2021

INTEGRATED ANNUAL REPORT

Scotiabank®

Company Information

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Scotiabank

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Message from Chairman

Dear shareholders and Scotiabank community:

During 2021 the world, and indeed our country, continued to experience a pandemic that, far from declining, remained very strong, requiring companies and people to adapt to the new reality that has already lasted two years and that has meant a profound change in the way of conceiving life, relating and working. It has also challenged companies to develop a distinctive value proposition in this uncertain and changing context, as well as to be protagonists of the country's economic recovery, after the greatest contraction of the domestic economy since the 1982 crisis. And Scotiabank has been totally present facing to that challenge.

Along this path, banking plays a key role, both in providing financing to individuals and companies, and in supporting various projects with a high social and environmental impact, since we are firmly convinced that our performance has a significant effect on communities in which we are present and that our mission is not only limited to the creation of economic value, but also contribute to the construction of a more equitable society that provides development opportunities for all.

This vision, which is summarized in our purpose "for our future", has been crucial in connecting us with the needs that people in Chile have today, and especially with the new desires, challenges and purposes of our customers, who have found in us agile responses and financial solutions that adapt to each one of them, driving us to innovate and transform the way we relate to them, consolidating a new flexible, personalized and competitive value offer, with a focus on digitization, which allowed growth in digital channels from 54% at the end of 2019 to 69% at the end of 2021.

Likewise, considering the recovery of the economic activity that during 2021 had a growth of 12%, higher than expected, we wanted to go further and encourage our customers to build a better future, becoming their financial coac better future transforming us in a financial coach, being an ally in the long term that accompanies them in achieving their dreams and goals. In this way we created ScotiaIMPULSA, a space that seeks to be present in the lives of our customers, anticipating their needs and providing coherence to their financial decisions, through technology.

And in this complex year, the results show us that we have advanced along the right path and continue to be leaders in corporate and commercial banking. We grew 0.3% in terms of participation, reaching a market share of 14.2% and almost 490 thousand account holders. Net income for 2021 amounted to $450,162 million, an increase of 57.2% compared to the previous year, closing the year with $41,597,895 million in assets (13.1% more than at the end of 2020), a loan portfolio of $28,958,000 million, operating income of $1,371,783 million and a return on equity (ROE) of 17%.

At international level, we completed the issuance of the first bond in the Swiss market amounting to USD190 million, which reflects the confidence of foreign investors in Scotiabank Chile a fact that will allow us to continue deepening our presence in the international financing market.

By 2022, our challenge is to become the best digital bank in the country, strengthen our SME banking and consolidate our Wealth Management business, which was recently launched in Chile.

I would like to make a stop at this point since I believe is very important: we know that our goals are ambitious, but we also know that we have a winning team, with great talent and professionalism, whose commitment has remained very strong in these times of pandemic, reaching 93% during 2021. Indeed, these results would not be possible without the work of each of our Scotiabankers, who from Arica to Punta Arenas put customers at the center of our work.

I would like to highlight the dedication of our collaborators, since thanks to them, our organization has been able to adapt and innovate to address the challenges that the new post Covid-19 reality has brought with it. We have been able to build a global and diverse team where all voices have a place and are essential to the success of our business. This respect for different perspectives is part of our DNA and inspires us every day to continue growing as a flexible, dynamic organization that provides equitable treatment to employees and customers which has been recognized during 2021 with the First Place in the PAR Latam Ranking that measures equity and diversity within organizations and in which 863 companies from 18 countries participated and the Seal of Diverse and Multicultural Companies awarded by Organización Jesuita Migrante among other distinctions, which fills us with pride.

Because we know that a successful company is not only successful from a financial point of view, but that it must be a relevant actor in the communities where it is inserted. For this reason, we launched our ScotiaINSPIRA program in 2021, which seeks to contribute to the economic resilience of people and communities, supporting projects throughout the country and where we invested USD 145,000 during the year in the fields of education, employability, and inclusion. Likewise, we have implemented alliances with civil society for the development of different programs that allow us to contribute to the well-being of people and communities, which reflects the relationship that we have built in the 31 years that we have been in Chile. There is no doubt that the challenges will continue to grow and will increasingly require us to be an organization that places special emphasis on long-term business sustainability. That is why, along with being a bank with a solid financial profile, our strategy is centered on sustainability, which is at the core of each of the decisions we make. We understand our Environmental, Social and Corporate Governance -ESG- management responsibility as an opportunity for our business to contribute to the growth of the country, hand in hand with social inclusion and respect for our environment. For this reason, for three years we have reported our results in an integrated report that reflects the impact of our operations in the three areas.

I am convinced that in the future the values of collaboration and adaptation will be relevant to the country's progress, and at Scotiabank we want to actively contribute to this process, transforming the way we create value for all our stakeholders but maintaining our essence, our unique style based on respect, integrity, passion and responsibility to support a sustainable economic recovery that offers everyone a better future.

Salvador Said Somavía
Chairman
Scotiabank Chile

CEO's welcome

Dear shareholders,

2021 was a year in which we again faced a context of accelerated changes, which generated new habits and challenges, in which the commitment of our team was essential to adapt and innovate to continue contributing to the country and giving our customers the best experience.

Today we can proudly indicate that we have managed to consolidate ourselves as one of the leaders in the industry, and together with having a wide range of financial products and services that adapt to the needs of our customers, we have positioned ourselves as a bank with solid principles of Corporate Governance, which promotes the social well-being of people and has a positive impact on the communities where it is located.

In the last two years we have had to face a complex global and local scenario, marked by the arrival of COVID-19. We were faced with profound social transformations, as well as new economic and financial scenarios, which we approach inspired by our purpose, in an innovative and collaborative manner. Likewise, we had to react quickly to support and respond to our customers, both corporate and individuals, who were affected by this pandemic that is not yet over.

Thanks to this commitment that guides each member of our organization, at the end of this period we had very good results, with a profitability of 17.0% on equity, 43.5% efficiency in addition to 14.1% growth in loans. These results are the reflection of a dynamic strategy that identifies and takes advantage of opportunities even in complex moments. An example of this was our decision to accelerate the goal of becoming the best digital bank, for the benefit of our customers in terms of experience and comfort. This transformation is not only for the customer, but also means redesigning and modernizing processes and, ultimately, moving towards an agile culture throughout the organization.

As part of this process, we promoted a series of new services and products such as digital and flexible current account plans for contracting and activating 100% online for individuals, in addition to promoting our ScotiaPay payment ecosystem. Added to these milestones is the implementation of the digital current account in dollars, which in a few months positioned us as market leaders in this service. Meanwhile, regarding our business banking, we made loans, factoring services and leasing rent payments available through the web, among other products, improving its experience and reducing the time of operations and consequently supporting the development of the business of thousands of companies.

Being close to SMEs was also a hallmark of this period, as they are the engine of economic development and employment in the country, and through our commitment to them we wanted to be part of that reactivation. During the last year, through FOGAPE Reactiva loans, we provided financing to almost 3,000 companies.

At Wholesale Banking, we continue to consolidate ourselves as market leaders in the different segments and lines of business. At the close of 2021, we positioned ourselves in 1st place in Local Bond Issues, 3rd in

International Bond Issues, 1st in Structured Financing and 4th in Mergers & Acquisitions advice. During this year, we registered a growth in assets of 14% versus 9% of the market, having executed more than 140 structured transactions (including bond issues), for a total value of US$ 29 billion. This effort is reflected in the recognition of LatinFinance magazine, which highlighted 4 of our operations as the best businesses of the year 2021.

During 2021, we decided to launch Scotia Wealth Management in Chile, with a solid and distinctive high-net-worth management proposal: A "total wealth" approach, which aims to provide comprehensive advice with onshore and offshore solutions, backed by the great track record that the bank has in this segment and that globally represents 18% of our income and with more than US$500 billion in managed assets in the world.

Our solid strategy has been highlighted by the market, which has been reflected in various awards such as the one awarded by LatinFinance magazine for the "Best Digital Transformation of the Year" and that of World Economic Magazine for the "Best Digital Initiative" and "Best Bank for SMEs". These distinctions fill us with pride and reinforce our commitment to being the best digital bank for our customers, putting at their disposal a complete and comprehensive ecosystem, which allows them to have the best experience.

These achievements would not be possible without our greatest strength: our winning team, who strive every day to give their best to achieve our goals, within a framework of diversity and inclusion that is part of our identity as an organization. This conviction made us worthy, during 2021, of the seal of Diverse and Intercultural Companies, delivered by the Migrant Jesuit Service, to receive the EQUIDADCL accreditation delivered by Fundación Iguales, as one of the best workplaces for LGTBIQ+ people in Chile and has led us to implement various actions to promote the inclusion of people with disabilities and gender equality, providing equivalent conditions for all our employees.

I would like to highlight the relevant work that we are carrying out to promote the incorporation of women into the professional field, making visible the importance of creating diverse teams and where our bank is at the forefront in the participation of women at managerial levels and in reducing the gap wage. During this year we have participated in various working groups with other organizations to advance towards this objective.

The digital transformation has also permeated our way of working, promoting the development of a hybrid model that we have called "The Way We Work and Where" that will allow us that collaborators they can decide to carry out their functions in the office or at home during the week, without losing the culture and commitment that characterizes us. The concern for the well-being of our Scotiabankers - further enhanced by the pandemic - has allowed us to obtain a result of 93% in the Pulse index, an indicator that evaluates the commitment within our organization, a fact that fills us with pride and encourages you to continue down this path.

Likewise, we firmly believe that our development must go hand in hand with a commitment to the country and those who inhabit it, expanding opportunities and promoting economic, social and environmental resilience to help individuals, families, communities and economies to prosper and grow sustainably.

In this regard, this year we launched ScotiaINSPIRA in Chile, a global initiative through which we provided resources of USD145,000 to 7 organizations for the development of projects in the fields of education, inclusion and employability that will impact 15,000 people in their first months of execution. people. Through the Net Zero Research Fund, we will also contribute to climate change research by supporting the Center for Climate Science and Resilience at the University of Chile, which is part of our global commitment to promote research and leadership on these issues.

Thus, we seek to create an economic and social value that is sustainable and that benefits everyone. We are aware that everything we do requires a commitment and responsibility towards our environment, and that the long-term success of our bank is deeply linked to the future of the country and its people. When they prosper, we are better positioned to contribute to economic growth and create a more inclusive society, where we all have the opportunity to develop and achieve our goals.

I invite you to read our 2021 Integrated Annual Report and learn about the triple impact of our business.

Kind Regards,

Diego Masola
CEO - EVP & Country Head
Scotiabank Chile

Main figures

14.2% Market share

Profit
57% ↑ vs 2020

Loans
$29 billion

1,241,025 Total customers

489,795 Current accounts

60,476 Accounts in US$

69.2% Digital adoption

477,637 Total digital customers

NPS total bank 51.1%

NPS digital channel 70%

6,108 employees

55% Women

45% Men

12 Place in Merco Talento ranking

1 st place in PAR Latam ranking

Par

3,222 Total Training hours

27.5% Women in senior management positions

Salary gap 2.6%

Equidad CL award
For third year in a row

Social investment $645 million

129 Branches

8 Pet Friendly branches

+35 Benefits for our Employees

54.6% TON CO2e Carbon footprint

01 Scotiabank in Chile

About us

A leading bank

We are part of The Bank of Nova Scotia, the third largest bank in Canada, an institution with a 190-year history and a presence in more than 30 countries, which trades its shares on the Toronto (TSX: BNS) and New York (NYSE) stock exchanges.: BNS).

Scotiabank is a **leading bank in the Americas** and the only bank with operations in **Canada, the United States** and the countries of the **Pacific Alliance.**

We have been present in Chile for 31 years, during which we have **evolved together with our customers** and have positioned ourselves as one of the **leading banks in the local market.**

Historical Review

1990 Scotiabank arrives in Chile by acquiring part of Banco Sudamericano and begins to participate in the bank´s management.

2000 Takes control of Banco Sudamericano, with which begins its growth process in the Chilean market.

2007 Acquires Banco del Desarrollo, thereby doubling its presence in the country.

2010 Buys the Bank of Royal Scotland's Wholesale Banking operations.

2015 Materializes a 15-year joint venture with Cencosud through which acquires 51% of the holding's financial services division.

2018 Acquires BBVA Chile, doubling its participation in the local market and becoming one of the main financial entities in the industry.

2019 Consolidates the integration with BBVA Chile, an operation that allowed it to reach a share of 13.6% at the end of 2018 and 14.1% at 2019 year-end. The integration process officially concluded as at March 31, 2020.

2020 Celebrates 30 years in Chile, consolidated as one of the 5 market leaders.

Is recognized by Euromoney and LatinFinance as the best Bank in Chile and Bank of the Year, respectively.

Mission, vision and values

Our mission is supported in three basic pillars:

The customer is in the first place

A winning team

Lead in the Americas

We are confident that by executing our mission, we will deliver consistent results for our shareholders over the long term.

Scotiabank Chile's vision is inspired by that of its Headquarters, **"for our future",** which seeks to reflect our **motivation** and **purpose** as a financial institution to **help our customers, their families and their communities achieve success,** offering to achieve this, a complete range of products, services and advice.

Four values inspire us and guide our actions:

Respect

Integrity

Responsibility

Passion

Milestones and recognitions

We are deeply proud of the awards that, every year, support our work. **These achievements are a reflection of our commitment to innovation, customer service and our stakeholders.** We work fervently so that our daily performance faithfully responds to our mission, vision and our goals and commitments.

LatinFinance: Best Digital Transformation of the Year.

First place among Chilean companies with more than 1,000 collaborators who participated in **2021 version of Ranking PAR LATAM,** carried out by the consulting firm Aequales to measure the performance in gender equity and diversity of private companies, public entities and SMEs in Latin America.

Morningstar: Award Scotia AGF best mutual fund management company in within categories of Balanced Funds with Scotia Activa A and in International Variable Income funds with the Scotia Developed Markets fund.

World Economic Magazine:
Best Bank for SMEs in Chile.

Premio Equidad CL for third year in a row we received this certification, which recognizes us as one of the best companies to retain and attract diverse talent.

COVID Seal: First Bank to receive this seal granted by the Chilean Security Association.

World Economic Magazine:
Best Digital Initiative in Chile.

Certification to the Crime Prevention Model

Award Carlos Vial Espantoso
for employee benefits implemented during the pandemic.

Our subsidiary CAT gets 1ST place in Ranking Most Innovative Companies 2021
in the Financial Services Area.

Seal of diverse and intercultural companies.

Salmón Award: Scotia AGF was recognized in 6 categories of this recognition delivered by Diario Financiero and LVA Indices to recognize the mutual funds with the highest risk-adjusted return.

Merco Talento Ranking in place N°12.

2021 Milestones

Launching ScotiaINSPIRA in Chile, global program of social impact that contemplates the support and development of projects to strengthen the communities where we are present and seeks to promote economic resilience.

Launching **Scotia Wealth Management** in Chile, a division of Scotiabank Wealth Management.

Opening of branches for pets, becoming the first **Pet Friendly bank** in the country.

Launching **ScotiaPay**, **Bank's new payment ecosystem**, and implementation of **digital plans**.

Benefit to almost **3,000 companies** with **Fogape Reactiva**.

Launch for the sale of **mutual funds**, insurance and time deposits **through digital channels.**

Launch of checking account in US dollars which can be contracted online quickly and safely.

Incorporation to table "Women in Finance", a project that brings together the public and private sectors in the financial area led by the **Ministry of Women and Gender Equity and the Women in Finance Corporation.**

Launch of the new **hybrid work model** in central offices.

Implementation of **Factoring and Web Leasing services.**

Materialization of more than 100 improvements and new features in our App and website.

Delivery of the 10th version of Scotiabank Entrepreneur Award, an award that since its inception has attracted more than 32,000 entrepreneurs throughout the country and **awarded 78 women.**

In 2021 Scotiabank Chile completed its first **international bond issuance**. The issuance was conducted in the **Swiss market** amounting to **CHF 175 million** (approximately USD 190 million), for a **term of 5 years**, at a **coupon rate of 0.385%.**

The transaction had a **demand close to twice the initial offer,** which demonstrates the **confidence** of **international investors** in **Scotiabank Chile** and will allow the Bank to diversify its funding sources in capital markets and expand its investor base.

Scotiabank Chile Memberships

Cámara Chileno Norteamericana de Comercio.	Asociación de Bancos e Instituciones Financieras de Chile.	Cámara Chileno Canadiense.	ICARE
Cámara de Comercio de Santiago A.G	National Association of Advertisers A.G.	Asociación de Marketing Directo y Digital de Chile.	Cámara Chileno Peruana de Comercio.
Cámara Chileno China de Comercio, Industria y Turismo.	Cámara Chileno Británica.	Sustainable Development Goals (SDG).	Acción Empresas.
Pride Connection Chile.	United Nations Global Agreement.	Consejo Empresarial Mundial para el Desarrollo Sostenible (WBCSD).	

Alliances and initiatives adhered to by Scotiabank group

We know that meeting our sustainability goals will only be achieved through partnerships and participation in cross-sector initiatives. For this reason and to promote good practices, encourage the exchange of ideas, experiences and collaborate in the development of the sector, we are working together with various organizations and networks.

United Nations Environment Program Finance Initiative (UNEPFI)

United Nations Global Agreement (Global and Chile)

Task Force for Climate-Related Financial Disclosures (TCFD)

Global Reporting Initiative (GRI)

Carbon Pricing Leadership Coalition

Dow Jones Sustainability Index (DJ)

Principles for Responsible Investment (PRI)

Equator Principles

Carbon Disclosure Project (CDP)

Signatory to BlackNorth Initiative

United Nations convened Net Zero

Banking Alliance (NZBA)

Partnership for Carbon

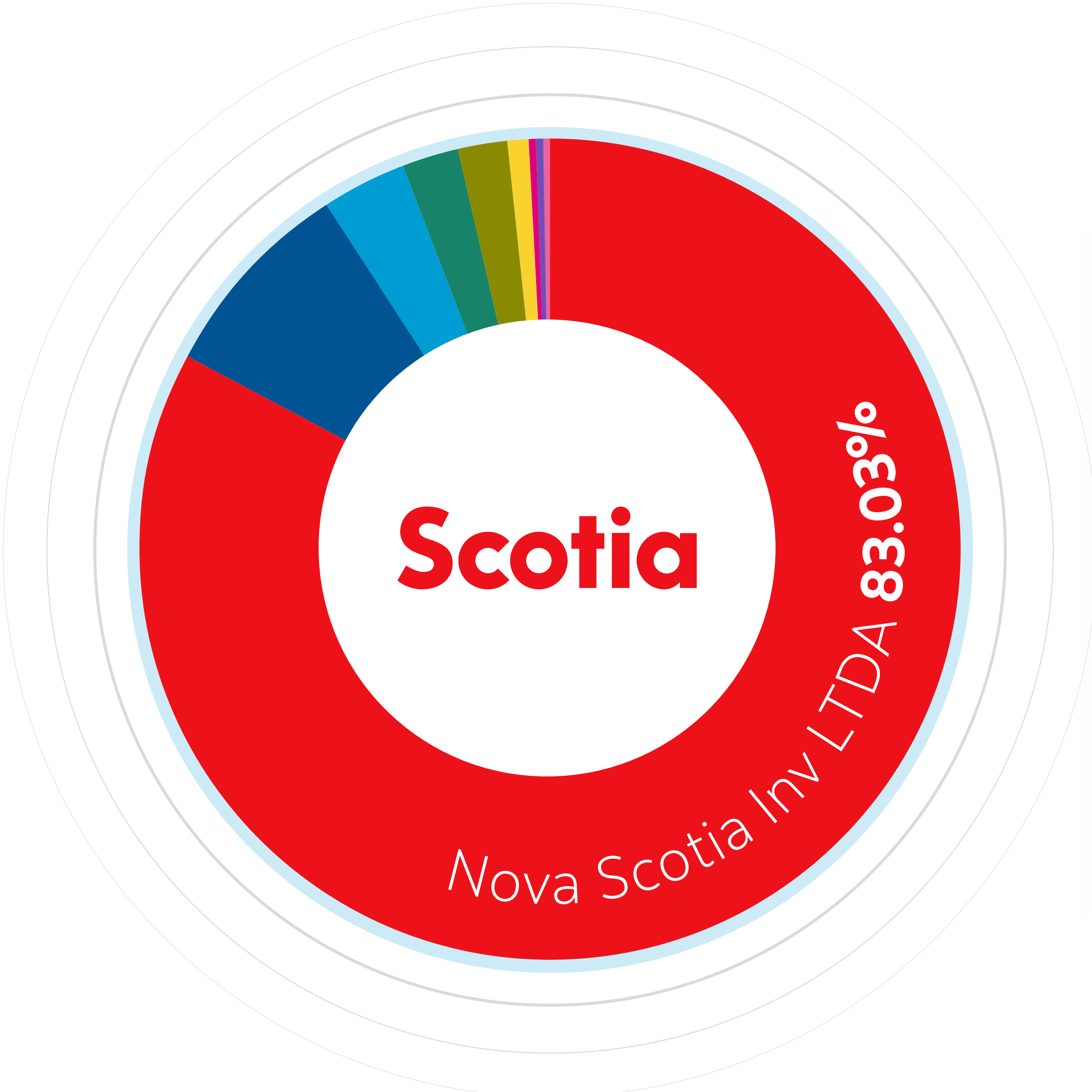
Signatory of the UN Global Compact, United Nations

Women's Empowerment Principles, and the UN Global Compact Office

The UN LGBTI Standards of Conduct for Business

Ownership and control structure

We belong to **The Bank of Nova Scotia** through Nova Scotia Inversiones Limitada, which is **83.03%** owned by Scotiabank Chile. **Said Group**, its second largest shareholder, has **16.76%** of the shares and **minority shareholders have 0.21%.**



- NOVA SCOTIA INV LTDA. **83.03%**
- INV CABURGA S.A. **8.513%**
- INV SH SEIS LTDA. **3.504%**
- INV STA VIRGINIA LTDA. **2.313%**
- INV DEL PACÍFICO S.A. **2.129%**
- INV VALPARAISO S.A. **0.924%**
- BCO SANTANDER CHILE **0.233%**
- INV CORINTO LTDA. **0.218%**
- DEL CORRAL DAVILA ELIZABETH ROSA **0.029%**
- PLASS GERSTMANN HANS GUNTHER **0.007%**
- BANCHILE CORREDORES DE BOLSA S.A. **0.005%**
- GUERRERO GUTIERREZ MIGUEL IGNACIO **0.004%**
- TEX BELLAVISTA OVEJA S.A. **0.003%**
- RIOS FLORES PAULINO EXEQUIEL **0.003%**
- SENERMAN VOLOCHINSKY RICARDO **0.003%**

Our offices, branches and digital channels

Our main objective is to accompany our clients in the different stages of their lives, satisfying their financial needs through a customized offer of products, services and advice.

For this purpose, we have 129 branches and 271 ATMs distributed from Arica to Punta Arenas, as well as digital channels that operate 24/7, whenever and wherever the customer requires.

Region	offices	N° ATM
XV Region of Arica and Parinacota	1	3
I Region of Tarapacá	4	5
II Region of Antofagasta	5	14
III Region of Atacama	1	5
IV Region of Coquimbo	4	8
V Region of Valparaíso	16	41
Metropolitan Region	65	118
VI Region of Libertador General Bernardo O'Higgins	6	8
VII Region of Maule	6	13
XVI Region of Ñuble	9	4
VIII Region of Biobío	1	25
IX Region of La Araucanía	4	12
XIV Region of Los Ríos	1	2
X Region of Los Lagos	4	9
XI Region of Aisén del General Carlos Ibáñez del Campo	1	3
XII de Magallanes y Antártica Chilena	1	1

Scotiabank footprint throughout Chile

129 Total branches

271 Total ATMs (Nov 2021)

8 Pet Friendly branches

Pet friendly branches

We know that a pet is one more member of a family.. For this reason, and in line with our commitment to promote inclusion for all, we decided to open the doors of our branches to pets, making us the first Pet friendly bank in Chile.

As kick off, 2021 the Bank equipped 8 branches -6 in the Metropolitan region, 1 in Concepción and 1 in Reñaca- with all the elements that animals need to accompany their owners while they perform bank procedures as bag dispensers and disposable bowls for water. Soon we will equip more branches in Chile.

Likewise for safety purposes the Bank established a protocol for entry and circulation of pets in branches.

Universal accessibility

We seek to support our customers by offering them products and services and information that is clear, timely and in line with their needs. To achieve this, we are implementing financial services that can be understood and used by everyone in an easy, comfortable, autonomous and intuitive way. For example, Scotiabank's website has different languages and good accessibility.

We are part of a global and diverse team where different voices and opinions are fundamental to our success. Respect allows us to continue growing as a flexible and dynamic organization that treats everyone equally. An example of this is the inclusion of people with disabilities through the Labor Inclusion Program.

Virtual Platforms

At Scotia Chile, we aim to become the **best digital bank in the country.** For this purpose, we have established two main lines of work.

Make a **personalized offer** available to our customers, through **flexible digital plans** in which each one can choose what best suits their needs, turning us into a **"financial supermarket"** for our customers.

Continuously optimize our digital channels, for which in 2021 we launched **more than 100 improvements** and new features in our institution's **app and website.**

Our customers have valued this strategy and **preferred our remote service channels.** As a result, we closed the year with a **digital adoption of almost 70%** and a **sustained increase** in the use of our mobile application, **Scotiabank GO,** which in turn shows a level of **71 points** in NPS measurement of **recommendation** by our users.

More and more customers prefer to use digital channels to make transfers, pay for services and products. That is why we are promoting these platforms, offering an optimal virtual experience.

ScotiaConnect

To help our customers to **interact with the Bank digitally, easily and quickly,** Scotiabank Chile launched ScotiaConnect, branches that provide the same services as traditional branches, but completely remotely.

Customers are served by their executives by phone and email and they can directly request the contracting of products such as current account plans, mortgage loans, consumer loans, credit cards and insurance. The ScotiaConnect model already has 12 remote service branches, serving more than 90,000 customers.

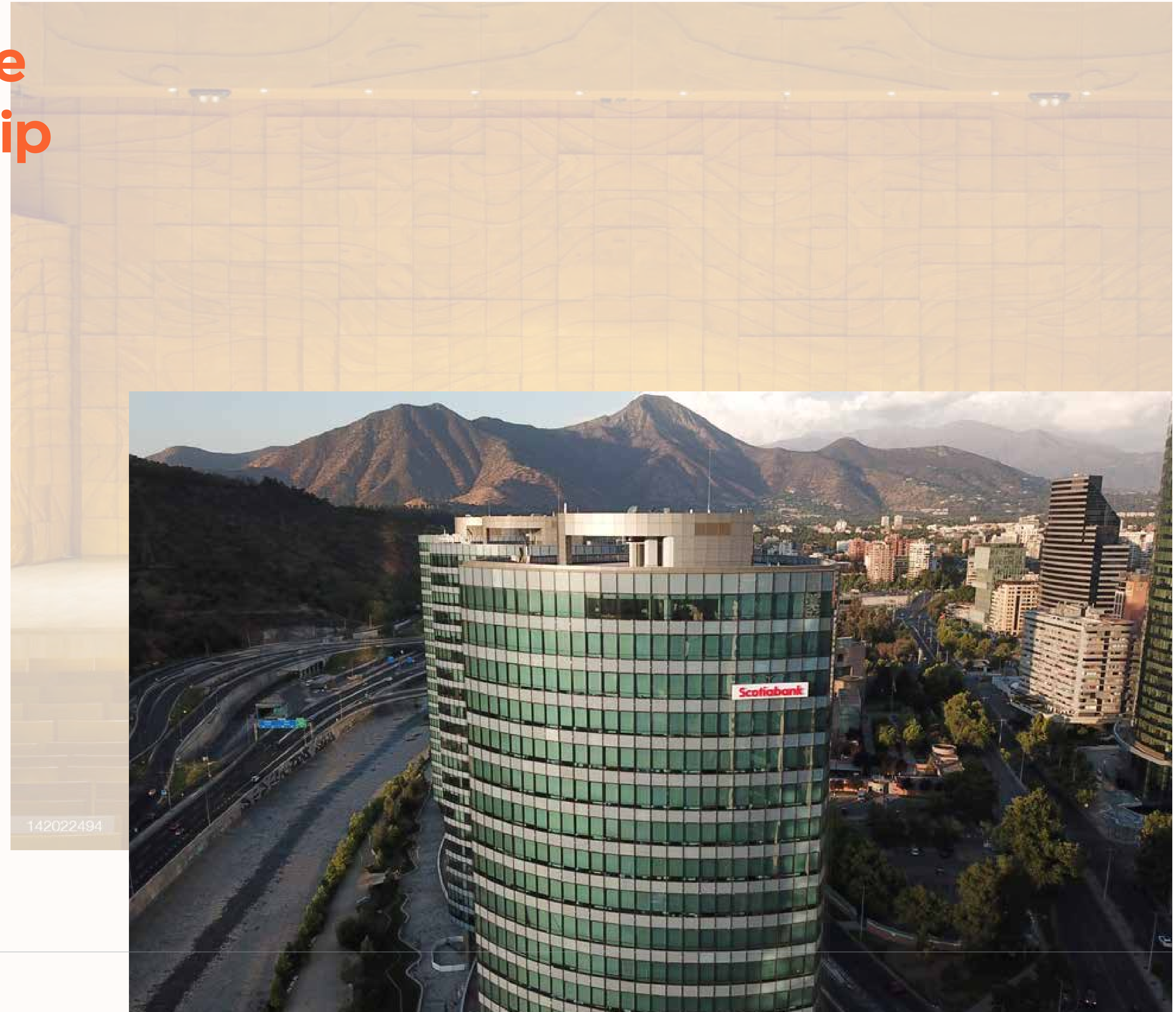
368,428

Active mobile users.

92,300

Customers served by ScotiaConnect branches.

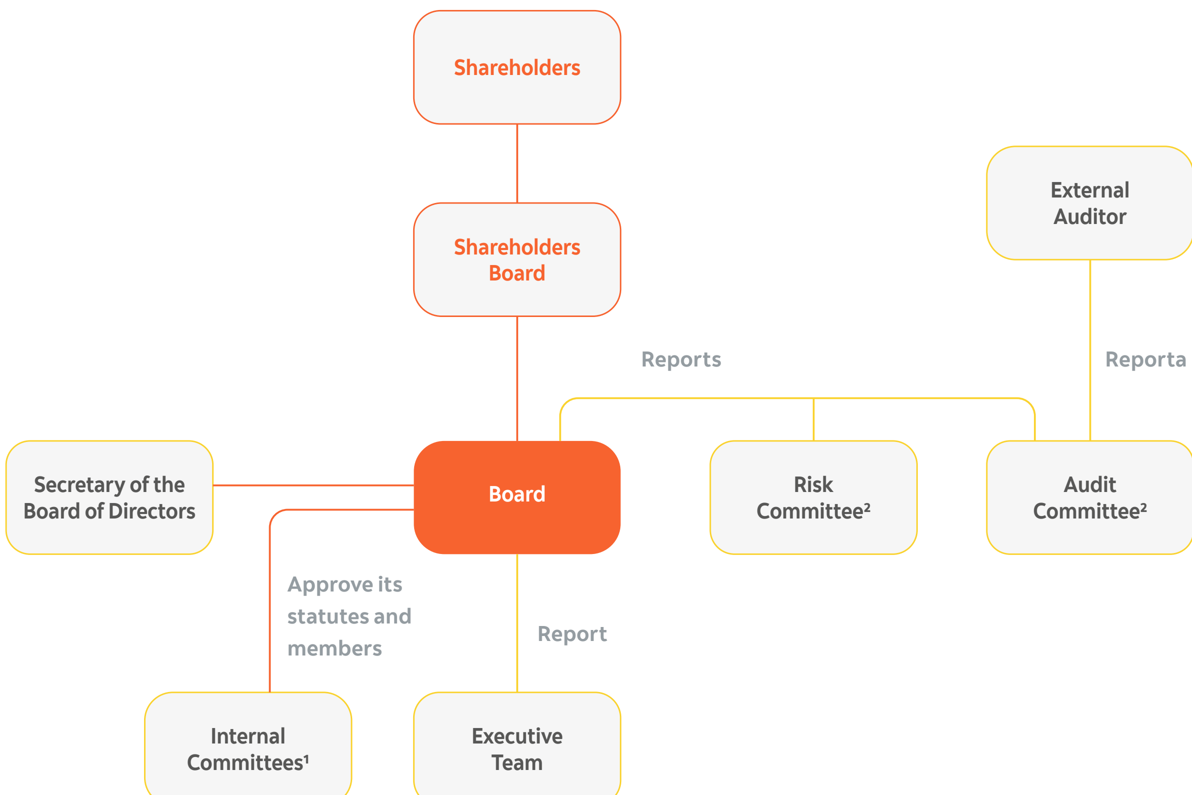
02 | Corporate Leadership



Corporate governance

Strong and effective Corporate Governance is a priority for Scotiabank and is essential to our long-term success. Our policies in this matter are designed to guarantee the independence of the Board and its ability to effectively supervise the operation of the Bank regarding management.

Structure



(1) No participation of Directors.
(2) Support committees.

Corporate Governance Policy for subsidiaries of Scotiabank Group.

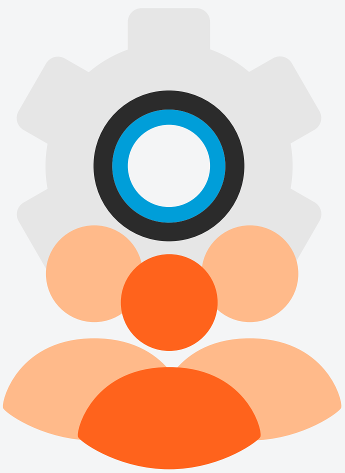
We follow the practice established by our Headquarters in the Corporate Governance Policy for subsidiaries, in those applicable points. Our governance guarantees the proper functioning of operations, which is reflected in the role of the Chairman and internal control activities, of the Bank and subsidiaries.

Board

Pursuant to the General Banking Law and Scotiabank Chile's bylaws, the Board of Directors is made up of 11 regular members and two alternates, elected by the Regular Shareholders' Meeting. These are elected for a period of three years and can be re-elected indefinitely. At least two of them must be independent.

The factors that are taken into consideration for their appointment are the following:

- Integrity, honesty and ability to build trust.
- Appropriate judgment to make business decisions independently.
- Experience in financial matters and/or in this type of institutions and/or in risk management.
- Ability to dedicate the necessary time to the Board of Directors and the Committees of which they may be a part.



Details of Directors

Women	Men
2	11

Chilean	Foreign
11	2

Seniority in office

Less than 3 years	Between 3 and 6 years	More than 6 and less than 9 years	Between 9 and 12 years	More than 12 years
1	9	0	2	1

Age range

Under 30 years old	Between 30-40 years	Between 41 - 51 years	Between 51 - 60 years	Between 61 - 70 years	More than 70 years
0	0	3	5	4	1

Board Organization chart

Salvador Said Somavía
Chairman*

Appointment

He was appointed Chairman of the Bank in September 2020. Until then, he was part of the board of directors, which he joined in August 2018, when the merger between BBVA Chile and Scotiabank Chile was approved.

Committees in which he participates

Risk Committee
Audit Committee

Profile

Commercial Engineer from Universidad Gabriela Mistral, specializing in Business Management.

He is Chairman of Parque Arauco S.A., Vice President of Coca-Cola Andina S.A. and director of Energia Llaima. He also participates in non-profit foundations oriented towards entrepreneurship, such as Endeavor Chile, where he is currently director, and is a director of the Center for Public Studies.

* Dependent Director

Manuel José Vial Vial
Vice-president*

Appointment

He joined the Board of Scotiabank Chile in 2002 and chaired it from April 19, 2016, to August 31, 2017. He was reappointed as director at the Extraordinary Shareholders' Meeting held on August 2, 2018, which approved the merger of BBVA Chile and Scotiabank Chile.

Committees in which he participates

Risk Committee
Audit Committee

Profile

Manuel is a lawyer from Pontificia Universidad Catolica de Chile and was Professor of Civil Law at this same university. He was director of Sociedad de Fomento Fabril (SOFOFA) and partner of Buffet Vial y Palma Abogados (1977 – 2005).

He was director of Banco del Desarrollo and is currently chairman of the Arbitration and Mediation Center (CAM) of the Santiago Chamber of Commerce (CCS), partner of the law firm Grupo Vial Abogados and member of the board for the Chilean Chapter of the International Chamber of Commerce. ICC-Chile.

*Independent Director

Ignacio Deschamps González
Dependent Director

Appointment

Ignacio was appointed director of Scotiabank Chile at the Extraordinary Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which he participates

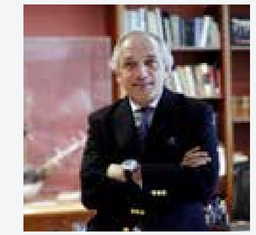
He does not participate in the Committees to support the Board of Directors.

Profile

He is a graduate of the National Polytechnic Institute in Mexico City and a Master of Engineering Administration from George Washington University in Washington D.C.

Before joining Scotiabank, he served as Head of Global LOBS & South America and Head of Global Commercial & Commercial Banking at BBVA. He was also Executive Director of BBVA Bancomer, Institución de Banca Múltiple and Grupo Financiero BBVA.

In 2016, he was appointed Strategic Advisor for Digital Banking reporting to the Chairman and Global CEO of Scotiabank. In February 2016, he was appointed Group Director for International Banking and Digital Transformation. As Group Director with executive responsibility for International Banking, he oversees global retail, SME and commercial banking operations outside of Canada. He is also responsible for leading Scotiabank's digital transformation, reinventing and simplifying the customer experience.



Jaime Said Handal
Dependent Director

Appointment

He was appointed director of Scotiabank Chile at the Extraordinary Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which he participates

He does not participate in the Committees to support the Board of Directors.

Profile

Jaime studied at Dublin School, Dublin New Hampshire, United States. He studied Business Engineering at Universidad Adolfo Ibáñez in Chile and studied at Southern Methodist University, Dallas, Texas, United States.

He has worked in different companies of the Said Family and has served as director and representative in Chile of international banks, including the Republic Bank of Dallas -later NCNB Bank of America- of which he was a representative for 7 years. He was Director of Embotelladora Andina S.A. and founder of Real Estate Patagonia Virgin, in Frutillar, Los Lagos Region, Chile.

He is currently Chairman of Inversiones Newport SpA and SH Seis Ltda.

Organigrama del directorio

Gonzalo Said Handal
Dependent Director

Appointment

He was appointed director of Scotiabank Chile at the Extraordinary Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which he participates

Risk Committee
Audit Committee

Profile

Commercial Engineer from Universidad Gabriela Mistral, with areas of specialization in Finance, Good Practices and Corporate Governance. He is director of Sociedad de Fomento Fabril (SOFOFA) and Chairman of the Board for Fundación Generación Empresarial, from where he promotes his vision of corporate governance and good business practices.

Gonzalo has 30 years of experience in the beverage and mass consumption industry. He is a Director at Embotelladora Andina S.A. and in Holding Companies Said Handal.

Ernesto Mario Viola
Dependent Director

Appointment

He was appointed director of Scotiabank Chile at the Extraordinary Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which he participates

He does not participate in the Committees to support the Board of Directors.

Profile

Certified Public Accountant from University of Buenos Aires. He completed the Management Development Program at the Inalde Business School, Colombia and the Management Program at Duke University, North Carolina, United States. Previously, he was CFO of Scotiabank's Financial Groups in Colombia and Peru, held various management roles at GE Capital, and as an auditor at PWC. Likewise, Ernesto has been part of multiple Boards in companies of the financial sector, such as CIFIN S.A., Sociedad Titulizadora S.A. and Banco Colpatria. Ernesto was appointed Chief Financial Officer (CFO) of Scotiabank International Banking in February 2017, one of his main responsibilities being the supervision of the Finance teams in this line of business.

Karen Ergas Segal
Independent Director

Appointment

She was elected director at the Regular Meeting of Scotiabank Chile Board of Directors on April 25, 2019.

Committees in which he participates

Risk Committee
Audit Committee

Profile

Commercial Engineer with a mention in Economics from the Universidad de Chile. She has a master's in political studies from the Universidad de los Andes.

She also has a director certification issued by IOD, London and a Diploma in Corporate Governance from Universidad Catolica de Chile.

She has more than 25 years of experience in the financial industry. She held the Treasury of Banco de Chile and led the Bank's relations within the international financial community. Likewise, she was responsible for the opening and start-up of the New York branch of BancoEstado, later assuming the head of the international division of the entity.

Thanks to her experience, she has extensive knowledge of the operation and regulatory framework of banking in the United States, relationship with international rating agencies and vast knowledge of capital markets and risk management.

She has been a professor at the Faculty of Economics of Universidad de Chile and at Universidad Adolfo Ibáñez. She is a member of the Board for Paz Corp. and is part of the board for the Institute of Directors of Chile, an organization associated with the IOD (Institute of Directors) of London. In the past, she was part of the boards for Redbanc, Transbank and Risk Classification Commission (CCR) and BancoEstado Corredora de Bolsa.

Emilio Deik Morrison
Independent Director

Appointment

Emilio was elected director at the Regular Meeting of the Scotiabank Chile Board on April 25, 2019.

Committees in which he participates

Risk Committee
Audit Committee

Profile

Emilio is a Civil Industrial Engineer from Pontificia Universidad Catolica de Chile. In his more than 25-year career, he has been an entrepreneur, mentor, teacher and business director.

He is a founding partner of a series of companies, such as Azurian, dedicated to the consulting and development of specialized software services; and executive director of Celcompra, a company specialized in software solutions based on IP telephony. He is a director in companies such as Trabajando.com, Emasa, XYGO, among others. At the teaching level, he is the director of the Digital Transformation Diploma at Universidad de los Andes.

Board Organization chart

Fernanda Vicente Mendoza
Independent Director

Appointment

She was appointed director of Scotiabank at the Regular Shareholders' Meeting, held on April 21, 2017; and appointed again at the Extraordinary Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

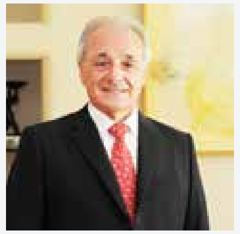
Committees in which she participates

She does not participate in the Committees to support the Board of Directors.

Profile

Fernanda is a Journalist from Universidad Diego Portales and a Master in Innovation from Pontificia Universidad Católica de Chile. She graduated in Communicational Marketing and Marketing of Technological Products and Services at University of California, United States. She is a graduate of the Exponential Foundation Program at Singularity University.

She is Chairman of Mujeres del Pacífico and co-founder of various innovative ventures such as the crowdfunding platform 101 Monkeys and Kodea Foundation. She is also the former Director of Diverge, the Center for Business Innovation at Universidad Finis Terrae. She has been teacher at the School of Civil Engineering and the Master of Innovation at Univeridad Catolica, at School of Business and Economics at University Finis Terrae, MBA at the University of Santiago and at the gender diploma from Universidad de Chile. She is former director of the Association of Entrepreneurs of Chile.



Sergio Concha Munilla
Independent Director

Appointment

He was appointed director of Scotiabank in August 2009 and has been ratified in the position on several occasions, most recently at the Extraordinary Shareholders' Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which she participates

Audit Committee

Profile

Sergio is a Commercial Engineer with a mention in Business Administration from Universidad de Chile and a Diploma in Corporate Governance from Universidad Catolica. He began his career at Banco Hipotecario y de Fomento de Chile and later worked at Banco de Chile, Osorno and Corpbanca.

On behalf of Chile, he was a member of the International Visa Product Advisors Committee for the Latin America and Caribbean region. After that, he worked at Banco de Comercio de El Salvador, an entity that become part of Scotiabank in 2004.

At the Bank he was Executive Chairman of Scotiabank El Salvador and presided over several of its subsidiaries in El Salvador, Costa Rica, Guatemala, Honduras and Panama. In Chile, he was General Manager of Banco del Desarrollo and chairman of its subsidiaries, until the merger with Scotiabank Chile.

Arturo Tagle Quiroz
Independent Director

Appointment

Arturo was appointed director at the Regular Meeting of September 24, 2020.

Committees in which she participates

Risk Committee
Audit Committee

Profile

He is a Commercial Engineer from Pontificia Universidad Católica de Chile and has a master's degree in Business Administration from University of Chicago.

He was general manager of Banco de Chile for six years and chairman of Banco Estado between March 2018 and June 2020. In his extensive resume, his participation in tables of Banchile Corredores de Seguros Limitada, Banchile Administradora General de Fondos SA, Redbanc, Transbank, Confuturo Seguros de Vida and INACAP. Before he was general manager of the Association of Banks of Chile.

Juan Antonio Guzmán Molinari
First Alternate Director

Appointment

He was appointed director in 2012 and has been ratified in the position on several occasions, most recently at the Extraordinary Meeting held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which she participates

He does not participate in the Committees to support the Board of Directors.

Profile

Civil Industrial Engineer from Pontificia Universidad Catolica de Chile and Ph.D. Polytechnic of North London. He has extensive professional experience in administration and management of public and private organizations; and has performed academic teaching functions and academic direction.

He was General Manager of Gener S.A. and is currently a member of the Board for various private companies and is an active partner in companies in the energy, education, health and real estate projects sectors.

Guillermo Mackenna Rueda
Second Alternate Director

Appointment

He was appointed Alternate Director at the Regular Shareholders' Meeting, held on August 2, 2018, in which the merger of BBVA Chile and Scotiabank Chile was approved.

Committees in which she participates

He does not participate in the Committees to support the Board of Directors.

Profile

Guillermo is a lawyer from Universidad Gabriela Mistral and has a Master of Laws from Northwestern University in Chicago, United States. He has been a partner in various law firms in Chile and the United States and is currently a partner in Grupo Vial Abogados.

He served as Corporate Prosecutor of Farmacias Ahumada S.A. where he later took over as secretary of the board (2009-2010). He was a director and chairman of the board for Blanco y Negro S.A.

General functions and responsibilities of the Board

Establish the Bank's business objectives. This role includes analyzing, reviewing and proving the company's strategy and plans for major operations.

Provide effective governance, to best balance the interests that are part of the organization, including its shareholders, customers, employees and the community in which it operates.

Evaluate the Bank's operational and financial results, so that these are in accordance with the objectives and business strategy of the organization and its appetite for risk.

Specific responsibilities of the Board

Our Board knows and is informed about the Bank's business, as well as the regulatory context in which it operates. New members are given written information to support them in this function.

Their specific responsibilities are:

Risk Management

Establish appropriate and prudent risk policies for the Bank's management. Be informed and understand the significant risks to which the institution is exposed.

Capital management

Set the appropriate and prudent risk policies for the Bank's management, for which it has the support of the Management and Capital Committee, which must decree the appropriate capital management policies for the Bank.

Control environment

Verify that the Bank has a control environment that supports adequate, effective and prudent management. Both the Internal Audit division, the external auditors and senior management must report to the Board on the status of the Bank's control environment.

Liquidity and financial management

Safeguard and understand the liquidity needs and financing management of the Bank.

Internal Audit

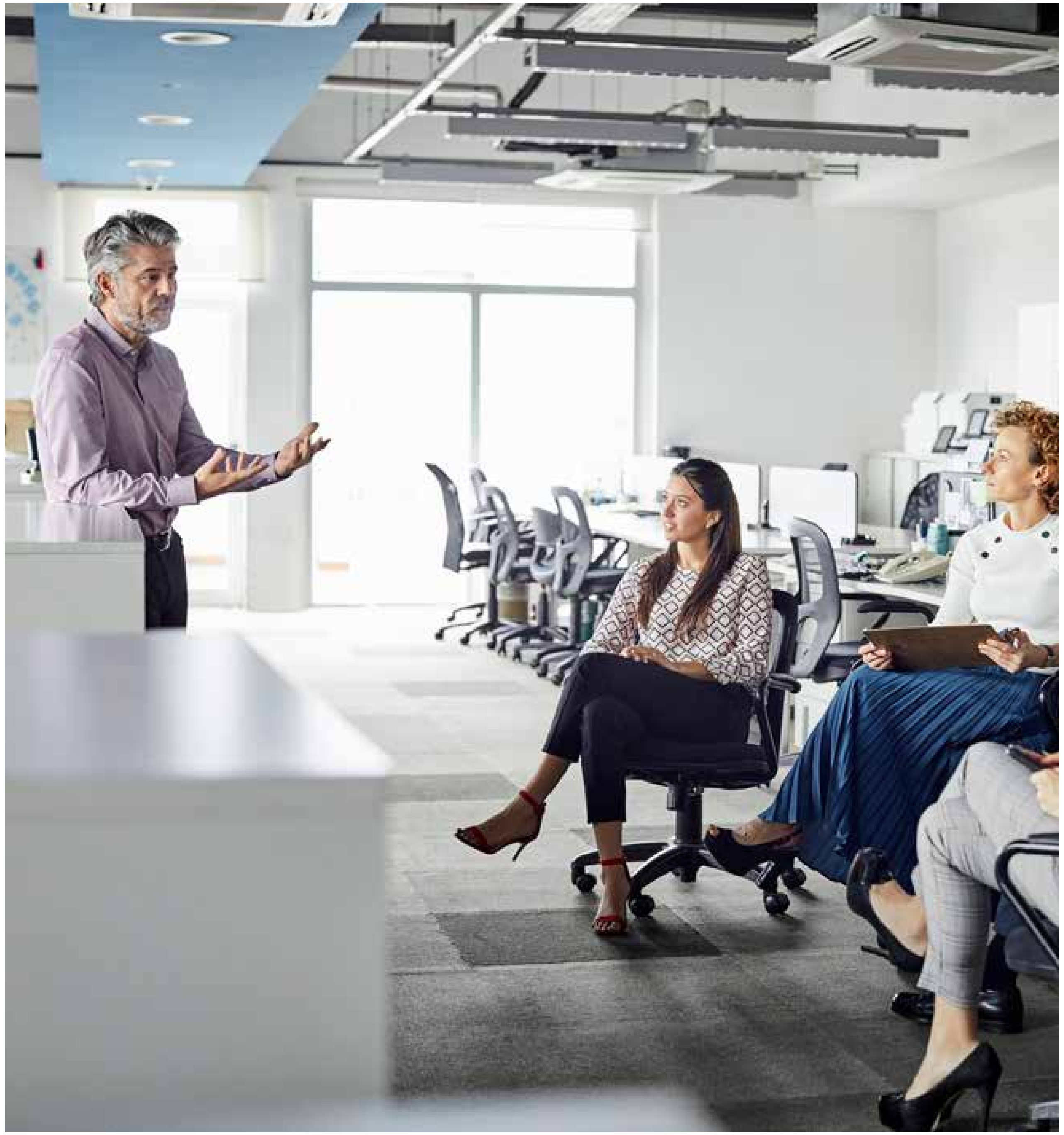
At the recommendation of the Audit Committee, it will establish the functions for the Audit division, and will approve its annual planning. In addition, it will periodically request validations from the Audit division that the Bank's processes, policies, procedures and controls are being monitored and respected and that appropriate actions are being taken to address any significant deficiencies that have been identified.

The Board conducts an annual review of its performance. As a result of the 2021 process, a Work Plan was designed for 2022 with aspects and matters to improve, as well as the programming of activities for the period. The answers given in the self-assessment are confidential and the results are delivered to the Board and presented at the Regular Shareholders' Meeting.

Ongoing training

Our Board of is constantly receiving training in various fields, a context in which, during the year, five inductions were held, in order to strengthen knowledge and improve the performance of our institution.

Directors Training	Description
Cyber awareness	General IT knowledge was reinforced; how to recognize attackers; social engineering; privacy in Social Networks; viruses, malware and ransomware; password protection, identity theft, mobile device security; travel security; protection of our cloud and data.
Technological risk and cybersecurity	Were addressed topics as Magnitude of the Problem; Understanding of the Cybersecurity GAP; Corporate Governance: Roles, Responsibilities of the Board of Directors and Risk Factors.
Anti-Money Laundering and Anti-Financing of Terrorism (AML & AFT)	Training sessions were held on Definitions and Precedent Offenses; UAF and Situations in Chile; Know Your Customer Policy and its importance; High Automatic Risk Customers; Sanctions; Monitoring Systems; Functions of AML Management; Consequences of not having an AML program.
Limits and Exceptions	Inductions were made on Portfolio Performance Limits; Collection Policy and LMT; Stock, Renegotiations and Vintage; Exceptions; Collection Strategies.
Capital Management and Basel III	Topics such as Summary; Basel evolution; Capital reserves; Regulatory Legal Context; Pillar 1 and 2: IAPE; MIR; MAR were addressed.



Main executives

Sr. Diego Masola
CEO - EVP & Country Head

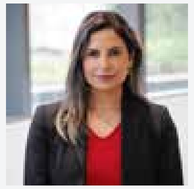
Sr. Juan Matamoros
SVP Retail Banking

Sra. María Victoria Doberti
SVP & CFO

Sr. Víctor Carpio
SVP & CRO

Our senior management **must ensure** that the Bank's activities are **consistent** with its **business strategy, institutional values, tolerance, risk appetite** and **policies,** previously defined or approved by the Board. For these purposes, it must be made up of suitable professionals who have personal and technical skills, and the necessary experience to effectively manage the Bank.

Sra. Jacqueline Balbontín
VP People Management, Culture and Corporate Affairs

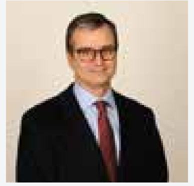


Sra. Elizabeth Valenzuela
VP Audit

Sr. Jabar Singh
SVP Wholesale Banking

Sr. Daniel Puerta
IT Director

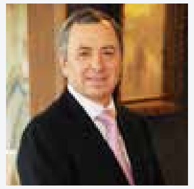
Sr. Rafael Bilbao
VP Wealth Management



Sr. Eduardo Meynet
VP AML & Internal Control

Sr. Alexis Moreno
VP Digital Banking

Sr. Ignacio Ruiz-Tagle
VP Prosecution



Sr. Gabriel Morgan
VP Operations

Committees

Each of our committees has its own bylaws and must comply with all established laws, standards and regulations. The statute will establish its mission and responsibilities, its structure, its powers and the necessary requirements to form part of the body. It will also indicate the way in which the appointments will be made and the reports that must be sent to the Board.

Two of Scotiabank's committees are made up of directors: the Audit Committee and the Risk Committee.

Audit Committee	Risk Committee
Members:	**Members:**
Permanent Members-Directors	Permanent Members-Directors
Mr. Sergio Concha, Director	Mr. Manuel José Vial, Director
Mr. Manuel José Vial, Director	Mrs. Karen Ergas, Director
Mr. Gonzalo Said, Director	Mr. Salvador Said, Director
Guests	Guests
Mr. Diego Masola, CEO - EVP & Country Head	Mr. Diego Masola, CEO - EVP & Country Head
Mrs. María Victoria Doberti, SVP & CFO	Mr. Víctor Carpio, SVP & CRO
Mr. Rafael Bilbao, VP Prosecution	Mr. Rafael Bilbao, VP Prosecution
Mrs. Elizabeth Valenzuela, VP Audit	Mrs. Elizabeth Valenzuela, VP Audit
	Mrs. María Victoria Doberti, SVP & CFO
Meetings	Meetings
The regular meetings of the Committee are held once a month.	The regular meetings of the Committee are held once a month.
Functions	Functions
This Committee is in charge of the following aspects: (i) Maintain the functioning of the Bank´s internal control systems and its subsidiaries. (ii) Carefully monitor compliance with the rules and procedures that govern their practice. (iii) Be aware of the risks that the business carried out may mean for the institution. (iv) Strengthen and support the function of the Comptroller's Office, as well as the independence of the administration, being a coordinating link between the internal audit and the external auditors, and a link between them and the Bank's Board.	(i) Support the Board of Directors in supervising Risk Management, which includes institutional, credit, market and operational risks, which must be constantly monitored and supervised. In addition, it must provide the Board with updated information on the Bank's risk management.

Capital Management Committee	Liquidity Contingency Committee
Members:	**Members:**
Executives	Executives
Mr. Diego Masola, CEO - EVP & Country Head	Mr. Diego Masola, CEO - EVP & Country Head
Mrs. María Victoria Doberti, SVP & CFO	Mr. Jabar Singh, SVP Wholesale Banking
Mr. Jabar Singh, SVP Wholesale Banking	Mrs. María Victoria Doberti, SVP & CFO
Mr. Juan Matamoros, SVP Retail Banking	Mr. Juan Matamoros, SVP Retail Banking
Mr. Víctor Carpio, SVP & CRO	Mr. Paul Misle, Managing Director and Head of Sales & Trading
Mr. Aitor Aldunate, VP Treasury & Capital Management.	Mr. Víctor Carpio, SVP & CRO
Mr. Paul Misle, Managing Director and Head of Sales & Trading	Mr. Aitor Aldunate, VP Treasury & Capital Management
Mr. Jaime Assael, Market Risk Director	Mr. Jaime Assael, Market Risk Director
Mrs. Elizabeth Valenzuela, VP Audit	Mr. Mauricio Bonavía, General Manager Scotia Corredora de Bolsa
Mr. Alexis Moreno, IT Director	Mr. Fabio Valdivieso, General Manager AGF
Mr. Jaime Torres, Director FP&A	Mr. Luis Alberto Aubele, General Manager CAT
Mr. Ignacio Ruiz Tagle, VP Wealth Management	Mr. Jaime Escárate, Financial Operations Manager
Mr. Eduardo Meynet, VP Operations	Mrs. Jéssica Rivas, Senior Manager Internal Communications
Mr. Andrés Barrera, Secretary	
Meetings	Meetings
Regular meetings of this committee are held quarterly.	The Committee can be activated and convened by the General Manager in his capacity as Chairman and Officer in Charge of CCL or, in his absence, by the Treasury Manager or by ALCO Resolution.
Functions	Functions
Control the globality of the strategic planning and capital management process, to control its quality, integrity and the fulfillment of commitments in order to provide senior management with pertinent and value-added information. Similarly, it must analyze and focus on corrective actions regarding eventual deviations, to promote optimizations in these matters.	(i) In the event of a liquidity stress event, this committee is the highest decision-making body within the organization. It is also the point of contact and consultation of the various areas of the Bank

Portfolio Management Committee(PMC)	Model Committee
Members:	**Members:**
Executives	Executives
Mr. Diego Masola, CEO - EVP & Country Head	Mr. Victor Carpio, SVP & CRO
Mrs. María Victoria Doberti, SVP & CFO	Mr. Felipe Lazo, Senior Manager Data Engineering and Model Monitoring
Mr. Juan Matamoros, SVP Retail Banking	Mr. Eduardo Quiroga Paz, VP Retail Risk
Mr. Jabar Singh, SVP Wholesale Banking	Mr. Jeisson Pérez, Director of Risk and Capital Models
Mr. Víctor Carpio, SVP & CRO	Mr. Jorge Sarria, Director of Wholesale Portfolio
Mr. Aitor Aldunate, VP Treasury & Capital Management.	Mrs. Danitza Hardy, Director of Policies and Adjudication Center
Mr. Eduardo Meynet, VP Operations	Mr. Juan Pablo González, Portfolio Management Director
Mr. Alexis Moreno, IT Director	Mr. Jorge Zamora , Director of Collection Strategy
Mr. Daniel Puerta, VP Digital Banking	Mr. Macario Zamorano, Director Enterprise Risk Management
Mrs. Jacqueline Balbontín, VP People Management, Culture and Corporate Affairs	Mr. Adrián Alarcón, CAT Risk Division Manager
Mr. Rafael Bilbao, VP Prosecution	Mr Jorge Pinto, CAT Models Manager
Mrs. Mariela Riquelme, Senior Manager Expense Control	Mr. Héctor Briones, CAT Risk Operations Manager
Mr. Jaime Torres, Director FP& A	Mr. Angello González, Models Senior Manager (Provisions Retail)
Mr. Luis González, Modernization Director	Mrs. Romina Meza, Models Senior Manager (Scoring Retail)
Meetings	Meetings
Regular meetings of this committee are held quarterly.	Regular meetings of this committee are held quarterly.
Funciones	Funciones
(i)Optimize resource allocation in accordance with the Bank's strategic priorities and budget. (ii) Prioritize the allocation of resources. (iii) Approve initiatives aligned with the Bank's strategy. (iv) Control budget, progress and execution of projects.	(i) Its role is to define and approve the preparation, application and follow-up of the models for the Personal Banking, Consumer Finance, Micro-enterprises and Group Commercial segments, in the various stages of the credit cycle. (ii) Maintain the correct development, approval and implementation of the models of local and international standard provisions.

Committee of Assets and Liabilities (ALCO)	External Suppliers Committee
Members:	**Members:**
Executives	Executives
Mr. Diego Masola, CEO - EVP & Country Head	Mr. Gabriel Morgan, VP AML & Internal Controls
Mrs. María Victoria Doberti, SVP & CFO	Mr. Fernando Jacome, VP Strategic Sourcing and Expense Management
Mr. Juan Matamoros, SVP Retail Banking	Mr. Macario Zamorano, Director Enterprise Risk Management
Mr. Jabar Singh, SVP Wholesale Banking	Mr. Cristián Fernández, Director AML ATF & Compliance
Mr. Víctor Carpio, SVP & CRO	Mr. Juan Enrique Ibáñez, Director Local Infrastructure
Mr. Aitor Aldunate, VP Treasury & Capital Management.	Mr. Rodrigo Figueroa, Director AML & Internal Control
Mr. Paul Misle, Managing Director and Head of Sales & Trading	Mr. Kurt Haarmann, Director of Corporate Security
Mr. Jaime Assael, Market Risk Director	Mr. Luis Molina, Legal Manager Retail Banking
Mrs. Elizabeth Valenzuela, VP Audit	Mr. Víctor Astudillo, Senior Manager Operating Risk
Mr. Andrés Barrera, Secretary	Mrs. Claudia Aracena, Senior Manager Internal Control
	M r. Nicola Starita, Senior Manager, Purchase operations & e-Procurement
Meetings	Meetings
The regular meetings of the Committee are held monthly.	The regular meetings of the Committee are held monthly.
Functions	Functions
(i) Provide the strategic guidelines that allow the proper management of the Bank's financial structure, in accordance with the objectives established by the Board of Directors and with the policies of Scotiabank Chile. (ii) Supervise the development of the balance sheet and long-term strategies, becoming a focus for discussion and resolution of issues related to the Bank's growth, funding, products, pricing, risks and results.	(i) Manage in a unified manner the issues that cover the various aspects of the external contracting of the Bank and its subsidiaries with external suppliers or with other members of the group.

Quality and Transparence Committee	Ethics Committee
Members:	**Members:**
Executives	Executives
Mr. Diego Masola, CEO - EVP & Country Head	Mrs. Jacqueline Balbontín, VP People Management, Culture and Corporate Affairs
Mr. Juan Matamoros, SVP Retail Banking	Mr. Cristián Fernández, Director AML ATF & Compliance
Mr. Eduardo Meynet, VP Operations	Mr. Rafael Bilbao, VP Prosecution
Mrs. Claudia Heimpell, VP Distribution Retail Banking	Division Manager of the analyzed case
Mrs. Jacqueline Balbontín, VP People Management, Culture and Corporate Affairs	
Mr. Rafael Bilbao, VP Prosecution	
Mrs. Bárbara Schwerter, VP Retail Banking Products	
Mrs. Andrea Pinto, Sales and Services Support Director	
Mr. Javier Martín, Director Customers Experience	
Meetings	Meetings
The regular meetings of the Committee are held quarterly.	The Committee meets each time an eventuality occurs that so deserve it.
Funciones	Funciones
(i) Promote a culture of service excellence. (ii) Suggest quality policies and procedures to the Board of Directors and transparency in the service or in its modifications. (iii) Monitor the implementation of the latter. (iv) Inform the Board of Directors about important events regarding quality and transparency.	(i) Ensure compliance with the standards established in the Scotiabank Group Code of Conduct. (ii) Solve the doubts that arise in its application. (iii) Promote respect, dignity and diversity within the organization.

Committee of Investment and Expense	Committee for the Prevention of Asset Laundering and Financing of Terrorism
Members:	**Members:**
Executives	Executives
Mrs. Mariela Riquelme, Senior Manager Expense Control Finance Division	Mr Diego Masola, CEO - EVP & Country Head
Mr. Fernando Jacome, VP Strategic Sourcing & Cost Management IB	Mr. Juan Matamoros, SVP Retail Banking
Mr. Jaime Torres/Mariela Riquelme, Senior Manager Expense Control Finance Division	Mr. Víctor Carpio, SVP & CRO
Mr. Nicola Starita, Senior Manager Purchase Operations	Mr. Rafael Bilbao, VP Prosecution
Mrs. María Victoria Doberti, SVP & CFO	Mr. Eduardo Meynet, VP Operations
Mr. Aitor Aldunate, VP Treasury & Capital Management.	Mr. Cristián Fernández Director, AML ATF & Compliance
Mrs. Mariela Riquelme, Senior Manager Expense Control Finance Division	Mr Gabriel Morgan, VP AML & Internal Control
	Mr. Armando Véliz, Director Operations AML-FIU
	Mrs. Karina Rivera, Director Operations AML Controls
	Mr. Jabar Singh, SVP Wholesale Banking
	Mr. Ignacio Ruiz-Tagle, VP Wealth Management
Meetings	Meetings
The regular meetings of the Committee are held monthly.	The regular meetings of the Committee are held monthly.
Functions	Functions
(i) It is the highest instance to approve disbursements greater than CAD 20 M and has the power to reject any expense or investment that does not meet the needs of the Bank and its subsidiaries.	(i) Establish the corporate framework that governs it to promote and facilitate in Scotiabank Chile and subsidiaries compliance with local regulations and best corporate practices in order to prevent, detect and report unusual operations that could be linked to money laundering and prevention of financing of the terrorism. The PLA Committee constitutes one of the communication channels between the compliance officer and senior management.

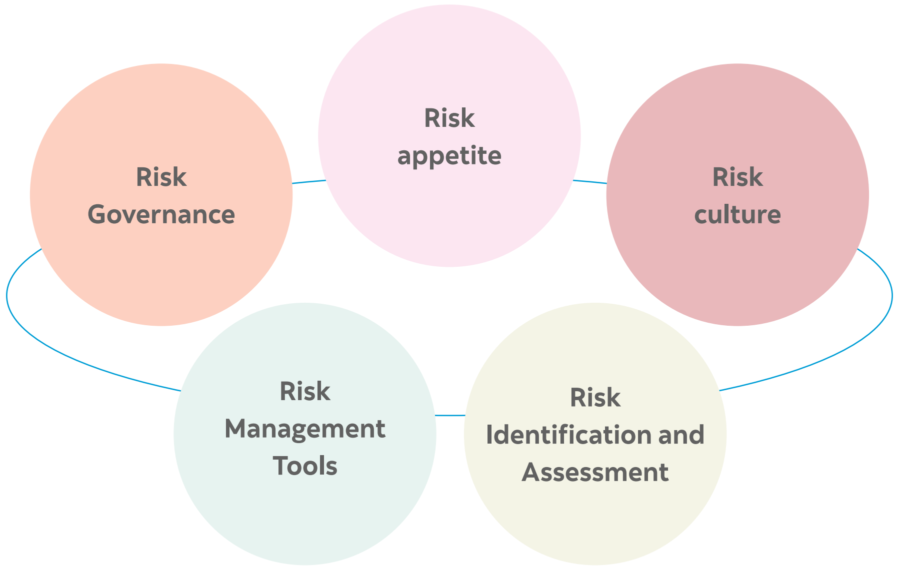
Non-Financial Risk Management Committee
Members:
Executives
Mr. Diego Masola, CEO - EVP & Country Head
Mr. Juan Matamoros, SVP Retail Banking
Mr. Víctor Carpio, SVP & CRO
Mr. Jabar Singh, SVP Wholesale Banking
Mr. Gabriel Morgan, VP AML & Internal Control
Mr. Alexis Moreno, IT Director
Mr. Daniel Puerta, VP Digital Banking
Mr. Rafael Bilbao, VP Prosecution
Mr. Eduardo Meynet, VP Operations
Mr. Cristián Fernández, Director AML ATF & Compliance
Mr. Macario Zamorano, Director Enterprise Risk Management
Mrs. Jacqueline Balbontín, VP People Management, Culture and Corporate Affairs
Mrs. María Victoria Doberti, SVP & CFO
Mrs. Elizabeth Valenzuela, VP Audit
Meetings
The regular meetings of the Committee are held monthly.
Functions
(i) Supervises the non-financial risks of the Bank and Subsidiaries -Operational Risks, Information Security, Business Continuity, Risk in Outsourced Services, New Products and Initiatives, Compliance, Regulatory and Reputational Reports- providing a strategic approach and coordinating the development of local internal control programs. Its competence in this area and the actions it carries out extend to the Bank and all its subsidiaries.

Risk Management

Scotiabank Chile has a Risk Management Framework whose objective is to guarantee that the results of the activities that involve assuming risk are consistent with the strategies and risk appetite of our Organization. This Framework considers a well-established risk control structure that includes an active and committed Board of Directors, which is supported by an experienced Senior Management team. Decision making is centralized in various committees related to risk management. Bank Risk Management It is based on the three lines of defense model where the Internal Audit Department provides independent assurance at the institutional level on the design and operation of the Bank's internal control, risk management and control processes.

Risk Management Framework

This framework is applied throughout the Bank and consists of five fundamental elements:



The Risk Management Framework is essential information for the Board, senior management and all other employees of the Bank and its subsidiaries. Their functions are:

- **Describe risk management, its principles, risk appetite, risk culture, tools and essential elements for managing this issue for the Bank.**
- **Determine the way in which the Bank identifies, measures, controls and reports the risks to which it is exposed.**
- **Act as a general framework for all elements of activities that are part of the Bank's risk management and become the main source of documentation for all other frameworks and policies in this area.**

Additionally, we have a three-line defense model defense:

First Line of Defense

Composed of commercial units that are the ones that, basically, take the risks and own them.

Second line of Defense

Made up of control functions (Risk Management and Compliance) that provide independent supervision to the First Line of Defense and oversee monitoring and controlling risks.

Third Line of Defense

Constituted by the Internal Audit area that provides independent assurance to Senior Management and the Board of Directors regarding the effectiveness of risk management practices.

Risk management principles

The activities that involve assuming risks by the Bank are based on the following principles:

Risk-benefit balance

We make sure that business and risk decisions are in accordance with strategies and risk appetite.

Recognition and understanding of risks

We identify and manage all material risks to which the Bank is exposed, whether financial or non-financial.

Progressive thought

We proactively manage emerging risks and potential vulnerabilities.

Customer Focus

We exhaustively analyze the needs of our customers to make effective risk decisions.

Shared responsibility

All our collaborators are responsible for managing risk.

Protection of our Brand

We review the activities that involve risk taking to ensure that these are aligned with the Bank's risk appetite, its Code of Conduct, its values and principles

Controls

We maintain a robust and resilient control environment to protect our stakeholders.

Resilience

We have the operational and financial means to deal with adverse events.

Compensation

Our performance and compensation structures reinforce the Bank's values and promote risk-taking behaviors that consider the regulatory environment and compensation.

Risk Culture

For the success of our organization, it is essential to have a **strong risk culture** that allows **employees to identify activities** in which risk approval exceeds the appetite established by the institution. This culture is defined by numerous factors, including the interdependent relationship between the **risk control structure, risk appetite, organizational strategy, and the organization's risk management tools.**

Risk Governance

We have an established risk governance structure and an active and committed Board that is supported by an experienced senior management team. Decision-making is duly centralized through a series of risk management committees.

The Risk Management is permanently related to the local Board, through the approval of policies and the monthly report of the Risk Committee. All policies and actions are coordinated with the Headquarters, from which global guidelines and advice are received.

The Risk Committee is the body that recommends to the Board the policies, standards and procedures for adequate risk management and monitoring. This function includes periodically reviewing and approving the key policies in this area and the frameworks and limits of action, in order to guarantee that all the Bank's operations are carried out in accordance with the defined risk appetite and within the established management framework.

The following areas report to the Senior Vice Presidency of Risk: retail risk; wholesale risk; market risk; Enterprise Risk; compliance & AML.

All risks are reported to the area dedicated to the administration, knowledge and governance of said risks. This management actively participates in cross-cutting bank projects such as Basel III, the Compendium of Accounting Standards and the SME project, among others.

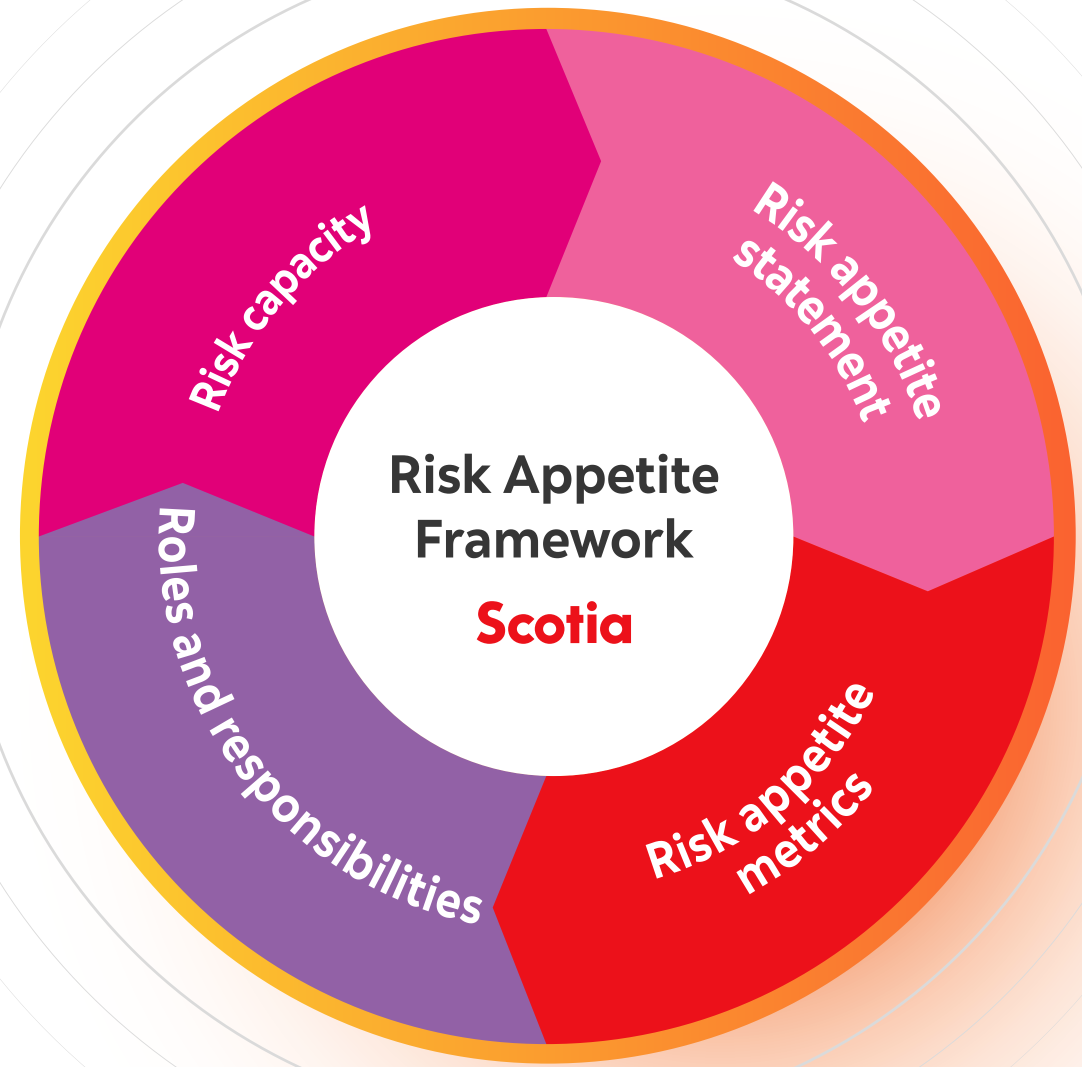
Milestones in risk management during 2021

Projects, programs and/or relevant milestones 2021	Description
Expansion of non-financial risks	The Bank has expanded the types of non-financial risk, such model risk, data risk and environmental risk.

Risk Appetite Framework

The Bank's Risk Appetite Framework (RAF) determines the organization's risk capacity and establishes the amount and types of risk that the Bank is willing to assume to achieve its strategic objectives. It includes the metrics, roles, and responsibilities of those charged with monitoring. The application of all these components allows the Bank to remain within appropriate risk limits and to achieve an optimal balance between risk and benefit.

The Bank's performance, based on previously established risk appetite parameters, is **reported monthly to the Risk Committee and the Board** as part of the Bank's Risk Management Report.



Types of Risks

As a bank we are exposed to a variety of risks that can potentially negatively affect the financial performance, reputation and business strategies of our organization. That is why our risk management approach considers identifying, evaluating, reviewing, monitoring and proactively managing the main and emerging risks to define the appropriate strategies for their mitigation.

The main risks assumed by the Bank are:

Financial Risks:

- Credit Risk
- Market Risk
- Liquidity Risk

For a more exhaustive analysis, we have a list of risks classified as main (top) and emerging. The preparation of this list considers information collected from various sources, as well as external research.

Due to the new challenges in digitalization, we have established additional requirements and standards for the identification, measurement and mitigation of IT and cybersecurity risks, which ensure the protection of information.

Non-financial risks:

- Operational Risk
- Risk of money laundering and financing of terrorism and sanctions
- Reputational Risk
- Technological and cybersecurity risk
- Models Risk
- Data Risk
- Compliance Risk
- Environmental Risk
- Strategic Risk

Integrity and transparency

ur core values - **respect, integrity, passion and responsibility** - are the foundation of our daily actions. Its compliance has allowed us to become one of the largest and most solid banks in the world.

Code of Conduct

The Code of Conduct describes the standards by which the company is governed and must be followed by all employees, directors and related parties of Scotiabank. In Chile, all new hires receive a copy of this document when they are hired or elected and are required to comply with the values and standards of conduct set forth in it, as well as any other policies applicable to Scotiabank. For their part, managers must know and communicate applicable laws, regulatory requirements, internal policies, procedures and processes, as well as manage and supervise employees to ensure that the law, the Code of Conduct, other policies, internal procedures and processes are followed.

Ethics, Compliance and anti-corruption

Our role is to promote ethical conduct and compliance in our institution, providing support to the directors, officers and employees of the Bank and its subsidiaries.

We provide independent oversight through the Bank's Global Compliance Risk Management Program, which was established to manage and mitigate the Compliance Risk inherent in our institution's global business.

Our priorities:

- Close applicable milestones of compliance remediation initiatives.
- Achieve objectives related to Leadership, Diversity and Inclusion.
- Reduce observations pending and delayed for a significant period.
- Ensure proper implementation of business, business compliance and corporate function programs globally.
- Achieve substantial alignment with OSFI E-13* expectations on schedule.
- Strengthen the risk culture, skill set and training within Global Compliance.

*(Guideline E-13 Office of the Superintendent of Financial Institutions).

Whistleblowing Channel

Our Bank is committed to providing an inclusive, respectful and safe environment, free of discrimination and harassment for all, and therefore we promote open and two-way communication. To do this, we have various whistleblowing mechanisms, which are available to the entire organization.

Likewise, there are two mechanisms - the email denuncias@scotiabank.cl and the form through the Scotiabank Chile website - through which whistleblowing related to Law 20,393 are received, which establishes the criminal liability of people in the commission of a series of crimes and establishes the creation of a Crime Prevention Model. Whistleblowing are received by the Compliance Area and, if these do not correspond to its scope of action, these are referred to the competent area for attention.

For us, ethics and transparency are fundamental values and that is why both channels are available both to collaborators and to anyone who wants to file a complaint. In 2021 we received a total of 88 whistleblowing.

None of the whistleblowing received during 2021 corresponded to issues related to Law 20,393 or issues of conduct that the Compliance Area had to address.

Training in ethics, compliance and/or free competition standards

These topics are of vital importance to our organization and, for this reason, we are constantly training our collaborators. During 2021, the subjects taught by the annual courses were:

- Understanding Global Sanctions
- Fight against Bribery and Corruption.
- Culture and Appetite for Risk.
- Risk Reduction: Prevention of Money Laundering.
- Privacy at Scotiabank.
- Code of Conduct.

Total number of people trained by job family

Type of Position			
Current Assets:	Women	Men	Total
Senior Management	6	26	32
Management	114	210	324
Headship	399	565	964
Sales Force	1,025	613	1,638
Administrative	1,131	420	1,551
Auxiliar	0	185	185
Other professionals	795	934	1,729
TOTAL	3,470	2,953	6,423

Pink Day
Against harassment

Total hours of training by job family in 2021

Type of Position	Women	Men	Total
Senior Management	31	157	**188**
Management	707	1,303	**2,010**
Headship	2,406	3,409	**5,815**
Sales Force	5,979	3,719	**9,698**
Administrative	6,659	2,428	**9,087**
Auxiliar	0	1,117	**1,117**
Other professionals	4,733	5,797	**10,530**
Total	**20,515**	**17,930**	**38,445**

Average hours of training per job family in 2021

Type of Position	Women	Men	Total
Senior Management	3	3	**3**
Management	3	3	**3**
Headship	3	3	**3**
Sales Force	3	3	**3**
Administrative	3	3	**3**
Auxiliar	3	3	**3**
Other professionals	3	3	**3**
Total	**3**	**3**	**3**

In May 2021, we obtained the **Crime Prevention Model Certification,** which consists of verifying the **implementation of the prevention system or compliance program.** The conclusions of the report indicated that the Crime Prevention Model of legal entities that are part of the Scotiabank Group, is implemented and complies in all its significant aspects with the requirements established in **Law Nº. 20,393.**

Training in the crime prevention model

Total number of people trained by job family in 2021

Type of Position	Women	Men	Total
Senior Management	0	3	3
Management	2	3	5
Headship	10	16	26
Sales Force	87	75	162
Administrative	117	43	160
Auxiliar	0	13	13
Other professionals	68	105	173
Total	**284**	**258**	**542**

Total hours of training by job family in 2021

Type of Position	Women	Men	Total
Senior Management	0	1	1
Management	0	1	1
Headship	2	3	5
Sales Force	17	15	32
Administrative	23	9	32
Auxiliar	0	3	3
Other professionals	14	21	35
Total	**56**	**53**	**109**

Average hours of training per job family in 2021

Tipo de cargo	Women	Men	Total
Senior management	0	0.2	**0.2**
Management	0	0.2	**0.2**
Headship	0.2	0.2	**0.2**
Sales Force	0.2	0.2	**0.2**
Administrative	0.2	0.2	**0.2**
Auxiliar	0	0.2	**0.2**
Other professionals	0.2	0.2	**0.2**
Other technical	NA	NA	**0.2**
TOTAL	**0.2**	**0.2**	**0.2**

All new collaborators **must** take the **Scotiabank Chile Crime Prevention Model course.**

Essential Facts

Projects, programs and/or 2021 relevant milestones	Description
Certification Law 20.393	Certification of Crime Prevention Model, according to Law 20,393 of Bank and Subsidiaries. It was granted for a period of 24 months, which is the maximum term granted by law.
CMF 2021 Annual visit	The review of the CMF 2021 yielded a rating of Material Compliance for the assessed matters of Credit Risk Management and Control over Subsidiaries.
CMF Qualification	CMF classified us as Category A in accordance with our Management and Solvency models.

During the period analyzed in this report, there were two sanctions applied by the CMF, which were resolved as stipulated, these were: CMF fine for operations in which the TMC was exceeded, value of the fine UF 100. Fine of the CMF for infringing rules on debtor reporting, value of the fine UF 500.

At **Scotiabank** we have a **set of policies**, approved by the board, that establish the general frameworks. Some of them are:

- Scotiabank Code of Conduct
- Institutional Sanctions Policy
- Policy for the Fight against Bribery and Corruption
- Crime Prevention Policy of Scotiabank Chile and subsidiaries
- Whistleblowing Policy and Procedures
- Institutional Fraud Management Policy
- Scotiabank Group Corporate Directors Policies
- Institutional Policy for the Prevention of Money Laundering and Financing of Terrorism

Sustainable commitment

Our **Sustainability purpose,** in accordance with the guidelines of our Headquarters, is to **create value for the society** and for **our company** through the **commitments** that we have assumed with our main stakeholders.

We are focusing our efforts to build a sustainable Bank by placing the customer at the center of our work. We base ourselves on the 2030 Agenda for Sustainable Development by the UN, which has 17 Sustainable Development Goals, which include everything from the elimination of poverty to the fight against climate change, education, women's equality, defense of the environment and the design of our cities.

Sustainability strategy

Our Sustainable Business strategy highlights three areas where our institution can make the biggest difference:

Trust (G)

We are focused on maintaining close and trusting relationships with our clients, collaborators, shareholders and all stakeholders, and for this, we operate with integrity, fairness and security.

Inclusion and economic development (S)

We care about providing spaces and tools that facilitate management. At the same time, we develop a work environment that strengthens inclusion, since inclusion and economic development are intrinsically linked.

Climate change (A)

Our planet needs clear actions against climate change, therefore, we seek to reduce our emissions, be efficient in the use of materials and invest in sustainable solutions, in addition to granting loans that mitigate social and environmental risk.

Scotiabank ASG strategy

We understand that the success of our Bank is solidly related to the future of our stakeholders. We are sure that, if the world around us prospers, we will be better positioned to contribute to growth, to create a more inclusive society with greater environmental awareness, which is beneficial for all.

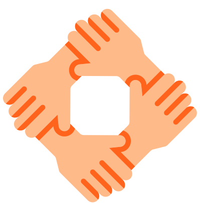
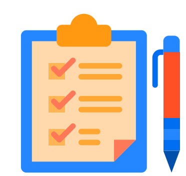
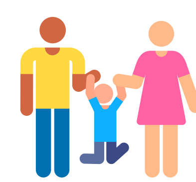
Our Sustainability Strategy is aligned with the guidelines of our Headquarters, with a local perspective to meet the expectations of stakeholders and the social, economic and regulatory context.

Contribution to the Sustainable Development Goals

	Scotiabank Chile Approach	2021 Figures and Initiatives
3 SALUD Y BIENESTAR	Guarantee a healthy life and promote well-being for both employees and communities.	We delivered 650 soccer balls. We sponsored the "Special Olympics" soccer cup and the Scotiabank U-12 Soccer Championship in virtual mode.
4 EDUCACIÓN DE CALIDAD	Promote inclusive, equitable and quality education and promote lifelong learning opportunities for all.	We contribute with libraries to 15 institutions of María Ayuda Corporation. Together with Fundación Apptitudes, we benefited more than 2,000 students with the development of an offline application that contributes to their learning.
5 IGUALDAD DE GÉNERO	Achieve gender equality and empower women and girls.	We joined the Women in Finance Roundtable, a public-private entity created by the Ministry of Women and Gender Equity together with the Women in Finance corporation. We participate in the Latin American Target Gender Equality panel, an initiative of the United Nations Global Compact to accelerate compliance with the UN Women's Empowerment Principles. We renew our commitment to the Gender Parity Initiative, a public-private platform promoted by the World Economic Forum and the Inter-American Development Bank.
8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	Promote sustained, inclusive and sustainable economic growth.	Together with Fundación Kodea, contributed $70,000 USD to develop a program aimed at micro-entrepreneurs, and provide them with advice on technology and marketing issues." We implemented the "Partners for a day" course, where we trained 500 students on the world of work.
9 INDUSTRIA, INNOVACIÓN E INFRAESTRUCTURA	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	We signed an academic alliance with Universidad Tecnica Federico Santa María to jointly create a Digital Transformation Program. Within the framework of Scotiabank's global alliance with Junior Achievement Americas, we have developed various programs that aim to provide vocational guidance, financial education and encourage innovation to high school students from schools throughout the country.
12 PRODUCCIÓN Y CONSUMO RESPONSABLES	Guarantee sustainable consumption and production patterns.	We incorporate ESG factors in the credit analysis, we design, develop and sell socially responsible products that allow financial inclusion, guaranteeing a pleasant experience for our customers. We also care about maintaining a responsible supply chain.
13 ACCIÓN POR EL CLIMA	Climate Action	We have achieved a 20% reduction in Scope 1 and 2 GHGs (from 2016 levels) and our goal is to reduce absolute emissions by 25% before 2025. During 2021, we joined as a sponsor of the Eolian project, the first electric car, with capacity for four passengers, which works based on solar energy.
16 PAZ, JUSTICIA E INSTITUCIONES SÓLIDAS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	We established the Net Zero Research Fund, which includes partnerships with leading think tanks and academic institutions to support their efforts to decarbonize operations globally.

- **Our Bank was recognized for its global leadership in sustainability transparency, in the first edition of the Global Finance Sustainable Finance Awards.**
- **We launched ScotiaINSPIRA, a global initiative that includes the support and development of projects in education, employability and inclusion.**
- **We participated in the Zero Project Virtual Conference for Latin America and the Spanish-speaking world, which focused on practices and policies on employment and technologies for people with disabilities and was attended by 110 experts from more than 30 countries.**
- **We supported research against climate change in Chile with the delivery of the Net Zero Fund to the Center for Climate Science and Resilience (CR)2 and the Energy Center of the University of Chile.**

Our interest groups

Group of Interest	Communication channels	Communication Objectives
Collaborators 	• Meeting of Executive Committee. • Town hall with International Banking Leader. • Town hall by Division . • Strategic planning day. • Breakfasts of VP with collaborators. • Open Agenda. • Feedback and periodic coaching. • Internal Communications. • Intranet: Scotiabank People. • Workplace by Facebook. • RSE Bulletin. • Screens in the workplace. • Surveys.	Inform, sensitize and create awareness about the value of each of the initiatives carried out by the Bank, to meet the annual goals of the organization.
Customers 	• Through executives. • Surveys. • Calls. • Whistleblowing channel. • Claim channel. • Contact centers. • Social Networks, media. • Social events. • Mail. • Corporate Web Site. • Bank´s App.	Inform, respond to concerns, offer services, to establish a bond of trust through the different media, channels and forms of communication.
Suppliers 	• E-mail. • Phone. • Presential. • Corporate Web site. • Meetings.	Have a fluid and honest communication with our supplier through the corresponding area.
Regulator 	• CMF Web site. • Seil Platform (system for sending information to the regulator)	Maintain regular communication through the formal channels established by the CMF.
Communities 	• Corporate web site. • Media. • Meetings. • Through perception surveys. • Social Networks. • Associations. • Bank volunteer actions	Establish a link with the community and society where we operate.

Economic performance

Income Statement (mm$)	2021	2020	Var. 21/20
Income due to interest and adjustments	1,749,937	1,539,782	13.6%
Expense due to interest and adjustments	(772,694)	(625,585)	23.5%
Net income due to interest and adjustments	**977,243**	**914,197**	**6.9%**
Income due to fees	256,569	241,487	6.2%
Expense due to fees	(64,671)	(62,693)	3.2%
Net income due to fees	**191,898**	**178,794**	**7.3%**
Net gain due to financial operations	113,276	138,730	-18.3%
Net exchange gain (loss)	49,854	(3,191)	-1.662.3%
Other operating income	39,512	46,893	-15.7%
Total operating income	**1,371,783**	**1,275,423**	**7.6%**
Provision for credit risk	(208,999)	(328,238)	-36.3%
Net operating income	**1,162,784**	**947,185**	**22.8%**
Remuneration and personnel expense	(284,721)	(257,512)	10.6%
Administrative expense	(226,207)	(226,621)	-0.2%
Depreciation and amortization	(56,425)	(58,779)	-4.0%
Impairment	(143)	(72)	98.6%
Other operating expenses	(43,138)	(48,859)	-11.7%
Total operating expenses	**(610,634)**	**(591,843)**	**3.2%**

Income statement (mm$)	2021	2020	Var. 21/20
Operating Result	**552,150**	**355,342**	**55.4%**
Result on investments in companies	(7,139)	1,619	-541.0%
Result before income tax	**545,011**	**356,961**	**52.7%**
Income tax	(94,849)	(70,592)	34.4%
Result of continuing operations	**450,162**	**286,369**	**57.2%**
Result on discontinued operations	0	**0**	0
Consolidated profit (loss) for the year	**450,162**	**286,369**	**57.2%**
Attributable to:			
Bank´s Equity Holders	424,385	275,419	54.1%
Minority interest	**25,777**	**10,950**	**135.4%**

Price per share ($)*

2020	2021
15.15	9.67

* Scotiabank trades its shares on the Toronto (TSX: BNS) and New York (NYSE: BNS) stock exchanges.

Financial Soundness

Portfolio quality	2021	2020
Delinquency(delinquency portfolio / total loans)	1.0%	1.45%
Hedging delinquency (provision stock / delinquency portfolio)	161.1%	135%
Cost of credit (expense in provisions / total loans)	0.7%	1.3%

Balance Sheet structure and capitalization	2021	2020
Credits and accounts receivable from customers	28,957,856	25,376,523
Commercial Loans / Total loans	48.6%	48.7%
Housing loans / total loans	40.1%	39.7%
Consumer loans / total loans	11.2%	11.6%
Loans / Deposits	174%	162%
Basel Ratio (BIS I – Effective equity / Risk-weighted assets)	12.98%	13.24%
Tier I (Basic Capital / Risk-weighted assets)	11.08%	9.84%

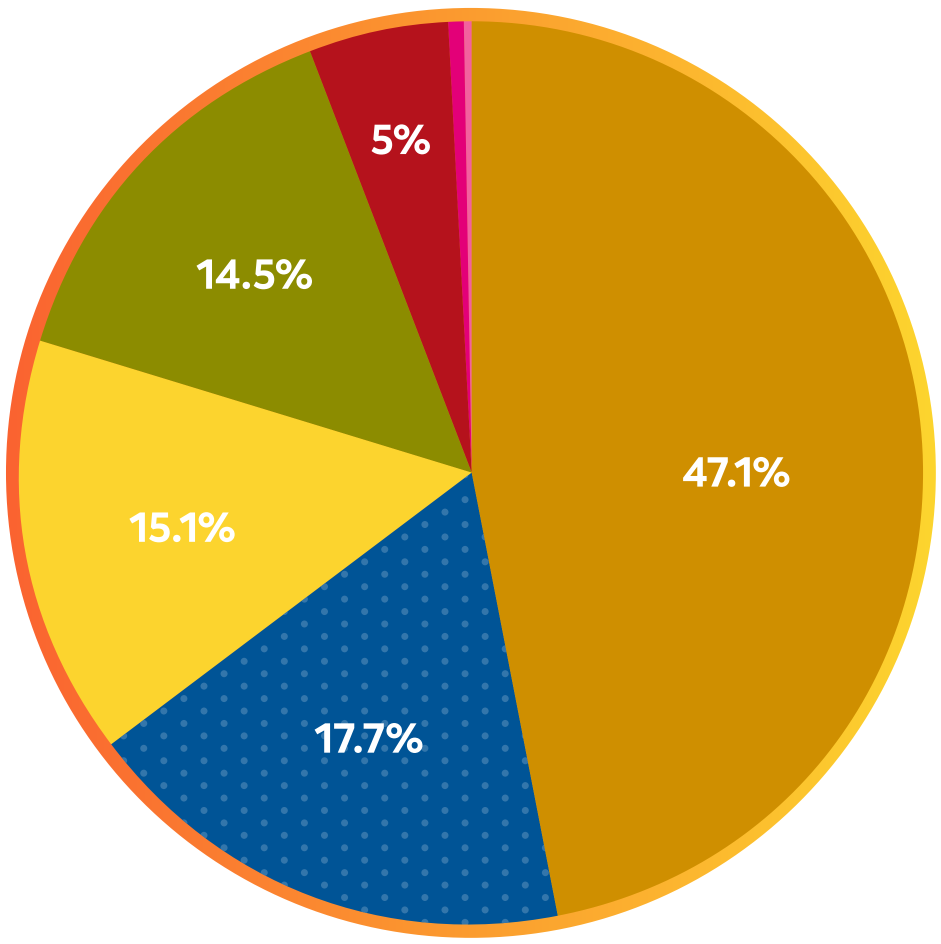
Profitability and efficiency	2021	2020
Net interest margin	2.6%	2.6%
ROAE	17.0%	11.4%
Efficiency(Support expenses / Net operating income)	43.5%	44.3%
ROAA	1.5%	1.0%
Efficiency (Support expenses / Net Operating income, proforma)	42.6%	43.7%

Balance Sheet and results (millions of Chilean pesos)

Balance	2021	2020
Commercial placements	14,084,054	12,354,310
Housing placements	11,626,203	10,067,663
Consumer placements	3,247,599	2,954,550
Credits and accounts receivable from customers	28,957,856	25,376,523
Allowances	445,155	506,452
Total net placements	28,512,701	24,870,071
Financial investments	2,665,379	2,947,366

Total Assets	2021	2020
Total Assets	41,597,895	36,795,961
Total deposits	16,684,772	15,645,249
Issued debt instruments	7,414,406	6,765,390
Equity	2,801,123	2,505,545

Economic value distributed and retained 2021 (% with respect to economic value generated)

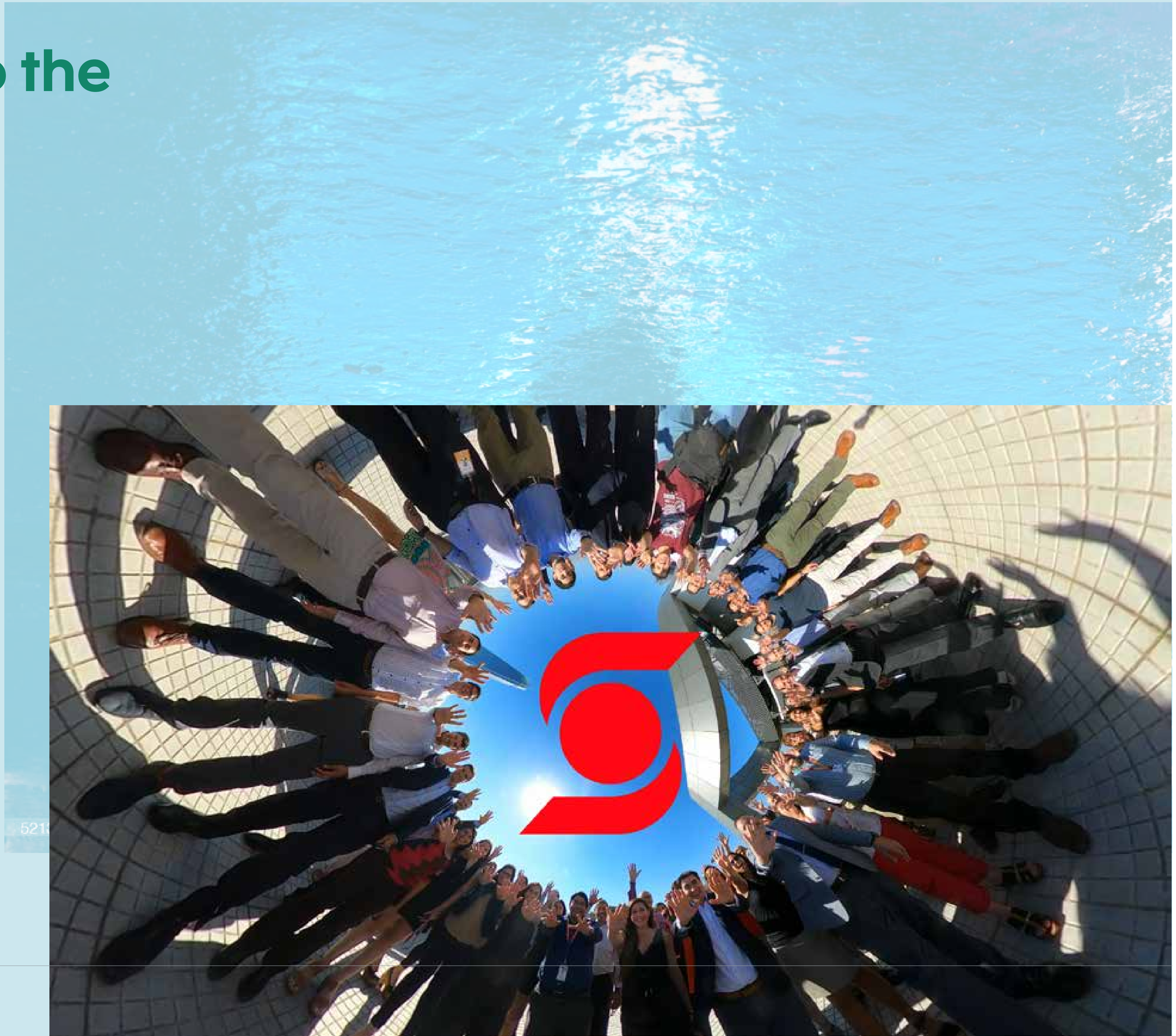


Generated economic value (MM$)	2021	2020	Var, 21/20
Operating income	**$1,885,201**	**$1,525,530**	**24%**
Operating income	$1,892,340	$1,523,911	24%
Income(loss) for investments in companies	$-7,139	$1,619	-541%

Distributed economic value (MM$)	2021	2020	Var, 21/20
Operating expense	**$-272,843**	**$-275,641**	**-1%**
Administrative expenses and other	$-216,275	$-216,790	0%
Depreciation and amortization	$-56,568	$-58,851	-4%
Employee wages and benefits	**$-284,721**	**$-257,512**	**11%**
Payment to capital providers	**$-888,374**	**$-736,878**	**21%**
Dividends (shareholders)	$-115,680	$-111,293	4%
Financial resource providers	$-772,694	$-625,585	24%
Payment to the State (income tax)	**$-94,849**	**$-70,592**	**34%**
Contribution Superintendency of Banks	**$-9,572**	**$-9,146**	**5%**
Contribution in Corporate Social Responsibility	**$-360**	**$-685**	**-47%**

Retained economic value (MM$)	2021	2020	Var. 21/20
Retained economic value	**$-334,482**	**$-175,076**	**91%**

03 | Moving to the next level



With the strong purpose of taking the bank to the next level, during 2021 we took important steps towards modernizing our processes, forming a project team that addresses the areas of **Automation, Lean, Robotization and implementation**, in which the objectives of the area were fully defined and the key results, as well as establishing the **future E2E sales model** (Digital Onboarding, Real-time Approval, Digital Cards and Wallets). Likewise, the **self-care model** and the project framework were determined, to begin the review of the processes determined as priorities.

In the regulatory field, we have also developed a complete work to meet the new requirements.

Basel III

At Scotiabank we manage capital responsibly, ensuring compliance with regulatory requirements and maintaining levels of sufficiency and quality of capital, in order to maintain adequate solvency, and support business growth in accordance with strategic definitions and the highest patrimonial demands that the transition period towards Basel III means. We have planned different activities to comply with these requirements, adapting our structure and strengthening corporate governance in this area, designing methodologies to identify the risk profile and stress tests, and improving our risk appetite framework.

We achieve this through a robust corporate governance that manages and develops the strategic planning process, in which capital planning is immersed as an important factor, which has been strengthened in order to optimize the use of this resource, taking into consideration the projections of capital consumption both in normal scenarios and in stress scenarios, which are supported by the definition of internal capital objectives that are monitored through capital alerts.

As at December 2021, we maintain adequate levels of solvency versus regulatory requirements. The CET1 indicator on risk-weighted assets was 10.08%, the total Basel ratio, which includes the Bank's subordinated bonds, reached a level of 12.98%, maintaining sufficient slack, and accounting for it of the proper and prudent capital management maintained by the bank.

Compendium of Accounting Standards

During 2021, a transversal team from Scotiabank addressed the important challenge of implementing the new Compendium of Accounting Standards instructed by the Financial Market Commission. This regulatory project involved regulatory and accounting changes, new operations processes, changes in systems, information systems and new provisions processes, as well as changes in regulatory reports.

The work team considered the participation of more than **100 people from the areas of Accounting, Risk, Operations and Systems.**

Transformation and digital mindset

Our goal is clear: we want to be the **best digital bank in the country** for our customers. We are focused on listening to them, anticipating their needs, developing innovative solutions and making a complete and comprehensive ecosystem available to them, allowing them to have the best digital experience.

To this end, the focus has been on the development of innovative products and services, as well as on impregnating the organization with this culture, for which we have implemented a robust internal agenda.

Culture as a catalyst for transformation

Through different programs we have managed to execute and permeate the spirit of our transformation in the organization, through innovative solutions that will take us to the next level.

Programs	Description	Objective audience and metrics
Digital Academy 2.0	It is made up of interactive programs, which are taught by internal and/or external experts to enhance the digital knowledge of our collaborators.	• Objective Audience: All Scotiabankers • Scope: Over 542 people • Training hours: 1.492 NPS: 86,5%
Digital Academy for leaders	Platform aimed at our leaders, which seeks to provide constant training on various topics.	• Objective Audience: VPs. and Directors • Scope: 154 people as at 2021 Training hours: 1.356 • NPS: 82,4%
ScotiaLean	Program that focuses on efficiency to digital transformation.	• Objective Audience: Operation Division Team • Scope: 170 people • Training hours: 272 • NPS: N/A
Digital Ambassadors	Initiative that focuses on disseminating new digital functionalities in branches and call centers.	• Objective Audience: Scotiabankers in branches and call center • Scope: 220 collaborators in 120 branches.
Hackathon	Initiative to offer and work on innovative solutions that connect with our strategy and in which different Scotiabankers have been involved.	• Objective Audience: Scotiabankers along the bank
Showcase Digital	We present the results and digital increases of our company every two weeks.	• Objective Audience: Scotiabankers along the bank • Scope: 50-100 participants in each session

These different programs have allowed us to improve our digital indicators, achieving **positive results:**

More than 100 initiatives and improvements in our App and website.

69.2% digital adoption of our clients.

73% units sold digitally.

Scotiabank has an **agile organizational culture**, where the customer is always at the center.

We practice and promote different techniques and work methods for the management of cultural change throughout the organization, such as scrum, design thinking and kanban, promoting the modernization of processes and thereby achieving a positive impact on creativity, productivity and efficiency of our collaborators.

During 2021, the **training programs** reached **100% for vice presidents and directors, and more than 100 intermediate managers,** who will continue their training programs in 2022.

Training in Digital Transformation

Position	Women	Men	Total
Senior Management	6	27	33
Management	111	205	316
Headship	386	539	925
Sales force	1,069	646	1,715
Administrative	1,158	430	1,588
Auxiliar	0	186	186
Other professionals	780	939	1,719
Total	**3,510**	**2,972**	**6,482**

CAD $21,9MM

Investment in digital strategy

CAD $88,367

Investment in Digital Academy 2.0 for Leaders

Total training hours (Digital Academy 2.0, Digital Academy for Leaders, ScotiaLean)

Position	Women	Men	Total
Senior Management	48	132	180
Management	336	882,5	1,218,5
Headship	208	258	464
Sales force	10	14,5	24,5
Administrative	50	28	78
Auxiliar	0	5,5	5,5
Other professionals	348	521,5	869,5
Total	**998**	**1,842**	**2,840**

Average hours of training (Digital Academy 2.0, Digital Academy for Leaders, ScotiaLean)

Cargo	Women	Men	Total
Senior Management	12	12	12
Management	11	12	12
Headship	4	4	4
Sales force	3	2	2
Administrative	2	3	2
Auxiliar		3	3
Other professionals	3	5	4
Total	**4**	**6**	**6**

Innovative solutions for our customers

We seek to deliver the best service experience to our customers, considering their immediate needs, their future goals and aspirations.

The Bank in your hands

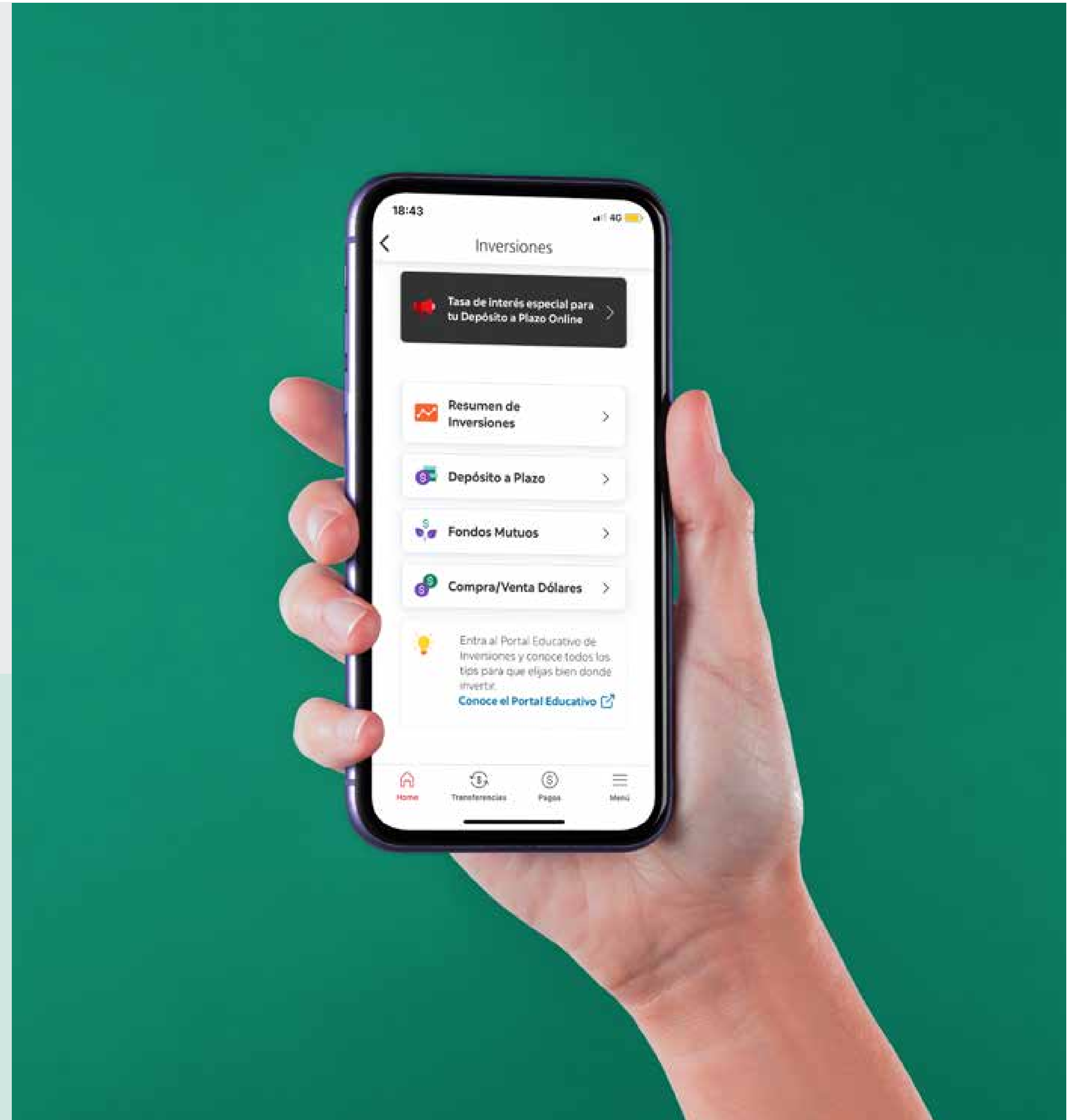
We aim to create an ecosystem in which all our products and services are digital and to generate innovative solutions. We want to empower our customers through technology and offer them a financial supermarket, in which each one, with their specific needs, finds and chooses from a range of convenient, flexible and tailor-made products and in which, in addition, they have a financial adviser 24/7.

Scotiabank GO

Our Scotiabank GO mobile application was designed to offer a unique mobile experience that would allow **all the available digital functionalities to be concentrated** and avoid the customer having to download and use different applications to carry out multiple operations. In this way, **we have simplified the experience of our digital ecosystem and the financial life of our customers.**

368,428
Scotiabank GO users

71
NPS of App



Our mobile application was launched on the market in May 2018 and is available for Android and IOS operating systems.

Scotiabank GO is one of the most complete and robust mobile applications in the industry. At the end of 2021, within its functionalities, the following stand out:

Digital payment ecosystem

ScotiaPay allows making payments with QR from the App, in Transbank stores.

Investments

- Consult and invest in Time Deposits.
- Inquire about Mutual Funds.
- Purchase and sale Dollars.

Credits

- Monitor and pay Mortgage Credit 100% online.
- Acquire a Consumer Credit with online evaluation and immediate payment.
- See details and pay Consumer Credits.

Payment of products

- Payment of credit cards.
- Payment of Credit Line, Mortgage Credit and Consumer Credit.
- Consult, add and pay services.
- View service payment history.

Cards

- See credit card transactions.
- Pay domestic and international credit cards.
- Request an advance online with immediate payment
- Turn off, turn on, block and replenish cards.
- Receive personalized offers in real time.
- Redeem purchases with ScotiaPesos.

ScotiaClub

ScotiaClub is the program of benefits, discounts and accumulation of ScotiaPesos, to provide our customers with active and current credit cards and a better experience in the use of its products and services.

The attribute of this program is, unlike others in the industry, accumulating ScotiaPesos which allows the customer to redeem, on a daily and simple basis in any item and store, the products they want with complete freedom. This program offers alliances with businesses, by virtue of which a certain percentage of discount is offered when paying with Scotiabank cards and also access to special events such as cinema avant premiere and raffles with and without exchange of ScotiaPesos to attend concerts, as well as more playful dynamics such as betting on matches of the soccer team, among others.

A total of 342 thousand customers exchanged ScotiaPesos during 2021, which represents a monthly average of 28,500 customers who access this loyalty benefit, with an average of 50,750 exchange operations per month and an average amount of $813 million per month during 2021 .

Customer service

- View the historical status of requests
- Use “ScotiaHelp”, “intelligent help” system, in the form of a search engine, where customers can search for answers to their concerns, review frequently asked questions and make inquiries 24/7.

Offers

- Check on available offers.
- Receive offers in real time for advances.

Balances and accounts

- Consult current account balances, sight accounts, Line of Credit, Card holders and Additional Credit Card holders.
- Share accounts data for transfers.

Transfers

- Transfer to third parties and between accounts
- View scheduled transfers.
- Add, edit, and delete recipients.

Feedback and experience

Customers can proactively submit feedback unlike many of our competitor's apps.

Notifications

- Send push notifications in real time about benefits and transactions.
- Receive notification history.

Settings

- Change keys and user passwords.
- Make biometrics adjustments.

Insurance

- View Contracted insurance (current and non-current)
- Contract Insurance.
- Consult insurance claims (available soon).

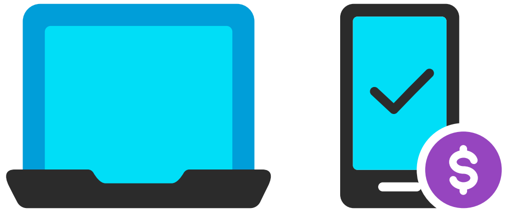
Digital Plans

We are working to be the best digital bank in Chile and to achieve this goal we launched a new offer of digital plans that work 100% online and offer our customers flexibility so that they can choose their products and personalize the value offer.

As a Bank we put the customer at the center and we want to make a complete and comprehensive digital ecosystem available to them, so that they can manage their present and design their financial future from wherever they want and whenever they need it.

Our digital plans are comprehensive and unique in the industry, because in addition to having a checking account, our customers can have a line of credit and a credit card.

Each customer can choose their products based on their specific needs and they can even distribute and adjust the quotas of their account and their line of Credit and determine the benefits they wish to access in order to obtain a bespoke and designed "digital suit".



ScotiaPay

During July, we launched ScotiaPay, our new payment ecosystem, available to customers through the Scotiabank GO App.

Scotia Pay features

Through this system, payments can be made by scanning Transbank's QR codes, which allows customers to pay for online and face-to-face purchases (in all stores attached to the Transbank network) from their cell phones, in a simple way, agile and secure. There are around 6,000 businesses throughout the country that accept this modality, a number that will increase as entrepreneurs and SMEs enroll their means of payment in Transbank's digital wallet.

ScotiaPay was implemented to evolve with our customers and become our bank's digital wallet. Its architecture and functionalities were designed with the future incorporation of all existing digital payment options on the market in mind.

Checking account in US Dollars

We launched this product in Retail Banking in November, as part of our proposal to accompany our customers in their new habits and offer them a digital financial supermarket in the palm of their hands.

After observing a growing interest in the market to access alternatives to diversify assets, we developed a product that allows our customers to save or invest in dollars directly through their checking account in pesos, with the differentiating attribute that enabling this functionality and the currency operation is carried out 100% digitally, either through the mobile application or the customer's private site. The response to this product was extremely favourable to the point that immediately after launching, we quintupled the stock of this type of account and at year-end, Scotiabank was positioned as the industry leader in this specific product.

We offer an innovative product to manage dollars safely, in which **the customer can send, receive, invest, buy and sell dollars directly charged to their checking account in pesos,** all this 100% digital.

During the first four weeks since the launch of this product, we exceeded 38,000 accounts in dollars, which compares very favorably with the stock of 7,700 existing accounts prior to this milestone. Meanwhile, at the end of the year we registered **60,476 operative accounts.**

Cybersecurity

At Scotiabank we have a commitment to the privacy and security of the information of our customers, and we know that this also requires a strong internal culture, which we strive to constantly strengthen. For this purpose, we have developed six points of focus that will allow us to continue improving our execution processes and protection in our systems.

- Simplify execution.
- Develop globally.
- Make doing business easier.
- Build trust.
- Digitize and automate.
- Win as a team.

In addition, we have declared five pillars that reflect the mission of the cybersecurity team:

- Collaborate with internal and external stakeholders to proactively manage cybersecurity risk.
- Implement governance of cybersecurity controls in conjunction with the Bank's model on its three lines of defense.
- Continuously improve innovation to reduce costs and improve the effectiveness of cyber controls.
- Manage risks by adopting the National Institute of Standards and Technology (NIST) Framework.
- Accelerate operational effectiveness maintained through high availability and controls that reduce the attack surface.

The approach to Cybersecurity risks has been defined in collaboration with the Board of Directors during 2021, where the **priority areas** were established according to the **type of attack** and a **cybersecurity risk heat map was designed.**

Milestones in cybersecurity and information care

- Greater use of Tanium for identification processes to generate, in real time, an asset management inventory.
- (GitHub). Optimizing our ability to identify and remove phishing websites and public repositories (GitHub).
- Implementation of enhanced network controls to mitigate malware threats.
- Use of automation processes in the Security Operations Center to reduce investigation and recovery times after cybersecurity incidents.
- Implementation of the new Data Protection program for the management of risks associated with the loss of information.
- Use of real-time security monitoring for all critical information assets (CIA).
- Use of data loss prevention controls on workstations.
- Development of annual phishing simulation campaigns in all the Bank's operating regions.
- Implementation of the process to identify technological assets through a centralized database to administer and manage all the company´s technological elements.
- Use of an SSL inspection solution at a corporate level.
- Adoption of the Nymity Privacy Framework, which compiles the main privacy standards worldwide, including GDPR.

Training in cybersecurity and information care

	Women	Men	Total
Total people trained	1,416	955	**2,371**
Total hours of training	350	468	**818**
Average of training hours per person	70	31	**101**

Data protection

We maintain a strong focus on the protection of assets and personal data of our customers, demanding and training our collaborators to treat this information with the utmost sensitivity and discretion.

Privacy Agreement

We have a “Privacy Agreement”, which details and clearly establishes how to use and with whom to share the information we receive from our customers.

Strengthening security systems

In order to optimize our security systems and be aligned with global guidelines, we have acquired various state-of-the-art technologies and cybersecurity platforms. As part of this improvement, we can mention the implementation of a Security Operations Center (SOC) made up of specialists who monitor the state of cybersecurity systems 24/7.

According to the Security Risk Index, SRI **Scotiabank Chile** reports the **best cybersecurity index, objectively and systematically measured in all Scotiabank operations in the world.**

The joint effort of the Bank's different support areas, such as the infrastructure, development, technical support and security areas, guarantees that coverage and protection is present in all the Bank's systems. Additionally, we have a continuous vulnerability mitigation process, managing to lower the exposure of possible threats, which is reflected in the calculation of Sub Resource Integrity (SRI), indicators that allow us to measure the security and stability of our systems.

As SRI indicators we have 3 key programs:

- **SRI PROTECT**
- **SRI IDENTIFY**
- **SRI RESPOND AND RECOVER**

Scotiabank Chile has a **cybersecurity culture program** focused on four risks: **Telecommuting, Passwords management, Leak of information and Phishing.**

With the purpose of raising awareness about them, graphic support material is available, and webinars are regularly held. In addition, this program includes three **exercises of Ethical Phishing** that are complemented by the exercises that our Headquarters carries out monthly, all of which allow us to **increase the level of awareness of our Scotiabankers.**

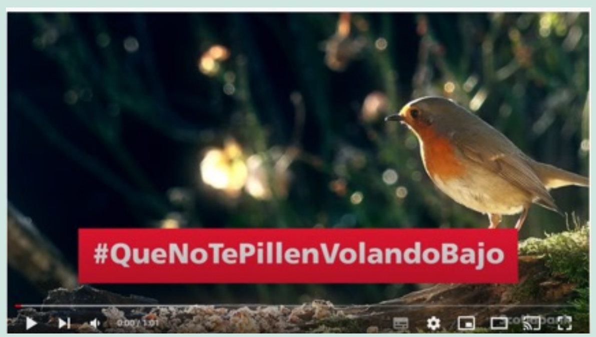
Preventive drills

Our Head Office carries out an annual action with senior executives, directors and Chief Information Security Officer (CISO) of Scotiabank Chile, addressing situations and decision points linked to a possible cybersecurity incident that could compromise the Bank's services. The main purpose of this action is aimed to keeping work teams trained in the face of an eventual cyber threat. On the other hand, together with critical suppliers in the industry, we carried out two cybersecurity simulation exercises, based on current and emerging risks that the Bank could face, to learn about and evaluate the performance of these teams in the event of a potential customer´s information leak scenario. As well as comply with one of the requirements of Chapter 20-10 RAN of the Commission for the Financial Market (CMF).

Likewise, during 2021 we carried out two outstanding initiatives for our customers

"I don't fall for fraud"

This is the slogan of our campaign, which incorporates tips to our customers to make them know how to detect misleading messages or emails about their financial products and/or services, in case of possible scams or crimes such as phishing.



Fraud prevention course for customers

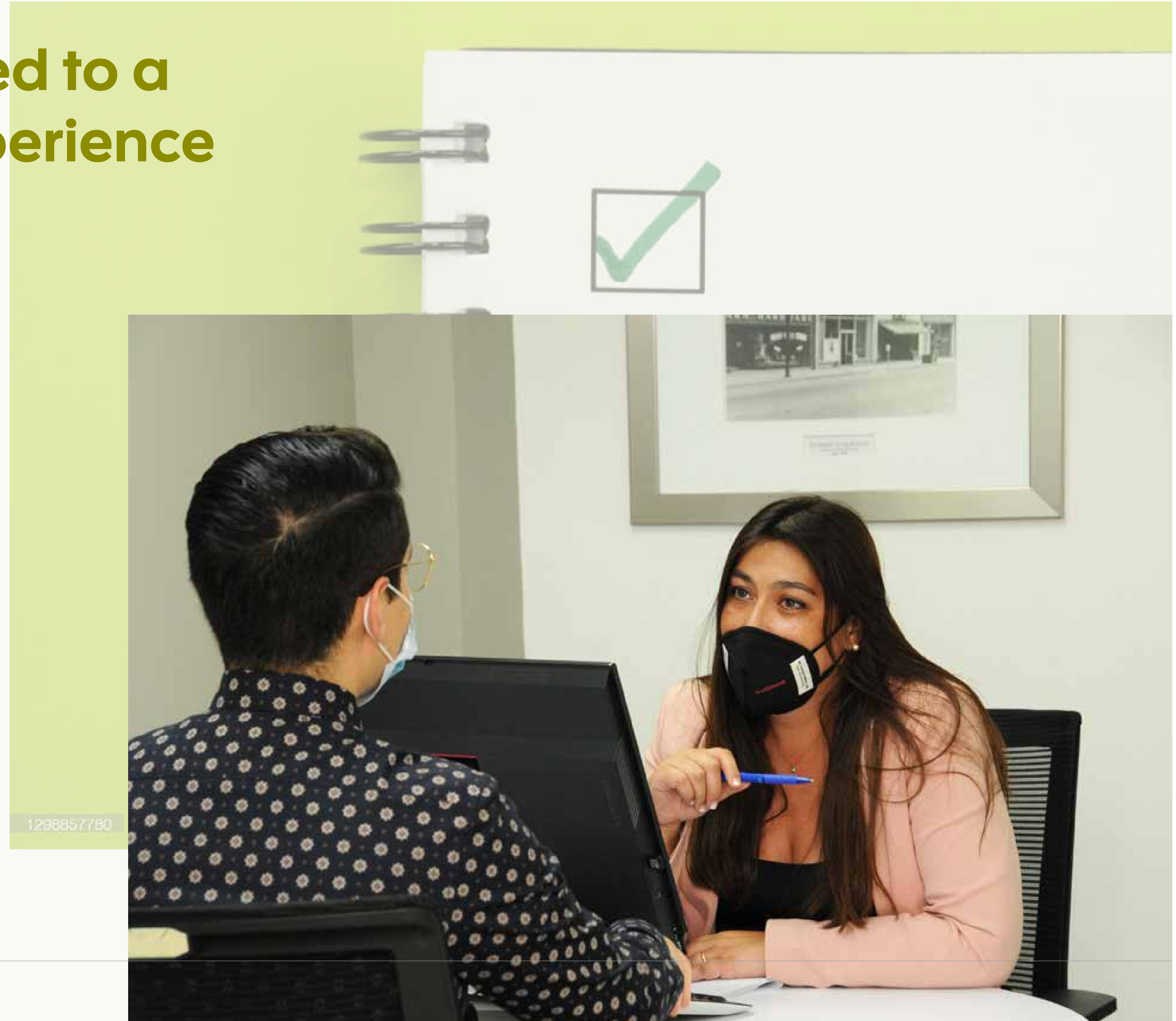
Together with the Information Technology Department of Universidad Federico Santa María, we conducted a course focused on our customers, with the aim of providing the necessary tools to protect their information, recognize crimes and avoid being victims of cybercriminals.

The initiative, which was available on our website for four months for both customers and non-customers of Scotiabank Chile, was very well received. It was carried out by more than 7,500 people, 61.7% of them women, which reflects the need to access concrete and quality information on a topic that concerns and occupies us all.

Alliances, certifications or standards in cybersecurity:

- banca — Association of Banks and Financial Institutions of Chile (ABFI).
- Cybersecurity Team and Virtual Work Group (VWG): Interbank collaboration platform established by the regulator to deal with Cybersecurity and information protection matters.
- NIST National Institute of Standards and Technology — Formal adoption of NIST standard in all Scotiabank locations in its Cybersecurity framework section.

04 Committed to a great experience



Scotiabank is a leading bank in the Americas. Guided by our purpose, "for our future," we seek to help our customers, their families and communities succeed through ongoing advice and a broad range of products and services, including personal and commercial banking, wealth management and private banking, corporate and investment banking, and capital markets.

Our customers are the center of our management and the purpose of our existence, so we work to serve them and deliver a great experience. We have 1,241,025 customers in different business segments.

1,212,635
Total customers in 2020

1,241,025
Total customers in 2021

Division	Area	2020	2021
Retail	Personal banking	839,110	**875,325**
	Consumer banking	320,332	**308,686**
	Corporate banking	34,073	**39,144**
	Microenterprise banking	9,431	**8,199**
Corporate	Large corporations banking	6,875	**6,920**
	Real estate banking	1,095	**1,090**
	Consolidated corporate	1,119	**1,031**
	Rest of Bank	472	**491**
	Institutional Banking	122	**133**
	Treasury	6	**6**

Our segments

Personal Banking

The main objective of our Personal Banking is to provide expert and comprehensive advice to any natural person without a line of business. We offer you a comprehensive, flexible and personalized value proposition, tailored to your needs and increasingly digital.

Private Banking (Wealth Management)

Scotia Wealth Management is Scotiabank's private banking arm. It is led by a team of local and global experts who provide a "total wealth" approach to wealth management, a comprehensive advisory model focused on financial planning for every stage of a customer's and family's life.

Corporate and Commercial Banking

The Corporate and Commercial Banking segment serves the Corporate Banking, Wholesale Banking, Large Corporations and Real Estate Banking segments, as well as the Cash Management, Foreign Trade, Leasing and Factoring businesses.

SME

We have set out to be a strategic partner of the country's small and medium-sized companies, which we serve with a range of products and services tailored to their needs and stages, and increasingly digital.

Experience Model

Delivering the best experience to our customers is one of our pillars. In this context, during 2021 our efforts were focused on strengthening our "Experience Model" (MEC), launched in 2020, which is based on the customer needs to guide us on how to interact through service values, corporate values and our risk culture. We focus on different stages:

Receive me

Make it easy for me

Know and me guide me

Take care of me

In addition to training Scotiabankers to deliver the best experience to our customers, we also implemented the MEC in employee induction, which highlights and reinforces the way in which we relate both internally and with our customers and suppliers.

In August 2021, we certified 86% of the support areas, with the MEC reinforcement course **"Choose your own adventure"** and 90% of the service channels.

Customer pulse

During 2021, we continued to implement our service measurement methodology referred to as The Customer Pulse. This allows us to monitor the Scotiabank Chile's customers, through a relationship based on different communication channels, generating a diagnosis based on their experiences.

Ona weekly basis, the teams in contact with our customers complement the feedback provided by them through telephone surveys. All such data is consolidated and presented at a monthly Customer Experience Committee in the users in the different interaction points.

NPS	2020	2021	Var.%
Net Promoter Score (annual)	22.5	51.1	127%

Claims management

We have a robust internal system aimed at responding quickly and efficiently to customer complaints, which includes feedback so that customers can give us their opinion on the process.

This feedback is analyzed using the NPS model, in order to improve the experience of all those who rely on our Bank.

Claims	2020	2021
Claims received	101,370	56,894
Claims resolved	81,096	53,480
Claims pending at end of period	1,059	941
Total claims	101,370	56,894

Close of claims	2020	2021
Average time to close claims (days)	5.2	4.7

Providing advice to our customers

ScotiaIMPULSA

During 2021, we implemented various financial coaching and training programs, which are part of ScotiaIMPULSA, a new digital financial coaching and advisory service that seeks to support our clients in achieving their goals. This initiative consists of appropriate support to help them achieve their objectives - personal and/or professional - regardless of the stage of life they are in.

As a first level, the bank launched a web platform (https://www.scotiabankchile.cl/scotia-impulsa) that addresses topics such as children's financial education, financial planning, alternatives savings and investment, among others. These same contents were analyzed in Financial Coaching and Training sessions held in 2021 with our Finfit partners.

Financial training webinars

In order to **convey knowledge in finance ffinancial a simple, didactic, close manner** that is also realistic. We conduct a number of webinars through which we provide **information on financial products** in a clear and accurate manner, so that the customer or user is able to identify the best options according to his/her needs.

Main activities consisted of live chats via social networks, where we addressed such topics as:

- Financial health.
- Financial education from a young age.

This initiative reached almost

4,700 people.

Boosting SMEs

At Scotiabank, we seek to be a partner for the country's small and medium-sized companies, helping them to boost their businesses, and digitalization is undoubtedly one of their main challenges. That is why we are focused on offering them 100% digital products and services, as well as providing them with concrete tools to digitize their operations so that they can strengthen long-term relationships with their customers.

We streamline the process of **obtaining loans** through our digital channels, allowing companies to apply and process **FOGAPE** online.

During 2021 we implemented the loans **FOGAPE** Reactiva, providing benefits to almost **3 thousand companies.**

"Mi Pyme digital" (My Digital SME) portal

Together with Terra, we launched the "Mi Pyme Digital" portal, which seeks to **provide the necessary tools** for **owners of small and medium-sized companies** to learn about **online sales and access the digital market.** Thanks to this alliance, our Bank's customers will be able to create their own website from **more than 1,000 template designs available.**

In addition, it will allow entrepreneurs to receive payments from their customers through integrated channels such as Transbank and Khipu.

My Digital SME also offers an **administration, statistics and reporting dashboard** to further drive the digitization and growth of your businesses.

Legale:
iscount on digital signature for company documents.

Shalder:
Discounted freelance talent platform.

Fleteretorno:
Freight transportation application that reuses empty trips from freight already sold by SME.

We aim to become the Bank's coach and partner of the SMEs. We have a team that is capable of providing comprehensive advice and be with our customers at all times.

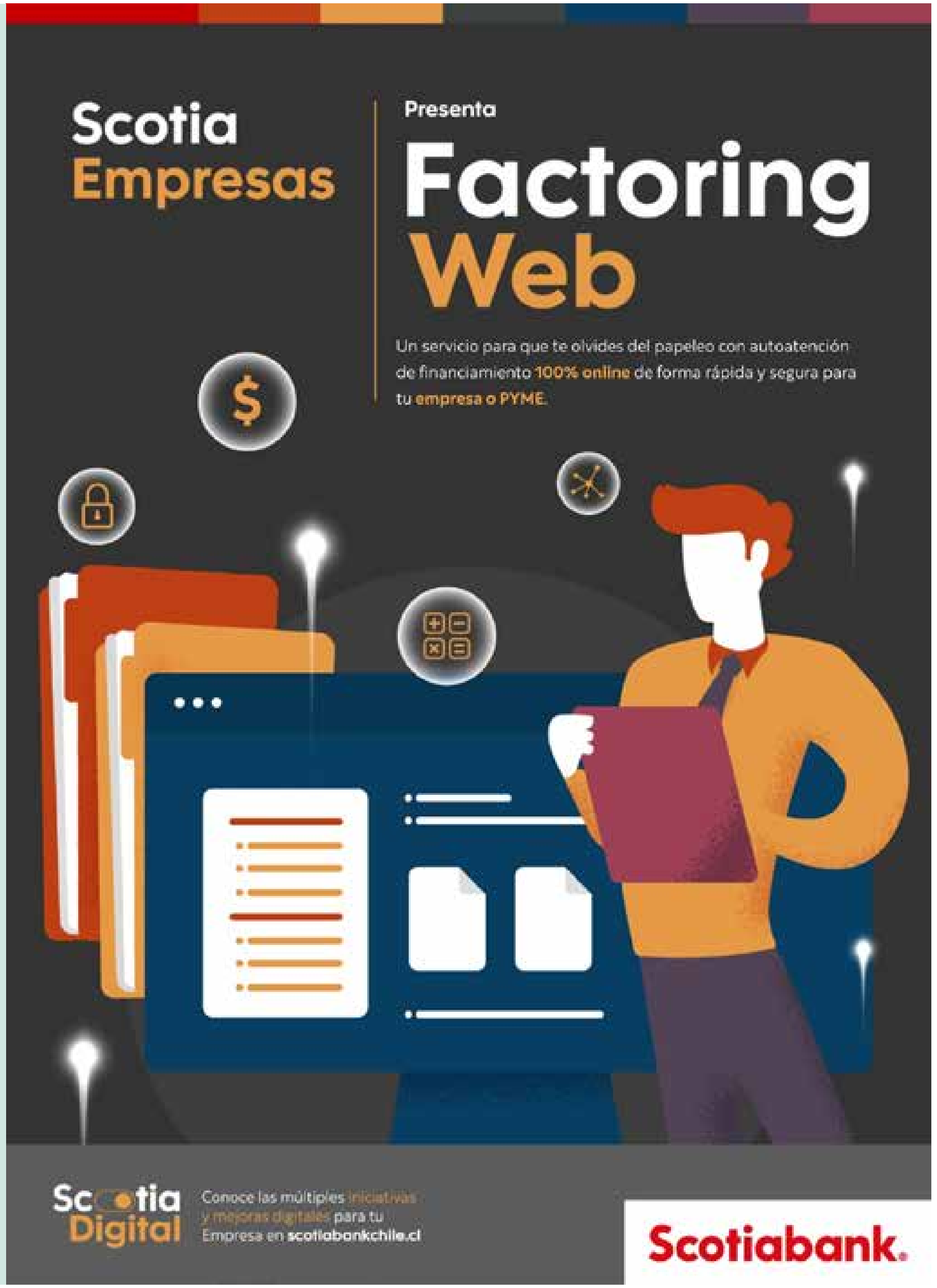
100% digital products

Web Factoring

We made available to our customers our factoring product, which allows customers to simulate and perform these operations with all the automated validations in regulatory issues, lines and risks, safely, in a few levels and 100% remote. We have remote assistance, where our customers can consult about their factoring operations, such as:

- **Operations settlement**
- **Surpluses used**
- **Surpluses available**
- **Debt statement**

Web Factoring is a **new fast** and secure **self-service channel** that allows you to simplify procedures, save paperwork and finance invoices in a simple and secure way.



Leasing web

Another of the products we developed to support SMEs was leasing, a lease contract through which the Bank is the lessor and provides the customer with the ownership of a production asset for use during a period of time previously established.

We have three types of leases, which seek to support the financing of our customers' projects.

Real Estate Leasing

Allows financing of real estate such as commercial premises, offices, industrial plants, agricultural land, among others.

Furniture Leasing

It is a financing of freight and passenger vehicles, computer equipment, industrial machinery, medical equipment, among others.

Leaseback

It is a lease-purchase contract, in which the customer is the supplier of the asset to be financed.

Scotia Wealth Management: Delivering Preferred Expe-riences

In December we marked a new milestone in our more than 30 years of history in Chile: we officially launched our Wealth Management division in Chile, an area that, globally, represented 18% of the entity's revenues in fiscal year 2021 and currently serves more than 2 million customers and manages close to US$ 500 billion in assets.

The launch of Wealth Management in Chile reinforces our Parent's long-term commitment to Chile and sets a key milestone for the in the international expansion of this business, which already operates in 13 countries

+2,000,000
Customers.

US$ 500
Billion assets.

Our Wealth Management team provides full advisory services, in which we not only suggest an investment portfolio, but also provide solutions to all kinds of wealth issues, ranging from financing and liquidity to entrepreneurial, tax or succession issues.

Scotiabank's private banking proposal stands out for offering a unique advisory model in Chile, focused on understanding the needs of its customers. It is a 360° approach,

which implies total wealth advisory, which considers financial planning and the best onshore and offshore experience. This adds to the Bank's international support and experience that has a unique geographic footprint in the Americas and a global understanding of the market to offer comprehensive advice to its customers.

- **Customized advisory**
- **Wealth structuring and planning**
- **Investment administration and management**
- **Total Private banking - Wealth Credit Solutions.**

Scotiabank launched its wealth management bank, Scotia Wealth Management, in the Chile within the framework of the Abierto de Chile, a PGA Tour Latin America tournament that the brand will sponsor for three years.

In this context, the incorporation of **Chile's No. 1 golfer, Joaquín Niemann,** as **ambassador** of this business unit was.

The sportsman attended the launch, played in a ProAm -a tournament between professionals and amateurs- and participated in the awards ceremony together with guests and the Bank's executives.

Scotiabank also announced an alliance with the Chilean Golf Federation, by virtue of which it will sponsor the National Golf Circuit for the next three years.

In a virtual event held on Wednesday, October 13, the VP of Wealth Management, Ignacio Ruiz-Tagle, gave the official internal kick-off to this new business unit.

The event was attended by the SVP of International Wealth Management, Raquel Costa, who traveled to Chile to participate in the launch of the business in the country.

05 Building a new culture

Our team: Scotiabankers

Professionals highly committed to the objectives of our institution.

Encouraging and supporting the development of our team is an essential part of our culture; we firmly believe that the success of our business is based on a strong performance culture. For this reason, we are constantly promoting the development of our employees and identifying new learning opportunities that strengthen their role within the Bank. This comprehensive approach to people management at Scotiabank prompted us in 2021 to change the name of the division to People Management, Culture & Corporate Affairs, reflecting our actions with respect to culture and team management.

We want to be the best digital bank in Chile and we plan to achieve this by incorporating creativity and innovation in our daily performance, and with the unquestionable contribution of our Scotiabankers, whom we are constantly training. We also promote self-learning and proactivity among our employees and guide them so that they continue to grow professionally on a daily basis.

6,108 Total employees

Headcount 2021

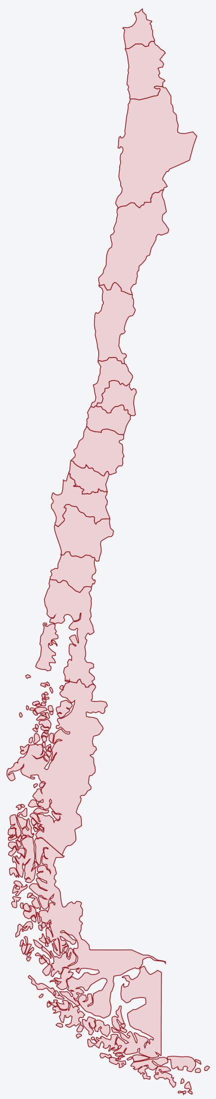
Total employees	Women	Men	Overall total
Total employees	3,347	2,761	6,108
% of the headcount	55%	45%	100%

Indicators of total employees	2020	2021	Var. (2020-2021)
Average age	42.1	42.4	0.7%
Average years of service	8.6	8.8	2.3%
Annual turnover	13.8%	11.0%	-2.8%
Percentage of new hires	3.2%	11.4%	8.2%
Percentage of women	55.4%	54.8%	-0.6%
Percentage of men	44.6%	45.2%	0.6%
Percentage of Chileans	97.2%	96.4%	-0.8%
Percentage of foreigners	2.8%	3.6%	0.8%

Total number of employees per day	Women	Men	Overall total
Total number of full-time employees	3,314	2,755	6,069
Total part-time employees	33	6	39
Total 2021	3,347	2,761	6,108

Total permanent and temporary employees	Women	Men	Overall total
Total permanent employees	3,214	2,755	5,094
Total temporary workers	133	71	204
Total number of workers of non-guaranteed hours**	133	-	133
Total 2021	3,480	2,761	6,241

**Employees who are not guaranteed a minimum number of working hours per day, week or month, but are required to be available to work as needed.



Headcount by region (Chile)

Region	Women	Men	Overall Total
XV- Region of Arica and Parinacota	19	13	32
I - Tarapacá Region	35	23	58
II - Antofagasta Region	82	41	123
III - Atacama Region	19	6	25
IV - Coquimbo Region	56	37	93
V - Valparaíso Region	180	120	300
RM - Metropolitan Region	2,521	2,203	4,724
VI - Region of Libertador General Bernardo O'Higgins	68	47	115
VII - Maule Region	65	60	125
VIII - Biobío Region	168	106	274
IX - Araucanía Region	52	42	94
XIV - Los Ríos Region	17	11	28
X - Lakes Region	46	35	81
XI - General Carlos Ibáñez del Campo Region of Aysén	8	2	10
XII - Magallanes and Chilean Antarctica Region	11	15	26
Total for 2021	**3,347**	**2,761**	**6,108**

Local hiring by region (Chile)*

Region	Total local hiring
XV - Region of Arica and Parinacota	4
I - Tarapacá Region	9
II - Antofagasta Region	18
III - Atacama Region	2
IV - Coquimbo Region	8
V - Valparaíso Region	19
RM - Metropolitan Region	541
VI - Region of the Libertador General Bernardo O'Higgins	12
VII - Maule Region	17
VIII - Biobío Region	21
IX - Araucanía Region	6
XIV - Los Ríos Region	2
X - Lakes Region	4
XI - General Carlos Ibáñez del Campo Region of Aysén	1
XII - Magallanes and Chilean Antarctica Region	6
Total for 2021	**670**

* Local employees are defined as personnel working in the same region where they reside.

Nº. of employees by position group

Type of position	2021 headcount	Women	Men	Average age	Average aging
Senior Management	12	3	9	48.1	9.9
Management	171	41	130	47.5	10.7
Headquarters	982	336	646	44.4	10.6
Sales Force	208	163	45	45.9	4.6
Administrative	730	442	286	43.0	7.6
Other Professionals	2,750	1,527	1,224	41.2	8.5
Other Technicians	1,256	835	421	41.6	9.1
Total for 2021	**6,108**	**3,347**	**2,761**		

Rotation percentage

Rotation rate	2020	2021
Total rotation	**13.8%**	**11.0%**
Women rotation	6.9%	**6.1%**
Men rotation	6.9%	**4.9%**
Total voluntary rotation	1.5%	**2.9%**
Women voluntary rotation	0.6%	**1.1%**
Men voluntary rotation	0.9%	**1.8%**

Scotiabank Culture

Our culture, based on values, has allowed us to build a bank that is more humane and aware of the impact we have on society and the planet. Every day we strive to build the best place to work and to be the best digital bank in Chile.

Change Management

Within the framework of change management, our objective is to promote the Scotiabank culture, transforming it into an important competitive advantage.

For us, team integration is an essential element for the success of our Bank. That is why that during the year we work in all divisions developing Team Building activities, an initiative that consists of fostering team cohesion, improving productivity and confidence.

In addition, we seek to make our internal communication channels more horizontal and accessible to everyone, in order to generate a closer and more integrated community that allows us to increase collaboration within the team.

Implementing hybrid work and new skills

We are transforming the way the Bank performs its internal processes and the way we provide our customers with products and services that meet their requirements. Our digital presence will be ever greater and, in this context, we have expedited the opening of new virtual branches, the implementation of remote work, labor reconversion and training so that all employees can face this new challenge.

Telework / flexibility

At Scotiabank Chile we have had a Telework policy since 2017, a mode that was formalized in April 2020 when Law N°21,220, on Telecommuting and Teleworking, came into force.

The Telework Law was implemented through the Bank's regulation, which configures remote work under three types of programs:

- **Partial permanent telework:**
  The employee may perform telework from one to four days of the week.
- **Total permanent telework:**
  Available for people who are currently in our Scotiabank Incluye program (disability or disability pension) that allows teleworking five days a week.
- **Contingent or circumstantial telework:**
  Designed for employees who do not usually work in teleworking mode, but only in case of contingency, authorized by their management, they can do it.

Thanks to the fact that the **Bank already had teleworking policies in place**, when the health crisis hit Chile **we were one of the first organizations in the financial industry to implement this mode** for a large percentage of our employees, covering more than 80% of the central areas and, at the same time, extending this functionality to the branch offices.

In order to support the teleworking mode, notebooks were assigned to employees and access to VPN systems was provided to allow them to connect remotely to the Bank's systems with all the necessary security measures.

+700
Notebooks

450
Fixed devices

+2,000
VPN

Project: "The way we work and where"

At Scotiabank, we are building a new hybrid work culture, focused on changing the way we work and where we work. "The Way We Work and Where is the program that supports this new work culture that gives employees more freedom and builds trust within teams.

For its implementation, we have formed a permanent working group, made up of the different areas of the Bank, to comprehensively address this project.

Who can access this mode?

All central office employees who do not have permanent or recurring contact with customers and who have already had the experience of remote work. In addition, it is expected that this transformation can be implemented in some branches.

This initiative has four stages, which will allow us to gradually transition to a hybrid model.

Wave 1
- Project kick off.

Wave 2
- Desktop depersonalization.
- Transformation of Torre 4 de Santiago Downtown.
- Closure of Agustinas St. Buildings.

Wave 3
- Optimizing space and technology preparedness.
- Delivery of ergonomic elements.

Wave 4
- Hybrid mode.

We also promote diverse initiatives to support the functions and tasks of our employees:

DesbloquéaT:
Corporate tool that allows you to manage autonomously the unlocking and change of Windows passwords 24/7, avoiding contact with the Help Desk so that employees can perform their duties more smoothly and efficiently.

CloudIA:
Virtual assistant that provides more than 100 quick answers to the most common questions asked by Scotiabankers
It is Available on a 24/7 basis in the Requirements Portal.

ScotiaTech:
Physical space located in the Corporate Tower, created with the objective of providing on-site response to technological problems. It has computers that allow employees to continue working in case their equipment needs to be checked and/or repaired.

Microsoft Teams:
New global videoconferencing software (54,000 employees). In Chile, it is available for more than 5,000 employees.

Scotty:
Virtual assistant that provides more than 100 quick answers to the most common questions asked by Scotiabankers regarding people management, benefits, salaries, among others. Available in people Management Portal on a 24/7 basis.

Leadership and recognition

As part of the Change Management plan, we have focused on defining the role of leaders with the objective of promoting Scotiabank's leadership style. For such purpose, we have performed Global (ILEAD) and local leadership programs, emphasizing recognition, through which we seek to make employees feel valued.

- Leadership Academy: #YoSoyScotiaLíder: is our local leadership program, which aims to implement the Scotiabank Seal in our leaders. It has 8 modules and has a duration of approximately 2 months.
- Mentoring Program: its purpose is to mobilize minds to a state of greater awareness of their areas of improvement and resources, review their learning challenges, deploy relational, emotional and leadership skills that will facilitate their path to be the leaders of the future.
- Reverse Mentoring: in 2021 we launched this innovative program where young and inexperienced talent had the opportunity to provide mentoring to more senior executives of the organization.

As part of our culture, we have generated local and global campaigns to encourage the use of the **Applause 2.0** recognition platform and campaigns to thank our employees who have performed their work with excellence.

We also have the **Best of the Best Program**, which is held once a year, where we recognize those employees who have made extraordinary contributions to the Bank's strategy and priorities.

Work environment and benefits

Scotiabank has a global work climate survey referred to as "ScotiaPulse", which is applied to all employees twice a year, in February and August.

This survey has only one indicator, which is engagement. However, there are four engagement factors that provide information on the perception that employees have in these areas and that are relative to our business:

Manager sentiment

The impact that the direct supervisor has and how supported and respected employees feel.

Performance-oriented mindset

The environment and behaviors that enable employees to generate a high performance culture.

Diversity, inclusion and culture

Key culture factors such as customer focus, diversity and inclusion and effective collaboration.

Leadership

Trust and support for senior management at the VPS level and above.

Based on these results, a qualitative and quantitative analysis is conducted to identify the main areas for action and to design a work plan -if necessary- to focus on the points requiring the greater support.

> For leaders with results above 95%, the VP of People Management, Culture and Corporate Affairs sends recognition through the platform "Applause 2.0", which are public and can be viewed by any Scotiabank Group employee.

The main conclusions for 2021, identified from the February 2021 survey were:

We are drivers of Commitment.

Culture continues to be a clear differentiator for our Bank.

Efforts to create an environment in which employees feel free to speak have achieved the desired impact.

Our supervisors continue to achieve excellent results.

During 2021, the main focuses of action were:

- Being stronger in disseminating our self-learning platforms.
- Encourage and promote leaders to generate greater spaces for listening and innovation.
- Develop Labor Reconversion Programs, where new development possibilities are provided within the organization to all Scotiabankers who were working in areas that, due to the effects of the pandemic or due to new business needs, were impacted in their operation, which implied a reduction in their staffing levels.
- Execute Career Development Plans, which aim to provide our Scotiabankers with a clear path with the milestones they must meet in order to apply for other positions/functions through ProyéctaT.
- Motivate leaders to transmit ScotiaPulse's results and highlight the importance of generating action plans together with the teams.
- Activate action plans to perform climate interventions for leaders with results below 70% and/or who have dropped 15 points.
- Generate actions to bring senior management closer to all employees.
- Provide internships in different areas, with the objective of opening the possibility of getting to know other areas of interest for Scotiabankers within the organization, contributing with new ideas and points of view that enrich the process both for the intern and for the areas that receive them. By doing this, we also encourage internal mobility and the identification of talent within the organization.

Likewise, we constantly send internal communications to all employees so that they feel supported and report irregularities that may affect the work environment. Whistleblowing channels can be global or internal, the main channel for managing internal complaints is the Employee Relations area but the employee can always escalate their concerns to the related hierarchy line.

Programs related to work environment management

Interventions

Leaders who obtain unfavorable results in the ScotiaPulse survey meet with the Organizational Development and Consulting area to analyze the results and, if necessary, focus groups are held with the team and without the management to achieve a more comprehensive view of the problem and suggest actions to support both the leader and the team. Sometimes these actions are performed with the internal People management team and sometimes the support of an external consultant is requested for interventions.

#YoSoy ScotiaLider

It is a leadership learning path for all Scotiabank leaders, which aims to provide them with tools for their personal and professional development, in order to develop the hallmark that characterizes them and that includes: recognition, feedback culture, fostering a good climate, building inclusive and respectful environments, among others, and thus advance individually and as a team.

This learning path is composed of 8 modules that seek to help participants understand their role and then enhance their people management skills.

Open Agenda

They are led by members of the Executive Committee, and any employee can register. The objective is to learn more about the VP's vision of the business, leadership and current topics. It is also an opportunity to bring the top management closer to all the Bank's employees in order to generate a space for communication that gathers new ideas, current problems and seeks solutions.

#ScotiaContigo

Webinars: During 2020 and 2021, monthly webinars were implemented to provide emotional well-being during the time of social distancing, teleworking and pandemic. The main topics were co-responsibility and teleworking, healthy eating, motivational talks oriented to the development of resilience, positive psychology, stress management, parenting issues, among others.

Psychologists Platform: Telephone and online service of psychologists available to employees who require support. This is a space for personal help, which allows them to receive psychological guidance and have the appropriate tools to face this crisis.

Digital events and contests: during the year, several digital events were held to accompany Scotiabankers, such as Safari Salvaje together with Buin Zoo and Te presento a mi Mascota, among other initiatives.

ScotiaInspira

As part of the Gender Equity program, six webinars on gender equity issues were held for all the Bank's employees who could participate on a voluntary basis. The objective was to raise awareness and visibility of the benefits of diverse teams, as well as to debunk myths and provide tools to build together a great place to work.

Diversity and inclusion management

In 2021, management focused on priority areas - Gender, Disability, LGBT+ and Cultural Diversity - through programs and actions that fall under Scotiabank's Inclusion pillars: Listen, Educate, Act and Sustain.

Disability management

At Scotiabank we are convinced that inclusion generates opportunities, which is why we work to build diverse and inclusive environments, where everyone is valued for who they are and has access to the same opportunities.

Recognition

Every month we publicly recognize, through our Workplace and in the HR news, the 5 employees who have promoted our culture of gratitude and recognition. We also reward the 5 most outstanding employees. We also award the 5 most recognized employees in the last month in Applause 2.0 as a way of thanking them for their effort and commitment to our Bank.

BOB (Best of the Best):
This is a program that takes place once a year, where we highlight those employees who have made extraordinary contributions to the Bank's strategy and priorities. In 2021, we awarded more than 700 awards in the following categories: Best Individual Performance, Culture Catalyst and Best of the Best. Through these initiatives, we seek to strengthen employees' connection with the Bank by recognizing those who:

- **Drive our culture of focus on the customer and high performance.**
- **Are examples of our core values in everything they do.**

The winners are the architects of our successful performance and represent the best of Scotiabankers.

Benefits for Scotiabankers

Type of benefit	Applicable to indefinite contract	Applicable to temporary contract
Life insurance	YES	NO
Disability insurance	YES	NO
Parental leave	YES	NO
Reduced work schedule	YES	YES
Marriage or civil union agreement	YES	YES
Change of residence permit	YES	YES
Bereavement leave for death in the immediate family	YES	YES
Leave for preventive examinations (1/2 working day)	YES	YES
Accompaniment of a family member in vital risk	YES	YES
Benefit Accompaniment of family members in home hospitalization	YES	YES
Benefit Accompanying family member for surgical intervention	YES	YES
Birth leave	YES	YES
Scotiabank Incluye Program	YES	NO
Study scholarships	YES	NO
Hybrid work	YES	YES
Business benefits	YES	YES
Replacement of duties bonus:	YES	NO
Christmas celebration	YES	NO
Flexible schedule	YES	NO
Complementary health care	YES	NO
Maintaining salary for medical leaves	YES	NO
Transportation	YES	NO
Lunch	YES	YES

Type of benefit	Applicable to indefinite contract	Applicable to temporary contract
Marriage or civil union agreement allowance	YES	NO
Birth Allowance	YES	NO
Nursery	YES	NO
Transfer of nursery	YES	NO
Death allowance	YES	NO
Vacation allowance	YES	NO
Flex time benefits	YES	NO
Flex money	YES	NO
Annual salary review program	YES	YES
Vaccination campaign	YES	YES
Summer schedule	YES	YES
Education bonus	YES	YES
Christmas allowance	YES	YES
National holiday allowance	YES	YES

Partnership with Clínica Indisa

At Scotiabank we care about the health and well-being of our employees. For this reason, we signed an alliance with Clínica Indisa. Thanks to which all Scotiabankers and their legal dependents will have an **additional discount on the co-payment of outpatient, emergency and hospital services,** which will be made online.

A diverse team

Inclusion makes us stronger

We are a flexible and dynamic organization, where one of our greatest attributes is our ability to form diverse teams in all aspects.

As part of the Scotiabank Group, we adhere to and promote the Global Diversity and Inclusion Strategy, as well as developing policies, strategies and actions at the local level. Throughout our history, the Bank's commitment to inclusion has evolved from valuing differences to aspiring to create an inclusive environment.

Employees by position group

Position level	Chilean	Foreign	Total
Senior Management	8	4	12
Management	151	20	171
Line management	940	42	982
Sales force	203	5	208
Administrative staff	702	26	728
Other professionals	2,670	81	2,751
Other technical staff	1,212	44	1,256
Total	**5,887**	**221**	**6,108**

Employees by gender

Position level	Men	Women	Total
Senior Management	9	3	12
Management	130	41	171
Line management	646	336	982
Sales force	45	163	208
Administrative staff	288	442	730
Other professionals	1,223	1,527	2,750
Other technical staff	421	835	1,256
Total	**2,761**	**3,347**	**6,108**

mployees by nationality

Nationality	Women	Men	Overall total
Chilean	3,221	2,666	5,887
Venezuelan	63	45	108
Colombian	21	8	29
Peruvian	17	6	23
Argentine	3	9	12
Mexican	1	4	5
Costa Rican	2	3	5
Ecuadorian	3	2	5
American	1	3	4
Canadian	3	1	4
Brazilian	2	1	3
Uruguayan	2	1	3
Bolivian	1	2	3
Spanish	2	1	3
Cuban	2		2
British		2	2
Salvadorian	1	1	2
Korean		1	1
Italian		1	1
Australian	1		1
South African		1	1
French	1		1
Chinese		1	1
Hindi		1	1
Honduran		1	1
Total 2021	**3,347**	**2,761**	**6,108**

Employees by age range

Position level	Less than 30 years	30 to 40 years	41 to 50 years	51 and 60 years	61 to 70 years	More than 70 years	Total
Senior Management	0	1	6	5	0	0	**12**
Management	0	29	84	55	3	0	**171**
Line management	30	299	421	195	36	1	**982**
Sales force	6	56	77	56	11	2	**208**
Administrative staff	102	245	171	137	71	4	**728**
Other professionals	237	1,186	861	375	87	4	**2,751**
Other technical staff	146	462	410	186	51	1	**1,256**
Total	**521**	**2,278**	**2,030**	**1,008**	**259**	**12**	**6,108**

Employees by seniority

Position level	Less than 3 years	3 to 6 years	7 to 9 years	10 to 12 years	More than 12 years	Total
Senior Management	3	2	1	2	4	**12**
Management	26	41	15	19	70	**171**
Line management	165	217	129	134	337	**982**
Sales force	48	126	21	11	2	**208**
Administrative staff	252	163	101	55	159	**730**
Other professionals	673	766	379	305	627	**2,750**
Other technical staff	210	388	213	109	336	**1,256**
Total	**1,379**	**1,704**	**865**	**628**	**1,532**	**6,108**

Diversity, Inclusion and Non-discrimination

We are convinced that inclusion is for everyone and that differences do not separate us, they bring us closer. That is why we strive to offer an inclusive and safe environment to those who make up Scotiabank, and that this will allow us to generate an optimal work environment, where all people can develop their potential effectively and with sufficient confidence for their optimal professional career.

We have confirmed our commitment to inclusion. During 2021, we conducted the following actions:

- **We updated our Internal Diversity and Inclusion Policy**
  We incorporated a paragraph on the elimination of violence against women and made it official through Circular 4578-2021, which was approved by the Board of Directors.
- **Increasing the inclusion of people with disabilities**
  We achieved an increase of 75% in the incorporation of people with disabilities in different divisions of the Bank. Ninety percent of these incorporations were made in the form of permanent contracts.
- **We implemented the second Diversity and Inclusion Survey, the results of which were as follows:**
  - The perception of diversity in the work environment was up from 76% in 2020 to 91.6% in 2021.
  - The perception of equity in accessing leadership positions increased from 66.9% in 2020 to 86.2% in 2021. There was also an increase in the perception regarding people with disabilities from 57% to 83.3%. The perception of confidence to talk about diversity in the work environment increased from 60.1% in 2020 to 81.7% in 2021.

Women's leadership and gender equity

At Scotiabank, we believe in the transformative power of women and in the leading role they play in society and in the development of the country, which is why promoting gender equity, equal opportunities and female empowerment is one of our fundamental pillars.

Women make up **55%** of total staff.

We encourage their involvement in positions of responsibility:

VP+ **29%**

Director **26%**

Senior Manager **32%**

We have a salary gap of **2.6%**, well below the 27% national average and 8% of the financial industry.

We have mixed selection panels to avoid unconscious bias.

We have **3.6%** of **migrant employees** from 24 countries.

Currently, **69 employees with a declared disability** work for the Bank.

Number of employees with a disability

Position	Men	Women	Total
Management	2	0	**2**
Line management	4	2	**6**
Sales force	0	1	**1**
Administrative staff	6	10	**16**
Other professionals	13	16	**29**
Other technical staff	10	5	**15**
Total	**35**	**34**	**69**

We contributed to this through 2 particular actions:

Cashier Inclusion Certification Project:
The Selection and Learning teams certified 20 bank cashiers in partnership with the Fundación Chilena para la Discapacidad, and today, we already have 5 of them working in the Bank's branches.

Core Area Inclusion Project:
With the support of the Arando Esperanza Foundation and its Labor Intermediation service, we incorporated 14 professionals to different areas of the organization, accompanying them throughout the process in order to generate the necessary adjustments for a good integration to their new jobs. This support included follow-up and coaching. During 2022 we will continue working on new incorporations.

Scotiabank Incluye

This program offers additional benefits to employees with visible and non-visible disabilities. In 2021 it celebrated its second anniversary and our internal measurements showed good levels of evaluation, with an NPS of 88%.

Among the benefits it offers, the following stand out:

- **More days off for medical consultations, treatments and examinations.**
- **Copayment for orthotic and prosthetic treatments.**
- **Support in financing for assistance pets.**
- **Mobilization benefits.**
- **Permanent teleworking, when the duties allow it.**

As part of the commemoration of the second anniversary of Scotiabank Incluye, we performed educational activities on disability:

- Lecture with the founder of the Tacal Foundation, Andrea Zondek, addressed to all employees, on the Inclusion of People with Disabilities, in which more than 1,000 employees participated.
- Workshop on Inclusive Leadership and Disability, with Andrea Zondek, with the participation of about 80 Directors and Vice Presidents.

Internal and external awareness of the inclusion of people with disabilities was another of the pillars of our work during the year, especially in December, when Disability Day is celebrated. For such an occasion, the entire month was devoted to developing a robust communications plan that included several actions, such as joining the week of inclusion, promoted by Acción Empresas, Fundación ConTrabajo, Red de Empresas Inclusivas - REIN, of Sofofa, and Centro para el Desarrollo de Iniciativas Sociales – CEDIS, of ESE Business School, Universidad de Los Andes, and visual dissemination of initiatives developed in these areas.

Labor Relations

Maintaining trustworthy, solid and long-lasting relationships with Scotiabankers is pivotal for our institution, which is why we maintain a constant relationship with the unions that represent our employees. Together with them, we build various initiatives that benefit and satisfy the needs of the people who make up the Bank.

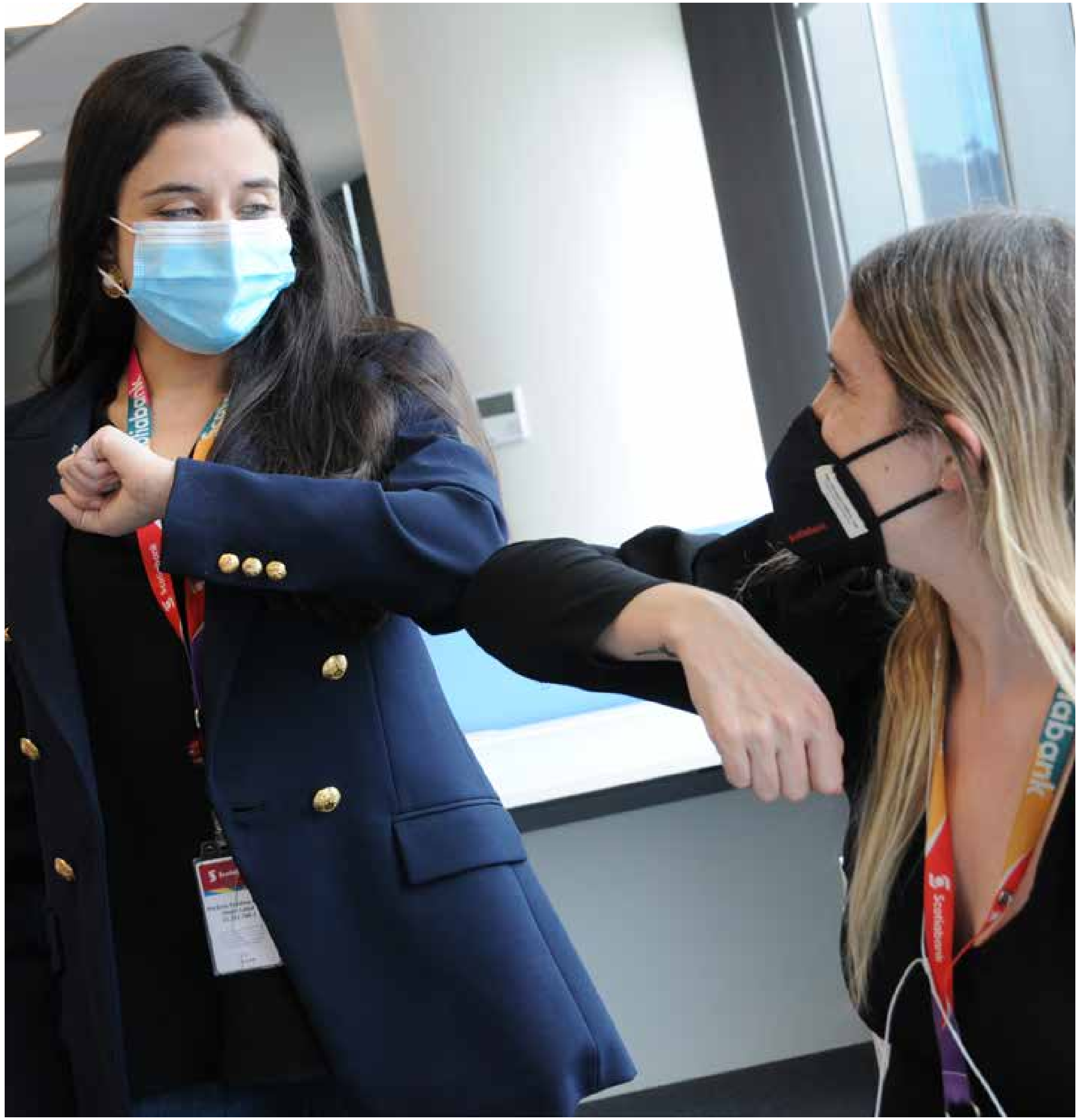
Collective agreements	Beginning date	End date
Union of employees of Banco Scotiabank and formerly BBDD	09.01.2019	07.31.2022
Chilean domestic union of Scotiabank Plataforma. Technicians and professionals	03.01.2019	02.28.2022
Chilean domestic union of employees of Scotiabank Sud Americano	04.01.2020	03.31.2023
Union No. 2 of employees of Scotiabank Sud Americano	12.01.2019	11.30.2022
Union Scotiabank Chile	01.01.2021	12.31.2023
Chilean domestic union of Centro de Recuperación y Cobranza Limitada, CRC	09.01.2021	08.31.2024

Union members

Year	Members	Active headcount	%	No. of unions
2020	3,182	6,119	52%	6
2021	2,944	6,108	48%	6

Collective instruments

Year	N°. of collective instruments	Headcount covered
2020	6	52.0%
2021	6	48.0%



Awards and/or recognitions

We are proud of our commitment to **diversity, inclusion and non-discrimination,** which has been reflected through different actions performed by our institution that have been recognized during the reporting period.

EquidadCL

For the third year in a row we obtained the Equidad CL certification, a recognition promoted by Fundación Iguales, Pride Connection Chile and Human Rights Campaign (HRC), which recognizes Chilean organizations that lead LGBT inclusion and diversity policies. With this distinction, our Head Office obtained the triple winner category, achieving the maximum score in three countries (Chile, Mexico and the United States), and becoming one of the 12 companies worldwide that have achieved this standard.

Ranking PAR LATAM

We obtained the first place among Chilean companies with more than 1,000 employees that participated in the 2021 version of the PAR LATAM Ranking, which is performed by the consulting firm Aequales to measure the performance in gender equity and diversity of private companies, public entities and SMEs in Latin America.

Refinitiv

A firm linked to LSEG (London Stock Exchange Group), recognized our Parent one of the 25 most diverse and inclusive global companies. The measurement, which comprehensively analyzes more than 11,000 companies worldwide, is based on environmental, social and governance (ESG) data, and is designed to measure the relative performance of companies against factors that define diverse and inclusive workplaces.

Diverse and Intercultural Business Seal

We ranked fifth out of 25 companies and obtained outstanding results in the Intercultural Management Index, which recognizes the intercultural approach of organizations to promote respect for diversity and the empowerment of employees.

Gender Equality Index (GEI)

Our Parent was included for the fourth consecutive year in the Bloomberg 2021 index, which recognizes companies committed to transparency in data disclosure and gender equality in the workforce. This index evaluates the financial performance of companies committed to gender equality through policy development through policy development, representation and transparency, and measures gender equality across six pillars:

- **Women's leadership.**
- **Talent flow.**
- **Salary equality.**
- **Inclusive culture.**
- **Policy against sexual harassment.**
- **Pro-women branding strategy.**

Employee training and development

At Scotiabank we have made several training channels available to our employees, so that these processes are increasingly didactic and accessible.
On an annual basis, we conduct a survey and detection of training needs, in which the Learning area and Managers of each Division participate. At the same time, we provide cross-cutting programs, with a wide range of workshops, courses and educational capsules in different areas, which involve all our employees.

During 2021, our training and development plans were decided in conjunction with each line of the Bank's divisions and for such purpose, we held personalized meetings with each director and vice president in order to understand their needs compared to the strategic objectives for the year. The greatest challenges were in adapting the activities in streaming mode, a work that we had already been doing from 2020 at the beginning of the pandemic.

3,221.66
Total training hours

5,941
Total people trained

6 Average training hours by person

972 Interventions in the year

Training by hierarchical position

Position	Women	Men	Total
Senior Management	6	27	**33**
Management	111	205	**316**
Line Management	386	539	**925**
Sales force	1,069	646	**1715**
Administrative staff	1,158	430	**1,588**
Assistant staff		186	**186**
Other professionals	780	939	**1,719**
Total	**3,510**	**2,972**	**6,482**

Note: Total employees trained considers "hires and dismissals" during the year

Average training hours by position

Position	Women	Men	Total
Senior Management	25	20	**21**
Management	33	30	**31**
Line Management	53	44	**48**
Sales force	47	33	**42**
Administrative staff	38	39	**38**
Assistant staff	0	23	**23**
Other professionals	28	25	**26**
Total	**40**	**32**	**37**

Total training hours by position

Position	Women	Men	Total
Senior Management	148	546	**695**
Management	3,657	6,252	**9,908**
Line Management	20,434	23,900	**44,334**
Sales force	50,245	21,316	**71,561**
Administrative staff	44,069	16,949	**61,018**
Assistant staff	0	4,225	**4,225**
Other professionals	21,870	23,230	**45,101**
Total	**140,424**	**96,419**	**236,843**

Performance appraisal

In order to evaluate our employees, we conduct different performance appraisals, an instrument that seeks to measure the progress of Scotiabankers during the year, detecting opportunities for improvement that strengthen their professional development.

	Men	Women	Total
Individuals appraised in 2021	2,466	2,879	**5,345**
Significantly Exceeds Rating	892	992	**1,884**
Achieved Rating	1,453	1,654	**3,107**
Partially-achieved Rating	121	233	**354**

Talent attraction, recruitment and onboarding

At Scotiabank Chile, as is the mandate of our Group globally, we are committed to unbiased recruitment and selection, which helps us to increase the diversity of our teams and attract the best candidates in the market. To find the best talent, we have two types of recruitment: internal and external.

- **Internal recruitment:**

  Our people culture is based on the conviction and trust we have in promoting talented and well-performing employees, thus generating opportunities for internal mobility.

- **External recruitment:**

  Our Bank also offers entry opportunities to new talent, using external sources, such as LinkedIn, Trabajando.com and virtual job fairs.

Considering the Bank's digitalization process, during 2021, we renewed and made changes in our appraisal methodology. Accordingly, we incorporated psychometric tests that complement the competency-based evaluation, thus enhancing meritocracy and quality when identifying the most suitable candidate for a position.

OnBoarding process

It is **very important** to us that **new employees feel part of our organization** and are quickly integrated into the corporate culture. For such purpose, we have the Onboarding process intended to **improve the employee's experience,** reduce anxiety level in the event of a change of job and standardize an experience and integration level. During 2021, the Onboarding process was performed digitally in its entirety.

Merco Talent

In 2021, **Scotiabank Chile** was recognized as **one of the 100 most attractive companies for attracting and retaining talent in Chile,** according to the ranking of the Corporate Reputation Business Monitor (Merco). **Our Bank ranked 12th in the measurement,** which evaluates the different perspectives that influence and determine the labor attractiveness of companies in 3 fundamental values: **labor quality, employer brand and internal reputation.** The measurement was performed during May and June 2021, with the participation of several stakeholders, as well as employees of the companies participating in the study.

Digital Academy

In order to help customers interact with the Bank digitally, we have worked hard on training, through a Virtual Academy, and through an internal digital ambassadors program. Although the agenda depends on the digital banking area, the entire organization is involved. A critical challenge to continue on this path is to promote the training of digital talent. For us, it is essential to invest in education and develop new skills in people in line with the demands of the digital economy, providing access to quality jobs and generating more training opportunities throughout life.

Labor reconversion

In order to provide development opportunities to those employees whose areas were particularly impacted by the pandemic, the People Management, Culture and Corporate Affairs division has continued working on the Labor Reconversion Plan. Thus, employees from different areas were able to apply for different positions and start new challenges at Scotiabank Chile.

Through internal competitions, we offer our employees the option of applying for new vacancies generated within the Bank. To achieve these objectives, we have the ProyectaT portal (Internal Mobility Management Portal), which allows us to manage mobility within the Bank. New job offers are published there for five working days, during which time those who meet the requirements may apply.

Jobs covered using internal personnel	Women	Men	Total
Senior Management	7	11	**18**
Management	13	27	**40**
Line Management	24	56	**80**
Sales force	4	0	**4**
Administrative staff	45	18	**63**
Other professionals	247	144	**391**
Total	**340**	**256**	**596**

Health and labor well-being

The health and well-being of our employees is fundamental to us. That is why we have several initiatives aimed at increasing well-being at work. Our health, safety and occupational disease prevention management model is based on the development of four work pillars:

- **Preventive Management**

  Aimed at identifying, promoting and continuously improving best practices to ensure that accidents do not occur at Scotiabank.

- **Regulatory Compliance**

  Its objective is to generate permanent activities related to compliance with current regulations in Chile associated with occupational safety.

- **Emergency Response**

  Focused on developing periodic actions to improve emergency response for employees and customers at our facilities.

- **Accident Management**

  Collaborative process with the Chilean Safety Association, oriented to the operational management of each injured employee (subsidies, investigations, regulatory documents).

The pillars of the Risk Prevention Department's work allow increasing competencies, awareness and preventive scope in several areas and processes of the Bank, incorporating each employee as a main actor, **"My Safety, My Commitment."**

In 2021 we joined forces with the Phono audiology career of the Pontificia Universidad Católica and the Chilean Safety Association (ACHS) to **train our Call Center executives with techniques to prevent occupational pathologies due to misuse and abuse of the voice.** The initiative works on the axes of occupational safety and health, preventing occupational dysphonia and incorporating the occupational therapist to advise a better work performance of the teleoperator, and, on the other hand, **strengthen the training of these in linguistic, articulatory and discursive communication.**

At Scotiabank, this pilot will **help the recovery and collections center, a call center with more than 300 people and teleworking employees, as well as the Scotia Connect virtual branches.** Once the results of this experience have been evaluated, we hope to replicate this model in other work areas with teleworkers and thus offer a double impact, both in the efficiency of remote customer service and better skills training, in addition to the prevention of occupational diseases.

Health indicators

Among the relevant indicators in matters of occupational risk prevention, we highlight the accident rate, which at Scotiabank has presented a permanent decreasing behavior due to the Bank's emphasis on caring for its employees and the responsibility and commitment that each Scotiabanker shows on a daily basis.

During the last three years **we have recorded no deaths in our entity.**

Accident rate

Year	Rate	Var.
2019	0.61	
2020	0.26	**-57%**
2021	0.30	**15%**

Accident occurrence rate

Year	Rate	Var.
2019	21.82	
2020	12.02	**-45%**
2021	39.25	**227%**

Total accidents

Year	Total	Var.
2019	**38**	
2020	**14**	**-63%**
2021	**16**	**14%**

Total days lost because of accidents

Year	Total	Var.
2019	1,474	
2020	727	**-51%**
2021	2,280	**214%**

Professional disease rate

Year	Total	Var.
2019	0.12	
2020	0.48	**305%**
2021	1.22	**155%**

Disease occurrence rate

Year	Rate	Var.
2019	9.98	
2020	7.47	-25%
2021	32.67	337%

Total professional diseases

Year	Total	Var.
2019	8	
2020	29	263%
2021	71	145%

Total days lost due to professional diseases

Year	Total	Var.
2019	674	
2020	452	-33%
2021	1,898	320%

Emergency and risk prevention programs

During the year 2021, the Risk Prevention Department developed several actions, with the objective of improving the response to emergencies and disasters. Although the pandemic has restricted us from performing mass evacuation exercises, we have maintained the development of activities remotely and with small working groups.

Evacuation Leaders

In our branch network, several training activities were performed virtually with the leaders of each office, analyzing possible emergency scenarios and strengthening the concrete actions to be taken in case of risk situations. In addition, **we have developed practical actions for recognizing evacuation routes and reviewing emergency scenarios.**

We have 308 Emergency and Evacuation Leaders in branch offices and 353 Floor Leaders in Central Buildings, who have the knowledge to deal with emergency situations and act in a quick and timely manner.

In addition, through the Risk Prevention Department, **Scotiabank has participated with the Labor Roundtable of the National Platform for Disaster Risk Reduction,** providing technical expertise to university students in Chile.

New accident prevention management model

In 2021 we started a new accident prevention management model based on the safe behavior of people, within which we developed a communication plan based on three pillars that allows us to expose and present occupational health and safety issues. Our objective is to teach the right techniques to prevent the occurrence of incidents arising from the work environment caused by or in connection with daily activities, and also to disseminate and communicate relevant care elements that contribute to the creation of a culture of safety for each employee, extending it as far as possible to their homes.

We also perform communication instances covering several points related to learning safe behaviors in the workplaces such as emergency response to prevent accidents at work and on public roads, measures to prevent psychosocial risks, measures to prevent musculoskeletal disorders, order in the workplace and measures to prevent the spread of COVID-19.

Emergency response and accessibility

26,000
hours destined to training sessions

5,400
participants in talks

In addition, we maintained an effective line of communication by means of monthly newsletters focused on preventive information.

Communication focuses

- **Main buildings**
- **Branches**
- **Sales force**
- **Telework**

342
Training activities, talks and webinars promoted by the Risk Prevention Department.

4
National technical seminars, joint committees and contractor companies.

3,152
Person hours destined to training in the Risk Prevention Department.

23,726
Person hours destined to ACHS ONLINE training.

5,403
Participants trained in the Risk Prevention Department.

5.94
Average hours of safety training/total employees.

Concerned about our employees during the pandemic

The health and safety of our employees is paramount, which is why in 2021 we will continue to reinforce our safety measures to prevent the spread of COVID-19 and to guarantee safe health areas in the event of a health emergency.

Safety measures for our employees:

Cleanliness:

Quaternary ammonium cleaning protocols and routines were created in the premises.

Weekly preventive sanitizations were performed in Main Buildings and corrective sanitizations were performed whenever a positive or suspected case of COVID-19 was detected in our premises.

Capacity:

Estimates of maximum capacity and floor plans were made for each floor, office to ensure social distancing

Minimum distancing was established in branches.

Maintenance:

Merv-13 filters were installed in the air conditioning system of the Main Buildings to limit the entry of COVID-19.

In addition, we comply with air renewal in central buildings.

Transfers:

During the critical phase of the pandemic, support was provided for the safe transportation of employees who had to work on a face-to-face basis.

For this purpose, shuttle buses were made available, transportation was financed, and parking was provided in the main buildings.

All of this in line with the Government's Level by Level Plan and its different phases.

COVID-19 leave:

From July 1 through December 31, employees were granted 2 additional days of unrestricted leave.

COVID-19 schedule:

During the entire period from July to December, a special schedule was implemented, distributing working hours so that employees could finish their workday earlier on Fridays.

Psychologist platform:

This is a telephone and online service of psychologists available to employees who require support, which provides a space for personal support, allowing them to receive psychological guidance and have the appropriate tools to face this crisis.

In addition, other reinforcement measures were implemented, such as:

- Purchase of dumpsters intended solely for the disposal of personal protective equipment.
- Delivery of masks to employees.
- The use of a radio cab was authorized under an agreement with the Bank, as well as the modification of the employees' arrival and departure
- Installation of awnings for waiting customers.
- National meetings were held with Evacuation Leaders of our branch network to analyze emergency action scenarios considering the preventive measures established to cope with the COVID-19 pandemic.
- Distribution and signaling of work stations considering safety distances to prevent contagion.
- Our 40 Joint Committees at the national level performed different activities related to strengthening compliance with the measures for preventing COVID-19 contagion, focusing on activities related to behavioral observations and dissemination of preventive measures.
- Closing of meeting rooms or crowded spaces.
- Temperature measurement in the main buildings.
- Purchase of hygienic key rings, gloves and disinfectants.
- Performance of webinars and periodic security communications.
- Installation of acrylic separators for employees who, due to their function, are not able to work on teleworking mode, both in branches and main buildings.
- Implementation of work in Home office mode.
- Installation of pedestal thermometers.

Carlos Vial Espantoso Award

Our Bank was recognized with the Carlos Vial Espantoso 2020 Award, for **benefits provided to employees during the pandemic, an initiative implemented during the health contingency posed by COVID-19.** We were the only bank in Chile to receive this distinction. This is part of the excellent labor relations of our organization. Undoubtedly, one of the reasons that led us to be recognized is the value we place on human capital and our ability to adapt to different times of the year.

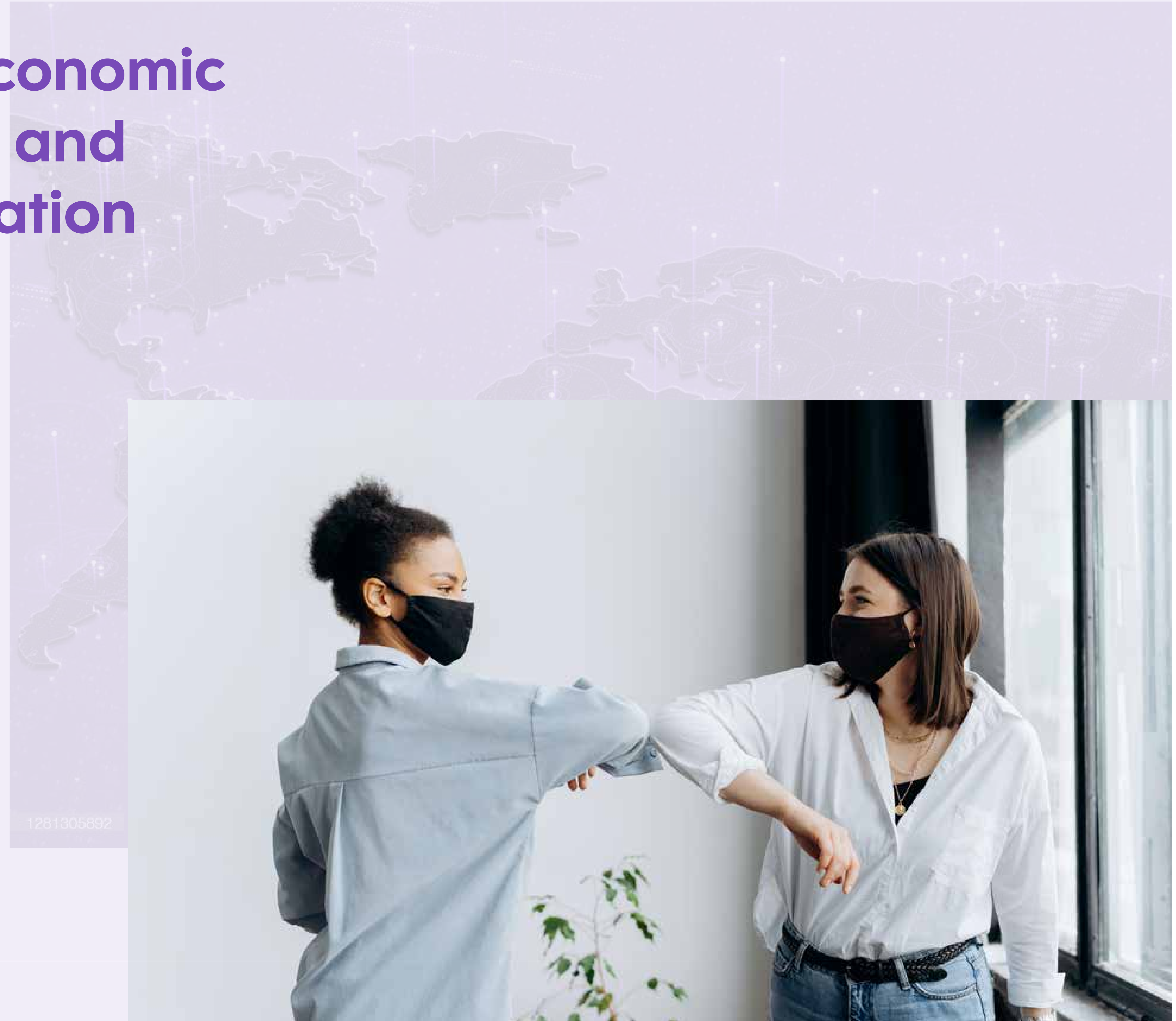
COVID-19 Seal

We were the first bank nationwide to obtain the COVID-19 Seal awarded by the Chilean Security Association (ACHS). This, after the evaluation and certification by the ACHS of the management plan for the prevention of virus infection implemented by the Bank in its network of branches and main offices during the pandemic. With the support of this organization, during December, we raised awareness among our Scotiabankers in the main buildings about the importance of preventing labor risks, through a playful activity that consisted of mime interventions on the different floors of our facilities, with the objective of representing certain situations to which employees may be exposed in their workplaces.

In addition, we performed the following initiatives:

- Preventive webinars with ACHS medical specialist providing timely and updated information related to COVID-19.
- Preventive activities performed remotely in our branch network, the objective of which was to strengthen the commitment of leaders and employees in the prevention of contagions and measures related to accident prevention and emergency management, the project is entitled “MY SAFETY, MY COMMITMENT.”
- We developed two technical workshops with our contractors to focus on the effectiveness of COVID-19 preventive measures for contractor employees and to maintain a strategic and proactive alliance linked to the care of our employees and compliance with regulatory requirements.

06 Driving economic resilience and value creation



ScotiaINSPIRA

At Scotiabank we care about establishing links with the communities in the places where we operate, since we know that the success of our Bank is related to the future of our stakeholders. We are aware that if the environment in which we are immersed prospers, we will be better positioned to continue contributing to the development of a more inclusive and respectful society with its environment.

In this context, in 2021, the Bank launched ScotiaINSPIRA, a program focused on strengthening economic resilience in the communities where we are present. We understand economic resilience as the ability of individuals, families, businesses, and communities to thrive under a variety of circumstances and actively participate in local economies, and to achieve this, we have defined three pillars: education, employability and inclusion. Through these three focuses, we seek to contribute to removing barriers to progress, increasing access to opportunities, and creating a more inclusive world.

Investment amounting to
400 million dollars

in
30 countries

Webinar panel launching
ScotiaINSPIRA

Education

"As engine for the progress of children and young people".

Employability

"With emphasis on eliminating barriers to access the labor market".

Inclusion

"So that everyone, without exception, has the opportunity to develop and achieve success".

In Chile, this initiative is being carried out through competitive funds, alliances with social organizations and various specific programs that have allowed us to work jointly in the development of projects that help people to start, continue and advance their progress. These initiatives materialize in different areas and approaches, but always aiming at the three main pillars of ScotiaINSPIRA.

Contestable funds ScotiaINSPIRA

To kick-start ScotiaINSPIRA in Chile, during 2021 we launched a **competitive fund** platform, through which we allocated a total of **$178 million** to seven social projects, which in total will benefit more than 13,000 people from all the country.

Foundations and benefited projects

Infocap

This trade training institute seeks to train workers from vulnerable sectors of the country with technical tools to develop functions in areas such as gastronomy or electricity. With the allocated funds, they will set up an academy for labor and educational inclusion, where they will train workers so that their students formalize their entrepreneurship in trades with psychological, legal, and technical tools.

Total beneficiaries: 400 people.

Kodea Foundation

Fundación Kodea was born in 2015 with the aim of empowering Chileans in the digital age through the program Connected Entrepreneurs, seek to bridge the digital gap in women with a low level of digital literacy and who have had to undertake out of necessity, giving them tools to market products online.

Total beneficiaries: 150 people.

ONG CERJAP

Through the Connected Children project, NGO Cerjap seeks to provide connectivity to children between 6- and 12-years old belonging to Esperanza de Arica camp through internet access and tools to develop different information and communication technologies.

In 2021 we contribute to providing digital connectivity, so that initial education students can attend their courses online.

Total beneficiaries: 500 families.

Humanitarian Core

This foundation was born during the pandemic with the aim of supporting Chilean and migrant women who lost their jobs and contact networks, and children who were left without education and without access to food provided in schools.

Total beneficiaries: 14.000 people monthly.

*These projects are still under development, therefore, it is estimated that the number of beneficiaries may vary.

Fundación Madre de la Esperanza de Talavera de la Reina

Residence Mother of Hope

It is a shelter located in Linares, dependent on Caritas Chile, which provides help, support, and affection to girls from between 6 and 17 years in social risk. The resources received were used to improve the infrastructure of the campus.

CAPÍTULO CHILENO *de*
NATIONAL MUSEUM *of* WOMEN *in the* ARTS

Chilean Chapter Museum of Women in Arts

This Washington-based museum has nine international chapters in different parts of the world (including Chile). and seeks to promote women in all artistic expressions (lyric and visual singers and writers, among others). With the funds they will be able to renew a digital platform so that more Chilean artists have a showcase where they can show their creations.

Total beneficiaries: 60 women.

Fundación Apptitudes

Apptitudes Foundation

In alliance with Apptitudes Foundation, we were part of the development of MIDEApp application, which allows students to enter a virtual educational platform, which works without a permanent Internet connection. This project involves 16 new rural schools in this initiative.

Total beneficiaries: 2,000 students.

Initiatives linked to sport

We strongly believe in the role played by sport as a promoter of social inclusion and the promotion of fundamental values for a better future for children and young people, such as respect, teamwork, resilience, and perseverance. That is why, through ScotiaINSPIRA, we have also developed different initiatives that promote this type of activity.

Scotiabank Soccer Championship Sub 12- virtual modality

We held a tournament in digital format, where 70 teams competed. 700 participating girls and boys faced fun educational challenges, which aimed to inspire the value of teamwork.

Red Balls

We distribute 650 balls through two instances. 600 of them were assigned to a series of sports clinics for children and young people in Valparaíso region called “A Day in the park”. It should be noted that this activity was carried out in conjunction with Gol Iluminado foundation, led by former soccer player Elías Figueroa.

In the second activity, we delivered 50 balls to children and young people from vulnerable areas of the city of Arica, through NGO Cerjap.

Special Olympics Soccer Cup

Event organized by Special Olympics NGO and sponsored by Scotiabank. More than 100 athletes with intellectual disabilities participated, who, after 2 years of remote activities due to the pandemic, met again in person.

Initiatives that promote gender equity

We know that, in order to achieve a more resilient society, we must focus our efforts on promoting the economic autonomy of women, in several areas: labor participation, support for entrepreneurship, financial education, development of leadership skills, co-responsibility and salary equity. **For this, during 2021 we have promoted and been part of the following initiatives:**

Entrepreneur Award

For the tenth consecutive year, we held our "Entrepreneur Award", an initiative that seeks to recognize and promote female talent and the management of women in business, particularly those who promote small and medium-sized companies in the country.

Since its creation, this award has summoned more than 32 thousand entrepreneurs throughout the country and awarded 78 women.

First place was awarded to Paulina Molina, an architect from Concepción and creator of Noteikin, the first digital pen that allows Braille to be written on any surface, without the need for templates or expensive machines.

The winners received an economic prize from Scotiabank (1st place: USD 6,200; 2nd place: USD 3,750; 3rd place: USD 2,500; 4th and 5th places: USD 1,250).

Additionally, 100 applicants obtained access to the course "Business Model and Financing for Entrepreneurship", taught by Pontificia Universidad Católica de Chile.

Gender Parity Initiative (GPI Chile)

We renew our commitment to Gender Parity, a public-private platform promoted by the World Economic Forum and the Inter-American Development Bank, and from 2021 by the Executive Secretariat of the Ministry of Women and Equity of genre.

We were the first private bank to adhere to this initiative in 2017, an occasion in which we assumed the commitment to demonstrate progress in the following areas:

- **Female labor participation and permanence.**
- **Cultural transformation in the world of work.**
- **Corporate practices that promote gender equality and co-responsibility.**
- **Decrease in gender wage gaps.**
- **Female promotion and presence in high positions.**
- **Prevention, detection, and referral of situations of violence against women.**

Target Gender Equality

We participate in the Latin American Target Gender Equality panel, an initiative of the United Nations Global Agreement to speed up compliance with the UN Women Empowerment Principles. Our VP of People Management, Culture and Corporate Affairs, Jacqueline Balbontín, participated in the event, who referred to advances in both the public and private spheres in Chile.

Workshop Women in Finance

We join the "Women in Finance" workshop, a public-private body created by the Ministry of Women and Gender Equity together with the Women in Finance Corporation (WIF). The objective of this initiative is to **increase the participation of women in the financial industry** at all levels and **promote the inclusion of policies that promote work-life balance and equal opportunities.**

Red + Activa

We are part of Red+Activa, a community of companies articulated by Fundación Chile Mujeres and the newspaper La Tercera / Pulso, in collaboration with PwC, whose purpose is to promote female labor participation, equal opportunities and good practices to advance in this area.

#SomosFinancieras

We are part of #SomosFinancieras, a community of Financial Gazette, in alliance with the ESE Alumni of Universidad de los Andes and Vinculación, which aims to make visible the contribution of professional women and workers from the most diverse economic fields of the country.

Masks that inspire

In Women's Month, we launched the site ScotiabankChile.cl/MesDeLaMujer, an instance to invite people to leave different phrases in recognition of the work and development of women in Chile.

We select those that we consider most inspiring and include them in thousands of masks, which were distributed during March.

Also, every three months we carry out chats, networking, and joint work with the Women Entrepreneurs organization. These initiatives were aimed at collaborators in positions of Senior Manager and Directors. The objective was to generate an internal network, share experiences and create space for visibility.

Conversations held during 2021:

- **How to overcome gender gaps?**
- **What is equality?**
- **Towards gender equality.**
- **Stereotypes and Co-responsibility.**
- **Diversity and Unconscious Biases.**
- **Limiting beliefs.**

More than

300 people

Participated in talks with an average NPS of **90%.**

Promoting gender equality is another of the key points of our institution. We believe that **building an inclusive workforce** is essential, since it allows us to strengthen our winning team with diverse ideas that **drive us to achieve our goals and objectives.**

Always together

Due to the pandemic, the world and local economy experienced a strong crisis that affected various areas of our society. We are aware of the importance of a **resilient economy** for post-coronavirus economic recovery, through our **ScotiaINSPIRA** program we seek to reduce this gap that was made evident by the pandemic and support the **development and well-being of local communities.**

As an inclusive bank and leader in the Americas, we have been supporting our local communities around the world, and Chile has been no exception. During 2021, we continue to contribute to the creation of a more equitable, just, and resilient society, where everyone can develop personally and professionally and achieve their goals.

Form alliances to achieve goals

We firmly believe that, in order to achieve a positive impact on society, it is necessary to work in partnership with civil society organizations. For this reason, we continue to strengthen existing community alliances and create new ones, with the aim of advancing in programs that are part of the ScotiaINSPIRA pillars, as well as other initiatives that respond to the challenges of our society.

Without considering ScotiaINSPIRA contestable funds, our investment in social projects during 2021 was $467 million.

MaríaAyuda
Protejamos la infancia para un mejor futuro

María Ayuda Corporation

We make different contributions to María Ayuda, within the framework of our alliance of more than 20 years, benefiting nearly 400 children and teenagers.

Through this alliance, we also contribute to other initiatives:

Delivery of Libraries

To strengthen the educational work promoted by María Ayuda.

Benefited Centers: 15.

Support to social residences

We maintained the annual donation to support the work in network of 15 social residences throughout Chile.

Study leveling program

Together with Aiep, this project allows young people from María Ayuda Corporation to finish their secondary education

Total beneficiaries: 22.

Donations to foundations for inclusion of people with disabilities

This instance benefited a total of 300 people, and the aid was channeled through the following organizations:

- **Tacal Foundation**
- **Cristo Vive Foundation**
- **Descúbreme Foundation**
- **Incluye 360 NGO**
- **Edudown NGO**

Yo mujer
Corporación Cáncer de mama CHILE

Corporation Yo Mujer

Within the framework of Breast Cancer Month, we held free workshops for physical care and psychological care that benefited more than 3,500 women with cancer and their families.

UNIVERSIDAD TECNICA FEDERICO SANTA MARIA

ACADEMIC Alliance with UTFSM

We signed an academic alliance with Universidad Técnica Federico Santa María to jointly create a Digital Transformation Program whose objectives are:

- Improve research and development of digital innovation.
- Promote the participation of women in the fields of Science, Technology, Engineering and Mathematics.

JA Chile
A Member of JA Worldwide

Junior Achievement Chile

Within the framework of Scotiabank's global alliance with Junior Achievement Americas, we have developed various programs that aim to provide vocational guidance, financial education and encourage innovation to high school students from schools across the country.

Partners for a day

Aimed at high school students, whose objective is to make the world of work known by showing them different careers and work and improvement experiences, to encourage them to believe in themselves, to study and achieve their goals.

Total beneficiaries: 500 students.

Road to success

Initiative that provides training on money management at an early age with the aim of better preparing young people for entering the world of work.

In 2021, the seventh version of this initiative was carried out online.

Total beneficiaries: 250 students.

Innovation Camp 2021

In the 5th edition of this initiative, we worked with a group of high school students who were challenged to create innovative solutions in the fields of education and financial services, and entrepreneurship.

Total beneficiaries: 60 high school students.

DKMS
JUNTOS CONTRA EL CÁNCER DE SANGRE

DKMS Foundation

We help this institution, which is dedicated to supporting patients with blood cancer, our help is focused on managing the registry to facilitate the search for potential donors.

The contribution will allow the registration of 230 new donors.

Fundación Julieta

Julieta Foundation

We support the Julieta Foundation, a group that since 2012 has been dedicated to rescuing abandoned dogs and cats, helping in their rehabilitation process and in the search for a new home. Together we seek to promote responsible animal ownership and carry out initiatives to promote the adoption and care of abandoned pets. This alliance is part of the commitment to be a Pet Friendly Bank.

Our relationship with suppliers

Maintaining a solid and trusting relationship with our suppliers is a fundamental part of our vision of sustainability, and to achieve this we have various policies that govern the negotiation/contracting processes of suppliers of external products and services. The framework of this relationship is based on the Supplier Code, a document that establishes the expectations for current and potential supplier companies in terms of ethics and business conduct, the environment, and human rights.

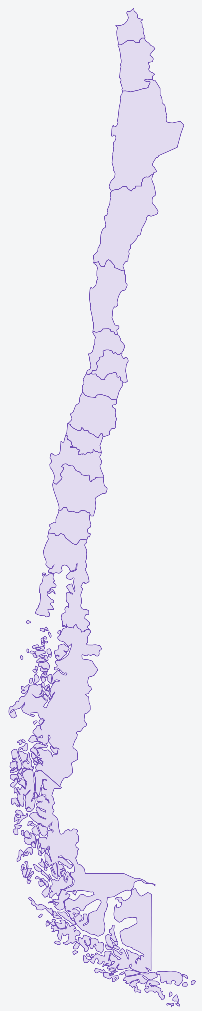
We seek to have a catalog of diverse suppliers that meet market conditions and that do not represent a risk for the correct performance of our functions.

Scotiabank Supplier Code of Conduct

Our Supplier Code of Conduct sets out the obligations that third-party vendors, service providers, intermediaries and independent contractors, including their employees and representatives, **must comply with when providing goods, providing services, doing business with our Bank or acting on behalf of The Bank of Nova Scotia and its subsidiaries,** affiliates, officers, directors, employees and authorized representatives ("Scotiabank") throughout the world.

As Scotiabank, **we have made a commitment to our shareholders, customers, employees and the community at large and expect our Suppliers to comply with applicable law and follow the principles set forth in the Scotiabank Code of Conduct and the Supplier Code.**

Domestic suppliers with contracts in force



Country Regions	Suppliers with contracts in force as at 2021
XV - Arica and Parinacota Region	3
I – Tarapacá Region	3
II – Antofagasta Region	10
III – Atacama Region	4
IV – Coquimbo Region	19
V – Valparaíso Region	33
RM – Metropolitan Region	552
VI - Libertador General Bernardo O'Higgins Region	17
VII – Maule Region	14
XVI - Ñuble Region	0
VIII – Biobío Region	22
IX - La Araucanía Region	8
XIV - Los Ríos Region	6
X - Los Lagos Region	6
XI - Aysén del General Carlos Ibáñez del Campo Region	3
XII - Magallanes and Chilean Antarctic Region	4
Foreign	35
Total suppliers 2021	**739**

Supplier Portal

We have an exclusive portal for suppliers, which allows the Bank's supplier companies to review payments and documents linked to transactions.

In this virtual space, our suppliers can:

- Check the list with the detail of invoices receivable.
- Review history of paid documents.

To access this Portal, suppliers must enroll, providing their company data and the documents they have sent for payment to customers who have the Supplier Payment service.

Outstanding projects in supplier management:

- We implemented a new policy and evaluation systems, TPRM (Third Party Risk Management), allowing us to control the risks associated with suppliers.
- We began to use an analysis of non-repetitive purchase queue expenses, called Tail Spend, a system that allows us to consolidate our suppliers and reduce their base.

Payment average

We have a workflow system that allows us to control the times from the moment the document is entered in the bank until its final payment. With this system we managed to have better management control regarding our supplier payment process and comply with them within a period of 30 days, as established by Law No. 21,131.

Additionally, the bank has made a commitment with all its suppliers to pay for their services within 20 days of receiving the invoice.

Average payday

General	2020	2021	Var.
Committed payment days	30	30	0%
Actual paydays	19	9	53%

Payments not made on the agreed date

General	2020		2021	
Payments not made on agreed date	$12,923,740,973	6%	$4,472,157,680	2%

Annual purchasing plan

204,363,837,774
Total purchases

2,159
Total suppliers

	Domestic		
	Up to 30 days	Between 31 and 60 days	More than 60 days
Number of invoices paid	75,151	1,397	1,731
Total amount (millions Ch$)	199,892	3,231	1,241
Total amount of interest for late payment of invoices (millions of Ch$)	0	4	17

07 Climate and environmental ambition

Sustainable investments

We invest for everyone's future

In recent years, Environmental, Social and Governance (ESG) concerns have become a decisive factor for the financial sector when choosing where to place its resources, which has increased the search for sustainable projects around the world. As a global financial institution, we believe that long-term economic growth must coexist with strong environmental actions. Through our ESG initiatives, we seek to build trust and opportunities for our customers, employees and shareholders, and contribute to creating a better future for all. everyone.

In June 2020, we launched the new **Sustainable Finance Group** within our Global Banking and Markets (GBM) Division in Canada, which aims to **promote the Bank's climate commitments** and contribute to the global conversation on climate change.

Objectives

To contribute to the **transition** to a **low-carbon economy** by reducing our environmental impact, **financing sustainable solutions**, sharing knowledge and contributing to the global conversation on climate change.

Our ESG approach is based on four pillars:

Environmental action

Enabling sustainable development and the transition to a low-carbon economy.

Economic resilience

Contributing to the development of sound and resilient economies.

Inclusive society

Removing barriers and participating in building a more equitable future.

Corporate Leadership and Governance

Generating confidence in our stakeholders through strong corporate governance.

Our commitment to climate change

As an international financial institution, we are aware of our responsibility of our responsibility, as well as of the opportunity we have to act and to empower others for the future. We want to support our customers in their transition to a low-carbon economy and, in this context, we have adopted five global commitments:

- **Mobilize CAD$100 billion by 2025 to reduce the impacts of climate change.**
- **Ensure strong climate-related governance and transparency in our climate reporting.**
- **Decarbonize our operations and seek innovative solutions to reduce our impact on climate change.**
- **Establish a Climate Change Center of Excellence to mobilize internal and external collaboration and coordinate dialogue and information exchanges on the topic.**
- **Optimize the integration of climate risk assessments in operations such as lending, financing and investments.**

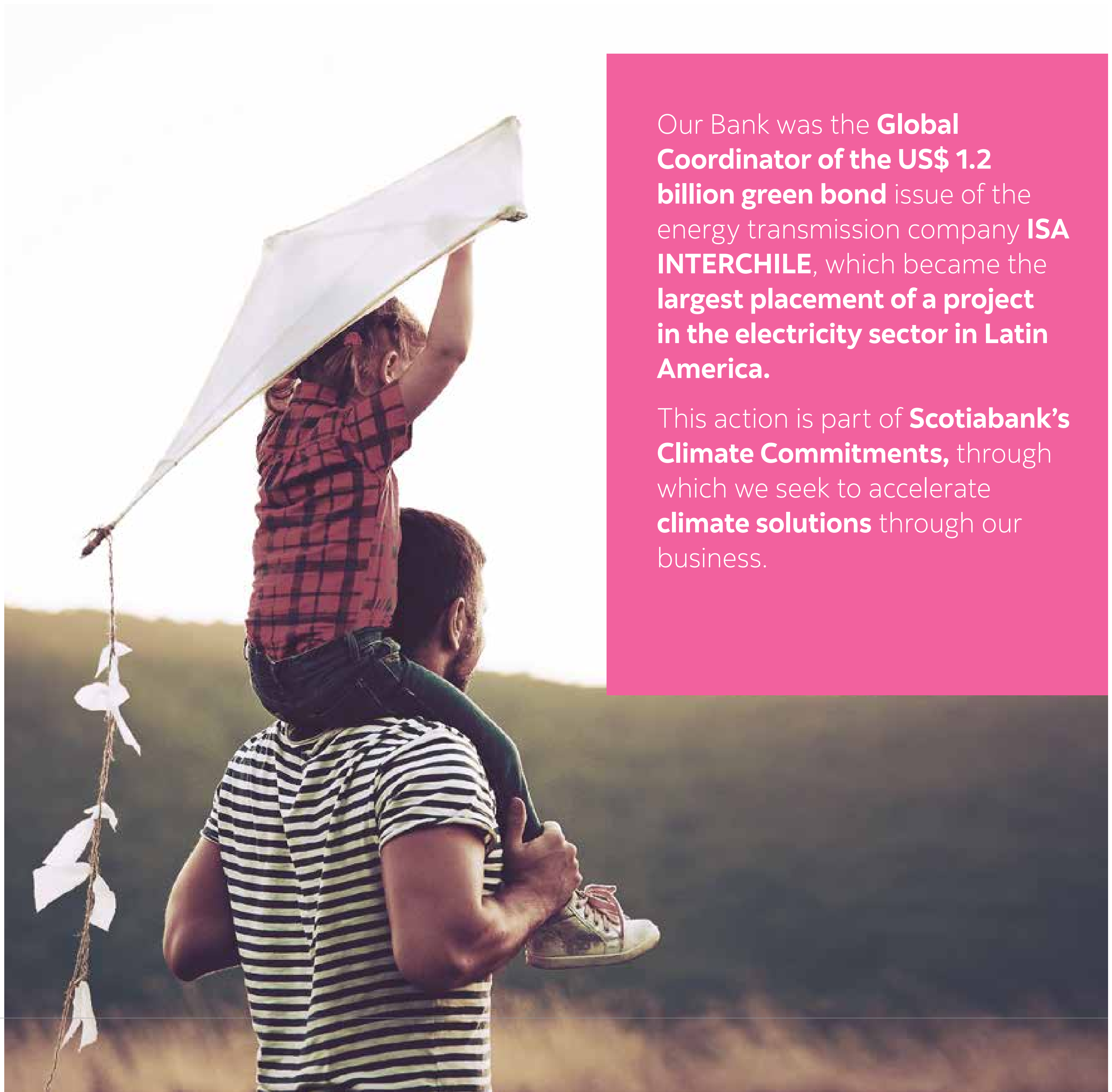
Bonds, green, social and sustainable financings

As a Financial Advisor in the structuring of green, social and sustainable financing, we seek to offer to our customers a complete service, giving them access to the local and international capital markets, including sustainable components in our operations.

To achieve successful financial and sustainable executions, the Corporate Finance team has a close relationship with the global Sustainable Finance, Latam & Caribbean Debt Capital Markets, Rating Advisory and Liability Management teams.

In recent years, we have advised several Chilean issuers of green, social and/or sustainable bonds, both in the local and international markets, as well as in the structuring of sustainable loans.

In 2021, **we participated as an advisory agent** in several ESG-focused bond placements of **major Chilean companies**, considering an aggregate amount of over **US$775 million**.



Our Bank was the **Global Coordinator of the US$ 1.2 billion green bond** issue of the energy transmission company **ISA INTERCHILE**, which became the **largest placement of a project in the electricity sector in Latin America.**

This action is part of **Scotiabank's Climate Commitments,** through which we seek to accelerate **climate solutions** through our business.

Net Zero Research Fund

Global fund of 10 million Canadian dollars to be distributed over a ten-year period.

Objective

Establish partnerships with leading think tanks and academic institutions worldwide to promote research and transition to a low-carbon economy.

Net Zero Research Fund

A better future, where our customers, employees and communities thrive, benefits us all. Our approach to managing environmental, social and corporate governance issues focuses on areas that enable us to achieve the following goals:

- **Enabling our stakeholders to achieve their full potential.**
- **Mobilize funding to address significant social and environmental challenges.**
- **Create a climate of trust by acting with integrity in everything we do.**

In 2021, our Parent launched the Net Zero Research Fund to promote partnerships with leading think tanks and academic institutions in Canada, the United States and Latin America that support key sectors in their efforts toward.

This initiative is part of our Climate Change Center of Excellence, which seeks to contribute to the global dialogue on climate change, build a better world for all of us, and is part of the five Climate Commitments we have made to reduce the impact of climate change.

If we want our country to achieve the goal of **carbon neutrality in 2050**, it is urgent to implement the necessary measures during this decade, and for this it is essential to monitor, almost in real time, the evolution of emissions from the energy sector.

The organizations that benefited from the first call of the Net Zero Research Fund at the global level:

Efficiency Canada

This is part of the Sustainable Energy Research Center at Carleton University, the focus of which is on researching public policy strategies to optimize and expand the use of the industrial energy management system.

QUEST Canada

This NGO supports communities in Canada on their path to carbon neutrality. It is currently working on a research project that will help communities in that country to bundle their local low-carbon energy projects.

Smart Prosperity Institute (Universidad of Ottawa)

World Resources Institute and Canada Cleantech Alliance are conducting research on how smart tax incentives can attract investment in clean technologies.

Simon Fraser University

Was recognized for research on how leading companies are using their influence to motivate and support their suppliers to take action in favor of carbon neutrality.

Tecnológico de Monterrey (Tec)

This Institution benefited two projects:

- Search for technological pathways and effective public policies to support the decarbonization of industrial sectors in developing countries, such as Mexico.
- Use of micro-algae for CO2 capture and production of a biomass-based soil optimizer for agricultural purposes.

Massachusetts Technology Institute

Has conducted research on carbon capture or sequestration strategies.

Ontario Tech University (Brilliant Energy Institute)

Has developed a way to measure and report carbon emissions at the community, city, regional, provincial, national and global scales.

University of Calgary

The awarded project includes an assessment of marine carbon dioxide reduction approaches and the development of a pilot scheme to store carbon as bicarbonate in the ocean.

In Chile, the Net Zero Research Fund benefited the **Centro de Investigación sobre Clima y Resiliencia (CR)2** and the **Centro de Energía de la Universidad de Chile** with the project: **"Observatorio de Carbono Neutralidad para Chile" (Carbon Neutrality Observatory for Chile).**

Objective:

Independently monitoring Chile's energy sector emissions to **reduce** by one year the existing backlog of annual **greenhouse gas (GHG) emissions** estimates and carbon budgets for the country's energy sector.

Contribution received: CAD$ 99,500.

Project promoters: **Centro de Energía** and the **Centro de Ciencia del Clima (CR)2.** Both depending on Universidad de Chile.

Last October, along with five other major Canadian banks, Scotiabank joined the Net Zero Banking Partnership, which will accelerate the **fight against climate change** and reaffirm the commitment of these institutions to financing the climate transition. **The goal of net zero carbon emissions by 2050 requires close collaboration between the public and private sector.**

This partnership will emphasize helping its customers develop and implement solutions that accelerate the transition to a low-carbon economy.

Eolian Project

During 2021, in Chile we joined as a sponsor of the **Eolian project, the first electric car,** with a capacity for four passengers, that runs on solar energy. The objective of this initiative is to **promote sustainability and contribute to the development of electromobility in Chile** through the construction of solar vehicles.

This is the first of its kind in Latin America and is the sixth prototype of this type of vehicle. The project is in charge of an interdisciplinary team from students of the Faculty of Physical and Mathematical Sciences of the Universidad de Chile.

Environmental indicators

We conduct comprehensive tracking and monitoring of the ESG performance metrics most relevant to our stakeholders. These indicators allow us to focus on priority challenges, such as reducing the carbon footprint of our operations and finding innovative solutions to reduce our impact on the environment.

Emissions

We have addressed climate change mitigation and adaptation by decarbonizing our operations through energy efficiency and innovation. We are committed to further reducing direct and indirect emissions and to continue working to promote the use of renewable energies.

As a global bank and leading bank in the Americas, we are determined to support innovation and climate objectives by incorporating several considerations, which are addressed in our procurement policies and procedures.

Our global operational commitments include:

Reducing absolute emissions by 25 % by 2025.

We have achieved a 20% reduction in Scope 1 and 2 GHGs (from 2016 levels) and our target is to reduce absolute emissions by 25% by 2025.

Annually increasing the domestic price of carbon.

By increasing the internal carbon price to $30 per ton of CO2-equivalent (CO2e) we will expand the capital allocation for emissions reduction initiatives. The price will increase to $45 per ton in 2021 and $60 per ton in 2022.

Becoming Net Zero in Canadian and global operations.

Our goal is to achieve carbon neutrality of our operations by 2030 and to achieve 100% electricity from non-emitting sources by 2025 for Canadian operations.

Assessing the current and future physical climate vulnerability of Scotiabank's assets.

We are monitoring the environmental footprint of the properties we occupy and assessing the environmental risks of our lending and investment operations and new product and service development.

For such purpose, we are using an environmental risk assessment tool for all our bank loans.

Direct GHG emissions**

	Total emissions (tonCO2eq) 2020	Total emissions (tonCO2eq) 2021	Var 2020-2021
Scope 1	54 ton CO2e	54.6 ton CO2e	1.1%
Scope 2	9,893 ton CO2e	9,669.8 ton CO2e	1.4%
Total	9,947 ton CO2e	9,724 ton CO2e*	-2.2%

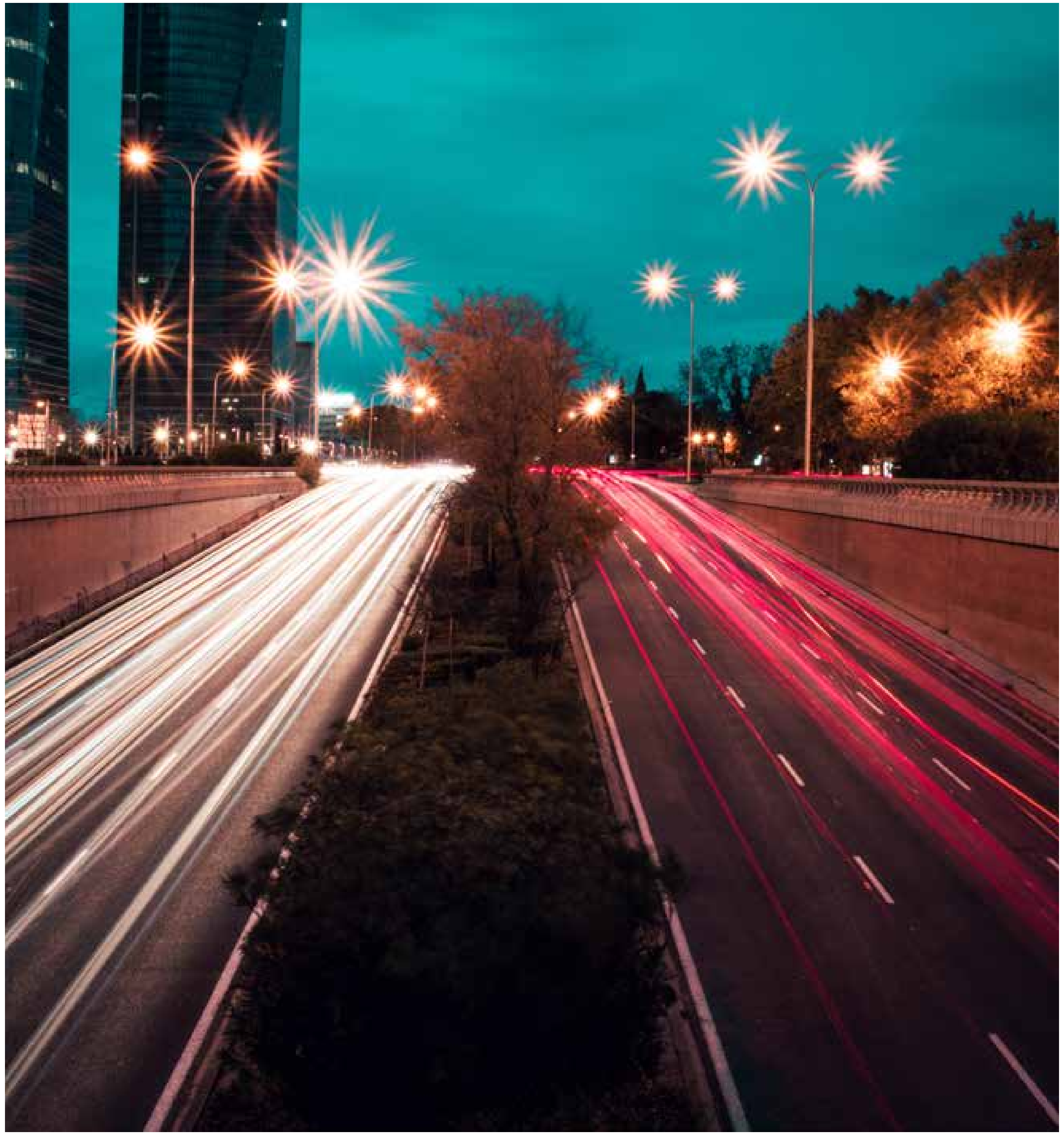
*An estimate has been made with the calculation of emissions, since during 2021, there were complications in the billing by the electric company, causing a mismatch in several industries in Chile.

** This information is calculated and provided by our Parent.

Main energy efficiency projects and transition to the use of non-conventional renewable energies (NCRE)

During 2021, important actions were implemented in our central buildings in order to reduce gas emissions and increase energy efficiency:

Project	Description
R-22 elimination project	We performed the replacement of R-22 air conditioning equipment for sustainable and environmentally friendly equipment.
Replacing of traditional lighting with LEDs	We implemented the change from traditional lighting to LED lighting in the exterior signs of the Bank's facilities.
Sustainable paint	The use of sustainable paints (made from recycled expanded polystyrene) is being evaluated for the remodeling and refurbishment of the Bank's facilities under the responsibility of the Real Estate & General Services Management.
Ecological baths	We installed ecological toilets in the corporate tower that operate without the use of water.



Energy measurement

Total electricity consumption and annual variation in energy consumption

	2020	2021	Var.
Total electricity consumption (kwh)	18,356,748	14,717,587	-19.8%

	2020	2021	Var.
Total de natural gas consumption (m^3)	37,352	8,110	-78.3%

Waste management

At Scotiabank, we know that environmental sustainability is a priority for our customers, communities, employees and shareholders, which is why we are committed to responsible environmental management and protection. We are seeking and implementing innovative solutions to reduce our impact on the environment.

"Zero Waste with Hope"

During 2021, together with the Basura Foundation, we managed the **delivery of the educational book** "Zero Waste with Hope" to the children of our employees, **in order to educate the next generations** about the importance of reducing waste.

Recycling program

We continue with our recycling program, which includes the collection of paper, cardboard, cans, glass and plastic at our main buildings.

In the corporate tower	2020	2021	Variance
Waste produced (Kg)	84,444	88,716	5%
Recycled waste (Kg) (+ Flag)	23,376	31,700	35.6%
Recycling %	25%	31%	6%

E-waste recycling

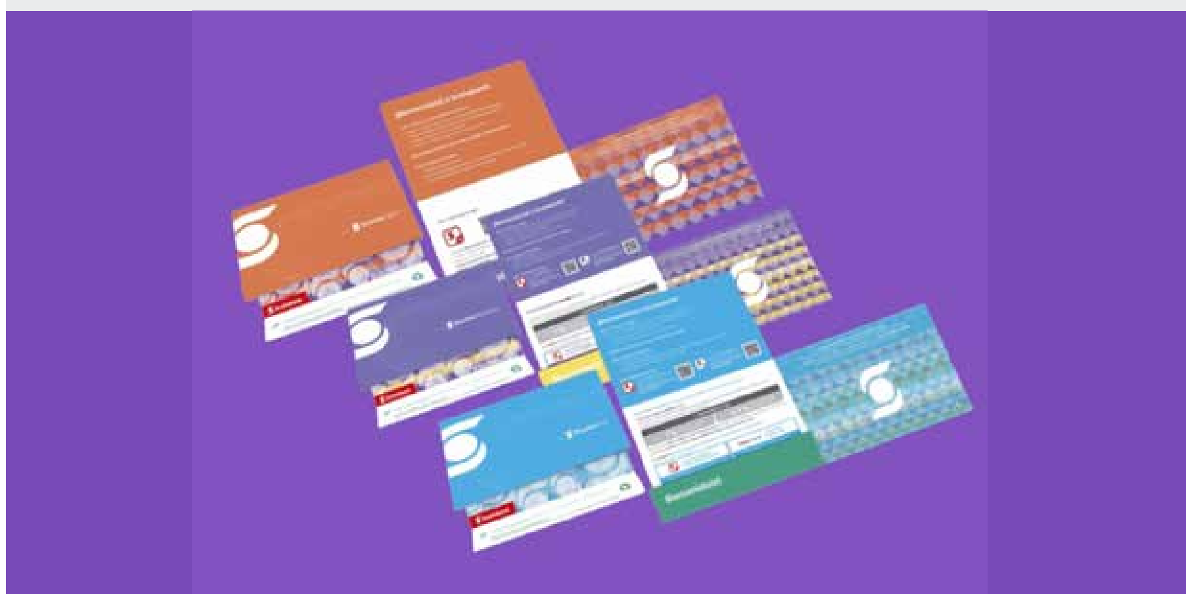
As a way to promote environmental awareness among Scotiabankers and in order to reduce environmental pollution caused by electronic waste, in 2019, we implemented a recycling program for this type of waste that continues through the present date.

In the reporting period, **we recycled approximately 120 kilos of electronic waste,** including cables, cell phones, batteries and screens, among others.

Ecological welcome kits

We continued with the delivery of ecological welcome kits to new Personal Banking customers. This change was implemented in 2020, within the framework of our environmental commitment and since then, they have been manufactured with Shiro Echo paper, which is 100% recyclable and biodegradable. This paper is also FSC certified and the emissions generated during its production are compensated with carbon loans, which finance activities that contribute to the reduction of CO_2 in the atmosphere.

Beginning in 2021, the Premium segment kits began using **packaging developed** with r**ecyclable paper** and are delivered in **compostable bags.** During 2022, we expect to extend this modality to the SME segment.



Paperless program

The project to **reduce the number of printers in our facilities** is in its final phase and will be implemented in the next few months. This initiative considers reducing the number of printers and limiting the number of employees who will have access to them. Approximately **one thousand employees in the central areas will no longer be authorized to print.**

In recent years, **we have observed a reduction in the use of paper,** and thanks to the implementation of the printer fleet reduction project, we hope to maintain the downward trend.

52,759,275
printouts in 2020

34,453,696
printouts in 2021

Business Roundtable with Impact on Circular Economy

As part of Earth Day, Scotiabank Chile was part of the Business Roundtable with Impact on Circular Economy, organized by Sistema B, Impact Mentors and Corfo, which connected **more than 750 companies** and entrepreneurs to discuss topics such as financing, commercial and/or strategic alliances **to contribute to Chile's rapid transition to a Circular Economy.**

The Bank's support is part of its **commitment to measures and actions** to **accelerate climate solutions** and promote sustainable economic growth.

08 | FS and Appendices

SCOTIABANK CHILE S.A.

Consolidated Financial Statements
as at December 31, 2021 and 2020
and for the years then ended

(With the Independent Auditors' Report Thereon)

SCOTIABANK CHILE S.A.

CONTENTS

MCh$:	Amounts expressed in millions of Chilean pesos
US$:	Amounts expressed in United States dollars
CAD$	Amounts expressed in Canadian dollars
ThUS$:	Amounts expressed in thousands of United States dollars
MUS$:	Amounts expressed in millions of United States dollars
UF:	Amounts expressed in Chilean inflation-adjusted units
Ch$:	Amounts expressed in Chilean pesos
CHF$	Amounts expressed in Swiss francs
JPY$	Amounts expressed in Japanese yens
AUD$	Amounts expressed in Australian dollars

Independent Auditor's Report

The Shareholders and Directors
Scotiabank Chile S.A.:

We have audited the accompanying consolidated financial statements of Scotiabank Chile S.A. and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of income, other comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting standards and instructions issued by the Chilean 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.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Auditing Standards Generally Accepted in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Santiago
Isidora Goyenechea 3520
Piso 2, Las Condes
+56 2 2997 1000
contacto@kpmg.com

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Scotiabank Chile S.A. and its Subsidiaries as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting standards and instructions issued by the Chilean Financial Market Commission.

Mario Torres S. KPMG SpA

Santiago, February 24, 2022

SCOTIABANK CHILE AND SUBSIDIARIES

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SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Financial Position
As at December 31, 2021 and 2020

ASSETS	**Note**	**12/31/2021 MCh$**	**12/31/2020 MCh$**
Cash and deposits in banks	6	1,459,622	1,252,255
Transactions pending settlement	6	443,080	344,282
Securities held for trading	7	590,604	751,269
Investments sold under repurchase agreements and securities lending	8	120,796	74,483
Derivative instruments	9	6,660,127	5,293,792
Loans and advances to banks	10	2,996	354,374
Loans and advances to customers	11	28,512,701	24,870,071
Available-for-sale investment securities	12	1,953,979	2,121,614
Held-to-maturity investment securities	12	-	-
Investments in companies	13	16,494	18,435
Intangible assets	14	222,409	204,804
Property and equipment	15	96,122	104,933
Right-of-use assets under lease contracts	15	181,672	190,708
Current tax assets	16	5,062	17,021
Deferred taxes assets	16	401,690	343,328
Other assets	17	930,541	854,592
TOTAL ASSETS		**41,597,895**	**36,795,961**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Financial Position
As at December 31, 2021 and 2020

LIABILITIES	**Note**	**12/31/2021 MCh$**	**12/31/2020 MCh$**
Deposits and other on-demand liabilities	18	7,222,206	6,805,111
Transactions pending settlement	6	395,878	299,014
Investments sold under repurchase agreements and securities lending	8	379,970	456,319
Term deposits and term liabilities	19	9,462,566	8,840,138
Financial derivative instruments	9	6,880,449	5,733,336
Bank borrowings	20	5,685,253	4,386,782
Debt securities issued	21	7,414,406	6,765,390
Other financial liabilities	22	87,986	53,215
Lease liabilities	15	163,775	168,763
Current tax liabilities	16	85,595	2,355
Deferred tax liabilities	16	588	522
Provisions	23	401,109	250,583
Other liabilities	24	616,991	528,887
TOTAL LIABILITIES		**38,796,772**	**34,290,415**
EQUITY			
Attributable to owners of the Bank:			
Capital	26	1,246,706	1,246,706
Reserves	26	496,397	496,397
Other comprehensive income (loss):	26	(207,499)	(213,228)
Retained earnings:			
Retained earnings from prior years	26	841,030	675,689
Profit for the year	26	424,385	275,419
Less: Provision for minimum dividends	26	(127,316)	(82,626)
		2,673,703	**2,398,357**
Non-controlling interest	26	**127,420**	**107,189**
TOTAL EQUITY		**2,801,123**	**2,505,546**
TOTAL LIABILITIES AND EQUITY		**41,597,895**	**36,795,961**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Income
for the years ended December 31, 2021 and 2020

	Note	12/31/2021 MCh$	12/31/2020 MCh$
Interest and indexation income	27	1,749,937	1,539,782
Interest and indexation expenses	27	(772,694)	(625,585)
Net interest and indexation income	27	**977,243**	**914,197**
Fee and commission income	28	256,569	241,487
Fee and commission expenses	28	(64,671)	(62,693)
Net fee and commission income	28	**191,898**	**178,794**
Net gain (loss) from financial transactions	29	113,276	138,730
Net foreign exchange (expense) income	30	49,854	(3,191)
Other operating income	35	39,512	46,893
Total operating income		**1,371,783**	**1,275,423**
Allowances for credit losses	31	(208,999)	(328,238)
NET OPERATING INCOME		**1,162,784**	**947,185**
Personnel payroll and expenses	32	(284,721)	(257,512)
Administrative expenses	33	(226,207)	(226,621)
Depreciation and amortization	34	(56,425)	(58,779)
Impairment	34	(143)	(72)
Other operating expenses	36	(43,138)	(48,859)
TOTAL OPERATING EXPENSES		**(610,634)**	**(591,843)**
OPERATING INCOME		**552,150**	**355,342**
Equity in net income of investees	13	(7,139)	1,619
Profit before income tax		**545,011**	**356,961**
Income taxes	16	(94,849)	(70,592)
CONSOLIDATED PROFIT FOR THE PERIOD		**450,162**	**286,369**
Attributable to:			
Owners of the Bank		424,385	275,419
Non-controlling interest	26	25,777	10,950
		450,162	286,369
Earnings per share attributable to owners of the Bank			
Basic and diluted earnings per share		Ch$ 34.66	Ch$ 22.49

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Other Comprehensive Income
for the years ended December 31, 2021 and 2020

	Note	12/31/2021 MCh$	12/31/2020 MCh$
Consolidated profit for the period		**450,162**	**286,369**
Other comprehensive income, net of tax			
Net fluctuation in available-for-sale investment securities		(195,603)	4,039
Net fluctuation in deferred taxes on available-for-sale investment	16	52,190	37
Adjustment of cash flow hedge derivatives		204,586	(80,147)
Net fluctuation in deferred taxes on cash flow hedge derivatives	16	(55,478)	18,889
Actuarial gains (losses) from defined benefit plans		101	(59)
Changes in taxes on actuarial gains (losses) from defined benefit plans	16	(11)	-
Total other comprehensive income		**5,785**	**(57,241)**
Consolidated comprehensive income for the period		**455,947**	**229,128**
Attributable to:			
Owners of the Bank		430,204	218,165
Non-controlling interest		25,743	10,963
Consolidated comprehensive for the period		**455,947**	**229,128**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
for the years ended December 31, 2021 and 2020

	Note	Capital	Reserves	Other comprehensive income	Retained earnings from previous periods	Profit for the period	Provision for minimum dividends	Total	Non-controlling interest	Total equity
					Attributable to owners of the Bank — Retained earnings					
		MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
Balances as at December 31, 2019		996,706	496,397	(156,033)	523,121	254,378	(76,314)	2,038,255	105,768	2,144,023
Transfer to retained earnings		-	-	-	254,378	(254,378)	-	-	-	-
Net fluctuation in available-for-sale investment securities, net of tax		-	-	4,063	-	-	-	4,063	13	4,076
Adjustments of cash flow hedging derivatives, net of tax		-	-	(61,258)	-	-	-	(61,258)	-	(61,258)
Actuarial gains (losses) from defined benefit plans		-	-	-	(59)	-	-	(59)	-	(59)
Profit or loss for the year		-	-	-	-	275,419	-	275,419	10,950	286,369
Total comprehensive income (loss) for the period		-	-	(57,195)	254,319	21,041	-	218,165	10,963	229,128
Capital increase	26	250,000	-	-	-	-	-	250,000	-	250,000
Distribution of profit or loss from prior years	26	-	-	-	(101,751)	-	76,314	(25,437)	(9,542)	(34,979)
Provision for minimum dividends	26	-	-	-	-	-	(82,626)	(82,626)	-	(82,626)
Balances as at December 31, 2020		**1,246,706**	**496,397**	**(213,228)**	**675,689**	**275,419**	**(82,626)**	**2,398,357**	**107,189**	**2,505,546**
Balances as at December 31, 2020		1,246,706	496,397	(213,228)	675,689	275,419	(82,626)	2,398,357	107,189	2,505,546
Transfer to retained earnings		-	-	-	275,419	(275,419)	-	-	-	-
Net fluctuation in available-for-sale investment securities, net of tax		-	-	(143,379)	-	-	-	(143,379)	(34)	(143,413)
Adjustments of cash flow hedging derivatives, net of tax		-	-	149,108	-	-	-	149,108	-	149,108
Actuarial gains (losses) from defined benefit plans		-	-	-	90	-	-	90	-	90
Profit for the year		-	-	-	-	424,385	-	424,385	25,777	450,162
Total comprehensive income (loss) for the period		-	-	5,729	275,509	148,966	-	430,204	25,743	455,947
Distribution of profit or loss from prior years	26	-	-	-	(110,168)	-	82,626	(27,542)	(5,512)	(33,054)
Provision for minimum dividends	26	-	-	-	-	-	(127,316)	(127,316)	-	(127,316)
Balances as at December 31, 2021		**1,246,706**	**496,397**	**(207,499)**	**841,030**	**424,385**	**(127,316)**	**2,673,703**	**127,420**	**2,801,123**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended December 31, 2021 and 2020

	Note	12/31/2021 MCh$	12/31/2020 MCh$
Cash flows from operating activities:			
Profit or loss for the period		450,162	286,369
Adjustments:			
Depreciation and amortization	34	56,425	58,779
Allowance for credit losses	31	280,784	395,083
Effect of fair value adjustment on derivative instruments		103,573	(82,778)
Net loss from sale of property and equipment	35/36	(1,971)	(2,192)
Net gain from sale of interest in other companies	35	(122)	-
Net interest and indexation income	27	(977,243)	(914,197)
Equity for investments in related companies	13	7,139	(1,619)
Income tax expense	16	100,470	87,692
Income on sale of assets received in lieu of payment	35	(5,033)	(9,906)
Provisions and/or write-offs of assets received in lieu of payment	36	5,005	11,925
Impairment of intangible assets	34	143	72
Other credits		(943)	(69,974)
Changes in assets and liabilities:			
(Increase) decrease in Securities held for trading		44,455	132,201
(Increase) decrease in loans and advances to banks		351,396	(273,268)
(Increase) decrease in loans and advances to customers		(3,347,267)	(187,741)
Deferred tax assets	16	(5,621)	(17,100)
(Increase) decrease in other assets		(75,918)	(6,765)
Net (increase) decrease in derivative instruments		(322,795)	436,413
(Decrease) increase in deposits and other on-demand liabilities		409,524	1,955,074
(Decrease) increase in repurchase agreements and securities lending		(76,378)	(632,606)
(Decrease) increase in Term and other deposits		641,226	(2,240,084)
(Decrease) increase in other liabilities		90,651	(39,535)
Interest and indexation received		1,423,936	1,332,394
Interests and indexation paid		(154,387)	(604,742)
Taxes and fines paid		(62)	(106)
Collection of remaining balance of taxes from previous years		11,312	-
Net cash used in operating activities		**(991,539)**	**(386,611)**

SCOTIABANK CHILE AND SUBSIDIARIES
Consolidated Statements of Cash Flows
for the years ended December 31, 2021 and 2020

	Note	12/31/2021 MCh$	12/31/2020 MCh$
Cash flows from investing activities:			
Acquisition of property and equipment	15	(6,753)	(17,731)
Additions of right-of-use assets under lease contracts	15	-	(2,642)
Net change in investment securities		(251,565)	(748,712)
Dividends received	13	74	57
Acquisition of intangible assets	14	(45,526)	(44,374)
Acquisition of investments in other companies	13	(6,806)	-
Proceeds from sale of investments in companies	13/35	313	-
Net cash used in investing activities		**(310,263)**	**(813,402)**
Cash flows from financing activities			
Net change in bank borrowings		1,299,327	1,115,301
Net change in debts instruments		16,108	395,615
Net change in other financial liabilities		34,771	(13,676)
Net cash flows from lease liabilities	15	(14,638)	(19,145)
Capital increase	26	-	250,000
Dividends paid non-controlling interests	26	(5,512)	(9,542)
Dividends paid	26	(110,168)	(101,751)
Net cash provided by financing activities		**1,219,888**	**1,616,802**
Net cash flows		**(81,914)**	**416,789**
Cash and cash equivalents as of January 1	6	**2,210,573**	**1,793,784**
Cash and cash equivalents as of December 31	6	**2,128,659**	**2,210,573**

The Consolidated Statements of Cash Flows as at December 31, 2021 and 2020 were prepared under the indirect method, determining the variation between the balances as at such dates.

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SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
As at December 31, 2021 and 2020

Note 1 General Information

Bank Background

Scotiabank Chile S.A. (hereinafter the "Bank") is the Parent of a group of entities, constituted in Chile as a closely-held shareholders' corporation. The Bank's original incorporation was authorized via Supreme Decree issued by the Ministry of Finance No.1.389 dated March 29, 1944. The Bank is primarily involved in the brokerage of money and financial instrument such as personal property, commercial paper or any other credit instrument. As the consolidated group, the Bank has subsidiaries supplementing its line of business (Note 2(b)), in accordance with General Banking Law and subject to the oversight of the Financial Market Commission in Chile (hereinafter the "CMF").

At the Extraordinary Shareholders' Meeting of Scotiabank Sud Americano and Banco del Desarrollo, held on July 29, 2009, the new bylaws were established, which were approved by the CMF (formerly Chilean Superintendence of Banks and Financial Institutions) through Resolution No.196 dated September 2, 2009. The name of the merged entity changed to Scotiabank Chile S.A. and may also use the names Scotiabank Sud Americano and Scotiabank. The merger between both Banks became effective on November 1, 2009.

At the Extraordinary Shareholders' Meeting of the Bank and Banco Bilbao Vizcaya Argentaria, Chile held on August 2, 2018, the new bylaws were established, which were approved by the CMF through Resolution No.390 dated August 20, 2018. The merger between both Banks became effective on September 1, 2018.

The current ownership structure is composed of Nova Scotia Inversiones Limitada (83.03%) and non-controlling interests (16.97%). Nova Scotia Inversiones Limitada is the Bank's exclusive controlling shareholder.

The Bank's registered address is located at Avenida Costanera Sur No. 2710, Torre A, Las Condes, Santiago and its website is www.scotiabank.cl.

Note 2 Significant accounting policies

(a) *Basis of preparation*

The Consolidated Financial Statements as at December 31, 2021, which comprise the Consolidated Statements of Financial Position, Consolidated Statements of Income for the year, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows of the Bank and its subsidiaries, have been prepared in accordance with accounting criteria issued by the CMF, and in relation to all issues not addressed in them and as long as they are not opposed to its, and must apply the accounting principles issued by the Colegio de Contadores de Chile A.G., which agree with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Should any discrepancy exist between accounting principles generally accepted in Chile and the accounting standards issued by the CMF, the latter shall prevail.

(b) *Basis of consolidation*

The Bank's financial statements have been consolidated with those of its subsidiaries in accordance with International Financial Reporting Standard (IFRS) 10 *Consolidated Financial Statements*. These comprise the preparation of the separate financial statements of the Bank and the companies included in the consolidation, and include the adjustments and reclassifications required for the consistent application of the accounting policies and measurement criteria applied by the Bank.

The consolidated financial statements have been prepared using consistent accounting policies for similar transactions and other events in equivalent circumstances. Significant intercompany transactions and balances (assets and liabilities, equity, revenue, expenses and cash flows) generated from operations performed between the Bank and its subsidiaries and between such subsidiaries have been eliminated upon consolidation, recognizing the non-controlling interest related to the third party ownership percentage over the subsidiaries which the Bank does not own directly or indirectly, which is included separately in the Bank's equity and profit or loss.

These Consolidated Financial Statements are presented for comparative purposes as follows:

- Consolidated statements of financial position as at December 31, 2021 and 2020
- Consolidated Statements of Income Statements of Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows for the twelve-month period between January 1 and December 31, 2021 and the twelve-month period between January 1 and December 31, 2020.

The Consolidated Financial Statements were approved by the Bank's Board of Directors at the Meeting held on February 24, 2022

i) Subsidiaries

"Subsidiaries" are considered to be entities over which the Bank has the ability to exercise control. This ability is generally, but not only, reflected by owning directly or indirectly at least 50% of the voting shares of associates, or even if this percentage is lower or null, if the Bank has been granted such control by an agreement with the shareholders of the subsidiaries. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- Power over the investee when it has interest that provide it with the ability to direct the subsidiary's significant activities;
- Exposure, or rights, to variable returns from its involvement with the subsidiary; and
- The ability to use its power over the investee to affect the amount of the investor's returns.

The subsidiaries over which the Bank has the ability to exercise control and, accordingly, are included in the consolidation of these Financial Statements are detailed as follows:

Company	Direct December 2021 %	Indirect December 2021 %	Direct December 2020 %	Indirect December 2020 %
Scotia Administradora General de Fondos Chile S.A.	99.33	0.67	99.33	0.67
Scotia Corredora de Seguros Chile Limitada	99.90	0.10	99.90	0.10
Centro de Recuperación y Cobranza Limitada	99.90	0.10	99.90	0.10
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	99.91	-	99.91	-
CAT Administradora de Tarjetas S.A.	51.00	-	51.00	-
CAT Corredores de Seguros y Servicios S.A.	51.00	-	51.00	-
Servicios Integrales S.A.	51.00	-	51.00	-
Administradora y Procesos S.A.	51.00	-	51.00	-
Scotia Corredora de Bolsa Chile Limitada.	99.19	0.80	99.19	0.80
Scotia Asesorías Financieras Limitada	98.74	-	98.74	-
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	97.49	-	97.49	-

ii) Fund management

Through the subsidiary Scotia Administradora General de Fondos Chile S.A., the Bank manages and administers assets held in shares of mutual funds.

iii) Non-controlling interests

Non-controlling interest represents the portion of losses and gains and of net assets which the Bank does not control directly or indirectly. Non-controlling interests are presented separately within the Consolidated Statements of Income for the year, the Consolidated Statements of Other Comprehensive Income for the period and the Consolidated Statements of Financial Position in equity.

iv) Loss of control

When the Bank losses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity. Any resulting gain or loss is recognized in profit or loss. If the Bank retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost.

(c) Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis, except for the following:

- Available-for-sale financial assets through equity.
- Financial instruments held-for-trading through profit or loss.
- Financial derivative instruments.

(d) Functional and presentation currency

The Bank and its subsidiaries have defined the Chilean peso as its functional currency, as its deposit, placement and investment transactions are mainly expressed in such currency. These Consolidated Financial Statements are presented in Chilean pesos. All the information presented in Chilean pesos has been rounded to the nearest million.

(e) Transactions in foreign currency

Transactions in currencies other than the functional currency are considered transactions in foreign currencies and are initially translated into the respective functional at the spot exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate as at the date of the Consolidated Statements of Financial Position. Differences arising from fluctuations in the exchange rate between the registration and the next closing date are recorded with debit or credit to profit or loss.

Assets and liabilities in foreign currency US dollar are recognized at their equivalent amount in Chilean pesos, calculated at the exchange rate of Ch$852.63 per US$1 as at December 31, 2021 (Ch$707.85 as at December 31, 2020).

As at December 31, 2021, the balance of MCh$49,854 recorded within “Net foreign exchange gain” (loss of MCh$3,191 as at December 31, 2020, which is shown in the Statements of Income for the Period includes the recognition of the effects of changes on the exchange rate of assets and liabilities in foreign currency or adjustable units, and the resulting gain or loss from exchange transactions performed by the Bank and by its subsidiaries.

(f) Business segments

The Bank provides segment financial information to identify and disclose in the notes to the Consolidated Financial Statements the nature and financial effects arising from its business activities and the economic environments in which it operates, in accordance with IFRS 8 *Operating Segments*. Such Standard requires that the Bank provides information on the diverse types of business activities in which it is involved and assists the users of Financial Statements to obtain:

- Better understanding of return.
- Better assessment of future cash flow projections.
- Better judgment on the company as a whole.

The Bank’s operating segments are determined based on identifiable components providing products or services related to the business. These business segments deliver products and services subject to risks and yields different from those of other segments and their operating results are reviewed by Management for operating administration and decision-making purposes. Management has agreed on five reporting segments: "SME and Retail Banking", "Commercial Banking", "Personal Banking", "Financial retail" and "Other",’ which are described in Note 5.

(g) Financial assets and financial liabilities

1. Recognition

   The Bank initially recognizes loans and advances to customers, securities held-for-trading, investment securities, deposits, debt securities issued and subordinated liabilities issued on the date they are originated. Regular purchases and sales of financial assets are recognized on the trade date; i.e., the date at which the Bank commits to purchase or sell the asset.

A financial asset or financial liability which is not recognized at fair value through profit or loss is initially measured at fair value plus transactions costs that are directly attributable to its acquisition or issue. Items measured at fair value through profit or loss, are initially measured at fair value, recognizing in profit or loss the associated transaction costs.

2. Classification

Accounting policies associated with each classification are addressed in letters: (l) Trading Instruments, (n) Financial Derivative Contracts, (o) Loans and Advances to Banks and Loans and Advances to Customers, (p) Factoring Transactions(q), Lease Transactions, Investment Securities and (af) Allowances for credit losses.

3. Derecognition

The Bank derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the Bank is recognized as a separate asset or liability. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain and loss that had been recognized in other comprehensive income is recognized in profit and loss.

The Bank derecognizes from the Consolidated Statement of Financial Position a financial liability, or a portion of it, when its contractual obligations are discharged or canceled or expire.

4. Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

5. Measurement at amortized cost

Amortized cost is understood as the acquisition cost in which the financial asset or liability was initially measured, less the capital repayments that may be made, more or less, as the accumulated amortization is applicable, using the effective interest method, of the difference between the initial amount and the repayment amount at maturity. For financial assets, less any value reduction of the impairment amount which had been recognized, either directly or as an increase in the asset amount or through a complementary account of its amount.

6. Measurement at fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

When available, the Bank measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are easily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If the market for a financial instrument is not active, the Bank establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially similar, discounted cash flow analyses and option pricing models.

The chosen valuation technique makes a maximum use of market inputs, relies as little as possible on estimates specific to the Bank, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

Periodically, the Bank calibrates valuation techniques and tests them for validity using prices from observable recent market transactions of the same instrument or based on other available observable market data.

The Bank establishes a fair value hierarchy that segregates inputs and/or estimates used in measuring the fair value of financial instruments.

7. Identification and measurement of impairment

The Bank assesses at each closing date of the Consolidated Statements of Financial Position, whether there is objective evidence that financial assets are not carried at fair value through profit or loss are impaired. These financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the Bank, or economic conditions that correlate with defaults in the Bank's and its subsidiaries' assets. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is also objective evidence of impairment.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss.

Impairment losses on available-for-sale investment securities are recognized transferring to profit or loss the accumulated loss that have been recognized directly in the Equity as a reclassification adjustment. The cumulative loss that is reclassified from other comprehensive income to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized in profit or loss for the period. Changes in allowance for impairment losses attributable to the time value of money are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss.

(h) Transactions with related parties

Disclosures on the most significant related parties are detailed in Note 37, indicating the relationship with each related party involved, as well as the transaction description and related balances. All this is performed for an adequate understanding of the potential effects of such relation on the Consolidated Financial Statements.

(i) Cash and cash equivalents

For purposes of the Consolidated Statements of Cash Flows, the Bank considers the sum of cash in banks and on hand, net debit and credit balances of operations pending settlement as well as those investments in fixed-income mutual funds, securities held-for-trading, available-for-sale investment securities and investments sold under repurchase agreements with high liquidity and low risk of change in value, with maturities of three months or less from the acquisition date to be cash and cash equivalents.

The Bank uses the indirect method for the preparation of the Consolidated Statements of Cash Flows, which starting from the Bank's profit or loss for the period includes non-cash transactions, as well as income and expenses associated with cash flows from operating, financing and investing activities.

For the preparation of the Consolidated Statements of Cash Flows, the Bank considers the following concepts:

i) Cash flow

Cash and cash equivalents inflows and outflows; i.e., highly-liquid short-term investments with low risk of changes in value, such as: deposits with Banco Central de Chile, deposits in Domestic Banks and deposits in Foreign Banks.

ii) Operating activities

are the principal revenue-producing activities of the Bank and other activities that are not investing or financing activities.

iii) Investing activities

are the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

iv) Financing activities

Financing activities are activities that result in changes in the amount and composition of the contributed equity and of liabilities that are not part of operating or investing activities.

(j) Consolidated Statements of Changes in Equity

The Statements of Changes in Equity included in these Consolidated Financial Statements includes movements in Equity occurred between January 1 and December 31, 2021 and 2020.

The Statement of changes in equity includes all movements in net equity, including those arising from changes in the accounting policies.

(k) Consolidated statement of other comprehensive income

This section includes changes in equity by disclosing income and expenses of the Bank and its subsidiaries resulting from the performance of its activities during the year, distinguishing those recorded as profit in the profit and loss account for the year and other income and expenses directly recorded in Equity.

Accordingly, this statement includes:

i) Profit or loss for the year.
ii) The net amount of income and expenses temporarily recognized as valuation adjustments in equity.
iii) The net amount of income and expenses permanently recognized in Equity.
iv) Income tax accrued for the items indicated in (ii) and (iii) above, except for valuation adjustments arising from interests in associates or multigroup companies measured using the equity method of accounting, which are recorded at net amounts.

(l) Securities held-for-trading

Securities held-for-trading relate to financial assets acquired for the purpose of generating profits from price fluctuations at short-term or through margins from their brokerage or at amounts that are included in a portfolio for short-term gain taking.

Securities held-for-trading securities are measured at their fair value in accordance with market prices at the reporting date. Gains or losses resulting from their adjustment to fair value, as well as gains and losses from trading activities are included within the caption "Net gain from financial operations" in the Consolidated Statements of Income for the year.

(m) Repurchase agreements and securities lending

The Bank obtains funds by selling financial instruments and committing to purchase them in the future, plus an interest rate established previously. Likewise, the Bank acquires financial instruments agreeing to resale them at a future date.

Transactions under agreements to resell are performed as investments. Financial instruments are acquired under these agreements, which are included as assets that are measured in accordance with the interest rate in the agreement.

Agreements to repurchase operations are also carried out as financing. Investments that are sold subject to a repurchase obligation and used as loan guarantee are part of its respective caption "Securities Held-for-Trading" or "Available-for-sale investment securities." Investment repurchase obligation is classified within liabilities, which is measured in accordance with the interest rate in the agreement.

(n) Financial Derivatives

Derivative financial instruments that include foreign currency, Unidades de Fomento, interest rate forwards, currency and interest rate swaps, currency and interest rate options and other derivatives are initially recognized in the Consolidated Statement of Financial Position at their trading value (including transaction costs) and subsequently measured at fair value. Fair value is obtained from market quotes, discounted cash flow models and measurement models for options, as appropriate. Financial derivatives are stated as an asset when their fair value is positive and as a liability when it is negative, within the caption "Derivative instruments."

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their characteristics and risk are not closely related to those of the host contract and not measured at fair value with the related unrealized gains or losses included in profit or loss. As at December 31, 2021 and 2020, the Bank records no separable embedded derivatives.

Financial derivatives are classified as derivative instruments held-for-trading or for hedge accounting purposes.

Changes in the fair value of derivative instruments designated as held-for-trading are recognized in the caption "Net gain from financial operations" in the Consolidated Statements of Income for the year.

In this regard, hedge accounting derivatives, are designated as fair value hedges for existing assets or liabilities and firm commitments, or for cash flow hedges for future assets, liabilities or highly probable forecasted transactions, under compliance of each of the following conditions:

- At the inception of the transaction, the hedging relationship is formally documented, indicating the risk management objectives and strategies intended with such transaction;
- The hedge is expected to be highly effective.
- The effectiveness of the hedge can be measured reliably; and
- The hedge is highly effective in relation to the hedged risk, on a continuous basis throughout the entire hedging relationship.

Certain derivative transactions that do not qualify for being accounted for as hedging derivatives are treated and reported as trading derivatives, even though they provide effective hedge for the management of risk positions.

When a derivative hedges the exposure to changes in the fair value of an existing asset or liability, such asset or liability is recorded at its fair value with respect to the specific risk hedged. Gains or losses from measuring the fair value of both the hedged item and the hedging derivative are recognized with an effect on profit or loss for the year. The fair value measurement adjustment of the hedged item is presented in the Consolidated Statement of Financial Position of the same caption including such item.

If the hedged item in a fair value hedge is a firm commitment, the changes in the fair value of the firm commitment attributable to the hedged risk are recognized as an asset or liability with an effect on profit or loss for the year. Gains or losses from the changes in the fair value of the hedging derivative are recognized in profit or loss for the year. When an asset is acquired or a liability assumed as a result of the commitment, the initial recognition of the asset acquired or liability assumed is adjusted to include the accumulated effect of the measurement at fair value of the firm commitment that was recognized in the Consolidated Statements of Financial Position.

When a derivative hedges the exposure to changes in cash flows of existing assets or liabilities, or highly probable forecasted transactions, the effective portion of changes in the fair value with respect to the risk hedged is recognized in Equity. Any ineffective portion is directly recognized in profit or loss for the year.

Amounts recognized directly in Equity are subsequently recorded in profit or loss in the same periods in which the hedged assets or liabilities affect profit or loss.For a fair value hedge of interest rates in a portfolio, and the hedged item is an amount of money rather than separately identified assets or liabilities, gains or losses from measuring the fair value of both the hedged portfolio and the hedging derivative, are recognized through profit or loss for the year. However, the gain or loss from measuring the fair value the hedged portfolio is recorded in the Consolidated Statements of Financial Position under the caption "Other assets" or "Other liabilities", depending on the position of the hedged portfolio at a given date.

Financial derivative contracts are subject to offsetting, i.e., they are presented in the Consolidated Financial Statements at their net value only when subsidiaries have both, the legally enforceable right to offset the amounts recognized in such instruments, and the intention to settle the net amount, or realize the asset and pay the liability simultaneously.

(o) Loans and advances to banks and loans and advances to customers

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intent to sell immediately or in the near term. The caption ‘loans and advances to banks’ comprises deposits made in the Central Bank of Chile other than on-demand deposits, investments in non-transferable securities and other debts in loans that may originate against the Central Bank of Chile, as well as loans, chequing account overdrafts, non-transferable deposits and other debts for credits granted to other domestic and foreign banks.

The caption "loans and advances to customers" comprises balances related to transactions with individuals other than domestic and foreign banks, corresponding to credits, loans and other financing, financing lease agreements and accounts receivable resulting from operations inherent to the banking business.

Third-party financing from debt securities acquired for trading or investment and from agreements to repurchase, securities lending and derivatives, are excluded from these captions and reported within different captions in the Consolidated Statements of Financial Position.

Operations included in these captions are initially measured at fair value, including the related incremental transaction costs, and subsequently measured at amortized cost using the effective interest method, except when the Bank defines certain loans as hedged items, which are measured at fair value through profit or loss as described in letter (n) Financial Derivative Contracts in this note.

Impairment is recognized by recording allowances for credit losses, presenting the related balances net of such allowances, as described in letter (af) Allowances for credit losses. In addition, a prudential criterion has been adopted to suspend, on an accrual basis, revenue recognition because of the high uncollectible risk they have as described in (ad) Interest and Indexation Income and Expenses.

Write-off

Impaired loans are written-off when deemed to be uncollectible or when reasonable time has passed without obtaining recovery. For this purpose, the outstanding balance of the loan recorded within assets is written-off as a debit to accrued allowances for credit losses. Subsequent payments of written-off loans are credited to the caption "Allowances for credit losses" in the Consolidated Statements of Income for the year. (see Note 11b).

Write-offs of loans and accounts receivable, other than leasing operations, must be carried out in the following circumstances, depending on which occurs first:

a) The bank, based on all available information, concludes that it will not obtain any outflow from the loans recorded in the asset.
b) When a debt owed to the bank without an enforcement order reaches 90 days past due.
c) Upon expiration of the statute of limitations for actions to demand collection through an executive judgment or at the time of rejection or abandonment of the execution of the title by enforceable judicial resolution.
d) When the time of delay of an operation reaches the term to punish that is has below:

Type of Loan	Term
Consumer loans with or without guarantees	6 months,
Other operations without guarantees	24 months,
Commercial credits with guarantees	36 months,
Mortgage loans for housing	48 months

The term corresponds to the time elapsed from the date on which the payment of all or part of the obligation that is in arrears became due.

(p) Factoring transactions.

Factoring transactions are measured considering amounts disbursed by the Bank when receiving invoices or other commercial instruments representing the credit that the assignor provides to the Bank. The price difference between the disbursed amounts and the actual face value of credits is recorded in the Consolidated Statements of Income for the year as interest income through the effective interest method, during the financing period. When the transfer of these instruments is performed with no recourse by the assignor, the Bank assumes the insolvency risks of those obliged to pay.

(q) Lease operations

Finance lease transactions correspond to leases that transfer substantially all risks and rewards to the lessee of the owner's leased asset.

When the Bank and its subsidiaries act as the lessor of an asset, the aggregate present values of the lease payments they will receive from the lessee plus the guaranteed residual value, usually, the price of the exercise of the lessee's purchase option at the expiration of the contract, are recognized as third party financing, and accordingly, included in the caption "Loans and advances to customers" in the Consolidated Statements of Financial Position.

For finance leases when the Bank acts as a lessee, it recognizes the cost of leased assets in the Consolidated Statements of Financial Position, according to the nature of the leased asset, and simultaneously, the sum of the present value of minimum lease payments it will make plus the purchase option, are recorded as a financial liability. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liabilities. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of liabilities. Assets are amortized using similar criteria to that applied to property and equipment for own use.

(r) Investment securities

Investment securities are classified in two categories: Available-for-sale investment securities and Held-to-maturity investment securities

i) Available-for-sale investment securities

Available-for-sale investments are investments (not considered as derivative instruments) that are designated as available-for-sale or are not classified as another category of financial assets. Unquoted variable-income investments whose fair value cannot be reliably measured are carried at cost. All other available for sale investments are carried at fair value. All other available for sale investments are carried at fair value.

Investment securities are initially recognized at cost, and subsequently measured at fair value according to market prices or measurements obtained from the use of models. Unrealized gains or losses generated by the change in their fair value are recognized with a debit or credit to equity accounts. When these investments are disposed of or impaired, the amount of the adjustments on accumulated fair value in equity is transferred to profit or loss and reported in the caption “Net gain (loss) from financial operations” in the Consolidated Statements of Income for the year.

Interests and indexation in available-for-sale investment securities are recognized in the caption "Interest and indexation income" in the Consolidated Statements of Income for the year.

ii) Held-to-maturity investment securities

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold until maturity.

Held-to-maturity investments are recognized at amortized cost using the effective interest method plus accrued interests and accrued adjustments less the allowances for impairment losses made when the amount recognized is higher than the estimated recoverable amount. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Bank from classifying investment securities as held-to-maturity for the current and the following two financial years, except for the following cases:

- Sales or reclassifications performed on a date that is close to maturity so that changes in the market rate of interest would not have any significant effect on the financial asset's fair value.
- Sales or reclassifications after the Bank have collected substantially the asset's original principal.
- Sales or reclassifications attributable to non-recurring isolated events beyond the Bank's control that could not have been reasonably anticipated.

(s) Investments in companies

i) Companies in which the Bank has significant influence

Associates are those entities over which the Bank has significant influence, but not control or joint control. In general, this ability relates to interest equal or higher than 20% of voting rights and is measured using the equity method of accounting, unless the Bank may clearly demonstrate there is no such influence. Other elements to determine a significant influence on an entity are the Bank's representation in the entity's Board of Directors and existence of material transactions. These investments are measured through the equity method of accounting.
In accordance with the equity method, investments are initially recorded at cost, and then increased or decreased in order to reflect the Bank's proportional equity in the profit or loss of the investee and other changes recognized in its equity. Goodwill arising from the acquisition of a company is included in the carrying amount of the investment netted against any accumulated impairment loss.

ii) Joint ventures

"Joint ventures" are those businesses which are jointly controlled by two or more unrelated entities. This is evidenced by contractual agreements where two or more entities ("venturers") have an interest in entities ("multi-group") or perform transactions or hold assets so that any strategic financial or operating decision affecting them requires the unanimous consent by all the venturers. At the date of these Consolidated Financial Statements, the Bank assessed and determined it is not involved in any joint venture.

iii) Shares or interests in other companies

Entities which are not significantly controlled or influenced by the Bank are recorded in this line item. It incudes the minority permanent investments in domestic companies, recorded at their acquisition cost and recording the related impairment adjustments, where applicable.

(t) Intangible assets

Intangible assets are identified as non-monetary assets (separate from other assets) with no physical substance arising as a result of a legal transaction or developed internally by the consolidated entities. These are assets whose cost can be measured reliably and for which the consolidated entities believe it is probable that future economic benefits will be recognized.

Intangible assets are recognized initially at its acquisition or production cost and subsequently measured at cost less accumulated amortization and the accumulated amount of impairment losses.

i) Software or IT software

IT software acquired by the Bank and its subsidiaries are accounted at cost less accumulated amortization of impairment value loss.

The subsequent expense in program assets is capitalized solely when the economic benefits in the specific asset to which they relate increase. All other expenses are recorded as expenditures as incurred. Amortization is recognized in profit or loss on the basis of an amortization according to the straight-line method considering the useful life of computer programs from the date in which they are available for use. In general, estimated useful lives of IT software have been established between 5 or 10 years.

ii) Other identifiable intangible assets

Corresponds to intangible assets identified in which the asset cost can be measured reliably and it is likely to generate future economic benefits. The estimated useful life of these intangible assets is up to 3 years.

iii) Intangible assets from business combinations

Relates to intangible assets (other than goodwill) arising from business combinations, which are initially recorded at their fair value. Upon initial recognition, these intangible assets are measured at their cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized in profit or loss on a straight-line basis considering the estimated useful lives of intangible assets (other than goodwill) arising from business combinations. The estimated useful life of these intangible assets does not exceed 20 years.

(u) Property and equipment

Items of property and equipment, excluding real estate, are measured at cost less accumulated depreciation and accumulated impairment losses Cost includes expenses related to the acquisition of the asset and those attributable to the process of bringing the asset to working conditions to be used.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of the assets, including the related debits to profit or loss within the caption "Depreciation and amortization" in the Consolidated Statements of Income for the year.

Maintenance and repair costs are debited to profit or loss. The cost of improvements is capitalized when the useful life of assets or their capacity increases significantly.

The estimated useful life of the Bank's items of property and equipment are the following:

Asset group	Useful lives
Buildings	80 years
Furniture, machinery, vehicles, other property and equipment	2 to 10 years
IT equipment	3 to 10 years
Facilities, own property improvements	3 to 10 years

The useful life assigned to leasehold improvements directly depends on the term of the property's lease contract.

(v) Right-of-use lease assets and lease contract liabilities

i) Right-of-use assets under lease contracts

The Bank and its subsidiaries have lease agreements related to certain assets to meet the normal performance of its operating activities. When in such contract, it acts as lessee, the Bank should recognize in its Consolidated Financial Statements a right-of-use asset, representing the right to use the underlying asset specified in the lease agreement.

The Bank and its subsidiaries may elect not to recognize a right-of-use asset and a lease liability in the following two cases:

i) short-term leases (less than 12 months); and
ii) leases for which the underlying asset is of low value.

If the Bank or its subsidiaries elect not to recognize a right-of-use asset or lease liabilities, they shall recognize the lease payments associated with those leases as an expense in the Consolidated Statement of Income for the period on a straight-line basis over the lease term or another systematic basis (another systematic basis will be applied if that basis is more representative of the pattern of the lessee's benefit.)
At the commencement date, the Bank shall measure the right-of-use asset at cost, which includes:

(a) the amount of the initial measurement of the lease liability (as described in ii) below);

(b) lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the lessee; and

(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lessee may incur the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

A lessee shall recognize the costs described in letter (d) as part of the cost of the right-of-use asset when it incurs an obligation for those costs.

After the date of initial recognition, the Bank measures the right-of-use asset applying a cost model less accumulated depreciation/amortization and accumulated impairment; adjusted for any remeasurement of the lease liability.

The Bank and its subsidiaries apply the straight-line method to depreciate the right-of-use asset from the commencement date to the earlier of the end of the lease term Management has estimated for its use.

ii) Lease liabilities

In connection with the recognition of a right-of-use asset in the financial statements, the Bank shall recognize as a counterpart a lease liability related to the financial obligation assumed of paying the underlying lease asset.

At the commencement date, the Bank and its subsidiaries measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Bank uses its incremental borrowing rate.

A lease liability is remeasured when there is a change in future lease payments resulting from a change in an index or a rate.

iii) Sales with subsequent lease

For sales at fair value with subsequent lease, the profit or loss is recorded at the time of the sale.

(w) Current taxes and deferred taxes

The determination of income tax expense is performed in accordance with IAS 12 *Income Taxes* and the Income Tax Law. Income tax expense comprises current tax and deferred taxes.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the Consolidated Statements of Financial Position, and any adjustment to income tax payable in respect of previous years.

The Bank and its subsidiaries recognize, where appropriate, deferred tax assets and liabilities resulting from temporary differences between the financial statement carrying value and tax basis of assets and liabilities (temporary differences). Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences related to the year in which they reverse, based on the laws that have been enacted or substantively enacted at the date of the Consolidated Statements of Financial Position.

Deferred tax expense is recognized except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

A deferred tax asset is recognized only to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each date of the Consolidated Statements of Financial Position and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(x) Non-current assets held-for-sale:

Non-current assets expected to be recovered principally from sale rather than continuing use are classified as assets held-for-sale.

Subsequent to being classified as assets held-for-sale, these assets are measured at the lower of their carrying value and fair value less costs to sell.

In order to classify as "Non-current assets held-for-sale and discontinued operations", in accordance with IFRS 5, the Bank should ensure compliance with the requirements established for which:

- It must be available in its current conditions for immediate sale and its sale must be highly probable.
- For the sale to be highly probable, an appropriate management level must be committed with a plan to sell an asset (or a disposal group), and a program to find a buyer must have started and operate actively.
- Likewise, the sale must be expected to meet the conditions for recognition as a sale completed within one year from the date of classification.

Impairment losses in the initial classification as non-current assets held-for-sale and subsequent losses are recognized in profit or loss.

Assets received in lieu of payment

Assets received in lieu of payment and trade receivables are recorded, in the case of assets received in lieu of payment at the price agreed by the parties, or for those cases where there is no agreement between the parties, at the amount for which the Bank is awarded such assets in a court-ordered public auction.

Subsequently, such assets are measured at the lower of the initial carrying amount or net realizable value, which corresponds to its fair value (liquidity value determined through an independent appraisal) less the related costs to sell. Differences between both amounts are recognized as "Other operating expenses" in the Consolidated Statement of Income for the year. Assets received in lieu of payment are recorded as "Other assets" net of provisions.

In general, the Bank believes assets received in lieu of payment will be sold within one year from their date of award. Assets not sold during such term are written-off as per the instructions issued by the CMF. This is subject to possible transitional provisions issued by the regulator that establish new terms on this matter.

(y) Deposits, debt securities issued and subordinated liabilities

Deposits, debt securities issued and subordinated liabilities are the Bank's sources of funding. These financial liabilities are initially measured at fair value plus directly attributable transaction costs, and subsequently measured at their amortized cost using the effective interest method.

(z) Provisions and contingent liabilities

A provision is a liability of uncertain timing or amount. A provision is recognized in the Consolidated statement of financial position when the following requirements are copulatively complied with:

i) as a result of a past event, the Bank has a present legal or constructive obligation.
ii) it is probable that at the reporting date an outflow of economic benefits will be required from the Bank or its subsidiaries to settle the obligation; and
iii) the amount of such resources can be estimated reliably.

A contingent asset or liability is a possible obligation or 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 (that are calculated considering the best information available on the consequences of the event that gave rise to them are re-estimated on each closing date) are used to comply with specific obligations for which they were originally recognized. These are reversed when such obligations decrease or cease to exist.
Provisions are classified according to the following obligations covered:

- Provision for personnel benefits and payroll.
- Provision for minimum dividends.
- Allowance for contingent loan risk.
- Provisions for contingencies (including additional provisions).

(aa) Financial guarantees

Financial guarantees are contracts that require the issuer to make specific payments to repay the holder for the loss incurred on specific obligor default according to the conditions of a debt instrument.

Liabilities related to financial guarantees are initially recognized at fair value, and initial fair value is amortized through the life of the financial guarantee. The guaranteed liability is recorded at the higher of the amortized amount or the present value of any expected payment (when a payment under the guarantee becomes probable). Financial guarantees are included in other liabilities.

(ab) Use of judgments and estimates

The preparation of the Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis by the Bank's Senior Management in order to quantify some assets, liabilities, revenues, expenses and uncertainties. Adjustments to estimates are recognized in the period in which the estimate is revised and any future periods affected.

Particularly, the information about the most significant areas of estimation of uncertainty and critical judgments in the applying accounting policies that have most significant effect on amounts recognized in the Consolidated Financial Statements, are described in the following notes:

- Notes 7, 9, and 12 : Measurement of financial instruments.
- Notes 10, 11, and 31 : Allowances for credit losses.
- Notes 14 and 15 : Useful life and impairment of intangible assets, property and equipment and right-of-use assets.
- Note 16 : Deferred taxes
- Notes 23 and 25 : Provisions, contingencies and commitments.

(ac) Provision for minimum dividends

In Article No.79 in Chile's Law of Public Companies it is established that, unless different from the adopted in the meeting and by the issued shares unanimously, public companies will have to distribute annually as dividend in cash to its shareholders, proportionally of its shares or the proportion established by the by-laws at least the 30% of liquid gains of each year, except when accumulated losses coming from previous year are to be absorbed.

Minimum dividends are accounted for net of the portion of the provisional dividends that has been approved during the course of the year and are registered in the caption "Provisions" with a debit to the account "Provisions for minimum dividends" In Equity.

(ad) Interest and indexation income and expense

Interest income and expenses are recognized in the Consolidated Statements of Income for the year on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, in a shorter period) to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.
The calculation of the effective interest rate includes transaction costs, premiums, discounts, as well as all fees and commissions and other concepts paid or received that are directly attributable to the acquisition or issue of a financial asset or liability.

Adjustments mainly relate to the indexation associated with changes in the value of inflation-adjusted units (UF), which amounted to Ch$30,991.74 as at December 31, 2021 (Ch$29,070.33 as at December 31, 2020).

The Bank has adopted the criterion of suspending interest accruals and indexation on outstanding high risk and past-due loans, i.e., it no longer recognizes income on an accrual basis for loans, included in the impaired portfolio, that meet the following criteria in relation to individual and group assessments performed in order to accrue allowances for credit losses:

Loans subject to suspension	Reason for:
Individual assessment: Loans classified in categories C5 and C6.	Due to the sole fact of being in the impaired portfolio.
Individual assessment: Loans classified in categories C3 and C4.	For being within the impaired portfolio for three months.
Group assessment: Any loan, with the exception of those containing actual guarantees, of at least 80%.	When the loan or one of its payments becomes six months past due.

However, for loans subject to an individual assessment, revenue from the accrual of interests and adjustments can still be recognized for loans paid regularly that represent liabilities with independent cash flows.

(ae) Fee and commission income and expenses

Financial fees and commissions and transaction costs directly associated with the generation of certain financial assets and liabilities, are a part of the initial valuation of such financial assets and liabilities for the determination of the effective interest rate.

Fee and commission income and expenses not related to the generation of financial assets and liabilities are recognized on an accrual basis.

In general, unearned income and prepayments related to commissions for future services to be provided or received are transferred on a straight-line basis to profit or loss over the period that contractually covers those payments and collections.

Fee and commission income and expenses are recognized as the related services are provided.

(af) Allowances for credit losses

The Bank has established allowances for potential credit losses from loans and advances to customers, in accordance with the instructions issued by the CMF and its credit losses rating and evaluation models approved by the Board of Directors.

In order to determine its provision for credit losses, the Bank uses models or methodologies based on the individual and collective analyses of debtors to make provisions for loans and receivables from customers, which are defined below.

Allowances for loans by individual assessment: The individual analysis of debtors is applied to customers, natural persons or legal entities which, due to their size, complexity or exposure level, must be known comprehensively, requiring the assignment of a credit rating for each debtor.

All the customers of the Corporate, Real Estate, Large Companies or Wholesale segments will be considered to be business portfolio assessed individually. It will also consider the debtors of the different segments mentioned above recording annual sales higher than or equal to MCh$1,000 or business debt obligations higher than or equal to MCh$500. Additionally, all the debtors that have recorded in their loans cross-border transactions will be included as individual customers.

To make the allowances, the Bank classifies its debtors and transactions related to loans and contingent loans in the related categories, with the prior allocation to one of the following three portfolio categories: Normal, substandard and in default as established in the Compendium of Accounting Standards for Banks (CNC) issued by the CMF. Based on the debtor rating, the Bank assigns probability of default and loss on default percentages, which result in the expected loss percentage:

Type of portfolio	Debtor category	Probability of default (%)	Loss given default (%)	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

Type of portfolio	Risk grade	Range of expected loss	Provision (%)
In default	C1	More than 0 and up to 3%	2
	C2	Between 3% and 20%	10
	C3	Between 20% and 30%	25
	C4	Between 30% and 50%	40
	C5	Between 50% and 80%	65
	C6	Over 80%	90

Provisions for loans associated with collective assessment: Collective evaluation is used to analyze a high number of uniform transactions whose individual amounts are low. The Bank uses a model for commercial exposures under MCh$500 to determine an allowance based on the concept of expected loss of a loan.

The Bank has internal models for its collective portfolios, as well as standard methods for collective business portfolios and mortgage loans.

Additional provisions for loans: In conformity with the standards issued by the CMF, the Bank has made additional provisions on its loan portfolio to hedge against the risk of unpredictable adverse economic fluctuations that may affect the macroeconomic environment or the situation in a specific economic sector.

Allowances for contingent loans: Contingent loans are all those operations or commitments in which the Bank assumes a credit losses by having an obligation with a third party upon occurrence of a future event, to make a payment or disbursement that shall be recovered from its customers, as in the case of guarantors, issuance or confirmation of credit letters, issuance of bank guarantee certificates, readily available revolving credit facilities, etc. Contingent loans are not recorded as assets. However, in order to hedge the credit losses, a provision for potential losses is accrued and recorded within 'Allowances for credit losses' in the Consolidated Statements of Income for the year.
To estimate allowances for contingent loans as indicated in Chapter B-1 and Chapter B-3 of the Compendium of Accounting Standards for Banks issued by the CMF, the amount of the exposure to be considered must be equivalent to the following percentages of contingent loans:

Type of contingent loan	**Exposure**
a) Co-debtor and collateral	100%
b) Foreign confirmed letters of credit	20%
c) Documentary letters of credit issued	20%
d) Bank guarantee certificates	50%
e) Revolving credit facilities	35%
f) Other loan commitments:	
- Loans for higher education studies per Law No. 20.027	15%
- Other	100%
g) Other contingent loans	100%

However, when operations are conducted with customers with loans in default, as stated in chapter B-1 of the Compendium of Accounting Standards for Banks issued by the CMF, the exposure will always be equivalent to 100% of their contingent loans.

(ag) Employee benefits and accrued vacation cost

Short-term benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

In addition, the obligations for long-term employee benefits and termination benefits agreed in the different collective bargaining agreements in force between the Bank and its employees through the labor unions, incorporate clauses for the payment of incentives related to seniority bonuses, severance indemnity payments for voluntary retirement and caps other than those established in the Labor Code, established ad-hoc in the several agreements. In order to receive such benefits, the employee must meet a set of clearly-established requirements.

Employee benefit expenses and the related benefit obligation are calculated using actuarial methods and assumptions, which are based on Management's best estimate and reviewed and approved annually. They include variables such as personnel turnover rate, expected salary growth, mortality rate, disability, retirement age, beginning of working age, average age of beneficiary personnel and the probability of using this benefit, discounted at the current rate for long-term operations (the rate of in UF at 20 years of Bonds issued by the Central Bank of Chile is used).

Gains and losses arising from changes in actuarial variables for termination benefits are recognized in Other comprehensive income.

The effect of the provisions for such benefits are recognized in the caption “Provisions” in the Consolidated Statements of Financial Position.

(ah) Impairment of non-financial assets

The carrying amounts of the Bank’s non-financial assets, excluding deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Consolidated Statements of Income for the year.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

(ai) Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Bank by the number of ordinary shares outstanding during the period.

The calculation of diluted earnings per share has been based on the profit attributable to the Bank divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

At the date of these Consolidated Financial Statements, the Bank and its subsidiaries do not have any instruments that generate dilutive effects on Equity.

(aj) Reclassifications

There have been no significant reclassifications at the end of 2021.

(ak) New Accounting Pronouncements

i) Adoption of new standards and amendments introduced by the CMF

Accounting pronouncements effective through the present date

Circular No. 2.303 of December 23, 2021, Chapters 21-12 and 21-16 of the Updated Compilation of Standards. Clarifies the definition of distributable items referred to the implementation of Basel III.

Clarifies the consultations referred to issuance of preferred shares and perpetual bonds to be considered as additional Tier 1 regulatory capital, as well as regarding standardized methodologies to hedge credit loss.

Circular No.2.297 of November 2, 2021. Updated Compilation of Standards. Chapter 12-16. On the limit on loans granted to business groups.

Establishes instructions for banks to control the limits of loans granted to business groups. Establishes the scope and exceptions for the application of the aforementioned limit, as well as the manner in which to structure the lists of business groups and the companies that comprise them. This is intended to determine the degree of loan concentration and compliance with the aforementioned limit.

Circular No.2.295 of October 7, 2021. Compendium of Accounting Standards for Banks and Information System Manual. Adjusts and updates instructions.

As a result of the implementation of the Basel III standards, the CMF decided to amend certain instructions contained in the Compendium of Accounting Standards for Banks. It also improves the amendments introduced in Circular No.2.243 of December 20, 2019.

Circular No.2.292 of August 19, 2021. Several adjustments are introduced to the standards associated with the implementation of Basel III standards in Chile.

Such standard corrects and adjusts the transitional standard to align the criteria for the banking industry. These amendments become effective beginning on December 1, 2021.

Official Communication No.1.207 of April 28, 2021. Accounting for Tier 2 equity instruments used as additional Tier 1 capital in accordance with the limits established in Article 66 of the General Banking Law and the third transitional article of Law No. 21.130.

Clarifies limits applicable to subordinated bonds and additional allowances that are accounted for as equivalent to preferred shares or bonds with no fixed maturity. The application of the provisions of this Official Communication are effective beginning on December 1, 2021.

Accounting pronouncements issued but not yet effective

Circular No. 2.243 of December 20, 2019. Compendium of Accounting Standards for Banks.

The CMF has decided to fully update the instructions included in the CNC. All these changes are aimed at providing improved convergence with IFRS, as well as an improvement in disclosures in the financial statements.

The new regulations will be applicable beginning on January 1, 2022, with a transition date of January 1, 2021 for the purposes of the comparative financial statements to be published beginning in March 2022.

The application of this regulatory change generated an impact of approximately MCh$7,500 which in accordance with the instructions in Chapter E of the Compendium of Accounting Standards for Banks must be recorded in January 2022 in the equity line item "Reserves not arising from profits."

ii) New pronouncements introduced by the IASB

Adoption of new standards and amendments to IFRS

Amendments to IFRS	Mandatory application date
Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).	Annual periods beginning on or after January 1, 2021. Early adoption is permitted.
Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)	Annual periods beginning on or after April 1, 2021. Early adoption is permitted.

Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

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 this Phase 2 address aspects that may affect the financial information during the benchmark interest rate reform, including the effects on contractual changes, cash flows or hedging relationships, that 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 to determine contractual cash flows related to financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosures

The Bank has adopted the required actions to comply with this standard; identifying all transactions affected by the change in the benchmark rate, implementing the necessary IT developments to support the new rate model, drafting the legal language to be included in the contracts and promissory notes, both for those transactions maturing after the end of the publication of LIBOR rates, and for those transactions that will be performed at the new benchmark rate. Below is a summary of the exposure of the different products indexed at the LIBOR rate (notional amounts).

Operations Indexed at LIBOR rate	Non-derivative financial assets (1) MCh$	Non-derivative financial liabilities (2) MCh$	Derivatives - Asset (3) MCh$	Derivatives - Liabilities (3) MCh$
USD	2,276,837	1,205,619	17,383,135	16,585,793
EUR			67,942	59,622
Other			20,413	20,413
Total at December 31, 2021	**2,276,837**	**1,205,619**	**17,471,490**	**16,665,828**

The table above details the Bank's exposures to IBOR through financial assets and liabilities as at December 31, 2021, subject to the IBOR reform that has not yet started a transition process to alternative reference rates. The Bank's exposure to IBOR through financial instruments includes US dollar LIBOR maturing after June 30, 2023. These exposures may remain outstanding until IBOR is suspended and transition begins in the future.

(1) Non-derivative assets correspond mainly to export trade loans in USD.
(2) Non-derivative liabilities correspond to loans and time deposits in USD.
(3) For cross currency interest rate swaps, where both legs are referencing rates directly impacted by the benchmark reform, the relevant notional amount for both legs are shown separately to reflect the risks relating to the reform for each rate.

COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)

In May 2020, the IASB 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 expedient 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 assessed the impact of the adoption of this Standard and determined that it had no significant effect on its Consolidated Financial Statements.

Accounting pronouncements issued but not yet effective

The IASB has issued a number of new standards, amendments to standards and interpretations that are not yet effective and have not yet been adopted in the preparation of these Consolidated Financial Statements. These new provisions will be applied starting from their effective date as determined by the CMF, even when early adoption is permitted.

Amendments to IFRS	Mandatory application date
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022 for contracts existing at the application date. Early adoption is permitted.
Annual Improvements to IFRS Standards 2018-2020	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.
Sales or Contributions of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Mandatory date deferred indefinitely
Amendments to the References to the Conceptual Framework in IFRS Standards (Amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted.
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company 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.

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 this amendment, entities that currently apply the "incremental cost" approach will be required to recognize larger provisions and an increased number of onerous contracts.

The amendment clarifies that cost of fulfilling a contract includes:

- the incremental costs, e.g., direct labor and materials; and
- allocations of other directs costs, e.g., the allocation of a depreciation expense of an item of property and equipment used in fulfilling the contract.

At the date of initial application, the accumulated effect of performing this amendment to the standard is recognized in the opening balances as an adjustment to retained earnings or any other item in equity, as appropriate.

The Bank's Management assessed the impact of the adoption of this Standard and determined that it will have no significant effect on its Consolidated Financial Statements.

Annual Improvements to IFRS Standards 2018-2020

As part of the process of making non-urgent but necessary changes to IFRS standards, the IASB issued the Annual Improvements to IFRS Standards 2018-2020 Cycle, the changes of which clarify the wording or correct minor consequences, omissions or conflicts between the requirements included in the Standards.

The Bank's Management believes the application of these amendments will have no significant effect on the Bank’s Consolidated Financial Statements.

Property 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 and equipment available for use, the IASB 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 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 and equipment is available for use; and
- costs associated with making the item of Property and equipment available for its intended use.

The Bank's Management assessed the impact of the adoption of this Standard and determined that it will have no significant effect on its Consolidated Financial Statements.

Sales or Contributions 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 strong pressure on the definition of a “business” for recognition in profit or loss. It also introduces new and unexpected recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application of this amendment has been deferred indefinitely.

Amendments to the References to the Conceptual Framework in IFRS Standards (Amendments to IFRS 3)

In May 2020, the IASB, 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 assessed the impact of the amendment to this Standard and determined there are no effects on its Consolidated Financial Statements.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements)

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.

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 is assessing the impact of adopting these amendments.

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 is assessing the impact of adopting these amendments.

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.

The Bank's Management is assessing the impact of adopting these amendments.

Note 3 Accounting changes

During the year ended December 31, 2021, there have been no other significant accounting changes affecting the interpretation of these Consolidated Financial Statements.

Note 4 Significant events

On March 25, 2021, in accordance with the provisions of Articles 9 and 10 of Law No. 18.045 on the Securities Market and Chapter 18-10 of the Updated Compilation of Standards for Banks issued by the CMF, the following agreements adopted by the shareholders at the Ordinary Shareholders' Meeting held on this same date are reported as an essential event:

1) The shareholders agreed to distribute 40% of the profits obtained during 2020; i.e., MCh$110,168, equivalent to a dividend of Ch$8.99705 per share, and to allocate the remaining balance to the retained earnings reserve fund for undistributed profits.

2) The shareholders elected the Bank's Board of Directors, which is composed of the following individuals:

   a) Regular Directors: Salvador Said Somavía, Ignacio Deschamps González, Jaime Said Handal, Manuel José Vial Vial, Gonzalo Said Handal, Ernesto Mario Viola, Sergio Concha Munilla, Fernanda Vicente Mendoza, Karen Ergas Segal, Emilio Deik Morrison and Arturo Tagle Quiroz.

   b) Alternate directors: Juan Antonio Guzmán Molinari, as first alternate director and Guillermo Mackenna Rueda as second alternate director.

Likewise, the shareholders communicated that at the Board of Directors' Meeting held on the same date, Mr. Salvador Said Somavía was appointed as the Chairman of the Board and Mr. Manuel José Vial Vial was appointed as the Vice-Chairman taking office from such same date.

On April 20, 2021, in accordance with the provisions of Articles 9 and 10 of Law No. 18.045 on the Securities Market and Chapter 18-10 of the Updated Compilation of Standards for Banks issued by the CMF, the following is reported as an Essential Event:

The Bank's Board of Directors agreed, on such date, to appoint Mr. Diego Masola as the new Bank's Chief Executive Officer, effective on June 1, 2021. Likewise, the Board of Directors agreed that the Chief Executive Officer, Mr. Francisco Sardón de Taboada, will continue in his role until May 31, 2021.

On November 30, 2021, in accordance with the provisions of Articles 9 and 10 of Law No. 18.045 on the Securities Market and Chapter 18-10 of the Updated Compilation of Standards for Banks issued by the CMF, the following is reported as an essential event:

On November 29, 2021, a share purchase and sale agreement was signed by virtue of which the Bank together with the rest of the shareholder banks of the banking support company "Operadora de Tarjetas de Crédito Nexus S.A." (Nexus) sold to Minsait Payments Systems Chile S.A. (Nexus). (a subsidiary of the Spanish company Indra Sistemas S.A.) 100% of the shares they own in Nexus, subject to the compliance with or waiver of several suspensive conditions, which include the authorization by the CMF for the sale of 100% of the shares of Nexus S.A. and that the transaction is approved by the National Economic Prosecutor's Office.

Upon compliance with all conditions and obtaining all the aforementioned authorizations, the shares will be transferred on the closing date, in accordance with the terms provided in the purchase and sale agreement.

Impacts of the COVID-19 pandemic

The level of activity continues recovering due to the moderation of restrictions on mobility and monetary support provided by withdrawals of funds from pension fund administrators, as well as direct Government transfers. The latter have led to significant expansions in private consumption with an impact on inflation, which ended the year at 7.2%. Note that private investment has also shown remarkable dynamism despite the high levels of political uncertainty in a quarter where the presidential election took place.

Both the Central Bank of Chile and private agents have raised the 2021 GDP growth projection to the range of 11.5-12%, with a relevant recovery of salaried employment that has been maintained. The Central Bank of Chile left the reference interest rate at 4% in December, anticipating further increases. Despite the above, no new significant increases have been noted in long-term interest rates for the pricing of loans at those terms. The quarter ends with approximately 500,000 jobs still to be recovered from pre-COVID-19 levels in February 2020.

In this context, the Bank and its subsidiaries' governance has continued to implement action plans to address this health emergency, both for its customers and employees, whose care and protection has been a priority from the beginning of the crisis.

The Bank has also maintained an adequate liquidity position, thanks to the implementation of internal liquidity coverage ratio limits that are more restrictive than the regulatory limits established. This has allowed to efficiently face the complexities of the market under this new scenario.

Additionally, as a result of the pandemic and the market distortion caused by fund withdrawals from pension fund administrators, risk and delinquency indicators have maintained historic minimum levels both at the Bank and in the industry. These uncommon situations are not reflected in the allowance models with the expected degree of reasonableness given the macroeconomic scenario, which has forced financial institutions to generate additional allowances under a methodology that reviews these dynamics. The additional allowances recorded as at December 31, 2021 are described in Note 23.

As at the date of these consolidated financial statements, the Bank's Management continues to monitor the effects that the expansion of COVID-19 will have on our customers, employees and suppliers, in terms of impairment of accounts receivable, decrease in transactional volumes, adjustments to service contracts, etc. in order to assess and forecast the financial and economic impacts of this pandemic.

Note 5 Business segments

Scotiabank Chile S.A. is a universal bank offering a great variety of products and financial services to various kinds of customers, ranging from major corporations and financial institutions to low/medium income individuals, which are classified in different business segments according to their business characteristics.

Products and services are provided in a broad network of branch offices throughout Chile and by alternative remote channels.

In conformity with IFRS 8 *Operating Segments*, the Bank has added-up the operating segments with similar economic characteristics considering the aggregation criteria indicated in such standard. The Bank carries out its business activities by lines of business, which have been defined based on the target customers: Small & Medium size Enterprises (SMEs) and Retail Banking, Personal Banking, Commercial Banking, Financial retail and Other. A business segment comprises customers to whom a differentiated product offering is directed according to their business characteristics, measured in a manner similar in terms of performance.

Information included in this note is not necessarily comparable to that of other financial institutions as it is based on the internal system of management information according to the segments set up independently by the Bank. Each business segment reflects its gross operating income, supporting expenses and net provisions for risk along with their related assets and liabilities. Taxes are managed at the corporate level and are not allocated by business segment.

As the Bank's business is based in Chile, it is not relevant to present information for Geographical Segments.

The following are the business segments established by the Bank:

1. SMEs and Retail Banking

This segment targets individual customers whose income is under US$1,000 (monthly), individuals engaged in business activities with sales up to US$100,000 and small and medium-sized entities with annual sales up to ThUS$4,000.

Main asset products for individuals are consumer loans, credit cards, education loans and mortgage loans, with or without governmental subsidy. Liability products offered by the Bank include on demand account and saving products such as term deposits and saving accounts.

For customers classified as SMEs, the Bank offers working capital financing, foreign trade loans, leasing and factoring. These customers can also access liability products such as chequing accounts and term deposits.

In addition, the Bank provides this segment with a variety of financial services such as collection, salary payment administration, insurances and foreign currency exchange.

2. Commercial Banking

This business segment includes enterprise customers with annual sales over ThUS$4,000 and corporate customers with annual sales over ThUS$150,000.

The main products offered by the Bank to this segment include working capital financing, foreign trade loans, leasing, factoring and structured finance (syndicated loans, Project finance, etc.). These customers also use liability products such as domestic and foreign currency chequing accounts, term deposits and mutual funds.

Additionally, the Bank provides a wide range of non-credit services such as collection, bill payment, insurance products, salary payment administration, quotation and procurement, electronic invoicing and a wide range of treasury products such as foreign currency exchange, derivative products, foreign currency or interest rate risk hedging and short-term investments.

3. Personal Banking

This segment targets individual customers whose income is over US$1,000 (monthly).

The main products offered by the Bank to this segment include consumer loans, overdraft credit line, credit cards, and mortgage loans. Among liability products, the Bank offers chequing accounts and diverse saving products such as term deposits, agreements, mutual funds and short-term investments.

In addition, the Bank provides this segment of customers with a variety of financial services such as foreign currency exchange, shares sales, insurance products, and self-service in branch offices where customers can directly perform a series of transactions in their own account.

4. Financial Retail

This segment comprises credit cards and consumer loans offered within the framework of the binding partnership agreement with Cencosud S.A., through which the Bank acquired 51% of the shares of Cencosud Administradora de Tarjetas de Crédito S.A. (“CAT”) and Cencosud Corredores de Seguros y Servicios S.A., for the exclusive joint operation of Cencosud’s financial retail business in Chile.

5. Other

This segment includes all items, treasury income, accounting hedge that bear no connection with customer segments and other minor income and expenses not related to any of the above-mentioned lines of business.

The following table shows the Consolidated Result of Scotiabank Chile, for each of the segments described above:

	As at December 31, 2021 SMEs and Retailers MCh$	Commercial Bank MCh$	Personal Banking MCh$	Financial Retail MCh$	Other MCh$	Total MCh$
Net income on interest and adjustments	124,167	242,215	413,683	168,262	28,916	977,243
Net income on commissions	27,733	36,303	72,348	53,611	1,903	191,898
Net gain on financiang operations	464	66,414	4,524	170	41,704	113,276
Net exchange gain	3,346	25,628	8,285	1,812	10,783	49,854
Other operating income	54	3	9,363	511	29,581	39,512
Total operating income	**155,764**	**370,563**	**508,203**	**224,366**	**112,887**	**1,371,783**
Provisions for credit loss	(33,932)	(106,831)	(24,091)	(44,285)	140	(208,999)
Net operating income	**121,832**	**263,732**	**484,112**	**180,081**	**113,027**	**1,162,784**
Operating expenses	(98,995)	(85,768)	(173,707)	(114,222)	(137,942)	(610,634)
Operating income of the segment	**22,837**	**177,964**	**310,405**	**65,859**	**(24,915)**	**552,150**
Result from investments in companies	-	-	-	-	(7,139)	(7,139)
Result of the segment before tax	**22,837**	**177,964**	**310,405**	**65,859**	**(32,054)**	**545,011**
Income tax						(94,849)
Income for the year						**450,162**
Segment assets	1,367,843	11,179,199	15,017,892	1,231,346	12,801,615	41,597,895
Segment liabilities	1,525,446	8,011,656	4,416,969	123,716	24,718,985	38,796,772

	As at December 31, 2020 SMEs and Retailers MCh$	Commercial Bank MCh$	Personal Banking MCh$	Financial Retail MCh$	Other MCh$	Total MCh$
Net income on interest and adjustments	110,134	219,787	397,878	219,582	(33,184)	914,197
Net income on commissions	25,702	27,880	65,664	58,168	1,380	178,794
Net gain on financiang operations	5,307	63,493	401	284	69,245	138,730
Net exchange gain	2,499	19,558	5,970	1,231	(32,449)	(3,191)
Other operating income	338	597	7,303	2,371	36,284	46,893
Total operating income	**143,980**	**331,315**	**477,216**	**281,636**	**41,276**	**1,275,423**
Provisions for credit loss	(29,052)	(85,308)	(101,743)	(116,938)	4,803	(328,238)
Net operating income	**114,928**	**246,007**	**375,473**	**164,698**	**46,079**	**947,185**
Operating expenses	(99,521)	(79,738)	(176,861)	(112,907)	(122,816)	(591,843)
Operating income of the segment	**15,407**	**166,269**	**198,612**	**51,791**	**(76,737)**	**355,342**
Result from investments in companies	-	-	-	-	1,619	1,619
Result of the segment before tax	**15,407**	**166,269**	**198,612**	**51,791**	**(75,118)**	**356,961**
Income tax						(70,592)
Income for the year						**286,369**
Segment assets	2,103,628	9,601,229	12,460,606	1,066,347	11,564,151	36,795,961
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Note 6 Cash and Cash Equivalents

The following chart details balances included in cash and cash equivalents:

	12/31/2021 MCh$	12/31/2020 MCh$
Cash and cash equivalents in banks		
Cash	167,422	172,793
Deposits at the Central Bank of Chile	793,387	573,041
Deposits in domestic banks	28,047	19,606
Deposits abroad	470,766	486,815
Subtotal - Cash and deposits in banks	1,459,622	1,252,255
Net trading operations pending settlement	47,202	45,268
High liquidity financial instruments	501,309	838,731
Repurchase agreements	120,526	74,319
Total cash and cash equivalents	**2,128,659**	**2,210,573**

The level of cash funds and funds maintained in Banco Central de Chile relates to regulations on legal reserve backgrounds that the Bank must maintain on average in monthly periods.

Operations with settlement in progress correspond to transactions in which is pending only the settlement that will increase or decrease the funds available in Banco Central de Chile or Banks abroad, normally within 12 or 24 business hours, which details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Assets		
Documents in charge of other banks (exchange)	34,121	37,642
Funds receivable	408,959	306,640
Subtotal assets	443,080	344,282
Liabilities		
Deliverable funds	(395,878)	(299,014)
Subtotal liabilities	(395,878)	(299,014)
Operations with settlement in progress, net	**47,202**	**45,268**

Note 7 Securities held for trading

Instruments designed as financial instruments for trading details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Instruments of the Government and the Central Bank of Chile:		
Instruments of Banco Central de Chile	10,578	19,490
Treasury Notes or Bonds	124,808	206,194
Instruments of other domestic institutions:		
Instruments of other local Banks	321,054	255,173
Bonds and commercial paper of companies	12,731	28,088
Other instruments issued locally	1,681	4,731
Instruments of foreign institutions:		
Instruments of foreign governments or central banks	5,544	2,479
Investments in mutual funds units:		
Funds managed by related companies	114,208	235,114
Total	**590,604**	**751,269**

As at December 31, 2021 "Instruments issued by the Government and of the Central Bank of Chile", include operations of instruments sold with a repurchase agreement to customers and financial institutions amounting to Ch$24,534 million. As of December 31, 2020, there are no such operations.

As at December 3l, 2021 “Instruments of other domestic institutions”, include instruments sold with repurchase agreements to customers and financial institutions amounting to ChM$212.827 million and average maturity of 7 days (ChM$213,734 with an average maturity of 9 days as at December 31, 2020).

Note 8 Investments sold under repurchase agreements and securities lending

Instruments acquired with sell back agreement and sold with repurchase agreement are detailed as follow:

	12/31/2021		12/31/2020	
	Rights on purchase commitments MCh$	Obligations for sale commitments MCh$	Rights on purchase commitments MCh$	Obligations for sale commitments MCh$
Transactions with banks:				
Repurchase agreements - Central Bank of Chile	-	-	-	-
Transactions with other entities:				
Repurchase agreements	120,526	379,402	74,319	456,155
Securities loaned	270	568	164	164
Total	**120,796**	**379,970**	**74,483**	**456,319**

Note 9 Derivative instruments and accounting hedge

Derivative instruments used by the bank are detailed in the following chart:

As at December 31, 2021

Held-for-trading derivatives	Notional amount of contract with final maturity: Less than 3 months MCh$	3 months to 1 year MCh$	Over 1 year MCh$	Fair value: Assets MCh$	Liabilities MCh$
Currency forward	21,629,717	16,201,115	11,103,806	1,650,432	(1,534,795)
Interest rate swaps	6,497,741	10,965,511	55,292,905	1,712,165	(1,571,174)
Interest rate and currency swaps	1,919,435	5,169,046	37,943,372	2,971,500	(2,942,545)
Options	-	-	-	-	-
Subtotal	**30,046,893**	**32,335,672**	**104,340,083**	**6,334,097**	**(6,048,514)**

Accounting hedge derivatives	Notional amount of contract with final maturity: Less than 3 months MCh$	3 months to 1 year MCh$	Over 1 year MCh$	Fair value: Assets MCh$	Liabilities MCh$
Currency forward (1)	102,256	92,960	-	31	(2,810)
Interest rate swaps (2)	179,387	117,673	86,400	4,031	(12,843)
Interest rate and currency swaps (3)	173,948	667,111	6,731,220	321,968	(816,282)
Options	-	-	-	-	-
Subtotal	**455,591**	**877,744**	**6,817,620**	**326,030**	**(831,935)**
Total				**6,660,127**	**(6,880,449)**

(1) Correspond to Derivatives that hedges inflation risk on Notional Mortgage Loans amounting to M$195,216 million).

(2) Correspond to Derivatives hedging:
  i) Floating and fixed interest rate risk on Term Deposits and assets and liability Bonds (Notional amounting to Ch$297,060 million and Ch$86,400 million).

(3) Correspond to Derivatives hedging:
  i) Foreign currency risk of Foreign Trade Credit received (Notional amounting to US$830 million).
  ii) Inflation risk of Mortgage Loans (Notional amounting to Ch$6,586,829 million).
  iii) Floating interest rate risk on Term Deposits (Notional amounting to Ch$1,804,496 million).
  iv) Fixed interest rate risk of Bonds issued in UF (Notional amounting Ch$108,471 million).
  v) Inflation risk of BTU and BCU Bonds (Notional amounting to Ch$196,736 million).
  vi) Inflation risk of Commercial Loans in UF (Notional amounting to Ch$227,789 million).
  vii) Foreign currency risk (CHF) of Foreign Trade Credit received (Notional amounting to CHF$285 million).
  viii) Foreign currency risk (JPY) of Foreign Trade Credit received (Notional amounting to JPY$10,000 million).
  ix) Foreign currency risk (AUD) of Foreign Trade Credit received (Notional amount of AUD$60) million.

As at December 31, 2020

Held-for-trading derivatives	Notional amount of contract with final maturity: Less than 3 months MCh$	3 months to 1 year MCh$	Over 1 year MCh$	Fair value: Assets MCh$	Liabilities MCh$
Currency forward	23,085,668	12,233,006	9,246,110	1,090,566	(1,233,356)
Interest rate swaps	15,727,518	19,429,986	54,245,084	1,757,996	(1,991,965)
Interest rate and currency swaps	3,039,533	4,779,806	32,341,233	2,360,146	(1,901,553)
Options	-	22,988	-	848	(848)
Subtotal	**41,852,719**	**36,465,786**	**95,832,427**	**5,209,556**	**(5,127,722)**

Accounting hedge derivatives	Notional amount of contract with final maturity: Less than 3 months MCh$	3 months to 1 year MCh$	Over 1 year MCh$	Fair value: Assets MCh$	Liabilities MCh$
Currency forward (1)	116,281	168,608	-	777	(177)
Interest rate swaps (2)	67,000	50,000	143,400	3,466	(6,116)
Interest rate and currency swaps (3)	455,235	198,133	5,253,576	79,993	(599,321)
Options	-	-	-	-	-
Subtotal	**638,516**	**416,741**	**5,396,976**	**84,236**	**(605,614)**
Total				**5,293,792**	**(5,733,336)**

(1) Correspond to Derivatives hedging the risk of inflation on Mortgage Loans (Notional amounting to Ch$284,889 million).

(2) Correspond to Derivatives hedging:
  i) Floating and fixed interest rate risk on Term Deposits and asset and liability Bonds (Notional amounting to Ch$105,000 million and Ch$155,400 million).

(3) Corresponds to Derivatives hedging:
  i) Foreign currency risk of Foreign Trade Credit received (Notional amounting to US$550 million).
  ii) Inflation risk on Mortgage Loans (Notional amounting to Ch$5,308,969 million).
  iii) Risk of floating interest rate on Term Deposits (Notional amounting to Ch$2,159,105 million).
  iv) Fixed interest rate risk of Bonds issued in UF (Notional amounting to Ch$188,957 million).
  v) Inflation risk of BTU and BCU Bonds (Notional amounting to Ch$224,132 million).
  vi) Inflation risk on Commercial Loans in UF (Notional amounting to Ch$289,250 million).

a) Accounting Hedges Derivatives

Given that derivative instruments are important tools to manage the exchange rate, interest rate and liquidity risks of the Bank's activities, its designation as accounting hedge allows the recognition, under certain circumstances, of the offsetting effects of economic hedges, which reduce the volatility that may occur in cash flow profit or loss, as through such hedges the gains and losses of the derivative and hedged item are recognized and offset during the same accounting period.

a.1) Derivatives for Cash Flow Hedge

For cash flow hedges, changes in fair value of the hedging instruments are recorded in equity, to the extent that it is effective, until the corresponding gains or losses associated with the hedged item are recognized in profit or loss. The Bank uses cash flow hedges primarily to hedge the fluctuations in cash flows related to floating rate financial instruments, foreign currency and highly probable projected income. Hedged items include mortgage loans in UF, term deposits at floating rate in Chilean pesos, floating rate foreign currency foreign bank borrowings, available-for-sale securities in Euro, and commercial loans granted at floating rate in foreign currency. Hedging instruments include forward contracts and cross-currency interest rate swaps (CCS and IRS).

As at December 31, 2021, a loss net of tax amounting to Ch$74,264 million (Ch$223,372 million as at December 31, 2020) has been recorded in equity valuation accounts due to the adjustment of Cash Flow hedging instruments.

As at December 31, 2021, a gain was recognized in profit or loss from Derivatives of Cash Flow hedges amounting to Ch$164,096 million (loss amounting to Ch$95,980 as at December 31, 2020).

a.2) Fair Value Accounting Hedge Derivatives

For fair value hedges, changes in fair value of hedge instruments are offset in the Consolidated Statement of Profit or Loss through fair value of the hedged item attributable to the hedged risk. The Bank uses fair value hedges primarily to translate fixed rate financial instruments to floating rate financial instruments. Hedged items include commercial loans granted at fixed rate in foreign currency and term deposits issued at a fixed rate in pesos.

Additionally, the Bank uses fair value hedges to hedge the effect of inflation of debt instruments held for the sale of the Chilean General Treasury bonds in UF (BTU). Also, to hedge against the effect of the inflation of Bonds issued by the Bank in UF.

Hedging instruments include interest rate and currency swaps (CCS and IRS).

a.3) Market Valuation by type of Hedge

	12/31/2021		12/31/2020	
	In favor MCh$	Against MCh$	In favor MCh$	Against MCh$
Designated derivatives in fair value hedging relationships	19,703	(14,256)	53,497	(25,237)
Designated derivatives in cash flow hedging relationships	306,327	(817,679)	30,739	(580,377)
Total designated derivatives in hedging relationships	326,030	(831,935)	84,236	(605,614)

a.4) Cash flows of hedged items which are expected to occur and impact profit or loss for cash flow hedge accounting

As at December 31, 2021	Less than 3 months MCh$	Between 3 months and 1 year MCh$	More than 1 year MCh$	Total MCh$
Hedged element - Assets	251,562	878,758	6,007,622	7,137,942
Hedged element - (Liabilities)	(260,637)	(921,298)	(6,467,359)	(7,649,294)
Net Cash Flows	**(9,075)**	**(42,540)**	**(459,737)**	**(511,352)**

As at December 31, 2020	Less than 3 months MCh$	Between 3 months and 1 year MCh$	More than 1 year MCh$	Total MCh$
Hedged element - Assets	511,053	374,928	5,069,855	5,955,836
Hedged element - (Liabilities)	(540,069)	(381,579)	(5,583,827)	(6,505,475)
Net Cash Flows	**(29,016)**	**(6,651)**	**(513,972)**	**(549,639)**

Revenue related to cash flow interests is recognized using the effective interest method on the life of the hedged item. Foreign exchange gains or losses related to future cash flows of monetary items are recognized as these are incurred. Forecasted revenue is recognized in the period to which these are related.

a.5) Ineffectiveness of accounting hedges

The Bank recorded the following figures in profit or loss regarding the ineffective portion of accounting hedges:

	12/31/2021 MCh$	12/31/2020 MCh$
Fair Value Hedges		
Gain (loss) recorded in hedged elements	8,676	15,515
Gain (loss) recorded in hedging instruments	(8,874)	(14,941)
Inefficiency	**(198)**	**574**
Cash Flow Hedges		
Inefficiency	**7,082**	**(1,805)**

Note 10 Composition of loans and advances to banks

a) The composition of amounts owed by banks is as follows:

Detail of figures within item Owed by banks:

As at December 31, 2021	Assets before provisions: Regular Portfolio MCh$	Assets before provisions: Impaired Portfolio MCh$	Assets before provisions: Total MCh$	Provisions constituted: Single Provisions MCh$	Provisions constituted: Groupal Provisions MCh$	Provisions constituted: Total MCh$	Net Asset MCh$
LOCAL BANKS							
Liquidity interbank loans	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-
Overdrafts in current accounts	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-
Foreign trade credit for Chilean exports	-	-	-	-	-	-	-
Foreign trade credit for Chilean imports	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-
Other debts with local banks	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
BANKS ABROAD							
Liquidity interbank loans	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-
Overdrafts in current accounts	-	-	-	-	-	-	-
Non-transferable deposits in banks abroad	-	-	-	-	-	-	-
Foreign trade credit for Chilean exports	2,998	-	2,998	(2)	-	(2)	2,996
Foreign trade credit for Chilean imports	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-
Other debts with banks abroad	-	-	-	-	-	-	-
Subtotal	**2,998**	**-**	**2,998**	**(2)**	**-**	**(2)**	**2,996**
BANCO CENTRAL DE CHILE							
Deposits in the Central Bank not available	-	-	-	-	-	-	-
Other credits with the Central Bank	-	-	-	-	-	-	-
Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**2,998**	**-**	**2,998**	**(2)**	**-**	**(2)**	**2,996**

As at December 31, 2020	Assets before provisions: Regular Portfolio MCh$	Assets before provisions: Impaired Portfolio MCh$	Assets before provisions: Total MCh$	Provisions constituted: Single Provisions MCh$	Provisions constituted: Groupal Provisions MCh$	Provisions constituted: Total MCh$	Net Asset MCh$
LOCAL BANKS							
Liquidity interbank loans	50,001	-	50,001	-	-	-	50,001
Commercial interbank loans	-	-	-	-	-	-	-
Overdrafts in current accounts	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-
Foreign trade credit for Chilean exports	-	-	-	-	-	-	-
Foreign trade credit for Chilean imports	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-
Other debts with local banks	-	-	-	-	-	-	-
Subtotal	**50,001**	**-**	**50,001**	**-**	**-**	**-**	**50,001**
BANKS ABROAD							
Liquidity interbank loans	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-
Overdrafts in current accounts	-	-	-	-	-	-	-
Non-transferable deposits in banks abroad	-	-	-	-	-	-	-
Foreign trade credit for Chilean exports	1,478	-	1,478	-	-	-	1,478
Foreign trade credit for Chilean imports	-	-	-	-	-	-	-
Foreign trade credits between third countries	-	-	-	-	-	-	-
Other debts with banks abroad	2,914	-	2,914	(21)	-	(21)	2,893
Subtotal	**4,392**	**-**	**4,392**	**(21)**	**-**	**(21)**	**4,371**
BANCO CENTRAL DE CHILE							
Deposits in the Central Bank not available	-	-	-	-	-	-	-
Other credits with the Central Bank	300,002	-	300,002	-	-	-	300,002
Subtotal	**300,002**	**-**	**300,002**	**-**	**-**	**-**	**300,002**
Total	**354,395**	**-**	**354,395**	**(21)**	**-**	**(21)**	**354,374**

b) Allowances for Credit Loss

	Local Banks MCh$	Banks abroad MCh$	Banco Central de Chile MCh$	Total MCh$
Balance as at January 1, 2020	-	1	-	1
Impaired portfolio write-offs	-	-	-	-
Provisions constituted (Note 31)	-	24	-	24
Released provisions (Note 31)	-	(4)	-	(4)
Balance as at December 31, 2020	**-**	**21**	**-**	**21**
Balance as at January 1, 2021	-	21	-	21
Impaired portfolio write-offs	-	-	-	-
Provisions constituted (Note 31)	43	20	-	63
Released provisions (Note 31)	(43)	(39)	-	(82)
Balance as at December 31, 2021	**-**	**2**	**-**	**2**

Note 11 Loans and Receivables from Customers

The following is a detail of Loans and Receivables from Customers regarding its composition allowances accrued and grouping of the gross balances as per the debtor´s economic activity, also including the sale of credits and the remaining maturities terms of leasing operations.

a) Composition of Loans and Receivables from customers:

As at December 31, 2021	Assets before provisions			Provisions constituted			Net Asset
	Regular Portfolio MCh$	Impaired Portfolio MCh$	Total MCh$	Single Provisions MCh$	Groupal Provisions MCh$	Total MCh$	MCh$
COMMERCIAL LOANS							
Commercial Loans	10,881,896	266,749	11,148,645	(153,214)	(35,285)	(188,499)	10,960,146
Foreign trade credits	1,205,945	8,966	1,214,911	(27,379)	(202)	(27,581)	1,187,330
Current account debtors	28,477	3,471	31,948	(1,603)	(856)	(2,459)	29,489
Factoring operations	242,130	87	242,217	(3,479)	(49)	(3,528)	238,689
Students Loans	609,183	82,348	691,531	-	(19,655)	(19,655)	671,876
Leasing Operations	727,379	18,751	746,130	(5,874)	(1,617)	(7,491)	738,639
Other loans and accounts receivable	8,245	427	8,672	(355)	(173)	(528)	8,144
Subtotal	**13,703,255**	**380,799**	**14,084,054**	**(191,904)**	**(57,837)**	**(249,741)**	**13,834,313**
HOUSING LOANS							
Loans with letters of credit	82,447	9,492	91,939	-	(301)	(301)	91,638
Loans with endorsable mutal mortgages	39,271	2,899	42,170	-	(50)	(50)	42,120
Loans with mutual financed with mortgage bonds	-	-	-	-	-	-	-
Other loans with mutual for housing	11,134,173	242,131	11,376,304	-	(34,645)	(34,645)	11,341,659
Loans coming from ANAP	-	-	-	-	-	-	-
Leasing operations	39,200	2,714	41,914	-	(381)	(381)	41,533
Other loans and accounts receivable	70,881	2,995	73,876	-	(222)	(222)	73,654
Subtotal	**11,365,972**	**260,231**	**11,626,203**	**-**	**(35,599)**	**(35,599)**	**11,590,604**
CONSUMPTION LOANS							
Consumption loans in installments	1,460,770	84,994	1,545,764	-	(71,734)	(71,734)	1,474,030
Current account debtors	55,661	2,504	58,165	-	(1,964)	(1,964)	56,201
Credit Cards debtors	1,574,105	69,220	1,643,325	-	(86,109)	(86,109)	1,557,216
Leasing operations	-	-	-	-	-	-	-
Other loans and accounts receivable	345	-	345	-	(8)	(8)	337
Subtotal	**3,090,881**	**156,718**	**3,247,599**	**-**	**(159,815)**	**(159,815)**	**3,087,784**
Total	**28,160,108**	**797,748**	**28,957,856**	**(191,904)**	**(253,251)**	**(445,155)**	**28,512,701**

As at December 31, 2020	Assets before provisions			Provisions constituted			Net Asset
	Regular Portfolio MCh$	Impaired Portfolio MCh$	Total MCh$	Single Provisions MCh$	Groupal Provisions MCh$	Total MCh$	MCh$
COMMERCIAL LOANS							
Commercial Loans	9,353,762	265,286	9,619,048	(155,124)	(39,398)	(194,522)	9,424,526
Foreign trade credits	1,081,309	64,401	1,145,710	(61,300)	(213)	(61,513)	1,084,197
Current account debtors	41,191	4,087	45,278	(1,642)	(1,354)	(2,996)	42,282
Factoring operations	180,794	493	181,287	(3,428)	(64)	(3,492)	177,795
Students Loans	604,341	88,389	692,730	-	(20,157)	(20,157)	672,573
Leasing Operations	643,233	19,518	662,751	(6,715)	(2,061)	(8,776)	653,975
Other loans and accounts receivable	6,944	562	7,506	(516)	(93)	(609)	6,897
Subtotal	**11,911,574**	**442,736**	**12,354,310**	**(228,725)**	**(63,340)**	**(292,065)**	**12,062,245**
HOUSING LOANS							
Loans with letters of credit	87,960	17,468	105,428	-	(573)	(573)	104,855
Loans with endorsable mutal mortgages	42,930	5,391	48,321	-	(103)	(103)	48,218
Loans with mutual financed with mortgage bonds	-	-	-	-	-	-	-
Other loans with mutual for housing	9,491,412	299,047	9,790,459	-	(37,015)	(37,015)	9,753,444
Loans coming from ANAP	-	-	-	-	-	-	-
Leasing operations	43,458	3,964	47,422	-	(513)	(513)	46,909
Other loans and accounts receivable	71,264	4,769	76,033	-	(264)	(264)	75,769
Subtotal	**9,737,024**	**330,639**	**10,067,663**	**-**	**(38,468)**	**(38,468)**	**10,029,195**
CONSUMPTION LOANS							
Consumption loans in installments	1,396,249	117,170	1,513,419	-	(85,668)	(85,668)	1,427,751
Current account debtors	57,243	4,559	61,802	-	(3,143)	(3,143)	58,659
Credit Cards debtors	1,273,922	105,022	1,378,944	-	(87,100)	(87,100)	1,291,844
Leasing operations	-	-	-	-	-	-	-
Other loans and accounts receivable	385	-	385	-	(8)	(8)	377
Subtotal	**2,727,799**	**226,751**	**2,954,550**	**-**	**(175,919)**	**(175,919)**	**2,778,631**
Total	**24,376,397**	**1,000,126**	**25,376,523**	**(228,725)**	**(277,727)**	**(506,452)**	**24,870,071**

b) Allowances for Credit Losses

	Individual allowances MCh$	Collective allowances MCh$	Total MCh$
Balance as of January 1, 2020	163,459	371,431	534,890
Impaired portfolio write-offs:			
Commercial loans	(21,415)	(30,514)	(51,929)
Mortgage loans	-	(6,867)	(6,867)
Consumer loans	-	(288,841)	(288,841)
Total write-offs	(21,415)	(326,222)	(347,637)
Allowances accrued (Note 31)	152,482	293,721	446,203
Allowances released (Note 31)	(65,801)	(58,012)	(123,813)
Allowance for sale of portfolio used	-	(3,191)	(3,191)
Total allowances	86,681	232,518	319,199
Balance as of December 31, 2020	**228,725**	**277,727**	**506,452**
Balance as of January 1, 2021	228,725	277,727	506,452
Impaired portfolio write-offs:			
Commercial loans	(19,599)	(32,259)	(51,858)
Mortgage loans	-	(7,364)	(7,364)
Consumer loans	-	(110,281)	(110,281)
Total write-offs	(19,599)	(149,904)	(169,503)
Allowances accrued (Note 31)	61,313	143,210	204,523
Allowances released (Note 31)	(11,730)	(15,637)	(27,367)
Allowance for sale of portfolio used	(66,805)	(2,145)	(68,950)
Total provisions	(17,222)	125,428	108,206
Balance as of December 31, 2021	**191,904**	**253,251**	**445,155**

In addition to these allowances for credit losses, the Bank maintains additional allowances agreed by the Board which are recorded within liabilities under the caption Allowances (Please refer to Note 23).

c) Loans by industry

The following table shows the main concentrations of loans granted to customers by economic activity, expressed in amount and as a percentage of the total before provisions:

Commercial Loans :	As at December 31, 2021				As at December 31, 2020			
	Local Loans MCh$	Loans Abroad MCh$	Total MCh$	%	Local Loans MCh$	Loans Abroad MCh$	Total MCh$	%
Agriculture and livestock farming except for fruit-growing	619,861	-	619,861	2.14	412,022	9,103	421,125	1.66
Real estate and services rendered to companies	2,237,941	86,970	2,324,911	8.03	1,499,782	77,347	1,577,129	6.21
Wholesale	1,661,999	101,258	1,763,257	6.09	1,220,303	85,282	1,305,585	5.14
Retail, restaurants and hotels	595,068	59,817	654,885	2.26	362,121	49,663	411,784	1.62
Communications	190,480	-	190,480	0.66	521,484	-	521,484	2.05
Housing construction	385,946	-	385,946	1.33	541,453	-	541,453	2.13
Electricity, gas and water	624,973	-	624,973	2.16	436,333	-	436,333	1.72
Financial and insurance facilities	2,044,641	-	2,044,641	7.05	1,700,398	-	1,700,398	6.70
Mining	101,972	-	101,972	0.35	277,563	-	277,563	1.09
Manufacturing of metallic and non-metallic mineral products, machinery and equipment	424,325	-	424,325	1.47	256,581	-	256,581	1.01
Wood and furniture industry	48,051	-	48,051	0.17	73,623	-	73,623	0.29
Beverage, food and tobacco industry	454,865	-	454,865	1.57	491,922	14,229	506,151	1.99
Industry of chemicals and oil by-products, coal, rubber and plastic	231,562	-	231,562	0.80	191,267	-	191,267	0.75
Paper, print plants and book publishing divisions industry	35,085	-	35,085	0.12	30,983	-	30,983	0.12
Textile and leather industry	197,375	-	197,375	0.68	71,561	-	71,561	0.28
Other manufacturing industries	88,356	-	88,356	0.31	227,294	88	227,382	0.90
Other works and constructions	197,041	-	197,041	0.68	334,626	-	334,626	1.32
Fishing	110,445	6,836	117,281	0.41	100,496	-	100,496	0.40
Production of crude oil and natural gas	141,345	-	141,345	0.49	22	-	22	0.00
Communal, social and personal services	2,058,796	163	2,058,959	7.11	2,039,145	-	2,039,145	8.06
Forestry and timber extraction	68,243	-	68,243	0.24	58,860	-	58,860	0.23
Transport and storage	564,510	-	564,510	1.95	607,990	18	608,008	2.40
Subtotal	13,082,880	255,044	13,337,924	46.07	11,455,829	235,730	11,691,559	46.07
Mortgage loans	11,584,289	-	11,584,289	40.00	10,020,241	-	10,020,241	39.49
Consumer loans	3,247,599	-	3,247,599	11.21	2,954,550	-	2,954,550	11.64
Lease operations	788,044	-	788,044	2.72	710,173	-	710,173	2.80
Total	**28,702,812**	**255,044**	**28,957,856**	**100.00**	**25,140,793**	**235,730**	**25,376,523**	**100.00**

d) Sale of loan portfolio for Education Law No. 20.027

In accordance with the provisions of the public bidding terms on the award of the Financing and Credit Administration Service for Higher Education in Law No. 20.027, the Bank sold to the Chilean Treasury, a percentage of the respective loan portfolio, substantially transferring all the risks and benefits associated with the assigned loans. Only the administration service of sold operations was maintained, which considers the granting of new loans and the collection of the related payment.

The summary of sales performed is as follows:

Concept	12/31/2021 MCh$	12/31/2020 MCh$
Par value	70,116	81,717
Provisions	(2,145)	(3,191)
Net value of allowance accounts	**67,971**	**78,526**
Sale value	84,949	98,853
Gain or loss (1)	**16,978**	**20,327**
Gain from sales	**6,554**	**8,572**
Unearned revenue	**10,424**	**11,755**

(1) The result of the sale is obtained from the sale value less the net value of provision.

Profit on sale is included in the Consolidated Statement of Income for the period under caption "Net profit from financial operations."

Deferred income/revenue corresponds to revenue obtained for the interest rate spread of loans granted at a rate of 2%. Deferred income/revenue is included under caption "Other liabilities" within the Consolidated Statements of Financial Position.

e) Sale of Loans

During the fiscal year between January 1 and December 31, 2021, were performed sales of loans from the commercial portfolio recording a profit of Ch$15,510 million included in caption "Net Income from Financial Operations" caption. During the fiscal year between January 1 and December 31, 2020, no loan sales were performed.

During the fiscal year between January 1 and December 31, 2021, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario SA, registered a profit performed by transfer of portfolio amounting to Ch$86 million (Ch$66 million as of December 31, 2020), included within "Net Income from Financial Operations".

f) Lease Operations

Remaining maturities of loans related to finance lease agreements are detailed in the following chart:

As at December 31, 2021 Maturity :	Accounts Receivable MCh$	Deferred Interests and VAT MCh$	Net balance receivable MCh$
Less than 1 year	305,310	(59,084)	246,226
Between 1 and 5 years	571,131	(117,132)	453,999
More than 5 years	118,369	(30,550)	87,819
Total	**994,810**	**(206,766)**	**788,044**

As at December 31, 2020 Maturity :	Accounts Receivable MCh$	Deferred Interests and VAT MCh$	Net balance receivable MCh$
Less than 1 year	289,890	(55,899)	233,991
Between 1 and 5 years	483,194	(98,949)	384,245
More than 5 years	122,842	(30,905)	91,937
Total	**895,926**	**(185,753)**	**710,173**

Note 12 Investment Securities

The following chart details instruments that the Bank has designated as financial instruments held as available for sale and until maturity:

Instruments available for sale :	12/31/2021 MCh$	12/31/2020 MCh$
Instruments of the Government and Banco Central de Chile		
Instruments of Banco Central de Chile	511,828	755,647
Instruments of the Chilean Treasury	1,402,542	1,314,172
Other government instruments	11,300	13,472
Other instruments issued locally		
Local Instruments from other banks	24,830	33,908
Other instruments issued locally	3,479	4,415
Total	**1,953,979**	**2,121,614**

As at December 31, 2021, under "Instruments of the Government and of the Central Bank of Chile", instruments sold with repurchase agreements to customers and financial institutions are included amounting to Ch$149,010 million, with an average maturity of 3 days (Ch$185,005 million, with an average maturity of 4 days as at December 31, 2020).

As at December 31, 2021, under "Instruments of the Government and of the Central Bank of Chile", instruments purchased with repurchase agreements from customers and financial institutions are included amounting to Ch$120,303 million, with an average maturity of 180 days. (Ch$3,501 million, with an average maturity of 1 day as at December 31, 2020).

As at December 31, 2021, available-for-sale instruments portfolio includes a net unrealized loss of Ch$133,235 million (profit amounting to Ch$10,144 million as at December 31, 2020) recorded as valuation adjustments in equity and a net realized gain amounting to Ch$8,936 million (Ch$13,886 million as at December 31, 2020) recorded under caption "Net result of financial operations".

As at December 31, 2021 and 2020, the Bank does not hold investment instruments until maturity.

Note 13 Investments in Companies

a) Investment in companies

	participation %		Investment value		Investment Result	
	12/31/2021	12/31/2020	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$
Investments valued at equity value:						
Nexus S.A. (1)	-	25.93	-	2,890	(1,545)	179
Transbank S.A. (2) (3)	22.69	22.69	12,658	11,520	(5,668)	1,383
Subtotal			**12,658**	**14,410**	**(7,213)**	**1,562**
Investments valued at cost :						
Sociedad Interbancaria de Depósitos de Valores	15.86	15.86	204	204	59	41
Sociedad Servicios de Infraestructura y de Mercado OTC	18.28	18.28	2,291	2,291	-	-
Redbanc S.A.	12.72	12.72	860	860	-	-
Combanc S.A. (4)	10.19	15.00	406	597	9	9
Bolsa de Valores de Valparaíso S.A.	1.67	1.67	11	11	-	-
Otras Companies			64	62	6	7
Subtotal			**3,836**	**4,025**	**74**	**57**
Total			**16,494**	**18,435**	**(7,139)**	**1,619**

(1) During November 2021, the Bank had entered a process to sell its participation in Nexus SA, therefore, it was reclassified to Note 17 other assets under "Non-current assets held for sale", treatment established in IFRS5, which is described in note No. 2 letter (x).

(2) On April 22, 2021, the Board of Directors of Transbank S.A. agreed to increase the capital of the company. On June 8, 2021, the Bank paid Ch$2,269 million amount equivalent to 11,563,226 shares.

(3) On April 22, 2021, the Board of Directors of Transbank S.A. agreed to increase the capital of the company. On September 22, 2021, the Bank paid Ch$4,537 million amount equivalent to 23,126,452 shares.

(4) During September 2021, shares of "Sociedad Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A." (Combac), which are distributed as follows: 53 shares to Banco Bice valued at Ch$36, 44 million shares to Banco Consorcio for a value amounting to Ch$30, 33 million shares to Banco Internacional for a value amounting to Ch$22, 53 million shares to Banco Security for a value of Ch$16, 151 million shares to Banco Crédito e Inversiones for a value of Ch$102, 2 million shares to Banco BTG Pactual Chile for a value of Ch$1 million and 157 shares to Banco Itaú for a value of Ch$106 million .

b) Transactions of Investments in Companies details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Opening carrying amount	18,435	16,709
Capital Increase at Transbank S.A.	6,806	-
Sale of Investments	(191)	-
Transfer to non-current assets held for sale and discontinued operations - Nexus S.A.	(1,345)	-
Participation on Results	(7,213)	1,619
Dividends received	-	(57)
Adjustment of investments to Equity Value	-	164
Other	2	-
Total	**16,494**	**18,435**

As at year ended December 31, 2021 and 2020, there have been no transactions due to impairment.

Note 14 Intangible Assets

a) The breakdown and composition of intangible assets details as follows:

Intangible Assets	Years									
	Useful life		Average Remaining Amortization		Gross balance		Amortization and Accumulated Impairment		Net Balance	
	2021	2020	2021	2020	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$
Computer Programs	10	10	6	7	201,283	158,257	(55,777)	(39,584)	145,506	118,673
Intangibles Business combinations (1)	15	15	10	10	138,425	138,425	(61,522)	(52,294)	76,903	86,131
Other intangible assets	-	-	-	-	-	-	-	-	-	-
Total					**339,708**	**296,682**	**(117,299)**	**(91,878)**	**222,409**	**204,804**

(1) Intangible assets acquired in business combinations relate to intangible assets originated from the acquisition of 51% of the shares of CAT Administradora de Tarjetas de Crédito S.A. ("CAT") and CAT Corredores de Seguros y Servicios S.A.

b) Transactions of intangible assets details as follows:

	Computer Programs MCh$	Intangibles Business combinations MCh$	Other MCh$	Total MCh$
Gross balance:				
Balance as at January 1, 2020	166,851	138,425	2,457	307,733
Acquisitions	44,374	-	-	44,374
Asset Disposals	(52,830)	-	(2,457)	(55,287)
Impairment	(138)	-	-	(138)
Total gross	**158,257**	**138,425**	**-**	**296,682**
Accumulated amortization as at January 1, 2020	(75,564)	(43,065)	(2,457)	(121,086)
Amortization for the period	(16,916)	(9,229)	-	(26,145)
Asset Disposals	52,830	-	2,457	55,287
Impairment	66	-	-	66
Total amortization	**(39,584)**	**(52,294)**	**-**	**(91,878)**
Balances as at December 31, 2020	**118,673**	**86,131**	**-**	**204,804**
Gross balance:				
Balance as at January 1, 2021	158,257	138,425	-	296,682
Acquisitions	45,526	-	-	45,526
Reclassifications	(181)	-	-	(181)
Asset Disposals	(119)	-	-	(119)
Impairment	(2,200)	-	-	(2,200)
Other	-	-	-	-
Total bruto	**201,283**	**138,425**	**-**	**339,708**
Accumulated amortization as at January 1, 2021	(39,584)	(52,294)	-	(91,878)
Amortization for the period	(18,249)	(9,228)	-	(27,477)
Asset Disposals	(1)	-	-	(1)
Impairment	2,057	-	-	2,057
Other	-	-	-	-
Total amortization	**(55,777)**	**(61,522)**	**-**	**(117,299)**
Balances as at December 31, 2021	**145,506**	**76,903**	**-**	**222,409**

Debits due to amortization or loss of value on intangible assets are included within "Depreciation and amortization" of the Consolidated Statements of Income for the year.

Note 15 Property and Equipment and Right-of-use assets and Obligations on lease agreements

a) Property and equipment and depreciations

As of December 31, 2021 and 2020, property and equipment is detailed as follows:

	Building and Land MCh$	Equipment MCh$	Other MCh$	Total MCh$
Balance as at January 1, 2020	64,334	109,441	34,618	208,393
Purchases of Property, plant and equipment	-	55	17,676	17,731
Asset disposals	(3,709)	(1,908)	(413)	(6,030)
Reclassification of accounts (1)	11,183	10,211	(30,150)	(8,756)
Total gross	71,808	117,799	21,731	211,338
Accumulated depreciation as at January 1, 2020	(15,810)	(68,962)	(11,162)	(95,934)
Depreciation for the period	(1,609)	(10,880)	(939)	(13,428)
Asset disposals	1,106	1,610	291	3,007
Reclassification of accounts (1)	-	(41)	(9)	(50)
Total depreciation	(16,313)	(78,273)	(11,819)	(106,405)
Balances as at December 31, 2020	**55,495**	**39,526**	**9,912**	**104,933**
Balance as at January 1, 2021	71,808	117,799	21,731	211,338
Purchases of Property, plant and equipment	-	9	6,744	6,753
Asset disposals	(1,828)	(914)	(148)	(2,890)
Reclassification of accounts (1)	1,738	4,961	(7,112)	(413)
Transfer to held for sale	-	-	-	-
Total gross	71,718	121,855	21,215	214,788
Accumulated depreciation as at January 1, 2021	(16,313)	(78,273)	(11,819)	(106,405)
Depreciation for the period	(1,647)	(10,828)	(1,069)	(13,544)
Asset disposals	503	668	128	1,299
Reclassification of accounts (1)	-	(14)	(2)	(16)
Transfer to held for sale	-	-	-	-
Impairment	-	-	-	-
Total depreciation	(17,457)	(88,447)	(12,762)	(118,666)
Balances as at December 31, 2021	**54,261**	**33,408**	**8,453**	**96,122**

(1) Corresponds mainly to amounts that initially its individual identification is not available. These, once the purchase or construction is completed, are transferred to the definitive asset.

Debits due to amortizations of property and equipment are included within "Depreciation and amortization" in the Consolidated Statements of Income .

b) Right-of-use Assets under lease contracts

Transactions on assets subject to IFRS 16 by class of underlying asset details as follows

	Building and Land MCh$	Improvements in leased properties MCh$	Equipment MCh$	Other Property and equipment MCh$	Other intangible assets MCh$	Total MCh$
Balance as at January 1, 2020	233,011	37,588	-	-	-	270,599
Readjustment for liability remeasurement	5,393	-	-	-	-	5,393
Additions	2,305	337	-	-	-	2,642
Increase due to contract modification	3,111	-	-	-	-	3,111
Contract modification - subsidiaries (1)	(47,497)	-	-	-	-	(47,497)
Reclassifications (2)	-	8,771	-	-	-	8,771
Withdrawals / written off	(8,088)	(1,056)	-	-	-	(9,144)
Total gross	188,235	45,640	-	-	-	233,875
Accumulated depreciation as at January 1, 2020	(16,469)	(17,493)	-	-	-	(33,962)
Contract modification - subsidiaries (1)	7,978	-	-	-	-	7,978
Depreciation for the period	(16,575)	(2,631)	-	-	-	(19,206)
Reclassifications (2)	-	35	-	-	-	35
Withdrawals / written off	1,363	625	-	-	-	1,988
Total depreciation	(23,703)	(19,464)	-	-	-	(43,167)
Balance as at December 31, 2020	**164,532**	**26,176**	-	-	-	**190,708**
Balance as at January 1, 2021	188,235	45,640	-	-	-	233,875
Readjustment for liability remeasurement	10,327	-	-	-	-	10,327
Additions	-	288	-	-	-	288
Increase due to contract modification	650	-	-	-	-	650
Reclassifications (2)	-	594	-	-	-	594
Withdrawals / written off	(7,003)	(1,228)	-	-	-	(8,231)
Total gross	192,209	45,294	-	-	-	237,503
Accumulated depreciation as at January 1, 2021	(23,703)	(19,464)	-	-	-	(43,167)
Impairment	-	-	-	-	-	-
Depreciation for the period	(12,507)	(2,897)	-	-	-	(15,404)
Reclassifications	-	16	-	-	-	16
Withdrawals / written off	1,671	1,053	-	-	-	2,724
Total depreciation	(34,539)	(21,292)	-	-	-	(55,831)
Balance as at December 31, 2021	**157,670**	**24,002**	-	-	-	**181,672**

(1) Corresponds to contract modification in subsidiary CAT Administradora de Tarjeta S.A., conducted in December 2020.
(2) Corresponds mainly to amounts that at the beginning, its individual identification is not available. These, once the purchase or construction is completed (in the case of remodeling leased offices), are transferred to the final asset.

Depreciation debits for right-of-use assets are included in "Depreciation and amortization" within the Consolidated Statements of Income.

As at December 31, 2021 and 2020, the Bank has no expenses related to low value leases. Expenses related to short-term leases amounts to Ch$4,544 million as at December 31, 2021 (Ch$1,268 million as at December 31, 2020), which are included within "Administrative expenses" of the Consolidated Statements of Income for the year.

The income received from the sublease of the right-to- use assets correspond to Ch$318 million as at December 31, 2021 (Ch$575 million as at December 31, 2020), which is included within "Other Operating Income" of the Consolidated Statements of Income for the year.

As at December 31, 2021 and 2020, no results were generated from sale-with-leaseback transactions.

c) Lease Liabilities

The movement of lease obligations contracts and flows detail as follows:

Lease Liability	Transactions for periods ended as of	
	12/31/2021	12/31/2020
	MCh$	MCh$
Balances as at January 1	168,763	219,062
Lease liabilities generated	-	2,305
Increase due to contract modification	650	3,111
Modification of contract - subsidiaries	-	(39,666)
Financial expense	4,282	4,697
Principal payments (1)	(10,356)	(14,448)
Payments of Interest (1)	(4,282)	(4,697)
Contract adjustments	10,327	5,393
Payments for cancellation/termination of leases	(5,559)	(6,864)
Leases paid in advance	(24)	(103)
Concessions effect COVID-19	(26)	(27)
Total	**163,775**	**168,763**
(1) Total Payments associated with lease liabilities in the period	(14,638)	(19,145)

d) Flows of lease liabilities

For the Bank´s operative functions, the entity has operating lease contracts over certain assets. The following chart detail the analysis of the contractual maturity flows:

Lease contract flows	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
	MCh$	MCh$	MCh$	MCh$	MCh$	MCh$
As at December 31, 2021	1,270	2,500	11,238	58,938	129,479	203,425
As at December 31, 2020	1,285	2,528	11,400	48,028	150,289	213,530

The Bank's lease contracts consist mainly of real estate leases, intended for the development of its operational functions. The contracts contain renewal options and for those for which there is reasonable certainty that this option will be exercised, the Bank establishes a horizon of 10 years as the lease period used to measure the liability and the asset for such period.

Note 16 Current tax and deferred taxes

a) Current Taxes

	12/31/2021	12/31/2020
	MCh$	MCh$
Assets:		
Income tax, 27% tax rate	(10,389)	(54,537)
One-off tax under Article 21, 40% tax rate	-	(559)
Less:		
Monthly tax provisional payments	14,868	42,672
Credit for training expenses	66	566
Credit 104 Income Tax Law	18	989
Previous year recoverable tax	499	27,862
Other	-	28
Total current tax asset	**5,062**	**17,021**
Liabilities:		
Income tax , 27% tax rate	(148,526)	(10,687)
One-off tax under Article 21, 40% tax rate	(38)	-
Less:		
Monthly tax provisional payments	45,828	7,975
Credit for training expenses	625	-
Previous year recoverable tax	14,406	357
Credit 104 Income Tax Law	2,142	-
Other	(32)	-
Total current tax liability	**(85,595)**	**(2,355)**

b) Effect on net income

The effect of tax expenditure is made up of the following concepts:

	12/31/2021 MCh$	12/31/2020 MCh$
Income tax expenses:		
Current year tax	(103,828)	(84,187)
Excess (deficit) allowance previous year	3,396	(2,946)
Credit (charge) for deferred taxes:		
Origination and reversal of temporary differences current year	12,529	18,321
Origination and reversal of temporary differences prior year	(6,908)	(1,221)
Subtotal	(94,811)	(70,033)
Tax for rejected expenses Article N°21	(38)	(559)
Net charge to Income for income tax	**(94,849)**	**(70,592)**

c) Effect of taxes recorded in equity

The effect of taxes recorded in equity is detailed as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Financial investments available for sale	52,190	37
Employee defined benefit plans	(11)	-
Derivatives in cash flow hedges	(55,478)	18,889
Total (charge) credit in equity	**(3,299)**	**18,926**

d) Deferred tax Assets and Liabilities

Taxable and deductible differences that make up the deferred tax balances are detailed as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Deferred tax asset:		
Global loan portfolio provisions	140,824	113,319
Tax- Financial differences in Property, plant and equipment	9,843	19,073
Leased assets (net)	92,884	70,708
Provision for Personnel Vacation	5,013	4,306
Non-taxable anticipated write offs	242	2,674
Provision for bad debts	28,086	35,657
Provisions on goods recieved in payment dation	13	71
Financial instruments for trading	33,972	76,438
Assets in factoring business	-	400
Interest and adjustments in risky portfolio	17,855	16,448
Renegotiated debt BDD merger	12,429	12,908
Write offs on dation in payment	534	943
Intangible	32,114	31,507
Tax goodwill adjustment	18,452	25,129
Sundry provisions	19,161	15,029
Other	9,017	444
Total deferred tax assets	**420,439**	**425,054**
Deferred tax Liabilities :		
Leased assets (net)	-	(2)
Financial instruments for trading	(7,139)	(16,020)
Deferred expenses	(39,297)	(39,782)
Intangible	(23,111)	(23,532)
Other	(45)	(492)
Total deferred tax liabilities	**(69,592)**	**(79,828)**
Total net asset	**350,847**	**345,226**
Deferred taxes on equity		
Financial investments available for sale	50,261	(1,929)
Employee defined benefit plans	(11)	-
Allowance for negative goodwill Serviu	5	(491)
Total net asset	**401,102**	**342,806**
Deferred tax asset	401,690	343,328
Dwferred tax liability	(588)	(522)
Net Deferred Tax Asset	**401,102**	**342,806**

e) Reconciliation of effective tax rate

Below is detailed the reconciliation between income tax rate and effective rate applied in determining tax expense.

	Tax Rate %	12/31/2020 MCh$
Income before corporate income tax	27.00%	96,379
Permanent differences	(7.64%)	(27,280)
Taxes not recognized in Results of previous years	(2.16%)	(7,712)
Prior year effect	2.42%	8,646
Effective rate and income due to current year income tax	19.62%	70,033
One-off tax under Article 21	0.16%	559
Total income tax expense	**19.78%**	**70,592**

	Tax Rate %	12/31/2021 MCh$
Income before corporate income tax	27.00%	147,153
Permanent differences	(10.52%)	(57,308)
Taxes not recognized in Results of previous years	0.88%	4,772
Prior year effect	0.04%	194
Effective rate and income due to current year income tax	17.40%	94,811
One-off tax under Article 21	0.01%	38
Total income tax expense	**17.41%**	**94,849**

f) Joint circular No.47 issued by IRS and No. 3.478 issued by CMF

Transactions and effects generated by application of article 31, No.4 of the Income Tax Law is detailed below. This information relates solely to the Bank's loan transactions and does not consider the operations of subsidiaries which consolidate in these Consolidated Financial Statements.

Loans and advances to customers as at 12/31/2021

Type of loan	Assets at financial statements value (*) MCh$	Assets at tax value: Total MCh$	Secured overdue portfolio MCh$	Unsecured overdue portfolio MCh$
Commercial loans:	14,027,543	14,328,916	16,201	25,220
Consumer loans:	2,016,253	2,103,715	-	4,556
Mortgage loans:	11,584,289	11,583,781	6,658	89
Total	**27,628,085**	**28,016,412**	**22,859**	**29,865**

Allowances on past due amounts in portfolio as at 12/31/2021

Type of loan	Balance as at December 31, 2020 MCh$	Write-offs against allowances MCh$	Allowances accrued MCh$	Allowances released MCh$	Balance as at December 31, 2021 MCh$
Commercial loans:	87,557	(22,333)	34,496	(74,500)	25,220
Consumer loans:	6,826	(13,975)	18,267	(6,562)	4,556
Mortgage loans:	57	-	55	(23)	89
Total	**94,440**	**(36,308)**	**52,818**	**(81,085)**	**29,865**

Direct write-offs and recoveries as of 12-31-2018	**MCh$**
Direct write-offs per Art. 31 Nº 4 second sub-paragraph	63,018
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	25,909
Application of Art. 31 No. 4 first and third sub-paragraphs	
Write-offs per first sub-paragraph	-
Forgiveness per third sub-paragraph	-

Loans and accounts receivable from customers 12/31/2020

Type of Loan	Assets at Financial Statements value (*) MCh$	Assets at tax value: Total MCh$	Secured overdue portfolio MCh$	Unsecured overdue portfolio MCh$
Commercial Loans:	12,381,909	12,600,730	19,732	87,557
Consumtion Loans:	1,888,203	1,994,707	-	6,826
Housing Mortgage Loans :	10,020,241	10,019,758	8,647	57
Total	**24,290,353**	**24,615,195**	**28,379**	**94,440**

Allowances on overdue portfolio 12/31/2020

Type of Loan	Balance as at December 31, 2019 MCh$	Write offs against Allowances MCh$	Constituted allowances MCh$	Released allowances MCh$	Balance as at December 31, 2020 MCh$
Commercial Loans:	40,861	(7,594)	160,516	(106,226)	87,557
Consumtion Loans:	15,952	(11,804)	74,444	(71,766)	6,826
Housing Mortgage Loans :	115	-	189	(247)	57
Total	**56,928**	**(19,398)**	**235,149**	**(178,239)**	**94,440**

Direct write offs and Recoveries as at 12/31/2020	**MCh$**
Direct write offs Art. 31 Nº 4 second paragraph	41,407
Condonations that originated release of provisions	-
Recoveries or renegotiation of written-off loans	18,367

Aplication of Art. 31 Nº 4 paragraphs first and third	**MCh$**
Write offs according to the first paragraph	-
Condonation according to third paragraph	-

(*) In accordance with the abovementioned Circular and instructions of the Internal Revenue Service, the value of assets in financial statements is presented on an individual basis and does not include leasing and factoring operations.

Note 17 Other Assets

Other Assets details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Cash Deposits in guarantee (1)	766,428	695,594
Accounts and commissions receivable	91,941	87,158
Securitized bonds	17,417	16,472
Value added Tax	14,668	3,921
Assets received as payment or adjudicated (2)	11,325	16,203
Assets for leasing (3)	6,743	3,661
Prepaid expenses	6,379	7,572
Recoverable taxes	4,567	3,433
Outsatndin operations	2,258	7,496
Property, plant and equipment for sale	2,166	3,218
Account Receivable Law Nº 20.634	2,119	2,228
Non-current assets classified as held for sale (4)	1,345	-
Assets recovered from leasing	698	803
Accounts receivable credits Law No. 20,027	501	17
Account receivable Minvu	103	2,889
Other assets	1,883	3,927
Total	**930,541**	**854,592**

(1) As at December 31, 2021, includes cash deposits amounting to Ch$34,606 million to operate with Derivatives Compensation House (COMDER) (Ch$201,761 million as at December 31, 2020) and Ch$660,552 million with other institutions abroad (Ch$390,803 million as at December 31, 2020). In addition, includes Guarantees with third parties amounting to Ch$69,000 million (Ch$101,797 million as at December 31, 2020).

(2) Assets received as payment or awarded include a provision as at December 31, 2021 amounting to Ch$5 million (Ch$93 million as at December 31, 2020), determined according to the difference between the initial value plus its additions and its net realizable value, when the latter is smaller.

(3) Correspond to assets available to be delivered under financial lease modality.

(4) During November 2021, The Bank has entered a process of selling its participation in Nexus SA; therefore, it was reclassified from note 13 Investment in Societies to "Non-current assets held for sale" according to IFRS5. See note 2 x.

Note 18 Deposits and other on-demand liabilities

The main concepts included in "Deposits and other demand obligations" details as:

	12/31/2021 MCh$	12/31/2020 MCh$
Current accounts	5,297,259	5,251,104
Notes on demand	275,274	185,158
On-demand deposits	792,503	757,107
Performance bonds payable on demand	39,642	29,511
Collections payable	65,738	61,432
Payment orders outstanding	32,716	12,599
Extraordinary repayments of letters of credit	-	1,421
Payments for loans pending settlement	2,080	2,507
Locked in balances, Art. 156 of the General Banking Law	20,548	20,204
Overdue term deposits	16,766	12,743
Overdue bond and letter of credit coupons	14	5,041
Other mortgage holders	415,225	234,785
Loans granted, Law No. 20.027	249	113
Other on-demand liabilities	264,192	231,386
Total	**7,222,206**	**6,805,111**

Note 19 Term and other on-demand deposits

Term and other on-demand deposits details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Time Deposits	9,354,971	8,755,961
Term Savings Accounts	107,595	84,177
Total	**9,462,566**	**8,840,138**

Note 20 Bank borrowings

Bank borrowings maintained with domestic and foreign banks details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Local Banks		
Interbank borrowings (1)	-	100,002
Lond-term borrowings	-	14,185
Banks abroad		
Foreign trade financing	1,063,238	916,341
Overdrafts on checking accounts	-	81
Credit lines Banks abroad	1,590,729	1,163,147
Banco central de Chile		
Borrowings and other obligations (2)	3,031,286	2,193,026
Total	**5,685,253**	**4,386,782**

(1) As at December 31, 2021, the Bank and its subsidiaries have no interbank loan obligations. As at December 31, 2020, these correspond to obligations with an average maturity of 2 days.

(2) In April 2020, the Board of the Banco Central de Chile established a series of measures to provide liquidity to the economy, support the flow of credits and the transmission of monetary policy. A central component of these measures is the Credit Facility Conditional on Increased Loans (FCIC) and the Liquidity Credit Line (LCL).

Note 21 Debt securities issued

Under "Debt securities issued" are included the following obligations and descriptions:

	12/31/2021 MCh$	12/31/2020 MCh$
Letter of Credit (1)	104,506	117,160
Current Bonds (2)	6,553,533	5,917,945
Subordinated Bonds (3)	756,367	730,285
Total	**7,414,406**	**6,765,390**

(1) During the year, between January 1 and December 31, 2021 and January 1 and December 31, 2020, no new letters of credit have been issued.

(2) During the year between January 1 and December 31, 2021, the following domestic and international current bonds have been issued.

Series	Ammount	Term (years)	Issuance annual rate	Currency	Issuance Date	Maturity date
1	175,000,000	5	0.385	CHF	6/29/2021	7/22/2026
2	50,000,000	5	1.768	USD	8/19/2021	8/26/2026
3	125,000,000	5	2.160	USD	10/20/2021	11/10/2026
4	5,000,000,000	5	0.500	JPY	10/26/2021	11/10/2026
5	110,000,000	5	0.418	CHF	11/4/2021	3/31/2027
6	30,000,000	10	3.350	AUD	11/10/2021	11/24/2031
7	5,000,000,000	10	0.750	JPY	11/18/2021	12/2/2031
8	30,000,000	5	2.750	AUD	12/9/2021	12/16/2026
BA	5,000,000	9	0.004	UF	12/9/2020	12/9/2029
BB	5,000,000	10	0.004	UF	9/9/2020	9/9/2030
BC	100,000	4	0.025	MCh$	12/1/2020	6/1/2024
BD	5,000,000	12	0.006	UF	9/9/2020	9/9/2032
BE	5,000,000	13	0.006	UF	9/9/2020	9/9/2033
BF	100,000	4	0.025	MCh$	12/1/2020	12/1/2024

During the year, between January 1 and December 31, 2020, the following current bonds have been issued:

Series	Ammount	Term (years)	Issuance annual rate	Currency	Issuance Date	Maturity date
AR	5,000,000	5	0.9	UF	4/9/2020	4/9/2025
AS	5,000,000	5.5	1.05	UF	4/9/2020	10/9/2025
AT	90,000	3	3.0	MCh$	3/1/2020	3/1/2023
AU	4,000,000	6	1.2	UF	6/9/2020	6/9/2026
AV	4,000,000	7.5	1.3	UF	6/9/2020	12/9/2027
AW	4,000,000	9	1.4	UF	7/9/2020	7/9/2029
AX	70,000	4	3.1	MCh$	3/1/2020	3/1/2024
AY	6,000,000	10.5	0.6	UF	6/9/2020	12/9/2030
AZ	6,000,000	11.5	0.6	UF	6/9/2020	12/9/2031

(3) During the year between January 1 and December 31, 2021 and January 1 and December 31, 2020, no new subordinated bonds have been issued.

Note 22 Other Financial Liabilities

Under “Other financial liabilities” are include the following obligations:

	12/31/2021 MCh$	12/31/2020 MCh$
Bonds payable and promissory notes payable	-	-
Payables to affiliates for credit card use	1,966	2,178
Payables to credit card operators	78,823	42,768
Liabilities in favor of Chilean exporters	2,822	2,915
Securitized portfolio for the subsidiary Leasing Inmobiliario	4,375	5,354
Total	**87,986**	**53,215**

Note 23 Provisions

a) As of December 31, 2021 and 2020, this caption comprises the following:

	12/31/2021 MCh$	12/31/2020 MCh$
Provision for personnel benefits and payroll	41,398	29,191
Provision for minimum dividends	127,316	82,626
Provisions for contingent loan risk	30,996	28,302
Provisions for country risk	228	1,397
Additional allowances for commercial loans (1) (2) (3)	99,138	7,046
Additional allowances for mortgage loans (1)	32,088	30,111
Additional allowances for consumer loans (1) (4)	54,535	47,651
Legal contingencies, subsidiary Scotia Corredora de Bolsa Chile Limitada	1,280	15,214
Other provisions for contingencies	14,130	9,045
Total	**401,109**	**250,583**

(1) During the first quarter 2021, additional allowances were constituted using the Countercyclical Provision methodology, these are determined based on periodic monitoring through the Risk Index (RI), evaluating whether these are within an expected historical range based on a long-term risk. The methodology considers the establishment of confidence bands on the RI as the main input, which allow detecting abnormal trends in the behavior of this index, alerting levels outside those expected, which would indicate an action on the Allowances Fund. At the end of March 2021, additional provisions for this concept amounted to Ch$10,755 million.

(2) During the second quarter 2021, particularly at the end of April 2021, additional allowances were performed for the segment Commercial portfolio amounting to Ch$8,685 million for Rescheduling and Risk Appetite of the portfolio's own placements. For the Individual Commercial portfolio, additional allowances were established for Ch$22,000 million at the end of May 2021 and Ch$17,000 million at the end of June 2021.

(3) During the third quarter 2021, additional allowances were constituted in the Individual Commercial segment amounting to Ch$10,000 million at the end of July, Ch$20,000 million at the end of August and Ch$11,000 million at the end of September.

(4) In subsidiary CAT Administradora de Tarjeta S.A. additional provisions were established for a total of Ch$21,513 million between November and December 2021, in addition and in accordance with 2021 spending plan, from July to December, Ch$20,000 million have been released in the consumer target, which is the totality of additional allowances incorporated at the end of 2020 financial year in the subsidiary.

(5) On June 30, 2021, the subsidiary Scotia Corredora de Bolsa Chile Ltda. released Ch$13,800 million from the provision made, leaving an available balance to cover the payment of costs that are pending, as reported in Note 25, b2.

a) Provisions details as follows:

	Benefits and personnel remuneration MCh$	Minimum dividends MCh$	Contingent Credits Loss MCh$	Additional allowances MCh$	Other contingencies MCh$	Total MCh$
Balance as at January 1, 2020	63,791	76,314	34,986	5,451	22,248	202,790
Constituted allowances	83,104	82,626	1,435	83,716	3,437	254,318
Allowances application	(117,704)	(76,314)	-	-	-	(194,018)
Allowances release	-	-	(8,119)	(4,359)	(29)	(12,507)
Balance as at December 31, 2020	**29,191**	**82,626**	**28,302**	**84,808**	**25,656**	**250,583**
Balance as at January 1, 2021	29,191	82,626	28,302	84,808	25,656	250,583
Constituted allowances	116,904	127,316	9,823	120,953	5,276	380,272
Allowances application	(104,697)	(82,626)	-	-	-	(187,323)
Allowances release	-	-	(7,129)	(20,000)	(15,294)	(42,423)
Balance as at December 31, 2021	**41,398**	**127,316**	**30,996**	**185,761**	**15,638**	**401,109**

Note 24 Other Liabilities

Under "Other liabilities" are included the following balances:

	12/31/2021 MCh$	12/31/2020 MCh$
Deposits received in guarantee	353,058	269,714
Accounts and notes payable	117,581	103,168
Income received in advance	69,320	69,380
Funds to be transferred	64,294	64,294
Outstanding operations	4,784	2,126
Agreed Dividends Payable	213	146
VAT Fiscal Debit	-	10,807
Other liabilities	7,741	9,252
Total	**616,991**	**528,887**

Note 25 Contingencies and Commitments

a) Contingent Loans

The following chart shows the contractual amounts of operations that oblige the Bank to grant credits and the amount of the provisions established for the assumed credit loss:

	12/31/2021 MCh$	12/31/2020 MCh$
Guarantees and sureties	398,485	178,672
Confirmed letters of credit from abroad	20,919	4,196
Issued Documentary Letters of Credit	182,455	92,153
Guarantee bills	694,373	758,792
Lines of credit with immediate availability	5,439,837	4,787,862
Other credit commitments	184,334	192,341
Constituded Provisions (Note 23)	(30,996)	(28,302)
Total	**6,889,407**	**5,985,714**

b) Contingencies

As at the date of issuance of these Consolidated Financial Statements, there are legal actions filed against the Bank and its subsidiaries regarding operations inherent to the business. As at December 31, 2021, provisions for legal contingencies amounted to Ch$5,155 million (Ch$18,151 million as at December 31, 2020), which are part of the "Provisions" item in the Consolidated Statements of Financial Position.

b1) Adjustment Account

On July 23, 1989, Francisco Javier Errázuriz and his companies sold 97% of their shares of Banco Nacional to some of the main shareholders of Banco BHIF, a purchase that was made in order to merge both banks. A mechanism called Adjustment Account was established on the loan allowances, for the case that if from a list of receivables from Banco Nacional identified by the parties were reclassified producing equity benefit for the Bank BHIF, this benefit had to be transferred to the sellers through the allocation of the amount of the benefit obtained by the Bank to the debts of certain companies of Errázuriz Group.

The differences that arouse between the parties regarding the interpretation of the Adjustment Account have originated various arbitration proceedings, identified in books with a sequential number. In relation to the verdict issued in "Book 20" favorable to Errázuriz Group, which for BBVA was fully paid, by virtue of a new settlement, carried out on January 27, 2017, a debt balance had to be paid of UF159,665.58, which gave rise to an embargo on May 17, 2017, amounting to Ch$4,247,942,672 on existing monies in the chequing account that BBVA maintained at the Central Bank of Chile, which, once the incidents and appeals filed by BBVA were made available to the arbitration court. Subsequently, as a result of an additional settlement of interests for the period between January 2017 and December 2018, which was presented to the parties in January 2019 by the arbitration court, without objection, the amount of Ch$294,676,095 was paid by the Bank on June 12, 2019. Additionally, a new interest settlement to cover the period from January through July 2019, which resulted in the amount of Ch$3,900,000, gave rise to a consignment on April 30, 2020 for the amount of Ch$5,002,697. Finally, a new interest settlement, requested by the plaintiff, was rejected by the arbitration court.

b2) Corfo – Inverlink Case

In the case ID# 176.739-MV filed with the 2nd Criminal Court of Santiago, the judgment was executed condemning BBVA Corredores de Bolsa Ltda., currently Scotia Azul Corredores de Bolsa Limitada, as a third party under the civil code responsible for the fact associated with two former employees.

The Broker deposited in the court's account the total amount for the judgment. Corfo's claim for interest was rejected in the first instance and then appealed by Corfo.

On April 11, 2016, the Santiago Court of Appeals reversed the decision of the Court of First Instance, ordering the Broker to pay interest on the amount consigned in compliance with the guilty verdict.

Against the decision of the Court of Appeals, appeals in cassation in form and substance were filed with the Supreme Court.

On May 28, 2021, the Supreme Court accepted the appeal in substance filed by the Brokerage, exempting it from the payment of interest, putting an end to the case regarding the appropriateness or lack of appropriateness of the payment of interest, remaining pending only for the final closure of the latter, the regulation of costs to which the Broker was sentenced by the ruling of December 2, 2014, which should be established by the first instance court during the first semester 2022.

By virtue of the issuance of this acquittal, the Broker released part of the provision it had made for this event, leaving a balance available to cover the payment of pending costs.

In relation to the two abovementioned cases as well as to other legal actions filed against the Bank, Management estimates, based on the information provided by its Prosecutor's Office, that the contingencies arising from litigation against the Bank are sufficiently provisioned, as Thus, from the set of causes, there will be no significant losses not contemplated in these Consolidated Financial Statements.

b3) Covenants

The Bank has four current financing contracts signed with Export Development Canada on April 17, 2017 (MMUS$200), August 3, 2018 (MMUS$200), May 31, 2019 (MMUS$100) and July 28, 2021 (MMUS$ 100). These contracts establish the Bank's compliance with Covenants related mainly to the delivery of financial and non-financial information, regulatory compliance and compliance with certain obligations to do and not to do. Such as compliance with the laws and authorizations necessary to carry out its business and operations in general, perform everything necessary to preserve, renew and maintain its legal existence in full force and effect. Note that these credit agreements do not require compliance with specific financial ratios.

As at December 31, 2021, the Bank has fully complied with each of the obligations arising from the aforementioned contracts.

c) Responsibilities

The Bank and its subsidiaries have the following responsibilities derived from the normal course of businesses.

	12/31/2021 MCh$	12/31/2020 MCh$
Documents in collection	134,697	113,731
Transferred financial assets managed by the Bank	1,208,207	6,985
Securities in custody	6,328,973	4,808,530
Assets in guarantee	3,364,694	640,735
Total	**11,036,571**	**5,569,981**

d) Guarantees due to operations

i) At Scotia Corredora de Bolsa Chile Limitada

For purposes of complying with the provisions of articles No. 30 and No. 31 of Law No. 18,045, the Company contracted an insurance policy No. 330-21-00030256 with MAPFRE Seguros Generales S.A. equivalent to UF20,000, to guarantee the correct and full compliance with its obligations as a Stockbroker, whose validity covers the period April 22, 2021 to April 22, 2022.

In order to comply with the requirements of the Stock Exchanges, in terms of comprehensive insurance, the subsidiary contracted with Chilena Consolidada Seguros Generales SA, a policy No. 5445109 for an insured value of US$1,000,000, whose validity covers the period from May 31, 2021 through May 31, 2022.

To guarantee the operations of the gross settlement compensation system, collateral securities worth Ch$10,904 million and Ch$1,000 million in cash were delivered to the Stock Exchange as at December 31, 2021 (Ch$12,427 million as at December 31, 2020).

In accordance with the internal regulations of the Stock Exchange, in order to guarantee the correct performance and compliance of the operations of Stockbrokers, as at December 31, 2021, guarantees were constituted in titles for Ch$1,831 million and in cash for Ch$0 million. In favor of the Santiago Stock Exchange, and in favor of the Electronic Stock Exchange of Chile, guarantees were established in securities for Ch$206 million and in cash for Ch$200 million (as at December 31, 2020, guarantees were constituted in securities for Ch$1,795 million and in cash for Ch$0 million in favor of the Santiago Stock Exchange, and in favor of the Electronic Stock Exchange of Chile guarantees were constituted in titles for Ch$206 million and in cash Ch$200 million).

The company maintains simultaneous guarantees as at December 31, 2021 for Ch$2,724 million on the Santiago Stock Exchange and for Ch$756 million on the Chilean Electronic Stock Exchange. As at December 31, 2020, the company maintains guarantees for simultaneous operations for Ch$4,987 million in the Santiago Stock Exchange and Ch$2,656 million in the Chilean Electronic Stock Exchange, which are maintained in the Custody department of the Santiago Stock Exchange or Electronic Stock Exchange from Chile.

ii) At Scotia Administradora General de Fondos Chile S.A.

In compliance with the provisions of articles 226 et seq. of Law No. 18,045, the Company has appointed Scotiabank Chile as representative of the beneficiaries. The guarantees were constituted in Scotiabank Chile, taking bank guarantee bonds for an amount of UF 894,514.99 maturing on January 10, 2022.

ii) At Scotia Corredora de Seguros Chile Limitada

In accordance with the provisions of Article No. 58, letter D of D.F.L. 251, as at December 31, 2021, the Company maintains insurance policies that protect it from eventual damages that could affect it as a consequence of infractions of the law, regulations and complementary standards that regulate insurance brokers, and especially when the breach comes from of acts, errors and omissions of the broker, its representatives, attorneys-in-fact or dependents that participate in the intermediation.

Series A:	:	No. 5931346
Amount	:	UF 60,000
In favor of :	:	Scotiabank Chile S.A.
Purpose:	:	It covers in accordance with the general terms of the professional civil liability policy for insurance brokers, registered in the policy registry under the code POL120130969 of CMF.
Effective:	:	Up to April 14, 2022

Additionally, the Company maintains eight guarantee certificates in favor of Scotiabank Chile to comply with its obligations as an intermediary on the disencumbrance insurance portfolio.

Series A: : No.10047950
Amount : UF500
In favor of : : Scotiabank Chile S.A.
Purpose: : To guarantee the correct fulfillment of the obligations that the insurance broker, individualized in this policy as the insured party, has reason for its operations as an intermediary in the contracting of insurance in accordance with the rules established in circular No. 1584 dated 21 January 2002 of CMF.
Effective: : Up to April 14, 2022

Series A: : No.420001907726
Amount : UF100
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Ltda. and that arise from its performance as a broker of the payment protection insurance associated with the portfolio of debtors of Scotiabank Chile.
Effective: : Up to August 31, 2023

Series A: : No.420001907106
Amount : UF100
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Ltda. and that arise from its performance as a broker of the payment protection insurance associated with the portfolio of debtors of Scotiabank Chile.
Effective: : Up to August 31, 2023

Series A: : No.420001907084
Amount : UF100
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Ltda. and that arise from its performance as a broker of the payment protection insurance associated with the portfolio of debtors of Scotiabank Chile.
Effective: : Up to August 31, 2023

Series A: : No.420001907076
Amount : UF100
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Ltda. and that arise from its performance as a broker of the payment protection insurance associated with the portfolio of debtors of Scotiabank Chile.
Effective: : Up to August 31, 2023

Series A: : No.420001916814
Amount : UF100
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Ltda. and that arise from its performance as a broker of the payment protection insurance associated with the portfolio of debtors of Scotiabank Chile.
Effective: : Up to August 31, 2023

Series A: : No.420001931325
Amount : UF600
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment on obligations of Scotia Corredora de Seguros Chile Ltda. which arise from its performance as a broker payment protection and total disability 2/3 insurance associated with the portfolio of debtors of Scotiabank Chile
Effective: : Up to April 30, 2023

Series A: : No.420001931352
Amount : UF10,000
In favor of : : Scotiabank Chile S.A.
Purpose: : To ensure the faithful and timely fulfillment of the obligations of Scotia Corredora de Seguros Chile Ltda. and that arise from its performance as a broker of the payment protection insurance associated with the portfolio of debtors of Scotiabank Chile.
Effective: : Up to April 30, 2023

b) At CAT Corredores de Seguros y Servicios S.A.

In accordance with the provisions of Article No. 58, letter D of DFL 251, which states that "Insurance Brokers, to carry out their activity, must comply with the requirement to contract insurance policies as determined by the CMF, to respond to the correct and full compliance with the obligations arising from its activity and especially of the damages that may be caused to the insured who contract through it", is that as at December 31, 2021, the Company maintains contracts with the General Insurance Company Consorcio Nacional de Seguros SA, the following policies, whose validity begins on April 15, 2021 and expires on April 14, 2022, which protects it from eventual damages that could affect it as a consequence of infractions of the law, regulations and complementary norms that regulate insurance brokers, and especially when the breach comes from acts, errors and omissions of the broker, his representatives, attorneys-in-fact or dependents entities that participate in the intermediation.

The related documents are:

Policy No.	Insured/Contracting	Insured Item	Amount
10047046	CAT Corredores de Seguros y Servicios S.A.	Brokers Guarantee	UF 500
10047048	CAT Corredores de Seguros y Servicios S.A.	Civil Liability	UF 60.000

c) Guarantees on real estate leasing operations

According to what is established in contracts of "Administration of Housing Leasing Contracts with Sale Promise " maintained by Sociedad de Leasing Inmobiliario S.A. with Santander S.A. Sociedad Securitizadora y Securitizadora Bice SA, the former assumes in favor of the Separate Estates that are individualized below, the obligation to acquire the houses that are part of the respective Separate Estates, when the respective lease agreement with sale promise ends early, either by agreement of the parties or by enforceable judicial resolution. The price at which Bandesarrollo Sociedad de Leasing Inmobiliario S.A. must acquire these houses is detailed below:

Entity		% of home value	Home Value Definition
Santander S.A. Sociedad Securitizadora		85	Current commercial value
Separated equity BSTDS E	N°2		
Securitizadora Bice S.A.			
Separated equity BBICS A	N°1	85	Current commercial value
Separated equity BBICS B	N°2	85	Current commercial value
Separated equity BBICS L	N°6	85	Current commercial value
Separated equity BBICS F	N°12	80	Promised price of the original contract
Separated equity BBICS U	N°21	80	Promised price of the original contract
Separated equity BBICS	N°22	60	Promised price of the original contract

Note 26 Equity

a) Shareholding structure

Shareholding structure is as follows:

a.1) Subscribed and fully paid shares

As at December 31, 2021 and 2020, the Bank's authorized capital is made up of 12,244,885,748 registered shares, all of the same series and without par value, of which 100% are effectively subscribed and paid.

a.2) Capital increase

During the year between January 1 and December 31, 2021, no capital increases were recorded.

On January 6, 2020, at an extraordinary shareholders' meeting, it was agreed to increase the capital of Scotiabank Chile in the amount of Ch$250,000 million through the issuance of 735,294,118 new registered payment shares, all of the same series and without par value. As a result of the increase, the capital of Scotiabank Chile amounts to Ch$1,246,706 million divided into 12,244,885,748 shares.

The CMF authorized the aforementioned capital increase, through Resolution No. 929, dated January 28, 2020, which was registered on page 8449, No. 4558, of the Santiago Commerce Registry, dated January 30, 2020 and published in the Official Gazette on February 5, 2020. The preferential subscription period for shareholders began on February 20 and ended on March 20, 2020.

a.3) Dividends paid and reserves

At the regular shareholders' meeting of the Bank held on March 25, 2021, it was agreed to distribute 40% of the profits for fiscal 2020, which in total amounts to Ch$110,168 million equivalent to a dividend of Ch$8.99705 per share and allocate the remainder to the reserve fund for undistributed profits. At the regular shareholders' meeting of Scotiabank Chile held on March 27, 2020, it was agreed to distribute 40% of the profits for fiscal 2019, which in total amounts to Ch$101,751 million, equivalent to a dividend of Ch$8.51491 per share and allocate the remainder to the reserve fund for undistributed profits.

b) Accounting equity

The detail of capital, reserves, valuation accounts and retained earnings attributable to equity holders is as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Capital:		
Paid-in capital	1,246,706	1,246,706
Shares acquired by the bank	-	-
Total	**1,246,706**	**1,246,706**
Reserves:		
Share premium	121,715	121,715
Other reserves not related to earnings	10,296	10,296
Reserves from earnings	364,386	364,386
Total	**496,397**	**496,397**
Valuation accounts:		
Adjustment of available-for-sale investments	(133,235)	10,144
Adjustment of cash flow hedge derivatives	(74,264)	(223,372)
Total	**(207,499)**	**(213,228)**
Retained earnings :		
Retained earnings from previous periods	841,030	675,689
Profit for the period	424,385	275,419
Provisions for minimum dividends	(127,316)	(82,626)
Total	**1,138,099**	**868,482**
Non-Controlling Interest	127,420	107,189
Total	**127,420**	**107,189**

c) Non-controlling interest

Non-controlling interest in subsidiaries is made up of the following entities:

Information as at December 31, 2021	Non-controlling interest %	Non-controlling interest MCh$	Results attributable to non-controlling interest MCh$	Payment of dividends at non-controlling interest MCh$
CAT Administradora de Tarjetas S.A.	49.00%	114,267	23,107	(3,435)
CAT Corredores de Seguros y Servicios S.A.	49.00%	6,743	1,551	(700)
Servicios Integrales S.A.	49.00%	959	181	(273)
Administradora y Procesos S.A.	49.00%	4,551	761	(962)
Scotia Corredora de Bolsa Chile Limitada	0.01%	7	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	1	-
Scotia Asesorías Financieras Limitada	1.26%	151	118	(142)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	731	57	-
Total		**127,420**	**25,777**	**(5,512)**

Information as at December 31, 2020	Non-controlling interest %	Non-controlling interest MCh$	Results attributable to non-controlling interest MCh$	Payment of dividends at non-controlling interest MCh$
CAT Administradora de Tarjetas S.A.	49.00%	94,595	6,871	(6,747)
CAT Corredores de Seguros y Servicios S.A.	49.00%	5,892	1,400	(1,266)
Servicios Integrales S.A.	49.00%	1,051	547	(238)
Administradora y Procesos S.A.	49.00%	4,752	1,922	(1,291)
Scotia Corredora de Bolsa Chile Limitada	0.01%	6	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	10	1	-
Scotia Asesorías Financieras Limitada	1.26%	175	57	-
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	708	151	-
Total		**107,189**	**10,950**	**(9,542)**

The summary of financial information of the Bank's subsidiaries with significant non-controlling interest is as follows:

Information as at December 31, 2021	Profit for the period MCh$	Total Assets MCh$	Total Liabilities MCh$
CAT Administradora de Tarjetas S.A.	47,158	1,294,260	1,079,926
CAT Corredores de Seguros y Servicios S.A.	3,166	24,716	12,222
Servicios Integrales S.A.	370	5,432	3,623
Administradora y Procesos S.A.	1,552	12,696	4,029
Scotia Asesorías Financieras Limitada	9,418	12,680	671
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	1,291	26,813	14,763

Information as at December 31, 2020	Profit for the period MCh$	Total Assets MCh$	Total Liabilities MCh$
CAT Administradora de Tarjetas S.A.	14,021	1,145,177	957,735
CAT Corredores de Seguros y Servicios S.A.	2,858	19,501	8,620
Servicios Integrales S.A.	1,116	3,889	2,190
Administradora y Procesos S.A.	3,924	12,667	4,539
Scotia Asesorías Financieras Limitada	4,491	14,066	169
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	6,019	46,447	20,032

Note 27 Interest and indexation

a) Income and expenses for interest and indexation shown in the Consolidated Statements of Income for the year correspond to the following:

	Interest		Indexation		Total	
	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$
Incomes:						
Repurchase agreements	2,223	956	-	-	2,223	956
Borrowings granted to banks	135	261	-	-	135	261
Commercial loans	363,378	423,663	212,397	94,057	575,775	517,720
Mortgage loans	338,089	320,923	688,950	253,583	1,027,039	574,506
Consumer loans	364,786	442,232	1,396	907	366,182	443,139
Investment instruments	33,842	18,305	13,099	7,546	46,941	25,851
Other income from interest or indexation	6,662	12,034	9,184	2,730	15,846	14,764
Result of accounting hedges	-	-	(284,204)	(37,415)	(284,204)	(37,415)
Total	**1,109,115**	**1,218,374**	**640,822**	**321,408**	**1,749,937**	**1,539,782**
Expenses:						
On-Demand Deposits	(20,042)	(20,857)	-	-	(20,042)	(20,857)
Repurchase agreements	(1,100)	(5,008)	-	-	(1,100)	(5,008)
Deposits and time deposits	(78,790)	(174,169)	(7,050)	(3,129)	(85,840)	(177,298)
Obligations with banks	(26,662)	(58,672)	-	-	(26,662)	(58,672)
Debt instruments issued	(168,499)	(168,813)	(397,753)	(160,971)	(566,252)	(329,784)
Other financial obligations	(24)	(5)	(561)	144	(585)	139
Obligations due to lease contracts	(4,282)	(4,697)	-	-	(4,282)	(4,697)
Other interest or indexation expenses	(645)	(1,360)	(21,116)	(8,027)	(21,761)	(9,387)
Result of accounting hedges	-	-	(46,170)	(20,021)	(46,170)	(20,021)
Total	**(300,044)**	**(433,581)**	**(472,650)**	**(192,004)**	**(772,694)**	**(625,585)**
Net Income for interest and indexation	**809,071**	**784,793**	**168,172**	**129,404**	**977,243**	**914,197**

b) At the close of the fiscal year, the detail of interest income and suspended indexation is as follows:

	Interest		Indexation		Total	
	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$	12/31/2021 MCh$	12/31/2020 MCh$
Commercial loans	2,939	2,836	2,404	1,338	5,343	4,174
Mortgage loans	2,170	2,238	6,507	4,032	8,677	6,270
Consumer loans	-	1	-	-	-	1
Total	**5,109**	**5,075**	**8,911**	**5,370**	**14,020**	**10,445**

Note 28 Fees and commissions

a) Fee income and expenses shown in the Consolidated Statements of Income for the year include the following:

	12/31/2021 MCh$	12/31/2020 MCh$
Fee Income :		
Credit Card services	80,533	75,441
Collections and payments	49,718	54,736
Insurance brokerage	42,419	35,053
Accounts administration	18,817	19,296
Investments in mutual fund or other	15,599	14,127
Other subsidieries commissions	13,825	6,810
Loans management Law N° 20.027	11,457	11,326
Guarantees and letters of credit	10,780	11,499
Other commissions	10,390	9,523
Securities brokerage adn management	2,006	2,678
Revolving credit facilites and bank overdrafts	1,025	998
Total	**256,569**	**241,487**
Commission Expenses:		
Credit Card transactions	(27,583)	(27,758)
Other securities transactions	(17,758)	(13,945)
Debit and ATMs card transactions	(8,960)	(7,769)
Other commissions	(2,997)	(3,152)
Brokerages	(2,542)	(3,046)
Commissions paid for collection management	(2,398)	(3,779)
Commissions for Granted Guarantees	(1,404)	(2,302)
Deposit and custody of securities	(697)	(612)
Other commissions for card operations	(332)	(330)
Total	**(64,671)**	**(62,693)**
Net income for commissions	**191,898**	**178,794**

b) Income and expenses on commissions by segments are presented below:

	As at December 31, 2021 SME and Retail MCh$	Commercial Banking MCh$	Personnal Banking MCh$	Financial Retail MCh$	Other MCh$	Total MCh$
Credit Lines	172	402	447	-	4	1,025
Guarantee Bills	309	9,681	77	-	713	10,780
Credit Cards	937	181	14,765	27,328	447	43,658
Chequing Accounts	4,597	1,378	12,841	-	1	18,817
Collection	7,969	3,112	32,891	16,487	(10,694)	49,765
Insurance	3,546	3,564	23,228	9,851	19,746	59,935
Other	10,203	17,985	(11,901)	(55)	(8,314)	7,918
Net income for commissions	**27,733**	**36,303**	**72,348**	**53,611**	**1,903**	**191,898**

	As at December 31, 2020 SME and Retail MCh$	Commercial Banking MCh$	Personnal Banking MCh$	Financial Retail MCh$	Other MCh$	Total MCh$
Credit Lines	161	260	555	-	22	998
Guarantee Bills	315	8,901	206	-	2,077	11,499
Credit Cards	750	181	11,526	28,433	(1,306)	39,584
Chequing Accounts	4,671	1,149	13,476	-	-	19,296
Collection	8,929	3,931	25,487	20,204	(5,534)	53,017
Insurance	3,154	3,559	20,976	9,774	16,114	53,577
Other	7,722	9,899	(6,562)	(243)	(9,993)	823
Net income for commissions	**25,702**	**27,880**	**65,664**	**58,168**	**1,380**	**178,794**

Note 29 Net gain (loss) from financial operations

Profits and losses included in "Net income from financial operations" of the Consolidated Statements of Income for the year, details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Net profit (loss) on financial instruments for trading :		
Interest and readjustments	10,562	11,478
Fair value adjustment	(5,598)	1,493
Profit per sale	19,790	36,932
Loss for sale	(21,574)	(16,874)
Investment result in mutual funds	1,083	755
Net profit (loss) on financial instruments for trading :	**4,263**	**33,784**
Net profit (loss) on financial derivatives for trading:		
Profit from derivative contracts	8,115,443	7,679,634
Loss from derivative contracts	(8,044,832)	(7,594,852)
Net profit (loss) on financial derivatives for trading	**70,611**	**84,782**
Sale of instruments available for sale:		
Profit per sale	8,992	13,886
Loss for sale	(56)	-
Net profit (loss) on sale of instruments available for sale	**8,936**	**13,886**
Net (Loss) gain on sale of loans portfolio	**22,150**	**8,638**
Net result of other operations		
Income from ineffective hedges	7,995	628
Expenses of ineffective hedges	(913)	(2,433)
Other income	274	261
Other expenses	(40)	(816)
Net result of other operations	**7,316**	**(2,360)**
Net income from financial operations	**113,276**	**138,730**

Note 30 Net foreign currency exchange gain (loss)

Exchange results details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Net foreign currency exchange result:		
Net exchange result – change position	(95,134)	23,301
Other exchange results	(15,672)	6,658
	(110,806)	**29,959**
Net result from exchange rate readjustments:		
Loans granted to customers	16,084	(3,833)
Subtotal	**16,084**	**(3,833)**
Net result of derivatives in hedge accounting:		
Gain on assets hedging	707	253
Loss on assets hedging	(3,339)	(4,996)
Gain on liabilities hedging	186,463	10,742
Loss on liabilities hedging	(39,255)	(35,316)
	144,576	**(29,317)**
Total	**49,854**	**(3,191)**

Note 31 Allowances for credit losses

The result corresponding to allowances for credit loss reported in the Consolidated Statements of Income for the year details as follows:

As of December 31, 2021	Loans and advances to banks MCh$	Loans and advances to customers: Commercial loans MCh$	Mortgage loans MCh$	Consumer loans MCh$	Contingent loans MCh$	Other loans MCh$	Total MCh$
Allowances accrued:							
Individual allowances	(63)	(61,313)	-	-	(284)	-	(61,660)
Collective allowances	-	(30,135)	(6,910)	(106,165)	(9,539)	(120,953)	(273,702)
Net gain (loss) from allowances accrued	(63)	(91,448)	(6,910)	(106,165)	(9,823)	(120,953)	(335,362)
Release of allowances:							
Individual allowances	82	11,730	-	-	-	-	11,812
Collective allowances	-	1,234	2,415	11,988	7,129	20,000	42,766
Net gain (loss) on release of allowances	82	12,964	2,415	11,988	7,129	20,000	54,578
Net gain (loss) on allowances	**19**	**(78,484)**	**(4,495)**	**(94,177)**	**(2,694)**	**(100,953)**	**(280,784)**
Recovery of assets written-off	-	14,915	4,704	52,166	-	-	71,785
Net gain (loss)	**19**	**(63,569)**	**209**	**(42,011)**	**(2,694)**	**(100,953)**	**(208,999)**

As at December 31, 2020	Loans and advances to banks MCh$	Loans and advances to customers: Commercial loans MCh$	Mortgage loans MCh$	Consumer loans MCh$	Contingent loans MCh$	Other loans MCh$	Total MCh$
Allowances accrued:							
Individual allowances	(24)	(152,482)	-	-	-	-	(152,506)
Collective allowances	-	(33,686)	(7,397)	(252,638)	(1,435)	(83,716)	(378,872)
Net gain (loss) from allowances accrued	(24)	(186,168)	(7,397)	(252,638)	(1,435)	(83,716)	(531,378)
Release of allowances:							
Individual allowances	4	65,801	-	-	98	-	65,903
Collective allowances	-	4,189	8,037	45,786	8,021	4,359	70,392
Net gain (loss) on release of allowances	4	69,990	8,037	45,786	8,119	4,359	136,295
Net gain (loss) on allowances	**(20)**	**(116,178)**	**640**	**(206,852)**	**6,684**	**(79,357)**	**(395,083)**
Recovery of assets written-off	-	10,152	3,926	52,767	-	-	66,845
Net gain (loss)	**(20)**	**(106,026)**	**4,566**	**(154,085)**	**6,684**	**(79,357)**	**(328,238)**

In management's opinion, the allowances set up for credit loss and impairment cover all possible losses that may arise from the non-recovery of assets, according to the background information examined by the Bank.

Note 32 Personnel payroll and expenses

At year-end, the following expenses corresponding to payroll, compensation and other expenses derived from the relationship between the Bank as an employer and its employees have been paid to the personnel or accrued against results:

	12/31/2021 MCh$	12/31/2020 MCh$
Payroll	143,873	143,138
Bonuses	96,810	87,236
Severance indemnity payments	23,666	5,750
Other personnel expenses	19,028	19,982
Training expenses	1,344	1,406
Total	**284,721**	**257,512**

Note 33 Administrative Expenses

Administrative expenses details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Administration Expenses		
IT and communication expenses	56,280	52,101
Other general administration expenses	47,766	46,550
Legal and notary expenses	10,026	8,574
Maintenance and repair of property and equipment	5,915	7,338
Insurance premiums	4,819	6,427
Expenses for short-term lease contracts	4,544	1,268
Security patrol and security transport services	2,944	3,750
Professional services fees	2,804	4,554
Electricity, heating and other services	2,534	3,050
Office supplies	1,679	2,711
Other expenses of obligations for lease contracts	295	312
Personnel representation and travel expenses	292	336
Fines applied by other organizations	42	106
Fines applied by CMF	20	-
Outsourced services		
Other (1)	39,786	47,684
Data processing	684	771
Sale of products	2	138
Board expenses		
Directors´ fees	1,120	1,063
Publicity and advertising	31,548	27,097
Taxes, contributions, donation		
Contribution to CMF	9,572	9,146
Licenses	2,176	2,353
Real estate	1,034	928
Other taxes	325	364
Total	**226,207**	**226,621**

(1) This line mainly includes card processing expenses, collection expenses and advisory services by the subsidiaries CAT Administradora de Tarjeta S.A., CAT Corredores de Seguros y Servicios S.A., Administradora de Procesos S.A. and Comprehensive Services S.A. amounting to Ch$18,774 million (Ch$22,576 million as at December 31, 2020). Additionally, are included services from Scotia Servicios Corporativos SpA amounting to Ch$7,575 million (Ch$8,190 million as at December 31, 2020).

Note 34 Depreciation, Amortization and Impairment

"Depreciation and Amortization" and "Impairment" of the Consolidated Statements of Income for the year, are made up of the following expenses:

	12/31/2021 MCh$	12/31/2020 MCh$
Depreciation of Property and equipment	13,544	13,428
Amortization of intangible	27,477	26,145
Amortization and depreciation of the asset for the to right to use assets under lease	15,404	19,206
Total Depreciaciation and Amortization	**56,425**	**58,779**
Impairment of Intangible	143	72
Total Impairment	**143**	**72**
Total	**56,568**	**58,851**

Note 35 Other Operating Income

Other operating income details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Other income from subsidiaries	14,391	1,896
Incentives received from credit card brands	7,002	7,266
Reimbursement of expenses	5,517	5,699
Income from assets received in lieu of payment	5,033	9,906
Advisory services	1,986	4,478
Profit on sale of Property and equipment	1,971	2,234
Release of allowances for contingencies	1,169	-
Income other than interest and commissions from lease contracts	318	575
Miscellaneous income from leasing operations	287	341
Compensation from insurance companies	258	1,601
Leases received	194	70
Profit from sale of participation in companies	122	-
Release of others provisions	41	31
Income from COVID-19 consessions	26	27
Subsidies received from Minvu (Ministerio de Vivienda y Urbanismo)	7	22
Compensation received	-	11,510
Other operating income	1,190	1,237
Total	**39,512**	**46,893**

Note 36 Other Operating Expenses

Other operating expenses details as follows:

	12/31/2021 MCh$	12/31/2020 MCh$
Operational risk expenses	10,585	12,036
Expenses related to provision for securitized bonds	6,925	5,581
Allowances for contingencies	4,666	6,925
Write-offs of assets received in lieu of payment	3,886	10,107
Compensation granted	2,025	-
Local camera compensation exchange fees	1,958	1,806
Correspondent bank expenses	1,861	1,784
Write-offs for business decision	1,842	3,282
Restructuring costs	1,175	-
Provisions for assets received in lieu of payment	1,119	1,818
Other subsidiary operating expenses	1,059	1,009
Expenses on leased assets	927	411
Write-offs and provisions on leased assets recovered	576	2
Legal settlement fees	529	425
Write-offs on recovered leased assets	484	408
Expenses for sale for assets received in lieu of payment	361	657
Donations	360	685
Maintenance expenses for assets received in lieu of payment	335	517
Return of commissions from previous years	70	6
Non-deductible expenses Art .21 Income Tax Law	63	53
Loss from sale of Property and equipment	-	42
Other operating expenses	2,332	1,305
Total	**43,138**	**48,859**

Note 37 Transactions with Related Parties

As instructed in Chapter 12-4 of the Updated Compilation of CMF Standars, natural or legal persons who have a direct participation or through third parties in the property of the Bank are considered as related parties, when said participation exceeds the 1% of shares, and to persons who, without necessarily having an ownership interest, have authority and responsibility in planning, managing and controlling the activities of the Bank or its subsidiaries. Companies in which natural or legal persons related to the Bank have, directly, through third parties, or jointly, a share of more than 5% in the equity on respective company, or in which these exercise the position of director, chief executive officer or other equivalent.

Article No. 89 of the Corporations Law, which also applies to banks, establishes that any operation with a related party must be carried out under equitable conditions, like those that usually prevail in the market.

On the other hand, Article No. 84 of the General Banking Law Banks establishes limits for the credits that can be granted to related parties and the prohibition of granting credits to directors, managers or general representatives of the Bank.

a) Loans to related parties

Below are detailed credits and accounts receivable, contingent credits and assets corresponding to trading and investment instruments, linked to related entities:

	As at December 31, 2021			As at December 31, 2020		
	Productive companies MCh$	Investment Companies MCh$	Natural individuals MCh$	Productive companies MCh$	Investment Companies MCh$	Natural individuals MCh$
Loans and accounts receivable :						
Commercial Loans	276,624	15,314	22,213	274,749	14,131	18,647
Mortgage Loans	-	-	102,819	-	-	81,210
Consumer Loans	-	-	20,130	-	-	15,381
Gross Loans	**276,624**	**15,314**	**145,162**	**274,749**	**14,131**	**115,238**
Provisions on Loans	(331)	(146)	(971)	(1,026)	(114)	(785)
Net Loans	**276,293**	**15,168**	**144,191**	**273,723**	**14,017**	**114,453**
Contingent Loans						
Total Contingent Loans	30,059	4,327	29,991	17,606	5,480	22,655
Provisions on contingent loans	(51)	(2)	(88)	(29)	(3)	(64)
Acquired instruments:						
For trading	-	-	-	-	-	-
For investment	-	-	-	-	-	-

b) Other assets and liabilities with related parties

	12/31/2021 MCh$	12/31/2020 MCh$
Assets		
Financial derivative contracts	1,844,011	1,453,122
Other assets	395	4,232
Liabilities		
Financial derivative contracts	2,002,272	1,437,115
On-demand deposits	71,888	71,212
Deposits and other time deposits	108,496	204,178
Other liabilities	8,106	5,881

c) Profit or loss from transactions with related parties

	For periods ended as at			
	12/31/2021		12/31/2020	
	Income MCh$	Expenses MCh$	Income MCh$	Expenses MCh$
Income and expenses due to interest and readjustments	25,788	1,644	15,990	8,351
Income and expenses due to commissions and services	1,512	14,167	1,680	16,130
Profit and loss due to negotiation	1,174,436	1,304,983	1,565,157	1,826,829
Profit and loss due to other financial transactions	205	-	411	-
Operating support expenses	-	24,085	-	27,055
Other income and expenses	982	7,655	1,785	7,465
Total	**1,202,923**	**1,352,534**	**1,585,023**	**1,885,830**

d) Contracts with related parties

As at December 31, 2021 and 2020, no contracts have been entered into with related parties for transactions other than normal business operations.

e) Payments to Directors and top management executives

In accordance with that approved at Shareholders' Meetings, the Bank and its subsidiaries have paid to their Board of Directors, or provisioned against results, the sum of Ch$1,120 million (Ch$1,063 million as of December 31, 2020), for allowances, participations, fees and other expenses related to the exercise of their functions.

Compensation received by key management personnel are detailed as per the following categories:

	12/31/2021		12/31/2020	
	Directors MCh$	Key personnel MCh$	Directors MCh$	Key personnel MCh$
Short-term benefits	1,120	18,287	1,063	14,149
Severance Indemnity payments	-	1,308	-	1,139
Total	**1,120**	**19,595**	**1,063**	**15,288**

f) Composition of key personnel

The composition of the Bank's key personnel details as follows:

Position	12/31/2021 N° of executives	12/31/2020 N° of executives
Directors	11	11
Key personnel (*)	70	76

(*) The key personnel are made up of the divisional managers and their direct reports

Note 38 Fair Value of Financial Assets and Liabilities

Determination of the fair value of financial instruments.

A comparison between the value for which the Bank's financial assets and liabilities are recorded and their corresponding fair value as of December 31, 2021 and 2020 is presented as follows:

	12/31/2021		12/31/2020	
	Carrying amount MCh$	Estimated fair value MCh$	Recorded amount MCh$	Estimated fair value MCh$
Assets				
Cash and deposits in banks	1,459,622	1,459,622	1,252,255	1,252,255
Transactions pending settlement	443,080	443,080	344,282	344,282
Securites held for trading	590,604	590,604	751,269	751,269
Investment sold under repurchase agreements and securities lending	120,796	118,926	74,483	74,486
Derivative Instruments	6,660,127	6,660,127	5,293,792	5,293,792
Loans and advances to banks	2,996	2,996	354,374	354,374
Loans and advances to customers	28,512,701	28,025,489	24,870,071	26,067,821
Available-for-sale investment securities	1,953,979	1,953,979	2,121,614	2,121,614
Securitized bonds	17,417	17,502	16,472	17,502
Liabilities				
Deposits and on-demand liabilities	7,222,206	7,222,206	6,805,111	6,805,111
Transactions pending settlement	395,878	395,878	299,014	299,014
Investment sold under repurchase agreements and securities lending	379,970	379,744	456,319	456,322
Term and on-demand deposits	9,462,566	9,537,581	8,840,138	8,940,964
Derivative Instruments	6,880,449	6,880,449	5,733,336	5,733,336
Bank Borrowings	5,685,253	5,686,344	4,386,782	4,396,107
Debt instruments issued	7,414,406	7,437,344	6,765,390	7,804,273
Other financial liabilities	87,986	87,986	53,215	53,215
Lease contracts obligations	163,775	163,775	168,763	168,763

The fair value presented above does not attempt to estimate the value of the Bank's profits generated by its own business, or future business activities, and therefore does not represent the value of the Bank as a going concern.

Analysis and explanation of calculations

In case of assets that are recorded at amortized cost, the market curve for each currency was used to determine its fair value, plus an estimate of the spreads for each of the main types of products as at December 31, 2021 and 2020. The greatest differences occur in values of the mortgage portfolio and issued bonds, since these are long-term instruments. This impact two key aspects:

- Old placements /issuances entered into rates different from current rates.
- Its value is much more sensitive to rate fluctuations.

Fair value measurement and hierarchy

The Bank establishes a fair value hierarchy, which segregates the inputs and/or assumptions of the valuation techniques used to measure the fair value of financial instruments. The hierarchy gives highest priority to quoted prices in active markets, for identical assets or liabilities (level 1), and lowest priority to measures involving significant unobservable inputs or inputs (level 3). The three levels of the fair value hierarchy are:

- **Level 1**: The data correspond to quoted prices without adjustment or with a defined quotation frequency which allows the reasonableness of the fair value of the instrument at all times. The instruments and criteria defined are as follows:

  a) Local sovereign fixed instrument issued by the Central Bank or Treasury, which meet the following two criteria:

  - The instrument has traded 15 days of the last month.
  - The instrument has traded 2 of the last 3 days prior to the report generation date.

  b) Domestic securities instruments with a stock market presence.
  c) Local Mutual Funds with quoted values published daily in the regulator (CMF).
  d) Treasury Bonds and Treasury Bills.

  In the case of Stocks and Sovereign Bonds, the prices are observed directly on the Stock Exchange, Bloomberg or Riskamerica (provider of financial information on the local market). In the case of Treasury, the information is directly observed in Bloomberg. In the case of domestic Mutual Funds, the information can be seen directly on the page of the local regulator (CMF).

- **Level 2**: They are financial instruments whose fair value is realized with variables other than the prices quoted in Level 1 that are observable for the asset or liability, directly (that is, as prices) or indirectly (that is, derived from prices). In this category, the instruments are valued through the discount of contractual flows based on a zero-coupon curve determined through the prices of instruments with similar features and issuer risk.

  The instruments and criteria defined are:

  a) Local sovereign fixed instrument that does not meet the requirements defined for Level 1.
  b) Corporate fixed-income.
  c) Domestic variable income instruments not complying with the stock market presence defined by the Santiago Stock Exchange.

  In case of Stocks and Sovereign Bonds, the prices are observed directly on the Stock Exchange, Bloomberg or Riskamerica (provider of financial information on the local market).

- **Level 3**: fair value is based on models that use significant inputs that are not based on observable market data. It is used when the necessary prices, inputs or inputs are not observable, directly or indirectly, for similar instruments for the asset or liability at the measurement date. These fair value valuation models are subjective in nature. Therefore, they base their price estimates on a series of assumptions that are widely accepted by the market. The instruments and criteria defined are:

  a) Housing Leasing Bonds (BVL).
  b) Local and foreign investment funds.
  c) Domestic variable income of private companies (limited liability companies).

The level in the hierarchy into which a measurement is classified is based on the lowest level of input/input that is significant to the fair value measurement itself in its entirety. The following table presents the assets and liabilities that are measured at fair value on a recurring basis, as at December 31, 2021 and 2020:

		Fair Value Measurements		
As at December 31, 2021	Book value MCh$	Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Instruments for trading	590,604	179,171	411,433	-
Investment instruments available for sale	1,953,979	703,231	1,250,748	-
Financial derivative contracts	6,660,127	-	6,660,127	-
Securitized bonds	17,417	-	-	17,502
Total Assets	**9,222,127**	**882,402**	**8,322,308**	**17,502**
Liabilities				
Financial derivative contracts	6,880,449	-	6,880,449	-
Obligations for lease contracts	163,775	-	-	163,775
Total Liabilities	**7,044,224**	**-**	**6,880,449**	**163,775**

		Fair Value Measurements		
As at December 31, 2020	Book value MCh$	Level 1 MCh$	Level 2 MCh$	Level 3 MCh$
Assets				
Instruments for trading	751,269	413,641	337,628	-
Investment instruments available for sale	2,121,614	1,482,553	639,061	-
Financial derivative contracts	5,293,792	-	5,293,792	-
Securitized bonds	16,472	-	-	17,502
Total Assets	**8,183,147**	**1,896,194**	**6,270,481**	**17,502**
Liabilities				
Financial derivative contracts	5,733,336	-	5,733,336	-
Obligations for lease contracts	168,763	-		168,763
Total Liabilities	**5,902,099**	**-**	**5,733,336**	**168,763**

Note 39 Risk Management

1) Introduction

Scotiabank and its subsidiaries operate in a highly technological, regulated and competitive market exposed to a series of risks, which can negatively impact the organization both in financial terms and in its corporate image. These risks need to be managed using structures and methodologies consistent with the volumes, complexity of transactions and levels of automation, in order to ensure that said risks are managed within levels consistent with the risk appetite defined by the Administration and in accordance with the strategy defined by Corporate Governance.

This allows the Bank and subsidiaries to establish a balance between risks and benefits in order to maximize value for shareholders. As a result of the health emergency caused by COVID-19, since 2020 Scotiabank and subsidiaries have increased their exposure to certain risks, the impact of which on the business and financial position is explained in detail in the accounting change notes, relevant facts and allowances, mainly.

Principles

Activities that involve assuming and managing risks in the Bank are guided by the following principles:

• Balance Risk and benefit - Business and risk decisions are consistent with strategies and risk appetite.

• Understand risks - All material risks to which the Bank is exposed, including financial and non-financial risks, are identified and managed.

• Forward thinking - Emerging risks and potential vulnerabilities are proactively identified and managed.

• Shared responsibility - All employees are responsible for managing risk.

• Customer Focus - Understanding our customers and their needs is essential to all business and risk decision making.

• Protect our brand - All risk-taking activities must be aligned with the Bank's risk appetite, the Code of Conduct, the values and principles of Policies.

• Controls - Maintain a robust and efficient control environment to protect our stakeholders.

• Resilience - Being operationally and financially prepared to respond opportunely to negative events.

• Compensation - performance and compensation structures reinforce the Bank's values and promote effective risk-taking behaviors considering the regulatory environment related to compensation.

2) Risk Management Structure

• **Board**

Being the highest part of the Bank's risk management structure, it provides supervision, either directly or through its Support Committees, to ensure that decision-making is consistent with strategies and risk appetite.

The Board of Directors receives regular updates on main risks of the Bank, including a summary of the Bank's risk profile, main and emerging risks together with the performance of the portfolio with respect to the defined limits, and approves the key risk policies, the limits and the Risk Appetite Framework. Decision-making is centralized in several Committees related to risk management, among which the following stand out:

• **Risk Committee**

Corresponds to a support committee, which helps the Board of Directors of Scotiabank Chile in the supervision of risk management, which includes institutional risk, loss risk, market risk and operational risk that Scotiabank Chile is facing, to facilitate monitoring and supervision. Likewise, it provides the Board of Directors with updated information on the Bank's risk management.

• **Assets and Liabilities Committee, ALCO)**

The mission of this Committee is to deliver strategic guidelines that allow for the proper management of the Bank's financial structure, in accordance with the objectives set by the Board of Directors and the policies of Scotiabank Chile. This Committee is made up of members of the Senior Management, whose responsibility is to supervise the evolution of the balance sheet and long-term strategies, becoming a focus for discussion and resolution of the various issues concerning growth, funding, products, pricing, risks and Bank results.

• **Model Committee**

The Models Committee is a body created to define and approve the preparation, application, monitoring, validation and implementation of the models and strategies defined in the model risk management policy, as well as their modifications and relevant changes.

• **Committee for the prevention of money laundering and financing of terrorism of Scotiabank Chile and subsidiaries**

Promotes and facilitates in the Bank and subsidiaries the observance of regulations and best practices to prevent, detect and report unusual operations that could be linked to money laundering.

• **Liquidity Contingency Committee**

The Liquidity Contingency Committee is the highest decision-making body within the institution during a liquidity stress event, being the point of contact and consultation for the different areas of the Bank. The Committee may be convened and activated by the Executive Vice President-Country Head, in his/her capacity as Chairman and Officer in Charge, or in his/her absence by the Regional Vice President Treasurer or by resolution of ALCO. Activation can be based on the evaluation of early warnings of a potential liquidity stress event, contemplated in the Liquidity Policy and on all available information. When the liquidity situation does not allow waiting until the next ALCO session, the Chairman and Officer in Charge of the Committee, or in his/her absence the Regional Vice President Treasurer, has the authority to convene and activate the Liquidity Contingency Plan.

• **Non-Financial Risk Management Committee of Scotiabank Chile and subsidiaries**

Provide high-level supervision of Non-Financial Risks (Operational Risks, Information Security, Business Continuity, Risks in Outsourced Services, New Products and Initiatives, Compliance, Regulatory and Reputational Reports), providing a strategic approach and coordinating the development of local internal control programs.

• **Audit Committee**

This Committee corresponds to a support committee for the Board of Directors of Scotiabank, which is in charge of different aspects that involve the efficiency, maintenance, application and operation of internal control systems of the Bank and its subsidiaries; carefully monitor compliance with the regulatory rules and procedures that govern their practice; have a clear understanding of the risks that the business it carries out may mean for the institution; reinforce and support the function of the Comptroller's Office, as well as its independence from the administration and serve as a link and coordinator of the tasks between the internal audit and the external auditors, also acting as a link between them and the Bank's Board of Directors.

Risk Division

The Risk Division supports the Bank's objectives and must maintain an effective and continuous Risk Management Framework at all levels of the institution. The Risk Division is responsible for providing reasonable assurance to Senior Management, the Board of Directors and Shareholders that risks are actively identified, managed and communicated to all key stakeholders. This is achieved by presenting information in an effective and timely manner. The mission of the Risk Division is to ensure that the results of risk-taking activities are consistent with the Bank's risk appetite and strategies, and that there is an appropriate balance between risk and reward in order to maximize value for shareholders.

Some key tasks in Risk Management carried out by the risk units are, but are not limited to:

Retail Credit Management

• Evaluation of credit loss, exceptions and other credit operations of the different service channels, for Consumer Finance, Individuals, Retail Finance, Micro-enterprises and SMEs.

• Carry out comprehensive strategic collection management hand in hand with policy compliance and lead projects related to automation or improvements in collection systems.

Wholesale Risk Management

• Evaluate loans, exceptions and other operations of the different Service Channels for the Business, Large Business, Wholesale, Corporate and Real Estate portfolios.

Standardization of Companies and BRP

• Manages debtors transferred from the Commercial Areas (Corporate, Large Companies, Wholesale, Real Estate and Companies) including the Leasing and Factoring portfolio, which present problems in meeting their obligations with the Bank or show deterioration in their economic or financial position. It should be noted that this management is also responsible for managing goods received in payment.

Market Risk

• Correctly measure and report to Senior Management the risks incurred by the Scotiabank group in Chile due to changes in prices and liquidity, so that these are managed in accordance with risk appetite and expectations.

Enterprise Risk Management

Develop and implement methods to identify, assess, measure, and monitor operational, model, technological, data, and information security risks, challenge the First Line of Defense, and report the results to Senior Management and the Board of Directors.

- Business Continuity Management is the process that consists of developing, in advance, the necessary capacities to avoid or mitigate the impact of an event that causes a business disruption.

- Information Technology (IT) and Cybersecurity Risk is the risk of financial loss, disruption, or reputational damage due to certain types of failures in IT systems.

- Data Risk is the exposure to financial or non-financial consequences due to mismanagement of the Bank's Data Assets.

- Operational Risk is the risk of loss derived from people, from inadequate processes and systems or their failures or from external events. Operational risk includes risk management with third parties and legal risk but excludes strategic risk and reputational risk.

- Model Risk is one that produces adverse financial results (for example, capital, losses, income) and reputation, arising from poor specifications, incorrect assumptions, computation errors, lack of controls, among other things, in the design, development, implementation and/or use of models.

- Implement the Risk Management Framework and the Risk Appetite Framework as the monitoring of risk appetite metrics, responsible for the Risk Culture, the Crisis Recovery Plan as well as determining the Scotiabank Chile risk profile.

Compliance

- Support Management in application of the compliance program and in implementation of the rules issued by regulatory bodies and corporate procedures of Scotiabank Chile and its subsidiaries; monitor and advise on the application of the Scotiabank Code of Conduct; and support Senior Management in the identification and management of the risk of non-compliance.

- Collaborate with Management in the establishment of a Crime Prevention Model as required by Law No. 20,393, on Criminal Liability of Legal Entities and ensure its effective implementation and application.

Prevention of money laundering and financing of terrorism

Prevent the use of the products of the Bank and its subsidiaries for the commission of crimes associated with Money Laundering and Terrorism Financing, reducing the associated reputational risk.

3) Loss Risk

Refers to the risk of financial loss faced by the Bank if a customer or counterparty in a financial instrument does not comply with its contractual obligations. It originates mainly from accounts receivable from customers and investment instruments. The Bank manages credit loss through a series of tools that include procedures, models, validation, controls, behavioral monitoring, etc.

This is part of a global strategy.

Differentiated limits and models are established based on the features of customers and the environment in which they operate.
The process by which the Bank operates its policies and controls includes the following features and instances:

- Centralized loan process, where all powers are based on the Credit Committees.
- Clearly established discretionary credit limits.
- Credit Committees specialized by business segments.
- Credit Committees specialized by sectors of economic activity.

The main controls established by the Bank include:

- Control and monitoring of credit limits authorized by sector of economic activity.
- Generation of credit management reports.
- Early warnings of the commercial portfolio.
- Calculation and monthly control of provisions.
- Monitoring of impaired portfolio.
- Control of penalties and recovery of credits.

The Bank also has differentiated models to establish the appropriate amounts of potential losses, based on the following models based on individual and group analysis of debtors:

Individual Assessment:

Debtors with the following features will be considered as an individually evaluated commercial portfolio:

All Wholesale customers, that is, those belonging to the portfolios of Corporate, Real Estate, Large Companies and Wholesale segments.

Those debtors other than Wholesale, who present any of the following conditions:

- Annual sales equal to or greater than Ch$1,000 million.
- Customers whose commercial debts equal or exceed MM$500. It is understood by commercial debts, all loan operations, contingent credits, leasing and factoring.
- All those debtors who register cross-border operations among their credits will be included as individual customers.

In accordance with Chapter B-1 of the Compendium of Accounting Standards of CMF, the individual evaluation considers the following segments:

a) Regular Portfolio: Includes those customers whose payment capacity allows them to meet their financial obligations and ranges from category A1 to A6.
b) Substandard Portfolio: Includes debtors with financial problems or who have been in arrears for more than 30 days. It ranges from category B1 to B4.
c) Default Portfolio: Includes debtors with insufficient payment capacity in foreseeable situations. The categories used range from C1 to C6.

Group Evaluation - Group Expected Loss Models:

The Bank has an adequate structure for the administration of credit loss models, with independence of functions in accordance with good practices and local regulations.
On the other hand, exist a Models Committee to which the development of the models, their validation and their follow-up are presented for approval, both from the standing point of performance and sufficiency of provisions, which allows for adequate control of group supplies.
The validation mentioned above is carried out by an area independent from the one that develops said models, carrying out an objective review and without conflicts of interest.

There is a Model Management Policy that has guidelines that allow developments to show a standard defined by the Bank, regardless of the team that performs the work.

The guidelines cover different topics such as Group Models Methodology, Monitoring and Control, Data Validation, Model Validation and Model Development, and Sufficiency of Provisions.

In addition, in order to have adequate support and analysis, there are Technical Notes that cover relevant points in development of the models, such as, for example, the recessive period to be considered or the discount rate that should be used in the calculation of the parameter of Loss Given Default.

All models have a risk rating according to their use, maturity, typology, materiality and complexity.

Below are detailed the Group Loss Risk Models according to Scotiabank Chile's portfolios:

Scotiabank Chile Portfolio

Non-Retail Group Commercial Model

It applies to individual customers, small businesses, separating customers belonging to the commercial credit portfolio from customers belonging to the retail portfolio (customers with credits other than commercial loans). Commercial customers with sales of more than US$1 million or debt of more than $500 million are evaluated individually.

Customers are evaluated at Tax ID No. level, which are grouped as follows: Renegotiated Customer, Non-Renegotiated Customer and Various VDE Debtors.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: Leasing, Students and Commercial Rest. These matrices are generally double entry where an Expected Loss (EP) assigned according to the delinquency tranche and guarantee coverage must be applied. The model that gives the greatest provisions between the internal or standard model is applied.

Retail Group Commercial Model

It applies to individual customers or micro-enterprises with some classified commercial credit as defined by CMF. There are various business models for the Retail segment, and these are applied to each account as appropriate to calculate the Probability of Default (PI) and are: CAE Education, Corfo Education, Micro-enterprises (for new and old customers), General Purpose Mortgage and Model for Renegotiated Customers. In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: Leasing, Students and Commercial Rest. These matrices are generally double entry where a PE assigned according to the delinquency tranche and guarantee coverage must be applied. The model that gives the greatest provisions between the internal or standard model is applied.

Mortgage Model

It applies to Customers with an operation classified as Housing Mortgage (for new and old customers). Customers are evaluated at TAX ID No. level. In addition, it has a standard model determined by CMF in a double entry matrix where a PE must be applied by tranches of default and tranches of LTV (Loan to Value). The model that calculates the highest Expected Losses is applied.

Consumption Model

It applies to customers with an operation classified as consumption. There are various consumption models, and they are applied to each account as appropriate, seeking the lowest rating at the customer level for the DEP calculation. The models are: Quota Consumption (for new and old customers), Revolving Consumption, Renegotiated Consumption (at the customer level) and Agreements.
Provisions are calculated based on the estimated Expected Loss for each product/debtor, which is made up of three elements: Probability of Default (DEP), Loss Given Default (LGD) and Exposure or Debt. The DEP is defined as the probability that a customer will fail to meet their credit obligations, while the Loss Given Default (LGD) is the rate of loss that a customer may have in the event of not paying its obligations. In general terms, the formula for calculating the provision is given by:

$$EL = DEP * LGD * Exposure$$

Where:
• EL: Expected loss of the product/debtor
• DEP: refers to the probability of default of an individual.
• LGD: Loss given the default.
• Exposure: account debt.

The Expected Loss of the State of Chile is applied to the guaranteed percentage of Fogape, Fogain and Corfo Reprogramming credit operations and other types of guarantees are also used, such as Reciprocal Guarantee Companies (RGC) or for School Infrastructure.

Depending on the age of a customer, the DEP of the customer can be estimated by a model for new customers or a model for Behavior or old customers. The new customer models collect demographic and financial behavior features of the customer, while the Behavior models seek information on the internal behavior of the Bank or its subsidiary, depending on the model, and of the financial institutions. In other words, new customer models look for customer features and Behavior models focus on the customer's internal credit behavior. To determine the DEP and the LGD, we seek to group customers with similar features, which allows us to determine that the groups are homogeneous within them and heterogeneous among them.

CAT Subsidiary Provision Model

The model used for CAT subsidiary uses the same formulation as for the group model, based on a statistical model that is aligned with the Basel II Treaty and that proposes finding a Probability of Default (DEP) and a Loss Given Default (LGD). The DEP is defined as the probability that a customer will stop fulfilling its credit obligations, while the Loss Given Default is the rate of loss that a customer may have in the event of not paying its obligations, considering the different CAT recovery and collection strategies.

Credit quality by class of financial asset

As at December 31, 2021

Single assesment:	Owed by banks MCh$	Commercial loans MCh$	Commercial leasing MCh$	Factoring MCh$	Consumption loans MCh$	Hosuing loans MCh$	Contingent loans MCh$	Total MCh$
A1	1,371	99,775	-	15,183	-	-	120,504	236,833
A2	1,627	3,687,868	65,575	6,580	-	-	695,105	4,456,755
A3	-	1,761,733	122,152	33,734	-	-	195,889	2,113,508
A4	-	3,317,240	303,324	120,342	-	-	169,768	3,910,674
A5	-	1,316,121	130,160	46,438	-	-	63,896	1,556,615
A6	-	567,253	53,813	17,961	-	-	23,650	662,677
B1	-	137,382	14,605	498	-	-	1,720	154,205
B2	-	33,933	2,422	-	-	-	192	36,547
B3	-	60,808	9,358	14	-	-	697	70,877
B4	-	24,765	2,118	-	-	-	7	26,890
C1	-	17,457	1,182	-	-	-	3	18,642
C2	-	3,970	850	-	-	-	5	4,825
C3	-	4,513	340	-	-	-	-	4,853
C4	-	10,358	514	-	-	-	-	10,872
C5	-	6,769	1,546	-	-	-	-	8,315
C6	-	60,773	315	41	-	-	1,939	63,068
Sub-total	**2,998**	**11,110,718**	**708,274**	**240,791**	**-**	**-**	**1,273,375**	**13,336,156**
Groupal Assesment :	-	1,984,989	37,856	1,426	3,247,599	11,626,203	1,700,983	18,599,056
Total	**2,998**	**13,095,707**	**746,130**	**242,217**	**3,247,599**	**11,626,203**	**2,974,358**	**31,935,212**

As at December 31, 2020

Single assesment:	Owed by banks MCh$	Commercial loans MCh$	Commercial leasing MCh$	Factoring MCh$	Consumption loans MCh$	Hosuing loans MCh$	Contingent loans MCh$	Total MCh$
A1	351,552	70,150	-	12,213	-	-	126,397	560,312
A2	2,843	3,193,600	19,712	-	-	-	441,134	3,657,289
A3	-	1,672,528	96,277	15,187	-	-	190,909	1,974,901
A4	-	2,384,272	292,849	90,542	-	-	116,374	2,884,037
A5	-	1,289,440	139,553	40,109	-	-	66,681	1,535,783
A6	-	643,857	52,526	14,605	-	-	23,122	734,110
B1	-	101,053	6,093	7,014	-	-	2,380	116,540
B2	-	15,765	984	-	-	-	1,328	18,077
B3	-	14,550	8,359	67	-	-	83	23,059
B4	-	24,938	1,517	-	-	-	269	26,724
C1	-	19,166	903	-	-	-	8	20,077
C2	-	3,519	1,137	-	-	-	1	4,657
C3	-	7,656	-	-	-	-	-	7,656
C4	-	5,491	457	-	-	-	-	5,948
C5	-	76,120	1,583	-	-	-	236	77,939
C6	-	66,335	1,612	373	-	-	3,197	71,517
	354,395	**9,588,440**	**623,562**	**180,110**	**-**	**-**	**972,119**	**11,718,626**
Groupal Assesment :	-	1,921,832	39,189	1,177	2,954,550	10,067,663	1,513,675	16,498,086
Total	**354,395**	**11,510,272**	**662,751**	**181,287**	**2,954,550**	**10,067,663**	**2,485,794**	**28,216,712**

Total allowances on Loans

The total level of allowances on loans reached Ch$445,155 million as at December 31, 2021, which implies a decrease of approximately 12.10% compared to the stock of allowances as at December 2020, which reached Ch$506,452 million. In this way and considering the increase in total loans (growth of 14.11% in the same period), the percentage of allowances over total loans went from 2.00% in December 2020 to 1.54%. in December 2021.

Risk rates and allowances	12/31/2021 MCh$	12/31/2020 MCh$
Total allowances on loans	445,155	506,452
Total allowances	28,957,856	25,376,523
Percentage Allowances / Loans	1.54%	2.00%

The decrease in credit loss allowances occurs mainly in the consumer portfolio and CAT Administradora de Tarjeta S.A., in addition to assignments of current loans from the commercial portfolio, which explains more than 40% of this decrease.

4) Market Risk

Refers to the risk of losses from adverse transactions in market prices. It is associated with the volatility of the financial market and reflects the uncertainty faced by a financial institution in the face of possible adverse effects on the risk factors (market interest rates, exchange rates and prices) on the value of its assets, liabilities and equity. Market risks can be classified as follows:

- **Interest Rate Risk**

  Risk of losses due to adverse movements in the intertemporal structure of the interest rate. This is caused by upward or downward movements on the yield curve.

- **Spread – Base Risk**

  Risk of losses associated with adverse movements in spreads that exist in the performance of different financial assets and liabilities. These may reflect special liquidity conditions of the assets, credit and/or specific prepayment clauses whose exercise may result in a deterioration in the ability to generate future margin.

- **Exchange Rate Risk**

  Risk of losses due to adverse movements in exchange rates. This risk originates from financial mismatches between assets and liabilities, both effective and contingent.

- **Optionality Risk**

  Risk of financial losses associated with positions in explicit or implicit options, whether purchased or delivered, such as those contained in mortgage loans and education loans.

Balance Sheet Management

The Bank's assets are mainly made up of mortgage loans (mainly denominated at a fixed rate), commercial loans (including those used to finance foreign trade operations), loans for education and consumption.

The Bank manages its balance sheet with the purpose of maximizing its net income from interest and readjustments, maintaining a high proportion of demand deposits for which interest is not paid and of short-term deposits, granting loans for longer periods than allow to take advantage in this way, the slope of the yield curve within an agreed financial risk management context.

The main risks of the Balance Sheet are due to the interest rate risk produced by long-term assets financed with short-term liabilities, and the risk of inflation, where the Bank lends in UF and is funded in pesos. To mitigate Balance Sheet risks, the Bank has short-term interest and inflation risk limits, as well as long-term interest risk limits to maintain the level of risk desired by the institution.

The Bank also manages a portfolio of non-derivative financial instruments in order to take advantage of the differences in the yield curve, and at the same time maintain positions in liquid instruments in order to meet eventual resource needs.

Additionally, the Bank performs hedging derivatives to manage risks arising from its mortgage portfolio, its deposit portfolio and specific cases.

The available-for-sale portfolio of the Individual Bank is detailed as follows:

As at December 31, 2021 (Single Bank)

	Purchase Value MCh$	Purchase Tir %	Market value MCh$	Market Tir %	Unrecognized Result MCh$
Papers Ch$	**1,878,871**	**3.17**	**1,712,982**	**5.17**	**(165,889)**
PDBC	445,806	4.43	446,921	3.94	1,115
BCP	4,833	2.34	4,700	5.65	(133)
BTP	1,403,358	2.80	1,236,364	5.64	(166,994)
Time Deposits in Ch$	24,874	1.24	24,997	4.06	123
Papers UF	**248,581**	**0.72**	**240,998**	**1.03**	**(7,583)**
BCU	61,066	(0.24)	61,234	(0.59)	168
BTU	187,515	1.03	179,764	1.59	(7,751)
Total Papers	**2,127,452**	**2.88**	**1,953,980**	**4.66**	**(173,472)**

As at December 31, 2020 (Single Bank)

	Purchase Value MCh$	Purchase Tir %	Market value MCh$	Market Tir %	Unrecognized Result MCh$
Papers Ch$	**1,926,085**	**1.43**	**1,934,347**	**1.57**	**8,262**
PDBC	699,949	0.18	699,728	1.28	(221)
BCP	16,690	1.53	16,883	0.34	193
BTP	1,175,565	2.20	1,183,838	1.79	8,273
Time Deposits in Ch$	33,881	0.40	33,898	0.31	17
Papeles UF	**262,850**	**(0.17)**	**268,902**	**(1.59)**	**6,052**
BCU	137,232	(0.42)	139,008	(2.17)	1,776
BTU	125,618	0.10	129,894	(0.96)	4,276
Total Papers	**2,188,935**	**1.24**	**2,203,249**	**1.18**	**14,314**

Trading Activities/Customers

The Bank has a Trading area responsible for the active trading of highly liquid instruments, whether these are Central Bank, bank and/or corporate paper, interest rate and/or currency derivatives (including UF). This area is responsible for finding profit opportunities in a short-term horizon, taking advantage of transitory no arbitrations in prices and differentials in the yield curve (base and spreads), but it is also responsible for providing financial solutions to our customers.

Value at Risk

The Bank uses value-at-risk (VaR) tools to quantify the risk associated with the Trading portfolio positions. This includes papers and derivatives classified in the trading portfolio, as well as the exchange risk of mismatches in foreign currency derived from operations with customers and proprietary positions (directional) in currencies.

In line with our Head Office, Market Risk Management uses the historical simulation method with a confidence level: 99% and 300 days of observations.

In a complementary manner, the Market Risks Department extensively uses comparison tests in order to establish the predictive quality of its value at risk model (excess frequency test).

As at December 31, 2021, the total VaR (includes rate and currency) reached a value amounting to Ch$1,665 million (Ch$4,085 million as at December 31, 2020).

The impact by Risk Factor on the VaR of each year-end is shown below:

	12/31/2021 MCh$	12/31/2020 MCh$
Bonds in UF	(526)	(2,521)
Derivatives in UF	56	1,199
Bonds in Ch$	(814)	(3,099)
Derivatives in Ch$	(252)	(1,254)
Derivatives in US$	(962)	1,995
Basis US$/Ch$	(68)	97
Basis L3L6	10	(919)
Otheer	751	(18)
FX	140	435
Total	(1,665)	(4,085)

Note: Where others, corresponds to the diversification effect, product of having books with different risk measurements.

Sensitivity of Equity and Financial Margin

The Bank uses the sensitivity of Equity Value and Financial Margin to quantify the interest rate risk of the balance book. Both measures include all assets and liabilities, except trading portfolios. Items sensitive to interest rates are represented as:

- At contractual maturity in the case of fixed-rate products.
- Next repricing date in the case of variable rate products.
- Duration as determined by internal models in the case of products without contractual expiration (e.g., chequing accounts, credit cards and lines of credit, among others).

Non-interest-bearing assets and liabilities without cost are recorded as not sensitive to interest rates:

- Cash.
- Other assets and liabilities.
- Past due portfolio.
- Allowances.
- Capital and reserves.

The change in equity value is determined by assuming a parallel movement of 100 bps (basis points) up and down in the interest rate structure. The exercise is done separately for domestic currency (UF+$) and foreign currency (US$ and the rest of the currencies). The total risk will be the sum of the impact of the shock that is most negative for the set of currencies.

The impact on present value per currency of a parallel movement of 100 points is illustrated below.

As at December 31, 2021

	VPN	VPN + 1%	VPN - 1%
Ch$	1,471,476	(122,361)	134,101
UF	1,917,379	(78,239)	61,985
US$	(477,670)	1,970	(4,695)
MX	51,674	(1,974)	2,063
Utilization	(200,604)		

As at December 31, 2020

	VPN	VPN + 1%	VPN - 1%
Ch$	653,310	(107,314)	112,061
UF	1,958,052	(48,084)	42,358
US$	52,098	8,697	(3,716)
MX	17,628	(56)	6
Utilization	146,757		

The impact on the financial margin by currency of a parallel movement of 100 points is illustrated below

As at December 31, 2021

	Net present value				Financial margin			
	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$
1 Month	(594,614)	86,521	(480,555)	3,300	5,698	(861)	1,151	(8)
2 Months	(88,706)	83,252	(365,155)	2,193	776	(757)	798	(5)
3 Months	(119,290)	302,170	(417,594)	3,590	944	(2,418)	826	(8)
4 Months	193,687	21,432	348,468	2,989	(1,372)	(174)	(618)	(6)
5 Months	283,587	145,116	388,168	2,681	(1,773)	(926)	(607)	(5)
6 Months	518,305	203,984	448,647	2,536	(2,808)	(1,122)	(608)	(4)
7 Months	113,027	(87,075)	(2,219)	(782)	(519)	385	2	-
8 Months	5,827	159,018	47,930	296	(22)	(608)	(45)	(1)
9 Months	(65,070)	180,858	15,570	236	189	(536)	(12)	(1)
10 Months	48,718	13,037	19,551	1,368	(102)	(33)	(11)	(1)
11 Months	415,018	(43,797)	29,517	449	(519)	51	(10)	(1)
12 Months	52,034	(19,185)	(15,276)	116	(22)	6	1	(1)
					470	**(6,993)**	**867**	**(41)**
Exposure to inflation						**10,852**		
Utilization	**16,523**							

As at December 31, 2020

	Net present value				Financial margin			
	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$	Ch$ MCh$	UF MCh$	US$ MCh$	MX MCh$
1 Month	193,594	88,882	796,737	2,965	(930)	(852)	(1,909)	(28)
2 Months	(242,605)	66,533	(110,989)	3,682	1,064	(582)	243	(32)
3 Months	(73,505)	63,268	53,841	(201)	292	(501)	(107)	2
4 Months	31,490	485,402	60,736	836	(112)	(3,438)	(108)	(6)
5 Months	325,001	(147,868)	173,949	1,428	(1,018)	924	(272)	(9)
6 Months	433,699	118,595	151,674	7,847	(1,178)	(642)	(205)	(43)
7 Months	(128,942)	61,909	(121,064)	262	296	(284)	139	(1)
8 Months	26,120	167,489	(163,673)	695	(49)	(628)	153	(3)
9 Months	190,846	157,534	(113,489)	25	(279)	(459)	83	-
10 Months	223,021	54,760	(19,816)	-	(233)	(114)	10	-
11 Months	136,433	85,963	108,983	9	(85)	(107)	(34)	-
12 Months	330,826	(32,373)	(220,262)	84	(69)	13	23	-
					(2,301)	**(6,670)**	**(1,984)**	**(120)**
Exposure to inflation						**11,502**		
Utilization	**22,577**							

Net Present Value, equivalent to the net present value of asset and liability flows.

Stress Tests

The Market Risk Management develops and reports to ALCO and Local Board regularly stress exercises, which include parallel and non-parallel movements of the yield curve, volatility shocks and historical scenarios.

Detail of Exposures

Currency Risk

The Bank is exposed to volatility in the exchange rates in which its financial positions and cash flows are expressed or indexed. On an annual basis, the limits for the levels of net exposure by currencies and the total positions during the day and closing are reviewed at ALCO and Headquarters, which are monitored daily by the Market Risk Management.

The Bank actively takes positions in US$, in addition to having operations in other currencies due to products required by customers. The following charts show the exposures to the different currencies, whether of banking products or derivatives in their equivalent in local currency:

	As at December 31, 2021		
	Assets MCh$	Liabilities MCh$	Net MCh$
US$	55,871,107	56,084,908	(213,801)
CAD	29,218	29,022	196
BRL	16,590	16,592	(2)
PEN	42,036	42,598	(562)
AUD	258,371	253,081	5,290
CNY	198,981	198,111	870
DKK	-	-	-
JPY	286,496	277,697	8,799
CHF	545,083	531,717	13,366
NOK	5,450	5,328	122
NZD	9	-	9
GBP	234,319	229,844	4,475
SEK	20,336	20,332	4
HKD	2,581	2,501	80
ZAR	37	-	37
COP	60,727	61,200	(473)
MXN	141,638	140,992	646
EUR	1,388,910	1,382,454	6,456
Other currencies	8,694	8,665	29

	As at December 31, 2020		
	Assets MCh$	Liabilities MCh$	Net MCh$
US$	46,853,168	46,788,632	64,536
CAD	16,171	12,951	3,220
BRL	26,933	27,011	(78)
PEN	44,112	44,959	(847)
AUD	200,132	198,479	1,653
TWD	3,687	3,702	(15)
DKK	-	-	-
JPY	110,812	108,978	1,834
CHF	311,466	311,090	376
NOK	2,470	2,394	76
NZD	21	-	21
GBP	116,843	117,793	(950)
SEK	8,925	8,631	294
HKD	2,630	2,577	53
ZAR	964	851	113
COP	63,927	64,600	(673)
MXN	147,872	146,827	1,045
EUR	1,369,543	1,368,692	851
Other currencies	32,453	31,842	611

Balance Book interest rate risk

The Bank is exposed to volatility in the structure of market interest rates on its structural exposures. As a result of changes in interest rates, margins can increase, but these can also be reduced and even cause losses in the event of adverse movements.

The Board of Directors sets limits for the effects of mismatches in Banking Book (which includes all those positions that are not for trading) on the financial margin and on the economic value of its equity, compliance with which must be reported monthly to CMF.

The following chart shows the structural exposure by interest rate of assets and liabilities, considering the terms of change or renewal of rates; otherwise, the expiration dates of the transactions are considered.

	As at December 31, 2021				As at December 31, 2020			
	Mismatch due to term				Mismatch due to term			
Range of days	Ch$	UF	US$	MX (*)	Ch$	UF	US$	MX (*)
00002-00030	(1,903,299)	(325,689)	(781,791)	3,300	(1,656,177)	(147,777)	587,132	2,965
00031-00060	(131,922)	80,983	(371,011)	2,193	(279,063)	64,494	(115,965)	3,682
00061-00090	(155,492)	300,171	(424,104)	3,590	(101,883)	61,469	48,931	(201)
00091-00120	160,673	19,648	342,100	2,989	6,779	483,794	56,055	836
00121-00150	250,496	143,433	383,773	2,681	301,003	(149,384)	170,622	1,428
00151-00180	486,827	202,336	444,698	2,536	410,783	117,113	148,218	7,847
00181-00210	81,550	(88,723)	(5,966)	(782)	(151,372)	60,427	(123,979)	262
00211-00240	(26,144)	157,016	44,158	296	3,447	165,687	(166,407)	695
00241-00270	(96,876)	179,152	13,558	236	168,345	156,001	(116,136)	25
00271-00300	13,655	11,387	15,566	1,368	198,857	53,277	(22,731)	-
00301-00330	383,994	(45,476)	25,753	449	114,914	84,456	106,256	9
00331-00360	21,289	(20,760)	(19,099)	116	309,553	(33,784)	(222,997)	84
00361-00720	1,880,303	210,148	(39,176)	1,131	295,141	128,258	(203,313)	-
00721-01080	(1,703,823)	647,191	(28,471)	1,131	675,479	67,117	(18,118)	-
01081-01440	1,001,537	(116,672)	(12,431)	1,131	(1,388,554)	73,029	(16,951)	-
01441-01800	438,972	(322,126)	(16,214)	19,617	583,892	59,895	(15,192)	-
01801-02160	227,296	(2,523)	(24,241)	719	362,914	(454,152)	(17,290)	-
02161-02520	(297,038)	429,114	(23,569)	621	190,076	92,133	(18,400)	-
02521-02880	(292,113)	326,242	(23,307)	621	(184,677)	257,934	(15,164)	-
02881-03240	879,777	406,027	(1,985)	621	123,426	280,916	(1,035)	-
03241-03600	898,139	(582,152)	(1)	56,171	646,394	300,918	(17)	-
03601-05400	227,268	428,042	(1)	(37,139)	334,161	157,767	75	-
05401-07200	218	33,354	(1)	-	241	99,194	-	-
07201-09000	151	(20,036)	(1)	-	163	(66,881)	-	-
09001-10800	122	774	(1)	-	222	1,255	-	-
10800->>>>>	71	23	-	-	67	21	-	-
NRS	(1,273,741)	(3,529)	(288,253)	-	(1,027,399)	6,521	180	-

(*) MX Any foreign currency other than the US dollar

Regulatory Limits

The following chart shows the normative measurement of interest rate risk and readjustments of banking book for the short and long term.

	Amount	
	12/31/2021 MCh$	12/31/2020 MCh$
SHORT-TERM (Margin)		
Short-term interest rate risk	93,631	30,561
Readjustability risk	25,751	27,460
Total Short-term Risk	**119,382**	**58,021**
Short-term risk limit (35% of margin)	280,404	250,461
Short -Term Limit Usage Percentage	42.57%	23.17%
LONG-TERM (Value)		
Long-term interest rate risk	681,448	537,921
Interest rate Optionality risk	863	-
Total Long-term Risk	**682,311**	**537,921**
Long-term limit (30% of Capital)	1,082,216	968,049
Long -Term Limit Usage Percentage	63.05%	55.57%

Balance Book Exposure (Bank)

Market risks arise from exposures to interest rate and price risks on trading positions and currency risk on its global positions.

The Central Bank of Chile establishes a regulatory limit for the sum of interest rate risks in trading positions (including derivatives) and currency risk. The Bank, at an individual level, must permanently observe these limits and report weekly to CMF on its positions at risk and compliance with these limits. It must also report monthly to this Commission on the positions at risk consolidated with the subsidiaries and branches abroad. The regulatory limit establishes that the effective equity must be sufficient to cover the sum of 8% of the weighted assets for credit and market risks.

The following charts illustrate the regulative measure of risks of the trading book:

	Amount 12/31/2021 MCh$
Interest rate risk	236,071
Currency risk	17,260
Stock risk	370
Weighted assets for consolidated risk	27,804,005
Credit loss regulatory capital (8% APRC)	1,814,894
Regulatory market risk capital (8% APRM)	253,700
Regulatory capital operational risk (8% APRO)	155,726
Total Regulatory Capital	**2,224,320**
Consolidated effective equity	3,607,387
Consumption %	61.66%
Basel Index	12.97%

	Amount 12/31/2020 MCh$
Interest rate risk	196,978
Currency risk	6,961
Interest rate Optionality risk	940
Total Market Risk Trading Book	**204,879**
Weighted assets for consolidated risk	24,372,971
Credit loss regulatory capital (8% APR)	1,949,838
Market risk regulatory capital	204,879
Total Regulatory Capital	**2,154,717**
Consolidated effective equity	3,226,829
Consumption % (includes RC and RM)	66.78%
Basel Index (including market risk)	13.24%

5) Enterprise Risk Management (Operational Risk, Model Risk, IT Cybersecurity Risk, Business Continuity and Risk Management)

Scotiabank Chile recognizes Cybersecurity & IT, Data, Operational Risks (Business Continuity as a subset of Operational Risk) and Models as main risks for the Bank. Within Enterprise Risk Management are the Cybersecurity & IT, Data Risk, Model Risk Management, Business Continuity, Operational Risk Management and lastly the Enterprise Risk Management Governance Management, which oversees managing all the risks that the Bank defines as Principal Risks.

IT Cybersecurity Risk

The Risk of Information Technology (IT) and cybersecurity is the risk of financial loss, disruption, or reputational damage due to some type of failure in IT systems. Cybersecurity risks are a subset of the unique IT risks that the Bank faces as a result of the use of interconnected systems and digital technologies. The Bank has fundamental policies and frameworks to control IT and cybersecurity risk management. These frameworks cover a comprehensive set of organizational resources such as policies, risk management processes, practices, and key roles and responsibilities. In that context, IT refers to the digital assets, networks, equipment, software, personnel, and processes used by Scotiabank (internally or through third-party service providers) to acquire, develop, maintain, and operate technology services that support provision of financial services to its customers and other interested parties.

Operating Risk

Operational risk is the risk of loss arising from people, from inadequate processes and systems or their failures or from external events. Operational risk includes risk management with third parties and legal risk but excludes strategic risk and reputational risk.

Operational Risk exists, in some form, in each of the business and support activities of the Bank and its subsidiaries, and can result in financial losses, regulatory sanctions or damage to the institution's reputation.

Operational Risk Management is a continuous process that cuts across the organization, carried out by people at all levels of the Bank and its subsidiaries.

The process is designed to identify, evaluate, monitor and report risks and events, current and potential, mitigate the effects, as well as to provide reasonable assurance to the Board of Directors and Senior Management, on the status of exposure and management of Operational Risk of the Bank and its subsidiaries.

The Bank and its subsidiaries adopted the three lines of defense model, consistent with the Risk Management Framework, which establishes the respective responsibilities for managing Operational Risk.

The Bank manages its operational risks with a governance structure made up by the Board of Directors in its highest-ranking role in approving strategies and risk management, the Enterprise Risk Management Department, the Non-Financial Risk Management Committee, the Risks and Control Areas (Second Lines). In addition, the Bank has policies, processes and evaluation methodologies to ensure that Operational Risk is properly identified and managed through effective controls.

As at December 31, 2021, the Bank and its subsidiaries have recognized Ch$10,294 million for operational risk expenses (Ch$12,501 million as at December 31, 2020).

Data Risk

Data risk is the exposure to adverse financial and nonfinancial consequences (for example, loss of revenue, reputational risk, regulatory risk, suboptimal management decisions) caused by mismanagement, misinterpretation, or misuse of data. Bank data assets. This risk can arise from a lack of knowledge of the risk on the data; insufficient oversight, governance and data risk controls; inadequate data management and poor data quality; inferior security and data protection; and inappropriate, unintentional, or unethical use of data. The Data Risk Management oversees managing Data Risk in the Bank.

The Data Risk Management Framework describes the general principles and governance structure, on which the Bank's capacity is managed to generate the availability of quality and secure data in order to create value for the business, adopt the industry best practices and, most importantly, increasing data accountability across the Bank. Scotiabank's Data Governance and Management Policy establishes the data life cycle based on governance principles for all Lines of Business, Corporate Functions and countries or regions with which it must comply; and highlights an engagement model that includes multiple forums for stakeholders to communicate and resolve data-related observations/findings. The Policy also identifies the main functions and responsibilities for the management and governance of the Bank's data, creating responsibility by bringing a positive impact on the quality and security of the data.

Models Risk

Model risk is risk that produces adverse financial results (e.g., capital, loss, income) and reputational consequences arising from the design, development, implementation or use of models. This can originate from inadequate specifications, incorrect parameter assumptions, false assumptions or presumptions, mathematical computation errors, inaccurate, inadequate or missing information, improper use and lack of monitoring or controls. The Model Risk Management Department oversees Managing Model Risk within the Bank and presenting it to the Non-Financial Risk Committees and Models Committee.

The Bank's Model Risk Management Policy describes the general principles, policies and procedures that provide the framework for managing model risk. All models, whether produced by the Bank or supplied by vendors, that meet the Bank's definition of a model, are within the scope of this Policy. Likewise, it clearly defines the roles and responsibilities of the key stakeholders involved in the risk management cycle of the models. The organizational units involved in the risk management cycle of models have procedures at the unit level, where appropriate, that regulate the stages of the cycle for which these are responsible. The Models Committee, the Non-Financial Risk Committee and the Board of Directors supervise the Bank's reference framework for model risk management and approve the Policy.

Self-Assessment Program on Risks and Control

The Bank and its subsidiaries have a process map that considers the existing business and support functions within the entity, which is subject to an annual criticality assessment using qualitative variables.

The definition of the processes for which risk assessments and specific controls will be carried out each year, are prioritized according to said criticality, which is reviewed and approved by the Non-Financial Risk Committee. Notwithstanding the foregoing, this Committee may suggest and approve changes to the defined annual program depending on relevant situations that have impacted processes, systems, people or external events during said period, such as regulatory changes, materialization of incidents, operational losses, among other aspects that said Committee determines, which would involve an update of the evaluation of risks and controls of one or more specific processes.

The Risk and Control Self-Assessment (RCSA) program forms an integral element of the Bank's Operational Risk Management Framework and Policy.

The purpose of the RCSA program is to identify, document and assess relevant operational risks in a significant process, entity or business unit. The risk and control self-assessment process provides a systematic approach to identify risks and related internal controls, as well as deficiencies that affect the achievement of defined business objectives. Likewise, this process is a mean of supervising the actions of Management to eliminate the deficiencies identified and qualify the efficiency of the measures.

6) Liquidity Risk

Liquidity risk refers to the impossibility for:

• Comply in a timely manner with contractual obligations and adjusted behavior, if applicable.

• Liquidate positions without significant losses caused by abnormal trading volumes.

• Avoid regulatory sanctions for non-compliance with regulatory indexes.

• Competitively finance commercial and treasury activities.

Two sources of risk are distinguished:

(i) **Endogenous:** risk situations derived from controllable corporate decisions.

- High liquidity achieved by a reduced base of liquid assets or mismatches of significant assets and liabilities.
- Low diversification or high concentration of financial and commercial assets in terms of issuers, terms and risk factors.
- Deficient management of value hedges, flows or credit in terms of hedge efficiency, correlation of changes in value, sensitivity ratios of the item hedged and the derivative, among others.
- Adverse corporate reputational effects that translate into non-competitive access to financing or lack thereof.

(ii) Exogenous: risk situations resulting from uncontrollable financial market movements.

- Extreme movements or unexpected corrections/events in the international and local markets.

- Regulatory changes, interventions by the monetary authority, among others.

Liquidity risk management for the Bank and its subsidiaries is the process that aims to identify, measure, limit and control this risk, based on a policy framework that sets the criteria, defines the metrics, organizes activities and imposes procedures that the institution must follow for effective management.

Scotiabank Chile's Board of Directors approves this Liquidity Management Policy and supervises its compliance through the Bank's Audit Division. Likewise, it is responsible for defining the appetite for liquidity risk and periodically reviewing the Institution's liquidity strategy.

The CEO, as the main person responsible for managing the Bank's liquidity risk, must conduct the business within the current legal framework and in accordance with the established policies, limits and procedures. He/she chairs the Assets and Liabilities Committee, a body in which he/she actively participates in liquidity risk management. The CEO delegates authority to manage liquidity risk to other members of Senior Management, Committees and appropriate Departments.

The daily management of liquidity falls on the Treasury, particularly on ALM Management, who must implement efficient investment and financing strategies with respect to our relevant competitors. To do this, it must adjust the liability maturity profile considering the income, capital and liquidity presented by the current and forecast scenarios, minimizing the risk caused by an excessive mismatch or high concentration of liabilities.

The tools used to measure and control liquidity risk are:

a) Accumulated mismatches at different terms.
b) Proportion of Liquid Assets/Receivable Liabilities.
c) Concentration of depositors.
d) Liquidity stress tests.
e) Measurement of liquidity ratios such as the liquidity coverage index and net stable financing.

Finally, and based on continuous monitoring, the Bank reviews all aspects of the Liquidity Management process in light of the potential risks to which it is exposed in this matter. Liquidity contingency planning is an integral component of this review, and its objective is to provide a framework to establish appropriate actions in the face of liquidity crisis events. For this purpose, the Bank has a "Liquidity Contingency Plan" that is reviewed and approved annually by the Local Board of Directors and has the recommendation of our Headquarters.

To know and quantify the risk profile, management focuses on the maturity flows, the concentration of financing, the maintenance of sufficient liquid assets, the quantification of committed assets and liquidity stress tests. The development, implementation and quantification of metrics is carried out by the Market Risk Management with A&C of Global Risk Management Market Risk Management (GRM MRM).

The established limit structure and its daily control ensure that liquidity management falls within the margins established by ALCO and approved by the Board of Directors. Strengthens the foregoing, the adequate separation of functions, accountability and control by opposition defined in the organizational structure of the Bank and its subsidiaries, allowing liquidity management to be carried out without conflict of interest. In a complementary manner to the Liquidity Administration, Liquidity Stress Tests are carried out. Indeed, this test estimates the impact that the different internal, systemic and global illiquidity scenarios have on the financing of the Bank and its subsidiaries, through the analysis of liquidity gaps, coverage of liquid assets, amount of additional financing, horizon of survival, state of internal and regulatory limits.

Maturities of assets and liabilities reported as at December 31, 2021 and December 31, 2020 are as follows:

As at December 31, 2021	Up to 1 month MCh$	Up to 3 months MCh$	Uo to 1 year MCh$	Until maturity MCh$
Available	1,459,622	-	-	-
Effective loans	902,899	1,430,611	2,902,904	27,044,096
Loans in LCHR	1,691	3,107	13,429	104,777
Leased contracts	24,179	45,836	160,682	671,214
Covenants	49,673	15,161	55,662	-
Financial investments	1,749,803	593,232	43,464	34,877
Other Asset accounts	592,897	-	-	525,347
Total Asset	**4,780,764**	**2,087,947**	**3,176,141**	**28,380,311**
Sight obligations	(3,359,302)	-	(2,589,067)	(1,294,534)
Time deposits, Bonds and others	(2,120,572)	(2,969,366)	(4,643,943)	(8,041,568)
Covenants	(379,401)	(578,783)	-	(2,451,400)
Obligations due to LCHR	(4,967)	(401)	(14,988)	(108,200)
Obligation within the country	(1)	-	-	-
Obligations abroad	(5,764)	(225,043)	(1,830,955)	(612,056)
Other liability accounts	(601,467)	(326)	(6,184)	(645,664)
Total Liability	**(6,471,474)**	**(3,773,919)**	**(9,085,137)**	**(13,153,422)**

As at December 31, 2020	Up to 1 month MCh$	Up to 3 months MCh$	Uo to 1 year MCh$	Until maturity MCh$
Available	1,252,255	-	-	-
Effective loans	807,671	1,799,576	3,760,280	20,670,369
Loans in LCHR	1,925	3,889	17,423	131,872
Leased contracts	20,091	42,134	179,240	517,948
Covenants	54,270	-	20,043	-
Financial investments	2,521,621	22,913	29	6,027
Other Asset accounts	779,352	1,161	-	805,746
Total Asset	**5,437,185**	**1,869,673**	**3,977,015**	**22,131,962**
Sight obligations	(4,498,650)	-	(1,529,578)	(790,479)
Time deposits, Bonds and others	(1,653,559)	(2,732,747)	(3,113,317)	(8,898,846)
Covenants	(456,149)	-	-	-
Obligations due to LCHR	(8,947)	(697)	(25,133)	(129,718)
Obligation within the country	(100,006)	-	-	(14,485)
Obligations abroad	(16,576)	(339,255)	(1,238,131)	(500,687)
Other liability accounts	(520,569)	(76,639)	(32,107)	(655,981)
Total Liability	**(7,254,456)**	**(3,149,338)**	**(5,938,266)**	**(10,990,196)**

7) Counterparty Risk

As a result of the activity with customers, the Bank has counterparty exposures due to the probability that its debtors will not comply with the payments generated due to financial derivative contracts. The Bank limits credit loss levels by setting exposure limits in terms of individual debtors, which in turn are aggregated into groups of debtors, industry segments and countries. Such risks are permanently monitored by the Risk Division and the limits by debtor, debtor groups, products, industry and country are reviewed at least once a year and approved by the Board of Directors and the Senior Risk Committee.

Exposure to credit loss is managed through regular analysis of the capacity of debtors and potential debtors to meet payments in accordance with the contractual terms of the loans and is mitigated by obtaining eligible guarantees.

The Bank controls its positions in derivative contracts with its counterparties. This exposure to credit loss is managed as part of the limits on loans to customers, together with potential exposures due to market fluctuations. Likewise, it adjusts the valuation of the contracts according to the credit quality of the counterparty and the expected credit loss exposure given the current contracts.

12/31/2021	Fair Value Asset MCh$	Adjustment for credit loss MCh$
Total	(213,063)	6,678

12/31/2020	Fair Value Asset MCh$	Adjustment for credit loss MCh$
Total	(423,484)	12,705

8) Capital Management and Basel

The Bank has a Capital and Basel Management Department, reporting to the Chief Financial Officer, who is responsible for monitoring and ongoing control of capital adequacy. This unit is responsible for ensuring capital levels that allow the sustained and profitable growth of the business units.

All significant aspects of capital management are contained in the Capital Management Policy, which includes an internal process of permanent evaluation on capital adequacy, definition of standards for performing stress tests and calculation of regulatory capital and internal.

In accordance with the General Banking Law, the Bank must maintain a minimum ratio of effective equity to risk-weighted consolidated assets of 8%, net of required provisions, and a minimum basic capital ratio of 4.5% on risk-weighted assets. risk, and 3% of total consolidated assets, net of required provisions. For these purposes, effective equity is determined from capital and reserves or basic capital with the following adjustments:

a) Non-maturity bonds and/or preferred shares that meet the requirements and conditions of RAN 21-2, if any, are added.
b) The subordinated bonds that meet the requirements established in RAN 21-3 with a cap of 50% of the Basic Capital are added.
c) Additional provisions are added with a cap of 1.25% of weighted assets for credit loss.

It is important to point out that, regarding the equity adjustments, described in RAN 21-1, it applies at 0% until December 1, 2022.

As at December 1, 2021, in accordance with the implementation calendar of the CMF, and in accordance with the regulatory convergence process towards the Basel III standards, the new determination of the calculation of Risk-Weighted Assets (RWA) begins to apply.), as described in the following regulations, RAN 21-6 for Assets Weighted by Credit Loss, RAN 21-7 for Assets Weighted by Market Risk and RAN 21-8 for Assets Weighted by Operational Risk.

All derivative instruments traded outside the stock market are considered in the determination of risk assets with a conversion factor on the notional values, thus obtaining the amount of exposure to credit loss (or "credit equivalent"), adding these credit equivalents and deducting the assets corresponding to these instruments. Also considered is the "credit equivalent" of contingent loans, corresponding to the exposure to credit loss, resulting from multiplying these by a percentage defined according to the type of contingent, to subsequently carry out their weighting according to the corresponding category, less the amounts of the provisions constituted on these operations.

As of the date of these consolidated financial statements, CMF has issued the following circulars related to Basel III:

- Circular No. 2,270 - Criteria and general guidelines to determine additional equity requirements as a result of the supervision process pursuant to Title V and article 66 quinquies of the General Banking Law. Updates Chapter 1-13 and introduces new Chapter 21-13 to the Updated Compilation of Standards for Banks.
- Circular No. 2,272 - Additional basic capital, articles 66 bis and 66 ter of the General Banking Law. Adds Chapter 21-12 to the Updated Compilation of Standards. • Circular No. 2,273 - Relationship between basic capital and total assets. Adds Chapter 21-30 to the Updated Compilation of Standards.
- Circular No. 2,274 - Equity for legal and regulatory purposes. Adds Chapter 21-1 to the Updated Compilation of Standards to replace Chapter 12-1.
- Circular No. 2,276 - Factors and methodology for banks or group of banks classified as systemically important. Incorporates Chapter 21-11 Updated Compilation of Rules and updates provisions of Chapter 12-14.
- Circular No. 2,279 - Preferred shares, bonds with no fixed maturity date and subordinated bonds. Adds Chapters 21-2 and 21-3 to the Updated Compilation of Standards.
- Circular No. 2,280 - Standardized Methodology for the Calculation of Assets Weighted by Operational Risk. Adds Chapter 21-8 to the Updated Compilation of Standards.
- Circular No. 2,281 - Determination of assets weighted by credit loss. Adds Chapter 21-6 to the Updated Compilation of Standards. • Circular No. 2,282 - Adds a new Chapter 21-7 on determination of weighted assets for market risk to the Updated Compilation of Standards.
- Circular No. 2,283 - Promotion of market discipline and transparency through disclosure of information requirements from banking entities (Pillar 3). Adds Chapter 21-20 to the Updated Compilation of Standards.
- Circular N°2,284 - Creates file R11 related to the measurement of the index of systemic importance.
- Circular No. 2,285 - File R11 on the rating of systemically important banks. Complement instructions and extend delivery deadline.
- Circular No. 2,288 - Incorporates new files R01, R02, R06, R07 and R08 related to the measurement of solvency levels, effective equity and weighted assets for credit, market and operational risk.
- Circular N°2,290 - Specifies the dates of sending the new Risk System files and adjusts the size of some fields of the R01, R07 and R08 files.
- Circular No. 2,300 - Adjusts table 106 “sub-factors of the index of systemic importance” of the bank information system manual and instructs the rectification of normative file R11.

These regulations came into force as at December 1, 2020, their applications will be gradual depending on the regulation to be addressed.

The levels of Basic Capital and Effective Equity at each year-end details as follows:

Information on regulatory capital and capital adequacy indicators

Total assets, risk-weighted assets and components of effective equity according to Basel III	Local Consolidated 12/31/2021 MCh$
Total assets according to the statement of financial position	41,597,895
Investment in subsidiaries not subject to consolidation	-
Assets discounted from regulatory capital, other than item 2	-
Credit Equivalent	(3,985,722)
Contingent loans	1,509,712
Assets generated by the intermediation of financial instruments	-
Total assets for regulatory purposes	**39,121,885**
Assets weighted by credit loss, estimated according to standard methodologies (APRC)	22,686,175
Assets weighted by credit loss, estimated according to internal methodologies (APRC)	-
Assets weighted by market risk (APRM)	3,171,256
Assets weighted by operational risk (APRO)	1,946,574
Risk-Weighted Assets (RWA)	**27,804,005**
Risk-weighted assets, after the application of the output floor (APR)	**27,804,005**
owners' equity	2,673,703
Non-controlling interest	127,420
Goodwill	-
Excess of minority investments	-
Common equity level 1 equivalent (CET1)	**2,801,123**
Additional deductions to common capital level 1, different from item 2	-
Common equity level 1 (CET1)	**2,801,123**
Voluntary provisions (Additional) imputed as additional equity level 1 (AT1)	-
Subordinated bonds imputed as additional equity level 1 (AT1)	278,040
Preferred shares imputed to additional equity level 1 (AT1)	-
Bonds without a fixed term of maturity imputed to additional equity level 1 (AT1)	-
Discounts applied to AT1	-
Additional equity level 1 (AT1)	**278,040**
Equity level 1	**3,079,163**
Voluntary provisions (Additional) imputed as additional equity level 2 (AT2)	185,762
Subordinated bonds imputed as equity level 2 (AT2)	342,462
Equity level 2 equivalent (T2)	**528,224**
Discounts applied to AT2	-
Equity Level 2 (T2)	528,224
Effective equity	3,607,387
Additional Basic Capital required for the constitution of the conservation reserve	**173,775**
Additional Basic Capital required to set up the countercyclical reserve	**-**
Additional Basic Capital required for banks qualified as systemic	**-**
Additional capital required for evaluation on the adequacy of effective equity (Pillar 2)	**-**

Solvency indicators and regulatory compliance indicators according to Basel III (in % with two decimals)	Local Consolidated 12/31/2021 %
Leverage Indicator (T1_I18/T1_I7)	7.16
Leverage indicator that the bank must meet (without considering the additional systemic bank charge, if applicable).	3.00
Leverage indicator that the bank must meet (including the additional systemic bank charge, if applicable).	3.00
Common Equity Indicator Level 1 (T1_I18/T1_I11.b)	**10.07**
Common equity indicator level 1 that the bank must meet (without considering the conservation reserve, the countercyclical reserve, the systemic bank charge and Pillar 2 charge)	4.50
Common Equity indicator level 1 that the bank must meet (including the conservation reserve, countercyclical reserve, systemic bank charge and Pillar 2 charge)	5.13
Equity indicator level 1 (T1_I25/T1_I11.b)	**11.07**
Equity indicator level 1 that the bank must meet (without considering the conservation reserve, the countercyclical reserve, the systemic bank charge and Pillar 2 charge)	6.00
Equity indicator level 1 that the bank must meet (including the conservation reserve, the countercyclical reserve, the systemic bank charge and Pillar 2 charge)	6.63
Equity adequacy indicator (T1_I31/T1_I11.b)	**12.97**
Equity adequacy indicator that the bank must meet (without considering the conservation reserve, the countercyclical reserve, the systemic bank charge and Pillar 2 charge)	8.00
"Equity adequacy indicator that the bank must meet (including the conservation reserve, the countercyclical reserve, systemic bank charge and charge for Pillar 2)"	8.63
Solvency rating (Level A, B or C)	**A**
Regulatory compliance indicators for solvency	
Voluntary provisions (additional) imputed in level 2 equity (T2) in relation to APRC (T1_I26/(T1_I8.a or 8.b))	**0.82**
Subordinated bonds imputed in level 2 equity (T2) in relation to Common Equity level 1 (CET1)	**12.23**
Additional level 1 (AT1) in relation to common equity level 1 (CET1) (T1_I24/T1_I18)	**9.93**
Voluntary (additional) provisions and subordinated bonds that are charged to additional level 1 equity (AT1) in relation to RWAs ((T1_I19+T1_I20)/T1_I11.b)	**1.00**

As at December 31, 2020

Balance Assets (net of provisions)	Consolidated Assets MCh$	Risk-weighted assets MCh$
Cash and deposits in banks	1,252,255	-
Transactions with settlement in progress	344,282	146,085
Instruments for trading	751,269	342,065
Repurchase agreement and securities loan	74,483	74,483
Financial Derivative Contracts	1,804,310	1,383,138
Owed by banks	354,374	874
Loans and accounts receivable from customers	24,870,071	19,993,254
Investment instruments available for sale	2,121,614	143,960
Investment instruments until maturity	-	-
Investments in companies	18,435	18,435
Intangible	204,804	204,804
Property and equipment	104,933	104,933
Assets for right to use leased assets	190,708	190,708
Current taxes	17,021	1,702
Deferred taxes	343,328	34,333
Other assets	490,015	325,645
Off-Balance Sheet Assets		
Contingent loans	2,348,146	1,408,552
Total risk-weighted assets		**24,372,971**

	Amount MCh$	Ratio %
Basic equity	2,398,357	6.80
Effective equity	3,226,829	13.24

Note 40 Subsequent Events

In the opinion of the Bank´s Management of the Bank and its subsidiaries, between January 1, 2022 and the date of issuance of these Consolidated Financial Statements, no subsequent events have occurred that could have a significant effect on the figures presented therein, nor on the economic and financial situation of the Bank and its subsidiaries.

MARIA VICTORIA DOBERTI D.
Chief Financial Officer

DIEGO MASOLA
Chief Executive Officer

Materiality

Scope and coverage

This document presents Scotiabank's sustainability challenges and progress between January 1 and December 31, 2021, and the content and indicators have been defined based on the Global Reporting Initiative (GRI) 2021 standards, in its version with reference to GRI.

Materiality

Materiality is the process that defines the relevant issues for an organization's stakeholders, allowing the identification of the main economic, environmental and social effects and impacts of the company, as well as those that significantly influence the decisions of these groups.

Understanding and diagnosis of relevant topics

In order to understand Scotiabank's strategic priorities, we analyzed the opportunities and risks from a sustainability standpoint and how they affected the business value chain. For such purpose, several interviews were conducted with key executives, internal documents, news and industry benchmark analysis were reviewed.

In the process we also consider factors such as: estimable economic, environmental and/or social impacts, the interests and expectations of stakeholders (internal and external to the organization), relevant sustainability topics for the sector and industry, as well as our Bank's core values, policies, strategies, objectives and purposes.

7 **Interviews with executives**

254 **Documents analyzed**

Matrix and material topics

Governance:

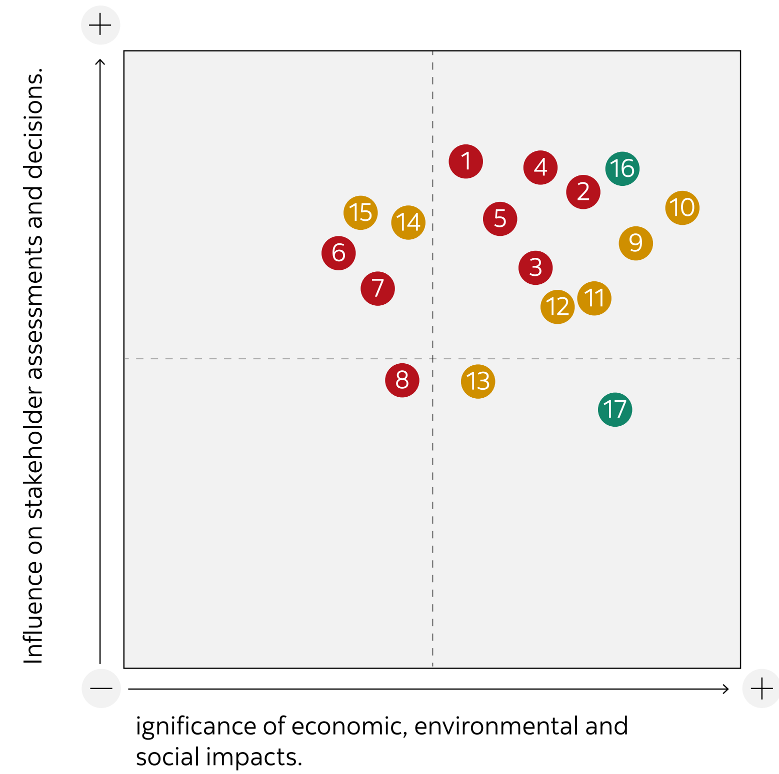
1. Remote banking, experiences, solutions and digital products focused on customers.
2. Strengthen the SME segment (financial inclusion and support) and support) and the Wealth Management segment.
3. Investment in research, innovation and development (support for startups and academia).
4. Ethics, transparency, anti-corruption and exposure to litigation.
5. Digital transformation (automation and digitization of internal processes).
6. Customer data protection and cyber risk minimization.
7. Satisfaction and constant relationship with customers.
8. Economic performance (focus on profitability, loans and deposits).

Social:

9. Work environments conducive to diversity, inclusion and non-discrimination.
10. Fair working conditions, working environment and benefits.
11. Internal promotions and career development.
12. Occupational health, safety and welfare with a focus on COVID-19 prevention and mental health.
13. Contributions to the community with a focus on groups at social risk, education and sports.
14. Digital training of employees and collaborative skills.
15. Organizational restructuring of the entity (dismissals, personnel rotation and compensation of jobs in new categories).

Environmental:

16. Sustainable investments with a focus on environmentally responsible customers, products and services (carbon bonds, climate change and natural productive systems).
17. GHG emissions, measurement and mitigations.



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MATERIAL TOPIC - Ethics, transparency, anti-corruption and exposure to litigation			
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This material topic has no specific associated GRI Standard	Disclosure on material topic - Digital transformation (automation and digitalization of internal processes)		

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MATERIAL TOPIC - Organizational restructuring of the company (dismissals, staff turnover and compensation of jobs in new categories).			
MANAGEMENT APPROACH	103-1	Explanation of the material topic and its Boundaries	76
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SASB Index

TOPIC	ACCOUNTING PARAMETER	CATEGORY	MEASUREMENT UNIT	CODE	PAGE	COMMENT
Data security	"(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected"	Quantitative	N°; %	FN-CB-230a.1		**There are no cases of noncompliance for this period.**
Data security	Description of the approach to identify and address data security risks.	Discussion and analysis	N/A	FN-CB-230a.2	**60-64; 204**	
Generating financial inclusion and capacity	"(1) number and (2) amount of outstanding loans qualified for programs"(1) designed to promote small business and community development."	Quantitative	No.; currency to communicate	FN-CB-240a.1	**70-72**	
Generating financial inclusion and capacity	(1) Number and (2) amount of past due and nonperforming loans qualified for programs designed to promote small business and community development.	Quantitative	No.; currency to communicate	FN-CB-240a.2	**70-72**	
Generating financial inclusion and capacity	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	N°	FN-CB-240a.3		**There is no information related to this topic**
Generating financial inclusion and capacity	Number of participants in financial education initiatives for unbanked, underbanked and underserved customers	Quantitative	N°	FN-CB-240a.4	**69**	
Incorporating environmental, social and management factors in the credit analysis	Commercial and industrial credit exposure, by sector	Quantitative	Currency to communicate	FN-CB-410a.1	**122-132**	
Incorporating environmental, social and management factors in the credit analysis	Description of the approach to incorporating environmental, social and governance (ESG) factors into credit analysis.	Discussion and analysis	N/A	FN-CB-410a.2	**123**	
Business ethics	Total amount of monetary losses as a result of legal proceedings related to fraud, insider trading, antitrust, unfair competition, market manipulation, malpractice or other related financial industry laws or regulations.	Quantitative	Currency to communicate	FN-CB-510a.1	**189**	
Business ethics	Description of whistleblower policies and procedures.	Discussion and analysis	N/A	FN-CB-510a.2	**38-43**	
Systemic risk management	Global systemically important bank (G-SIB) assessment score, by category	Quantitative	Base points (bps)	FN-CB-550a.1	**33-37**	
Systemic risk management	Description of the approach for incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy and other business activities.	Discussion and analysis	N/A	FN-CB-550a.2	**204**	
Activity parameters	(1) Number and (2) value of current and savings accounts by segment: (a) personal and (b) small businesses.	Quantitative	No.; currency to communicate	FN-CB-000.A	**67, 69; 70-73**	
Activity parameters	(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate.	Quantitative	No.; currency to communicate	FN-CB-000.B	**67,69;70-73**	

General Standard 386

Main executives reported to the Chilean Financial Market Commission (CMF) 2021

ID	Name	Type	Position	In the position from year
27.550.890-K	Diego Masola	Senior Executive	Gerente General	2021
7.667.314-4	María Victoria Doberti	Senior Executive	SVP Finance	2016
13.886.144-9	Elizabeth Valenzuela	Senior Executive	VP Audit	2021
23.991.271-0	Juan Matamoros	Senior Executive	SVP Retail Banking	2019
9.403.339-k	Ignacio Ruiz	Senior Executive	VP Wealth Management	2021
10.437.434-4	Eduardo Meynet	Senior Executive	VP Operations	2018
10.042.602-1	Jacqueline Balbontín	Senior Executive	"VP People, Culture and Corporate Affair Management "	2015
11.648.853-1	Rafael Bilbao VP Fiscalía	Senior Executive	VP Prosecutor	2015
7.011.945-5	Gabriel Morgan	Senior Executive	VP AML & Internal Controls	2020
23.941.045-6	Daniel Puerta	Senior Executive	VP Digital Banking	2020
27.623.617-2	Jabar Singh	Senior Executive	SVP Corporate and Commercial Banking	2021
26.055.726-2	Víctor Carpio	Senior Executive	VP Risk	2020

Number of employees by gender

Hierarchy level	Men	Women	Total
Senior Management	9	3	12
Management	130	41	171
Line Management	646	336	982
Sales Force	45	163	208
Administrative staff	286	442	728

Number of employees by nationality

Hierarchy level	Chilean	Foreigner	Total
Senior Management	8	4	12
Management	151	20	171
Line Management	940	42	982
Sales Force	203	5	208
Administrative staff	702	26	728
Other professionals	2,670	81	2,751
Other technical staff	1,212	44	1,256
TOTAL	**5,886**	**222**	**6,108**

General Standard 386

Number of employees by age range

HIERARCHY LEVEL	LESS THAN 30 YEARS	30 TO 40 YEARS	41 TO 50 YEARS	51 TO 60 YEARS	61 TO 70 YEARS	OVER 70 YEARS
Senior Management	0	1	6	5	0	0
Management		29	84	55	3	
Line Management	30	299	421	195	36	1
Sales Force	6	56	77	56	11	2
Administrative staff	102	243	171	137	71	4
Other professionals	237	1,187	861	375	87	4
Other technical staff	146	462	410	186	51	1
TOTAL	**521**	**2,277**	**2,030**	**1,009**	**259**	**12**

Number of employees by seniority

HIERARCHY LEVEL	LESS THAN 3 YEARS	3 TO 6 YEARS	6 TO 9 YEARS	9 TO 12 YEARS	OVER 12 YEARS	TOTAL
Senior Management	3	2	1	2	4	**12**
Management	26	41	15	19	70	**171**
Line Management	165	217	99	164	337	**982**
Sales Force	48	126	14	18	2	**208**
Administrative staff	250	163	69	87	159	**728**
Other professionals	674	766	280	404	627	**2,751**
Other technical staff	210	388	170	152	336	**1,256**
TOTAL	**1,376**	**1,703**	**648**	**846**	**1,535**	**6,108**

Salary gap

The following table relates to the average base salary of female executives and employees as a proportion of the average base salary of the company's executives and employees.

	Ratio of male to female workers
Executives	7%
Line Management and Professionals	2%
Supervisors	5%
Administrative staff and salesmen or saleswomen	3%

This data does not include factors such as performance, experience in the position, level of responsibility and female representation.

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