Quarterly Earnings Report

June 30, 2023

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Important notes

Differences between the accounting standards

United States and Chile

The equity reported by the subsidiaries of Bci in the United States is different if US GAAP or the provisions of the Financial Market Commission (CMF, according to the Spanish acronym) in Chile are applied. This effect is generated by the different instructions to determine the credit risk provisions for loan portfolios and financial instruments under IFRS 9, and for the different criteria regarding goodwill, which under US GAAP are amortized and under the IFRS are not.

Peru and Chile

The instructions and criteria contained in the accounting regulations of Peru and Chile differ regarding the constitution of credit risk provisions, the recognition and measurement of financial instruments, and the record of lease contracts. For this reason, on drawing up the consolidated financial statements it was necessary to make adjustments to these accounting items to adapt the application of local regulations for Banco Bci Perú to the regulations of the CMF in Chile.

Executive Summary

Bci closed the first half of 2023 with significant progress in the transformation and internationalization processes, and its sustainability strategy.

- Bci is positioned in Chile as the first Bank in total assets considering our international operation, reaching $75,943,819 million in assets and participation in total loans of 19.2%
- Our digital ecosystem already has more than 6 million customers and a loyalty program that grants cashback benefits with any means of payment.
- Bci is the first private Bank of Chilean origin to join the Net Zero Banking Alliance (NZBA), an organization whose objective is to mobilize the transition to a low-carbon economy, encouraging the best practices of its customers, individuals, suppliers, SMEs, and large companies.
- The subsidiaries contributed 40% of the total profit of $372.85 million obtained by Bci in the first half of 2023, highlighting City National Bank of Florida (CNB), with $90.221 million. However, the Bank's profit presented a drop in relation to the same period of 2022, mainly explained by a lower inflation rate and higher cost of funds in CNB.

(Ch$ million)	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Financial Highlights								
Financial margin	661,485	476,814	515,308	**8.07%**	**-22.10%**	1,144,567	992,122	**-13.32%**
Net fees	90,193	81,459	84,751	**4.04%**	**-6.03%**	181,484	166,210	**-8.42%**
Net financial income	-76,599	42,183	22,637	**-46.34%**	**-129.55%**	-45,210	64,820	**243.38%**
Investments in companies	2,256	2,796	4,226	**51.17%**	**87.31%**	3,444	7,022	**103.87%**
Other net operating income	17,642	10,963	10,302	**-6.04%**	**-41.61%**	32,865	21,265	**-35.30%**
Total operating income	**694,977**	**614,215**	**637,224**	**3.75%**	**-8.31%**	**1,317,151**	**1,251,439**	**-4.99%**
Total operating expenses	**-283,742**	**-288,844**	**-308,634**	**6.85%**	**8.77%**	**-561,525**	**-597,478**	**6.40%**
Income before provisions	**411,234**	**325,371**	**328,590**	**0.99%**	**-20.10%**	**755,626**	**653,961**	**-13.45%**
Provisions	-119,781	-128,833	-112,839	**-12.41%**	**-5.80%**	-258,282	-241,672	**-6.43%**
Income before taxes	**291,453**	**196,538**	**215,751**	**9.78%**	**-25.97%**	**497,344**	**412,289**	**-17.10%**
Tax	-39,959	-25,593	-13,851	**-45.88%**	**-65.34%**	-56,416	-39,444	**-30.08%**
Net Income	**251,495**	**170,946**	**201,899**	**18.11%**	**-19.72%**	**440,928**	**372,845**	**-15.44%**
Balance sheet								
Total loans(1)	46,429,744	46,344,146	47,361,995	**2.20%**	**2.01%**	46,429,744	47,361,995	**2.01%**
Total assets(2)	77,523,275	77,706,374	76,943,820	**-0.98%**	**-0.75%**	77,523,275	76,943,820	**-0.75%**
Total deposit	41,993,229	41,940,682	42,712,531	**1.84%**	**1.71%**	41,993,229	42,712,531	**1.71%**
Total shareholders' equity	4,648,142	4,779,601	5,010,013	**4.82%**	**7.79%**	4,648,142	5,010,013	**7.79%**

(1) Para efectos de presentación el impuesto corriente se presenta en el pasivo como impuesto a pagar.
(2) Incluye préstamos interbancarios.

	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Profitability and efficiency (%)					
ROAE(1)	15.68%	17.15%	15.69%	-1.46pp	0.02pp
ROAA(1)	1.02%	1.05%	0.96%	-0.08pp	-0.06pp
Efficiency ratio(2)	42.63%	47.03%	47.74%	0.72pp	5.11pp
NIM(3)	4.30%	3.21%	3.33%	0.12pp	-0.97pp
Gestión del riesgo de crédito					
Provision for loan losses / Total loans	1.84%	1.92%	1.88%	-0.04pp	0.05pp
NPLs coverage (1)	297.60%	243.22%	225.10%	-18.12pp	-72.50pp
Asset quality					
NPLs (consolidated clients)	0.92%	1.18%	1.24%	0.06pp	0.32pp
+90 days delinquent loan portfolio/ Commercial loans	0.89%	1.01%	1.11%	0.10pp	0.22pp
+90 days delinquent loan portfolio/ Mortgage loans	0.68%	0.87%	0.92%	0.05pp	0.24pp
+90 days delinquent loan portfolio/ Consumer loans	1.99%	3.78%	3.71%	-0.06pp	1.72pp

Fuentes de financiamiento					
Total loans over total deposits (%)	110.56%	110.50%	110.89%	0.39pp	0.32pp
Risk profile and capital structure					
Capital and Reserves (Ch$ million)	4,198,299	5,019,436	4,766,400	-5.04%	13.53%
Risk-weighted assets (Ch$ million)	47,907,958	48,367,211	48,898,748	1.10%	2.07%
Core capital ratio (CET1) %	9.31%	9.48%	9.82%	0.34pp	0.51pp
Leverage Ratio (%)	5.97%	5.52%	6.34%	0.82pp	0.37pp
Capital adequacy ratio (IAC) %	12.74%	13.11%	13.40%	0.29pp	0.66pp
Liquidity Coverage Ratio (LCR) %	207.30%	291.10%	300.70%	9.60pp	93.40pp
Net Stable Funding Ratio (NSFR) %	99.04%	102.62%	108.08%	5.45pp	9.04pp

(1) ROAE y ROAA corresponden, en el numerador, a la utilidad acumulada para un periodo de 12 meses móviles y en el denominador al promedio de los saldos de cierre durante 13 meses para el patrimonio y activos totales, respectivamente.

Financial Highlights

As of June 30, 2023

The interest and indexation margin was down 13.3%, due to lower revenue from assets indexed to inflation from a lower inflation rates during this semester (inflation of 2.79% as of June 2023 versus 6.76% as of the same date in 2022). That was partly offset by higher income from inflation hedge accounting strategies, greater revenue from available-for-sale instruments and revenue from commercial loans to clients.

Net financial income of Ch$64,820 million, climbing Ch$110,030 million on 1H22. Such increase is explained by higher income from the interest rate change strategy and exchange rate volatility. This was in addition to a higher volume of the flow business and greater income from the sale of investment instruments related to commercial papers of the Chilean Central Bank and the General Treasury of the Republic issued the previous period.

Net fees dropped 8.42%, mainly due to higher fees paid for credit card operations and greater expenses of client loyalty programs.

Operating expenses rose 6.4%, explained by higher investment in technology related to the strategic priorities, operational efficiency and IT security of Banco Bci. That was also due to: higher expenditure from the wage adjustment due to the CPI variation, a benefit that is applied in March and September in accordance with the employee experience model of Banco Bci; higher advertising expenses of Banco Bci from the greater media publicity, sponsorships, events and gifts associated with sponsoring the Chilean Football Team; and the MACH and digital ecosystem marketing campaigns.

The risk expense dropped 6.4%. In 1H2022, additional credit risk provisions were constituted to address a more adverse economic scenario ahead. This generated a lower comparative base regarding 1H2023. On the other hand, we had a lower impairment expense for the credit risk of available-for-sale instruments at City National Bank of Florida. Despite the lower risk expense in 1H23, this did not lead to an improvement of the credit risk or delinquency ratios.

The coverage ratio, excluding additional provisions, is 154.22%. When including these provisions, this increases to 225.1%, leaving the bank well positioned to face higher delinquency credit scenarios. Although the ratio decreased by 72.5 pp. during the period, this variation is attributed to an increase in delinquency during the period.

Tax payment fell 30% due to various effects. Firstly, the lower net income before tax had a direct impact on the tax line. Furthermore, there was: price-level restatement of investments at City National Bank of Florida (CNB), undertaken in accordance with the Income Tax Law (LIR, according to the Spanish acronym); the tax payment for indexation in 2022 pursuant to article 72 of the LIR; and the valuation of bonds associated with article 104 of the LIR.

Balance Sheet

Total assets dipped 0.75%, mainly due to: a lower volume of forward and swap derivative trading assets; a drop in the volume of hedge accounting contracts for these same derivatives; and a lower volume of cash and deposits in banks. Such decrease was offset by higher loans to clients, mainly in the mortgage portfolio in Chile and the United States because of the effect of inflation; and higher available-for-sale instruments of the Chilean Central Bank and investment instruments to maturity at City National Bank of Florida.

Total deposits rose 1.7%. During the first half of the year, the migration from sight deposits to time deposits continued, due to the still high monetary policy rates of the Central Bank of Chile and the Federal Reserve.

Equity was up 7.8%, largely because of capitalization of the net income obtained in 2021, undertaken in September 2022; and capitalization of the net income in 2022, carried out in May 2023**The ROAE in 12 rolling months was 15.7% in 2Q23**. This ratio was 1 basis point higher YoY but 156 basis points lower QoQ. Such decrease QoQ was mainly due to the impact of a drop in operating income on final net income, caused by a lower indexation margin. Bci's ROAE in 12 rolling months as of May dropped 3.2 pp compared to a decrease of 6.9 pp of the banking industry. The higher drop of the banking industry is mainly explained by a larger decrease of the financial margin and increased operational and risk expenses.

The accumulated efficiency ratio rose from 42.6% in 2Q22 to 47.7% in 2Q23. Although the growth in Opex is less than the growth in inflation, the evolution in Efficiency is mainly explained by lower margins, which have been affected, in turn, by the decrease in the net margin due to readjustments.

According to the latest information available, in the banking industry the year-over-year comparison as of May 2023 indicates an increase in the efficiency ratio of 2.7 pp and less than our 4.5 pp, mainly due to the lower increase in administrative expenses (in sectors like technology and advertising), but with higher expenses of employee benefits, depreciation and amortization.

The net interest and indexation margin (NIM) dropped 97 basis points for the YoY accumulated comparison as of June, whereas as of March it rose 12 basis points. This is explained by a scenario of lower inflation and exchange rate volatility, lower liquidity, and greater credit supply and demand restrictions and particularly for consumer loans, and the assets generating interest and indexation have on average risen. In the case of City National Bank the lower NIM is mainly explained by a higher cost of funds.

The banking industry in Chile also had a lower NIM and indexation, dropping from 4.44% to 3.83% for the YoY accumulated comparison as of May, i.e., 61 basis points, aligned to Bci's decrease in the same period.

Our **risk ratio** increased 4 basis points YoY, with the effect of higher delinquency and risk rates in consumer and mortgage loans prevailing. The 4 basis point decrease in QoQ was due to a lower risk in commercial portfolios.

The risk ratio of the banking industry in Chile rose from 2.35% to 2.52%, increasing 17 basis points YoY as of May, reflecting a greater deterioration in regards to Banco Bci that only had an increase of 2 basis points in the same period.

The **coverage ratio** is 225.1% (including voluntary provisiones), leaving the bank well positioned to address tougher credit scenarios. January through May this year, we had a decrease of 2.3 pp due to greater delinquency above the stock of risk and additional provisions constituted. Nevertheless, the banking industry in Chile had a greater decrease in the same period, dropping 15.1 pp from 204.96% to 189.85%.

Regarding the **NPL portfolio,** the increase is mainly in the retail segment. This consider the positive impact from the various government-guaranteed loan programs as well as liquidity injection initiatives into the economy from previous years

The banking industry had a greater increase in this ratio, mainly due to the mortgage and commercial loan portfolios, which rose 56 basis points from 1.38% to 1.94% YoY as of May, whereas Bci had an increase of 29 basis points in the same period.

Outlook

Based on the macroeconomic projections of Bci Estudios for 2023, we estimate that the annual growth of Bci's local loans will be around 5% and that the interest and readjustment margin will be lower than that of 2022. The latter is mainly influenced by the monetary policy rate and inflation rate forecast levels in the second half of 2023. Our operating expenses, meanwhile, would grow around 7%

For CNB, we project a lower net income, mainly explained by a higher cost of deposits and a a expected lower growth of loans than in previous years, considering the macroeconomic scenario and the situation of regional banks in the US. In this context, we expect Bci's consolidated net income this year to be around 10%-15% lower than the record obtained in 2022.

About Bci

Banco de Crédito e Inversiones (Bci) is an international financial corporation that was incorporated in Chile in 1937. It is now the largest bank in Chile with total assets of US$95.981 billion, that include operations in the United States, where its subsidiary City National Bank of Florida (CNB) is the second largest bank in the state of Florida.

Channels

Digital
Web and apps for people, SMEs and companies

In-Person
196 branches and 560 ATMs in Chile – a Bci branch in Miami – 32 branches of CNB in the state of Florida, United States – a bank in Peru and representative offices in 4 other countries.

Data as of June 30, 2023

Presence

Chile

Parent Company

Banco de Crédito e Inversiones

Divisions
Retail Banking
Wholesale & Investment Banking
Investment and Finance
Corporate and International Development
Digital Ecosystem

Subsidiaries
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.
Servicios de Normalización y Cobranza, Normaliza S.A.
Bci Corredores de Bolsa de Productos S.A.
Servicios Financieros y Administración de Créditos Comerciales S.A.
Administradora de Tarjetas Servicios Financieros Limitada
SSFF Corredores de Seguros y Gestión Financiera Limitada
Servicios y Cobranzas SEYCO Limitada

Related Companies
Bci Pagos

United States of America

Subsidiaries

BCI Financial Group, Inc. and subsidiaries, parent company of
City National Bank of Florida (CNB)
Bci Capital (subsidiary of CNB)
Bci Securities Inc.

Branch
Bci Miami

Latin America

Subsidiary
Bci Perú

Representative Offices
Mexico City, Mexico
Lima, Peru
São Paulo, Brazil
Bogotá, Colombia

Asia-Pacific

Representative Office
Shanghai, China

Market Share

Chilean banking industry, including operations abroad.

Assets
19.6%

Loans
19.2%

Deposits
22.3%

International Credit Ratingsl

Moody's	A2
S&P Global	A-
Fitch Ratings	A-

Ownership

Controlling Group
63.56%

Free Float
27.59%

Pension Funds
8.85%

Dotación

11.427
colaboradores

Diversification [1]

(as of June 30, 2023)

	Loans	Assets	Net Income
City National Bank of Florida (CNB)	29.8%	27.4%	24.2%
Bci Miami	4.5%	6.7%	6.8%
Bci Perú	0.3%	0.2%	-0.4%
Bci y filiales en Chile (excluding Líder Bci Servicios Financieros)	64.3%	64.9%	76.7%
Lider Bci Servicios Financieros	1.2%	0.7%	-7.4%

Main Progress in 1H23

Digital Ecosystem

- **New MACH digital checking account.** Bci's technology platform launched this new product, which will enable its around 4 million users to migrate from a prepaid account to a checking account, providing greater universality and access to more financial services. We are now in full deployment of the functionality and we have over 44,000 clients with a checking account awaiting the mass launch in late August.
- **35% increase in MACH transactions**, comparing the whole of 1H22 and 1H23.
- **72% surge in the balance of MACH demand deposits**, considering *Cuenta Futuro* (savings) June 2022 through June 2023.
- Buy Now, Pay Later (BNPL[J1]) is a product that allows clients to buy in installments in various e-commerce businesses and physical stores (the latter with the QR code of MACH Business). Purchases can be paid in 1, 3 , 6 or 12 installments with no maintenance or credit card costs. We currently have more than **25,000 clients** who have a line available to make their purchases in installments.
- We have around **120,000 *Cuenta Futuro* clients** who now make savings by means of the MACH platform.
- **+260,000 clients made person-to-merchant (P2M) payments (QR + App to App)** at member merchants using MACH and/or BCI in 1H23.
- **BciPlus+,** our open loyalty program based on cashback with no restrictions on the form of payment, which gives people various options to accumulate and use this cashback from their purchases, and merchants to boost their brands and visibility only paying a fee for the sale. **BciPlus+** is already available for MACH and Bci clients.
- **~70,000 clients** have made purchases using the **BciPlus+** loyalty program since it was launched in December 2022.
- **+200 merchants** are members of **BciPlus+**.

Investments

- **27% increase in the total assets under management in the Wealth Management business** compared to 1H22. Such assets amounted to around US$23 billion as of June 30, 2023.
- **+42,000 new investment clients** attracted in 1H23.
- **Value proposition boosted by partnerships.** The bank raised the investment alternatives for its clients, by means of agreements with some of the main asset managers worldwide and funds that include environmental, social and governance (ESG) factors with a single investment approach (House View).
- **Standard of excellence in the advisory process.** In 1H23, Bci bolstered its capacities to provide:
  - Comprehensive expert advice, managed by advisors who permanently monitor the market conditions to adjust investment strategies;

[1] The contribution of subsidiaries has been considered individually (i.e., it excludes consolidation effects).

- A value proposition boosted in the digital channels, providing access to the share portfolios of Bci Corredor de Bolsa in a simple process of just three clicks;
- Access to digital investment in funds in dollars, exchange-traded funds (ETFs) and international stocks.

New Retail Banking Distribution Model

- **+128,000 new personal digital accounts,** opened in an average time of 8 minutes. Clients have evaluated this process with a satisfaction rating (SNEX) of 96%, and 70% of them entered the Bci app the same day.
- **+2,200 new SME digital accounts**, and clients evaluated the opening process with a satisfaction rating of 93%.
- +1.7 million clients have already implemented the BciPlus+ program.
- **Launch of the renewed website for SMEs.**
- Launch of the **mortgage loan repayment function on AppBci for Bci clients**.

Finance and Sustainable Investment

- **Launch of the Bci Partnership program in partnership with Socialab**. This was undertaken by means of an open tender seeking to drive projects of companies and enterprises that provide solutions for ESG issues.
- **Partnership with Enel X to accelerate the energy transition of companies**. The agreement will enable them to access the solar energy and electromobility solutions of Enel X with Bci funding at preferential rates.
- **First scaleup sponsored by Bci Corredor de Bolsa in the ScaleX Santiago Venture Exchange program.** The Chilean company ZeroQ, the developer of software to reduce waiting times, started its stock market listing process.
- **Partnership with AQUA4D LatAm to promote water efficiency using advanced technology.** Corporate clients of Bci can gain access to the solutions of this Swiss company and different financing alternatives with preferential conditions.
- **42 sustainable energy projects financed at the close of 1H23.** Bci has provided total financing of over Ch$256 billion in this area.
- **251 loans for electromobility.** At the close of 1H23, the bank had granted loans with preferential conditions of Ch$32 billion for projects with this objective. Moreover, it has funded **circular economy and sustainable agriculture** projects amounting to Ch$10 billion, and Ch$10.5 billion for **water efficiency** projects

Economic environment

- The evolution of global inflation is still the main concern of central banks. Inflation has been dropping, but this is mainly explained by a normalization of international food and energy prices. Core inflation in leading economies has only eased gradually.

- Economic activity in the United States remains robust and there were only signs of a slight slowdown in the second quarter. The labor market is undergoing very dynamic job creation, whilst wages continue to rise at a higher rate than the period before the pandemic. To address inflation, the Federal Reserve has established interest rates in the 5.0%-5.25% range and with intimation of further interest rate hikes in the second quarter.

- The economic figures in Peru improved in the second quarter, after a downward impact in the wake of social and political tensions of the previous year. Inflation has been easing, particularly the core component, and the Central Reserve Bank of Peru has made no changes to its monetary policy. GDP growth of around 2% is envisaged in 2023.

- There was a large drop in inflation in Chile during the second quarter, and the Chilean Central Bank is keeping up a highly contractionary monetary policy, which could start to normalize by the second half of the year. Economic activity has slowed down, marked by lower domestic demand, but the export sector is burgeoning. GDP growth of about -0.5% is anticipated in 2023.

Macroeconomic Variables	United States	Peru	Chile
YoY variation of the GDP (%)			
2Q 2023	2.6	1.8 (e)	-1.4 (e)
1Q 2023	1.8	-0.4	-0.6
2Q 2022	1.8	3.4	5.2
Inflation (% accumulated in 12 months)			
2Q 2023	3.0	6.5	7.6
1Q 2023	5.0	8.4	11.1
2Q 2022	9.1	8.8	9.4
Interest rates (%)			
2Q 2023	5.25	7.75	11.25
1Q 2023	5.00	7.75	11.25
2Q 2022	1.75	5.50	9.00
Unemployment (%)			
2Q 2023	3.6	6.8*	8.5
1Q 2023	3.5	7.6	8.8
2Q 2022	3.6	7.4	7.8
Labor Force Participation Rate (%)			
2Q 2023	62.6	84.5*	60.9*
1Q 2023	62.6	84.5*	61.0
2Q 2022	62.2	84.4	59.7
(e) Estimate * Preliminary figures			

Credit ratings

- All the credit rating agencies in 1H23 confirmed the credit ratings given to Bci in 2022 and maintained their stable outlook.

International Ratings

Latest ratings obtained by BCI from the main international credit rating agencies.

Standard's & Poor's	
April 2023	Rating obtained
Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-
Commercial Paper	A-2

Fitch Ratings	
October 2022	Rating obtained
Foreign and local currency long-term IDRs	A-
Outlook	Stable
Foreign and local currency short-term IDRs	F2
Viability Rating	a-
Local Currency Long Term Issuer Default Rating	A-

Moody's	
May 2023	Rating obtained
Outlook	Stable
Bank Deposits	A2 / P-1
Baseline Credit Assessment	baa1
Adjusted Baseline Credit Assessment	baa1
Senior Unsecured	A2
Bci Miami Branch Commercial Paper	P-1

Chilean Ratings

Updated ratings obtained by BCI from the main Chilean credit rating agencies.

Feller Rate	
May 2023	Rating obtained
Solvency	AAA
Outlook	Estables
Time deposits of up to 1 year	Nivel 1+
Time deposits of over 1 year	AAA
Letters of credit	AAA
Bond lines	AAA
Subordinated bonds	AA+
Shares	1st Class Level 1

Fitch Ratings	
Mayo 2023	Rating obtained
Long term	AAA (cl)
Short term	N1+(cl)
Mortgage bonds	AAA (cl)
Bond lines	AAA (cl)
Bonds	AAA (cl)
Subordinated bonds	AA (cl)
Shares	1st Class Level 1

Fundamentals of Bci ratings in 1H23

The reports highlighted that the bank has a competitive position and sound commercial stability in Chile and the United States, with a good quality of assets, proactive risk management and moderate capitalization. In terms of funding and liquidity, the credit rating agencies believe that the bank has solid diversification and strong liquidity underpinning its financial position. They also stated that the digital transformation plan has improved the bank's automation and productivity, bolstering the value proposition.

Consolidated Results

Key Financial Highlights

- With 12-month growth of 1.87% driven by this quarter, total loans at amortized cost reverted the negative trend of the two previous quarters.
- The number of Bci checking accounts rose 20% YoY.

(Ch$ million)	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Total loans	**46,429,744**	**46,283,542**	**47,299,804**	**2.20%**	**1.87%**
Interbank loans	733,306	621,437	600,465	-3.37%	-18.12%
Commercial loans	29,935,517	29,399,882	30,241,818	2.86%	1.02%
Mortgage loans	12,071,089	12,860,952	13,182,911	2.50%	9.21%
Consumer loans	3,689,832	3,401,272	3,274,610	-3.72%	-11.25%
Deposits and other demand obligations	28,336,383	23,108,933	22,486,347	-2.69%	-20.64%
Deposits and other term deposits	13,656,846	18,831,749	20,226,184	7.40%	48.10%
Total loans over Deposits (% of total loans over deposits)	12.74%	13.11%	13.40%	0.29pp	0.66pp
N° of credit cards					
N° of Bci credit cards	815,327	779,899	760,069	-2.54%	-6.78%
N° of Lider Bci credit cards	745,994	610,059	588,665	-3.5%	-21.1%
N° VISA MACH prepaid cards	3,333,989	3,731,567	3,791,202	1.6%	13.7%
N° of checking accounts	749,675	862,349	902,097	4.6%	20.3%

Bci's total loans at amortized cost climbed 2.2% QoQ and 1.87% YoY. Such increase was driven by the commercial and mortgage loan portfolios. In contrast, the consumer loan portfolio continued to decrease due to greater credit conditions and weaker demand.

Commercial loans rose 2.86% QoQ and 1.02% YoY, mainly because of higher commercial loans and foreign trade credits in a context of greater stability of international trade after the pandemic.

Mortgage loans were up 2.5% QoQ and 9.21% YoY, in line with the CPI variations. Most of the QoQ growth came from new credits granted by means of endorsable mortgage loans and other mortgage loans, and to a lesser extent the inflation effect from the UF adjustment.

The consumer loan portfolio has accumulated a 11.25% decrease YoY, mainly because of a drop in loans in installments and with credit cards, driven by the lower liquidity of people and higher unemployment rates affecting demand, along with a scenario of high market rates that restrict creditworthiness supply.

Deposits rose 1.8% QoQ and 1.7% YoY. The migration from demand deposits to time deposits continued in 2Q23 due to the levels of market rates.

Consolidated time deposits increased by around Ch$1.4 billion QoQ and Ch$6.5 billion YoY. The bank accounted for 73.9% of the consecutive quarterly growth without considering the operation of CNB (local market), whereas the market of CNB accounted for 51.2% of the half yearly growth. Demand deposits and obligations dropped Ch$622,585 million QoQ and Ch$5.85 billion YoY, mainly in checking accounts. In this case, the Chilean market accounted for 55.7% of the consecutive quarterly change and the market of City National Bank of Florida for 58.4% of the YoY decrease.

Financial margin

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Interest income	620,402	952,636	1,027,312	7.84%	65.59%	1,166,885	1,979,948	69.68%
Interest expenses	-247,616	-574,272	-633,861	10.38%	155.99%	-415,668	-1,208,133	190.65%
Financial Margin	**372,785**	**378,364**	**393,451**	**3.99%**	**5.54%**	**751,217**	**771,815**	**2.74%**
Indexation Income	504,103	229,684	248,047	8.00%	-50.79%	720,896	477,731	-33.73%
Indexation expenses	-215,404	-131,233	-126,190	-3.84%	-41.42%	-327,546	-257,423	-21.41%
Indexation Margin	**288,699**	**98,450**	**121,858**	**23.78%**	**-57.79%**	**393,350**	**220,308**	**-43.99%**
Total Financial Margin	**661,485**	**476,814**	**515,309**	**8.07%**	**-22.10%**	**1,144,567**	**992,123**	**-13.32%**

Net interest and indexation income fell Ch$146,176 million QoQ, with this amount accounting for around 96% of the half yearly comparison YoY.

The main reason for this change was indexation, due to the impact of lower inflation on the revenue of UF-indexed assets in the mortgage and commercial loan portfolios, even though the average balances of both portfolios increased in the quarter. Moreover, there was lower indexation revenue from UF-indexed bonds issued by the General Treasury of the Republic and other banks. That was partly offset by lower indexation expenditure for liabilities of debt issued in current and subordinated bonds and by treasury management of hedge accounting for adjustments of the UF.

Regarding interest, the greater funding cost of deposit-taking was offset by higher income of the commercial loan portfolio and greater returns from debt instruments issued by the Chilean Central Bank and the US Federal Reserve, due to the high interest rates. The right execution of the interest rate risk hedging strategy by the treasury also had a positive additional effect.

Net financial income

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Net Financial Income	**-76,599**	**42,183**	**22,637**	**-46.34%**	**-129.55%**	**-45,210**	**64,820**	**243.38%**
Income from financial assets at fair value through profit or loss	151,406	-29,460	28,896	-198.09%	-80.91%	85,634	-564	-100.66%
Income from FX changes, indexation and hedge accounting	-228,006	77,964	-6,376	-108.18%	-97.20%	-130,843	71,588	154.71%
Other	-	-6,321	117	-101.85%	---	-	-6,204	---

The drop in the net interest and indexation margin was offset by net financial income growing Ch$99,234 million QoQ, accounting for 90% of the half yearly comparison YoY. This increase is explained by higher income from the strategy for changes in interest rates and a less volatile exchange rate. That was in addition to a higher volume of the flow business and greater income from the sale of investment instruments associated with commercial papers of the Chilean Central Bank and the General Treasury of the Republic issued the previous period.

Net fees

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Fee income	**126,602**	**123,542**	**126,397**	**2.31%**	**-0.16%**	**252,194**	**249,939**	**-0.89%**
Prepaid loans fees	1,173	1,343	1,457	8.46%	24.20%	2,299	2,800	**21.78%**
Lines of credit and overdraft	1,272	1,207	1,233	2.08%	-3.07%	2,339	2,440	**4.30%**
Letters of credit and guarantees	7,591	7,975	8,990	12.72%	18.43%	14,617	16,965	**16.06%**
Credit card services	27,174	29,339	26,760	-8.79%	-1.52%	55,910	56,099	**0.34%**
Account administration	14,675	15,637	15,708	0.45%	7.04%	28,604	31,345	**9.58%**
Charges for collection and payments	17,073	18,868	18,385	-2.55%	7.68%	34,753	37,253	**7.19%**
Securities management and intermediation	2,135	1,343	1,482	10.29%	-30.61%	4,416	2,825	**-36.03%**
Investment in mutual funds	15,121	13,775	14,487	5.17%	-4.19%	30,825	28,262	**-8.31%**
Insurance brokerage fees	14,029	12,348	14,038	13.69%	0.07%	27,171	26,386	**-2.89%**
Factoring	1,349	1,273	1,293	1.57%	-4.18%	2,615	2,566	**-1.88%**
Financial advisory services	2,326	3,409	3,349	-1.77%	43.95%	5,426	6,758	**24.54%**
Other	22,684	17,024	19,216	12.88%	-15.29%	43,219	36,240	**-16.15%**
Fee expenses	**-36,410**	**-42,082**	**-41,647**	**-1.04%**	**14.38%**	**-70,711**	**-83,729**	**18.41%**
Cost for credit card operations	-12,136	-14,595	-13,963	-4.32%	15.06%	-23,509	-28,558	21.48%
Loyalty programs	-6,942	-9,385	-8,057	-14.14%	16.07%	-13,198	-17,442	32.15%
Operations with securities	-10,260	-12,299	-12,597	2.42%	22.77%	-19,347	-24,896	28.68%
Other	-7,071	-5,804	-7,029	21.10%	-0.60%	-14,657	-12,833	-12.44%
Net Fees	**90,193**	**81,459**	**84,751**	**4.04%**	**-6.03%**	**181,484**	**166,210**	**-8.42%**

Net fee income dropped Ch$5,441 million QoQ. In the Chilean market, the fees earned maintained their level, whereas the fees paid increased more, accounting for around 87% of the fee expenditure.

The increase in the fees paid was due to the higher administrative expense of credit cards (loyalty programs), of brokerage operations in purchases of financial instruments, and operations with securities.

Operating expenses

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Operating expenses	**-283,742**	**-288,844**	**-308,634**	**6.85%**	**8.77%**	**-561,525**	**-597,478**	**6.40%**
HR-related expenses	-155,590	-157,622	-160,222	1.65%	2.98%	-303,288	-317,844	4.80%
Management	-98,400	-104,097	-115,561	11.01%	17.44%	-186,362	-219,658	17.87%
Depreciation and amortization	-27,826	-27,854	-27,595	-0.93%	-0.83%	-55,773	-55,449	-0.58%
Other	-1,926	729	-5,256	-821.30%	172.84%	-16,103	-4,527	-71.89%

Operating expenses rose Ch$25,091 million QoQ, accounting for 69.4% of the half yearly comparison YoY There was a Ch$36,152 million increase in expenses in the half yearly accumulated comparison. That was due to: greater investment in technology related to the strategic priorities, operational efficiency and IT security; the wage adjustment for the CPI variation (a benefit that is applied in March and September in accordance with the employee experience model of Bci); and Bci's advertising expenditure from greater media publicity, sponsorships, events and gifts associated with the Chilean Football Team; and the MACH and digital ecosystem campaigns.

Risk

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Provisions constituted for credit risk of loans at amortized cost	-135,112	-140,831	-139,674	-0.82%	3.38%	-226,893	-280,505	23.63%
Special provisions for credit risk	1,651	861	6,329	634.70%	283.42%	-55,298	7,190	-113.00%
Recoveries of written-off credits	23,459	19,424	17,936	-7.66%	-23.54%	42,099	37,360	-11.26%
Impairment due to credit risk of other financial assets at amortized cost	-9,779	-8,287	2,570	-131.01%	-126.28%	-18,189	-5,717	-68.57%
Provisions	**-119,781**	**-128,833**	**-112,839**	**-12.41%**	**-5.80%**	**-258,282**	**-241,672**	**-6.43%**

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Provisions/ Total loans	**1.84%**	**1.92%**	**1.88%**	**-0.04pp**	**0.05pp**
Provisions / Commercial loans	1.69%	1.59%	1.58%	-0.01pp	-0.12pp
Provisions / Mortgage loans	0.57%	0.65%	0.68%	0.03pp	0.11pp
Provisions / Consumer loans	7.51%	9.97%	9.95%	-0.03pp	2.43pp
NPLs coverage (1)	**297.60%**	**243.22%**	**225.10%**	**-18.12pp**	**-72.50pp**
NPLs coverage (2)	**202.57%**	**165.63%**	**154.22%**	**-11.41pp**	**-48.35pp**
NPLs coverage - Commercial (2)	190.55%	157.18%	141.85%	-15.33pp	-48.70pp
NPLs coverage - Mortgage (2)	84.82%	75.05%	74.23%	-0.82pp	-10.60pp
NPLs coverage - Consumer (2)	376.79%	263.87%	267.73%	3.86pp	-109.06pp
NPLs (consolidated clients)	**0.92%**	**1.18%**	**1.24%**	**0.06pp**	**0.32pp**
+90 days delinquent loan portfolio/ Commercial loans	0.89%	1.01%	1.11%	0.10pp	0.22pp
+90 days delinquent loan portfolio/ Mortgage loans	0.68%	0.87%	0.92%	0.05pp	0.24pp
+90 days delinquent loan portfolio/ Consumer loans	1.99%	3.78%	3.71%	-0.06pp	1.72pp

(1) NPLs coverage = stock of provisions + additional (consolidated balance)/+90 days delinquent loan portfolio (consolidated balance).
(2) NPLs coverage = stock of provisions (consolidated balance)/+90 days delinquent loan portfolio (consolidated balance)

The credit loss expense dropped Ch$6,942 million in the quarterly comparisons YoY, accounting for 41.8% of the half yearly comparison YoY. This decrease is explained by three factors:

- We witnessed a lower impairment expense for the credit risk of investment instruments contained in our portfolios and held at amortized cost, mainly at the CNB operation amounting to Ch$12,249 million.
- A higher constitution of provisions [J1] in the mortgage and consumer loan portfolios of Ch$3,275 million and Ch$14,405 million, respectively.
- There was also a lower constitution of provisions of Ch$13,361 million and lower recovery of loan write-offs in the commercial loan portfolio.

Our risk ratio increased 4 basis points YoY in June, with the effect of higher delinquency and risk rates in consumer and mortgage loans prevailing. The consecutive 4 basis points decrease QoQ was due to lower risk in the commercial portfolios.

Regarding the delinquent loan portfolio, the current delinquency levels are still lower than those before the pandemic but increased considerably last year. In the wholesale banking business, the risk and level of provisions for commercial loans have remained stable but below the previous year, whereas in retail banking there has been credit impairment in all the loan portfolios, with an increase in risk and provisions, mainly in the personal banking segment.

As of May, delinquency in the banking industry continues to rise in all the portfolios, reaching 1.94% of total loans. The highlight is the historical high delinquency in the consumer loan portfolio since June 2020, which is in line with the greater risk recorded by Banco Bci. On the other hand, in the same period Banco Bci has had lower delinquency ratios in the mortgage and commercial loan portfolios compared to the average of the banking industry.

The coverage ratio is 225.1% (including voluntary coverage), leaving the bank well positioned to address tougher delinquency scenarios. January through May this year, we had a decrease of 2.3 pp due to greater delinquency above the stock of risk and additional provisions constituted. The banking industry in Chile had a greater decrease in the same period, dropping 15.1 pp from 204.96% to 189.85%.

Taxes

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22	1H22	1H23	YoY
Income before taxes	291,453	196,538	215,751	9.78%	-25.97%	497,344	412,289	-17.10%
Tax	-39,959	-25,593	-13,851	-45.88%	-65.34%	-56,416	-39,444	-30.08%
Net Income	**251,495**	**170,946**	**201,899**	**18.11%**	**-19.72%**	**440,928**	**372,845**	**-15.44%**

Tax payment dropped Ch$16,971 million YoY, due to the following factors:

- A lower tax expense from a drop in net income before tax. In 1H23, net income before tax was Ch$412,289 million (versus Ch$497,344 million YoY), which led to lower corporate tax of Ch$22,965 million;
- A positive effect of price-level restatement at CNB of Ch$14,814 million, caused by the exchange rate dropping Ch$41 in Chile, whereas last year it rose Ch$5 in the same period;
- A negative effect of price-level restatement of own tax capital of Ch$48,479 million, on account of a lower comparative YoY variation of the CPI, as in 1H23 the CPI variation was +2.0% compared to +6.9% last year;
- A positive tax effect of Ch$18,748 million due to the income tax payment adjustment in 2022 under article 72 of the Income Tax Law (LIR, according to the Spanish acronym), and because in 2023 there are greater tax benefits than the previous year for tax credits paid abroad, differences of tax rates according to the jurisdiction (USA and Peru), and revenue of the Bci Miami branch, among others; and
- A positive effect of Ch$8,923 million according to the valuation of bonds associated with article 104 of the LIR for the appreciation of central government bonds. This is since this year there has been a positive valuation of Ch$8,545 million, whereas last year there was a negative valuation of Ch$30,487 million

Results by Business Segment

Personal Banking

- Mortgage loans grew by about 10% in 12 months.
- Time deposits offset the drop in demand deposits, surging by around 40%..

Amounts in millions of Chilean pesos (Ch$)	Accumulated to June 30		Variation (%)
Income Statement	**2022**	**2023**	**YoY**
Financial margin	296,077	268,945	-9.16%
Net fees	85,266	70,128	-17.75%
Other net operating income	2,225	1,572	-29.35%
Total operating income	**383,568**	**340,645**	**-11.19%**
Provisions	-75,955	-124,990	64.56%
Net operating income	**307,613**	**215,655**	**-29.89%**
Operating expenses	-187,163	-196,400	4.94%
Net Income before Taxes	**120,449**	**19,255**	**-84.01%**
Balance Sheet			
Assets	13,402,871	14,055,558	4.87%
Liabilities	7,690,346	8,162,695	6.14%
Loans and accounts receivable from customers (1)	13,902,594	13,638,702	-1.90%
Demand and term deposits (2)	7,459,828	7,269,631	-2.55%

(1) These are loans receivable from customers, plus the balance owed by banks, without deducting the respective provisions.
(2) These are demand deposits and other obligations, time deposits and other deposits.

In the Personal Banking segment the increase in assets, is mainly explained by mortgage loans that rose +9.6% in 12 months, partly explained by the CPI variation. Consumer loans dropped -7.8%, due to less dynamic loans in installments and the sale of a portfolio of payroll loans.

Liabilities increased, mainly from investments in time deposits (+39.7% YoY),considering the current rates and more than offsetting the drop in demand deposits.

The financial margin fell 9.16% YoY, largely because of lower volumes of consumer loans and demand deposits. Net fees dropped Ch$15,138 million, because of the impact of lower credit and debit card exchange rates and fewer ATM transactions.

On the other hand, there was a higher risk expense, explained by greater Npl' s of the consumer loan portfolio, which has already reached the levels of before the pandemic and led to greater write-offs.

SME Banking

- The commercial loan portfolio has grown with healthy risk indicators.

Amounts in millions of Chilean pesos (Ch$)	Accumulated to June 30		Variation (%)
Income Statement	**2022**	**2023**	**YoY**
Financial margin	102,065	97,171	-4.79%
Net fees	17,477	16,345	-6.47%
Other net operating income	6,006	5,323	-11.37%
Total operating income	**125,548**	**118,840**	**-5.34%**
Provisions	-44,433	-19,213	-56.76%
Net operating income	**81,115**	**99,628**	**22.82%**
Operating expenses	-57,773	-67,393	16.65%
Net Income before Taxes	**23,341**	**32,235**	**38.10%**
Balance Sheet			
Assets	2,951,306	2,682,157	-9.12%
Liabilities	2,404,693	2,411,602	0.29%
Loans and accounts receivable from customers (1)	3,105,061	2,575,475	-17.06%
Demand and term deposits (2)	2,485,396	2,227,178	-10.39%

(1) These are loans receivable from customers, plus the balance owed by banks, without deducting the respective provisions.
(2) These are demand deposits and other obligations, time deposits and other deposits.

SME Banking loans decreased, mainly due to the amortizations of the portfolio associated with the FOGAPE COVID-19 and REACTIVA credits. Excluding those operations, commercial loans grew, largely due to the Chilean Economic Development Agency (CORFO)-backed foreign trade credit (COBEX) and the Chile Apoya program through the Guarantee Fund for Small Entreprises (FOGAPE, according to the Spanish acronym), particularly in the medium-sized enterprise segment.

This has enabled over a third of the loan portfolio to be backed by state collaterals. This, along with the effectiveness of the collection of FOGAPE guarantees and the lower risk rates in the FOGAPE COVID-19 and REACTIVA portfolio, have allowed the commercial loan portfolio to grow with positive risk indicators.

Wholesale Banking

- Operating income rose 11.8% YoY, due to a large decrease in risk expenditure.
- Greater spreads offset the slowdown of loan growth.

Amounts in millions of Chilean pesos (Ch$)	Accumulated to June 30		Variation (%)
Income Statement	**2022**	**2023**	**YoY**
Financial margin	263,746	274,237	3.98%
Net fees	40,771	45,313	11.14%
Other net operating income	33,795	32,259	-4.55%
Total operating income	**338,312**	**351,809**	**3.99%**
Provisions	-50,079	-29,900	-40.29%
Net operating income	**288,233**	**321,908**	**11.68%**
Operating expenses	-85,982	-95,758	11.37%
Net Income before Taxes	**202,251**	**226,150**	**11.82%**
Balance Sheet			
Assets	11,206,905	11,817,692	5.45%
Liabilities	11,019,880	10,654,771	-3.31%
Loans and accounts receivable from customers (1)	11,766,609	11,341,829	-3.61%
Demand and term deposits (2)	11,765,412	10,088,448	-14.25%

(1) These are loans receivable from customers, plus the balance owed by banks, without deducting the respective provisions.
(2) These are demand deposits and other obligations, time deposits and other deposits.

The operating income of Wholesale Banking accumulated as of June 2023 is 3.99% higher than those obtained during the first six months of 2022. This result was influenced by our pricing strategy combined with an increase in income from net commissions, which offset the decrease in the volume of loans.

Also, this quarter, we highlight the positive results in Sales & Trading based on the relationship and knowledge of clients and their industries. In this line, the corporate segment stands out, which doubled the volume of operations in spot and forward currency products compared to 2022. Likewise, the bank doubled the transaction carried out via digital channels.

Also, we continue with great traction in 360 Connect, which is seen in the positive evaluation of our clients, which is reflected in increasing levels of self-service, where clients manage their information and the processing of online credits.

Regarding our subsidiaries in this period, we emphasize the growth of the Bci Factoring portfolio, which complements the value offered for our line.

The downward trend in non-interest-bearing deposits continued in the first six months of the year, ending with a decrease of 14.25% compared to 1H22. This is largely due to the decrease in foreign currency deposits and the use of the higher level of liquidity that clients maintained during 2022. Despite the decline in non-interest-bearing deposits and loans, the operating result generated is 11.82% higher than in 2022, driven by higher commission levels and a 40.29% decrease in risk expenses.

Finance

- The Treasury unit managed to arrange financing at consistently competitive prices.
- The specialized *Global Finance* magazine recognized Bci as the "Best FX (Foreign Exchange) Bank in Chile."

Amounts in millions of Chilean pesos (Ch$)	**Accumulated to June 30**		**Variation (%)**
Income Statement	**2022**	**2023**	**YoY**
Financial margin	146,197	66,195	-54.72%
Net fees	4,040	3,731	-7.64%
Other net operating income	-75,325	35,931	-147.70%
Total operating income	**74,913**	**105,857**	**41.31%**
Provisions	-6,698	-3,996	-40.35%
Net operating income	**68,214**	**101,861**	**49.32%**
Operating expenses	-37,455	-35,987	-3.92%
Net Income before Taxes	**30,759**	**65,874**	**114.16%**
Balance Sheet			
Assets	27,781,497	26,761,221	-3.67%
Liabilities	31,520,581	30,916,838	-1.92%
Loans and accounts receivable from customers (1)	5,625,737	5,071,261	-9.86%
Demand and term deposits (2)	5,528,747	5,466,493	-1.13%

(1) These are loans receivable from customers, plus the balance owed by banks, without deducting the respective provisions.
(2) These are demand deposits and other obligations, time deposits and other deposits.

The interest and indexation income of the Finance segment dropped YoY, mainly due to the lower inflation at the close of the period. (The accumulated half yearly variation of the UF was 2.79% in June 2023 and 6.76% in June 2022).

That was offset by a better performance of the financial operations income item, in which the dynamics of rates boosted the results of proprietary risk management.

Líder Bci Servicios Financieros

- The greater levels of delinquency continued to hit results.
- Líder Bci Servicios Financieros was recognized as one of the 10 best companies for young professionals in Chile, according to the female talent ranking of Employers for Youth (EFY), and obtained third place in the Building Happiness 2023 ranking by Buk for organizations of over 500 employees.

Amounts in millions of Chilean pesos (Ch$)	Accumulated to June 30		Variation (%)
Income Statement	**2022**	**2023**	**YoY**
Financial margin	61,322	50,724	-17.28%
Net fees	16,434	13,214	-19.60%
Other net operating income	9,067	6,774	-25.29%
Total operating income	**86,823**	**70,712**	**-18.56%**
Provisions	-50,194	-71,582	42.61%
Net operating income	**36,629**	**-870**	**-102.38%**
Operating expenses	-41,058	-38,863	-5.35%
Net Income before Taxes	**-4,428**	**-39,733**	**797.22%**
Balance Sheet			
Assets	698,495	549,791	-21.29%
Liabilities	603,174	461,222	-23.53%
Loans and accounts receivable from customers (1)	723,738	546,632	-24.47%
Demand and term deposits (2)	4,406	2,650	-39.85%

(1) These are loans receivable from customers, plus the balance owed by banks, without deducting the respective provisions.

(2) These are demand deposits and other obligations, time deposits and other deposits.

In 1H23, Líder Bci Servicios Financieros reported lower income from fees and services provided. That was due to: a lower flow of loans of products of the super advance line; lower prepaid fee income from the drop in loans; and higher collection surcharge fees associated with greater NPLs of 30 to 90 days.

The higher risk levels led to a greater credit loss expense, mainly explained by the increase in NPLs of 90 days or more. This expense is also related to greater write-offs and their lower recovery, and to a lower provision expense (June was the fourth month running with the release of a provision for delinquency amounting to an accumulated Ch$6,623 million as of the close of 1H23). There are still additional voluntary provisions of Ch$23,500 million.

As part of the initiatives to minimize the risk of fraud, the company blocked 68,694 magnetic stripe credit cards. On the other hand, it carried out campaigns to enhance digitalization. This enabled it in March to increase the number of new clients by 44% compared to the previous month and reach 1,000 digital credit cards, and during Cyberday in May increase the digital channel share of Walmart's total sales to 25%.

72% of the customer service of the total business is generated in digital channels. In regard to 1H22, there were lower operating expenses, explained by the decrease in activity related to variable remunerations and telemarketing fees; lower marketing and advertising expenditure; and less activation of investment projects.

City National Bank of Florida

- The liquidity and capital ratios of CNB have improved in all areas since late 2022.
- The higher funding cost and exchange rate explain the lower income YoY.

Amounts in millions of Chilean pesos (Ch$)	Accumulated to June 30		Variation (%)
Income Statement	**2022**	**2023**	**YoY**
Financial margin	251,530	212,915	-15.35%
Net fees	17,357	15,911	-8.33%
Other net operating income	14,975	15,982	6.73%
Total operating income	**283,861**	**244,808**	**-13.76%**
Provisions	-19,903	-10,886	-45.30%
Net operating income	**263,958**	**233,922**	**-11.38%**
Operating expenses	-121,005	-121,597	0.49%
Net Income before Taxes	**142,953**	**112,325**	**-21.43%**
Balance Sheet			
Assets	21,482,202	21,077,400	-1.88%
Liabilities	19,636,459	19,326,678	-1.58%
Loans and accounts receivable from customers (1)	11,305,123	14,125,905	24.95%
Demand and term deposits (2)	14,749,439	17,658,131	19.72%

(1) These are loans receivable from customers, plus the balance owed by banks, without deducting the respective provisions.

(2) These are demand deposits and other obligations, time deposits and other deposits.

CNB successfully addressed the crisis of the US banking industry in the first quarter by executing a timely and effective communication plan for its clients and employees. Besides monitoring the eventual impacts, the bank contacted thousands of clients, explaining the differences of its risk profile from that of stressed banks. Moreover, it offered them the insured cash sweep (ICS) service of up to US$150 million.

With the migration to ICS, the percentage of insured and guaranteed deposits of CNB was 65% at the close of 1H23 (versus 35% in December 2022). Furthermore, the balance of total client deposits increased YoY.

CNB's results in 1H23 were hit by a higher deposit cost that reduced its interest margin by Ch$38,614 million. This effect largely explains the 21.4% decrease in its operating income YoY.

This impact was offset by the lower credit risk provision expense of Ch$9,017 million, due to lower investment portfolio impairment of Ch$13,230 million (portfolio on maturity of Ch$7,127 million and available-for-sale of Ch$6,103 million due to the lower probability of impairment of portfolio instruments, along with the drop in the exchange rate).

CNB's balance sheet under Chilean accounting regulations had a 1.88% decrease in assets, mainly explained by the exchange rate effect. CNB's loan portfolio amounts to Ch$14,125,905 million as of June 2023 (equivalent to US$17,629 million), increasing 1.4% YoY, and 16.7% in US dollars.

Likewise, liabilities dropped 1.58% but in US dollars rose 13.3%. The highlight of this account was the positive trend of time deposits (+20.2% YoY), whereas demand deposits dropped 20.1% YoY.

Financial Position

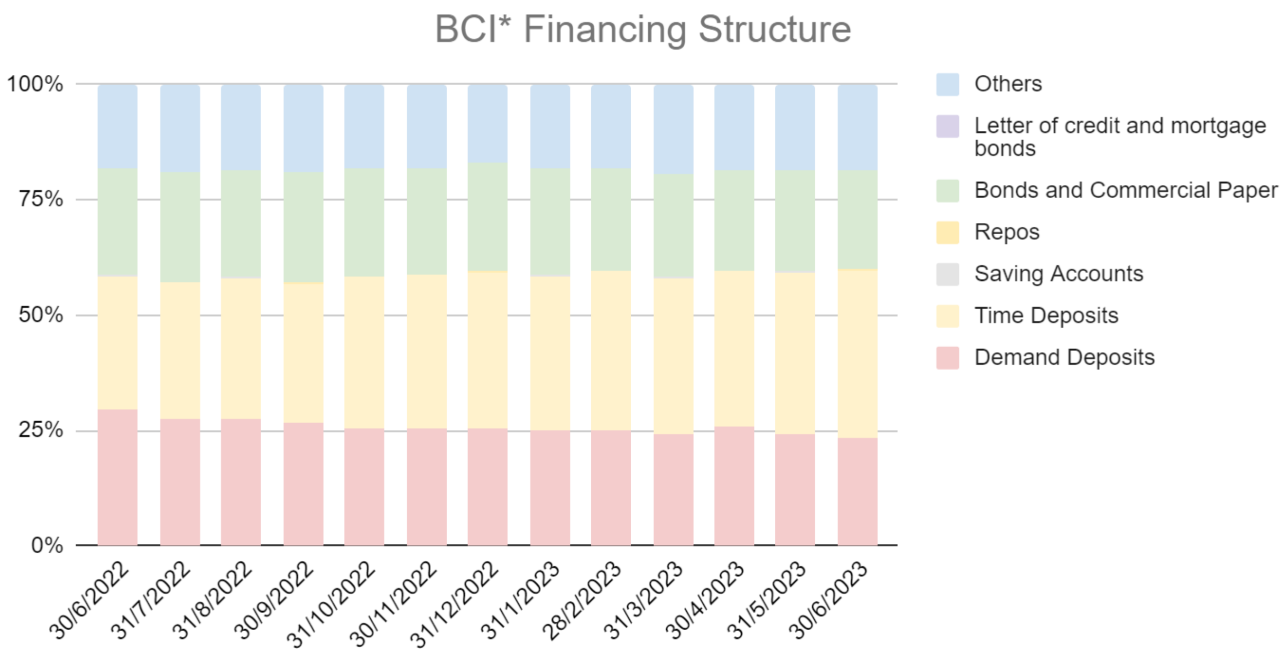
Solvency

- As of June 2023, Bci's **capital adequacy ratio (CAR)** is 13.40%, a 66 pp improvement YoY. The **CET1 ratio is** 9.82%, improving 51 pp YoY.

	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Available Capital (Ch$ million)					
Capital and reserves	4,198,299	5,019,436	4,766,400	-5.04%	13.53%
Valuation accounts	139,913	-114,604	-18,538	-83.82%	-113.25%
Net income in the period	440,852	170,910	372,775	118.11%	-15.44%
Provision for dividends	-132,256	-297,519	-111,833	-62.41%	-15.44%
Non-controlling interest	1,278	1,301	1,350	3.73%	5.66%
Goodwill	-188,517	-145,615	-146,833	0.84%	-22.11%
Discounts CET1	-	-46,558	-60,923	30.85%	---
Tier 1Basic capital (CET1)	4,459,569	4,587,350	4,802,398	4.69%	7.69%
Tier 1 capital	4,938,649	4,829,186	5,046,892	4.51%	2.19%
Effective equity	6,101,922	6,340,238	6,553,497	3.36%	7.40%
Risk-weighted assets (amount)					
Market risk-weighted assets	3,651,986	3,695,007	3,759,620	1.75%	2.95%
Operational risk-weighted assets	3,342,836	3,956,959	4,104,193	3.72%	22.78%
Credit risk-weighted assets	40,913,136	40,715,245	41,034,934	0.79%	0.30%
Total risk-weighted assets (RWA)	47,907,958	48,367,211	48,898,748	1.10%	2.07%
Risk-based capital ratios (% of RWAs)					
CET1 ratio (%)	9.31%	9.48%	9.82%	0.34pp	0.51pp
Tier 1 ratio (%)	10.31%	9.98%	10.32%	0.34pp	0.01pp
Effective equity ratio (%)	12.74%	13.11%	13.40%	0.29pp	0.67pp
Capital básico adicional (porcentaje de los APR)					
Conservation buffer requirement (%)	0.625%	1.250%	1.250%	0.00pp	0.63pp
Countercyclical buffer requirement (%)	0.000%	0.000%	0.000%	0.00pp	0.00pp
Additional requirements for D-SIB (%)	0.000%	0.375%	0.375%	0.00pp	0.38pp
Additional capital required for the evaluation of the adequacy of effective capital (Pillar 2)	0.000%	0.000%	0.000%	0.00pp	0.00pp
Total additional core capital requirements (%)	0.625%	1.625%	1.63%	0.00pp	1.00pp
Leverage ratio					
Leverage ratio (%)	5.970%	5.520%	6.34%	0.82pp	0.37pp

- **Effective equity** rose 7.40% YoY, mainly due to higher net income and a lower loss in the valuation accounts associated with the available-for-sale (AFS) portfolio, which dropped 10.52% in 1H23 due to the lower interest rates in Chile and the USA. Inflation expectations were downgraded with a positive impact on cash flow hedges of Ch$166,068 million YoY. The incorporation of CET1 discounts related to Basel III (mainly hedges, intangible assets and deferred taxes) had a negative impact of Ch$60,684 million[J1] YoY. Subordinated bonds amounted to Ch$1,341,235 million as of June 2023, increasing 9.97% YoY, and additional provisions are Ch$409,865 million.
- As of June 2023, **risk-weighted assets (RWA)** without the exchange rate effect rose 5.76% YoY due to the increase in credit risk-weighted assets (CRWA) in Chile and abroad, and also operational risk-weighted assets (ORWA).

Financing Sources and Liquidity



(*excl. CNB and subsidiaries)

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Customer financing					
Time deposits	13,656,846	18,831,749	20,226,184	7.40%	48.10%
Demand deposits	28,336,383	23,108,933	22,486,347	-2.69%	-20.64%
Other sources of financing					
Current bonds	7,940,541	7,878,538	7,627,569	-3.19%	-3.94%
Letters of credit	2,824	1,335	1,125	-15.72%	-60.16%

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Liquidity coverage ratio (LCR)					
High-quality liquid assets (HQLA)	3,238,119	5,151,631	4,873,690	-5.40%	50.51%
Net expenses	1,562,377	1,769,830	1,620,913	-8.41%	3.75%
LCR (%) (HQLA/Net expenses)	207.3%	291.1%	300.7%	9.60pp	93.40pp
Net Stable Funding Ratio (NSFR)					
Available stable funding (ASF)	32,325,811	32,396,681	32,698,932	0.93%	1.15%
Required stable funding (RSF)	32,639,590	31,568,203	30,254,939	-4.16%	-7.31%
NSFR (%) (ASF/RSF)	99.039%	102.624%	108.08%	5.45pp	9.04pp

BCI is characterized by having a sound liquidity position. This is evident in our liquidity ratios, both short-term and structural liquidity, exceeding what is required by the regulator.

Regarding the LCR, the highlight is the constant increase in our high-quality liquid assets, directly reflected by an increase in the ratio. Such assets rose from Ch$3,238,119 million at the close of 1H22 to Ch$4,873,690 million at the close of 1H23, maintaining a level of stable net disbursements.

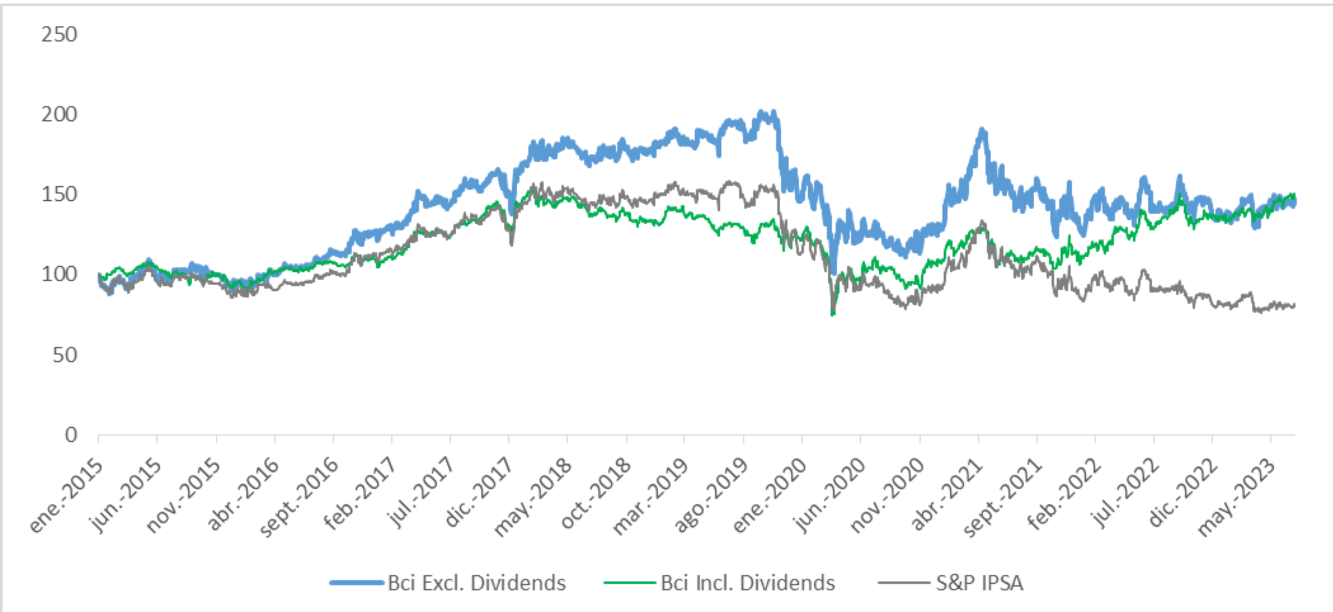
Concerning our NSFR, stability is also evident with a slight upward trend. This is reflected by the bank's sound liquidity structure, maintaining constant available stable funding last year. With regard to the latter point, this is reflected by the evolution of our main sources of financing in percentage terms, with retail funding accounting for a large part of our funding.

Lastly, it should be highlighted that Bci has a medium-term funding plan that aims to carry on improving its liquidity performance, both individually and as whole with its subsidiaries.

Market value

Return of Bci shares versus S&P IPSA*

(Baseline: 100: January, 2015)



Source: Bloomberg.

In 2023 we have witnessed high volatility in the stock market in Chile and abroad, reflected by Bci's share price.

The shares of Banco de Crédito e Inversiones are listed on the Santiago Stock Exchange and Chilean Electronic Stock Exchange

Indicators	2021				2022				2023	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Closing price (Ch$/share)	38,101	31,001	29,600	24,890	28,345	26,862	24,600	24,390	23,301	24,498
Minimum price (Ch$/share)	28,850	31,001	29,100	24,622	25,605	25,200	24,600	23,800	22,920	22,750
Maximum price (Ch$/share)	38,489	39,960	33,521	28,018	30,601	30,959	28,720	26,388	26,550	25,000
12-month return of Bci shares* (%)	45.54	19	21.57	-4.75	-22.05	-5.89	-2.24	10.00	-1.52	5.41
12-month return of IPSA (%)	40.45	45.03	19.94	3.14	0.79	14.29	17	22.13	7.85	16.90
Price-to-book (P/B) ratio (times)	1.42	1.40	44.93	0.90	44.93	0.90	0.89	0.77	0.82	0.87
Market capitalization (Ch$ million)	5,668,207	4,611,955	4,403,531	3,541,835	4,418,603	4,187,423	4,153,399	4,117,943	3,934,079	4,136,177

* Includes adjustments for dividends and changes in capital (source: Bloomberg).

Appendix

Consolidated Income Statement as of June 30, 2023

Ch$ million	BCI+subsidiaries + Branches	CNB+BCI FG	SSFF	Peru	Elimination by CNB + BCI FG + SSFF	Consolidated Total
Net interest income	485,428	212,915	50,724	2,860	19,887	771,814
Net income from indexation	220,178	0	0	130	0	220,308
Net fee income	136,985	15,911	13,214	100	0	166,210
Net financial Income	55,508	8,958	171	183	0	64,820
Other operating income	(46,841)	10,611	6,603	0	57,914	28,287
TOTAL OPERATING INCOME	**851,258**	**248,395**	**70,712**	**3,273**	**77,801**	**1,251,439**
Expenses for employee benefit obligations	(236,350)	(67,912)	(11,904)	(1,678)	0	(317,844)
Administration expenses	(158,289)	(39,904)	(22,942)	(1,926)	3,403	(219,658)
Depreciation and amortization	(39,387)	(11,695)	(3,289)	(1,078)	0	(55,449)
Impairment of non-financial assets	(7)	0	0	0	0	(7)
Other operating expenses	(1,696)	(2,086)	(728)	(10)	0	(4,520)
TOTAL OPERATING EXPENSES	**(435,729)**	**(121,597)**	**(38,863)**	**(4,692)**	**3,403**	**(597,478)**
OPERATING INCOME BEFORE CREDIT LOSSES	**415,529**	**126,798**	**31,849**	**(1,419)**	**81,204**	**653,961**
Provisions for credit risk due to banks and loans and accounts receivable from customers	(193,225)	(10,554)	(76,265)	(461)	0	(280,505)
Special provisions for credit risk	1,346	5,152	693	(1)	0	7,190
Recovery of written-off credits	33,145	225	3,990	0	0	37,360
Impairment due to credit risk of other financial assets at amortized cost and financial assets	(1)	(5,710)	0	(6)	0	(5,717)
EXPENSES FOR CREDIT LOSSES	**(158,735)**	**(10,887)**	**(71,582)**	**(468)**	**0**	**(241,672)**
OPERATING INCOME	**256,794**	**115,911**	**(39,733)**	**(1,887)**	**81,204**	**412,289**
Income from continuing operations before tax	**256,794**	**115,911**	**(39,733)**	**(1,887)**	**81,204**	**412,289**
Tax	(26,470)	(25,690)	12,236	480	0	(39,444)
NET INCOME	**230,324**	**90,221**	**(27,497)**	**(1,407)**	**81,204**	**372,845**

Consolidated Balance Sheet as of June 30, 2023

Ch$ million	BCI + Subidiaries + Branches	CNB + BCI FG	SSFF	Peru	Elimination by CNB + BCI FG + SSFF	Consolidated Total
ASSETS						
Cash and bank deposits	**3,253,567**	**459,471**	**3,244**	**25,439**	**(1,965)**	**3,739,756**
Transactions with settlement in progress	**820,322**	**0**	**0**	**0**	**0**	**820,322**
Financial assets to be traded at fair value through profit or loss	**6,724,769**	**99,192**	**0**	**0**	**0**	**6,823,961**
Financial derivative contracts	5,902,562	69,650	0	0	0	5,972,212
Debt financial instruments	741,812	0	0	0	0	741,812
Others	80,395	29,542	0	0	0	109,937
Financial assets at fair value with changes in other comprehensive income	**7,116,403**	**3,150,628**	**0**	**22,115**	**0**	**10,289,146**
Debt financial instruments	7,116,403	3,150,628	0	22,115	0	10,289,146
Financial derivative contracts for hedge accounting	**1,761,328**	**0**	**0**	**0**	**0**	**1,761,328**
Financial assets at amortized cost	**33,565,574**	**16,366,135**	**450,164**	**126,218**	**(368,731)**	**50,139,360**
Rights for repurchase agreements and securities loans	194,913	0	0	0	0	194,913
Debt financial instruments	1,179,167	2,358,218	0	0	0	3,537,385
Owed by banks	555,315	0	0	44,228	0	599,543
Loans and accounts receivable from customers - Commercial	19,009,315	11,038,197	4,455	81,990	(368,731)	29,765,226
Loans and accounts receivable from customers - Mortgage	10,169,482	2,923,874	0	0	0	13,093,356
Loans and accounts receivable from customers - Consumer	2,457,382	45,846	445,709	0	0	2,948,937
Investments in companies	**1,975,978**	**105,909**	**0**	**0**	**(1,940,804)**	**141,083**
intangible assets	**230,812**	**149,291**	**11,569**	**9,715**	**0**	**401,387**
Fixed assets	**194,947**	**49,372**	**98**	**1,549**	**0**	**245,966**
Assets for the right to use leased goods	**96,293**	**38,461**	**9,084**	**1,312**	**0**	**145,150**
Current taxes	**154,518**	**1,523**	**796**	**316**	**0**	**157,153**
Deferred taxes	**337,591**	**109,110**	**60,210**	**2,063**	**0**	**508,974**
Other assets	**1,134,922**	**548,309**	**14,631**	**546**	**(30,656)**	**1,667,752**
Non-current assets and disposal groups for sale	**40,291**	**0**	**0**	**0**	**0**	**40,291**
TOTAL ASSETS	**57,469,506**	**21,077,401**	**549,796**	**189,273**	**(2,342,156)**	**76,943,820**
LIABILITIES						
Transactions with settlement in progress	**776,339**	**0**	**0**	**0**	**0**	**776,339**
Financial liabilities to be traded at fair value through profit or loss	**5,527,919**	**43,485**	**0**	**0**	**0**	**5,571,404**
Financial liabilities designated at fair value through profit or loss	**0**	**0**	**0**	**0**	**0**	**0**
Financial derivative contracts for hedge accounting	**2,551,253**	**37,501**	**0**	**0**	**0**	**2,588,754**
Financial liabilities at amortized cost	**40,035,041**	**19,114,436**	**364,515**	**82,728**	**(381,137)**	**59,215,583**
Deposits and other obligations at sight	8,867,092	13,617,406	2,650	1,164	(1,965)	22,486,347
Deposits and other time deposits	16,115,542	4,040,725	0	69,917	0	20,226,184
Obligations for repurchase agreements and securities loans	492,768	85,140	0	0	0	577,908
Obligations with banks	6,675,773	0	361,865	11,647	(379,172)	6,670,113
Debt financial instruments issued	7,628,694	0	0	0	0	7,628,694
Other financial obligations	255,172	1,371,165	0	0	0	1,626,337
Obligations for lease contracts	**88,792**	**29,585**	**11,188**	**1,242**	**0**	**130,807**
Issued regulatory capital financial instruments	**1,527,685**	**0**	**0**	**0**	**0**	**1,527,685**
Provisions for contingencies	**116,704**	**34,506**	**3,286**	**485**	**0**	**154,981**
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	**111,833**	**0**	**0**	**0**	**0**	**111,833**
Special provisions for credit risk	**446,416**	**9,857**	**25,222**	**1**	**0**	**481,496**
Current taxes	**2,530**	**0**	**0**	**0**	**0**	**2,530**
Deferred taxes	**2,208**	**0**	**0**	**0**	**0**	**2,208**
Other liabilities	**1,274,113**	**57,310**	**57,013**	**1,966**	**(20,214)**	**1,370,188**
TOTAL LIABILITIES	**52,460,833**	**19,326,680**	**461,224**	**86,422**	**(401,351)**	**71,933,808**
EQUITY						
Capital	**4,766,258**	**1,214,997**	**168,096**	**110,125**	**(1,493,218)**	**4,766,258**
Bookings	**0**	**798,899**	**(4,503)**	**0**	**(794,396)**	**0**
Accumulated other comprehensive income	**(18,537)**	**(354,662)**	**0**	**27**	**354,635**	**(18,537)**
Items that will not be reclassified in profit or loss	142	(1,671)	0	77	1,594	142
Items that can be reclassified in profit or losss	(18,679)	(352,991)	0	(50)	353,041	(18,679)
Accumulated profits (losses) from previous years	**0**	**0**	**(47,526)**	**(5,896)**	**53,422**	**0**
Profit (loss) for the period	**372,775**	**90,151**	**(27,497)**	**(1,407)**	**(61,247)**	**372,775**
Less: Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	**(111,833)**	**0**	**0**	**0**	**0**	**(111,833)**
From the owners of the bank:	**5,008,663**	**1,749,386**	**88,569**	**102,850**	**(1,940,805)**	**5,008,663**
Of the non-controlling interest	**14**	**1,336**	**0**	**0**	**0**	**1,350**
TOTAL EQUITY	**5,008,677**	**1,750,721**	**88,570**	**102,849**	**(1,940,804)**	**5,010,013**
TOTAL LIABILITIES AND EQUITY	**57,469,510**	**21,077,401**	**549,794**	**189,271**	**(2,342,155)**	**76,943,821**

Risk Indicators as of June 30, 2023

Ch$ million	BCI+Subidiaries+ Branches	CNB+BCI FG	SSFF	Peru
Total Loans:				
Commercial Loans	19,106,861	11,109,813	4,455	82,880
Mortgage Loans	10,215,819	2,967,092	0	0
Consumer Loans	2,683,433	49,000	542,177	0
Total	**32,006,113**	**14,125,905**	**546,632**	**82,880**
Provisions				
Commercial	(404,085)	(71,617)	0	(890)
Mortgage	(46,337)	(43,218)	0	0
Consumer	(226,052)	(3,154)	(96,468)	0
Total	**(676,474)**	**(117,989)**	**(96,468)**	**(890)**
Write-Offs				
Commercial	36,928	386	0	0
Mortgage	5,416	0	0	0
Consumer	106,823	30	92,862	0
Total	**149,167**	**416**	**92,862**	**0**
Recoveries				
Commercial	12,132	219	0	0
Mortgage	2,332	0	0	0
Consumer	18,682	6	3,990	0
Total	**33,146**	**225**	**3,990**	**0**
Impaired Portfolio Chile				
Commercial	981,486	151,400	0	0
Mortgage	330,732	8,573	0	0
Consumer	238,329	0	75,787	0
Total	**1,550,547**	**159,973**	**75,787**	**0**

Ch$ million	BCI+Subidiaries+ Branches	CNB+BCI FG	SSFF	Peru
Consumer Loans	328,226	7,757	0	0
Mortgage Loans	116,293	4,360	0	0
Commercial Loans	71,246	0	50,396	0
Total Non-Performing Loans	**515,765**	**12,117**	**50,396**	**0**

Quarterly Evolution of the Consolidated Balance Sheet

Ch$ million	2Q22	1Q23	2Q23	2Q23/ 1Q23	2Q23/ 2Q22
Cash and deposits in banks	4,192,086	4,540,584	3,739,756	**-17.64%**	**-10.79%**
Items in course of collection	572,860	883,029	820,322	**-7.10%**	**43.20%**
Financial assets at fair value through profit or loss	8,642,167	7,652,580	6,823,961	**-10.83%**	**-21.04%**
Financial assets at fair value through other comprehensive income	9,876,849	10,367,898	10,289,146	**-0.76%**	**4.17%**
Derivatives	1,996,454	1,730,864	1,761,328	**1.76%**	**-11.78%**
Financial assets at amortized cost	48,987,668	49,149,285	50,139,360	**2.01%**	**2.35%**
Investment in companies	33,998	138,248	141,083	**2.05%**	**314.98%**
Intangible assets	449,691	395,431	401,387	**1.51%**	**-10.74%**
Fixed assets	255,248	244,809	245,966	**0.47%**	**-3.64%**
Current tax	177,748	187,060	157,153	**-15.99%**	**-11.59%**
Deferred tax	360,055	468,875	508,974	**8.55%**	**41.36%**
Other assets	1,978,450	1,947,711	1,915,384	**-1.66%**	**-3.19%**
Total Assets	**77,523,275**	**77,706,374**	**76,943,820**	**-0.98%**	**-0.75%**
Items in course of collection	466,983	1,054,684	776,339	**-26.39%**	**66.25%**
Financial liabilities at fair value through profit or loss	7,618,440	6,372,313	5,571,404	**-12.57%**	**-26.87%**
Derivatives	2,443,781	2,744,407	2,588,754	**-5.67%**	**5.93%**
Financial liabilities at amortized cost	58,538,043	58,684,714	59,215,583	**0.90%**	**1.16%**
Leasing contract obligations	164,592	140,146	130,807	**-6.66%**	**-20.53%**
Regulatory capital financial instruments	1,414,855	1,525,112	1,527,685	**0.17%**	**7.97%**
Provisions	134,041	151,360	154,981	**2.39%**	**15.62%**
Provisions for dividends, interest payments and revaluation of regulatory capital financial instruments	132,256	297,519	111,833	**-62.41%**	**-15.44%**
Credit risk special provisions	467,680	487,511	481,496	**-1.23%**	**2.95%**
Current tax	211	29,262	2,530	**-91.35%**	**1098.55%**
Deferred Tax	1,352	2,364	2,208	**-6.59%**	**63.34%**
Other liabilities	1,492,900	1,437,381	1,370,187	**-4.67%**	**-8.22%**
Total Liabilities	72,875,133	72,926,773	71,933,807	**-1.36%**	**-1.29%**
Capital	3,862,386	4,225,332	4,766,258	12.80%	23.40%
Reserves	335,968	-26,640	0	-100.00%	-100.00%
Other accumulated comprehensive income	139,913	-114,604	-18,538	-83.82%	-113.25%
Retained earnings	0	820,822	0	-100.00%	---
Net Income	440,852	170,910	372,775	118.11%	-15.44%
Provisions for dividends, interest payments and revaluation of regulatory capital financial instruments	-132,256	-297,519	-111,833	-62.41%	-15.44%
Non-controlling interest	1,278	1,301	1,350	3.73%	5.66%
Total Shareholders' Equity	4,648,142	4,779,601	5,010,012	**4.82%**	**7.79%**
Liabilities and Shareholders' Equity	77,523,275	77,706,374	76,943,819	**-0.98%**	**-0.75%**