

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.



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.

A handwritten signature in black ink, consisting of a large, stylized 'E' followed by a horizontal line and a small mark.

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	2020
		MCh\$	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 MCh\$	Reserves MCh\$	Accumulated Other Comprehensive Income					Retained earnings:				Total Equity		
			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\$
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	2020
		MCh\$	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.

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\$)

Reconciliation of provisions for loan losses to consolidated statements of cash flows for the year

	Note	For the years ended December 31	
		2021	2020
		MCh\$	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 MCh\$	Paid MCh\$	Total MCh\$	Acquisition MCh\$	Changes in fair value MCh\$	Interest and Indexation 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
					Acquisition	Changes in fair value	Interest and Indexation	
		MCh\$	Received MCh\$	Paid MCh\$	Total 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

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 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.

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 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.

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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:

Entity	% Interest			
	Direct		Indirect	
	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).

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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 interest 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, at 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 Asesoría 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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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).

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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:

Entity	%Interest			
	Direct		Indirect	
	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

Entity	Legal Address	Financial information			
		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.

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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.

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NOTE 1 - GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The following entities are considered associates:

<u>Company</u>	<u>Interest</u>	
	<u>2021</u>	<u>2020</u>
	%	%
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
Pagos y Servicios S.A. (***)	49.90	49.90

(*) 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.

(***) 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).

The following entities are considered as “Joint Ventures”:

<u>Company</u>	<u>Interest</u>	
	<u>2021</u>	<u>2020</u>
	%	%
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 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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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 its 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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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:

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- 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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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

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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:

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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.

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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.

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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:

$$EL = \text{Exposure} * PD * LGD$$

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.

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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						
LtV (loan-to-value)	Concept	Days in default as of the end of the month				Portfolio in default
		Current	1-29	30-59	60-89	
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).

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.

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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 a 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.

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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.

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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 direct 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.

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- 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.

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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.

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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.

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Additionally, it established dates for the first submission of regulatory files R06, R07 and R08, which must be sent on the 9th 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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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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.

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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NOTE 3 - SIGNIFICANT EVENTS, CONTINUED

b) Issuance and placement of bonds

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
BBCIH20219	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

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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.

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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	

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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).

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

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 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

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 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

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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

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 7 - TRADING PORTFOLIO FINANCIAL ASSETS

The following is the detail of trading portfolio financial assets as of December 31, 2021 and 2020:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	MCh\$	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	<u><u>873,869</u></u>	<u><u>1,147,279</u></u>

(*) 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.

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 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						As of December 31, 2021 MCh\$
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
	Average rate		Average rate		Average rate		
	MCh\$	%	MCh\$	%	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						As of December 31, 2020 MCh\$
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
	Average rate		Average rate		Average rate		
	MCh\$	%	MCh\$	%	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

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 8 - INVESTMENTS UNDER AGREEMENTS TO RESELL AND LIABILITIES UNDER AGREEMENTS TO REPURCHASE, CONTINUED

b) Securities sold under repurchase agreements:

Type of entity	Maturity of the agreement						As of December 31, 2021 MCh\$
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
	Average rate		Average rate		Average rate		
	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

Type of entity	Maturity of the agreement						As of December 31, 2020 MCh\$
	Up to 3 months		Between 3 months and 1 year		Over 1 year		
	Average rate		Average rate		Average rate		
	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

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 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

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 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

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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:

<u>Hedged item</u>	<u>As of December 31, 2021</u>		<u>As of December 31, 2020</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
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

<u>Hedging instrument</u>	<u>As of December 31, 2021</u>		<u>As of December 31, 2020</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
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

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 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:

Hedged item	As of December 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	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

Hedging instrument	As of December 31, 2021		As of December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
	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

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 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
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item					
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
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item					
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)

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 10 - LOANS AND RECEIVABLES FROM BANKS

a) As of December 31, 2021 and 2020, balances for this concept are the following:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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	<u><u>639,533</u></u>	<u><u>356,669</u></u>

b) The rollforward as of December 31, 2021 and 2020 of provisions and impairment is as follows:

	<u>As of December 31, 2021</u>			<u>As of December 31, 2020</u>		
<u>Detail</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
	<u>banks</u>	<u>banks</u>		<u>banks</u>	<u>banks</u>	
	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
Balance as of January 1	-	363	363	-	505	505
Write-offs	-	-	-	-	-	-
Allowances established	-	436	436	-	-	-
Allowances released	-	-	-	-	(142)	(142)
Impairment	-	-	-	-	-	-
Reversal of impairment	-	-	-	-	-	-
Balances	<u><u>-</u></u>	<u><u>799</u></u>	<u><u>799</u></u>	<u><u>-</u></u>	<u><u>363</u></u>	<u><u>363</u></u>

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

a) Loans and receivables from customers

As of December 31, 2021 and 2020 the composition of the loan portfolio was as follows:

As of December 31, 2021	Assets before allowances				Allowances established			Net assets
	Normal portfolio	Substandard portfolio	Non-compliant portfolio	Total	Individual allowance	Collective allowance	Total	
	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

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

As of December 31, 2020	Assets before allowances				Allowances established			Net assets
	Normal portfolio	Substandard portfolio	Non-compliant portfolio	Total	Individual allowance	Collective allowance	Total	
	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).

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
Gross finance leases	1,747,359	1,612,395
Unaccrued finance income	(183,181)	(167,604)
Net finance leases	<u>1,564,178</u>	<u>1,444,791</u>
	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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	<u>1,564,178</u>	<u>1,444,791</u>

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.

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

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%	1.40%
Fruit farming	135,186	125,220	209,279	146,164	344,465	271,384	0.84%	0.76%
Forestry and wood extraction	150,154	124,884	21,955	21,085	172,109	145,969	0.42%	0.41%
Fishing	50,982	43,994	113,974	103,435	164,956	147,429	0.40%	0.42%
Mining	65,532	66,874	164,517	91,149	230,049	158,023	0.56%	0.45%
Crude oil and natural gas production	57,745	30,238	59,010	40,614	116,755	70,852	0.28%	0.20%
Food, beverage and tobacco industry	358,458	292,586	122,705	103,320	481,163	395,906	1.17%	1.11%
Textile and leather industry	44,082	53,125	8,819	22,471	52,901	75,596	0.13%	0.21%
Timber and furniture industry	58,252	61,224	638	4,065	58,890	65,289	0.14%	0.18%
Print and editorial industry	63,110	81,237	24,384	12,921	87,494	94,158	0.21%	0.27%
Chemical product, derived from oil, coal, rubber and plastic	163,619	165,965	89,937	49,065	253,556	215,030	0.62%	0.61%
Production of metal and non-metal products, machinery and equipment	476,294	501,233	219,813	119,339	696,107	620,572	1.70%	1.75%
Other manufacturing industries	42,249	39,508	1,527,676	211,081	1,569,925	250,589	3.83%	0.71%
Electricity, gas and water	359,999	270,663	419,610	309,253	779,609	579,916	1.90%	1.63%
Home construction	151,853	109,323	7,821	2,467	159,674	111,790	0.39%	0.31%
Other construction	1,565,091	1,571,475	682,837	257,667	2,247,928	1,829,142	5.49%	5.15%
Wholesale business	1,175,852	1,183,063	552,213	387,691	1,728,065	1,570,754	4.22%	4.42%
Retail, restaurants and hotels	860,749	972,932	1,413,207	1,378,470	2,273,956	2,351,402	5.55%	6.62%
Transporting and storage	721,571	522,923	1,939,120	574,164	2,660,691	1,097,087	6.49%	3.09%
Communications	266,547	270,543	131,332	182,757	397,879	453,300	0.97%	1.28%
Financial and insurance companies	2,493,444	2,271,488	387,764	399,290	2,881,208	2,670,778	7.03%	7.52%
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%	13.68%
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%	13.07%
Subtotal	14,076,680	13,477,236	12,712,240	9,696,491	26,788,920	23,173,727	65.37%	65.26%
Mortgage loans	8,639,577	7,416,285	2,123,047	1,529,416	10,762,624	8,945,701	26.26%	25.19%
Consumer loans	3,347,823	3,326,941	83,175	62,344	3,430,998	3,389,285	8.37%	9.54%
Total	26,064,080	24,220,462	14,918,462	11,288,251	40,982,542	35,508,713	100.00%	100.00%

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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, 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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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
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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
Overdue, but not past due loans (less than 90 days in default) as a percentage of the total 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 (more 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%

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

	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	<u>20,709,489</u>	<u>8,703,090</u>	<u>3,066,168</u>	<u>32,478,747</u>	<u>1,711,565</u>	<u>-</u>	<u>-</u>	<u>1,711,565</u>	<u>752,673</u>	<u>242,611</u>	<u>323,117</u>	<u>1,318,401</u>	<u>23,173,727</u>	<u>8,945,701</u>	<u>3,389,285</u>	<u>35,508,713</u>
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 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%

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 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, 2021 and 2020, there is no evidence of impairment in the investment instruments available for sale.

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 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:

Company	As of December 31, 2021				As of December 31, 2020			
	Equity MCh\$	Ownership %	Investment value MCh\$	Accrued profit or loss MCh\$	Equity MCh\$	Ownership %	Investment value MCh\$	Accrued profit or loss 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
Pagos y Servicios S.A.	892	49.90	445	(1,091)	654	49.90	392	-
Investment measured at cost:								
SWIFT shares			56	-			56	-
Bladex shares			219	808			219	266
Other shares			2,513	4			429	119
Total			24,034	853			18,717	(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
Total			8,728	1,437			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.

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 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
Combank 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)
Combank 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)

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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	Accumulated amortization	Net balance
			MCh\$	MCh\$	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	Accumulated amortization	Net balance
			MCh\$	MCh\$	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

- Corresponds to software purchased from parties not related to the Bank or its subsidiaries.
- Corresponds to software developed internally for the bank or subsidiaries to generate profits for the bank or subsidiaries.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

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 14 - INTANGIBLE ASSETS, CONTINUED

b) The movements of intangible assets as of December 31, 2021 and 2020 are the following:

	Intangible assets acquired separately MCh\$	Intangible generated internally MCh\$	Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		Total MCh\$
			Core deposits MCh\$	Leasehold interest MCh\$	Relationship with clients MCh\$	Other MCh\$	Trademark MCh\$	Goodwill 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

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 14 - INTANGIBLE ASSETS, CONTINUED

	Intangible assets acquired separately	Intangible generated internally	Amortizable intangible assets in business combination				Not amortizable intangible assets acquired in business combination		Total
	MCh\$	MCh\$	Core deposits	Leasehold interest	Relationship with clients	Other	Trademark	Goodwill	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	-	-	-	-	(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

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 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

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 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

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 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:

Concept	As of December 31, 2021				
	Remaining		Gross balance	Accumulated depreciation	Net balance
	Average useful life	average useful life			
			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

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 15 - PROPERTY, PLANT AND EQUIPMENT, CONTINUED

Concept	As of December 31, 2020				
	Average useful life	Remaining average useful life	Gross	Accumulated	Net balance
			balance	depreciation	
			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

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 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

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 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

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 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
	(201,271)	(24,414)
Subtotal	(212)	(251)
Non-deductible expenses under Article No.21	-	-
Net debit to profit or loss for income taxes	(201,483)	(24,665)

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 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.

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 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	As of December 31	As of December 31	As of December 31
	2021	2020	2021	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

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 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:

Item:	As of December 31, 2021			As of December 31, 2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
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
Deferred tax liability		(926)	-	-
Total, net		257,753	29,082	394
Deferred taxes generated through equity		(36,959)	-	-
Total deferred taxes, net		220,794	29,082	394

	As of December 31, 2020		
	Chile	Florida	Total
	MCh\$	MCh\$	MCh\$
Deferred tax asset		170,518	144
Deferred tax liability		(11,803)	(10,385)
Total, net		158,715	(10,241)
Deferred taxes generated through equity		40,562	-
Total deferred taxes, net		199,277	(10,241)

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 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

Loans and receivables from customers as of December 31, 2021	Carrying value in the financial statements MCh\$	Assets at tax value		
		Total	Past-due portfolio secured	Past-due portfolio unsecured
		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

Loans and receivables from customers as of December 31, 2020	Carrying value in the financial statements MCh\$	Assets at tax value		
		Total	Past-due portfolio secured	Past-due portfolio unsecured
		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

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 16 - CURRENT AND DEFERRED INCOME TAX, CONTINUED

b. Provisions

<u>Provisions on past-due portfolio</u>	<u>Balance as of 01.01.2021</u>	<u>Write-off against Provision</u>	<u>Provisions established</u>	<u>Provisions reversed</u>	<u>Balance as of 12.31.2021</u>
	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

<u>Provisions on past-due portfolio</u>	<u>Balance as of 01.01.2020</u>	<u>Write-off against Provision</u>	<u>Provisions established</u>	<u>Provisions reversed</u>	<u>Balance as of 12.31.2020</u>
	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

<u>Write offs and repossessions as of December 31, 2021</u>	<u>MCh\$</u>	<u>Application of article 31 No. 4 first and third paragraphs</u>	<u>MCh\$</u>
Direct write-off art.31 N°4 second paragraph	220,075	Write-offs as per first paragraph	-
Condemnations that led to the reversal of provisions	-	Condemnations according to third paragraph	-
Recovery or renegotiation of loans previously written off	64,257		

<u>Write offs and repossessions as of December 31, 2020</u>	<u>MCh\$</u>	<u>Application of article 31 No. 4 first and third paragraphs</u>	<u>MCh\$</u>
Direct write-off art.31 N°4 second paragraph	288,176	Write-offs as per first paragraph	-
Condemnations that led to the reversal of provisions	-	Condemnations according to third paragraph	-
Recovery or renegotiation of loans previously written off	55,659		

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 17 - OTHER ASSETS

a) As of December 31, 2021 and 2020 the composition of other assets is as follows:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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	<u>1,447,401</u>	<u>1,310,345</u>

- (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 BOLÍ (Bank Owned Life Insurance).

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 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	As of December 31
	2021	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

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 19 - BANK BORROWINGS

As of December 31, 2021 and 2020, the composition of borrowings from financial institutions is as follows:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
Loans received from financial institutions and Central Bank of Chile:		
Other liabilities with Central Bank of Chile	4,541,402	3,904,339
Subtotal	<u>4,541,402</u>	<u>3,904,339</u>
Loans received from domestic financial institutions:		
Interbank loans	160,018	1,004,361
Other liabilities	256,709	250,618
Subtotal	<u>416,727</u>	<u>1,254,979</u>
Loans received from foreign financial institutions:		
Foreign trade financing	515,205	367,286
Loans and other liabilities	1,497,628	744,095
Subtotal	<u>2,012,833</u>	<u>1,111,381</u>
Total	<u>6,970,962</u>	<u>6,270,699</u>

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:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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	<u>8,761,131</u>	<u>7,431,624</u>
Other financial liabilities:		
Public bonds	2,381	3,138
Other domestic bonds	73,083	43,394
Foreign bonds	952,514	864,512
Total	<u>1,027,978</u>	<u>911,044</u>

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 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

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 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

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 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

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 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

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 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							
	Issued amount	Placed amount	Issuance	Issuance	Average	Balance due	Balance due
Series	Ch\$	Ch\$	date	date	rate	Ch\$	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)							
	Issued amount	Placed amount	Issuance	Maturity	Average	Balance due	Balance due
Series	UF	UF	date	date	rate	UF	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

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 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

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 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 2021 MCh\$	As of December 31 2020 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).

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 21 - PROVISIONS, CONTINUED

b) Provisions for staff benefits and remunerations

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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:

	Provisions for						
	Staff benefits and remuneration	Minimum dividends	Risk of Credit Commitments	Contingencies	Country risk	Additional provisions	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	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

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 22 - OTHER LIABILITIES

As of December 31, 2021 and 2020, the detail of other liabilities is as follows:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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

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 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.

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 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, 2021, 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.

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 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. 609566 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.

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 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	As of December 31
	2021	2020
	MCh\$	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	As of December 31
	2021	2020
	MCh\$	MCh\$
Documents in collection	238,959	218,581
Custody of assets	60,090	66,466
Total	299,049	285,047

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 24 - SHAREHOLDERS' EQUITY

a) Issued capital and shares

Movements in common shares during the periods ended December 31, 2021 and 2020 are the following:

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>No.</u>	<u>No.</u>
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%

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 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).

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 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

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 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 CME. Contingent credits, recognized off – balance sheet, which are also considered as a "credit equivalent" for purposes of risk exposure.

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 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

<u>Concept</u>	Ratio
	As of December 31
	2020
	%
Basic capital-Consolidated assets	6.85
Basic capital- Risk-weighted assets	10.49
Regulatory capital- Risk-weighted assets	13.39

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 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:

	As of December 31 2021
	MCh\$
Basic capital	4,324,895
Effective 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	As of December 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

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 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:

Concept	For the year ended December 31					
	2021			2020		
	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:

Concept	For the year ended December 31	
	2021	2020
	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)

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 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)

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 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.

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 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:

December 2021	Loans and receivables from customers					Adjustment to minimum provision for normal portfolio	Total
	Owed by banks	Consumer loans	Mortgage loans	Consumer loans	Credit Commitments		
	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	-	522,633
Total provisions	436	191,507	12,054	210,628	12,415	-	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)	-	(141,082)
Total reversal of provisions	(94)	(49,446)	(93)	(77,771)	(3,737)	-	(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	-	400,545

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 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	Loans and receivables from customers					Adjustment to minimum provision for normal portfolio	Total
	Owed by banks	Consumer loans	Mortgage loans	Consumer loans	Credit Commitments		
	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	-	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)	-	(52,291)
Total reversal of provisions	(143)	(36,943)	(7,036)	(28,891)	(4,243)	(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	(10,708)	653,911

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 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 maintenance 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
Surveillance 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 management's general expenses	29,649	31,253
Outsourcing 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

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 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 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

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 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:

	<u>As of November, 2020</u> <u>MCh\$</u>
Intangibles impairment (1)	
Relationship with clients	2,636
Rights acquired under cross-selling agreement	<u>2,358</u>
Impairment total	<u><u>4,994</u></u>

(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:

	<u>Relationship with</u> <u>clients</u> <u>MCh\$</u>	<u>Rights acquired</u> <u>under cross-</u> <u>selling agreement</u> <u>MCh\$</u>
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	<u>(2,636)</u>	<u>(2,358)</u>
Balance as of December 31, 2020	<u>24,700</u>	<u>1,538</u>

The figures presented as of December 31, 2020 have been adjusted to their recoverable amount, recognizing an impairment loss as indicated above.

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 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.

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 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

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 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:

Concept	As of December 31	
	2021	2020
	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:

Concept	For the year ended December 31	
	2021	2020
	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

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 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

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 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 MCh\$	Effect In income	
				Charge MCh\$	Payment 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	-
Combank 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.

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 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

December 2020				Effect	
Firm Name	Relationship	Description	Amount of the	In income	
	With the group		Transaction	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 Administración 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.

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 34 - TRANSACTIONS WITH RELATED PARTIES, CONTINUED

c) Other assets and liabilities with related parties

	<u>As of December 31</u>	<u>As of December 31</u>
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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:

		<u>For the year ended December 31</u>			
		<u>2021</u>		<u>2020</u>	
<u>Type of income or (expense) recognized</u>	<u>Entity</u>	<u>Income</u>	<u>Expense</u>	<u>Income</u>	<u>Expense</u>
		<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
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:

	<u>For the year ended December 31</u>	
	<u>2021</u>	<u>2020</u>
	<u>MCh\$</u>	<u>MCh\$</u>
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).

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 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

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 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

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 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	Irrarrazabal 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

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 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

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 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 Asesoría 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

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 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:

	<u>As of December 31, 2021</u>		<u>As of December 31, 2020</u>	
	<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>	<u>MCh\$</u>
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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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NOTE 35 - ASSETS AND LIABILITIES AT FAIR VALUE, CONTINUED

	Level 1		Level 2		Level 3		Total	
	December	December	December	December	December	December	December	December
	2021	2020	2021	2020	2021	2020	2021	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	December	December	December	December	December	December	December
	2021	2020	2021	2020	2021	2020	2021	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	-	-	-	-	-	-	-	-
Futures	-	-	521	4,868	-	-	521	4,868
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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

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

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.

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

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.

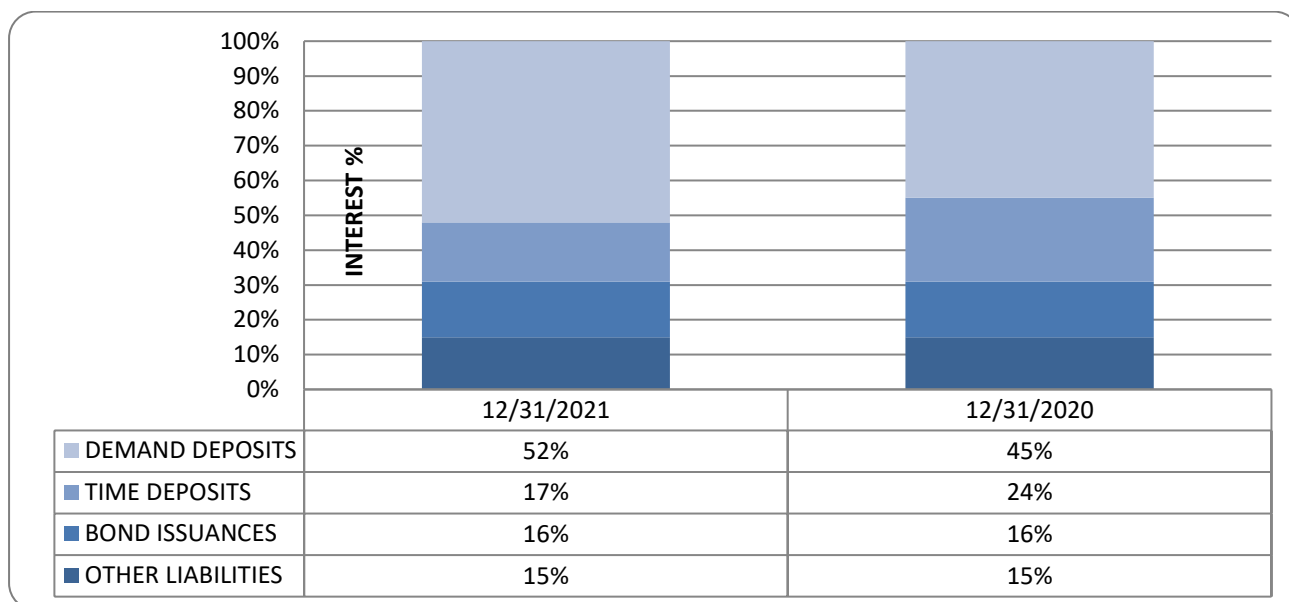
The Bank has set strict limits, forcing itself to maintain a large amount of liquid assets on its consolidated statements of financial position which, in the event of any unexpected requirement, can maintain liquidity through repurchase agreements with the Central Bank of Chile. The counter-cyclical 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.

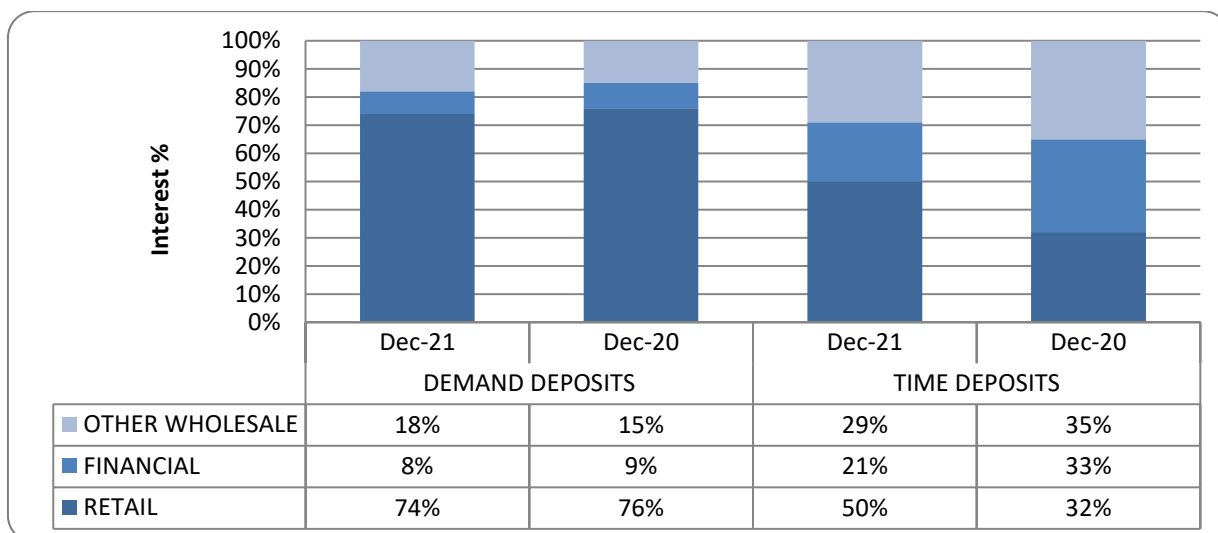
BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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*



*Fig. 2. Diversification of liquidity sources by segment
As of December 31, 2021 and 2020
Banco de Credito e Inversiones and City National Bank*



BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

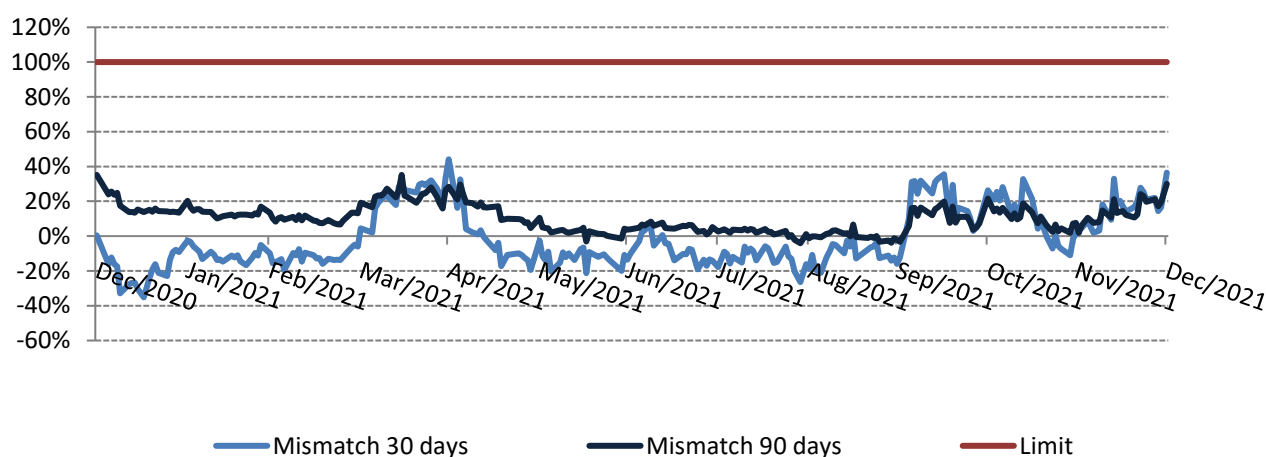
(b) Short-term mismatch Ch\$-UF (% on basic capital)

	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*



BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

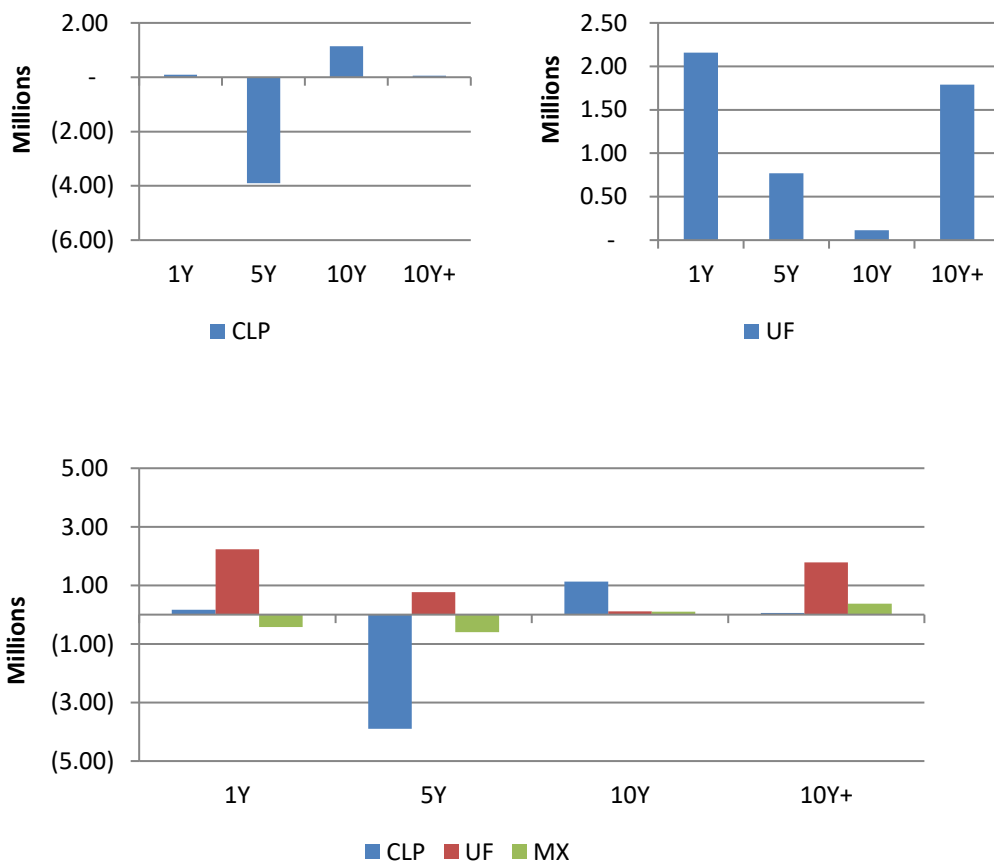
*Fig. 5. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2021 (MCh\$)*

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

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. 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

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

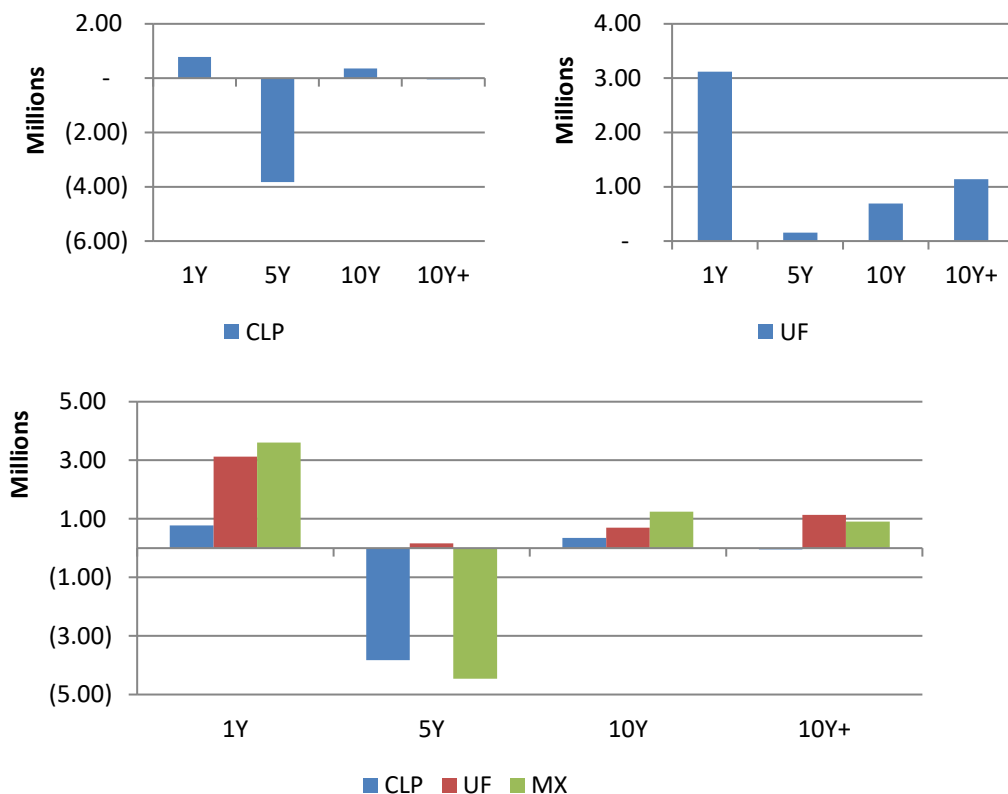
*Fig. 7. Carrying amount to maturity range or re-pricing by currency
Positions as of December 31, 2020 (MCh\$)*

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

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. 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

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. 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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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)*

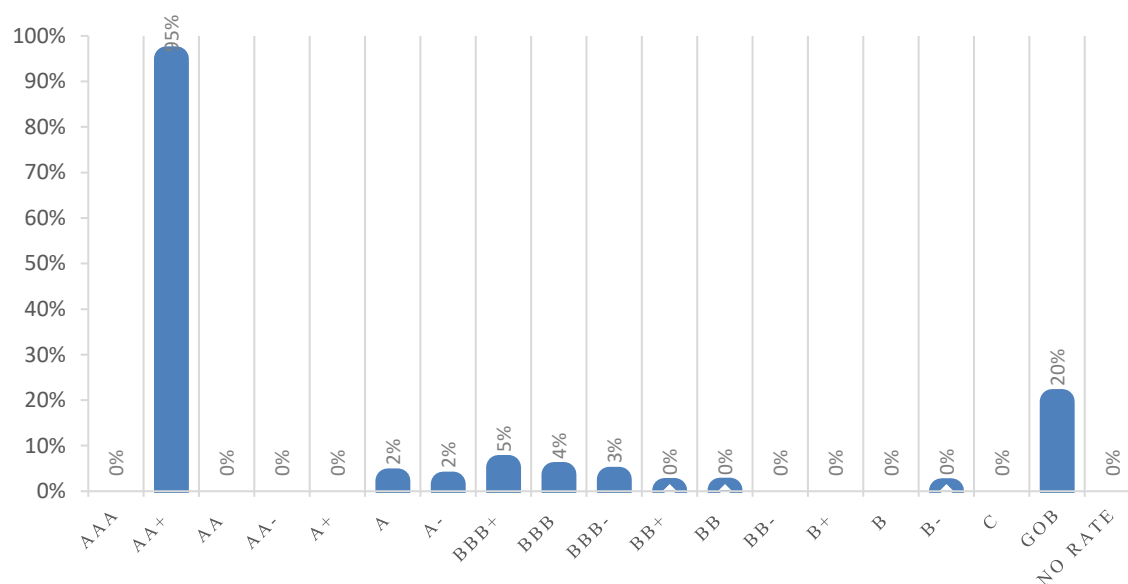
	CLP	UF	USD	EUR	OTHER
Sovereign bonds	791,083	213,940	283,206	-	-
Corporate bonds	-	9,116	173,504	48,682	-
Financial institutions bonds	15,036	426,640	2,635,956	-	-
Mortgage-funding notes	-	32,204	-	-	-
Term deposits	429,429	-	-	-	-
Investment funds (*)	-	-	59,735	-	-
Shares (*)	-	-	159,378	-	-
Total	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).

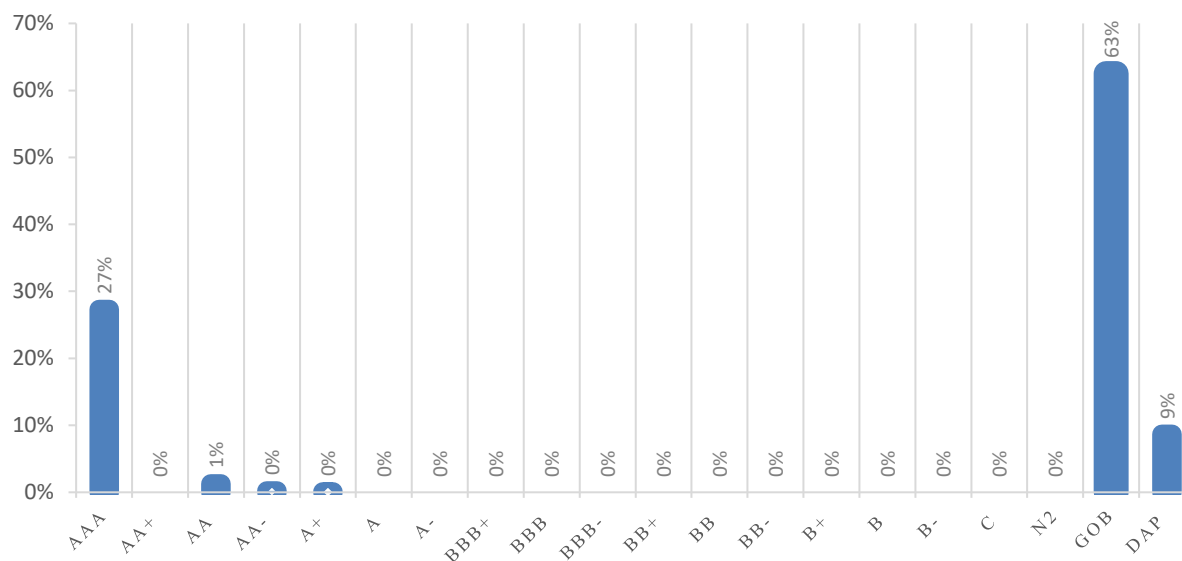
BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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NOTE 36 - RISK MANAGEMENT, CONTINUED

*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)*



BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

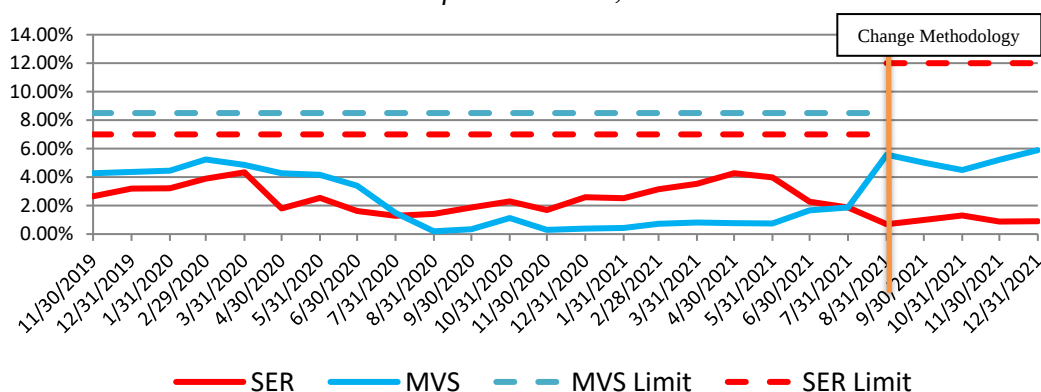
e. Variations

- 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*

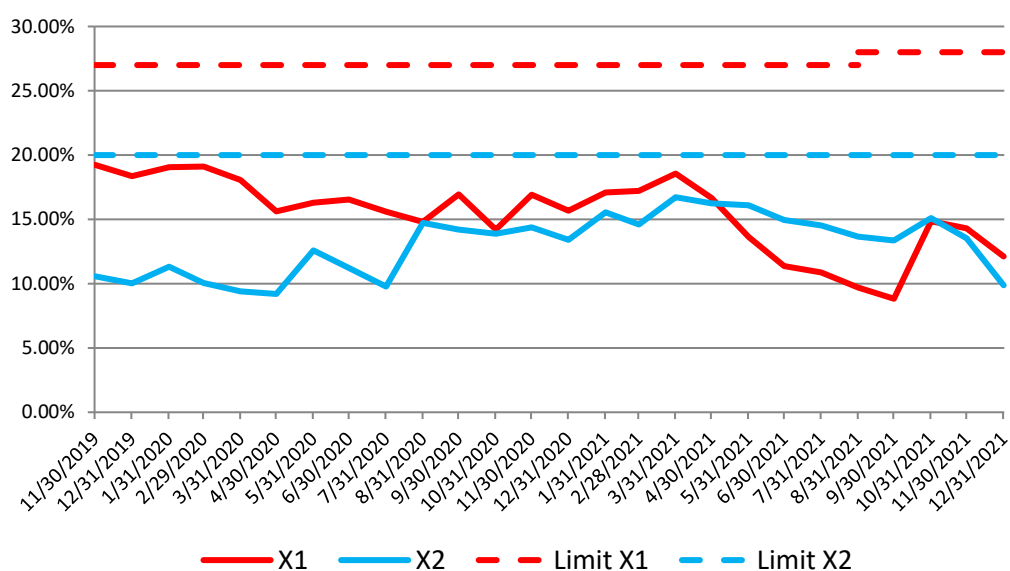


BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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NOTE 36 - RISK MANAGEMENT, CONTINUED

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.

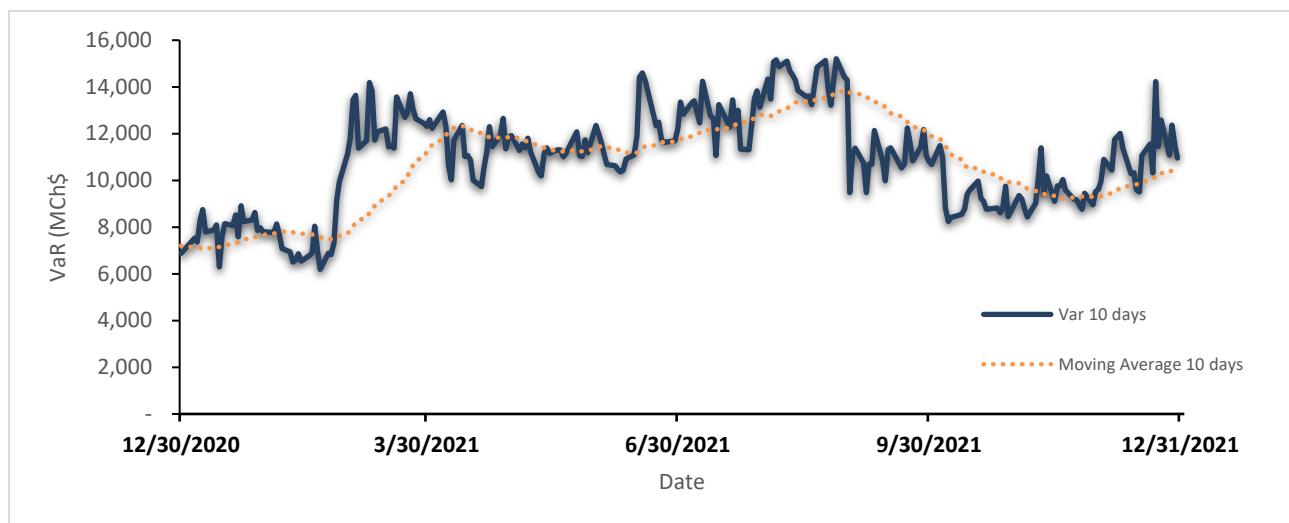
BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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NOTE 36 - RISK MANAGEMENT, CONTINUED

- 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\$)*



BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
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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

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

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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh\$	As of December 31, 2021			
	Decrease of 10%		Increase of 10%	
	US\$	EUR	US\$	EUR
Assets				
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

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NOTE 36 - RISK MANAGEMENT, CONTINUED

Amounts in MCh\$	As of December 31, 2020			
	Decrease of 10%		Increase of 10%	
	USD	EUR	USD	EUR
Assets				
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

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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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.

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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.

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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NOTE 36 - RISK MANAGEMENT, CONTINUED

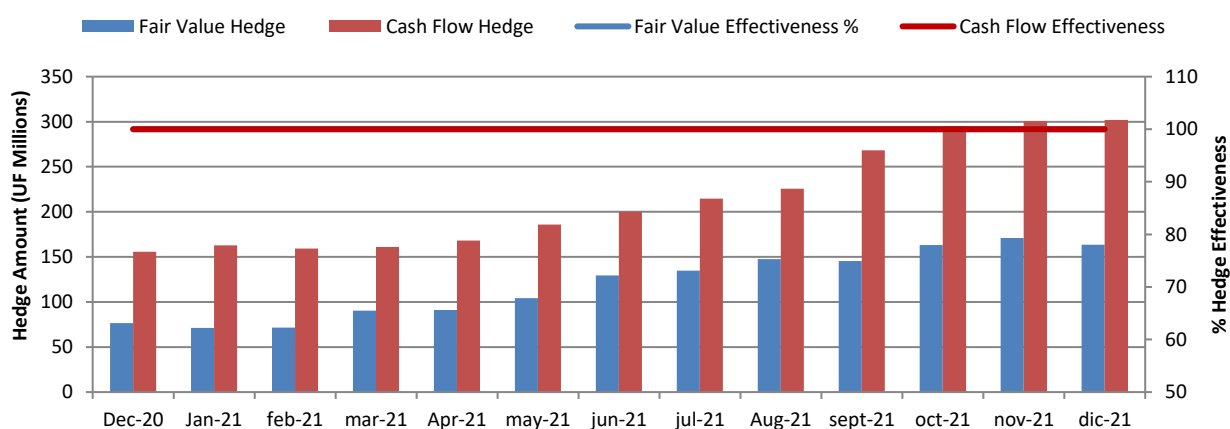
i. Hedge accounting

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 163,417,456. 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)*



BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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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):

Debt	As of December 31, 2021					
	DEBT			ALLOWANCE		
	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

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NOTE 36 - RISK MANAGEMENT, CONTINUED

As of December 31, 2020						
Debt	DEBT			ALLOWANCE		
	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

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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.

BANCO DE CRÉDITO E INVERSIONES AND SUBSIDIARIES
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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.

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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.

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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.

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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.

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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.

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 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.

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 37 - MATURITIES OF ASSETS AND LIABILITIES, CONTINUED

December 31, 2020

	Current Current MCh\$	Up to 1 month MCh\$	Between 1 and 3 months MCh\$	Between 3 and 12 months MCh\$	Subtotal Up to 1 year MCh\$	Between 1 and 5 years MCh\$	More than 5 years MCh\$	Subtotal Over 1 year MCh\$	Total 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.

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 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

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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