,838
SERIES_L	1,200,000	1,200,000	10//01/2001	10//01/2026	6.39%	503,689	14,642
SERIES_M	1,800,000	1,800,000	10//01/2001	10//01/2027	6.43%	835,572	24,290
SERIES_N	1,500,000	1,500,000	06//01/2004	06//01/2029	5.25%	785,211	22,826
SERIES_O	1,500,000	1,500,000	06//01/2004	06//01/2030	3.93%	785,037	22,821
SERIES_R	1,500,000	1,500,000	06//01/2005	06//01/2038	4.72%	781,726	22,725
SERIES_S	2,000,000	2,000,000	12//01/2005	12//01/2030	4.86%	1,104,580	32,110
SERIES_T	2,000,000	2,000,000	12//01/2005	12//01/2031	4.52%	1,179,644	34,293
SERIES_U	2,000,000	2,000,000	06//01/2007	06//01/2032	4.19%	1,923,946	55,930
SERIES_Y	4,000,000	4,000,000	12//01/2007	12//01/2030	4.25%	2,646,400	76,932
SERIES_W	4,000,000	4,000,000	06//01/2008	06//01/2036	4.05%	2,168,000	63,024
SERIES_AC	6,000,000	6,000,000	03//01/2010	03//01/2040	3.96%	5,636,211	163,847
SERIES_AD 1	4,000,000	4,000,000	06//01/2010	06//01/2040	4.17%	3,645,908	105,988
SERIES_AD 2	3,000,000	3,000,000	06//01/2010	06//01/2042	4.14%	2,715,219	78,932
SERIES_AH	15,000,000	9,000,000	09//01/2013	09//01/2043	3.63%	7,819,965	227,328
SERIE_B1S	3,000,000	3,000,000	06//11/2020	12//01/2039	1.32%	3,347,467	97,311
SERIE_B2S	3,000,000	3,000,000	06//22/2020	12//01/2044	1.30%	3,437,614	99,932
SERIE_B3S	3,000,000	3,000,000	06//24/2020	12//01/2049	1.28%	3,528,062	102,566
Total subordinated bonds	**60,100,000**	**54,100,000**				**43,296,812**	**1,258,653**

TOTAL BONDS		**7,425,114**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

d) Details of placements of ordinary and subordinated bonds as of December 31, 2019 are as follows:

ORDINARY BONDS DENOMINATED IN CHILEAN PESOS

Series	Issued amount Ch$	Placed amount Ch$	Issuance date	Issuance date	Average rate	Balance due Ch$	Balance due MCh$
SERIES_AM	50,000,000,000	50,000,000,000	06//01/2016	06//01/2023	4.90%	48,848,689,620	48,849
SERIES_E	100,000,000,000	100,000,000,000	11//01/2017	11//01/2022	4.27%	100,048,949,818	87,253
SERIES_H	50,000,000,000	50,000,000,000	06//01/2018	06//01/2021	2.36%	51,673,482,420	51,673
Fair Value Adjustment						9,039,538,051	9,040
Subtotal	**200,000,000,000**	**200,000,000,000**				**209,610,659,909**	**196,815**

ORDINARY BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due MCh$
SERIES_AE2	10,000,000	10,000,000	08//01/2011	08//01/2021	3.73%	9,939,440	281,385
SERIE_AF2	10,000,000	10,000,000	08//01/2012	08//01/2022	3.43%	9,908,962	280,522
SERIE_AI2	5,000,000	-	03//01/2014	03//01/2024	-	-	-
SERIES_AJ2	20,000,000	20,000,000	10//01/2014	10//01/2024	2.23%	19,884,901	562,940
SERIE_AL1	3,000,000	3,000,000	06//01/2016	06//01/2022	1.89%	3,049,718	86,337
SERIE_AL2	3,000,000	3,000,000	06//01/2016	06//01/2023	2.15%	3,041,602	86,108
SERIE_AL3	3,000,000	3,000,000	06//01/2016	06//01/2024	2.40%	3,020,257	85,503
SERIE_AL4	3,000,000	3,000,000	06//01/2016	06//01/2028	2.36%	3,040,699	86,082
SERIE_AL5	3,000,000	3,000,000	06//01/2016	06//01/2031	2.50%	3,010,338	85,222
SERIE_AN1	3,000,000	3,000,000	12//01/2016	12//01/2021	1.50%	3,032,253	85,843
SERIE_AN2	3,000,000	3,000,000	12//01/2016	12//01/2024	1.95%	3,013,021	85,298
SERIE_AN3	3,000,000	3,000,000	12//01/2016	12//01/2026	2.00%	3,006,411	85,111
SERIE_A1	3,000,000	3,000,000	04//01/2017	04//01/2022	1.72%	3,031,797	85,830
SERIE_A2	3,000,000	3,000,000	04//01/2017	04//01/2027	2.18%	2,980,845	84,388
SERIE_B1	3,000,000	3,000,000	05//01/2017	05//01/2022	1.50%	3,044,084	86,178
SERIE_B2	3,000,000	3,000,000	05//01/2017	05//01/2023	1.67%	3,042,359	86,129
SERIE_C1	3,000,000	3,000,000	07//01/2017	01//01/2022	2.24%	3,015,795	85,377
SERIE_C2	3,000,000	3,000,000	07//01/2017	07//01/2023	2.32%	2,999,161	84,906
SERIE_C3	3,000,000	3,000,000	07//01/2017	07//01/2025	2.28%	2,988,548	84,606
SERIE_C4	3,000,000	3,000,000	07//01/2017	07//01/2026	2.42%	2,957,039	83,714
SERIE_D1	3,000,000	3,000,000	11//01/2017	11//01/2023	1.84%	3,028,186	85,728
SERIE_D2	3,000,000	3,000,000	11//01/2017	11//01/2025	2.04%	3,004,707	85,063
SERIE_D3	3,000,000	3,000,000	11//01/2017	11//01/2028	2.34%	2,931,568	82,993
SERIE_D4	3,000,000	3,000,000	11//01/2017	11//01/2029	2.45%	2,895,751	81,979
SERIE_F1	3,000,000	3,000,000	04//01/2018	04//01/2022	1.46%	3,051,090	86,376
SERIE_F2	3,000,000	3,000,000	04//01/2018	04//01/2024	1.60%	3,064,654	86,760
SERIE_F3	3,000,000	3,000,000	04//01/2018	04//01/2025	2.00%	3,016,116	85,386
SERIE_F4	3,000,000	3,000,000	04//01/2018	04//01/2028	2.17%	2,978,730	84,328
SERIE_F5	3,000,000	3,000,000	04//01/2018	04//01/2029	2.36%	2,928,684	82,911
SERIE_G1	3,000,000	3,000,000	06//01/2018	06//01/2025	1.47%	3,088,143	87,425
SERIE_G2	3,000,000	3,000,000	06//01/2018	06//01/2026	1.09%	3,174,084	89,858
SERIE_G3	3,000,000	3,000,000	06//01/2018	06//01/2029	2.10%	2,981,770	84,414
SERIE_I1	3,000,000	3,000,000	02//01/2019	02//01/2028	0.70%	3,331,076	94,303
SERIE_I2	3,000,000	2,630,000	02//01/2019	02//01/2029	0.34%	2,998,930	84,900
SERIE_I3	3,000,000	3,000,000	02//01/2019	02//01/2030	1.19%	3,256,054	92,179
SERIE_K1	3,000,000	3,000,000	05//01/2019	05//01/2023	(0.03)%	3,212,986	90,959
SERIE_K4	3,000,000	3,000,000	05//01/2019	05//01/2029	0.45%	3,434,507	97,231
Fair Value Adjustment						1,763,062	49,911
Subtotal	**144,000,000**	**138,630,000**				**142,147,328**	**4,024,183**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY – US DOLLAR

Series	Issued amount USD	Placed amount USD	Date placed	Maturity date	Average rate	Balance due USD	Balance due in MCh$ (*)
USP32133CG63	500,000,000	500,000,000	02//11/2013	02/11/2023	4.09%	505,402,346	380,002
XS1655597034	50,000,000	50,000,000	08//01/2017	08//01/2022	2.96%	50,310,986	37,828
XS1692845396	50,000,000	50,000,000	10//06/2017	10//06/2022	3.00%	50,067,753	37,645
US05890MAA18	500,000,000	500,000,000	10//12/2017	10/12/2027	3.65%	494,418,187	371,743
XS1703060829	50,000,000	50,000,000	10//19/2017	10//19/2022	3.50%	49,973,288	37,574
XS1702405702	40,000,000	40,000,000	10//20/2017	10/20/2022	3.46%	39,991,727	30,069
XS1879614755	50,000,000	50,000,000	09//13/2018	03//13/2024	3.85%	50,165,549	37,718
XS1888335194	100,000,000	100,000,000	10//04/2018	04/04/2024	4.02%	100,161,411	75,309
XS1895749593	45,000,000	45,000,000	10//19/2018	04/19/2024	4.03%	44,984,945	33,823
XS1919312626	25,000,000	25,000,000	12//07/2018	12//07/2023	3.44%	24,786,686	18,637
XS1984711355	10,000,000	10,000,000	04//23/2019	04//23/2024	3.47%	9,953,026	7,483
XS2012024696	50,000,000	50,000,000	06//14/2019	06//14/2029	3.32%	49,564,040	37,266
XS2024766276	50,000,000	50,000,000	07//10/2019	07//10/2029	3.21%	50,240,547	37,775
XS2047630970	10,000,000	10,000,000	08//28/2019	08/28/2024	3.02%	9,937,201	7,472
XS2085920416	20,000,000	20,000,000	12//02/2019	06//02/2025	2.91%	19,781,629	14,873
Fair Value Adjustment						16,990,602	12,775
Subtotal	**1,550,000,000**	**1,550,000,000**				**1,566,729,923**	**1,177,992**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - EURO

Series	Issued amount EU	Placed amount EU	Issuance date	Maturity date	Average rate	Balance due EUR	Balance due in MCh$
XS1493734971	20,000,000	20,000,000	09//23/2016	09//23/2024	0.89%	19,871,818	16,758
Fair Value Adjustment						-	-
Subtotal	**20,000,000**	**20,000,000**				**19,871,818**	**16,758**

ORDINARY BONDS DENIMINATED IN FOREIGN CURRENCY-AUD

Series	Issued amount AUD	Placed amount AUD	Issuance date	Maturity date	Average rate	Balance due AUD	Balance due in MCh$
XS1717587007	80,000,000	80,000,000	11//15/2017	11/15/2027	4.15%	79,548,667	41,880
XS1859545367	40,000,000	40,000,000	07//25/2018	07/25/2033	4.67%	40,391,009	21,265
XS1879612973	60,000,000	60,000,000	09//14/2018	09/14/2033	4.65%	60,125,863	31,654
XS1897619968	40,000,000	40,000,000	10//24/2018	10/24/2033	4.70%	39,545,722	20,819
XS2087687435	30,000,000	30,000,000	12//02/2019	12/03/2029	2.635%	29,691,341	15,631
Fair Value Adjustment						13,784,980	7,257
Subtotal	**250,000,000**	**250,000,000**				**263,087,582**	**138,506**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY- SWISS FRANCS (CHF)

Series	Issued amount CHF	Placed amount CHF	Issuance date	Maturity date	Average rate	Balance due CHF	Balance due in MCh$
CH0278875965	150,000,000	150,000,000	06//17/2015	06//17/2020	0.150%	150,146,243	116,600
XS1520623627	90,000,000	90,000,000	11//17/2016	11//17/2021	0.000%	89,623,146	69,599
CH0471298007	175,000,000	175,000,000	05//22/2019	11//22/2024	0.320%	173,821,818	134,986
CH0494734376	100,000,000	100,000,000	09//24/2019	09//24/2029	0.225%	98,873,736	76,783
CH0505011889	105,000,000	105,000,000	10//29/2019	10//29/2025	0.247%	103,591,916	80,447
Fair Value Adjustment						(498.555)	(387)
Subtotal	**620,000,000**	**620,000,000**				**615,558,304**	**478,028**

ORDINARY BONDS DENOMINATED IN FOREIGN CURRENCY - YEN

Series	Issued amount YEN	Placed amount YEN	Date placed	Maturity date	Average rate	Balance due YEN	Balance due in MCh$
XS1830985781	5,000,000,000	5,000,000,000	06//01/2018	12//01/2028	0.750%	4,952,631,128	34,210
Subtotal	**5,000,000,000**	**5,000,000,000**				**4,952,631,128**	**34,210**
Total ordinary bonds							**6,066,492**

NOTE 20 - DEBT ISSUED AND OTHER FINANCIAL LIABILITIES, CONTINUED

SUBORDINATED BONDS DENOMINATED IN UNIDADES DE FOMENTO (UF = Inflation index-linked units of account)

Series	Issued amount UF	Placed amount UF	Issuance date	Maturity date	Average rate	Balance due UF	Balance due in MCh$
SERIES_F	1,200,000	1,200,000	05//01/1999	05//01/2024	7.73%	397,723	11,260
SERIES_G	400,000	400,000	05//01/1999	05//01/2025	7.92%	155,693	4,408
SERIES_L	1,200,000	1,200,000	10//01/2001	10//01/2026	6.39%	570,790	16,159
SERIES_M	1,800,000	1,800,000	10//01/2001	10//01/2027	6.43%	927,715	26,264
SERIES_N	1,500,000	1,500,000	06//01/2004	06//01/2029	5.25%	856,969	24,261
SERIES_O	1,500,000	1,500,000	06//01/2004	06//01/2030	3.93%	852,073	24,122
SERIES_R	1,500,000	1,500,000	06//01/2005	06//01/2038	4.72%	769,041	21,772
SERIES_S	2,000,000	2,000,000	12//01/2005	12//01/2030	4.86%	1,188,785	33,654
SERIES_T	2,000,000	2,000,000	12//01/2005	12//01/2031	4.52%	1,261,031	35,700
SERIES_U	2,000,000	2,000,000	06//01/2007	06//01/2032	4.19%	1,914,008	54,185
SERIES_Y	4,000,000	4,000,000	12//01/2007	12//01/2030	4.25%	2,538,400	71,862
SERIES_W	4,000,000	4,000,000	06//01/2008	06//01/2036	4.05%	2,083,200	58,975
SERIES_AC	6,000,000	6,000,000	03//01/2010	03//01/2040	3.96%	5,611,469	158,860
SERIES_AD 1	4,000,000	4,000,000	06//01/2010	06//01/2040	4.17%	3,625,537	102,639
SERIES_AD 2	3,000,000	3,000,000	06//01/2010	06//01/2042	4.14%	2,701,469	76,478
SERIES_AH	15,000,000	9,000,000	09//01/2013	09//01/2043	3.63%	7,771,909	220,022
Total subordinated bonds	**51,100,000**	**45,100,000**				**33,225,812**	**940,621**
TOTAL BONDS							**7,007,113**

NOTE 21 -PROVISIONS

a) As of December 31, 2020, and 2019, the breakdown of the balance of this item is as follows:

	As of December, 31	
	2020	**2019**
	MCh$	**MCh$**
Provisions for staff benefits and remuneration (**)	97,406	98,100
Provisions for minimum dividends	95,236	120,794
Provisions for credit commitments	51,593	42,669
Provisions for contingencies (*)	193,734	44,460
Provisions for country risk	3,608	3,017
Total	**441,577**	**309,040**

(*) Provisions for contingencies as of December 31, 2020 include additional provisions for MCh$ 160,176 (MCh$16,692 as of December 31, 2019), recognized according to CMF instructions and approved by the Board of Directors of the Bank (see Note 1, ab, i and Note 11 c).

Additionally provisions for contingencies include a provision to comply with the minimum of 0.50% required by the FMC for the normal portfolio of individuals for the amount of MCh$0 as of December 31, 2020 (MCh$10,708 as of December 31, 2019) (see Note 1, ab, ii and Note 11c). Should additional provisions be recorded (as is the case at December 31, 2020, it is not necessary to comply with the provisioning of a minimum of 0.5%.

(**) As of December 31, 2020 and 2019, Servicios Financieros y Administración de Creditos Comerciales S.A, has recorded provisions for severance indemnities amounting to MCh$ 721 and MCh$ 671, respectively.

As of December 31, 2020, and 2019, Administradora de Tarjetas Servicios Financieros Limitada, has recorded provisions for severance indemnities amounting to MCh$ 146 and MCh$ 146, respectively.

NOTE 21 –PROVISIONS, CONTINUED

b) Provisions for staff benefits and remunerations

	As of December, 31	
	2020	2019
	MCh$	MCh$
Provisions for staff benefits	81,573	84,056
Provisions for vacations	15,833	14,044
Total	**97,406**	**98,100**

The provisions for staff benefits include bonuses related to the achievement of goals which will be paid in the following period and provisions for severance pay for years of service.

c) Provisions for credit commitments

The detail of provisions for credit commitments as of December 31, 2020 and 2019 is as follows:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Provisions for credit commitments		
Endorsements and performance bonds	3,720	1,436
Confirmed foreign letters of credit	1	1
Issued documentary letters of credit	720	505
Guarantees	9,979	8,515
Available credit lines	34,219	30,293
Other credit commitments	2,954	1,919
Total	**51,593**	**42,669**

d) Movements of provisions for the years ended December 31, 2020 and 2019 are as follow:

	Provisions for					
	Staff benefits and remuneration	Minimum dividends	Risk of Credit Commitments	Contingencies	Country risk	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As of January 1, 2020	**98,100**	**120,794**	**42,669**	**44,460**	**3,017**	**309,040**
Provisions established	4,320	95,236	15,942	159,981	1,143	**276,622**
Provisions released	5,402	(120,794)	(4,243)	(15,036)	(323)	**(134,994)**
Exchange differences	(10,416)	-	(2,775)	4,329	(229)	**(9,091)**
As of December 31, 2020	**97,406**	**95,236**	**51,593**	**193,734**	**3,608**	**441,577**
As of January 1, 2019	**85,483**	**118,738**	**29,643**	**97,882**	**2,547**	**334,293**
Provisions established	25,373	120,794	13,066	4,162	409	**163,804**
Provisions released	(54,801)	(118,738)	(595)	(65,241)	(154)	**(239,529)**
Exchange differences	42,045	-	555	7,657	215	**50,472**
As of December 31, 2019	**98,100**	**120,794**	**42,669**	**44,460**	**3,017**	**309,040**

NOTE 22 - OTHER LIABILITIES

As of, December 31, 2020 and 2019, the detail of other liabilities is as follows:

	As of December, 31	
	2020	2019
	MCh$	MCh$
Account payables and notes payable	357,729	300,185
Unearned income	18,764	21,249
Sundry creditors	673,082	625,402
Other liabilities	28,231	31,003
Total	**1,077,806**	**977,839**

NOTE 23 - CONTINGENCIES AND COMMITMENTS

a) Commitments and liabilities recognized in off-balance sheet memorandum accounts.

The Bank and its subsidiaries have recognized the following balances related to contingencies and commitments, in off-balance sheet memorandum accounts:

	As of December, 31	
	2020	2019
CONTINGENT RECEIVABLES	**MCh$**	**MCh$**
Collateral and guarantees:		
Collateral and guarantees in foreign currency	196,037	197,667
Confirmed foreign letters of credit	5,189	3,814
Issued documentary letters of credit	317,129	257,876
Performance bonds:		
Performance bonds in Chilean currency	1,222,972	1,117,076
Performance bonds in foreign currency	596,912	594,022
Amount available for credit cards users	7,245,618	7,313,998
Other credit commitments:		
Higher education loans in accordance with Law No. 20,027	4,608	7,323
Other	430,258	419,278
THIRD PARTY OPERATIONS		
Collections:		
Foreign collections	30,946	30,865
Domestic collections	187,635	185,723
CUSTODY OF SECURITIES		
Securities in custody with the bank	66,466	55,908
Total	**10,303,770**	**10,183,550**

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

b) Lawsuits and legal proceedings:

BCI Bank

The Bank and its subsidiaries are involved in various pending legal lawsuits related to their lines of business and, based on facts related to the defenses presented, it is the opinion of Management and their internal legal advisers, that no additional liabilities or updated estimates for those already recognized by the Bank and its subsidiaries in its financial statements are required.

c) Operating guarantees granted:

- Direct commitments

  As of December 31, 2020, and 2019 the Bank has no such types of guarantees.

- Operating guarantees

BCI Corredor de Bolsa S.A.

As of December 31, 2020 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, has made a deposit to guarantee compliance with the commitments for simultaneous operations on the Santiago Stock Exchange for Mch$41,170 (MCh$73,478 as of December 31, 2019).

As of December 31, 2020 BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system of the Santiago Stock Exchange for MCh$7,200 (MCh$12,093 as of December 31, 2019).

As of December 31, 2020, BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a deposit to guarantee compliance with the proper performance of operations in the CCLV settlement system in financial derivatives of the Santiago Stock Exchange for MCh$295 (MCh$295 as of December 31, 2019).

As of December 31, 2020, BCI Corredor de Bolsa S.A., the subsidiary of the Bank, made a foreign deposit to guarantee compliance with the international market operations for MCh$36 (MCh$37 as of December 31, 2019).

As of December 31, 2020, BCI Corredor de Bolsa S.A., the subsidiary of the Bank, has not made any deposit to guarantee compliance with the lending commitments and short selling of shares on the Electronic Stock Exchange of Chile (MCh$297 as of December 31, 2019).

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

As of December 31, 2020, BCI Corredor de Bolsa S.A., the subsidiary of the Bank, acquired a UF 20,000 maximum guarantee to ensure compliance with the provisions of Article No. 30 of Law No. 18,045, in order to ensure proper and full compliance with all its obligations as securities intermediary. The beneficiaries of this guarantee are current or future creditors, which it has or will have as a result of stockbroker operations, this warranty applies to a policy taken on August 19, 2020 No. 330-19-00026838 and is valid until August 19, 2021. The insurer is the Compañía de Seguros de Mapfre Garantía y Crédito, and Santiago Stock Exchange is the representative of potential beneficiaries.

To December 31, 2020, there is a bond of UF 10,000 to fulfill what is set forth in Article 12 and following, and 99 and following, of Law 20,712, guaranteeing the complete fulfillment of BCI Corredor de Bolsa obligations of fund and portfolio management for third parties, valid from November 25, 2020 to November 23, 2021.

BCI Corredor de Bolsa S.A.

As of December 31, 2020, it had contracted a insurance policy signed with Southbridge Compañía de Seguros Generales SA., which covers Banco de Credito e Inversiones and its subsidiaries up to UF 500,000, for faithful compliance of duties by employees whose effective date is from November 30, 2020 until May 31, 2022.

BCI Corredores de Seguros S.A.

As of December 31, 2020, the following insurance policies have been contracted to comply with the provisions of letter d) of Article No. 58 of Decree Law No. 251 of 1931, in order to respond to the correct and full compliance with all obligations arising from its activity:

- Guarantee Policy for Insurance Brokers No. 01-23-15196 for an insured amount of UF500 contracted with Aseguradora Porvenir S.A., whose term is from April 15, 2020 to April 14, 2021, establishing the right of the insurance company to collect from the broker all the sums disbursed by the insurance company to third parties affected by the broker's deficient intermediation in excess of the insured amounts.

- Professional Civil Liability Policy for Insurance Brokers No. 01-53-14278 for an insured amount of UF60,000 contracted with Aseguradora Porvenir S.A., whose term is from April 15, 2020 to April 14, 2021, for the purpose of safeguarding the broker in the event of possible claims by third parties, with the insurance company having the right to ask the broker to reimburse the amount paid to the third party claimant.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

BCI Factoring S.A.

As of December 31, 2020 and 2019, BCI Factoring S.A., the subsidiary of the Bank, has approved guarantee lines for operators with Factor Chain International for MCh$2,596 (MCh$491 in 2019), equivalent to US$3,650,000.00 (US$660,000.00 in 2019) of which MCh$439 (Mch$29 in 2019) have been used, equivalent to US$618,222,35 (US$39,070.30 in 2019).

BCI Corredores de Bolsa de Productos S.A.

As of December 31, 2020, it has a Bank guarantee No. 529972 taken with Banco de Crédito e Inversiones, for UF6,000, in favor of Bolsa de Productos Agropecuarios S.A., to guarantee compliance with the Company's obligations as an intermediary of products in accordance with article 11 of Act 19,220. The possibility of payment of this bond is covered by a "Contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency," which is held by the financial institution with due date on May 3, 2022.

As of December 31, 2020, it has a Bank guarantee Nº529973 taken with Banco de Credito e Inversiones, for UF2,000, in favor of Bolsa de Productos Agropecuarios SA, to guarantee the fulfillment of all its obligations as a stock exchange broker in connection with operations invoiced to the Company. The possibility of payment of this bond is covered by a "Contract to open a line of credit to cover possible guarantee payments issued in Chilean pesos or foreign currency," which is held by the financial institution with due date on May 3, 2022.

BCI Asset Management Administradora General de Fondos S.A

Collaterals established in articles 12, 13 and 14 of the Single Act on Funds No. 20,712.

As of December 31, 2020, there are policies securing all funds and portfolio administration, which amount to MCh$ 80,319.

Funds	Type of collateral	Amount MCh$	Amount paid UF
Funds	Guarantees in UF	70,045	2,409,488.06
Portfolio administration	Guarantees in UF	10,274	353,426.67
	Total	**80,319**	**2,762,914.73**

The foregoing is in accordance with the provisions of article 125 of Act No. 18,045 on the Stock Market and the provisions in NCG No. 125 of 2001, which stipulate that General Fund Administrators must permanently maintain a guarantee for each managed fund, which should always be equivalent to UF 10,000 or 1% of the average assets of the corresponding calendar year prior to the date of calculation.

NOTE 23 - CONTINGENCIES AND COMMITMENTS, CONTINUED

Also, in order to comply with the requirements of Title IV of Circular 1790, mutual funds defined as structured and secured must always have collateral provided by a third party other than the administrator company.

To ensure compliance with these standards, BCI Asset Management Administradora General de Fondos S.A. maintains deposits with BCI Bank.

d) Credit commitments

In order to satisfy the needs of its customers, the Bank assumed several irrevocable commitments and contingent liabilities. Although these obligations are not recognized in the consolidated statements of financial position, they are subject to credit risks and, therefore, are part of the Bank's overall risk.

The table below presents the contractual amounts of the transactions that require the Bank to grant loans and the amount of the provisions made for the credit commitment risk assumed:

	As of December, 31	
	2020	**2019**
	MCh$	**MCh$**
Endorsements and performance bonds	196,037	197,667
Documentary letters of credit	317,129	257,876
Guarantees	1,819,884	1,711,098
Amount available for credit cards users	7,245,618	7,313,998
Provisions (Note 21)	(51,593)	(42,669)
Total	**9,527,075**	**9,437,970**

e) Documents in custody and for collection on the part of the Bank

The Bank and its subsidiaries have the following operations derived from the normal course of business:

	As of December, 31	
	2020	**2019**
	MCh$	**MCh$**
Documents in collection	218,581	216,588
Custody of assets	66,466	55,908
Total	**285,047**	**272,496**

NOTE 24 – SHAREHOLDER´S EQUITY

a) Issued capital and shares

Movements of common shares during the periods ended December 31, 2020 and 2019 are the following:

	As of December, 31	
	2020	2019
	No.	No.
Issued as of January 1	**141,616,409**	**135,892,980**
Through reserve capitalization	7,151,531	5,723,429
Shares subscribed and paid for capital increase	-	-
Total issued	**148,767,940**	**141,616,409**

As of December 31, 2020, and 2019, the distribution of shareholders is as follows:

As of December 31, 2020	Shares	
	No. of shares	Ownership %
Empresas Juan Yarur S.P.A.	82,356,919	55.36%
Banco de Chile on behalf of non-resident third parties	7,903,241	5.31%
Jorge Yarur Bascuñán	4,916,919	3.31%
Banco Santander on behalf of foreign investors	3,869,509	2.60%
BCI Corredor de Bolsa S.A. on behalf of third parties.	3,709,455	2.49%
AFP Habitat S.A	3,532,781	2.37%
AFP Provida S.A	2,891,507	1.94%
Larraín Vial S.A. Corredora de Bolsa	2,597,592	1.75%
AFP Capital S.A.	2,570,090	1.73%
Inversiones Cerro Sombrero Financiero S.P.A.	2,531,269	1.70%
Banchile Corredores de Bolsa S.A.	2,247,127	1.51%
Imsa Financiera S.P.A.	2,220,465	1.49%
AFP Cuprum S.A.	2,090,561	1.41%
Inversiones Tarascona Corporation Agencia en Chile	1,807,326	1.21%
Inversiones VYR S.P.A.	1,695,786	1.14%
Inversiones Nueva Altamira S.P.A	1,484,801	1.00%
Luis Enrique Yarur Rey	1,471,380	0.99%
Inversiones Meyar S.A.C.	1,104,880	0.74%
Bolsa de comercio de Santiago Bolsa de Valores	962,989	0.65%
AFP Modelo S.A	863,228	0.58%
Empresas JY S.A.	818,301	0.55%
Credicorp Capital S.A. Corredores de Bolsa	753,546	0.51%
Inversiones Colibrí Financiera S.A.	694,729	0.47%
BTG Pactual Chile S.A. Corredores de Bolsa	675,833	0.45%
Compañía de seguros de vida Consorcio Nacional de Seguro S.A.	652,752	0.44%
Other shareholders	12,344,954	8.30%
Subscribed and paid-in shares	**148,767,940**	**100.00%**

NOTE 24 –SHAREHOLDER´S EQUITY, CONTINUED

As of December 31, 2019	**Shares**	
	No. of shares	**Ownership %**
Empresas Juan Yarur S.P.A.	78,397,880	55.36%
Jorge Yarur Bascuñán	4,680,554	3.31%
Banco de Chile on behalf of non-resident third parties	4,607,976	3.25%
Banco Santander on behalf of foreign investors	3,745,192	2.64%
Banco Itaú Corpbanca on behalf of investors	3,615,211	2.55%
AFP Habitat S.A.	3,381,940	2.39%
BCI Corredor de Bolsa S.A. on behalf of third parties.	3,320,312	2.34%
AFP Provida S.A	3,077,355	2.17%
AFP Cuprum S.A.	2,765,661	1.95%
Inversiones Cerro Sombrero Financiero S.P.A.	2,409,587	1.70%
AFP Capital S.A.	2,371,780	1.67%
Imsa Financiera S.P.A.	2,113,723	1.49%
Larraín Vial S.A. Corredora de Bolsa	1,871,306	1.32%
Inversiones Tarascona Corporation Agencia en Chile	1,720,445	1.21%
Inversiones VYR S.P.A.	1,614,267	1.14%
Banchile Corredores de Bolsa S.A.	1,497,910	1.06%
Inversiones Nueva Altamira S.P.A	1,413,424	1.00%
Luis Enrique Yarur Rey	1,400,648	0.99%
AFP Modelo S.A.	1,115,399	0.79%
Inversiones Meyar S.A.C.	1,051,766	0.74%
Empresas JY S.A.	778,964	0.55%
Inversiones Colibrí Financiera S.A.	661,332	0.47%
Compañía de Seguros de Vida Consorcio Nacional de Seguros S.A.	610,139	0.43%
Nueva Chosica Uno S.P.A.	574,604	0.41%
AFP Planvital S.A.	571,372	0.40%
Other shareholders	12,247,662	8.67%
Subscribed and paid-in shares	**141,616,409**	**100.00%**

b) Dividends

During the period ended December 31, 2020 and 2019, the following dividends were declared by the Bank:

	For the year ended December 31	
	2020	**2019**
	Ch$	**Ch$**
$ per ordinary share	1,000	1,000

The provision for minimum dividends as of December 31, 2020 amounts to MCh$95,236 (MCh$120,794 as of December 31, 2019).

NOTE 24 –SHAREHOLDER´S EQUITY, CONTINUED

c) The composition of basic and diluted earnings per share is as follows:

	For the year ended December 31	
	2020	**2019**
Net income for the year attributable to the equity holders of the Bank	317,454	402,645
Income available for shareholders MCh$	**317,454**	**402,645**
Weighted average number of shares	141,960,196	141,616,490
Basic and diluted earnings per share (Ch$-Share)	**2,236**	**2,843**

d) Translation adjustment reserve

As of December 31, 2020, and 2019, the reconciliation of the cumulative translation adjustment reserve as a separate component of shareholders' equity is as follows:

	Translation adjustment reserve
	MCh$
As of January 1, 2019	**74,712**
Net Exchange rate charges for subsidiaries in Florida	100,778
As of December 31, 2019	**175,490**
As of January 1, 2020	**175,490**
Net Exchange rate charges for subsidiaries in Florida	(95,503)
As of December 31, 2020	**79,987**

Reconciliation of the investment revaluation reserve and cash flow hedge reserve is as follows:

	Investment revaluation reserve	Cash flow hedges reserve
	MCh$	**MCh$**
Accumulated other comprehensive income 2018	**(18,060)**	**(11,963)**
Transferred to statements of income 2019	3	873
Mark to market adjustment	53,536	(115,699)
Accumulated other comprehensive income 2019	**35,479**	**(126,789)**
Transferred to statements of income 2020	3,408	828
Mark to market adjustment	39,079	(50,331)
Accumulated other comprehensive income 2020	**77,966**	**(176,292)**

NOTE 24 –SHAREHOLDER´S EQUITY, CONTINUED

e) Nature of valuation reserves

- Cumulative translation adjustment reserve:

Originated by exchange rate differences arising from the conversion of a net investment in a foreign entity which has a different functional currency.

- Cash flow hedges reserve:

Originated by the valuation at fair value of the derivative contracts designated as hedging instruments in cash flow hedges.

- Fair value reserves:

The fair value reserve includes the accumulated net changes in the market value of the investments available for sale. When the investment (all or part) is sold or disposed of, these reserves are recognized in the Consolidated Income Statement as part of the loss or gain related to investments (Note 1, section t, indicates the accounting treatment in case of impairment).

f) Capital requirements

The regulatory capital as of December 31, 2020 is defined as equivalent to the net amount that should be shown in the Consolidated Financial Statements as calculated as explained below, as indicated in the Compendium of Accounting Regulations. According to General Banking Law, the Bank should maintain a minimum ratio of effective stockholders' equity to consolidated risk-weighted assets, net of required loan loss allowances and provisions and deductions, of 8%, and a minimum ratio of basic capital to consolidated total assets, net of required loan loss allowances and provisions and deductions of 3%. Regulatory capital for these purposes is defined as basic capital (which represents paid-in capital and reserves) adjusted by: a) aggregate subordinated bonds issued by the Bank valued at their placement price for an amount up to 50% of its basic capital commencing nine years prior to their maturity, b) aggregate additional required allowances and provisions as stipulated, c) deductions for all goodwill and share premium, and d) deductions for assets that correspond to investments in non-consolidated subsidiaries.

The assets are weighted according to a risk category to which a risk percentage is assigned according to the amount of capital necessary to support each of these assets, five risk categories are applied (0%, 10%, 20%, 60% and 100%). For example, cash, deposits in banks, and financial instruments issued by the Central Bank of Chile have 0% risk, which means that according to the regulations in force, capital is not needed to maintain these assets. Property, plant and equipment have 100% risk, which means that a minimum capital, equivalent to 8% of these assets, should be held.

NOTE 24 –SHAREHOLDER´S EQUITY, CONTINUED

All over the counter ("OTC") derivative securities are considered in the determination of risk-weighted assets with a conversion factor over the notional values, thus obtaining the amount of credit risk exposure (or "credit equivalent") that complies with Chapter 12-1 of the Updated Compilation of Standards issued by the FMC. Contingent credits, recognized off – balance sheet, which are also considered as a "credit equivalent" for purposes of risk exposure.

The regulatory and basic capital as of December 31, 2020 and 2019 are the following:

	Consolidated assets		Risk- weighted assets	
	As of December, 31		As of December, 31	
	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$
Assets - Consolidated statements of financial position (net of provisions)				
Cash and deposits in banks	4,597,867	3,153,760	- -	-
Items in course of collection	236,710	310,602	40,899	68,513
Trading portfolio financial assets	1,147,279	2,212,257	230,456	327,394
Liabilities under agreements to repurchase	190,248	196,015	190,248	196,015
Derivative financial liabilities	5,451,897	4,261,289	834,039	1,048,861
Credit equivalent	(4,388,819)	(2,742,133)	-	-
Loans and receivables from banks, net	356,669	457,640	356,669	457,640
Loans and receivables to customers, net	34,718,681	33,212,457	29,841,236	29,797,865
Financial investments available for sale	7,996,040	4,011,029	1,541,591	1,241,168
Financial investments held to maturity	25,144	7,369	10,244	6,767
Investments in other companies	26,625	27,823	26,625	27,823
Intangible assets	395,276	404,215	243,764	259,706
Property, plant and equipment, net	251,217	250,194	251,217	250,194
Right-of-use asset	204,807	231,344	204,807	231,344
Current income tax	36,270	89,495	3,627	8,950
Deferred income taxes	211,224	103,329	21,122	10,333
Other assets	1,310,345	1,407,802	877,563	922,871
Assets off – balance sheet				
Credit commitments	4,085,765	4,043,147	2,451,459	2,425,897
Total	**56,853,245**	**51,637,634**	**37,125,566**	**37,281,341**

	As of December, 31	
	2020	2019
	MCh$	MCh$
Basic capital	3,893,620	3,791,478
Regulatory capital	4,971,521	4,474,573
Total consolidated assets	56,853,245	51,637,634
Total Risk- weighted assets	37,125,566	37,281,341

Concept	Ratio	
	As of December, 31	
	2020	2019
	%	%
Basic capital-Consolidated assets	6.85	7.34
Basic capital- Risk-weighted assets	10.49	10.17
Regulatory capital- Risk-weighted assets	13.39	12.00

NOTE 25 - INTEREST INCOME AND EXPENSES AND INDEXATION FOR INFLATION

a) For the years ended December 31, 2020 and 2019, the composition of income from interest and indexation for inflation is the following:

	For the years ended December 31					
	2020			2019		
Concept	Interest	Indexation for inflation	Total	Interest	Indexation for inflation	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Repurchase agreements	1,262	4,919	6,181	1,607	37	1,644
Interbank loans	11,749	-	11,749	17,714	-	17,714
Commercial loans	1,019,773	124,122	1,143,895	1,054,546	111,419	1,165,965
Mortgage loans	195,260	183,034	378,294	219,852	173,968	393,820
Consumer loans	505,072	1,095	506,167	535,593	1,360	536,953
Investment instruments	82,561	18,164	100,725	85,559	9,019	94,578
Other income (*)	11,608	2,923	14,531	17,989	2,216	20,205
Hedge accounting offset effect	(72,938)	-	(72,938)	(24,322)	-	(24,322)
Total income from interest and indexation for inflation	**1,754,347**	**334,257**	**2,088,604**	**1,908,538**	**298,019**	**2,206,557**

(*) Includes interest on overnight deposits, the liquidity current account with Central Bank of Chile, and others.

For the years ended December 31, 2020 and 2019 the sum of interest expenses and indexation for inflation is as follows:

	For the year ended December 31	
	2020	2019
Concept	**MCh$**	**MCh$**
Demand deposits	(49,329)	(82,237)
Repurchase agreements	(4,309)	(12,467)
Term deposits and borrowings	(172,835)	(356,022)
Borrowings from financial institutions	(60,168)	(88,011)
Debt issued	(325,402)	(311,834)
Other financial liabilities	(10,934)	(19,995)
Lease liabilities	(4,149)	(4,750)
Other interest expenses and indexation for inflation	(10,715)	(8,668)
Hedge Accounting Results	7,778	(1,079)
Total interest expenses and-indexation for inflation	**(630,063)**	**(885,063)**

b) For the years ended December 31,2020 and 2019, the detail of income and expenses related to hedge accounting is as follows:

	For the year ended December 31					
	2020			2019		
	Income	Expense	Total	Income	Expense	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Asset hedge margin						
Fair value hedges	28,131	(39,369)	(11,238)	61,599	(64,206)	(2,607)
Cash flow hedges	21,255	(82,955)	**(61,700)**	23,042	(44,757)	**(21,715)**
Subtotal	**49,386**	**(122,324)**	**(72,938)**	**84,641**	**(108,963)**	**(24,322)**
Liabilities hedge margin						
Fair value hedges	643,936	(636,158)	7,778	1,157,468	(1,158,547)	**(1,079)**
Subtotal	**643,936**	**(636,158)**	**7,778**	**1,157,468**	**(1,158,547)**	**(1,079)**
Total	**693,322**	**(758,482)**	**(65,160)**	**1,242,109**	**(1,267,510)**	**(25,401)**

NOTE 26 – FEE AND COMMISSION INCOME AND EXPENSES

For the years ended December 31, 2020 and 2019, the composition of fee and commission income and expenses is the following:

	For the years ended December 31	
	2020	**2019**
	MCh$	**MCh$**
Fee and commission income:		
Commissions for credit lines and overdrafts	3,284	3,752
Commissions for guarantees and letters of credit	24,457	20,819
Commissions for credit card services	87,069	106,670
Commissions for administration of accounts	48,567	48,994
Commissions for collection services	62,496	72,690
Commissions for securities brokerage	6,972	6,395
Commissions for management of mutual and investment funds	54,226	57,225
Commissions for insurance brokerage	72,188	84,895
Commissions for other services provided	57,929	46,889
Other commissions	16,699	13,984
Total fee and commission income	**433,887**	**462,313**
Fee and commission expenses:		
Commissions on operations with credit cards:	(48,989)	(46,539)
Commissions on securities trading	(25,194)	(20,581)
Other commissions	(24,120)	(43,433)
Total fee and commission expenses	**(98,303)**	**(110,553)**

NOTE 27 - TRADING AND INVESTMENT INCOME, NET

For the years ended December 31, 2020 and 2019, the detail of trading and investment income is the following:

	For the year ended December 31,	
	2020	**2019**
	MCh$	**MCh$**
Trading instruments	114,243	144,519
Derivative financial agreements (speculative)	(20,094)	15,752
Other instruments at fair value through profit or loss	(401)	(231)
Gains on financial investments available for sale	55,051	23,765
Total	**148,799**	**183,805**

NOTE 28 - FOREIGN EXCHANGE RESULTS, NET

For the years ended December 3, 2020 and 2019, the detail of the foreign exchange results is the following:

	For the year ended December 31	
	2020	**2019**
	MCh$	**MCh$**
Exchange difference		
Gains from exchange differences	37,047,639	25,662,622
Losses from exchange differences	(36,986,152)	(25,861,885)
Subtotal	61,487	(199,263)
Foreign currency fluctuation		
Effect for assets and liabilities denominated in foreign currency	(10.500)	12,212
Subtotal	(10,500)	12,212
Hedge Accounting Results		
Assets hedge results	(28,860)	55,482
Liabilities hedge results	22,638	113,235
Subtotal	(6,222)	168,717
Total	**44,765**	**(18,334)**

This item includes income accrued in the period, related to holding of assets and liabilities in foreign currency or indexed to the exchange rate, for ex trading and results of derivatives used to hedge foreign currency.

NOTE 29 - PROVISIONS FOR LOAN LOSSES

The detail of provisions for loan losses and impairment as of December 31,2020 and 2019 is as follows:

		Loans and receivables from customers, net						
December 31, 2020	**Owed by banks**	**Consumer loans**	**-- Mortgage loans**	**Consumer loans**	**Credit Commitment s**	**Additional**	**Adjustment to minimum provision for normal portfolio**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Provisions:								
Individual provisions	23	146,828	-	-	9,900	-	-	**156,751**
Collective provisions	-	122,919	4,487	369,581	6,042	151,475	-	**654,504**
Total provisions	**23**	**269,747**	**4,487**	**369,581**	**15,942**	**151,475**	**-**	**811,255**
Impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions								
Individual provisions	(143)	(24,288)	-	-	(3,343)	-	(10,708)	**(38,482)**
Collective provisions	-	(12,655)	(7,036)	(28,891)	(900)	(2,809)	-	**(52,291)**
Total reversal of provisions	**(143)**	**(36,943)**	**(7,036)**	**(28,891)**	**(4,243)**	**(2,809)**	**(10,708)**	**(90,773)**
Recovery of loans previously written off	-	(18,178)	(2,151)	(46,242)	-	-	-	(66,571)
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for loan losses	**(120)**	**214,626**	**(4,700)**	**294,448**	**11,699**	**148,666**	**(10,708)**	**653,911**

NOTE 29 - PROVISIONS FOR LOAN LOSSES, CONTINUED

In Management's opinion, the provisions recorded for credit risk and for impairment cover all possible losses that may result if assets are not recoveredbased on the information corroborated by the Bank.

		Loans and receivables from customers, net						
December 31, 2019	**Interbank loans**	**Commercial loans**	**Mortgage loans**	**Consumer loans**	**Credit commitments**	**Additional**	**Minimum Provision adjustment for normal portfolio**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**	**MCh$**
Provisions:								
Individual provisions	1,360	71,249	-	-	2,757	-	4,162	**79,528**
Collective provisions	-	155,410	4,681	317,257	10,309	-	-	**487,657**
Total provisions	**1,360**	**226,659**	**4,681**	**317,257**	**13,066**	**-**	**4,162**	**567,185**
Impairment								
Individual impairment	-	-	-	-	-	-	-	-
Collective impairment	-	-	-	-	-	-	-	-
Total impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reversal of provisions								
Individual provisions	(1.578)	(28,352)	-	-	(318)	-	(8)	**(30,256)**
Collective provisions	-	(5,407)	(137)	(6,870)	(277)	(44,164)	-	**(56,855)**
Total reversal of provisions	**(1.578)**	**(33,759)**	**(137)**	**(6,870)**	**(595)**	**(44,164)**	**(8)**	**(87,111)**
Recovery of assets previously written off	-	(23,984)	(3,867)	(36,704)	-	-	-	(64,555)
Reversal of impairment	-	-	-	-	-	-	-	-
Net provisions for loan losses	**(218)**	**168,916**	**677**	**273,683**	**12,471**	**(44,164)**	**4,154**	**415,519**

NOTE 30 - STAFF COSTS

The composition of staff costs for the years ended December 31, 2020 and 2019 is as follows:

	For the years ended December 31	
	2020	2019
	MCh$	MCh$
Staff remuneration	291,929	267,172
Bonuses or awards	166,359	156,063
Severance payments	26,465	20,039
Training expenses	2,813	3,544
Other staff expenses	34,514	37,068
Total	**522,080**	**483,886**

NOTE 31 - ADMINISTRATIVE EXPENSES

For the years ended December 31, 2020 and 2019 the composition of administrative expenses is as follows:

	For the years ended December 31	
	2020	2019
	MCh$	MCh$
General administrative expenses		
Maintenance and repair of the bank's property, plant and equipment	14,553	16,061
Insurance premiums	8,940	9,885
Office supplies	4,176	4,576
Computer and communication expenses	103,069	81,944
Lighting, heating and other services	8,704	9,412
Securities custody and transportation services	12,884	14,571
Travel expenses	2,964	5,341
Judicial and notarial expenses	5,028	5,512
Fees for technical reports	8,440	5,780
Audit fees	4,405	4,341
Fines imposed by the FMC	-	6
Fines imposed by other agencies	247	270
Low-value lease contract expenses	10,745	8,651
Cleaning services	4,624	4,560
Advisory services	12,481	15,675
Postal-related expenses	1,406	1,526
Other general administrative expenses	31,253	50,953
Sub- contracted services		
Data processing	6,858	7,470
Sale of products	1,797	641
Credit evaluation	426	542
Other	8,732	9,554
Board of Director expenses		
Board of Directors remuneration	4,706	4,568
Other Board of Directors expenses	423	363
Publicity and advertising	30,791	34,692
Taxes, real estate taxes and contributions		
Real estate taxes	3,016	2,838
Licenses	2,394	2,457
Other taxes	12,106	12,190
Contribution to FMC	14,034	11,770
Total	**319,202**	**326,149**

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT

a) For the years ended December 31, 2020 and 2019, depreciation and amortization expenses are detailed below:

	For the year ended December 31,	
	2020	2019
	MCh$	MCh$
Depreciation and amortization		
Depreciation of property, plant and equipment	(25,238)	(25,670)
Amortization of intangible assets	(56,970)	(51,383)
Amortization and depreciation of right-to- use assets	(26,802)	(26,596)
Total	**(109,010)**	**(103,649)**

b) For the years ended December 31, 2020 and 2019, the bank presents impairment which is detailed below:

	For the year ended December 31	
	2020	2019
	MCh$	MCh$
Impairment of property, plant and equipment and intangible assets		
Property, plant and equipment (1)	(79)	(478)
Intangibles (2)	(4,994)	-
Total	**(5,073)**	**(478)**

(1) For the years ended December 31, 2020 and 2019, the impairment of property, plant and equipment of MCh$79 and MCh$748 corresponds to the gross balance of property, plant and equipment.

The Bank and its branches assess, on the end of the reported fiscal year there is any indicator of impairment of any asset with a defined life. If any indicator is present, or an impairment test is needed, the entity calculates the recoverable amount of the asset.

(2) The Bank acquired intangible assets on the merging of businesses with BCI Servicios Financieros and City National Bank, whose flow generation and management are analyzed by high-level management separately, as their contributions to the consolidated entity can be analyzed independently.

The carrying amount of intangible assets with a defined useful life before impairment losses is as follows.

	As of December, 31	
	2020	2019
	MCh$	MCh$
Intangible assets		
Relationship with clients	34,890	37,526
Rights acquired under cross-selling agreement	2,538	4,896

b) Impairment test of intangible assets

i. Impairment loss of intangible assets

As a result of the recent impacts described in Note 3 “Significant Events”, the recoverable amount from Servicios Financieros CGU presenting intangible asset balances was calculated, resulting in the recognition of an impairment loss of MCh$4,994 on the following assets for the year ended December 31, 2020:

	MCh$
Intangibles impairment (1)	
Relationship with clients	2,636
Rights acquired under cross-selling agreement	2,358
Impairment total	**4,994**

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT, CONTINUED

(1) At the closing of November 2020, the Bank recorded an intangible impairment loss for intangibles generated in the merging of businesses due to the acquisition of BCI Servicios Financieros on December 2018, for a total of MCh $4,994. An impairment test was performed on the indefinitely-lived intangible assets identified in the assignment of the price paid on December 2018. For the assessment of the loan portfolio, the value of the intangible asset was adjusted according to an impairment indicator analysis, using the real client loss rate between December 2018 and September 2020 as a benchmark. Based on the results of the analysis, it was concluded that there was an impairment on the Client Relations for MCh$2,636, and the Rights acquired under cross-selling agreement, for MCh$2,358. These recorded impairments represent a carrying amount of 9.3% and 58.6%, respectively.

ii. Intangible assets distribution

The distribution of intangible assets generated in the acquisition of BCI Servicios Financieros and the transactions incurred, are presented below:

	Relationship with clients	Rights acquired under cross-selling agreement
	MCh$	MCh$
Balance as of December 31, 2019	**32,012**	**4,366**
Amortization for the year	(4,676)	(470)
Impairment of property, plant and equipment and intangible assets	(2,636)	(2,358)
Balance as of December 31, 2020	**24,700**	**1,538**

The figures presented as of December 31, 2020 have been adjusted to their recoverable amount, recognizing an impairment loss as indicated above.

iii. Methodology used by the Bank

- **Relationship with clients**

The methodology used for the assessment of the fair value of the relation with clients was to adjust the value of the intangible asset according to an impairment indicator analysis, using the real client loss rate between December 2018 and September 2020 as a benchmark.

- **Rights acquired under cross-selling agreement**

The methodology used for the assessment of the fair value of the rights acquired under cross-selling agreement was the income approach, where the value of an asset is assessed according to the current value of its future net benefits. The steps to apply this approach include the estimation of expected cash flows attributable to the asset throughout its useful life, discounting them at an adequate rates according to the specific risks of future benefits of the asset, and to the value of cash over time.

NOTE 32 - DEPRECIATION, AMORTIZATION AND IMPAIRMENT, CONTINUED

iv. Assessment results

As a result of the assessment process, the Management concludes that the ratios of recoverable amounts and carrying amount of intangible assets to December 31, 2020, are the following:

	As of December 31, 2020	
	Relationship with clients	**Rights acquired under cross-selling agreement**
Discount rate	14.4%	14.4%
Recoverable amount/ Carrying amount	90.7%	41.4%
Impairment of property, plant and equipment to intangible asset carrying amount	9.3%	58.6%

The recoverable amount for each intangible asset corresponds to the value in use, since it is the greater amount when compared to the fair value less costs to sell.

c) The reconciliation between the amounts as of January 1, 2020 and 2019 and the balances as of December 31, 2020 and 2019 is as follows:

	Accumulated depreciation and amortization 2020			
	Property, plant and equipment, net	**Leased assets**	**Intangible assets**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**203,598**	**62,099**	**209,200**	**474,897**
Charges for depreciation and amortization	25,238	26,802	56,970	109,010
Disposals	(61,540)	(4,712)	(4,053)	(70,305)
Others	(413)	(169)	-	(582)
Balance as of December 31	**166,883**	**84,020**	**262,117**	**513,020**

	Accumulated depreciation and amortization 2019			
	Property, plant and equipment, net	**Leased assets**	**Intangible assets**	**Total**
	MCh$	**MCh$**	**MCh$**	**MCh$**
Balances as of January 1	**227,139**	**39,814**	**158,696**	**425,649**
Charges for depreciation and amortization	25,670	26,596	51,383	**103,649**
Disposals	(7,559)	(3,870)	-	**(11,429)**
Others	(41,174)	(441)	(879)	**(42,494)**
Balance as of December 31	**204,076**	**62,099**	**209,200**	**475,375**

NOTE 33 - OTHER OPERATING INCOME AND EXPENSES

a) Other operating income

For the years ended December 31, 2020 and 2019, the composition of other operating income is as follows:

	For the year ended December 31	
	2020	2019
Concept	**MCh$**	**MCh$**
Income from repossessed assets		
Gain on sale of repossessed assets	1,953	4,776
Other income	642	190
Subtotal	2,595	4,966
Reversal of provisions for credit commitments		
Reversal of provisions for country risk	323	154
Subtotal	323	154
Other income		
Gains on sale of property, plant and equipment	2,077	5,078
Insurance claims	2,124	629
Leasing income	5,035	5,914
Other income	32,485	36,322
Subtotal	41,721	47,943
Total	**44,639**	**53,063**

b) Other operating expenses

For the years ended December 31, 2020 and 2019, the composition of other operating income is as follows:

	For the year ended December 31	
	2020	2019
Concept	**MCh$**	**MCh$**
Impairment and expenses for repossessed assets		
Provisions for repossessed assets	73	-
Write-off of repossessed assets	1,487	3,934
Maintenance expenses for repossessed assets	928	1,034
Subtotal	2,488	4,968
Establishment of provisions for credit commitments		
Provisions for country risk	1,143	409
Other provisions for credit commitments	14,771	4,637
Subtotal	15,914	5,046
Other expenses		
Loss on sale of property, plant and equipment	32	10
Contributions and donations	7,327	3,240
Penalties for judicial and notary expenses	4,576	3,731
Leasing expenses	21,112	11,251
Non-operating expenses	14,474	9,852
Other expenses	14,573	5,471
Subtotal	62,094	33,555
Total	**80,496**	**43,569**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES

a) Loans granted to related parties

The following shows the loans and accounts receivable, contingent credits and assets for trading and investment instruments, corresponding to related entities:

	As of December 31, 2020			As of December 31, 2019		
	Operating companies	Investment companies	Individuals	Operating companies	Investment companies	Individuals
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables to customers						
Commercial loans	113,594	83,731	22,152	95,963	81,051	16,903
Mortgage loans	-	-	46,894	-	-	45,275
Consumer loans	-	-	7,483	-	-	7,308
Loans and receivables from customers, gross	**113,594**	**83,731**	**76,529**	**95,963**	**81,051**	**69,486**
Allowances for loan losses	(282)	(50)	(477)	(244)	(54)	(294)
Loans and receivables from customers, net	**113,312**	**83,681**	**76,052**	**95,719**	**80,997**	**69,192**
Credit commitments	68,031	10,047	17,707	39,195	4,797	19,146
Provisions for credit commitments	(231)	(10)	(61)	(36)	(5)	(30)
Credit commitments, net	**67,800**	**10,037**	**17,646**	**39,159**	**4,792**	**19,116**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

b) Other transactions with related parties

For the years ended December 31, 2020 and 2019, the Bank conducted the following transactions with related parties:

For the year ended December 31, 2020 Company name	Relationship with the Group	Description	Amount of transaction	Effect on income	
				Expense	Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Acquisition services	1,033	1,033	-
Bolsa de Comercio de Santiago	Others	Rent of terminals	168	168	-
BCI Seguros de Vida S.A.	Other	Revenue and channel usage service	1,686	-	1,686
		Brand use	1,308	-	1,308
		Messaging	166	-	166
		Channel usage	436	-	436
		Loss management	988	-	988
		Marketing	1,059		1,059
		Contracted insurance	60	60	-
		Subordinated bonds	592	62	-
		Financial bond	2,735	79	-
		Term deposits	4,000	63	-
		Forward operation	75	75	-
		Bank expenses	203	203	-
		Collection fees Servicios Financieros y Administración de Créditos Comerciales S.A.	8,370	-	7,033
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda	1,290	-	1,084
		Intermediation fees BCI CCSS	9,408	-	9,408
BCI Seguros Generales S.A.	Other	Revenue and channel usage service	57	-	57
		Brand use	1,308	-	1,308
		Messaging	68	-	68
		Channel usage	436	-	436
		Marketing	1,389		1,389
		Financial bond	158	6	-
		Term deposits	17,134	-	4
		Forward operation	38	38	-
		Intermediation fees financial services, Corredores de Seguros y Gestión Financiera Ltda	1,458	-	1,225
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Ltda	6,763	-	5,683
		Intermediation fees BCI CCSS	24,128	-	24,128
		Intermediation prizes BCI CCSS	565	-	565
		Marketing contribution	486	-	486
Centro de Compensación Automatizado S.A.	Others	Electronic banking transactions	1,814	1,814	-
Compañía Nacional de Teléfonos Telefónica de Sur S.A.	Other	Rental of data links	51	51	-
Combanc S.A.	Associate	Compensation and high value payment	496	496	-
Comder Contraparte Central S.A.	Associate	Bank processing	819	819	-
Conexxion Spa	Others	Postal mail service	292	292	-
DCV Registros S.A.	Others	Management of register of shareholders	95	95	-
Depósitos Central de Valores S.A.	Others	Financial instruments custody	471	471	-
Digitech Solutions S.A.	Others	Digital documentation	287	287	-
Fernando Vallejos V	Others	Advice and consultancy	79	79	-
Inmobiliaria Anya S.A.	Others	Real estate projects	113	113	-
Inmobiliaria JY S.A.	Others	Real estate projects	223	223	-
Jordan (Chile) S.A.	Common parent	Forms printing	2,012	2,012	-
Mario Gómez D.	Others	Advice and consultancy	144	144	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	8,770	8,770	-
Redbanc S.A.	Associate	ATMs Operation	6,276	6,276	-
Salcobrand S.A.	Common parent	Rent of places for ATMs	225	225	-
Servicios de Información avanzada S.A.	Others	Trade information service	832	832	-
Servipag Ltda.	Joint venture	Services collection and payment	4,750	4,750	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	575	575	-
Transbank S.A.	Other	Credit card management and credit card use income	20,178	4,916	15,262

NOTE: Only transactions over UF1,000 are disclosed.
All these transactions were undertaken under prevailing market conditions at the date on which they were entered.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

For the year ended December 31, 2019 Company name	Relationship with the Group	Description	Amount of transaction	Effect on income	
				Expense	Income
			MCh$	MCh$	MCh$
Artikos Chile S.A.	Joint venture	Acquisition services	1,026	1,026	-
Bolsa de Comercio de Santiago	Others	Rent of terminals	148	148	-
BCI Seguros de Vida S.A.	Common parent	Revenue and channel usage service	2,316	-	2,316
		Brand use	2,123	-	2,123
		Messaging	143	-	143
		Channel usage	849	-	849
		Loss management	963	-	963
		Marketing	4,265	-	4,265
		Subordinated bonds	678	69	-
		Contracted insurance	50	50	-
		Financial bond	724	3	-
		Terms deposits	999	39	-
		Forward operation	72	72	-
		Fees for collection of financial services y management of commercial loans	15,025	-	12,626
		Intermediation fees BCI CCSS	24,596	-	24,596
BCI Seguros Generales S.A.	Common parent	Revenue and channel usage service	78	-	78
		Brand use	425	-	425
		Messaging	29	-	29
		Losses	559	-	559
		Forward operation	126	-	126
		Intermediation fees SSFF Corredores de Seguros y Gestión Financiera Ltda	1,020	-	1,020
		Collection fees Servicios de Comercialización y Apoyo Financiero y de Gestión Limitada.	4,682	-	4,682
		Intermediation fees BCI CCSS	31,421	-	31,421
Centro de Compensación Automatizado S.A.	Others	Electronic banking transactions	1,693	1,693	-
Compañía Nacional de Teléfonos Telefónica del Sur S.A.	Other	Rental of data links	50	50	
Combanc S.A.	Associate	Compensation and high value payment	438	438	-
Comder Contraparte Central S.A.	Associate	Bank processing	930	930	-
Conexxion Spa	Others	Postal mail service	295	295	-
DCV Registros S.A.	Others	Management of register of shareholders	97	97	-
Depósitos Central de Valores S.A.	Others	Financial instruments custody	291	291	-
Digitech Solutions S.A.	Others	Digital documentation	353	353	-
Fernando Vallejos V	Others	Advice and consultancy	78	78	-
GTD Teleductos S.A.	Others	Rental of data links	241	241	-
Inmobiliaria Anya S.A.	Others	Real estate projects	115	115	
Inmobiliaria JY S.A.	Others	Real estate projects	217	217	
Jordan (Chile) S.A.	Common parent	Forms printing	2,224	2,224	-
Mario Gómez D.	Others	Advice and consultancy	215	215	-
Operadoras de Tarjetas de Crédito Nexus S.A.	Associate	Card Processing	8,776	8,776	-
Redbanc S.A.	Associate	ATMs Operation	6,292	6,292	-
SalcobrandS.A.	Common parent	Rent of places for ATMs	255	255	
Servicios de Información avanzada S.A.	Others	Trade information service	716	716	-
Servipag Ltda.	Joint venture	Services collection and payment	6,423	6,423	-
Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Others	Financial information service	531	531	-
Transbank S.A.	Other	Credit card management and credit card use income	64,106	13,584	50,522

NOTE: Only transactions over UF1,000 are disclosed.
All these transactions were undertaken under prevailing market conditions at the date on which they were entered.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

c) Other assets and liabilities with related parties

	As of December, 31	
	2020	2019
	MCh$	MCh$
ASSETS		
Derivative financial assets	-	-
Other assets	-	-
LIABILITIES		
Derivative financial liabilities	-	-
Demand deposits	99,686	87,283
Term deposits and savings accounts	315,306	191,703
Other liabilities	-	-

d) Income (expense) recognized on transactions with related parties:

		For the year ended December 31			
		2020		2019	
Type of income or (expense) recognized	Entity	Income	Expense	Income	Expense
		MCh$	MCh$	MCh$	MCh$
Income and expenses	Sundry	11,728	(3,368)	10,331	(5,182)
Operational support expenses	Companies supporting the line of business	73,779	(35,027)	136,743	(45,256)
Total		**85,507**	**(38,395)**	**147,074**	**(50,438)**

e) Remuneration of the Board of Directors and key management personnel.

Compensation earned by key management personnel corresponds to the following categories:

	For the year ended December 31	
	2020	2019
	MCh$	MCh$
Short- term remuneration of key management personnel (*)	17,952	29,303
Severance indemnities	-	-
Total	**17,952**	**29,303**

(*) For the year ended December 31, 2020 total expenses for the corresponding remuneration of the Board of Directors of the Bank and subsidiaries amounted to Mch$5,129 (MCh$4,931 for 2019).

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

f) Composition of key management personnel

As of December 31, 2020, the composition of the key management personnel of the Bank and its subsidiaries is as follows:

Position	No. of executives
Director	21
General manager	8
Division and Area Manager	26
Total	**55**

g) Transactions with key management personnel

As of and for the years ended December 31, 2020 and 2019, the Bank has undertaken the following transactions with key management personnel, as specified below:

	As of and for the years ended December 31					
	2020			2019		
	Balance owed	Interest income	Income of key executives	Balance owed	Interest income	Income of key executives
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Credit cards and other services	2,264	1,710,310	6	2,309	1,812,737	8
Mortgage loans	2,275	378,294	97	2,812	393,820	125
Collateral	2,948	-	-	3,138	-	-
Total	**7,487**	**2,088,604**	**103**	**8,259**	**2,206,557**	**133**

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

As of, December 31, 2020, the Bank has the following contracts:

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
1	Bolsa de Comercio de Santiago	Processing the stock exchange management system, through which BCI Corredor de Bolsa S.A.	Lease of terminals	Contract to use the stock exchange management software	Indefinite	Automatic renewal every year
2	Centro de Automatizado S.A.(CCA)	Electronic transactions adjustment center	Centre adjustment Services	Participation in and incorporation into the electronic transfer center to expedite the completion of fund transfer operations, The Bank operates in the CET as an IFO (Originating Banking Institution) and as an IFR (Receiving Banking Institution)	Indefinite	Annual automatic renewal
3	Compañía de Formularios Continuos Jordan (Chile) S.A.	Printing and making checkbooks,	Forms printing	Printing services are contracted for basic lists, special forms, and revenue stamped forms, such as checks and at sight promissory notes	Indefinite	Annual automatic renewal
4	Operadoras de Tarjetas de Crédito Nexus S.A.	Processing credit card operations (issuer list)	Card Processing	Operations of Mastercard, Visa credit cards and debit card regarding processing the issuer list	Indefinite	Automatic renewal every three years.
5	Redbanc S.A.	Administration of the operations of ATMs, Redcompra and RBI	ATMs Operation	In fulfilling its corporate purpose, the company will offer the participant, for the use of its customers or users, the electronic data transfer service via automatic tellers or other actual or virtual electronic means	Indefinite	Automatic renewal every three years.
6	Servipag Ltda.	Collection and payment of services, payment of checks and receipt of deposits and administration of our teller service	Collection and payment of services	The service is contracted for resolution of collection transactions captured by BCI tellers for processing and rendition to customers	Indefinite	Automatic renewal every year
7	Transbank S.A.	Processing credit card operations (user list)	Administration of credit cards	Provision of Visa, Mastercard credit card services regarding the user list	Indefinite	Automatic renewal every two years.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
8	Artikos Chile S.A.	Purchases and logistics services portal	Purchase of supplies	Electronic purchase service for assets and/or logistics services	Indefinite	Annual automatic renewal
9	BCI Seguros de Vida S.A.	Insurance	Insurance premiums	Individual life insurance policy for executives and guards	Annual	Annual Hiring
10	BCI Seguros Generales S.A.	Insurance	Insurance premiums	Individual policies for the Bank's physical assets, leased assets and comprehensive banking policy	Annual	Annual Hiring
11	Archivos Credenciales e Impresos Archivert Ltda.	Production of credit and debit plastic cards	Credit and Debit Card Production	Production of credit and debit plastic cards	Indefinite	Automatic renewal every two years.
12	Combanc S.A.	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds)	Settlement of High Amounts payments	Clearing and settlement of High Amount payments SWIFT Messaging (Order and / or receive balance information from Central Bank of Chile, for daily transfer client funds)	Indefinite	Automatic renewal every year
13	Conexxion Spa	Postal mail service (normal and registered letter), Messaging (internal courier service and motorbikes)	Mail and Messaging	Postal mail service (normal and registered letter), Messaging (internal courier service and motorbikes)	Indefinite	Annual automatic renewal
14	Depósitos Central de Valores S.A.	Service Custody Deposit and Securities	Securities Custody	Service Custody Deposit and Securities	Indefinite	Automatic renewal every year
15	GTD Teleductos S.A.	Telephone Services & Data Communications, rent of links, continuity links, Fixed and mobile, mainly in Metropolitan Region	Telephone service	Telephone Services & Data Communications, rent of links, continuity links, Fixed and mobile, mainly in Metropolitan Region	Indefinite	Automatic renewal every two years.

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
16	Salcobrand S.A.	Lease of ATM's site (affordable)	Lease of ATM's site	Lease of ATM's site (affordable)	Indefinite	Annual automatic renewal
17	Sistema Nacional de Com. Financieras S.A. (Sinacofi)	Electronic Messaging Service: secure information exchange Clearing Service: Corresponds to the electronic exchange	Financial and business Information	Electronic Messaging Service: secure information exchange Clearing Service: Corresponds to the electronic exchange	Indefinite	Automatic renewal every year
18	COMDER Contraparte Central S.A.	Operating systems clearing and settlement of Financial Instruments	Clearing house of Derivatives	Clearing and Settlement as Central counterparty mode of Financial Instruments	Indefinite	Automatic renewal every year
19	Cía. Nacional de Teléfonos Telefónica del Sur S.A.	Fixed telephony service continuity and Internet service Broadband	Telephone service	Fixed telephony service continuity and Internet service Broadband	Indefinite	Automatic renewal every year
20	DCV Registros S.A.	Management of register of shareholders	Management of register of shareholders	Comprehensive and personalized attention of the shareholders of BCI and brokers	Indefinite	Automatic renewal every year
21	Digitech Solutions S.A.	Document digitalization	Document Scanning Service	Digitizing documents Back Office, Comex, document management Mortgage and Corporate Banking	Indefinite	Automatic renewal every year
22	Galería de Arte Patricia Ready Ltda.	Exhibition Hall Art Gallery	Sponsorship	Ensure BCI brand presence in all invitations printed for each exhibition and in the invitation in digital format, Include the BCI logo in all catalogues	Indefinite	Automatic renewal every year
23	Irarrazabal Ruiz-Tagle Goldenberg Lagos & Silva Abogados Ltda.	Intangible Services Lawyers Presidency	Advisory services	Professional Advice in General to the Bank and Subsidiaries	Indefinite	Automatic renewal every year
24	Inmobiliaria Anya S.A.	Rent for BCI branch	Lease	Lo Echevers branch lease	8 years	Automatic renewal for the same period

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
25	Mario Gómez D.	Advisory and consulting services	Advisory services	Development of banking and micro-business plan. Comprehensive advice to commercial bank management Commercial	Definite	Definite, subject to renewal every 30 days
26	Tu Ves S.A.	Advertising exhibition	Basic services	Provision of satellite television service and equipment leasing	Definite	Seasonal purchase
27	Mabel Ilabaca Albornoz	Advisory and consulting services	Advice and consultancy	Consulting services for the review of the business continuity model	Definite	Automatic renewal every year
28	Automotora Aventura Motors S.A.	Vehicle maintenance	Vehicle maintenance	Vehicle maintenance	Indefinite	Seasonal purchase
29	Viña Morandé S.A.	Wines for gifts to customers and consumption	Wines for gifts to customers	Wines for gifts to customers and consumption	Indefinite	Automatic renewal every year
30	Corporación Cultural Arte +	Advertising spaces	Advertising spaces	Advertising in magazine La Panera.	Definite	Seasonal purchase
31	Vigamil S.A.C.I.	Making of envelopes	Making of envelopes	Services for making of envelopes	Definite	Seasonal purchase
32	Bolsa Electrónica de Chile Bolsa de Valores	Software maintenance	Basic software	Financial information software maintenance	Indefinite	Automatic renewal every year
33	Reparaciones Express Ltda.	Vehicle maintenance	Vehicle maintenance	Vehicle maintenance	Indefinite	Automatic renewal every year

NOTE 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

N°	Related company	The service involved	Concept	Description of the Contract	Period	Condition
34	Comercializadora AO Ltda.	Furniture	Furniture	Furniture	Seasonal purchase	Seasonal purchase
35	Inmobiliaria JY S.P.A.	Real estate projects	Real estate projects	Real estate projects	Indefinite	Automatic renewal every year
36	Alton Bridge Gropun SPA	Provision of information and transaction services to the money desk through telephone link and software for transactions.	Information and transaction services	Provision of information and transaction services to the money desk through telephone link and software for transactions.	Indefinite	Automatic renewal every year
37	Inmobiliaria SB SPA	Real estate services	Lease	Sub-lease of stores in Building Centro Santa María de Manquehue.	Indefinite	Automatic renewal every year
38	Corporación de Crédito al Menor o Demos una Oportunidad al Menor	Donation for social purposes	Donation for social purposes	Donations for social purposes to fund the Continuous Improvement Program for the comprehensive development of the Villa Jorge Yarur Banna Protection Residence for Girls and Adolescents seriously violated in their rights.	52 months (4 years and 4 months)	Definite
39	Boston Consulting Group	Advisory and consulting services	Advisory and consulting services	Advisory and consulting services	Definite	Definite
40	Inversiones Edelweiss Chile Limitada	Sale of supplies	Sale of supplies	Purchase of supplies	Definite	Seasonal purchase
41	Servicios de Información Avanzada Comercial y Financiera S.A. (SINACOFI BURO)	Computer Services	Computer Services	Computer Services	Indefinite	Automatic renewal every year

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE

a) The following table summarizes the carrying amounts and fair values of the principal financial assets and liabilities in the Bank´s consolidated financial statements:

	As of December 31, 2020		As of December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	MCh$	MCh$	MCh$	MCh$
Assets				
Cash and deposits in banks	4,597,867	4,597,867	3,153,760	3,153,760
Items in course of collection	236,710	236,710	310,602	310,602
Trading portfolio financial assets	1,147,279	1,147,279	2,212,257	2,212,257
Liabilities under agreements to repurchase	190,248	190,248	196,015	196,015
Derivative financial liabilities	5,451,897	5,451,897	4,261,289	4,261,289
Loans and receivables to banks, net	356,669	356,669	457,640	457,640
Loans and receivables to customers, net	34,718,681	39,017,527	33,212,457	37,189,315
Commercial loans	22,707,117	23,239,166	21,253,077	21,792,430
Mortgage loans	8,897,471	11,412,160	8,292,339	10,409,717
Consumer loans	3,114,093	4,366,200	3,667,041	4,987,168
Financial investments available for sale	7,996,040	7,996,040	4,011,029	4,011,029
Financial investments held to maturity	25,144	25,144	7,369	7,369
Total assets	**54,720,535**	**59,019,381**	**47,822,418**	**51,799,276**
Liabilities				
Current accounts and demand deposits	19,726,574	19,726,574	14,180,699	14,180,699
Items in course of collection	201,438	201,438	200,976	200,976
Liabilities under agreements to repurchase	350,314	350,314	909,391	909,391
Term deposits and savings accounts	10,839,611	10,910,289	13,372,756	13,422,456
Derivative financial liabilities	5,793,354	5,793,354	4,412,365	4,412,365
Borrowings from financial institutions	6,270,699	6,270,699	3,482,261	3,482,261
Debt issued	7,431,624	8,827,380	7,016,742	8,210,106
Other financial liabilities	911,044	911,044	1,450,586	1,450,586
Total liabilities	**51,524,658**	**52,991,092**	**45,025,776**	**46,268,840**

The fair value estimates presented above, do not attempt to estimate the value of the bank's profits generated by their business or future activities and therefore, do not represent the value of the Bank as a going concern.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Methods used to estimate financial instruments' fair value are detailed below:

Loans and receivables to customers

Loans and receivables to customers are presented net of their allowance for loan losses and impairment. The estimated fair value represents the discounted future cash flows expected to be received.

Cash flows are discounted at market interest rate, using an interbank rate that considers the relevant term and currency.

The approaches used for the incorporation of credit risk of the assets are:

1. Based on the models of estimation of expected loss, it is possible to infer the credit quality of the portfolio (at least in qualitative terms) specifically, for the remaining term of the operations comprising the asset accounts considered (commercial loans, mortgage loans and consumer loans).
2. In quantitative terms, the provision percentage assigned to an operation results in an estimate of the provision based on the credit profile of the operation.
3. The resulting amount when applying the 'provisions-total loans' factor mentioned in 2) to the current principal and accrued interest outstanding of the respective loan approximates the adjustment for credit risk (in other words, resulting in the allowance calculation).

Term deposits and savings accounts

The estimated fair value of demand accounts and deposits, for which maturity is not established, including non-interest-bearing accounts, is the amount payable when the customer demands it. The redeemed cost of these deposits is a reasonable approximation of their fair value.

The fair value of term deposits has been estimated based on discounted future cash flows based on interest-rate structures adjusted from transactions observed at the valuation date.

Borrowings from banks

For the items in the previous table, their fair value will be equivalent to their carrying amount, because it reflects the corresponding market price.

Debt issued

The fair value of these liabilities has been determined using discounted cash flow models, based on the relevant interest-rate curve for the remaining term of the instrument until maturity.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Fixed Income Securities and Derivatives

The fair value of debt instruments classified as trading and available for sale, as well as derivative instruments, is estimated using valuation techniques detailed in the c) below.

Other balance sheet accounts

For other balance sheet accounts the carrying amount was used, because they are items with very short-term flows and therefore their discounted value does not differ significantly from their carrying amount.

b) Financial instruments measured at fair value.

Please refer to Note 1,k for further details on the criteria used to determine the fair value.

c) Hierarchy used for determining the fair value

The regulation distinguishes among different types of inputs used for the valuation techniques, differentiating between ‘‘observable’’ or ‘‘unobservable’’ inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the assumptions of the Bank and subsidiaries in relation to market behavior. The following hierarchy has been established based on these types of inputs:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes the debt instruments (whether fixed or variable income), equity instruments, and financial derivative instruments traded on domestic or international stock markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities or similar assets and liabilities , either directly (i.e. as prices) or indirectly (i.e. derived from prices). Prices may require interpolation within a price structure (e.g., derivative instruments belong to this level), and the same occurs with bonds assessed using a valuation technique like interpolation or matrix pricing, based on observable inputs.

Level 3 - Inputs for assets or liabilities that are not based on observable market data (significant unobservable input). This level includes equity and debt instruments whose valuation uses significant unobservable input.

This hierarchy requires the maximization of the use of relevant observable inputs and the minimization of unobservable inputs. The Bank and its subsidiaries consider the relevant observable market data in their valuations whenever it is possible.

Financial assets and liabilities classified by valuation levels

The following chart shows the assets and liabilities that are presented at fair value in the consolidated financial statements, classified in their respective levels of hierarchy previously described.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

	Level 1		Level 2		Level 3		Total	
	December	December	December	December	December	December	December	December
	2020	2019	2020	2019	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial Assets								
Trading portfolio financial assets								
State and Central Bank of Chile	437,084	1,395,079	-	-	-	-	437,084	1,395,079
Other domestic institutions	609,301	744,361	-	-	-	-	609,301	744,361
Foreign institutions	3,463	1,940	-	-	-	-	3,463	1,940
Investments in mutual funds	97,431	70,877	-	-	-	-	97,431	70,877
Subtotal	**1,147,279**	**2,212,257**	**-**	**-**	**-**	**-**	**1,147,279**	**2,212,257**
Trading Derivative contracts								
Forwards	-	-	527,822	527,888	-	-	527,822	527,888
Swaps	-	-	3,852,775	3,025,756	8,210	11,636	3,860,985	3,037,392
Call Options	-	-	664	13,353		-	664	13,353
Put Options	-	-	3,846	1,599	- --	-	3,846	1,599
Futures	-	-	-	53	- -	-	-	53
Subtotal	**-**	**-**	**4,385,107**	**3,568,649**	**8,210**	**11,636**	**4,393,317**	**3,580,285**
Hedging derivatives								
Forwards	-	-	3,573	19,687	-	-	3,573	19,687
Fair value hedges:(swap)	-	-	208,858	363,648	-	-	208,858	363,648
Cash flow hedges (swap)	-	-	819,291	323,981	-	-	819,291	323,981
Subtotal	**-**	**-**	**1,031,722**	**707,316**	**-**	**-**	**1,031,722**	**707,316**
Financial investments available for sale					-	-		
State and Central Bank of Chile	3,424,730	698,266	-	-	-	-	3,424,730	698,266
Other domestic institutions	927,523	148,738	-	-	-	-	927,523	148,738
Foreign institutions	3,643,787	3,164,025	-	-	-	-	3,643,787	3,164,025
Subtotal	**7,996,040**	**4,011,029**	**-**	**-**	**-**	**-**	**7,996,040**	**4,011,029**
Total financial assets	**9,143,319**	**6,223,286**	**5,416,829**	**4,275,965**	**8,210**	**11,636**	**14,568,358**	**10,510,887**

	Level 1		Level 2		Level 3		Total	
	December	December	December	December	December	December	December	December
	2020	2019	2020	2019	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Financial liabilities								
Trading Derivative contracts								
Forwards	-	-	562,464	474,302	-	-	562,464	474,302
Swaps	-	-	3,960,328	3,242,642	-	-	3,960,328	3,242,642
Call Options	-	-	518	6,283	-	-	518	6,283
Put Options	-	-	4,868	3,131	-	-	4,868	3,131
Futures	-	-	238	312	-	-	238	312
Subtotal	**-**	**-**	**4,528,416**	**3,726,670**	**-**	**-**	**4,528,416**	**3,726,670**
Hedging derivatives								
Forwards	-	-	4,106	16,496	-	-	4,106	16,496
Fair value hedges:(swap)	-	-	78,803	153,479	-	-	78,803	153,479
Cash flow hedges (swap)	-	-	1,182,029	515,720	-	-	1,182,029	515,720
Subtotal	**-**	**-**	**1,264,938**	**685,695**	**-**	**-**	**1,264,938**	**685,695**
Total financial liabilities	**-**	**-**	**5,793,354**	**4,412,365**	**-**	**-**	**5,793,354**	**4,412,365**

The above amounts do not include adjustments for CVA and Bid Offer (Credit Value Adjustment or Adjustment for Credit Counterparty Derivative Risk. As of December 31, 2020, the total of the items sum to MCh$26,858 (MCh$26,312 as of December 31, 2019).

Transfers between Levels 1 and 2

The Bank and its subsidiaries have not made any transfers of financial assets or liabilities between Levels 1 and 2 during the years 2020 and 2019.

NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

Level 3 valuation reconciliation

As of December 31, 2020, the consolidated statements of financial position have assets classified as Level 3 which relate to Swap TAB contracts for which there are no market observable inputs.

d) Valuation of La Polar Bonds

As of December 31, 2020, the Bank has applied valuation techniques to determine the fair value of the financial instruments "BLAPO-F" and "BLAPO-G." This enhancement builds on the Internal Rate of Return (IRR) of the last transaction of the existing market between the closing date of the consolidated financial statements and the date of redemption of the financial instrument.

NOTE 36 - RISK MANAGEMENT

1. Introduction

The Bank's business activities involve identifying, evaluating, accepting and managing different kinds of risk or combinations of such. The main categories of risk to which the corporation is exposed are credit, liquidity, market, operations, and legal and reputation risks.

The Bank policies are designed to identify and analyse these risks, to establish adequate limits and controls, and to monitor the risks and compliance withestablished limits by reliable and updated information systems. The Bank periodically reviews its risk management policies and systems to incorporate changes in the markets, regulations, products and new best practices.

In relation to financial risks, the organizational structure is designed to manage these risks efficiently, transparently and timely. It is formed by strategic units composed by the Board of Directors, the Executive Committee, the Finances and Risk Committee, and the Asset and Liabilities Committee ("ALCO"). These are divided into operative units such as the Corporate Risk Management and the Balance Sheet, Trading and Institutional, and Distribution and Corporate areas, parts of the Investment and Finance Banking division. All this information flow is processed and analyzed by supporting units, such as Accounting, Middle and Back Office (Supporting Areas and Operational Departments), Management and Processes Control and Information Technology and Systems.

The senior strategic unit is the Board of Directors; its main responsibilities regarding financial risk management are establishing adequate policies and levels of risk, establishing exposure limits, the monitoring of risks, and ensuring best practices through the permanent evaluation of the actions of the Finance and Investment Banking and the Corporate Risk Management areas. The Board of Directors delegates to the Executive Committee and the Finances and Risk Committee the supervision and support to carry out the Bank's strategic objectives in their interactions with corporate Management.

The Finances and Risk Committee also analyses in detail the strategies and models associated with the treasury function, both in the trading portfolio and the Bank's books, and the performance and risks associated with such strategies.

ALCO (Assets & Liabilities Committee) is the committee where the corporation's assets and liabilities policy is discussed and agreed for the approval of the Board of Directors or the Executive Committee. The general objectives of the ALCO Committee are to ensure the Bank's adequate liquidity, protect the capital, make decisions on the financing of loans, and maximize the financial margin subject to the risk restrictions imposed by the Board of Directors and the Finances and Risk Committee.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The Corporate Risk Management and its Operational Risk, Credit Risk, and Market Risk units are responsible for the integral management of the Bank's risk. While a few years ago it was common in the industry to have an independent, internal department manage these risks, the development of derivative markets and the acceptance of common methodologies, such as the concept of maximum loss, value at risk, etc., have made limits increasingly more subject to fluctuation. Therefore, this management area has a corporate reach, with a comprehensive vision of the risks involved.

Financial Risk Management has the role of evaluating and controlling the Bank's exposure to market risk, both on or off the consolidated statements of financial position; pricing risks associated with interest rates, exchange rates, volatility, maximum loss, etc., are measured and monitored. This is complemented by the analysis of scenarios and simulations to obtain a better measure of the risk. The Financial Risk Management is also responsible for defining the valuation methodologies for the financial assets and liabilities measured at fair value held by the corporation on or off the consolidated statements of financial position.

In accordance with best practices, the Bank defines the segregation of duties between areas that could present conflicts of interest in their objectives, such as:

i. Investment and Finance Banking division.
ii. Support areas, operative departments (Back Office, Middle Office).
iii. Financial Control and Planning (Accounting, Management Control).
iv. Financial Risk and Credit Risk, components of Corporate Risk Management.

The total segregation of duties implies a physical and organizational separation of the areas.

2. Liquidity and financing

When banks face confidence crises and bank runs, even if they are solvent, they may find it difficult to comply with their short-term obligations and even face bankruptcy. These situations are uncommon but have large potential losses associated with them. For this reason, the Bank has improved the management of liquidity, defining adequate policies along with procedures and models that accordingly satisfy the regulations in force. The model has four core elements:

1. Presence of a minimum reserve of liquid assets to face stress situations.
2. Regulatory and internal liquidity indicators.
3. Accounting mismatches (relating to maturity).
4. Alert and contingency plans.

The policy and liquidity management models seek to guarantee, even in front of unexpected events, the Bank's capacity to respond adequately to its short-term obligations. In this regard, the Bank has continuously monitored the impact of recent events on financial markets, introducing more conservative assumptions when justified.

The management of liquidity and funding is basically carried out by Treasury in accordance with practices and limits reviewed periodically by ALCO and authorized by the Board of Directors.

These limits may vary according to the depth and liquidity shown by the markets in order to anticipate unlikely capital expenditures while providing funding at a competitive cost.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The Bank has internally set explicit minimum limits for the liquidity level, parallel to the limits of Technical Reserve, which are periodically subject to simulations of stress testing for balances of current accounts and deposits, which are the Bank's main sources of liquidity. This is performed using a periodic evaluation framework of the additional needs of financing due to events of tight liquidity, together with the monitoring of the market. In this way, the periodic generation, projection, evaluation, and analysis of liquidity stress scenarios facilitate the anticipation of future difficulties and the agile and reliable execution of preventive actions before unfavorable scenarios.

At the regulatory level, liquidity is measured and reported to the CMF through standardized reports of liquidity position. According to bank regulations, the Bank has been authorized to use an adjusted liquidity model, generating procedures and models that allow an evaluation of future income and liabilities that affect the Bank's liquidity position, keeping in control the internal and external limits that the regulatory purposes, especially for mismatches between assets and liabilities at 30 and 90 days.

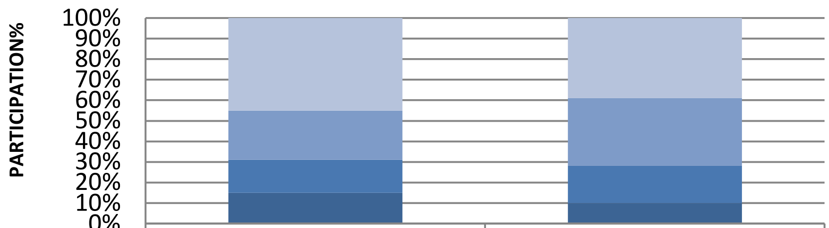
The Bank has set strict limits, forcing itself to maintain a large amount of liquid assets on its consolidated statements of financial position which, in the event of any unexpected requirement, can maintain liquidity through repurchase agreements with the Central Bank of Chile. The counter-cyclical nature of this liquidity reserve is adjusted to comply with the spirit of the latest recommendations proposed by Basel.

In the measurement of liquidity, both internal and regulatory, a reasonable level of liquidity was observed in line with the Bank's policies. Even in the moments of highest uncertainty due to the global financial crisis, there were no events indicative of a loss of confidence of the people, nor mass removal of accounts or deposits by customers.

BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

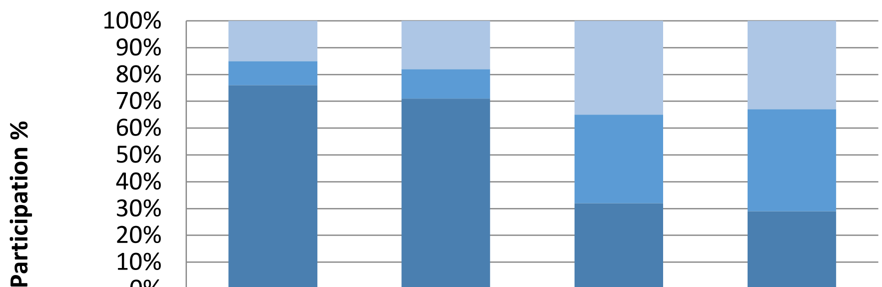
NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 1. Evolution of principal funding sources
As of December 31, 2020, and 2019
Banco de Credito e Inversiones and City National Bank (CNB)



	12-31-20	12-31-19
DEMAND DEPOSITS	45%	39%
DEPOSITS & LONG TERM SAVING ACCOUNTS	24%	33%
BOND ISSUANCES	16%	18%
OTHER LIABILITIES	15%	10%

Fig. 2. Diversification of liquidity sources by segment
As of December 31, 2020, and 2019
Banco de Credito e Inversiones and City National Bank (CNB)



	DEMAND DEPOSITS		TIME DEPOSITS	
	Dec-20	Dec-19	Dec-20	Dec-19
OTHER WHOLESALE	15%	18%	35%	33%
FINANCIAL	9%	11%	33%	38%
RETAIL	76%	71%	32%	29%

NOTE 36 - RISK MANAGEMENT, CONTINUED

a. Year 2020 Variations (domestic consolidation)

The rates of short-term mismatch remained bounded, keeping a certain amount of slack with respect to regulatory limits given the capital base measured at 30 days and two times capital (for measurement at 90 days).

Fig. 3. Liquidity Ratios (domestic consolidation)
As of December 31, 2020, and 2019 (maximum = 1)

(a) Short-term mismatch (% on basic capital)

	As of December 31, 2020				As of December 31, 2019			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	9.86%	50.91%	(24.98)%	0.39%	12.96%	35.77%	(13.98)%	35.77%
Total mismatch 90 days (*)	30.09%	50.90%	8.29%	35.07%	32.16%	52.62%	14.25%	43.51%

(*) Measurement in relation to 2 times basic capital.

(b)Short- term mismatch CLP-UF (% on basic capital)

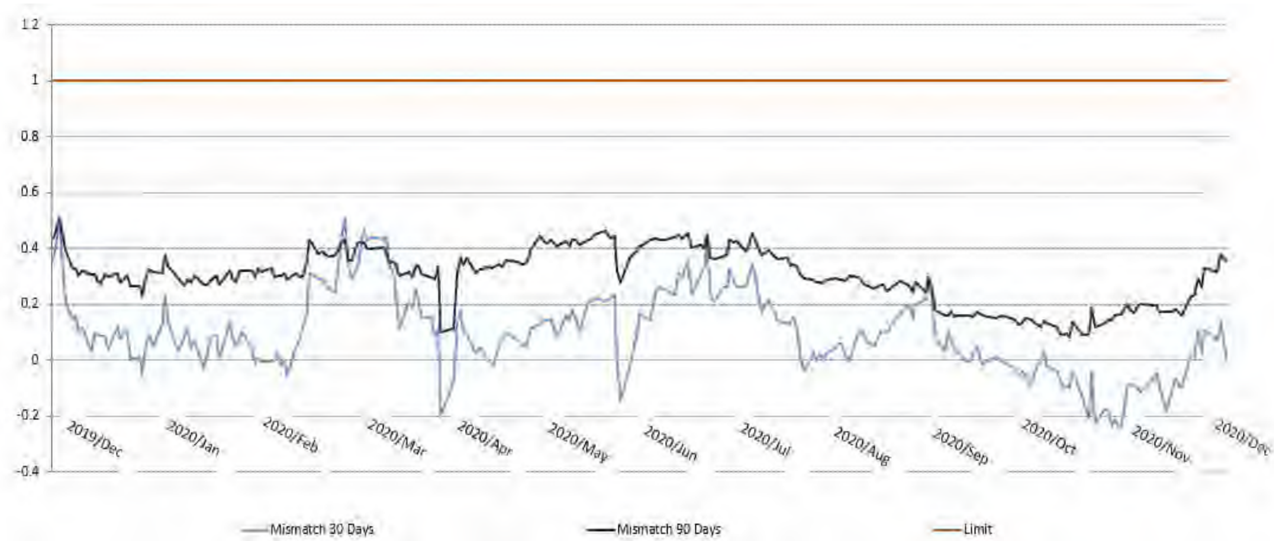
	As of December 31, 2020				As of December 31, 2019			
	Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
Mismatch 30 days	4.32%	37.90%	(33.93)%	15.65%	11.86%	38.76%	(21.12)%	37.00%

,

(c) Short-term mismatch FX (% on basic capital)

As of December 31, 2020				As of December 31, 2019			
Average	Maximum	Minimum	Close	Average	Maximum	Minimum	Close
5.55%	22.28%	(17.77)%	(15.27)%	1.11%	16.35%	(15.76)%	(1.22)%

Fig. 4. Liquidity Evolution (domestic consolidation) As of December 31, 2020 (maximum = 1)
Liquidity 30 days = Mismatch /Basic Capital
Liquidity 90 days = Mismatch /2x Basic Capital



NOTE 36 - RISK MANAGEMENT, CONTINUED

Regarding the impact of the pandemic on liquidity, prior to the spread of the Covid-19 virus, the Bank was in a favorable position due to the monitoring of early warnings after the social unrest that occurred in October 2019 in Chile. The foregoing, plus the good renewal of deposits and the taking of liquidity facilities from the Central Bank and the Fed, made it possible to maintain high levels of liquidity during the period spanning from the beginning of the pandemic to date. As a follow-up measure to the Bank’s action plan, a Liquidity Contingency Committee was set up. This Committee gathers all the players that have an impact on the Bank’s liquidity management at the highest executive level, and monitors the different measures taken by the Bank and their effect on the related metrics. In particular, the levels of the short-term liquidity ratio (LCR) remain on average over 150%, which is above the regulatory limit (70%).

3. Market Risk

Market risk is the risk inherent in the price variations of financial assets.

Variations in interest rates, the exchange rate, commodities and shares prices, credit spreads, volatility, etc., constitute a risk known as market risk. This is expressed in the possibility of incurring losses that will be translated to the consolidated statements of income or the consolidated statements of financial position depending on the type of financial instrument and its respective accounting treatment.

The Bank manages its exposure to market risk between trading portfolios and portfolios available for sale or held-to-maturity. Trading portfolios include positions coming from sales to corporate and institutional clients, positions coming from market making business, and hedge or trading positions. The AFS and held to maturity portfolios hold positions mainly related to interest rate management associated with personal and commercial banking loans, in addition to a portfolio of financial investments. These portfolios have less rotation and their change in fair value does not affect the consolidated statements of income for the year until maturity, except in the case of impairment over the available for sale portfolio or held to maturity portfolio.

The Financial Risk Management uses a series of tools to monitor the Bank's intrinsic risk and that is acquired through the management of financial instruments. Among the main methodologies are, Value at Risk (VaR), CVaR and Stress VaR as main tools that measure market risk. Additional methodologies are available to simulate the situation of each counterparty dependent upon the portfolio of derivative instruments that they possess, within these methodologies are PFE (Potential Future Exposure) and EPE (Expected Potential Exposure) among others. The Bank uses the Algorithmics system to support the measurement of market and counterparty risk.

NOTE 36 - RISK MANAGEMENT, CONTINUED

a. Top holdings

The principal positions of the consolidated statements of financial position as of December 31, 2020 are listed by maturity band or repricing and their comparison to the year 2019.

Fig. 5. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh$)

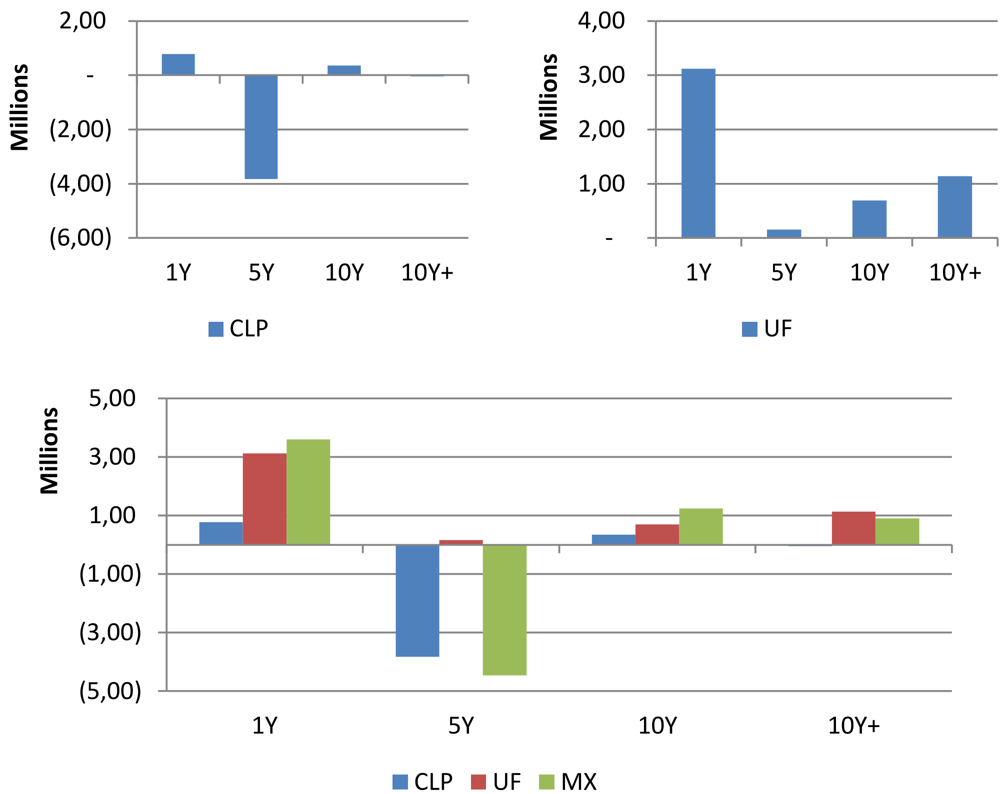
ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	13,533,950	5,204,403	494,497	127,425	19,360,275
UF	4,654,863	5,778,857	3,967,524	2,754,589	17,155,833
MX	10,690,627	6,225,117	2,007,756	996,069	19,919,569
Total	**28,879,440**	**17,208,377**	**6,469,777**	**3,878,083**	**56,435,677**

LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	12,758,055	9,027,988	143,481	170,521	22,100,045
UF	1,535,748	5,620,822	3,273,878	1,614,803	12,045,251
MX	7,083,368	10,688,360	764,002	87,390	18,623,120
Total	**21,377,171**	**25,337,170**	**4,181,361**	**1,872,714**	**52,768,416**

MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	775,895	(3,823,585)	351,016	(43,096)	(2,739,770)
UF	3,119,115	158,035	693,646	1,139,786	5,110,582
MX	3,607,259	(4,463,243)	1,243,754	908,679	1,296,449
Total	**7,502,269**	**(8,128,793)**	**2,288,416**	**2,005,369**	**3,667,261**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 6. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh$)



CLP: Chilean pesos
UF: Unidades de Fomento
MX: Foreign currency

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 7. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2019 (MCh$)

ASSETS	1Y	5Y	10Y	10Y+	Total
CLP	10,745,050	4,645,590	621,753	75,328	16,087,721
UF	3,951,509	5,790,349	3,534,605	2,700,284	15,976,747
MX	11,524,220	5,438,677	2,170,959	682,842	19,816,698
Total	**26,220,779**	**15,874,616**	**6,327,317**	**3,458,454**	**51,881,166**

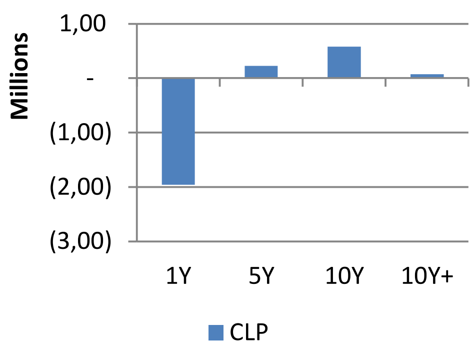
LIABILITIES	1Y	5Y	10Y	10Y+	Total
CLP	12,702,877	4,419,158	41,394	-	17,163,429
UF	1,292,474	4,733,007	3,352,536	1,332,838	10,710,855
MX	8,958,395	8,610,249	1,479,152	87,615	19,135,411
Total	**22,953,746**	**17,762,414**	**4,873,082**	**1,420,453**	**47,009,695**

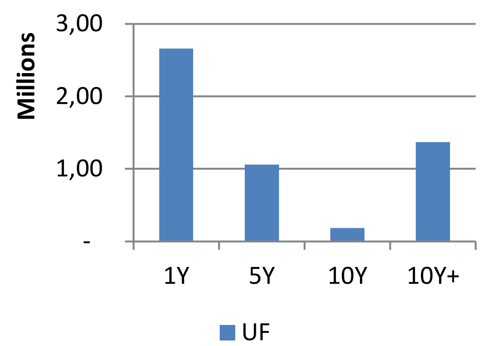
MISMATCH	1Y	5Y	10Y	10Y+	Total
CLP	(1.957.827)	226,432	580,359	75,328	(1,075,708)
UF	2,659,035	1,057,342	182,069	1,367,446	5,265,892
MX	2,565,825	(3,171,572)	691,807	595,227	681,287
Total	**3,267,033**	**(1,887,798)**	**1,454,235**	**2,038,001**	**4,871,471**

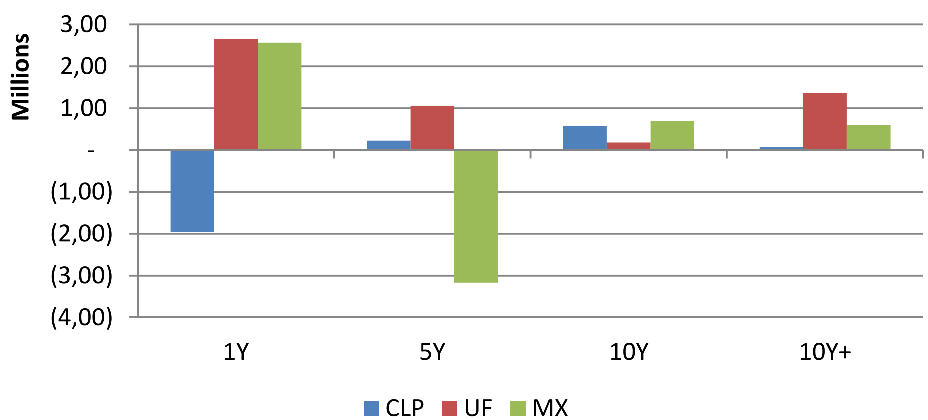
BANCO DE CREDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 8. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2019 (MCh$)







CLP: Chilean pesos
UF: Unidades de Fomento
MX: Foreign currency

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 9. Carrying amount to maturity range or re-pricing by Account Positions as of December 31, 2020 (MCh$)

Assets	1Y	5Y	10Y	10Y+	Total
Central Bank of Chile	1,836,271	4,562	-	-	1,840,833
Domestic banks and financial institutions	946,147	1,467,389	376,644	478,269	3,268,449
Investments under agreements to resell	39,402	-	-	-	39,402
Commercial loans	9,367,938	6,386,746	1,741,995	924,548	18,421,227
Consumer loans	1,133,786	1,557,837	135,763	46,566	2,873,952
Negotiable residential mortgage loans	1,106,196	3,135,328	2,404,547	1,873,075	8,519,146
Residential mortgage loans with funding notes	8,387	4,333	30	-	12,750
Cash	3,584,889	-	-	-	3,584,889
Forwards	226,919	119,799	-	-	346,718
Chilean State	197,442	658,622	296,687	149,802	1,302,553
Consumer leasing	5	-	-	-	5
Commercial leasing operations	490,352	625,326	160,045	37,981	1,313,704
Other domestic entities	-	-	-	-	-
Other foreign entities	51,884	210,216	103,869	32,655	398,624
Other assets	4,179,774	187,435	9,763	1,773	4,378,745
Other residential mortgage loans	718,068	667,020	213,646	215,977	1,814,711
Other, excluding options	-	-	-	-	-
Swaps	4,991,980	2,183,764	1,026,788	117,437	8,319,969
Total assets	**28,879,440**	**17,208,377**	**6,469,777**	**3,878,083**	**56,435,677**

Liabilities	1Y	5Y	10Y	10Y+	Total
Ordinary bonds	764,157	3,654,268	2,028,836	176,681	6,623,942
Subordinated bonds	51,670	217,940	224,266	1,416,073	1,909,949
Saving accounts with deferred withdrawal	43,605	-	-	-	43,605
Savings accounts with unconditional withdrawal	163,171	-	-	-	163,171
Demand deposits (*)	4,540,929	14,658,824	-	-	19,199,753
Term deposits	9,840,352	187,152	48	105	10,027,657
Forwards	226,885	116,285	-	-	343,170
Letters of credit	2,669	4,219	70	-	6,958
Other liabilities	1,090,598	-	-	-	1,090,598
Other, excluding options	-	-	-	-	-
Foreign loans and other obligations	1,014,305	-	7,924	-	1,022,229
Domestic loans and other obligations	803,023	2,031,716	-	-	2,834,739
Swaps	2,754,875	3,360,344	1,920,217	279,855	8,315,291
Liabilities under agreements to repurchase	80,932	1,106,422	-	-	1,187,354
Total liabilities	**21,377,171**	**25,337,170**	**4,181,361**	**1,872,714**	**52,768,416**

(*) Determined in accordance with internal models.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 10. Carrying amount to maturity range or re-pricing by Account Positions as of December 31, 2019 (MCh$)

Assets	1Y	5Y	10Y	10Y+	Total
Central Bank of Chile	16,853	243,547	-	-	260,400
Domestic banks and financial institutions	675,370	1,240,627	427,613	313,024	2,656,634
Investments under agreements to resell	65,123	-	-	-	65,123
Commercial loans	10,530,098	5,153,080	1,791,531	850,607	18,325,316
Consumer loans	1,301,987	1,834,921	148,157	55,834	3,340,899
Negotiable residential mortgage loans	971,550	3,073,763	2,023,085	1,879,719	7,948,117
Residential mortgage loans with funding notes	10,159	7,220	247	-	17,626
Cash	2,492,652	-	-	-	2,492,652
Forwards	472,033	58,448	-	-	530,481
Chilean State	195,278	386,567	110,416	9,300	701,561
Consumer leasing	13	-	-	-	13
Commercial leasing operations	513,665	666,196	189,376	40,939	1,410,176
Other domestic entities	-	-	-	-	-
Other foreign entities	49,893	215,392	115,628	23,134	404,047
Other assets	4,451,261	278,330	18,111	158	4,747,860
Other residential mortgage loans	785,351	786,556	243,964	198,695	2,014,566
Other, excluding options	-	-	-	-	-
Swaps	3,689,493	1,929,969	1,259,189	87,044	6,965,695
Total assets	**26,220,779**	**15,874,616**	**6,327,317**	**3,458,454**	**51,881,166**

Liabilities	1Y	5Y	10Y	10Y+	Total
Ordinary bonds	386,731	3,764,574	2,297,651	262,423	6,711,379
Subordinated bonds	45,876	190,218	206,219	1,086,357	1,528,670
Saving accounts with deferred withdrawal	39,925	-	-	-	39,925
Savings accounts with unconditional withdrawal	127,803	-	-	-	127,803
Demand deposits (*)	3,193,976	10,957,035	-	-	14,151,011
Term deposits	12,054,015	174,859	6	142	12,229,022
Forwards	467,099	56,618	-	-	523,717
Letters of credit	3,162	6,964	332	-	10,458
Other liabilities	1,676,191	-	-	-	1,676,191
Other, excluding options	-	-	-	-	-
Foreign loans and other obligations	1,116,008	23,172	665,809	-	1,804,989
Domestic loans and other obligations	1,016,333	444,299	-	-	1,460,632
Swaps	2,765,017	2,144,675	1,703,065	71,531	6,684,288
Liabilities under agreements to repurchase	61,610	-	-	-	61,610
Total liabilities	**22,953,746**	**17,762,414**	**4,873,082**	**1,420,453**	**47,009,695**

(*) Determined in accordance with internal models.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The principal positions of financial investments available for sale by type of issuer and currency and risk classification as of December 31, 2019 and 2018 are stated below. The risk classification of these positions at the end of the last fiscal year is also reported.

Fig. 11.a Fair Value of Financial Investments Available for Sale
As of December 31, 2020 (MCh$)
Banco de Credito e Inversiones and City National Bank (CNB)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	791,083	213,940	283,206	-	-
Corporate bonds	-	9,116	173,504	48,682	-
Financial institutions bonds	15,036	426,640	2,635,956	-	-
Mortgage-funding notes	-	32,204	-	-	-
Term deposits	429,429	-	-	-	-
Investment funds (*)	-	-	59,735	-	-
Shares (*)	-	-	159,378	-	-
Total	**1,235,548**	**681,900**	**3,311,779**	**48,682**	**-**

(*) The investment funds and the shares correspond to the available-for-sale portfolio of City National Bank of Florida (CNB).

Fig. 11.b Fair Value of Financial Investments Available for Sale
As of December 31, 2019 (MCh$)
Banco de Credito e Inversiones and City National Bank (CNB)

	CLP	UF	USD	EUR	OTHER
Sovereign bonds	153,490	481,999	143,257	-	-
Corporate bonds	4,561	1,155	160,060	-	-
Financial institutions bonds	-	37,779	2,140,604	-	-
Mortgage-funding notes	-	38,837	-	-	-
Term deposits	63,620	-	-	-	-
Investment funds (*)	-	-	38,699	-	-
Shares (*)	-	-	81,861	-	-
Total	**221,671**	**559,770**	**2,564,481**	**-**	-

(*) The investment funds and the shares correspond to the available-for-sale portfolio of City National Bank of Florida (CNB).

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 12. Financial Investments Available for Sale
Internationally Issued Bond Portfolio Credit Rating as of December 31, 2020 (%)
Banco de Credito e Inversiones and City National Bank (CNB)

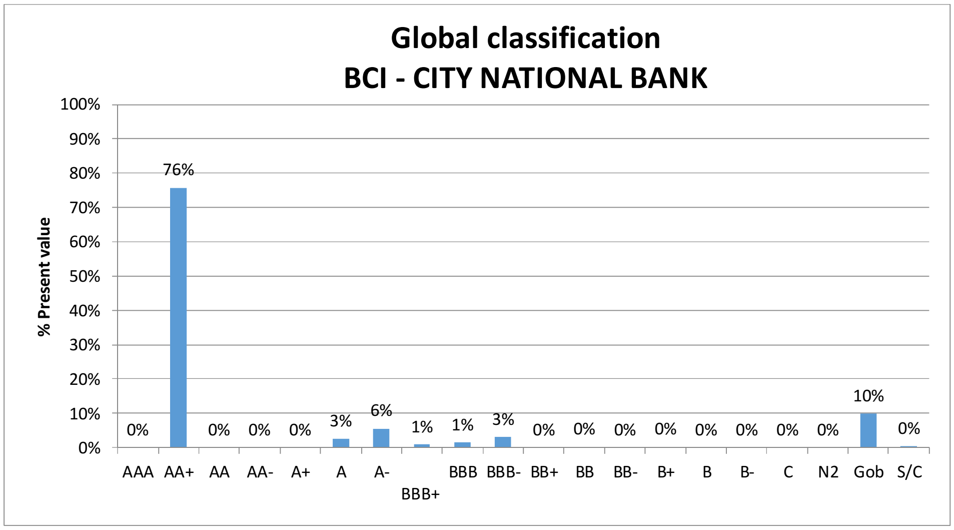
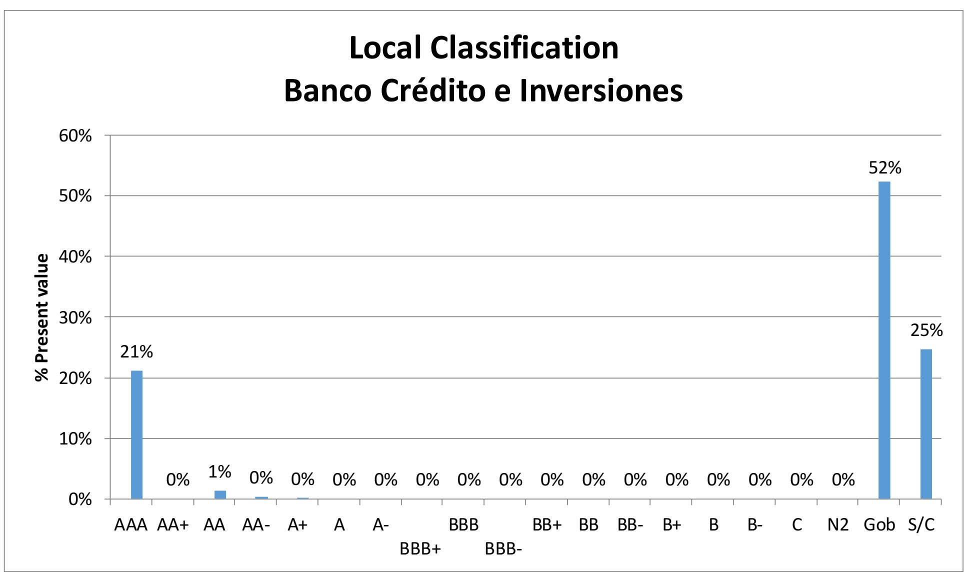


Fig. 13. Financial Investments Available for Sale
Portfolio Risk Classification Bonds and LCH National Issue as of December 31, 2020 (%)
Banco de Credito e Inversiones and City National Bank (CNB)



NOTE 36 - RISK MANAGEMENT, CONTINUED

b. Sensitivity analysis

Sensitivity analysis is used to monitor the market risk of positions by sensitivity to each of the risk factors. For example, a change in the present value of 100 basis points in the interest rate is a type of risk factor. This type of model is especially useful for measuring the risk of a mismatch between assets and liabilities, i.e., essentially the banking book.

The regulatory sensitivity measurements perform these analyses by applying interest rates, exchange rates, inflation, commodities positions, shares positions, and exposure to derivative instruments, according to predetermined sensitivities.

Among the models used is Market Value Sensitivity or MVS, which measures the change in economic value of equity in the event of a parallel movement of 100 basis points in interest rates.

For a short-term horizon, the Spreads at Risk or SAR model is used, which measures the impact on results in 12 months' time of a parallel movement in rates. For both models, there are explicit internal limits measured as a ratio of capital (for MVS) and of financial margin (for SAR).

The Bank structurally generates risk rate exposure, which is mainly explained by maintaining long-term fixed rate assets and obtaining short-term financing, such as deposits. In this regard, the Bank is an active market participant in managing their interest rate risk strategy using hedge accounting.

Some of the hedging strategies are a) moving short-term risk to the long-term (moving short-term liabilities to the long-term through rate swap) and b) floating long-term borrowings with the use of rate swap.

In the scenario of 100 basis points increase, holding constant other variables, the effects compared at the end of the period ended December 31, 2020 and 2019, respectively, for the Bank are the following:

- In the short-term, exposure to interest rates as of December 31, 2020 and 2019, amounted to MCh$23,885 and MCh$29,946 respectively, equivalent to expecting an adverse effect on the financial margin over a 3-month horizon.

- The sensitivity rate risk applied to all items in the banking book and all deadlines, measured by MVS, as of December 31, 2020 and 2019, are MCh$15,026 and MCh$168,531 respectively.

NOTE 36 - RISK MANAGEMENT, CONTINUED

c. Value at Risk

Value-at-Risk (VaR) is a methodology that estimates potential losses that might affect a portfolio as a result of adverse interest-rate movements and/or market-price changes over a period and for a certain level of confidence.

The VaR methodology used is a historic simulation that records the fat-tails property of the financial income; it uses a window of nine years of daily data, and it is measured at the first percentile of the P&L distribution or VaR at 99% of confidence, which is the same. The volatility updating technique is used, which records the existence of volatility clusters.

The forecast horizon is of 1 day. The square root rule is used to project this value to the regulatory horizon of ten days.

The value-at-risk model is validated by back-testing the daily results, both observed and theoretical.

Statistically, excess losses of VaR are expected to be observed on average 1% daily. As of December 31, 2020, back-test places the model in the yellow area of Basel with 5 fails in the last 250 business days.

Objectives and limitations of the VaR methodology

The objective of the VaR is to measure the risk of a portfolio of assets by determining how much you can lose of the portfolio over a period and with a given confidence level under normal market conditions.

This method is very easy to apply in portfolios that include information on relevant market variables. Furthermore, calculation does not depend on correlations and volatilities, as these are implicitly calculated using historical information. However, this means obtaining the history of associated variables for performing this calculation, which implies an effort to have such data. In addition, to have a certain degree of confidence in the measurement, in this case with VaR at 99%, this leads to the loss of 1 in every 100 days, which will be the least as predicted by the VaR, without a possible limit for this value.

- Stress Testing VaR

There are limitations of the VaR models, particularly in the presence of extreme events that have not been observed in recent historic information or for not capturing the intra-day movements of the portfolio; therefore, stress situations are modelled to evaluate potential impacts on the value of portfolios in the most extreme, although possible, events. The scenarios used are the following:

I. Historic simulation scenarios that incorporate fluctuations observed during historic extreme events.
II. Monte-Carlo simulation scenarios, which generate multiplicity of possible scenarios from the historic data.

NOTE 36 - RISK MANAGEMENT, CONTINUED

III. Scenarios of sensitivity that consider movements in risk factors that are not captured by the recent history.

- VaR limits

The Bank has set specific limits to the corporate VaR, as well as sublimits to the trading, balance and investment portfolios available for sale.

d. Position Limit

In addition to the limits of predictive risk models such as VaR and sensitivity analyzes, there are accounting limits for maximum positions.

e. Variations

- Sensitivity analysis of the banking book.

Asset and liability management team constantly monitors the use of hedge accounting and the potential advantages of bond issuances, helping to keep the risk of interest rate limited in the banking book.

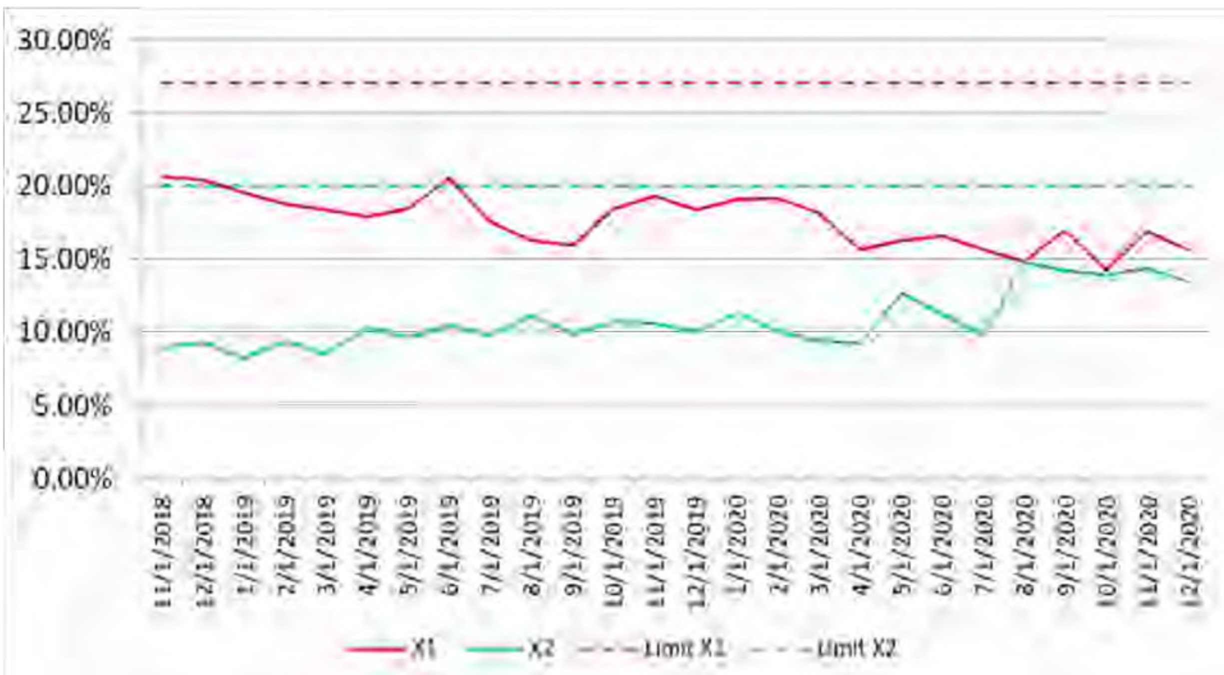
Long-term risk MVS averaged during 2020, 2.52% (5.09% during 2019) over the capital limit of 8.5%. Additionally, the short-term risk (SeR), presented a mean of 2.38% until December 2020 versus a mean of 3.74% for December 2019.

Fig. 14. MVS - SeR
As of December 31, 2020

NOTE 36 - RISK MANAGEMENT, CONTINUED

The evolution of regulatory ratios X1 (short term exposure to market risk) and X2 (long term exposure to market risk) were below the limits as of December 31, 2020, mainly due to the management of the balance sheet through hedge accounting.

Fig. 15. Regulatory Market Risk X1 - X2
Banco Crédito e Inversiones and City National Bank [1]
As of December 31,2020



X1: Limit on financial margin
X2: Limit on effective equity

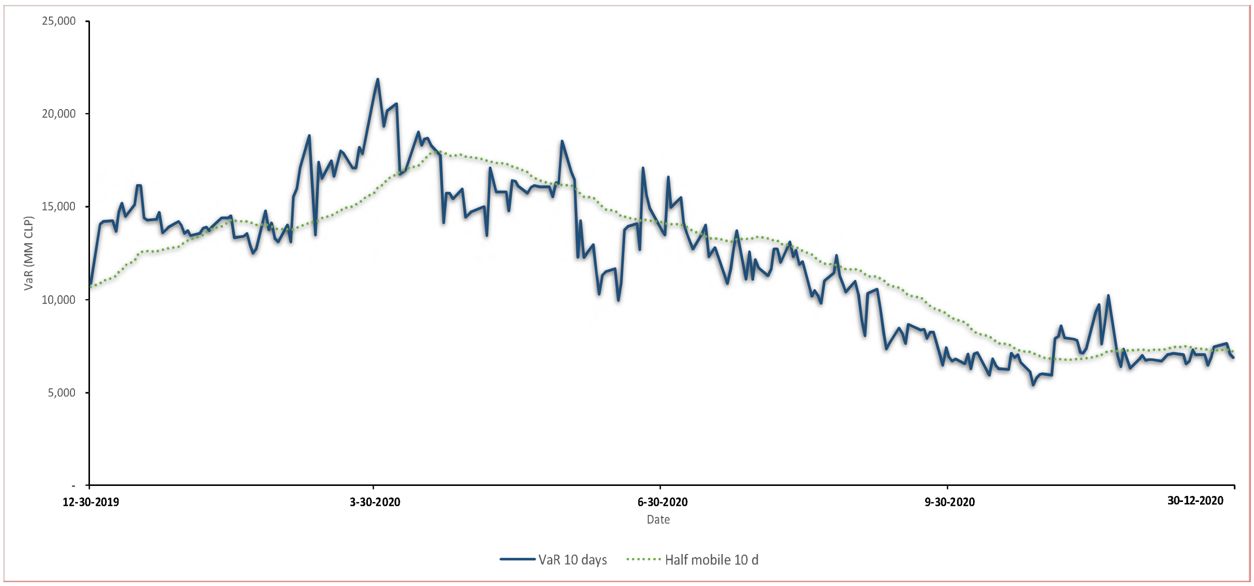
[1] Financial margin values are added for X1 while consolidated equity is used for X2.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- Value at Risk

The evolution of the 10-day VaR for the last quarter; Data as of December 31, 2020.

Fig. 16. Consolidated Value at Risk
As of December 31, 2020 (MCh$)



NOTE 36 - RISK MANAGEMENT, CONTINUED

At December 2020 , the total consolidated risk averaged MCh$12,076, measured over the 10- day regulatory horizon, and increased by 42.1% compared to December 2019. In the period between January and December, the exchange rate volatility increased dramatically as a result of both the social crisis in Chile and the impact of COVID-19 on world markets, which also has an impact on the levels of bond rates. In this period the senior management approved excesses over the limits.

On a consolidated basis, the risk of interest rate averages MCh$7,123 while the foreign currency risk averages (FX)MCh$7,860. In trading the aggregate average was MCh$3,465 MCh$3,830 for interest rate risk and MCh$1,058 for foreign currency risk. Finally, for non-trading portfolios (investments available for sale) the total VaR averaged MCh$2,269; MCh$799 for interest rate risk and MCh$1,884 for foreign currency risk.

Fig. 17. Value at risk by portfolio and type of risk
As of December 31, 2020 (MCh$)

(A) Consolidated VaR by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	7,860	15,820	1,445	4,020
Interest rate risk	7,123	11,931	1,965	4,900
Diversification (*)	2,907	5,894	1,971	2,047
Total VaR	12,076	21,857	5,381	6,873

(b) VaR trading portfolio by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	1,058	5,784	3	106
Interest rate risk	2,830	5,165	481	1,853
Diversification	423	3,291	116	96
Total VaR	3,465	7,658	600	1,863

(c) VaR portfolio of investments available for sale by type of risk (MCh$)

	12 months until December 31, 2020			
	Average	Maximum	Minimum	Close
FX risk	1,884	5,176	101	908
Interest rate risk	779	2,902	5	531
Diversification	394	3,033	292	409
Total VaR	2,269	5,045	398	1,030

(*) Diversification is defined as the effect of correlation of total VaR.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Fig. 18. Value at risk by portfolio and type of risk
As of December 31, 2019 (MCh$)(**)

(a) Consolidated VaR by type of risk (MCh$)

	12 months until December 31, 2019			
	Average	Maximum	Minimum	Close
FX risk	4,976	17,208	1,794	11,455
Interest rate risk	5,798	10,595	3,572	7,333
Diversification (*)	2,279	8,360	515	3,406
Total VaR	8,495	19,443	4,851	15,382

(b) VaR trading portfolio by type of risk (MCh$)

	12 months until December 31, 2019			
	Average	Maximum	Minimum	Close
FX risk	1,045	8,646	8	156
Interest rate risk	4,047	6,470	2,628	4,330
Diversification	778	4,267	287	224
Total VaR	4,314	10,849	2,923	4,262

(c) VaR portfolio of investments available for sale by type of risk (MCh$)

	12 months until December 31, 2019			
	Average	Maximum	Minimum	Close
FX risk	1,636	6,470	378	5,513
Interest rate risk	449	2,657	76	184
Diversification	412	2,705	257	269
Total VaR	1,673	6,422	197	5,428

(*) Diversification is defined as the effect of correlation of total VaR.
(**) Summary updated at consolidated level with respect to the previous December 2019 report.

While VaR captures the Bank's daily exposure to the risks of currency and interest rate sensitivity analysis, it also evaluates the impact of a reasonably possible change in interest rates and exchange rates over one year. The longer time frame of sensitivity analysis complements VaR and helps the Bank to assess their exposure to market risk. The details of the sensitivity analysis for the risk of exchange rate and interest rate risk are set out below.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Sensitivity of interest rate

The table below shows the sensitivity of fair values to reasonably possible alternative assumptions:

	Recognition in statements of income		Recognition in statements of other comprehensive income	
	Favorable	Unfavorable	Favorable	Unfavorable
	MCh$	MCh$	MCh$	MCh$
As of December 31, 2020				
Securities backed by assets held for trading	(88)	88	-	-
Other non-derivative assets held for trading	(6)	6	-	-
Securities backed by available for sales assets	-	-	(218)	218
As of December 31, 2019				
Securities backed by assets held for trading	(54)	54	-	-
Other non-derivative assets held for trading	(33)	33	-	-
Securities backed by available for sales assets	-	-	(48)	48

Currency risk

The currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in exchange rates. The Bank is exposed to the effects of fluctuations in prevailing exchange rates regarding its financial position and cash flows.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The Bank's exposure to the risk of exchange rates of foreign currencies is presented in the table below:

As of December 31, 2020

Amounts in MCh$

Assets	**USD**	**EUR**	**Other**
Cash	802,590	57,942	10,958
Commercial loans	1,739,304	26,736	2,506
Investments under agreement to resell	-	-	-
Commercial leasing operations	101,911	-	-
Mortgage loans LC- Credit line	-	-	-
Endorsable mortgage loans MHE	-	-	-
Other residential mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	19,788	-	-
Consumer leasing	-	-	-
Commercial loans - credit lines and overdrafts	-	-	-
Consumer loans - credit lines and overdrafts	-	-	-
Central Bank of Chile	-	-	-
Chilean State	-	49,484	-
Domestic banks and financial institutions	15,519	-	-
Other domestic entities	-	125	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	106,095	-	6,084
Forward	7,905,396	215,282	127,373
Futures	5,388	-	-
Swaps	16,043,011	385,603	788,077
Other, excluding options	-	-	-
Other assets	2,986,144	36,294	13,654
Delta Options	50,457	-	-
Total assets	**29,775,603**	**771,466**	**948,652**
Liabilities			
Demand deposits	1,085,846	62,444	726
Term deposits	1,354,029	5,894	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	-	-	-
Loans and other liabilities contracted MN (National Currency)	921,114	-	-
Loans and other liabilities contracted MX (Foreign Currency)	148,545	4,554	786
Letters of credit	-	-	-
Ordinary bonds	1,110,614	17,504	652,627
Subordinated bonds	-	-	-
Forward	7,905,248	230,591	151,364
Futures	5,164	-	-
Swaps	15,187,036	429,489	70,266
Other, excluding options	-	-	-
Other liabilities	577,837	17,722	1,238
Delta Options	46,659	-	-
Total liabilities	**28,342,092**	**768,198**	**877,007**
Net	**1,433,511**	**3,268**	**71,645**

NOTE 36 - RISK MANAGEMENT, CONTINUED

As of December 31, 2019

Amounts in MCh$

Assets	**USD**	**EUR**	**Other**
Cash	1,092,128	55,846	11,182
Commercial loans	2,166,463	31,012	12,582
Investments under agreement to resell	-	-	-
Commercial leasing operations	104,155	-	-
Mortgage loans LC- Credit line	-	-	-
Endorsable mortgage loans MHE	-	-	-
Other residential mortgage loans	-	-	-
Residential leasing	-	-	-
Consumer loans	23,670	-	-
Consumer leasing	-	-	-
Commercial loans - credit lines and overdrafts	-	-	-
Consumer loans - credit lines and overdrafts	-	-	-
Central Bank of Chile	-	-	-
Chilean State	9,033	47,855	-
Domestic banks and financial institutions	15,322	-	-
Other domestic entities	-	639	-
State and governments bodies MX	-	-	-
Foreign banks	-	-	-
Other foreign entities	93,560	-	5,164
Forward	10,452,905	343,925	89,741
Futures	5,402	-	-
Swaps	15,764,916	330,866	802,727
Other, excluding options	-	-	-
Other assets	2,554,889	43,509	15,567
Delta Options	246,261	-	-
Total assets	**32,528,704**	**853,652**	**936,963**
Liabilities	**USD**	**EUR**	**Other**
Demand deposits	799,496	53,926	1,036
Term deposits	1,641,527	5,158	-
Saving accounts with deferred withdrawal	-	-	-
Savings accounts with unconditional withdrawal	-	-	-
Liabilities under agreements to repurchase	37,561	-	-
Loans and other liabilities contracted MN (National Currency)	1,289,624	-	-
Loans and other liabilities contracted MX (Foreign Currency)	350,230	2,389	4,666
Letters of credit	-	-	-
Ordinary bonds	1,172,764	16,874	650,027
Subordinated bonds	-	-	-
Forward	9,739,616	397,875	122,246
Futures	5,240	-	-
Swaps	14,950,506	363,173	100,157
Other, excluding options	-	-	-
Other liabilities	1,257,129	14,197	325
Delta Options	114,274	-	-
Total liabilities	**31,357,967**	**853,592**	**878,457**
Net	**1,170,737**	**60**	**58,506**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Sensitivity of currency risk

The following tables detail the Bank's sensitivity against an increase and decrease of 10% in the Chilean peso against the relevant foreign currencies. The 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Management's assessment of reasonable possible changes in exchange rates.

The sensitivity analysis includes only outstanding monetary items denominated in foreign currencies and it adjusts its conversion at the end of the period, where it reports a 10% change in the exchange rates. The sensitivity analysis includes external loans as well as loans to foreign operations with the Bank where the loan is denominated in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in earnings and other net equity when the Chilean peso goes up by 10%, compared to the corresponding currency.

In the case of a decrease of 10% of the Chilean peso against the relevant currency, a comparable impact on the earnings and other equity would be produced, and the amounts would be negative, as shown below:

NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh$	As of December 31, 2020			
	Decrease of 10%		Increase of 10%	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	722,331	52,148	882,849	63,736
Commercial loans	1,565,374	24,062	1,913,235	29,409
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	91,720	-	112,102	-
Mortgage loans LC- Credit line	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other residential mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	17,809	-	21,767	-
Consumer leasing	-	-	-	-
Commercial loans LCS- Credit Line and overdraft	-	-	-	-
Consumer loans LCS- Credit line and overdraft	-	-	-	-
Central Bank of Chile	-	-	-	-
Chilean State	-	44,535	-	54,432
Domestic banks and financial institutions	13,967	-	17,071	-
Other domestic entities	-	112	-	137
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	95,486	-	116,705	-
Forward	7,114,856	193,754	8,695,936	236,810
Futures	4,849	-	5,927	-
Swaps	14,438,710	347,042	17,647,312	424,163
Other, excluding options	-	-	-	-
Other assets	2,687,529	32,667	3,284,757	39,926
Delta Options	45,412	-	55,503	-
Total assets	**26,798,043**	**694,320**	**32,753,164**	**848,613**
Liabilities				
Demand deposits	977,262	56,199	1,194,431	68,688
Term deposits	1,218,626	5,305	1,489,431	6,484
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	-	-	-	-
Loans and other liabilities contracted MN (National Currency)	829,002	-	1,013,225	-
Loans and other liabilities contracted MX (Foreign Currency)	133,690	4,099	163,399	5,009
Letters of credit	-	-	-	-
Ordinary bonds	999,552	15,753	1,221,675	19,254
Subordinated bonds	-	-	-	-
Forward	7,114,723	207,532	8,695,773	253,650
Futures	4,647	-	5,680	-
Swaps	13,668,333	386,540	16,705,740	472,438
Other, excluding options	-	-	-	-
Other liabilities	520,055	15,950	635,623	19,495
Delta Options	41,993	-	51,325	-
Total liabilities	**25,507,883**	**691,378**	**31,176,302**	**845,018**
Net	**1,290,160**	**2,942**	**1,576,862**	**3,595**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh$	**As of December 31, 2019**			
	Decrease of 10%		**Increase of 10%**	
Assets	**USD**	**EUR**	**USD**	**EUR**
Cash	982,915	50,262	1,201,341	61,431
Commercial loans	1,949,816	27,911	2,383,109	34,113
Investments under agreement to resell	-	-	-	-
Commercial leasing operations	93,739	-	114,570	-
Mortgage loans LC- Credit line	-	-	-	-
Mortgage loans MHE	-	-	-	-
Other residential mortgage loans	-	-	-	-
Residential leasing	-	-	-	-
Consumer loans	21,303	-	26,037	-
Consumer leasing	-	-	-	-
Commercial loans LCS- Credit Line and overdraft	-	-	-	-
Consumer loans LCS- Credit line and overdraft	-	-	-	-
Central Bank of Chile	-	-	-	-
Chilean State	8,130	43,070	9,937	52,641
Domestic banks and financial institutions	13,790	-	16,854	-
Other domestic entities	-	575	-	703
State and governments bodies MX	-	-	-	-
Foreign banks	-	-	-	-
Other foreign entities	84,204	-	102,916	-
Forward	9,407,615	309,532	11,498,196	378,917
Futures	5,310	-	5,942	-
Swaps	14,188,424	297,779	17,341,408	363,953
Other, excluding options	-	-	-	-
Other assets	2,299,400	39,158	2,810,378	47,860
Delta Options	222,635	-	270,888	-
Total assets	**29,277,281**	**768,287**	**35,781,576**	**939,618**
Liabilities	**USD**	**EUR**	**USD**	**EUR**
Demand deposits	719,546	48,534	879,446	59,319
Term deposits	1,477,375	4,642	1,805,680	5,674
Saving accounts with deferred withdrawal	-	-	-	-
Savings accounts with unconditional withdrawal	-	-	-	-
Liabilities under agreements to repurchase	33,805	-	41,317	-
Loans and other liabilities contracted MN (National Currency)	1,160,659	-	1,418,584	-
Loans and other liabilities contracted MX (Foreign Currency)	315,207	2,150	385,253	2,628
Letters of credit	-	-	-	-
Ordinary bonds	1,055,488	15,187	1,290,040	18,562
Subordinated bonds	-	-	-	-
Forward	8,765,655	358,087	10,713,578	437,663
Futures	4,716	-	5,764	-
Swaps	13,455,456	326,856	16,445,557	399,491
Other, excluding options	-	-	-	-
Other liabilities	1,131,416	12,778	1,382,842	15,617
Delta Options	102,847	-	125,702	-
Total liabilities	**28,222,170**	**768,234**	**34,493,763**	**938,954**
Net	**1,055,111**	**53**	**1,287,813**	**664**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Limitations of sensitivity analysis

The above tables demonstrate the effect of a change in a key assumption while other assumptions remain the same. In fact, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear, and larger and smaller impacts should not be interpolated or extrapolated from these results.

The sensitivity analyses do not consider that the Bank's assets and liabilities are actively managed. Moreover, the financial position of the Bank may vary at the time when an actual market movement occurs. For example, the strategy of financial risk management of the Bank seeks to manage the exposure to market fluctuations. As investment markets go through different trigger levels, management actions could include selling investments, changing the allocation of the investment portfolio and taking other protective measures.

Therefore, the actual impact of a change in assumptions may not have any impact on the liabilities, while the assets remain at market value in the Consolidated Statements of Financial Position. In these circumstances, the different measurement bases of assets and liabilities could result in volatility of equity.

Price risk - own products

The Bank is exposed to price risks of its products that are subject to general and specific fluctuations in the market.

The Bank manages price risk through periodic stress tests, which establish various scenarios of adverse market conditions; on the other hand, it has contingency plans that address mitigating actions in the corporation in order to face scenarios that expose the corporation to significant loss.

Other Price Risks

The price risk on equity instruments is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to individual value and its issuer or factors affecting all actual market values.

The following sensitivity analysis described below have been determined based on the exposure of equity prices at the end of the reporting period.

On a scenario where the equity prices had been 1% higher - lower:

The net income of the period as of December 31, 2020, would not have been affected given that all bank´s equity instruments are classified as available for sale, and no investment was impaired; notwithstanding, the possible negative effect on equity would have amounted to Mch$15,026 while the impact for the year ended December 31, 2019 would have been MCh$168,531.

NOTE 36 - RISK MANAGEMENT, CONTINUED

f. Fair value

The area of Market Risk is responsible for defining the methodologies of valuation of assets and liabilities measured at fair value, while operations are responsible for their implementation. The fundamental principle of the task of fair value measurement is to determine the starting price of an asset or liability in an ordinary transaction in a representative market. Not only does the accounting information depend on this assessment, risk indicators such as value-at-risk are also based on these prices, so that the implied volatility on any valuation model is also very relevant.

The following international accounting rules are used, provided they are available: quotations or observable prices of identical assets or liabilities that are measurable. These are known as Level 1 inputs, Absent identical assets or liabilities, measurement is made based on observable prices. Interpolations are typically performed in this group in the case of derivatives and other instruments or matrix pricing models for fixed income instruments. This class is known as Level 2 inputs.

Finally, when it is not possible to rely on the above inputs, the measurement is performed based on inputs that are not directly observable on the market. These are the Level 3 Inputs. Note 35 presents the classification of financial instruments according to the valuation hierarchy, below is a brief explanation of that system.

Positions in foreign currency bonds, Central Bank bonds, futures contracts and other instruments traded on exchanges have very liquid markets where prices or prices for identical instruments are usually observable. These instruments are included in Level 1.

Even for liquid instruments, some markets require the existence of brokers to equate supply with demand and allow transactions to be carried out. Normally deposits and derivatives traded over- the-counter are in this segment. These have quotes from different broker, which guarantees the existence of market prices or inputs needed for valuation. Among derivative instruments are currency forwards and interest rate forwards, interest rate swaps, cross-currency swap and foreign currency options. As usual for those instruments other than those listed, valuation techniques and interpolation curves are used. Debt instruments are less liquid such as some sovereign bonds, corporate bonds and mortgage securities of domestic issue, and are valued - unless there is available pricing - based on fair value models based on directly observable prices or market factors. All these instruments are classified in Level 2 valuation.

NOTE 36 - RISK MANAGEMENT, CONTINUED

The base model for the valuation of fixed income securities without much liquidity in the local market is a dynamic model of interest rates using panels of incomplete data and incorporates all the recent price history of the instruments in question and instruments with similar characteristics as to issuer risk rating, duration, etc. The fair value models used (both internal and external) are tested periodically and back tested by independent parties.

Finally, all instruments whose prices or market factors are not directly observable are classified in Level 3.

g. Derivative instruments

As of December 31, 2020, the Bank had a net liability position of Mch$336,133 in derivative instruments measured at fair value. Derivatives are classified into two groups according to their accounting treatment: (1) instruments for trading and (2) instruments with hedge accounting treatment. The trading instruments come from activities of Sales & Trading (S&T), whether from sales to third parties or hedging the risks involved in such sales. The areas responsible for Asset & Liability Management (ALM) also use derivatives to hedge their risks. They can follow the standard treatment for trading or have hedge accounting treatment under the applicable accounting standards. The recording, according to current accounting standards, may reduce fluctuations in the value of assets and liabilities or cash flows.

The market risk associated with derivative instruments is measured by VaR and stress tests.

h. Counterparty risk

The Bank manages its counterparty risk by establishing a limit for transactions (credit line) to enter with each customer in derivatives and recognizes the Credit Value Adjustment (CVA).

Use of line to operate with derivative instruments

The level of usage of the credit line approved by the Bank for each customer due to an over the counter (OTC) derivative transaction must match the credit exposure that this transaction generates to the Bank. The credit risks on these contracts exist when the recovery or mark-to-market (MTM) is positive in favor of the Bank. As these contracts are valued daily, in this there is uncertainty regarding the mark to market adjustment over the life of the operation.

MonteCarlo simulation techniques are used to estimate future peak exposures by counterparty. Specific counterparty limits ensure that the accepted risk levels are not exceeded, and proper diversification is achieved. The table below details the level of usage of the credit line by segment for the years ended December 31, 2020 and 2019.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Segment	Use of line to operate with derivative instruments 12.31.2020	Use of line to operate with derivative instruments 12.31.2019
	MCh$	MCh$
Retail Banking	**1,998**	**2,650**
Retail Banking	-	-
Small and Medium Enterprises	1,998	2,650
Wholesale Banking	**833,033**	**902,860**
Commercial Banking	229,314	172,229
C&IB Commercial Division	603,719	730,631
Finance division	**661,687**	**1,118,381**
Total	**1,496,718**	**2,023,891**

Credit Valuation Adjustment in derivatives (CVA)

The objective of the credit valuation adjustments is to determine the counterparty risk associated with the credit exposure in OTC derivative contracts. The CVA of a derivative is defined as the difference between its market-to-market value determined without the risk of default from the counterparty and its market-to-market value with the probability of default of the counterparty. Thus, the CVA of a client can be determined from the expected exposure (EE) to counterparty risk (how much loss is expected) and the probability of default (PD) associated with the risk of default of the counterparty. The table below details. The table below details the CVA.

Credit Value Adjustment			
Segment	**12.31.2020**	**12.31.2019**	**Variation**
	MCh$	MCh$	MCh$
Retail Banking	**32**	**70**	**(38)**
Retail Banking	-	-	-
Small & Medium Enterprise	32	70	(38)
Wholesale Banking	**25,727**	**25,052**	**675**
Commercial Banking	6,028	4,608	1,420
C&IB Commercial Division	19,699	20,444	(745)
Finance division	**409**	**546**	**(137)**
City National Bank	**2,807**	**2,790**	**17**
Total	**28,975**	**28,458**	**517**

NOTE 36 - RISK MANAGEMENT, CONTINUED

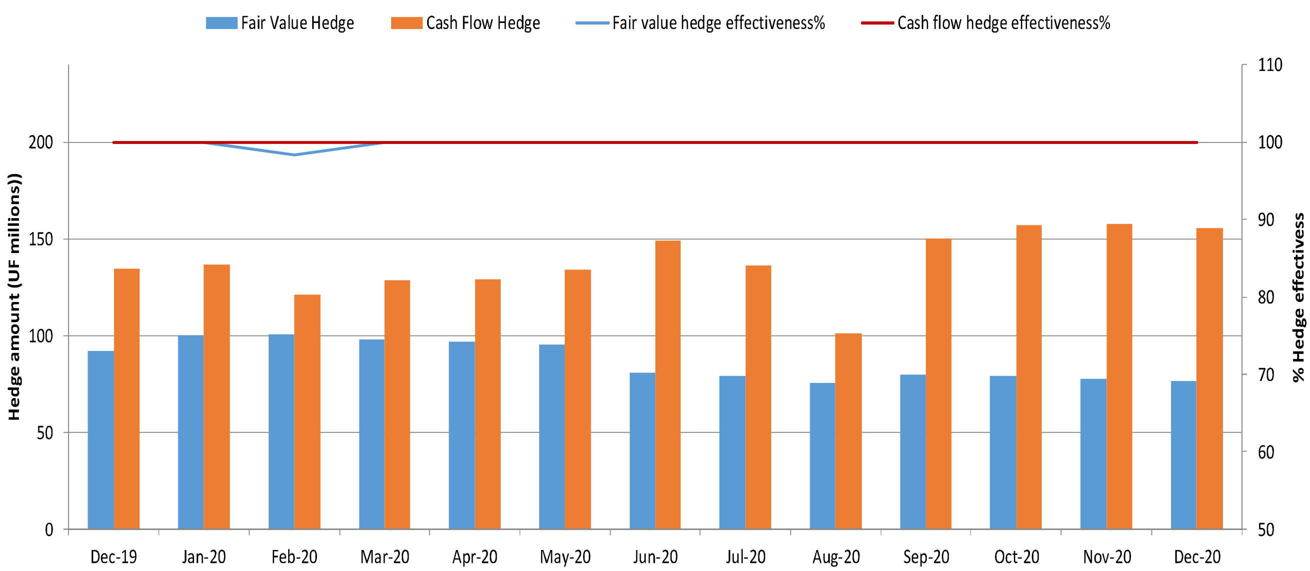
i. Hedge accounting

The Bank uses hedge accounting to manage the risk of fair value and cash flow to which it is exposed. Fair value hedges use derivative instruments to hedge the change in fair value of an asset or liability in the consolidated statements of financial position.

Cash flow hedges effects meanwhile are recognized initially in equity. Treatment of this type of instrument strictly follows International Accounting Standard ("IAS") 39. Financial Risk Management is responsible for designing and validating the effectiveness of the hedges, generating effectiveness indicators that are monitored and reported to ALCO.

As of December 31, 2020, the total notional amount of cash flow hedges amounted to UF 150,246,360 whereas fair value hedges reach UF 79,672,930. As of December 31, 2019, the total notional amount of cash flow hedges amounted to UF 155,546,829 whereas fair value hedges reach UF 76,570,847.

Fig. 19. Amount, Type and effectiveness of Hedge Accounting
As of December 31, 2020 (UF Millions)



NOTE 36 - RISK MANAGEMENT, CONTINUED

4. Credit Risk

Risk Management structure

The Bank has structured its credit approval process based on personal and non-delegable discretionary limits authorized by the Board of Directors. Based on these credit faculties, the operations are approved at the different levels of Management, always requiring the concurrence of two executives with discretionary limits.

As the amount of the operation increases, pairs of senior executives both from the commercial and risk areas and from the senior management committees must approve the operation, until reaching the highest level represented by approval from the Board of Director's Executive Committee.

Provision for credit risk

According to the Financial Market Commission (CMF), the Banks should permanently maintain evaluations of their loans and contingent credit portfolios, in order to establish provisions timely and sufficiently, so as to cover possible losses, in accordance with the regulation of said Commission, contained in the Compendium of Accounting Standards, chapter B-1 referring to provisions for credit risk.

The Bank has a series of models both for the individual and the group portfolios, which are applied depending on the type of portfolio and operations. These models are approved by the Board of Directors, which is informed annually about the adequacy of the provisions.

Additionally, indicate note 1, letter ac), informs that the Bank's Board of Directors approved the constitution of additional provisions during 2020 for MCh$104,000, MCh$59,300 related to the Consumer Portfolio, MCh $41,900 related to the Commercial Portfolio, and MCh$2,800 related to the Real Estate Portfolio, and MCH $47,263 for the City National Bank branch. These provisions were constituted to anticipate the potential impairment of the placement portfolio due to the crisis produced by the COVID-19 pandemic.

Models based on the individual analysis of borrowers

These models are applied when the companies involved, given their size, complexity or level of exposure with the entity, are required to be identified and analyzed in detail, one by one.

These models consider the analysis of issues such as the financial situation of the borrower, payment behavior, knowledge and experience of the partners and managers in the business, the degree of commitment of the same with the company and the industry in which it operates and its relative position.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Quality of the loans by type of financial asset

Regarding the quality of the loans, these are described in accordance with the Compendium of Accounting Standards issued by the Financial Market Commission (CMF):

	As of December 31, 2020					
	DEBT			ALLOWANCE		
Debt	Loans and Receivables from Banks	Loans and receivables from customers, net	Total	Loans and Receivables from Banks	Loans and receivables from customers, net	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	110,073	110,073	-	37	37
A2	99,482	1,109,838	1,209,320	82	611	693
A3	13,229	2,132,819	2,146,048	29	2,626	2,655
A4	-	2,155,577	2,155,577	-	13,969	13,969
A5	-	2,583,798	2,583,798	-	22,053	22,053
A6	-	1,090,902	1,090,902	-	12,345	12,345
B1	-	600,028	600,028	-	9,433	9,433
B2	-	251,341	251,341	-	4,556	4,556
B3	-	57,518	57,518	-	6,656	6,656
B4	-	126,968	126,968	-	23,439	23,439
C1	-	98,965	98,965	-	1,979	1,979
C2	-	44,544	44,544	-	4,454	4,454
C3	-	28,059	28,059	-	7,015	7,015
C4	-	26,719	26,719	-	10,688	10,688
C5	-	30,929	30,929	-	20,104	20,104
C6	-	63,025	63,025	-	56,723	56,723
Collective assessment	-	13,810,496	13,810,496	-	394,363	394,363
Subsidiaries	244,321	11,187,114	11,431,435	252	198,981	199,233
Total	**357,032**	**35,508,713**	**35,865,745**	**363**	**790,032**	**790,395**

NOTE 36 - RISK MANAGEMENT, CONTINUED

	As of December 31, 2019					
	DEBT			ALLOWANCE		
Debt	Loans and Receivables from Banks	Loans and receivables from customers, net	Total	Loans and Receivables from Banks	Loans and receivables from customers, net	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
A1	-	193,155	193,155	-	70	70
A2	83,442	1,416,715	1,500,157	69	811	880
A3	42,485	2,391,456	2,433,941	93	3,368	3,461
A4	-	2,417,035	2,417,035	-	16,311	16,311
A5	-	2,318,233	2,318,233	-	9,649	9,649
A6	-	799,300	799,300	-	7,228	7,228
B1	-	170,241	170,241	-	2,237	2,237
B2	-	131,480	131,480	-	4,173	4,173
B3	-	144,394	144,394	-	16,232	16,232
B4	-	55,179	55,179	-	15,360	15,360
C1	-	100,422	100,422	-	2,008	2,008
C2	-	20,310	20,310	-	2,031	2,031
C3	-	25,467	25,467	-	6,367	6,367
C4	-	41,853	41,853	-	16,741	16,741
C5	-	6,530	6,530	-	4,244	4,244
C6	-	37,521	37,521	-	33,769	33,769
Collective assessment	-	12,792,831	12,792,831	-	367,144	367,144
Subsidiaries	332,218	10,818,656	11,150,874	343	160,578	160,921
Total	**458,145**	**33,880,778**	**34,338,923**	**505**	**668,321**	**668,826**

The analysis of the age of overdue installments and their accrued interest by type of financial assets is the following:

	Less than 30 days		Between 31 and 89 days		90 days or more		Total	
	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Loans and receivables from banks, net		-		-		-		-
Loans and receivables from customers, net	1,265,643	436,062	155,225	105,508	282,583	287,816	1,703,451	829,386
Total	**1,265,643**	**436,062**	**155,225**	**105,508**	**282,583**	**287,816**	**1,703,451**	**829,386**

NOTE 36 - RISK MANAGEMENT, CONTINUED

Maximum exposure to credit risk

The exposure to credit risk varies significantly and depends on both individual risks and general market economy risks.

As of December 31, 2020

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	1,147,279	-	**1,147,279**	-	**1,147,279**
Loans and receivables to banks, net	357,032	(363)	**356,669**	-	**356,669**
Loans and receivables from customers, and credit commitments (1)	45,527,436	(813,188)	**44,714,248**	(15,247,171)	**29,467,077**
Financial investments available for sale	7,996,040	-	**7,996,040**	-	**7,996,040**
Financial investments held to maturity	25,144	-	**25,144**	-	**25,144**
Derivative financial agreements (2)	5,485,123	(33,226)	**5,451,897**	-	**5,451,897**

(1) In this line loans and receivables are included for an amount of MCh$35,508,713 (see Note 11) and credit commitments of MCh$10,018,723 (see Note 23). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(2) As of December 31,2020, no collateral was provided in favor of the Bank.

As of December 31, 2019

	Maximum exposure	Allowance	Net exposure after allowances	Associated collateral	Net exposure
	MCh$	MCh$	MCh$	MCh$	MCh$
Trading portfolio financial assets	2,212,257	-	**2,212,257**	-	**2,212,257**
Loans and receivables to banks, net	458,145	(505)	**457,640**	-	**457,640**
Loans and receivables from customers, and credit commitments (3)	43,791,832	(710,990)	**43,080,842**	(12,248,254)	**30,832,588**
Financial investments available for sale	4,011,029	-	**4,011,029**	-	**4,011,029**
Financial investments held to maturity	7,369	-	**7,369**	-	**7,369**
Derivative financial agreements (4)	4,260,655	634	**4,261,289**	-	**4,261,289**

(3) In this line loans and receivables are included for an amount of MCh$33,880,778 (see Note 11) and credit commitments of MCh$9,911,054 (see Note 23). Reported collateral is legally pledged to the Bank and there is no uncertainty regarding its possible execution or settlement.
(4) As of December 31, 2019, no collateral was provided in favor of the Bank.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Operational Risk

Goals

BCI has adopted the Operating Risk definition of the Basel Commission, defining it as "loss risk resulting from the lack of adequacy or fail of processes, personnel, and internal systems, or due to an external event." This definition includes technological and legal risks.

The operating risk is an inherent risk to all banking products and services, processes and systems. Therefore, effective management of the risk is a vital element of BCI's risk management program.

Description of Operating Risk Policies

Our Operating Risk Policy sets the operating risk management framework, including all governance elements, prepared through the actions of the committees defined in this policy, in order to build a sturdy operating risk management and culture; a process of continuous operational risk identification and management; a measurement of risk; strategies for mitigating risk; and operational risk reports and culture, setting clear roles and responsibilities based on three defense lines.

The principles of the policy are the following:

- The Board of Directors and High-Level Management promote a risk culture between all BCI collaborators in matters of operating risk.

- Bci has an operating risk management framework consistent with the volume and complexity of its activities, implemented in the whole organization.

- Bci manages operating risk based on the three defense lines approach, where all collaborators assume and understand their roles and responsibilities regarding risk management.

- For Bci, risk management is a vital element for the fulfillment of its business strategy through the enhancing of its internal controlling environment, promoting safe and simple process generation and maintenance of effective controls, allowing the reduction of losses, complaints, operating and technological issues, and improving the client's experience and protecting the equity and reputation of Corporación Bci.

The policy contemplates all guidelines and requirements set forth by Comisión del Mercado Financiero (Commission for the Financial Market) and the recommendations of the Basel Committee regarding good practices of operating risk management.

NOTE 36 - RISK MANAGEMENT, CONTINUED

Operating risk management structure

The Bank manages its operating risks daily, and makes decisions with a solid Corporate Governance, according to the following structure:

- Committees Integrated by Directors:

- **Executive Board Committee,** responsible for the approval of operating risk policies, assessing the relative importance of operating risks, considering the volume and complexity of operations and approval of Operating Risk Tolerance.

- **Finance and Corporate Risk Committee,** responsible for acknowledging the follow-up of the different operating risk levels for Bci.

- **Directors' Committee** acknowledges the relevant operating risks detected by the comptrollers, third line of defense, Information Security and Operating Risk Management, External Auditors, or other sources, learning about action plans or measures defined or under execution for their mitigation. It analyzes reports on inspection visits, instructions, and presentations made by regulators related to operating risk.

Committees Integrated by High-level Management:

The committees integrated by the General Manager and/or Top-level managers reporting to the General manager, with direct participation in operating risk management are:

- **Information Security and Operating Risk Committee,** headed by Bci's General Manager, responsible for operating risk strategy and management for the Bank and its Branches.

- **Information Security and Operating Risk Committee** specific for Finances, Wholesale Banking, and Retail Banking management. These committees are headed by each High-level Manager reporting directly to the General Manager of these three Business and Support Units and is responsible for the operating risk management in each Business.

Committees formed for specific management of operating risks
These committees' goal is the specific management of operating risks, and they are:

- **Information Security and Cybersecurity Committee:** The Bank has an Information Security and Cybersecurity Risk Committee, made up of representatives from various areas in the Bank, which ensures that the regulatory framework is updated for new risks and threats, and is responsible for the execution and monitoring of the annual security and compliance with specific policies.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Risk Management in Outsourced Services Committee:** Committee responsible for governance of operating risk management in services outsourced to third parties and strategic suppliers.
- **Corporate Business Continuity Risk Committee:** Committee responsible for governance of the business continuity management, disaster recovery plans and crisis management.

- **New Products Committee:** Committee responsible for the risk analysis of new initiatives and the launching of products and services with identified and controlled risks.

Operating Risk Management in Branches

Regarding operating risk management in branches, operating risk work methodologies have been continuously strengthened with risk management teams in the Bank's branches, who execute the risk management program in each branch with an independent corporate governance, coordinated and aligned with policies, risk tolerance reference framework, and corporate risk governance.

Operating Risk Management and Information Security.

Responsible for designing policies, programs and methodologies for an adequate risk management, monitoring the execution of risk management activities, and risk level independently from the first line. Responsible for the development of the governance committees and risk level reporting.

The Operating Risk Management and Information Security Management actively participates in:

- **Operating Issues Management**

The Bank has systems, procedures, organization and governance allowing it to identify operating issues, assess their impact, mitigate their effects, monitor security and operating and report them in a timely manner. Issues discovered are a source for cause analysis and improvement plan implementing, which are shared with CMF.

- **Information Security and Cybersecurity**

The Bank has an information security and cybersecurity strategy based on best industry practices that is based on a comprehensive management program, whose main component is the overall information security policy approved by the Board Executive Committee, reviewed on an annual basis, and supplemented by a regulatory body of specific controls regulations, a security culture program aimed at employees, customers and suppliers, ongoing programs of vulnerability analysis and ethical hacking, and an organization formed by areas specializing in the Bank's three lines of defense, focused on the operation of security controls and specialized management of these risks.

The information Security and cybersecurity strategy contemplates the execution of various initiatives and investments to strengthen technological infrastructure, team training and specific procedures of operation and monitoring of cybersecurity, oriented towards preventing, identifying and stopping cyberattacks on the bank and its subsidiaries.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Business continuity and management of the crisis**

The continuity strategies and crisis management developed during the last several years have been consolidated, adding new risk scenarios and increasing the coverage plan to the different units that need to continue operating in situations of contingency.

The Bank is constantly working on strengthening of its business continuity plan, on training contingency team members and on crisis management. Plan coverage has increased according to the requirements of the Bank, including the processes that are critical.

Currently, and due to the COVID-19 pandemic affecting the World economy, the Bank has taken the measures necessary for dealing with the health crisis in order to (i) safeguard the health of our clients and collaborators through the implementation of telecommuting for those who can work from home, and protocols for preventing spread of disease for in-office work, which were successful during 2020; (ii) guaranteeing the operating continuity of our products and services, with strong support from digital and phone channels, and (iii) support clients during the crisis.

- **Prevention of fraud**

This function is responsible for implementing a corporate fraud prevention strategy, both internal and external, that safeguards the equity of our clients, the Bank and ensuring the reputation and corporative image of BCI. To this end, processes, technologies, methodologies and data models for optimal decision making in real time have been reinforced to prevent and anticipate emerging and sophisticated fraud risks, as well as activities to strengthen the culture and adherence to the ethical framework for the good work of the employees of the Bank and its subsidiaries.

- **Management of operational risk in outsourced services**

Operational Risk Management has a risk management program in outsourced services for the Bank, which aims to identify and timely manage the risks that may exist in a process contracted to a third party. This management is carried out throughout the life cycle of the outsourced service, that is, from when the service is contracted until the contractual relationship is terminated. Depending on the risks identified, decisions are made to keep risks within acceptable levels for BCI.

- **Insurance**

Corporación Bci has risk reduction programs through insurance policies allowing to transfer the risk of high-severity losses.

NOTE 36 - RISK MANAGEMENT, CONTINUED

- **Physical security Procedures and Controls**

Corporación has adequate security controls for physical protection of cash, negotiable instruments, precious metals and client assets.

- **Regulatory Management**

Bci performs all activities with strict respect and compliance of the applicable regulations, both external and internal, in all countries and jurisdictions where it operates. For this, it has a continuous review process for new external regulations, for their incorporation into the internal regulatory framework.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES

As of December 31, 2020, and 2019, the breakdown of maturities of assets and liabilities is as follows:

December 31, 2020

	Current	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal Over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	4,597,867	-	-	-	4,597,867	-	-	-	**4,597,867**
Items in course of collection	-	236,710	-	-	236,710	-	-	-	**236,710**
Trading portfolio financial assets	-	1,147,279	-	-	1,147,279	-	-	-	**1,147,279**
Liabilities under agreements to repurchase	-	101,300	55,148	33,800	190,248	-	-	-	**190,248**
Derivative financial liabilities	-	1,024,060	182,351	503,850	1,710,261	1,907,714	1,833,922	3,741,636	**5,451,897**
Loans and receivables to banks (*)	-	33,761	74,112	245,600	353,473	3,559	-	3,559	**357,032**
Loans and receivables to customers (**)	-	2,882,628	2,179,938	5,283,901	10,346,467	12,821,030	12,117,582	24,938,612	**35,285,079**
Financial investments available for sale	-	2,283,920	179,347	566,155	3,029,422	2,019,497	2,947,121	4,966,618	**7,996,040**
Financial investments held to maturity	-	-	-	-	-	-	25,144	25,144	**25,144**
Total assets	**4,597,867**	**7,709,658**	**2,670,896**	**6,633,306**	**21,611,727**	**16,751,800**	**16,923,769**	**33,675,569**	**55,287,296**
Liabilities									
Current accounts and demand deposits	19,726,574	-	-	-	19,726,574	-	-	-	**19,726,574**
Items in course of collection	-	201,438	-	-	201,438	-	-	-	**201,438**
Liabilities under agreements to repurchase	-	128,779	31,024	132,696	292,499	55,429	2,386	57,815	**350,314**
Term deposits and savings accounts	-	4,439,324	4,384,381	1,814,907	10,638,612	200,862	137	200,999	**10,839,611**
Derivative financial liabilities	-	195,005	192,851	1,446,093	1,833,949	2,128,715	1,830,690	3,959,405	**5,793,354**
Borrowings from financial institutions	-	708,824	519,382	887,661	2,115,867	4,154,832	-	4,154,832	**6,270,699**
Debt issued	-	26,811	98	539,547	566,456	3,600,069	3,265,099	6,865,168	**7,431,624**
Other financial liabilities	-	875,318	32,025	1,922	909,265	1,779	-	1,779	**911,044**
Lease liabilities	-	-	-	64,977	64,977	46,365	74,951	121,316	**186,293**
Total liabilities	**19,726,574**	**6,575,499**	**5,159,761**	**4,887,803**	**36,349,637**	**10,188,051**	**5,173,263**	**15,361,314**	**51,710,951**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 37 - MATURITIES OF ASSETS AND LIABILITIES, CONTINUED

December 31, 2019

	Current Current	Up to 1 month	Between 1 and 3 months	Between 3 and 12 months	Subtotal Up to 1 year	Between 1 and 5 years	More than 5 years	Subtotal Over 1 year	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Assets									
Cash and deposits in banks	3,153,760	-	-	-	3,153,760	-	-	-	**3,153,760**
Items in course of collection	-	310,602	-	-	310,602	-	-	-	**310,602**
Trading portfolio financial assets	-	2,212,257		-	2,212,257	-	-	-	**2,212,257**
Liabilities under agreements to repurchase	-	73,834	82,473	39,708	196,015	-	-	-	**196,015**
Derivative financial liabilities	-	615,215	205,467	403,828	1,224,510	1,572,806	1,463,973	3,036,779	**4,261,289**
Loans and receivables to banks (*)	-	9,453	107,625	321,217	438,295	19,850	-	19,850	**458,145**
Loans and receivables to customers (**)	-	3,229,341	2,351,798	5,379,838	10,960,977	10,804,335	11,872,937	22,677,272	**33,638,249**
Financial investments available for sale	-	478,938	51	262,504	741,493	889,079	2,380,457	3,269,536	**4,011,029**
Financial investments held to maturity	-	-	-	-	-	-	7,369	7,369	**7,369**
Total assets	**3,153,760**	**6,929,640**	**2,747,414**	**6,407,095**	**19,237,909**	**13,286,070**	**15,724,736**	**29,010,806**	**48,248,715**
Liabilities									
Current accounts and demand deposits	14,180,699	-	-	-	14,180,699	-	-	-	**14,180,699**
Items in course of collection	-	200,976	-	-	200,976	-	-	-	**200,976**
Liabilities under agreements to repurchase	-	573,387	7,880	42,485	623,752	277,071	8,568	285,639	**909,391**
Term deposits and savings accounts	-	5,928,757	3,513,034	3,656,734	13,098,525	274,105	126	274,231	**13,372,756**
Derivative financial liabilities	-	642,742	204,037	454,693	1,301,472	1,668,533	1,442,360	3,110,893	**4,412,365**
Borrowings from financial institutions	-	1,217,662	1,194,647	645,140	3,057,449	424,812	-	424,812	**3,482,261**
Debt issued	-	40,818	94	130,936	171,848	3,559,143	3,285,751	6,844,894	**7,016,742**
Other financial liabilities	-	1,429,531	2,970	15,265	1,447,766	2,820		2,820	**1,450,586**
Lease liabilities	-	-	-	21,176	21,176	89,011	96,189	185,200	**206,376**
Total liabilities	**14,180,699**	**10,033,873**	**4,922,662**	**4,966,429**	**34,103,663**	**6,295,495**	**4,832,994**	**11,128,489**	**45,232,152**

(*) Gross values.
(**) Excludes provisions and amounts whose maturity date has already passed.

NOTE 38 - FOREIGN CURRENCY

The consolidated financial statements as of December 31, 2020 and 2019 include assets and liabilities in foreign currencies or in Chilean Pesos according to the following detail:

	In foreign currency		In Chilean Pesos		Total	
	As of December, 31		As of December, 31		As of December, 31	
	2020	2019	2020	2019	2020	2019
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
ASSETS						
Cash and deposits in banks	2,470,703	2,064,211	2,127,164	1,089,549	**4,597,867**	**3,153,760**
Items in course of collection	154,042	137,562	82,668	173,040	**236,710**	**310,602**
Trading portfolio financial assets	71,074	70,126	1,076,205	2,142,131	**1,147,279**	**2,212,257**
Liabilities under agreements to repurchase	-	-	190,248	196,015	**190,248**	**196,015**
Derivative financial liabilities	191,970	132,104	5,259,927	4,129,185	**5,451,897**	**4,261,289**
Loans and receivables to banks, net	356,669	457,640	-	-	**356,669**	**457,640**
Loans and receivables to customers, net	11,617,411	11,679,038	23,101,270	21,533,419	**34,718,681**	**33,212,457**
Financial investments available for sale	3,695,972	3,222,190	4,300,068	788,839	**7,996,040**	**4,011,029**
Financial investments held to maturity	25,144	7,369	-	-	**25,144**	**7,369**
Investments in other companies	-	16	26,625	27,807	**26,625**	**27,823**
Intangible assets	153,476	148,261	241,800	255,954	**395,276**	**404,215**
Property, plant and equipment, net	52,962	46,607	198,255	203,587	**251,217**	**250,194**
Right-of-use asset	60,024	73,889	144,783	157,455	**204,807**	**231,344**
Current income tax	-	9,222	36,270	80,273	**36,270**	**89,495**
Deferred income taxes	144	4,074	211,080	99,255	**211,224**	**103,329**
Other assets	972,763	988,968	337,582	418,834	**1,310,345**	**1,407,802**
TOTAL ASSETS	**19,822,354**	**19,041,277**	**37,333,945**	**31,295,343**	**57,156,299**	**50,336,620**
LIABILITIES						
Current accounts and demand deposits	11,261,139	8,433,542	8,465,435	5,747,157	**19,726,574**	**14,180,699**
Items in course of collection	98,923	115,142	102,515	85,834	**201,438**	**200,976**
Liabilities under agreements to repurchase	112,467	128,110	237,847	781,281	**350,314**	**909,391**
Term deposits and savings accounts	2,973,923	4,311,173	7,865,688	9,061,583	**10,839,611**	**13,372,756**
Derivative financial liabilities	214,343	143,963	5,579,011	4,268,402	**5,793,354**	**4,412,365**
Borrowings from financial institutions	2,115,614	3,177,441	4,155,085	304,820	**6,270,699**	**3,482,261**
Debt issued	1,758,748	1,811,585	5,672,876	5,205,157	**7,431,624**	**7,016,742**
Other financial liabilities	870,582	1,406,963	40,462	43,623	**911,044**	**1,450,586**
Lease liabilities	51,554	60,007	134,739	146,369	**186,293**	**206,376**
Current income tax	6,330	-	2,742	1,240	**9,072**	**1,240**
Deferred income taxes	10,385	22,567	11,803	1,262	**22,188**	**23,829**
Provisions	91,498	59,802	350,079	249,238	**441,577**	**309,040**
Other liabilities	268,056	237,231	809,750	740,608	**1,077,806**	**977,839**
TOTAL LIABILITIES	**19,833,562**	**19,907,526**	**33,428,032**	**26,636,574**	**53,261,594**	**46,544,100**

NOTE 39 - SUBSEQUENT EVENTS

On January 20, 2021, the resolution from Servicio de Impuestos Internos (Internal Revenue Service) confirming the end of activities of Sociedad de Análisis y Servicios S.A was officially received.

On January 26, 2021, Comisión para el Mercado Financiero (Commission for the Financial Market) authorized the merging of the branch societies: Sociedad de Servicios de Comercialización y de Apoyo Financiero y de Gestión SSFF Limitada and Servicios Financieros y Administración de Créditos Comerciales S.A, the latter being the company continuing its activities. Said merger aims to boost their efficiency and profitability, facilitate supervision and vigilance of support societies, achieve a higher organizational alignment, and an integrated management of the credit card business, simplifying the business management, among others.

Between January 1, 2021 and the date of issuance of these consolidated financial statements, no other subsequent events that may affect the presentation of these consolidated financial statements have been recorded or have occurred.

Alfredo Mendoza Osorio Corporate Accounting Manager	Eugenio Von Chrismar Carvajal General Manager

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