



SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Financial Statements
as at June 30, 2023 and 2022 and December 31, 2022

(With Independent Auditor's Review Report Thereon)

SCOTIABANK CHILE AND SUBSIDIARIES**CONTENTS**

Independent Auditors' Review Report
Interim Consolidated Statements of Financial Position
Interim Consolidated Statements of Income
Interim Consolidated Statements of Other Comprehensive Income
Interim Consolidated Statements of Cash Flows
Interim Consolidated Statements of Changes in Equity
Notes to the Interim Consolidated Financial Statements

Ch\$	Amounts expressed in Chilean pesos
MCh\$	Amounts expressed in millions of Chilean pesos
UF	Amounts expressed in (Chilean inflation-adjusted units)
US\$	Amounts expressed in United States dollars
CAD\$	Amounts expressed in Canadian dollars
COP\$	Amounts expressed in Colombian pesos
GBP\$	Amounts expressed in Pound Sterling
EUR\$	Amounts expressed in Euros
CHF\$	Amounts expressed in Swiss francs
JPY\$	Amounts expressed in Japanese yens
CNY\$	Amounts expressed in Chinese renminbis
ThUS\$	Amounts expressed in thousands of United States dollars
MUS\$	Amounts expressed in millions of United States dollars



Independent Auditors' Review Report

To the Shareholders and Directors
Scotiabank Chile:

Results from the review of the interim consolidated financial statements

We have reviewed the accompanying interim consolidated financial statements of Scotiabank Chile and its Subsidiaries, which comprise: the interim consolidated statement of financial position as at June 30, 2023, and the interim consolidated statements of income, other comprehensive income for the six-month and three-month periods ended June 30, 2023 and 2022; statements of changes in equity and cash flows for the six-month periods then ended, and the related notes to the interim consolidated financial statements (as a whole referred to as the interim consolidated financial statements).

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim consolidated financial statements referred to above, in order for them to be in accordance with the Accounting Standards and Instructions issued by the Financial Market Commission (CMF).

Basis for the results from the interim review

We conducted our review in accordance with Auditing Standards Generally Accepted in Chile applicable to reviews of interim consolidated financial statements. A review of interim consolidated financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim consolidated financial statements is substantially less in scope than an audit conducted in accordance with Auditing Standards Generally Accepted in Chile, the objective of which is the expression of an opinion on the interim consolidated financial statements as a whole. Accordingly, we do not express any such opinion. In accordance with the ethical requirements relevant to our review, we are required to be independent of Scotiabank Chile and its Subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our reviews. We believe that the results from the review procedures performed provide a reasonable basis for our conclusion.

Management's responsibility for the interim consolidated financial statements

Management of Scotiabank Chile and its Subsidiaries is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with the Accounting Standards and Instructions issued by the Financial Market Commission (CMF); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.



Report on the Consolidated statement of financial position as at December 31, 2022

On February 23, 2023, we issued an unmodified opinion on the consolidated financial statements as at December 31, 2022 and 2021 of Scotiabank Chile and its Subsidiaries, which include the consolidated statement of financial position as at December 31, 2022, which is presented in the accompanying interim consolidated financial statements and its related notes.

A handwritten signature in black ink, appearing to read 'Jorge Maldonado G.', with a large, stylized flourish extending from the bottom left.

Jorge Maldonado G.

KPMG Ltda.

Santiago, August 10, 2023

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position	1
Interim Consolidated Statements of Income	3
Interim Consolidated Statements of Other Comprehensive Income	5
Interim Consolidated Statements of Cash Flows	6
Interim Consolidated Statements of Changes In Equity	8
Note 1 General information	9
Note 2 Significant accounting policies	10
Note 3 New accounting pronouncements issued and adopted, or issued but not yet adopted	39
Note 4 Changes in accounting policies	45
Note 5 Significant events	48
Note 6 Business segments	48
Note 7 Cash and cash equivalents	51
Note 8 Financial assets held for trading at fair value through profit or loss	52
Note 9 Financial assets not held for trading mandatorily measured at fair value through profit or loss	54
Note 10 Financial assets and financial liabilities designated at fair value through profit or loss	54
Note 11 Financial assets at fair value through other comprehensive income	54
Note 12 Derivative instruments for accounting hedge	59
Note 13 Financial assets at amortized cost	65
Note 14 Investment in companies	86
Note 15 Intangible assets	89
Note 16 Property and equipment	91
Note 17 Right-of-use lease assets and lease liabilities under lease contracts	92
Note 18 Taxes	94
Note 19 Other assets	99
Note 20 Non-current assets and disposal groups held for sale and liabilities included in disposal groups held for sale	100
Note 21 Financial liabilities held for trading at fair value through profit or loss	102
Note 22 Financial liabilities at amortized cost	103
Note 23 Regulatory capital financial instruments issued	108
Note 24 Provisions for contingencies	112
Note 25 Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	115
Note 26 Special allowances for credit losses	116
Note 27 Other liabilities	117
Note 28 Equity	118

Note 29	Contingencies and commitments.....	124
Note 30	Interest income and expenses.....	130
Note 31	Indexation income and expenses	132
Note 32	Fee and commission income and expenses	134
Note 33	Net financial result	135
Note 34	Gain or loss from investments in companies.....	136
Note 35	Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations....	137
Note 36	Other operating income and expenses.....	138
Note 37	Expenses for employee benefit obligations	139
Note 38	Administrative expenses.....	140
Note 39	Depreciation and amortization	141
Note 40	Impairment of non-financial assets	142
Note 41	Credit loss expense	142
Note 42	Gain or loss from discontinued operations	145
Note 43	Related party disclosures	146
Note 44	Fair Value of financial assets and liabilities	152
Note 45	Maturity per remaining balances of financial assets and liabilities	157
Note 46	Financial and non-financial assets and liabilities by currency	159
Note 47	Risk Management and Reporting	161
Note 48	Disclosure on regulatory capital and capital adequacy ratios	196
Note 49	Subsequent events	200

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position

As at June 30, 2023 and December 31, 2022

	Notes	6/30/2023 MCh\$	12/31/2022 MCh\$
ASSETS			
Cash and deposits in banks	7	1,145,975	1,268,178
Transactions pending settlement	7	485,611	565,421
Financial assets held for trading at fair value through profit or loss			
Derivative instruments	8	5,995,248	6,813,293
Financial debt securities	8	254,804	419,339
Other	8	64,843	95,439
Financial assets not held for trading mandatorily measured at fair value through profit or loss	9	-	-
Financial assets designated at fair value through profit or loss	10	-	-
Financial assets at fair value through other comprehensive income			
Financial debt securities	11	3,049,509	2,360,643
Other	11	-	-
Derivative instruments for accounting hedge	12	352,242	395,111
Financial assets at amortized cost			
Rights under resale agreements and securities lending agreements	13	149,183	216,976
Financial debt securities	13	-	-
Loans and advances to banks	13	326,413	66,830
Loans and accounts receivable from customers - Commercial Loans	13	14,395,387	15,421,175
Loans and accounts receivable from customers - Mortgage Loans	13	13,821,600	13,544,491
Loans and accounts receivable from customers - Consumer Loans	13	3,620,851	3,606,586
Investments in companies	14	29,206	26,093
Intangible Assets	15	245,389	240,400
Property and equipment	16	86,681	90,636
Right-of-use assets under lease contracts	17	172,187	174,082
Current taxes	18	9,629	53,478
Deferred tax assets	18	360,116	330,907
Other assets	19	725,172	756,372
Non-current assets and disposal groups held for sale	20	17,108	15,175
TOTAL ASSETS		45,307,154	46,460,625

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Financial Position

As at June 30, 2023 and December 31, 2022

	Notes	6/30/2023 MCh\$	12/31/2022 MCh\$
LIABILITIES			
Transactions pending settlement	7	578,349	510,643
Financial liabilities held for trading at fair value through profit or loss			
Derivative instruments	21	5,200,732	6,213,012
Other	21	-	-
Financial liabilities designated at fair value through profit or loss	10	-	-
Derivative instruments for accounting hedge	12	1,459,661	1,536,880
Financial liabilities at amortized cost			
Deposits and other on-demand liabilities	22	4,654,010	5,076,459
Term and other on-demand deposits	22	13,601,244	13,972,388
Liabilities under repurchase agreements and securities lending	22	106,487	205,943
Bank borrowings	22	5,303,396	5,342,212
Debt financial instruments issued	22	8,277,903	7,707,165
Other financial liabilities	22	133,676	120,225
Lease liabilities	17	159,891	160,376
Regulatory capital financial instruments issued	23	1,001,717	987,943
Provisions for contingencies	24	60,640	49,891
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	25	58,440	146,260
Special allowances for credit losses	26	197,014	191,256
Current taxes	18	2,225	1,724
Deferred tax liabilities	18	609	573
Other liabilities	27	1,112,322	1,050,357
Liabilities included in disposal groups held for sale	20	-	-
TOTAL LIABILITIES		41,908,316	43,273,307
EQUITY			
Capital	28	1,368,421	1,368,421
Reserves	28	381,405	381,405
Accumulated other comprehensive income			
Items that will not be reclassified to profit or loss	28	2,828	2,588
Items that can be reclassified to profit or loss	28	(63,960)	(142,226)
Retained earnings from previous years	28	1,436,903	1,095,630
Profit for the period	28	194,801	487,533
Less: Provisions for dividends, payment of interest and repricing of issued regulatory capital financial instruments	28	(58,440)	(146,260)
Attributable to the owners of the Bank :	28	3,261,958	3,047,091
Non-controlling interest	28	136,880	140,227
TOTAL EQUITY		3,398,838	3,187,318
TOTAL LIABILITIES AND EQUITY		45,307,154	46,460,625

SCOTIABANK CHILE AND SUBSIDIARIES Interim Consolidated Statements of Income for the periods ended June 30, 2023 and 2022

		6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Interest income		1,205,188	744,015	589,461	405,727
Interest expense		(818,472)	(387,643)	(422,626)	(231,901)
Net interest income	30	386,716	356,372	166,835	173,826
Indexation income		411,202	631,621	228,124	395,477
Indexation expense		(226,438)	(423,314)	(116,036)	(274,024)
Net indexation income	31	184,764	208,307	112,088	121,453
Fee and commission income	32	141,870	136,988	71,393	67,547
Fee and commission expense	32	(48,125)	(44,070)	(23,602)	(22,719)
Net fee and commission income	32	93,745	92,918	47,791	44,828
<i>Net financial result for :</i>					
Financial assets and liabilities held for trading	33	(2,926)	107,244	56,839	163,235
Financial assets not held for trading mandatorily measured at fair value through profit or loss	33	-	-	-	-
Financial assets and liabilities designated at fair value through profit or loss	33	-	-	-	-
Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income	33	876	1,535	69	1,144
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	33	58,803	(84,503)	(7,688)	(135,862)
Reclassifications of financial assets due to change in business model	33	-	-	-	-
Other financial result	33	(1,665)	2,122	(668)	924
Net financial result	33	55,088	26,398	48,552	29,441
Equity in net income of investees	34	3,136	4,096	1,377	2,000
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	35	1,024	157	478	(146)
Other operating income	36	34,170	15,444	26,651	6,476
TOTAL OPERATING INCOME		758,643	703,692	403,772	377,878
Expenses for employee benefit obligations	37	(153,833)	(136,058)	(76,089)	(71,685)
Administrative expenses	38	(117,466)	(111,356)	(57,469)	(57,624)
Depreciation and amortization	39	(33,124)	(29,528)	(16,604)	(14,858)
Impairment of non-financial assets	40	(170)	(357)	(137)	(357)
Other operating expenses	36	(17,272)	(17,007)	(8,286)	(8,848)
TOTAL OPERATING EXPENSES		(321,865)	(294,306)	(158,585)	(153,372)
OPERATING INCOME BEFORE CREDIT LOSSES		436,778	409,386	245,187	224,506

SCOTIABANK CHILE AND SUBSIDIARIES
Interim Consolidated Statements of Income
for the periods ended June 30, 2023 and 2022

		6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 30/06/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
	Notes				
<i>Credit loss expenses for :</i>					
Allowances for credit losses on loans and advances to banks and loans and accounts receivable from customers	41	(223,457)	(158,490)	(106,291)	(95,828)
Special allowances for credit losses	41	(6,289)	(207)	(5,186)	60
Recovery of written-off loans	41	36,863	35,230	21,978	17,454
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	41	(234)	(43)	71	(55)
Credit loss expense	41	<u>(193,117)</u>	<u>(123,510)</u>	<u>(89,428)</u>	<u>(78,369)</u>
OPERATING INCOME		243,661	285,876	155,759	146,137
Profit or loss from continuing operations before taxes		243,661	285,876	155,759	146,137
Income tax expense	18	<u>(42,194)</u>	<u>(32,430)</u>	<u>(28,107)</u>	<u>(12,485)</u>
Profit or loss from continuing operations after taxes		201,467	253,446	127,652	133,652
Profit or loss from discontinued operations before taxes	42	-	-	-	-
Taxes from discontinued operations	18	-	-	-	-
Income from discontinued operations after taxes	42	-	-	-	-
CONSOLIDATED PROFIT FOR THE PERIOD		201,467	253,446	127,652	133,652
Attributable to :					
Owners of the Bank	28	194,801	242,787	123,120	129,513
Non-controlling interest		6,666	10,659	4,532	4,139
Earnings per share attributable to equity owners :					
Basic and diluted earnings	28	\$ 15.91	\$19.83	\$10.05	\$10.58

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Other Comprehensive Income
for the periods ended June 30, 2023 and 2022

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
CONSOLIDATED PROFIT FOR THE PERIOD	201,467	253,446	127,652	133,652
Other comprehensive income for the period from :				
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS				
Re measurements of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	(158)	(77)	(136)	(84)
Changes in the fair value of equity instruments designated at fair value through other comprehensive income	356	36	356	74
Changes in the fair value of financial liabilities designated at fair value through profit or loss attributable to changes in the credit risk of the financial liability	-	-	-	-
Other	-	-	-	-
OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX	198	(41)	220	(10)
Income tax on other comprehensive income that will not be reclassified to profit or loss	42	(2)	36	-
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX	240	(43)	256	(10)
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS				
Changes in the fair value of financial assets at fair value through other comprehensive income	28,557	(21,493)	6,688	6,061
Translation differences for foreign entities	-	-	-	-
Accounting hedges of net investments in foreign entities	-	-	-	-
Cash Flow hedge accounting	79,299	(241,115)	166,625	(84,262)
Undesignated items of hedging accounting instruments	-	-	-	-
Other	(5)	-	58	-
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	107,851	(262,608)	173,371	(78,201)
Income tax on other comprehensive income that can be reclassified to profit or loss	(29,591)	71,829	(47,191)	21,821
TOTAL OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	78,260	(190,779)	126,180	(56,380)
OTHER TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	78,500	(190,822)	126,436	(56,390)
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	279,967	62,624	254,088	77,262
Attributable to :				
Owners of the Bank	273,307	51,961	249,561	73,117
Non-controlling interest	6,660	10,663	4,527	4,145

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Cash Flows
for the periods ended June 30, 2023 and 2022

	Notes	6/30/2023 MCh\$	6/30/2022 MCh\$
A) CASH FLOWS FROM OPERATING ACTIVITIES :			
CONSOLIDATED INCOME BEFORE TAXES FOR THE PERIOD		243,661	285,876
Debit (credit) to profit or loss not representing movements in cash flows:			
Income tax expense	18	(78,951)	13,305
Changes in deferred tax assets and liabilities	18	36,757	(45,735)
Depreciation and amortization	39	33,124	29,528
Impairment of assets	40-41	404	400
Allowances for credit losses	41	229,746	158,697
Net income from assets received in lieu of payment or awarded in legal auction	35	(928)	(373)
Net gain (loss) from non-current assets held for sale	35	(395)	7
Net gain (loss) from disposal groups held for sale	35	-	-
Net interest income	30	(386,716)	(356,372)
Net indexation income	31	(184,764)	(208,307)
Net fee and commission income	32	(93,745)	(92,918)
Equity share of profit (loss) from investments in related companies	34	(3,136)	(4,096)
Effect of fair value adjustment on derivative instruments		12,702	478,099
Other operating income	36	(20,162)	-
Other debits (credits) to profit or loss not representing movements in cash flows		121,113	(65,819)
Changes due to increase /decrease of assets and liabilities affecting the operating flow :			
(Increase) decrease in financial debt securities		39,428	174,245
(Increase) decrease in loans and advances to banks		(259,886)	(339,754)
(Increase) decrease under resale agreements and securities lending agreements		(7,947)	54,836
(Increase) decrease in loans and advances to customers		1,114,725	(1,610,462)
Increase (decrease) in other assets		28,931	(57,276)
Increase (decrease) in non-current assets and disposal groups held for sale		(1,936)	(2,088)
Net change in financial derivative contracts / financial derivative contracts for hedge		(241,286)	(156,031)
(Decrease) increase in deposits and other on-demand liabilities		(428,848)	(1,290,618)
(Decrease) increase in liabilities under repurchase agreements and securities lending		(102,280)	(171,004)
(Decrease) increase in term and other on-demand deposits		(350,751)	3,727,979
(Decrease) increase in other liabilities		69,675	207,326
Interest received		1,166,599	720,861
Interest paid		(831,180)	(321,336)
Indexation received		150,872	(218,415)
Indexation paid		(141,372)	(97,748)
Fees and commissions received	32	141,870	136,988
Fees and commissions paid	32	(48,125)	(44,070)
Taxes and fines paid	38	(25)	(26)
Collection of remaining balance of taxes from previous years		-	-
Total net cash flows generated from (used in) operating activities		207,174	905,699

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Cash Flows
for the periods ended June 30, 2023 and 2022

	Notes	6/30/2023 MCh\$	6/30/2022 MCh\$
B) CASH FLOWS FROM INVESTING ACTIVITIES :			
Acquisitions of investments in companies	14	-	-
Disposals of investments in companies	14	-	3
Dividends received from investments in companies	34	382	354
Acquisitions of Property and equipment	16	(2,941)	(4,488)
Disposals of Property and equipment		938	691
Acquisitions of intangible assets	15	(24,705)	(21,039)
Disposals of intangible assets		-	-
Disposal of assets received in lieu of payment or awarded		6,670	5,571
Net change in investment securities		(182,632)	(40,310)
Total net cash flows generated from (used in) investing activities		(202,288)	(59,218)
C) CASH FLOWS FROM FINANCING ACTIVITIES			
Attributable to the interest of the owners:			
Proceeds from issuance of letters of credit		-	-
Redemption and payment of interest / principal on letters of credit		-	-
Issuance of current bonds		717,076	574,685
Redemption and payment of interest / principal on current bonds		(543,373)	(1,177,187)
Issuance of mortgage bonds		-	-
Redemption and payment of interest / principal on mortgage bonds		-	-
Payment of interest/principal on lease contracts	17	(7,787)	(7,245)
Subordinated bonds issuance		-	-
Payment of interest and principal on subordinated bonds	23	(31,568)	(26,618)
Issuance of bonds with no fixed maturity date		-	-
Redemption and payment of interest of bonds with no fixed maturity date		-	-
Issuance of preference shares		-	-
Redemption of preference shares and payment of preference shares dividends		-	-
Increase in paid-in capital by issuance of ordinary shares		-	-
Payment of ordinary shares dividends	28	(146,260)	(169,754)
Net change in bank borrowings		(32,624)	(384,079)
Net change in debt financial instruments issued		(107,549)	221,684
Net change in regulatory capital financial instruments issued		117,566	43,420
Net change in other financial liabilities		11,396	20,433
Attributable to non-controlling interest:			
Payment of dividends an/or withdrawals of paid-in capital made with respect to subsidiaries related to non-controlling interest		(10,007)	(16,759)
Total net cash flows generated from (used in) financing activities		(33,130)	(921,420)
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		(28,244)	(74,939)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		(10,884)	33,998
INITIAL BALANCE OF CASH AND CASH EQUIVALENTS		2,241,570	2,057,629
FINAL BALANCE OF CASH AND CASH EQUIVALENTS		2,202,442	2,016,688

The Interim Consolidated Statements of Cash Flows as at June 30, 2023 and 2022 were prepared under the indirect method, determining the variation between the balances as at such dates.

SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Statements of Changes In Equity
for the periods ended June 30, 2023 and 2022

Equity attributable to owners							
Capital	Reserves	Accumulated other comprehensive income	Retained earnings from previous years and profit for the period	Total	Non- controlling interest	Total equity	
Opening balances as at January 1, 2023	1,368,421	381,405	(139,638)	1,436,903	3,047,091	140,227	3,187,318
Payment of ordinary shares dividends	-	-	(146,260)	(146,260)	(10,007)	(156,267)	
Provision for payment of ordinary shares dividends	-	-	87,820	87,820	-	87,820	
Subtotal: Transactions with the owners for the period	1,368,421	381,405	(139,638)	1,378,463	2,988,651	130,220	3,118,871
Profit for the period	-	-	194,801	194,801	6,666	201,467	
Other comprehensive income (loss) for the period	-	-	78,506	-	78,506	(6)	78,500
Subtotal: Comprehensive income (loss) for the period	-	-	78,506	194,801	273,307	6,660	279,967
Closing balances as at June 30, 2023	1,368,421	381,405	(61,132)	1,573,264	3,261,958	136,880	3,398,838
Opening balances as at January 1, 2022	1,368,421	373,966	(206,599)	1,137,959	2,673,747	127,420	2,801,167
Effects of CNC application for banks accumulated 2022	-	7,439	-	157	7,596	2,038	9,634
Payment of ordinary shares dividends	-	-	(169,754)	(169,754)	(16,759)	(186,513)	
Provision for payment of ordinary shares dividends	-	-	54,432	54,432	-	54,432	
Subtotal: Transactions with the owners in the period	1,368,421	381,405	(206,599)	1,022,794	2,566,021	112,699	2,678,720
Profit for the period	-	-	-	242,787	242,787	10,659	253,446
Other comprehensive income (loss) for the period	-	-	(190,826)	-	(190,826)	4	(190,822)
Subtotal: Comprehensive income (loss) for the period	-	-	(190,826)	242,787	51,961	10,663	62,624
Closing balances as at June 30, 2022	1,368,421	381,405	(397,425)	1,265,581	2,617,982	123,362	2,741,344

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 1 General information

Scotiabank Chile (hereinafter the "Bank") is the Parent of a group of entities, constituted in Chile as a closely-held corporation. Its original incorporation was authorized via Supreme Decree issued by the Ministry of Finance No. 1389 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.

The current ownership structure is composed of Nova Scotia Inversiones Limitada (99.80%) and non-controlling interests (0.20%). 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 2 Significant accounting policies

(a) Basis of preparation

The Interim Consolidated Financial Statements, which comprise the Interim Consolidated Statements of Financial Position, Interim Consolidated Statements of Income, Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Cash Flows and Interim Consolidated Statements of Changes in Equity and 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 instructions, must apply the generally accepted accounting principles, which relate to 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.

In accordance with the second paragraph of Article 16 of the General Banking Law, financial institutions must publish interim statements of financial position as at March 31, June 30 and September 30 of each year.

The Interim Consolidated Financial Statements as at June 30, 2023 and their explanatory notes were prepared in accordance with the provisions of Chapter C-2 of the Compendium of Accounting Standards for Banks (CNC) issued by the CMF.

Accordingly, the Bank prepared the Interim Consolidated Financial Statements presenting comparative information only for the cumulative periods as at June 30, 2023 and December 31, 2022 for the Interim Consolidated Statements of Financial Position, and in addition, the cumulative periods as at June 30, 2023 and 2022 for the Interim Consolidated Statements of Income, Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Cash Flows and Interim Consolidated Statements of Changes in Equity. For the Interim Consolidated Statements of Income, in addition to presenting the cumulative periods, the last quarter ended June 30, 2023 and 2022 is disclosed.

These Interim Consolidated Financial Statements have been prepared with the intention of updating the last Annual Financial Statements issued. Accordingly, emphasis is placed on new activities, facts and circumstances and, accordingly, information previously prepared is not duplicated. The user of the interim financial information should have available the most recent Annual Financial Statements for a better interpretation of the information.

(b) Basis of consolidation

The financial statements of Scotiabank Chile S.A. 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

The Interim 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 on consolidation, in addition to recognize non-controlling interest related to third party ownership percentage in the subsidiaries of which the Bank is not the owners wither directly or indirectly and is shown separately in the Bank's equity and profit or loss.

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 Interim Consolidated Financial Statements are detailed as follows:

Company	Direct	Indirect	Direct	Indirect
	June 2023	June 2023	December 2022	December 2022
	%	%	%	%
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	-

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

ii) 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. It is presented separately in the Interim Consolidated Statements of Income, the Interim Consolidated Statements of Other Comprehensive Income, the Interim Consolidated Statements of Changes in Equity and the Interim Consolidated Statements of Financial Position within Equity.

iii) Loss of control

When the Bank loses 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 Interim Consolidated Financial Statements have been prepared on the historical cost basis, except for the following:

- Financial assets held for trading at fair value through profit or loss.
- Financial assets not held for trading mandatorily measured at fair value through profit or loss.
- Financial assets designated at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income.
- Financial Derivative Contracts and Financial Derivative Contracts for Accounting Hedge.

(d) Functional and presentation currency

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

(e) Foreign currency transactions

Transactions in currencies other than the functional currency are considered transactions in foreign currencies and are initially translated into the respective exchange rate of such currency 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 accounting representation exchange rate of Ch\$801.21 per US\$1 as at June 30, 2023 (Ch\$922.79 as at June 30, 2022 and Ch\$850.20 as at December 31, 2022).

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The "accounting representation exchange rate" means those exchange rates that must be applied to reflect in Chilean pesos the assets and liabilities that are recorded in foreign currencies, and to make the adjustments to the equivalent accounts in Chilean currency. The accounting representation exchange rate of the different currencies relates to the Bank's best estimate of market prices at the accounting close date.

The gain of MCh\$58,803 as at June 30, 2023, related to "Foreign currency translation differences, indexation and accounting hedge of foreign currencies" (loss of MCh\$84,503 as at June 30, 2022), shown in the Interim Consolidated Statements of Income, includes the recognition of the effects of exchange rate fluctuations on assets and liabilities denominated in foreign currency or adjusted for foreign exchange rates, and the net gain or loss from derivatives in accounting hedges for foreign currency risk of the Bank and its subsidiaries.

(f) Business segments

The Bank provides segment financial information to identify and disclose in the notes to the Interim 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 different 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 decided that there are five reportable segments: "Retail", "Wholesale", "CAT", "Treasury" and "Others", the details of which are included in Note 6 .

(g) Transactions with related parties

Disclosures on significant related parties are detailed in Note 43, in accordance with IAS 24 "Related Party Disclosures" indicating the relationship with each related party involved, as well as the transaction description and related balances. All of this is performed for an adequate understanding of the potential effects of such relation on the Interim Consolidated Financial Statements.

Intragroup balances and transactions between related parties, are eliminated in the process of preparing the Bank's Interim Consolidated Financial Statements.

(h) Interim Consolidated Statements of Changes In Equity

The Statements of Changes in Equity included in these Interim Consolidated Financial Statements include movements in Equity occurred between January 1 and June 30, 2023 and 2022.

The Interim Consolidated Statements of Changes in Equity include all movements in net equity, including those arising from changes in the accounting policies.

(i) Interim Consolidated Statements 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 period, distinguishing those

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

recorded as profit in the profit and loss account for the year and other income and expenses directly recorded in net equity.

Accordingly, this statement includes:

- The consolidated profit or loss for the period.
- Items that will not be reclassified to profit or loss.
- Income tax on other comprehensive income that will not be reclassified to profit or loss.
- Items that can be reclassified to profit or loss.
- Income tax on other comprehensive income that can be reclassified to profit or loss.

(j) Financial assets and financial liabilities

1. Recognition

Initially, the Bank recognizes loans and advances to customers, financial assets held for trading at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial liabilities at amortized cost on the date they were 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:

- Financial assets held for trading at fair value through profit or loss (letter (l)).
- Financial assets at fair value through other comprehensive income (letter (m)).
- Financial derivative contracts and financial derivative contracts for accounting hedge (letter (n)).
- Financial assets at amortized cost (letter (o)).
- Special allowances for credit losses (letter (aa)).

At initial recognition, the bank classifies its financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

- i) The entity's business model to manage financial assets.
- ii) The characteristics of the contractual cash flows from the financial asset.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

A financial asset should be measured at fair value through profit or loss unless the financial asset is measured at amortized cost or at fair value through other comprehensive income. However, the Bank may make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income for specific investments in equity instruments that would otherwise be measured at fair value through profit or loss.

The Bank classifies financial liabilities as subsequently measured at amortized cost except for financial liabilities at fair value through profit or loss. These liabilities, including derivatives that are liabilities, are subsequently measured at fair value.

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 the consideration received (including any new asset obtained less any new liability assumed) plus any cumulative gain and loss that has been recognized in other comprehensive income is recognized in profit and loss.

The Bank derecognizes from the Interim 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, minus the capital repayments that may be made, more or minus, 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, minus 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

6. Fair value measurement

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, incorporating 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, which segregates the inputs and/or assumptions of the valuation techniques used in measuring the fair value of financial instruments.

7. Identification and measurement of impairment

The Bank assesses at each closing date of the Interim 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 that can be estimated reliably on the future cash flows of the asset.

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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

For financial assets "Loans and advances to banks" and "Loans and advances to customers", impairment is applied in accordance with Chapter B-1 "Provisions for credit risk" of the CNC for Banks, which are described in Note 2 letter (aa).

For financial assets at fair value through other comprehensive income, debt financial instruments at amortized cost and Rights under resale agreements and securities lending agreements, impairment determined by a model of expected credit losses according to IFRS 9: This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

- **Stage 1:** Where there has not been a significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default estimated for the next 12 months. If the financial instrument has a remaining term of less than a year, probability of default is computed using the remaining term to maturity.
- **Stage 2:** When financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, it is included in this Stage. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- **Stage 3:** Financial instruments classified in the default category are included in this stage. The allowance for credit losses is made based on the expected credit losses for the life of the instrument.

The measurement of expected credit loss is estimated using inputs like probability of default, exposure at default, and loss given default. Details of these parameters are as follows:

- **Probability of default:** Is an estimate of the likelihood of default over a given time horizon. A default may only happen at certain time over the remaining estimated life if the facility has not been previously derecognized and is still in the portfolio.
- **Exposure at default:** The exposure at default is an estimate of the exposure at a future default date, considering expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- **Loss given default:** The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as percentage of the exposure at default.

The Bank has a model that allows characterizing the risk profile of a customer, assigning an internal rating to each debtor. To determine impairment, the rating is applied to the valuation of each instrument in accordance with the model defined by the Market Risk unit.

Impairment losses on financial assets at fair value through other comprehensive income are recognized in "Impairment of financial assets at fair value through other comprehensive income" in the Interim Consolidated Statements of Income.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Impairment losses on debt financial instruments at amortized cost and Rights under resale agreements and securities lending agreements are recognized in "Credit-impaired financial assets at amortized cost" in the Interim Consolidated Statements of Income.

(k) Cash and deposits in banks

For purposes of the Interim 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, debt financial instruments, and investments sold under repurchase agreements with high liquidity are readily convertible to known amounts of cash from the initial investment date and have low risk of change in value, with maturities of 90 days or less from the acquisition date to be cash and cash equivalents.

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

For the preparation of the Interim 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

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

iii) Investing activities

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.

(l) Financial assets held for trading at fair value through profit or loss

Financial assets held for trading at fair value through profit or loss 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

These 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 financial result" in the Interim Consolidated Statements of Income.

(m) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions:

- a) the financial asset is held within a business model the purpose of which is achieved by obtaining contractual cash flows and disposing of financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest and indexation on financial assets at fair value through other comprehensive income are included in "Interest and indexation income" in the Interim Consolidated Statements of Income for the period.

(n) Financial derivative contracts and financial derivative contracts for accounting hedge

Financial derivatives that include foreign currency, UF, interest rate forwards, currency and interest rate swaps, currency and interest rate options and other derivatives are initially recognized in the Interim Consolidated Statement of Financial Position at their trading value (cost) 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 June 30, 2023 and 2022, the Bank records no separable embedded derivatives.

Financial derivative contracts are classified as derivative instruments for trading and are disclosed under the caption "Financial assets held for trading at fair value through profit or loss."

Changes in the fair value of financial derivative contracts held for trading are included in "Financial gain (loss) from financial assets held for trading at fair value through profit or loss" in the Interim Consolidated Statements of Income.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 risk being hedged, o continuously 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 period. The fair value measurement adjustment of the hedged item is presented in the Interim Consolidated Statements 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 period. Gains or losses from the changes in the fair value of the hedging derivative are recognized in profit or loss for the period. 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 Interim 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 period.

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 period. However, the gain or loss from measuring the fair value the hedged portfolio is recorded in the Interim 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 Interim 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

(o) **Financial assets at amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions:

- a) It is held within a business model whose objective is to hold financial assets to collect contractual cash flows.
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These captions are composed of 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.

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).

*i) **Rights under resale agreements and securities lending agreements***

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

In addition, through its subsidiary Scotia Corredora de Bolsa Chile Ltda., the Bank performs simultaneous transactions granting term financing to the buyer (through the delivery of shares as collateral), in exchange for an interest rate agreed upon in accordance with the contract.

*ii) **Loans and advances to banks***

This caption includes balances of transactions with domestic and foreign banks, including the Banco Central de Chile and foreign Central Banks.

*iii) **Loans and advances to customers***

This caption comprises balances related to transactions conducted in the commercial, mortgage and consumption portfolios with individuals other than banks, corresponding to credits, loans and other financing, financing lease agreements, financing operations and accounts receivable resulting from operations inherent to the banking business.

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 Interim Consolidated Statements of Income 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Lease operations

Finance lease operations 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 Interim Consolidated Statements of Financial Position.

For finance leases when the Bank acts as a lessee, it recognizes the cost of leased assets in the Interim 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.

iv) Write-off of loans and advances

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 the accrued allowances for credit losses.

Subsequent payments obtained for transactions written-off will be credited to profit or loss in the line item "Recovery of written off loans" in the caption "Credit loss expense" in the Interim Consolidated Statements of Income (see Note 41 b)).

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

- a) on the basis of information available the Bank reaches the conclusion that it will not obtain any flows from the loan recorded in assets.
- b) when a debt owed to the Bank without an enforcement order reaches 90 days past due since being recorded in assets.
- 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 a transaction reaches the term limit for write-off as set forth below:

Type of loans	Term
Secured or unsecured consumer loans	6 months
Other unsecured transactions	24 months
Secured commercial loans	36 months
Mortgage loans	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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Assets related to financial lease transactions must be written off under the following circumstances, whichever occurs first:

- a) the Bank reaches the conclusion that there is no likelihood of recovery of rentals and that the value of the asset cannot be considered for contract recovery purposes, whether because it is no longer in the possession of the lessor, due to its condition, as a result of expenses involved in its recovery, transfer and maintenance for technological obsolescence or because there is no information about its current location and condition.
- b) upon completion of the prescription period for the collection procedures or at the moment of the rejection or abandonment of the execution of the contract through legal judgment.
- c) when the period in which a contract has been maintained in delinquency reaches the term indicated below.

Type of contract	Term
Consumer Leasing	6 months
Other non-real estate leasing operations	12 months
Real estate Leasing (commercial or housing)	36 months

The period corresponds to the time elapsed from the date on which the payment past due amounts became payable.

v) **Renegotiations of transactions written-off**

Any renegotiation of a loan written-off will not give rise to revenue as long as the transaction continues to be impaired, and the actual payments received will be treated as recoveries of loans written-off.

Consequently, the renegotiated loan will be re-entered as an asset if it ceases to be impaired and the criteria defined by the Bank are complied with, also recognizing the income from the activation as recovery of loans written-off. The same criterion is used in the event that a loan is granted to repay a loan written-off.

(p) **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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 Interim 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 includes the minority permanent investments in domestic or foreign companies, recorded at their acquisition cost and subsequently at fair value through Other Comprehensive Income and recording the related impairment adjustments, where applicable.

(q) 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 generated.

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 computer 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 under "Depreciation and amortization" in the Interim Consolidated Statements of Income on a straight-line basis over the estimated useful life of IT software from the date on which they are available for use. In general, estimated useful lives of IT software have been established between 5 and 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. Amortization is recognized in profit or loss under "Depreciation and amortization" in the Interim Consolidated Statements of Income on a straight-line basis over the estimated useful life of identifiable intangible assets. The estimated useful life of these intangible assets is up to 3 years.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 under "Depreciation and amortization" in the Interim Consolidated Statements of Income on a straight-line basis over the estimated useful life of intangible assets generated in business combinations. The estimated useful life of these intangible assets does not exceed 20 years.

(r) Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that have been directly attributed to the acquisition of the asset and any other costs directly attributable to the process of bringing the asset to a usable condition.

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 Interim Consolidated Statements of Income.

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 life
Buildings	80 years
Furniture, machinery, vehicles and other property and plant	Between 2 and 10 years
Computer equipment	Between 3 and 10 years
Facilities, improvements in own properties	Between 3 and 10 years

The useful life assigned to leasehold improvements directly depends on the term of the property's lease contract.

(s) Right-of-use lease assets and lease contract liabilities

i) Right-of-use assets under lease contracts

The Bank and its subsidiaries have lease contracts 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 contract.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The Bank and its subsidiaries may elect not to recognize a right-of-use asset and a lease liability in the following two cases:

- short-term leases (less than 12 months); and
- 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 Statements of Income 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;
- 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) above 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

iii) Sales with subsequent lease

A sales transaction with subsequent lease implies the sale of an asset and the subsequent lease of the same asset. In this case, the Bank and its subsidiaries measure the right-of-use asset arising from the sale and leaseback transaction commensurate to the previous carrying amount of the asset, which relates to the right-of-use maintained recognizing a gain or a loss related to the rights transferred to the lessee.

(t) Current tax 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 Interim 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 Interim 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 Interim 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.

Income tax expense, for an interim period, is based on an estimated average annual effective tax rate, consistent with the assessment of the annual tax burden.

(u) Non-current assets and disposal groups held for sale.

i) Non-current assets for sale and disposal groups held for sale

Non-current assets expected to be recovered principally from sale rather than continuing use are classified as held for sale.

Subsequent to being classified as held for sale, these assets are measured at the lower of their carrying value and fair value less costs to sell.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

In order to classify these assets as "Non-current assets held for sale and discontinued operations", in accordance with IFRS 5, the Bank should ensure it complies with the following requirements:

- 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 in the caption "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations."

ii) **Assets received in lieu of payment or awarded**

Assets received in lieu of payment or awarded in legal auction of loans and trade receivables are initially 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 "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations." in the Interim Consolidated Statements of Income. Assets received in lieu of payment or awarded in a legal auction are classified in the caption "Non-current assets and disposal groups held for sale" and are presented net of provisions.

In general, the Bank believes assets received in lieu of payment or awarded in legal auction 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.

(v) **Financial liabilities held for trading at fair value through profit or loss**

This item mainly comprises financial derivative contracts with negative valuation and which are not part of a specific accounting hedging relationship. They are measured at fair value and the gains or losses are recorded in "Gain or loss from financial assets and liabilities held for trading" in the Consolidated Statements of Income.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

(w) Financial liabilities at amortized cost

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. The main captions considered in this classification are as follows:

- Deposits and other on-demand liabilities.
- Term and on-demand deposits.
- Obligations under repurchase agreements and securities lending (1).
- Bank borrowings.
- Debt securities issued.
- Other financial liabilities.

(1) Agreements to repurchase operations are performed as a mean for financing purposes. Investment repurchase obligation is classified within liabilities, which is measured in accordance with the interest rate in the agreement.

(x) Regulatory capital financial instruments issued

These instruments are another source of financing for the Bank. This category includes subordinated bonds, bonds with no fixed maturity and preference shares.

On initial recognition, these instruments are recorded at fair value less transaction costs directly attributable to their issuance. The financial cost for the application of the effective interest method corresponds to transaction costs, including issuance costs and interests.

Transaction costs for bonds with no fixed maturity date and preference shares may be deferred for up to 5 years from the date of issuance and will be prorated and recorded in the Interim Consolidated Statements of Income.

They are subsequently measured at amortized cost using the effective interest method. Bonds with no fixed maturity should also consider the effects of a possible amendment of the issuance conditions and/or the amount paid for a possible partial redemption of the principal after 5 years of issuance, the differences of which between the carrying amount and the payment made should be recorded in the Interim Consolidated Statements of Income.

For preference shares, subsequent to their initial recognition, they should be measured at their initial fair value, less any remaining balance of transaction costs that have not been expensed, also considering the effects of a possible amendment of the issuance conditions and/or the amount paid for a possible partial redemption of principal owed after 5 years of issue, the differences of which between the carrying amount and the payment made should be recorded in the Interim Consolidated Statements of Income.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

(y) Provisions and contingent liabilities

Provisions are liabilities of uncertain timing or amount. A provision is recognized in the Interim Consolidated Statements of Financial Position when the following requirements are copulatively complied with:

- a) as a result of a past event, the Bank has a present legal or constructive obligation;
- b) it is probable that at the interim reporting date an outflow of economic benefits will be required from the Bank or its subsidiaries to settle the obligation; and
- c) 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, which 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:

- Provisions for contingencies (includes employee benefit obligations, restructuring plans, lawsuits and litigation, loyalty and incentive programs for customers, operational risk and other contingencies).
- Provisions for minimum dividends, interest payments and repricing of regulatory capital financial instruments issued.
- Special allowances for credit losses (including loss risk for contingent loans, country risk, additional allowances for loans and others).

(z) Provisions for minimum dividends

In Article 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 for dividends, payment of interest and repricing of issued regulatory capital financial instruments" with a debit to the account "Provisions for minimum dividends" in Equity.

(aa) Special 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 risk rating and evaluation models approved by the Board of Directors.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

In order to determine its provision for credit risk, 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 with operations different to those mentioned above recording annual sales higher than or equal to MCh\$1,000 or business debt obligations higher than or equal to MCh\$500. In addition, all customers who are part of a business group, record commercial loans and whose total indebtedness, excluding mortgage loans, reaches an amount equal to or higher than UF20,000, will be included as individual customers. Finally, 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	Allowance (%)
In default	C1	Up to 3%	2
	C2	More than 3% up to 20%	10
	C3	More than 20% up to 30%	25
	C4	More than 30% up to 50%	40
	C5	More than 50% up to 80%	65
	C6	More than 80%	90

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

To determine the amount of allowances for the normal and substandard portfolio, the first step is to determine the exposure affected by allowances, which comprises the carrying amount of loans plus contingent loans, less the amounts that would be recovered through the execution of the guarantees, financial guarantee or collateral, supporting the transactions. The related loss percentages are applied to such exposure, which are composed of the probability of default (PD) and the loss given default (LGD) established for the category in which the debtor and/or its qualified guarantor is classified, as applicable. For collateral, the Bank must demonstrate that the value assigned to this deduction reasonably reflects the value it would obtain on the disposal of the assets or equity instruments.

Collateral and sureties may be considered to the extent that the documentation evidencing the surety explicitly refers to specific loans, so that the scope of coverage is clearly defined and the claim against the guarantor or co-debtor is unquestionable. The credit quality of the direct debtor or group of debtors, as the case may be, may be substituted, in the proportion related to the exposure supported, by the credit quality of the guarantor or co-debtor.

For the substitution of the debtor's credit risk for the credit quality of the guarantor or co-debtor, this methodology will only be applicable when the guarantor or co-debtor is an entity rated in a category similar to investment grade by a local or international rating agency recognized by the CMF. The substitution method also applies when the guarantor or co-debtor is:

- the Chilean Treasury, CORFO or FOGAPE, assigning them category A1 for such purpose. For loans granted for the financing of higher education studies, granted in accordance with Law No. 20027, the Government may be considered as a qualified guarantor for 90% of the loan.
- Indirect debtors, other than those mentioned in the preceding point, that have audited financial statements and have been classified by the Bank, strictly applying the provisions of No. 2 of Chapter B-1 of the Compendium of accounting standards issued by the CMF, in a category up to A3 and above that of the direct debtor.

Notwithstanding the above-mentioned, the Bank should keep a minimum allowance percentage of 0.50% on loans and contingent loans from the normal portfolio. This minimum ratio must be met for the Bank considered individually and for the local consolidated report (the Bank and its subsidiaries in Chile).

For the purposes of establishing the allowance for credit losses in default, an expected loss rate is first determined, deducting the amounts recoverable through execution of guarantees and, if specific information is available, the present value of the recoveries obtained through collection actions, net of associated expenses. Once the expected loss range has been determined, the related allowance percentage is applied to the exposure amount comprising the loans plus the contingent loans of the same debtor.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Allowances for loans associated with collective assessment:

The collective assessment is used for residential mortgage and consumer loan exposures, in addition to commercial exposures related to student loans and exposures to borrowers that simultaneously meet the following conditions: i) The Bank has an aggregate exposure (gross amount of provisions) to a single counterparty of less than UF20,000 (excluding mortgage loans). For off-balance sheet items, the gross amount is calculated by applying the credit conversion factors. In addition, "to the same counterparty" denotes one or more entities that may be considered as a single beneficiary.

For the determination of the aggregate exposure, the Bank must consider the exposure of the corporate group and ii) each aggregate exposure to the same counterparty does not exceed 0.2% of the total associated portfolio. To avoid circular computation, the criterion will be checked only once, for the remaining commercial credit exposures the models based on the individual analysis of the debtors must be applied.

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.

To determine the allowances, the related group evaluations require the creation of groups of loans with homogeneous characteristics in terms of type of debtors and conditions agreed, in order to establish, through technically based estimates and following prudential criteria, both the payment behavior of the related group and the recoveries of its defaulted loans. Banks may use two alternative methods to determine allowances for retail loans that are assessed on a group basis.

Under the first method, the Bank will use the experience gathered that explains the payment behaviour shown by each group of debtors sharing similar characteristics and recovery through the execution of guarantees and collection actions where applicable, to directly estimate a percentage of expected losses that will be applied to the amount of the loans of the related group.

Under the second, banks will segment debtors into homogeneous groups, as indicated above, associating with each group a certain probability of default and a recovery percentage based on a substantiated historical analysis. The amount of allowances to be made will be obtained by multiplying the total amount of loans of the related group by the estimated default and loss given default percentages.

In both methods, the estimated losses must be related to the type of portfolio and the term of the operations. For consumer loans, guarantees will not be considered for purposes of estimating the expected loss.

However, for establishing allowances purposes, the Bank must recognize minimum allowances in accordance with the standard method established by the CMF. The use of this prudential minimum base for provisions, in no case exempts the Bank from its responsibility to have its own methodologies to determine allowances that are sufficient to protect the credit risk of each of its portfolios, and must therefore have both methods.

Allowances will be recorded considering the higher value obtained between the related standard method and the internal method.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The Bank has internal models for its collective portfolios, as well as standard methods for collective business portfolios and mortgage loans.

Allowances for consumption loans are calculated based on the estimated expected loss for each product/debtor, which is made up of three elements: probability of default (PD), loss given default (LGD) and exposure or debt. PD is defined as the probability that a customer will fail to meet their loan obligations, whereas the loss given default is the rate of loss that a customer may have in the event of not paying their obligations. In general, the formula for calculating the provision is given by:

$$EL = PD * LGD * Exposure$$

Where:

- EL: Expected loss of product/debtor.
- PD: is the probability of default of an individual.
- LGD: Loss given default.
- Exposure: is the account debt.

The expected loss of the Chilean Government is applied to the guaranteed percentage of the FOGAPE, FOGAIN and CORFO reprogramming loan 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 customer's PD 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 PD 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Additional allowances for loans:

In conformity with the standards issued by the CMF, the Bank has made additional allowances 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.

Because of the current behavior of the portfolios and the expected forecasts for 2023, additional allowances were redistributed maintaining the same stock, for the purpose of maintaining adequate coverage in those portfolios where similar behaviors to those noted before the pandemic are not yet observed.

Allowances for contingent loans

Contingent loans are all those operations or commitments in which the Bank assumes 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 readily available revolving credit facilities, readily available revolving credit facilities with immediate payment, loans for higher education under Law No.20027 (CAE), letters of credit for goods movement transactions, commitments to purchase debt in local currency abroad, transactions related to contingent events, guarantees and sureties, other irrevocable credit commitments and other contingent loans.

Contingent loans are not recorded as assets. However, in order to hedge the credit risk, an allowance for potential losses is accrued and recorded within 'Expense for credit losses' as an 'Expense for special allowances for credit losses' in the Interim Consolidated Statements of Income.

To estimate allowances for contingent loans as indicated in Chapter B-1 and Chapter B-3 of the CNC for Banks issued by the CMF, the amount of the exposure to be considered will be equivalent to the following percentages of contingent loans:

Type of contingent exposure	FCC
Unrestricted revolving credit facilities with immediate payment	10%
Contingent loans linked to CAE	15%
Letters of credit for goods movement transactions	20%
Other readily available revolving credit facilities	40%
Local currency debt purchase commitments abroad	50%
Transactions related to contingent events	50%
Co-debtors and guarantees	100%
Other loan commitments	100%
Other contingent loans	100%

However, when operations are conducted with customers with loans in default, as stated in Chapter B-1 of the CNC for Banks issued by the CMF, the exposure will always be equivalent to 100% of their contingent loans.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

(ab) 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" in the Interim Consolidated Statements of Financial Position.

(ac) Use of judgments and estimates

The preparation of the Interim 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 these 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 accounting 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 Interim Consolidated Financial Statements, are described in the following notes:

- Notes 8, 11 and 12 : Measurement of financial instruments.
- Notes 13, 26, and 41 : Allowances for credit risk.
- Notes 15, 16, and 17 : Useful life and impairment of intangible assets, property and equipment and right-of-use assets.
- Note 18 : Deferred taxes.
- Notes 24, 25, and 26 : Provisions, contingencies and commitments.

(ad) Interest and indexation income and expenses

Interest income and expenses are recognized in the Interim Consolidated Statements of Income 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Adjustments mainly relate to the indexation associated with changes in the value of Unidad de Fomento (UF), which amounted to Ch\$36,089.48 as at June 30, 2023 (Ch\$33,086.83 as at June 30, 2022).

The Bank suspends the recognition of interest and indexation income on an accrual basis for loans when the loan or one of its installments is 90 days overdue. This implies that, from the date on which it is due to be suspended and until these loans are no longer impaired, the related assets will not be increased with interest and indexation in the Interim Consolidated Statements of Financial Position and no income for these items will be recognized in the Interim Consolidated Statements of Income, unless they are effectively received.

(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) Expenses for employee benefit obligations. 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 employment contract termination benefits agreed in the several collective bargaining agreements in force between Scotiabank Chile 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.

The expenses detailed in the previous paragraph are calculated using actuarial methods and assumptions, which are based on management's best estimate and are 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 Banco Central de Chile is used).

Gains and losses arising from changes in actuarial variables for employment contract termination benefits are recognized in the Interim Consolidated Statements of Other Comprehensive Income.

The effect of the provisions for such benefits are recognized in the caption "Provisions for contingencies" in the Interim Consolidated Statements of Financial Position.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

(ag) 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 Interim 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.

(ah) 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 Interim Consolidated Financial Statements, the Bank and its subsidiaries do not have any instruments that generate dilutive effects on Equity.

(ai) Seasonality

Because of the nature of the activities Scotiabank Chile and its subsidiaries perform, transactions are not cyclical or seasonal. Accordingly, no specific explanatory notes on this matter are included.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 3 New accounting pronouncements issued and adopted, or issued but not yet adopted
i) Adoption of new standards and amendments introduced by the CMF

Circular No.2330, January 13, 2023: Incorporates the new Chapter 21-14 to the Updated Compilation of Standards (RAN) for Banks, which contains the provisions related to the performance of the internal liquidity adequacy assessment process (ILAAP) and the general requirements and conditions considered by the CMF for the assessment of the adequacy of the liquidity position of banks.

ii) New pronouncements introduced by the IASB
Current accounting pronouncements

The following amended accounting pronouncements are mandatory for periods beginning on January 1, 2023:

New IFRS	Mandatory application date
IFRS 17 Insurance Contracts	Annual periods beginning on or after January 1, 2023.
Amendments to IFRS	Mandatory application date
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.
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023.
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.
International Tax Reform Rules of the Second Pillar Model (Amendments to IAS 12).	Annual periods beginning on or after January 1, 2023.

IFRS 17 Insurance Contracts

Issued on May 18, 2017, this Standard requires that insurance obligations are measured at current compliance values and provides a more consistent approach for presenting and measuring all insurance contracts. Such requirements are designed to provide a consistent principle-based accounting treatment.

In March 2020, the IASB decided to defer the effective date of IFRS 17 to January 1, 2023. Early adoption is permitted if IFRS 9 and IFRS 15 have been adopted. The Board also decided to extend the temporary exemption to IFRS 9 granted to insurers who meet specified criteria, through January 1, 2023.

The Bank's Management assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus 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 assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

International Tax Reform Pillar Two Model Rules (Amendments to IAS 12)

In May 2023, the Board issued amendments to IAS 12 to respond to concerns from stakeholders on possible implications of the imminent implementation of International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 of the Organisation for Economic Co-operation and Development (OECD) on income taxes.

The amendments include the following aspects:

- Introduce an exception to the requirements of IAS 12 Income Taxes regarding the recognition and disclosure of deferred taxes related to the implementation of the OECD Pillar Two model rules, which is effective immediately and is applied retrospectively, in accordance with the guidelines set out in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Likewise, it establishes that the entity must disclose that it has applied the exception indicated.
- Disclosure requirements during the period that the Pillar Two model is enacted, but not yet effective. An entity should disclose information that is known or can be reasonably estimated and that assist users of financial statements to understand the entity's exposure to income taxes that may arise from the Pillar Two model.
- Disclosure requirements are applicable for annual periods beginning on or after January 1, 2024.

The Bank's Management assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Accounting pronouncements issued but not yet effective

The following accounting pronouncements have been issued and are not yet effective.

Amendments to IFRS	Mandatory application date
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024. 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)	Effective date deferred indefinitely.
Lease liabilities in a sale with leaseback (Amendments to IFRS 16)	Annual periods beginning on or after January 1, 2024. Early adoption is permitted.
Non-current Liabilities with Covenants (Amendments to IAS 1)	Annual periods beginning on or after January 1, 2024.
Supplier Financing Arrangements (Amendments to IFRS 7 and IAS 7)	Annual periods beginning on or after January 1, 2024.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The IASB amended IAS 1 "Presentation of Financial Statements" to foster consistent application and clarify the requirements to determine whether a liability is current or non-current. As a result of such amendment, entities are required to review their loan contracts to determine whether their classification will change.

The amendments include the following:

- Right to defer settlement must have substance: under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for, at least, twelve months after the end of the reporting period. As part of its amendments, the IASB has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.
- Classification of revolving credit facilities may change: entities classify a liability as non-current if they have a right to defer its settlement for at least twelve months after the end of the reporting period. The IASB has now clarified that a right to defer exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date.
- Liabilities with equity cancellation features: the amendments state that the cancellation of a liability includes the transfer of the entity's own equity instruments to the other party. The amendment clarifies the way in which entities classify a liability that includes a conversion option of the other party, which could be recognized as equity or as a liability separately from the liability component provided for in IAS 32 "Financial Instruments: Presentation."

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2024. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in their next annual financial statements.

The Bank's Management assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

Sale or Contribution of Assets Between and 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. Also, it introduces new and unforeseen recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application of this amendment has been deferred indefinitely.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

In September 2022, the Board issued amendments to IFRS 16 "Leases – Lease liability on a Sale and Leaseback", which sets out the requirements for how an entity should account for a sale and leaseback after the date of the transaction.

While IFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, the standard does not specify how the subsequent measurement of this transaction would be. The amendments issued by the Board are additional to the requirements established in IFRS 16 for leaseback sales, which support the consistent application of the standard.

The Bank's Management assessed the impact of the adoption of this Standard and determined there are no effects on its Interim Consolidated Financial Statements.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Non-current Liabilities with Covenants

The International Accounting Standards Board issued in October 2022 the amendment to IAS 1 Presentation of Financial Statements, in which it indicates that only covenants that a company must meet on or before the reporting date affect the classification of a liability as current or non-current.

Covenants with which the Company must comply after the reporting date (i.e., future covenants) do not affect the classification of a liability at that date. However, when non-current liabilities are subject to covenants, companies will now be required to disclose information to help users understand the risk that those liabilities may become repayable within 12 months after the reporting date.

The Bank's Management is assessing the impact of adopting this amendment.

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures, which establish additional disclosure requirements to be included in the notes related to Supplier Finance Arrangements, which will supplement the requirements currently established in IFRS Standards and will provide information that will allow the users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, as well as its exposure to liquidity risk.

Amendments include the requirement to disclose the type and effect of non-cash changes in the carrying amounts of financial liabilities that are part of a supplier finance arrangement.

The amendments are applicable to supplier finance arrangements that have all the following characteristics:

- The finance supplier pays the amounts owed by a company (the buyer) to its suppliers.
- The company agrees to pay in accordance with to the terms and conditions of the arrangements on the same date or at a later date than its suppliers are paid.
- The company has extended payment terms or suppliers benefit from early payment terms, compared to the due date for payment of the related invoice.

No amendments are included regarding the classification and presentation of the related liabilities and cash flows and are not applicable to finance arrangements related to accounts receivable or inventories.

The Bank's Management is assessing the impact of adopting these amendments.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 4 Changes in accounting policies

Through Circular No. 2243 dated December 20, 2019, supplemented by Circular No. 2295 dated October 7, 2021, the CMF issued the new version of the Compendium of Accounting Standards for Banks (CNC) effective beginning on January 1, 2022.

Changes in the new compendium mainly relate to amendments introduced by the IASB, allowing better presentation and disclosure of financial information, unifying formats, providing more detail on relevant information and adapting to Basel III.

Description of impacts as at January 1, 2022:

a) Suspension of revenue recognition on an accrual basis

This corresponds to the application of chapter B-2 of the new CNC for Banks, which defines that banks must cease to recognize revenue on an accrual basis when the loan or one of its installments is 90 days past due.

The suspension of revenue recognition on an accrual basis implies that, from the date on which it is due to be suspended and until these loans are no longer impaired, the related assets will not be increased with interest and indexation or commissions in the Statement of Financial Position and no income for these items will be recognized in the Statement of Income, unless they are effectively received.

The impact of this amendment where the Bank recognized a net credit to loans of MCh\$3,082 is detailed as follows:

Concept - First application adjustment	Loans MCh\$	Allowance MCh\$	Net effect MCh\$
Commercial loans	(2,428)	(1,297)	(3,725)
Consumer loans	(549)	239	(310)
Mortgage loans	824	129	953
Total	(2,153)	(929)	(3,082)

b) Renegotiations of transactions written-off

The new version of the CNC for Banks establishes the obligation to return to assets those renegotiated loans that are no longer impaired, recognizing the related recovery for the capitalization of such loans.

The impact of this amendment is as follows:

Concept - First application adjustment	Loans MCh\$	Allowance MCh\$	Net effect MCh\$
Commercial loans	1,019	167	852
Consumer loans	2,035	23	2,012
Mortgage loans	1,152	3	1,149
Total	4,206	193	4,013

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Special allowances for credit losses

Corresponds to the update of Chapter B-3 of the new CNC for Banks, which incorporates the concept of "unrestricted revolving credit facilities with immediate payment", which has a credit risk exposure of 10%. This amendment implied a release of provisions of MCh\$12,306.

The impact of this amendment is as follows:

Concept- First application adjustment	Credit Lines MCh\$	Credit Cards MCh\$	Amount MCh\$
Commercial	944	304	1,248
Consumer	303	10,755	11,058
Total	1,247	11,059	12,306

d) Deferred tax assets

Associated with the first-time application adjustments described above, effects were generated in the determination of deferred taxes.

The debit for deferred tax assets consists of:

Concept - First time application	Amount MCh\$
Deferred tax asset - suspension of accrual	435
Deferred tax assets - special allowance for credit risk	52
Total deferred tax assets	487

The credit for deferred tax liabilities consists of:

Concept - First time application	Amount MCh\$
Deferred tax liability - special allowances for credit risk	1,414
Deferred tax liability - renegotiations of written-off operations	1,136
Deferred tax liability - suspension of accrual	1,540
Total deferred tax liability	4,090

e) Minority interest

As a result of the application of the new CNC for Banks to the Financial Statements Consolidation process, the following adjustments were made to the caption "Minority Interest":

Concept- First application adjustment	Amount MCh\$
Minority interest - CAT Administradora de Tarjetas S.A	2,041
Minority interest - Scotia Azul Sociedad de Leasing Inmobiliario S.A.	(3)
Net effect of minority interest	2,038

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

f) Reconciliation of the net effect on equity of the application of the new CNC for Banks

In accordance with the provisions of Chapter E, paragraph 1 of the new CNC for Banks, the impacts of the transition to the new generally accepted principles and the criteria established by the CMF at the transition date must be recorded in the equity item "Non-earning reserves" on January 1, 2022.

According to paragraph 2 of Chapter E of the new CNC for Banks, the implementation of IFRS 9, regarding classification and impairment of financial instruments shall be applied retrospectively. In the pro forma financial statements as at January 1, 2021 and December 31, 2021, the Bank determined impairment to the captions "Rights under resale agreements and securities lending agreements" and "Financial assets at fair value through other comprehensive income."

Because Chapter E, paragraph 3 establishes the option to apply prospectively the change of criteria for the suspension of recognition of interest and indexation income on an accrual basis and considering the implementation in December 2021 of the standards on Regulatory Capital (Basel III), the Bank decided to record the impacts associated mainly with the loan portfolio beginning on January 1, 2022.

The following is a summary of the effects on the equity account "Other Non-earnings Reserves":

Equity reconciliation - First application adjustment	2022 MCh\$	2021 MCh\$	Total adjustments MCh\$
Impairment of financial investments	(157)	(716)	(873)
Commercial loans - suspension of accrual	(3,725)	-	(3,725)
Consumer loans - suspension of accrual	(310)	-	(310)
Mortgage Loans- suspension of accrual	953	-	953
Commercial loans - renegotiations of written-off operations	852	-	852
Consumer loans - renegotiations of written-off operations	2,012	-	2,012
Mortgage loans - renegotiations of written-off operations	1,149	-	1,149
Special provisions for credit risk	12,306	-	12,306
Deferred tax assets	487	-	487
Deferred tax liabilities	(4,090)	-	(4,090)
Minority interest - CAT Administradora de Tarjetas S. A.	(2,041)	-	(2,041)
Minority interest - Scotia Azul Sociedad de Leasing Inmobiliario S.A.	3	-	3
Net effect not from earnings (equity)	7,439	(716)	6,723

Other changes in accounting policies

During the six-month period ended June 30, 2023, there have been no significant changes in accounting policies that affect the interpretation of these Interim Consolidated Financial Statements.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 5 Significant events

On January 26, 2023, in accordance with the provisions of Articles 9 and 10 of Law No. 18045, on the Securities Market, and Chapter 18-10 of the Updated Compilation of Standards issued by the CMF, it is hereby communicated as essential information, that as a result of the reduction of the Bank's Board of Directors to 7 regular directors and 1 alternate director, which was authorized by Resolution No. 7921, issued on December 1, 2022, at the Ordinary Board of Directors' Meeting held on this date, the Board of Directors of Scotiabank Chile took office in its new structure by the directors Salvador Said Somavía, Raquel Costa, Emilio Deik Morrison, Karen Ergas Segal, Gonzalo Said Handal, Fernanda Vicente Mendoza and Francisco Matte Risopatrón; and by the alternate director Thayde Olarte. The meeting also agreed to appoint Mr. Salvador Said Somavía as Chairman of the Board and Chairman of the Bank and Mr. Emilio Deik Morrison as Vice-Chairman.

On March 30, 2023, in accordance with the provisions of Articles 9 and 10 of Law No. 18045 on the Securities Market and Chapter No. 18-10 of the Updated Compilation of Standards issued by the CMF, the Bank communicates as an essential event that on the aforementioned date, the shareholders of Scotiabank Chile at the Ordinary Shareholders' Meeting adopted, among other agreements, to distribute 30% of the profit obtained during 2022; i.e., MCh\$146,260, equivalent to a dividend of Ch\$11.94457 per share, and allocate the remainder to the retained earnings reserve fund for undistributed earnings.

Note 6 Business segments

Scotiabank Chile 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 segments referred to their business characteristics.

Scotiabank creates value in a sustainable manner, giving customers the opportunity to choose their world through a range of financial products and services for our diverse segments.

In conformity with IFRS 8 "Operating Segments", the Bank has added the operating segments with similar economic characteristics considering the aggregation criteria indicated in such standard. The Bank performs its business activities by lines of business, which have been defined based on the target customers. Scotiabank Chile targets the following market segments which are defined as Retail Banking (Individuals and SMEs), Wholesale, CAT, Treasury and Others. A business segment comprises customers to whom a differentiated product offering is directed according to their commercial characteristics, measured on a similar basis 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The following are the business segments established by the Bank:

1. Retail

Personal Banking: This segment addresses individual customers whose income is over US\$200. The main products offered by the Bank in this segment include consumer loans, overdraft credit line, credit cards, and mortgage loans. In addition, the Bank has liability products for this tranche, and 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.

SME banking: As Corporate Banking, we have focused our efforts on attracting and linking corporate clients and individuals with business activities, belonging to different economic sectors such as services, commerce, transportation and agriculture, and where annual sales do not exceed MUS\$4. Our value proposition is based on providing financial services of excellence through asset and liability products, such as commercial loans, lease contracts, factoring transactions, current account plans, insurance, investment products, foreign trade and cash management.

2. Wholesale banking

This business segment includes enterprise customers with annual sales over MUS\$4 and corporate customers with annual sales over MUS\$150. The main products offered by the Bank to this segment include working capital financing, foreign trade loans, lease operations, factoring transactions and structured finance (syndicated loans, project financing, 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. CAT

This segment groups credit cards and consumer loans offered within the framework of the binding partnership agreement entered into with Cencosud S.A., by way of which the bank acquired 51% of the shares of CAT Administradora de Tarjetas S.A. ("CAT") and of CAT Corredores de Seguros y Servicios S.A., with the purpose of the joint and exclusive performance of the financial retail business of Cencosud in Chile.

4. Treasury

This segment performs the global functions of interest rate risk management, structural exchange rate position, inflation position and liquidity risk management. The latter, through the performance of issues and uses. In addition to the management of the available-for-sale investment portfolio. Likewise, the Bank's own resources, the capital endowment made to each unit and the cost of financing the investments made are also managed.

The segment includes revenue associated with the management of the investment portfolio and gains or losses from the management of interest rate and inflation risks.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

5. Other

This segment includes all items 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 income of Scotiabank Chile, for each of the abovementioned segments:

	As at June 30, 2023					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Net interest income	263,844	153,880	136,067	(167,391)	316	386,716
Other income	58,918	100,061	44,590	147,426	17,796	368,791
Equity in net income of investees	-	-	-	-	3,136	3,136
Total operating income	322,762	253,941	180,657	(19,965)	21,248	758,643
Operating expenses	(153,716)	(63,015)	(63,971)	(4,253)	(3,786)	(288,741)
Depreciation and amortization	(18,046)	(5,404)	(5,807)	(457)	(3,410)	(33,124)
Credit losses expense	(83,352)	(13,994)	(95,965)	-	194	(193,117)
Segment operating profit (loss)	67,648	171,528	14,914	(24,675)	14,246	243,661
Income tax expense						(42,194)
Profit (loss) for the period						201,467

Spot Volumes

Assets (loans)	18,747,465	11,416,599	1,587,790	-	85,984	31,837,838
Liabilities (Core and Term deposits)	6,322,584	6,053,924	-	5,654,665	224,081	18,255,254

	As at June 30, 2022					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Net interest income	226,413	120,201	97,269	(89,238)	1,727	356,372
Other income	59,899	55,586	39,755	188,572	(588)	343,224
Equity in net income of investees	-	-	-	-	4,096	4,096
Total operating income	286,312	175,787	137,024	99,334	5,235	703,692
Operating expenses	(147,417)	(54,993)	(35,790)	(3,886)	(22,692)	(264,778)
Depreciation and amortization	(15,269)	(4,907)	(5,401)	(402)	(3,549)	(29,528)
Credit losses expense	(57,120)	(8,363)	(55,795)	-	(2,232)	(123,510)
Segment operating profit (loss)	66,506	107,524	40,038	95,046	(23,238)	285,876
Income tax expense						(32,430)
Profit (loss) for the period						253,446

Spot Volumes

Assets (loans)	17,469,284	12,072,735	1,435,245	-	173,746	31,151,010
Liabilities (Core and Term deposits)	6,131,932	5,286,055	-	6,936,642	354,043	18,708,672

For decision-making purposes, senior management is provided with information on net interest income and provisions to assess the performance of the segments and allocate resources to them.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 7 Cash and cash equivalents

The detail of cash and cash equivalents is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Cash and deposits in banks		
Cash	160,691	293,138
Deposits in Banco Central de Chile (i)	750,305	341,007
Deposits in foreign Central Banks	-	-
Deposits in domestic Banks	2,081	5,968
Deposits in foreign Banks	232,898	628,065
Subtotal - Cash and deposits in Banks	1,145,975	1,268,178
Net trading operations pending settlement (ii)	(92,738)	54,778
Other cash equivalents (iii)	1,149,205	918,614
Total cash and cash equivalents	2,202,442	2,241,570

- (i) The level of funds in cash and in Banco Central de Chile corresponds to reserve regulations that the Bank has to keep as an average in monthly periods.
- (ii) Trading operations pending settlement correspond to transactions that have been traded but yet are pending settlement which will increase or decrease the funds maintained in the Banco Central de Chile or in banks in foreign countries, normally within a period ranging between 12 and 24 working hours, and are detailed as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Assets		
Notes in charge of other banks (exchange)	35,845	34,652
Transfer of funds pending receipt	449,766	530,769
Subtotal assets	485,611	565,421
Liabilities		
Transfer of funds pending delivery	(578,349)	(510,643)
Subtotal liabilities	(578,349)	(510,643)
Net trading operations pending settlement	(92,738)	54,778

- (iii) Refers to financial instruments that meet the criteria to be considered as "cash equivalents" as defined by IAS 7, i.e., to qualify as "cash equivalents" investments in debt financial instruments must be short-term with an original maturity of 90 days or less from the date of acquisition, be highly-liquid, readily convertible to known amounts of cash from the date of initial investment, and that the financial instruments are exposed to an insignificant risk of changes in value.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 8 Financial assets held for trading at fair value through profit or loss

a) The detail of financial assets held for trading at fair value through profit or loss is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Derivative instruments		
Forwards	804,202	1,227,883
Swaps	5,190,769	5,585,410
Call options	277	-
Put options	-	-
Forwards	-	-
Other	-	-
Financial debt securities		
Government and Banco Central de Chile	108,338	214,863
Other debt financial instruments issued in Chile	136,295	196,121
Debt financial instruments issued abroad	10,171	8,355
Other debt financial instruments		
Investments in mutual funds	57,939	90,175
Equity instruments	6,904	5,264
Loans originated and acquired by the entity	-	-
Other	-	-
Total	6,314,895	7,328,071

b) The detail of financial derivative instruments is as follows:

Product	Notional amounts of contracts with final maturity (1)							Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	-	457,019	628,459	571,462	289,504	40,172	-	48,113
Paper forward	-	-	-	-	-	-	-	-
Exchange insurance	-	10,962,189	8,485,256	7,682,258	1,866,322	810,893	563,490	535,124
Inflation insurance	-	536,071	1,698,899	5,233,671	3,290,884	1,250,409	3,834,000	220,965
Subtotal forward	-	11,955,279	10,812,614	13,487,391	5,446,710	2,101,474	4,397,490	804,202
Options								
Call option	-	-	-	8,031	-	-	-	277
Put option	-	-	-	8,882	-	-	-	-
Subtotal options	-	-	-	16,913	-	-	-	277
Swap								
Cross currency swap	-	902,572	2,139,561	7,943,403	14,230,129	8,096,234	13,270,892	2,863,947
Rate swap	-	6,287,476	17,740,620	31,416,848	31,784,692	16,616,525	18,797,638	2,326,822
Subtotal swap	-	7,190,048	19,880,181	39,360,251	46,014,821	24,712,759	32,068,530	5,190,769
Total	-	19,145,327	30,692,795	52,864,555	51,461,531	26,814,233	36,466,020	5,995,248

(1) The amounts of the maturities were determined based on the notional values of the financial instruments

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Product	Notional amounts of contracts with final maturity (1)							Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Assets
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	-	387,348	464,712	521,998	308,790	68,222	-	58,264
Paper forward	-	20,685	-	-	-	-	-	62
Exchange insurance	-	8,327,025	7,213,782	8,452,776	2,623,041	786,049	639,437	900,232
Inflation insurance	-	791,312	3,606,313	4,127,076	3,599,745	1,265,890	4,349,518	269,325
Subtotal forward	-	9,526,370	11,284,807	13,101,850	6,531,576	2,120,161	4,988,955	1,227,883
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal options	-	-	-	-	-	-	-	-
Swap								
Cross currency swap	-	1,236,105	2,858,651	7,744,920	14,383,830	9,888,402	14,405,853	3,180,295
Rate swap	-	4,679,594	12,152,237	22,050,888	20,937,549	14,918,159	19,677,894	2,405,115
Subtotal swap	-	5,915,699	15,010,888	29,795,808	35,321,379	24,806,561	34,083,747	5,585,410
Total	-	15,442,069	26,295,695	42,897,658	41,852,955	26,926,722	39,072,702	6,813,293

(1) The amounts of the maturities were determined based on the notional values of the financial instruments

c) The detail of debt financial instruments and other financial instruments is as follows:

As at June 30, 2023	Notional amounts of contracts with final maturity (1)							Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	11,985	3,917	18,626	-	-	-	34,528
Bonds or promissory notes issued by the Treasury	-	-	-	14,840	12,410	75	45,092	73,810
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile:	-	11,985	3,917	33,466	12,410	75	45,092	108,338
Debt financial instruments issued by other domestic banks	-	15,531	9,858	72,269	22,256	7,715	4,453	132,082
Domestic corporate bonds and commercial paper	-	-	-	-	-	2,249	2,274	4,213
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	15,531	9,858	72,269	22,256	9,964	6,727	136,295
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	10,416	-	-	-	10,171
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	10,416	-	-	-	10,171
Other financial instruments								
Investments in mutual funds	51,098	6,841	-	-	-	-	-	57,939
Equity instruments	6,772	132	-	-	-	-	-	6,904
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	57,870	6,973	-	-	-	-	-	64,843
Total	57,870	34,489	13,775	116,151	34,666	10,039	51,819	319,647

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

As at December 31, 2022	Notional amounts of contracts with final maturity (1)							Fair Value
	On-demand	Up to 1 month	1 up to 3 months	3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	265	100	-	195	-	-	560
Bonds or promissory notes issued by the Treasury	-	-	123,061	31,927	11,675	30,433	18,722	214,303
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile:	-	265	123,161	31,927	11,870	30,433	18,722	214,863
Debt financial instruments issued by other domestic banks	-	2,791	19,615	136,582	32,311	-	330	191,629
Domestic corporate bonds and commercial paper	-	-	-	-	-	-	4,780	4,492
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	2,791	19,615	136,582	32,311	-	5,110	196,121
Debt financial instruments issued by foreign Central Banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	8,502	-	-	-	8,355
Debt financial instruments of other foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	8,502	-	-	-	8,355
Other financial instruments								
Investments in mutual funds	86,674	3,501	-	-	-	-	-	90,175
Equity instruments	5,264	-	-	-	-	-	-	5,264
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	91,938	3,501	-	-	-	-	-	95,439
Total	91,938	6,557	142,776	177,011	44,181	30,433	23,832	514,778

(1) The amounts of the maturities were determined based on the notional values of the financial instruments

Note 9 Financial assets not held for trading mandatorily measured at fair value through profit or loss

As at June 30, 2023 and December 31, 2022, the Bank has no such operations.

Note 10 Financial assets and financial liabilities designated at fair value through profit or loss

As at June 30, 2023 and December 31, 2022, the Bank has no such operations.

Note 11 Financial assets at fair value through other comprehensive income

a) The detail of financial assets at fair value through other comprehensive income is as follows:

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Debt financial instruments	3,049,509	2,360,643
Other	-	-
Total	3,049,509	2,360,643

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) The detail of debt financial instruments and other financial instruments is as follows:

As at June 30, 2023	Nominal amounts							Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	956,210	-	64,000	406,000	-	-	1,394,344
Bonds or promissory notes issued by the Treasury	-	-	-	-	183,045	660,587	864,021	1,644,057
Other Treasury debt financial instruments	-	-	1	9	386	1,193	9,519	11,108
Government and Banco Central de Chile:	-	956,210	1	64,009	589,431	661,780	873,540	3,049,509
Debt financial instruments issued by other domestic banks	-	-	-	-	-	-	-	-
Domestic corporate bonds and commercial paper	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Debt financial instruments issued by foreign central banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	-	-	-	-	-
Debt financial instruments of other banks abroad	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-
Total	-	956,210	1	64,009	589,431	661,780	873,540	3,049,509

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

As at December 31, 2022	Nominal amounts							Fair Value
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	195,500	300,000	122,000	-	4,585	-	614,465
Bonds or promissory notes issued by the Treasury	-	-	-	-	336,360	635,155	849,816	1,734,379
Other Treasury debt financial instruments	-	-	2	13	355	1,125	10,304	11,799
Government and Banco Central de Chile:	-	195,500	300,002	122,013	336,715	640,865	860,120	2,360,643
Debt financial instruments issued by other domestic banks	-	-	-	-	-	-	-	-
Domestic corporate bonds and commercial paper	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Debt financial instruments issued by foreign central banks	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	-	-	-	-	-
Debt financial instruments of other banks abroad	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-
Total	-	195,500	300,002	122,013	336,715	640,865	860,120	2,360,643

As at June 30, 2023, the Financial assets at fair value through other comprehensive income portfolio includes a net unrealized loss of MCh\$138,710 (MCh\$165,795 as at December 31, 2022) recorded as valuation adjustments in equity and a net realized gain of MCh\$868 (MCh\$377 as at June 30, 2022) recorded in the caption "Gain or loss from derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Movements in financial assets at fair value through other comprehensive income are detailed as follows:

As at June 30, 2023	Stage 1		Stage 2		Stage 3		Total	
	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As at January 1, 2023	2,360,643	(919)	-	-	-	-	2,360,643	(919)
Net changes (purchase / sale) for the period	645,756	(224)	-	-	-	-	645,756	(224)
Change in fair value	30,758	-	-	-	-	-	30,758	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact of transfers in Expected Credit Losses	-	-	-	-	-	-	-	-
Reductions due to discounts	(164)	-	-	-	-	-	(164)	-
Accrued interest	13,072	-	-	-	-	-	13,072	-
Remeasures of Expected Credit Losses at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	(556)	-	-	-	-	-	(556)	-
Balance as at June 30, 2023	3,049,509	(1,143)	-	-	-	-	3,049,509	(1,143)

As at December 31, 2022	Stage 1		Stage 2		Stage 3		Total	
	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses	Fair Value	Expected Credit Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As at January 1, 2022	1,950,500	(872)	-	-	-	-	1,950,500	(872)
Net changes (purchase / sale) for the period	361,948	(47)	-	-	-	-	361,948	(47)
Change in fair value	22,201	-	-	-	-	-	22,201	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact of transfers in Expected Credit Losses	-	-	-	-	-	-	-	-
Reductions due to discounts	228	-	-	-	-	-	228	-
Accrued interest	8,671	-	-	-	-	-	8,671	-
Remeasures of Expected Credit Losses at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	17,095	-	-	-	-	-	17,095	-
Balance as at December 31, 2022	2,360,643	(919)	-	-	-	-	2,360,643	(919)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) The table below shows the fair values of debt financial instruments detailing unrealized gains and losses:

As at June 30, 2023	Amortized cost MCh\$	Fair Value MCh\$	Unrealized gains/(losses), gross MCh\$
Government and Banco Central de Chile			
Debt financial instruments issued by Banco Central de Chile	1,394,411	1,394,344	(67)
Bonds and promissory notes issued by the Treasury	1,782,537	1,644,057	(138,480)
Other treasury debt financial instruments	11,271	11,108	(163)
Other debt financial instruments issued in Chile			
Debt financial instruments issued by other domestic banks	-	-	-
Domestic corporate bonds and commercial paper	-	-	-
Other debt financial instruments issued in Chile	-	-	-
Debt financial instruments issued abroad	-	-	-
Total	3,188,219	3,049,509	(138,710)

As at December 31, 2022	Amortized cost MCh\$	Fair Value MCh\$	Unrealized gains/(losses), gross MCh\$
Government and Banco Central de Chile			
Debt financial instruments issued by Banco Central de Chile	614,936	614,465	(471)
Bonds and promissory notes issued by the Treasury	1,899,915	1,734,379	(165,536)
Other treasury debt financial instruments	11,587	11,799	212
Other debt financial instruments issued in Chile			
Debt financial instruments issued by other domestic banks	-	-	-
Domestic corporate bonds and commercial paper	-	-	-
Other debt financial instruments issued in Chile	-	-	-
Debt financial instruments issued abroad	-	-	-
Total	2,526,438	2,360,643	(165,795)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 12 Derivative instruments for accounting hedge
a) Balances by type of hedge are detailed as follows:

	6/30/2023		12/31/2022	
	Asset	Liability	Asset	Liability
	(in favor)	(against)	(in favor)	(against)
	MCh\$	MCh\$	MCh\$	MCh\$
Designated derivatives in fair value hedging relationships	95,192	(35,373)	81,407	(41,951)
Designated derivatives in cash flow hedging relationships	257,050	(1,424,288)	313,704	(1,494,929)
Total derivatives designated in hedging relationships	352,242	(1,459,661)	395,111	(1,536,880)

b) The derivative instrument portfolio for accounting hedge purposes is detailed as follows:

As at June 30, 2023		Notional amount of contracts with final maturity							Carrying amount	
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years		Assets	Liabilities
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	⌘	MCh\$	MCh\$
Fair value hedging derivatives										
Future arbitration	-	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-	-
Cross currency swap	-	-	-	117,484	223,675	142,734	559,169	-	93,199	(33,334)
Rate Swap	-	-	-	406,000	12,850	-	69,000	-	1,993	(2,039)
Subtotal	-	-	-	523,484	236,525	142,734	628,169	⌘	95,192	(35,373)

Cash flow hedge derivatives										
Future arbitration	-	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	469,453	18,056	-	-	-	3,331	(1,028)
Call option	-	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-	-
Cross currency swap	-	107,503	160,242	1,063,100	2,302,052	2,019,221	1,969,108	-	253,380	(1,409,321)
Rate Swap	-	-	-	-	-	80,150	111,900	-	339	(13,939)
Subtotal	-	107,503	160,242	1,532,553	2,320,108	2,099,371	2,081,008	⌘	257,050	(1,424,288)
Total	-	107,503	160,242	2,056,037	2,556,633	2,242,105	2,709,177	⌘	352,242	(1,459,661)

As at December 31, 2022		Notional amount of contracts with final maturity							Carrying amount	
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years		Assets	Liabilities
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	⌘	MCh\$	MCh\$
Fair value hedging derivatives										
Future arbitration	-	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-	-
Cross currency swap	-	-	44,591	-	228,039	155,051	554,402	-	77,340	(23,388)
Rate Swap	-	182,429	651,864	-	-	12,850	69,000	-	4,067	(18,563)
Subtotal	-	182,429	696,455	-	228,039	167,901	623,402	⌘	81,407	(41,951)

Cash flow hedge derivatives										
Future arbitration	-	-	-	-	-	-	-	-	-	-
Inflation insurance	-	70,199	167,426	291,328	63,179	-	-	-	2,541	(17,959)
Call option	-	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-	-
Cross currency swap	-	89,649	542,799	691,563	1,815,117	2,090,182	2,026,776	-	311,163	(1,446,898)
Rate Swap	-	-	51,012	-	-	403,780	87,556	-	-	(30,072)
Subtotal	-	159,848	761,237	982,891	1,878,296	2,493,962	2,114,332	⌘	313,704	(1,494,929)
Total	-	342,277	1,457,692	982,891	2,106,335	2,661,863	2,737,734	⌘	395,111	(1,536,880)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

- c) The detail of the carrying amounts of items under fair value hedges, separated by maturity, is as follows:

As at June 30, 2023	Book Value							Total
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Government instruments and Banco Central de Chile	-	-	-	-	-	-	-	-
Other instruments issued in Chile	-	-	-	-	-	-	-	-
Other instruments issued abroad	-	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-	-
Term deposit	-	-	-	-	-	-	-	-
Current bonds	-	-	17,059	112,189	-	-	697,779	827,027
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	-	-	-	-	256,116	-	256,116
Total	-	-	17,059	112,189	-	256,116	697,779	1,083,143

As at December 31, 2022	Book Value							Total
	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Government instruments and Banco Central de Chile	-	-	-	-	-	-	-	-
Other instruments issued in Chile	-	-	-	-	-	-	-	-
Other instruments issued abroad	-	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-	-
Mortgage	-	-	-	-	-	-	-	-
Commercial	-	-	-	-	-	-	-	-
Term deposit	-	140,856	790,836	-	-	-	-	931,692
Current bonds	-	-	4,604	-	16,534	136,685	660,124	817,947
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	-	-	-	403,243	-	-	403,243
Total	-	140,856	795,440	-	419,777	136,685	660,124	2,152,882

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Accounting hedge derivatives:

As derivative instruments are important tools to manage the exchange rate, interest rate and liquidity risks of the Bank's activities, its designation as hedge accounting allows the recognition, under certain circumstances, of the offsetting effects of economic hedges, which reduce the volatility that may arise in profit or loss and cash flows, as through such hedges the gains and losses of the derivative and hedged item are recognized and offset during the same accounting period.

Balances by risk management are presented below.

As at June 30, 2023	Nominal amount of the hedging instrument MCh\$	Carrying amount of the hedging instrument	
		Assets MCh\$	Liabilities MCh\$
Cash flow hedges:			
Interest rate risk			
Rate Swap	192,050	339	(13,939)
Cross currency swap	-	-	-
Exchange rate risk			
Cross currency swap	1,317,688	119,820	(69,392)
Inflation risk			
Inflation insurances	487,509	3,331	(1,028)
Cross currency swap	6,303,538	133,560	(1,339,929)
Subtotal	8,300,785	257,050	(1,424,288)
Fair value hedges:			
Interest rate risk			
Rate Swap	487,850	1,993	(2,039)
Inflation risk			
Cross currency swap	1,043,062	93,199	(33,334)
Subtotal	1,530,912	95,192	(35,373)
Total	9,831,697	352,242	(1,459,661)

As at December 31, 2022	Nominal amount of the hedging instrument MCh\$	Carrying amount of the hedging instrument	
		Assets MCh\$	Liabilities MCh\$
Cash flow hedges:			
Interest rate risk			
Rate Swap	542,348	-	(30,072)
Cross currency swap	-	-	-
Exchange rate risk			
Cross currency swap	1,343,404	134,282	(39,001)
Inflation risk			
Inflation insurances	592,132	2,541	(17,959)
Cross currency swap	5,912,682	176,881	(1,407,897)
Subtotal	8,390,566	313,704	(1,494,929)
Fair value hedges:			
Interest rate risk			
Rate Swap	916,143	4,067	(18,563)
Inflation risk			
Cross currency swap	982,083	77,340	(23,388)
Subtotal	1,898,226	81,407	(41,951)
Total	10,288,792	395,111	(1,536,880)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d.1) Fair value accounting hedge derivatives

For fair value hedges, changes in fair value of hedge instruments are offset in the Consolidated Statements of Income 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 cross-currency interest rate swaps (CC and IRS).

d.2) Cash flow accounting hedge derivatives

For cash flow hedges, the 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 (CC and IRS).

As at June 30, 2023, the Bank has recorded a gain, net of tax of MCh\$32,621 (loss of MCh\$24,816 as at December 31, 2022) in other comprehensive income for the adjustment of cash flow hedging instruments.

As at June 30, 2023, a gain was recognized in profit or loss from cash flow hedging derivatives of MCh\$141,595 (MCh\$236,036 as at June 30, 2022) that includes the non-effective part for changes in the fair value of the hedging relation, and the result effects of the hedging as long as the hedged item affects the results.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Cash flows of hedged items are expected to occur and impact the gain or loss from cash flow accounting hedges as detailed below.

As at June 30, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged Item - Assets	-	39,160	-	102,784	389,089	472,250	421,005	1,424,288
Hedged Item - Liabilities	-	(3,029)	(30,508)	(32,201)	(70,616)	(64,346)	(56,350)	(257,050)
Net cash flows	-	36,131	(30,508)	70,583	318,473	407,904	364,655	1,167,238

As at December 31, 2022	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged Item - Assets	-	17,789	70,732	92,357	318,945	537,008	458,098	1,494,929
Hedged Item - Liabilities	-	-	(3,076)	(52,033)	(82,174)	(104,390)	(72,031)	(313,704)
Net cash flows	-	17,789	67,656	40,324	236,771	432,618	386,067	1,181,225

i) Cash flows forecast for interest rate risk:

As at June 30, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Inflows	-	-	-	-	-	12,522	1,417	13,939
Outflows	-	-	-	-	-	(208)	(131)	(339)
Net flows	-	-	-	-	-	12,314	1,286	13,600
Hedging instruments								
Inflows	-	-	-	-	-	208	131	339
Outflows	-	-	-	-	-	(12,522)	(1,417)	(13,939)
Net flows	-	-	-	-	-	(12,314)	(1,286)	(13,600)

As at December 31, 2022	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Inflows	-	-	2,857	-	-	25,772	1,443	30,072
Outflows	-	-	-	-	-	-	-	-
Net flows	-	-	2,857	-	-	25,772	1,443	30,072
Hedging instruments								
Inflows	-	-	-	-	-	-	-	-
Outflows	-	-	(2,857)	-	-	(25,772)	(1,443)	(30,072)
Net flows	-	-	(2,857)	-	-	(25,772)	(1,443)	(30,072)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

ii) Cash flows forecast for inflation risk:

As at June 30, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 year up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Inflows	-	39,160	-	102,784	386,667	415,606	396,741	1,340,958
Outflows	-	(3,029)	-	(21,662)	(42,410)	(28,264)	(41,525)	(136,890)
Net flows	-	36,131	-	81,122	344,257	387,342	355,216	1,204,068
Hedging instruments								
Inflows	-	3,029	-	21,662	42,410	28,264	41,525	136,890
Outflows	-	(39,160)	-	(102,784)	(386,667)	(415,606)	(396,741)	(1,340,958)
Net flows	-	(36,131)	-	(81,122)	(344,257)	(387,342)	(355,216)	(1,204,068)

As at December 31, 2022	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 year up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Inflows	-	17,789	67,875	92,357	318,945	489,290	439,599	1,425,855
Outflows	-	-	(661)	(12,081)	(45,604)	(63,104)	(57,970)	(179,420)
Net flows	-	17,789	67,214	80,276	273,341	426,186	381,629	1,246,435
Hedging instruments								
Inflows	-	-	661	12,081	45,604	63,104	57,970	179,420
Outflows	-	(17,789)	(67,875)	(92,357)	(318,945)	(489,290)	(439,599)	(1,425,855)
Net flows	-	(17,789)	(67,214)	(80,276)	(273,341)	(426,186)	(381,629)	(1,246,435)

iii) Cash flows forecast for exchange rate risk:

As at June 30, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 year up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Inflows	-	-	-	-	2,422	44,122	22,848	69,392
Outflows	-	-	(30,508)	(10,539)	(28,206)	(35,874)	(14,694)	(119,821)
Net flows	-	-	(30,508)	(10,539)	(25,784)	8,248	8,154	(50,429)
Hedging instruments								
Inflows	-	-	30,508	10,539	28,206	35,874	14,694	119,821
Outflows	-	-	-	-	(2,422)	(44,122)	(22,848)	(69,392)
Net flows	-	-	30,508	10,539	25,784	(8,248)	(8,154)	50,429

As at December 31, 2022	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 year up to 3 years	More than 3 up to 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Hedged item								
Inflows	-	-	-	-	-	21,945	17,055	39,000
Outflows	-	-	(2,415)	(39,952)	(36,570)	(41,285)	(14,060)	(134,282)
Net flows	-	-	(2,415)	(39,952)	(36,570)	(19,340)	2,995	(95,282)
Hedging instruments								
Inflows	-	-	2,415	39,952	36,570	41,285	14,060	134,282
Outflows	-	-	-	-	-	(21,945)	(17,055)	(39,000)
Net flows	-	-	2,415	39,952	36,570	19,340	(2,995)	95,282

Ineffectiveness of accounting hedges

The amounts recorded as ineffectiveness by type of hedge, recorded in the Consolidated Statements of Income, are presented below:

	6/30/2023	6/30/2022
	MCh\$	MCh\$
Fair value hedges		
Gain (loss) recorded on the hedged items	2,548	(3,084)
Gain (loss) recorded on hedging instruments	(8,186)	4,097
Ineffectiveness	(5,638)	1,013
Cash flow hedges		
Ineffectiveness	(1,665)	2,122

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The ineffectiveness and the reclassified amount of the cash flow hedge reserve to profit or loss for the period, by type of risk management, are presented below.

As at June 30, 2023	Hedge ineffectiveness recognized in the result for the period MCh\$	Amount reclassified from the cash flow hedge reserve to profit for the period MCh\$
Interest rate risk	113	19,454
Exchange rate risk	(200)	54,058
Inflation rate risk	(1,578)	68,083
Total	(1,665)	141,595

As at June 30, 2022	Hedge ineffectiveness recognized in the result for the period MCh\$	Amount reclassified from the cash flow hedge reserve to profit for the period MCh\$
Interest rate risk	(149)	(1,902)
Exchange rate risk	238	(6,184)
Inflation rate risk	2,033	244,122
Total	2,122	236,036

Note 13 Financial assets at amortized cost

Financial assets at amortized cost are detailed as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Rights under resale agreements and securities lending agreements	149,183	216,976
Debt financial instruments	-	-
Loans and advances to banks	326,413	66,830
Loans and advances to customers	31,837,838	32,572,252
Total	32,313,434	32,856,058

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

a) Rights under resale agreements and securities lending agreements

The detail is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Operations with domestic banks	-	-
Operations with foreign banks	-	-
Operations with other domestic entities		
Repurchase contracts	149,202	215,559
Securities lending rights	-	1,426
Transactions with other entities abroad	-	-
Impairment in the accumulated value of financial assets at amortized cost - Rights from resale agreements and securities lending		
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	(19)	(9)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-
Financial assets with credit impairment (stage 3)	-	-
Total	149,183	216,976

As at June 30, 2023	On-demand MCh\$	Up to 1 month MCh\$	More than 1 up to 3 months MCh\$	More than 3 up to 12 months MCh\$	More than 1 up to 3 years MCh\$	More than 3 up to 5 years MCh\$	More than 5 year MCh\$	Total MCh\$
Operations with domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase contracts	-	138,720	302	10,180	-	-	-	149,202
Securities lending rights	-	-	-	-	-	-	-	-
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Accumulated impairment of financial assets at amortized cost - Rights from resale agreements and securities lending								
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	-	(19)	-	-	-	-	-	(19)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (stage 3)	-	-	-	-	-	-	-	-
Total	-	138,701	302	10,180	-	-	-	149,183

As at December 31, 2022	On-demand MCh\$	Up to 1 month MCh\$	More than 1 up to 3 months MCh\$	More than 3 up to 12 months MCh\$	More than 1 up to 3 years MCh\$	More than 3 up to 5 years MCh\$	More than 5 year MCh\$	Total MCh\$
Operations with domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase contracts	-	208,561	6,998	-	-	-	-	215,559
Securities lending rights	-	1,426	-	-	-	-	-	1,426
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Accumulated impairment of financial assets at amortized cost - Rights from resale agreements and securities lending								
Financial assets without a significant increase in credit risk since initial recognition (stage 1)	-	(9)	-	-	-	-	-	(9)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (stage 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (stage 3)	-	-	-	-	-	-	-	-
Total	-	209,978	6,998	-	-	-	-	216,976

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The reconciliation of the changes in the caption "Rights under resale agreements and securities lending agreements" is presented below:

	Stage 1		Stage 2		Stage 3		Total	
	Book Value	Expected Credit Losses	Book Value	Expected Credit Losses	Book Value	Expected Credit Losses	Book Value	Expected Credit Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2023	216,985	(9)	-	-	-	-	216,985	(9)
New assets originated or purchased	4,292,218	(31)	-	-	-	-	4,292,218	(31)
Payments and written-off assets	(4,367,178)	21	-	-	-	-	(4,367,178)	21
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	7,177	-	-	-	-	-	7,177	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	149,202	(19)	-	-	-	-	149,202	(19)

	Stage 1		Stage 2		Stage 3		Total	
	Book Value	Expected Credit Losses	Book Value	Expected Credit Losses	Book Value	Expected Credit Losses	Book Value	Expected Credit Losses
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2022	120,796	(5)	-	-	-	-	120,796	(5)
New assets originated or purchased	9,028,570	(11)	-	-	-	-	9,028,570	(11)
Payments and written-off assets	(8,947,973)	7	-	-	-	-	(8,947,973)	7
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	15,592	-	-	-	-	-	15,592	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2022	216,985	(9)	-	-	-	-	216,985	(9)

b) Financial debt securities

As at June 30, 2023 and December 31, 2022, the Bank has no debt financial instruments at amortized cost.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Detail of "Loans and advances to banks" and "Loans and advances to customers"
i) Loans and advances to banks

Owed by banks As at June 30, 2023 (in MCh\$)	Financial assets before provisions				Allowances constituted				Net financial asset
	Regular portfolio	Substandard portfolio	Default portfolio	Total	Regular portfolio	Substandard portfolio	Default portfolio	Total	
	Individual evaluation	Individual evaluation	Individual evaluation		Individual evaluation	Individual evaluation	Individual evaluation		
Domestic Banks	-	-	-	-	-	-	-	-	-
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-	-	-
Other debts with local banks	-	-	-	-	-	-	-	-	-
Foreign Banks	13,225	-	-	13,225	(9)	-	-	(9)	13,216
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	13,225	-	-	13,225	(9)	-	-	(9)	13,216
Foreign trade loans Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-
Deposits in checking accounts in foreign banks due to derivative operations	-	-	-	-	-	-	-	-	-
Other non-transferable deposits in foreign banks	-	-	-	-	-	-	-	-	-
Other loans with foreign banks	-	-	-	-	-	-	-	-	-
Subtotal local and foreign banks	13,225	-	-	13,225	(9)	-	-	(9)	13,216
Banco Central de Chile	313,197	-	-	313,197	-	-	-	-	313,197
Checking accounts deposits for derivative transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other deposits not available	-	-	-	-	-	-	-	-	-
Other loans	313,197	-	-	313,197	-	-	-	-	313,197
Central Banks abroad	-	-	-	-	-	-	-	-	-
Deposits in checking accounts in foreign banks due to derivative operations	-	-	-	-	-	-	-	-	-
Other deposits not available	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
Subtotal Banco Central de Chile and Central Banks abroad	313,197	-	-	313,197	-	-	-	-	313,197
Total	326,422	-	-	326,422	(9)	-	-	(9)	326,413

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Owed by banks As at December 31, 2022 (in MCh\$)	Financial assets before provisions				Allowances constituted				Net financial asset
	Regular portfolio	Substandard portfolio	Default portfolio	Total	Regular portfolio	Substandard portfolio	Default portfolio	Total	
	Individual evaluation	Individual evaluation	Individual evaluation		Individual evaluation	Individual evaluation	Individual evaluation		
Domestic Banks	-	-	-	-	-	-	-	-	-
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-
Non-transferable deposits in local banks	-	-	-	-	-	-	-	-	-
Other debts with local banks	-	-	-	-	-	-	-	-	-
Foreign Banks	8,178	-	-	8,178	(7)	-	-	(7)	8,171
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	8,178	-	-	8,178	(7)	-	-	(7)	8,171
Foreign trade loans Chilean imports	-	-	-	-	-	-	-	-	-
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-
Deposits in checking accounts in foreign banks due to derivative operations	-	-	-	-	-	-	-	-	-
Other non-transferable deposits in foreign banks	-	-	-	-	-	-	-	-	-
Other loans with foreign banks	-	-	-	-	-	-	-	-	-
Subtotal local and foreign banks	8,178	-	-	8,178	(7)	-	-	(7)	8,171
Banco Central de Chile	58,659	-	-	58,659	-	-	-	-	58,659
Checking accounts deposits for derivative transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other deposits not available	-	-	-	-	-	-	-	-	-
Other loans	58,659	-	-	58,659	-	-	-	-	58,659
Central Banks abroad	-	-	-	-	-	-	-	-	-
Deposits in checking accounts in foreign banks due to derivative operations	-	-	-	-	-	-	-	-	-
Other deposits not available	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
Subtotal Banco Central de Chile and Central Banks abroad	58,659	-	-	58,659	-	-	-	-	58,659
Total	66,837	-	-	66,837	(7)	-	-	(7)	66,830

SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

ii) Loans and advances to customers

Loans and accounts receivable from customers As at June 30, 2023 (in MCh\$)	Financial assets before provisions						Allowances constituted						Deductible guarantees FOGAPE Covid-19	Total	Net financial asset	
	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation		Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation					Subtotal
	Individual	Group	Individual	Individual	Group	Individual	Group	Individual	Individual	Group						
Commercial Loans :																
Commercial loans	9,217,605	1,165,621	483,089	245,727	125,474	11,237,516	(59,031)	(10,236)	(23,038)	(93,262)	(30,065)	(215,632)	(15,248)	(230,880)		
Foreign trade loans Chilean exports	1,168,687	392	2,929	13,417	-	1,185,425	(10,643)	(11)	(639)	(10,662)	-	(21,955)	-	(21,955)		
Foreign trade loans Chilean imports	371,394	1,144	2,542	1,804	-	376,884	(9,011)	(31)	(346)	(1,441)	-	(10,829)	-	(10,829)		
Foreign trade loans between third countries	328	-	-	-	-	328	(19)	-	-	-	-	(19)	-	(19)		
Debtors in checking accounts	35,917	12,967	2,928	3,275	2,936	58,023	(742)	(379)	(474)	(1,878)	(1,623)	(5,096)	-	(5,096)		
Credit card debtors	5,671	6,410	852	37	99	13,069	(215)	(257)	(146)	(19)	(55)	(692)	-	(692)		
Factoring operations	276,195	541	2,004	1,548	161	280,449	(3,539)	(15)	(5)	(1,122)	(57)	(4,738)	-	(4,738)		
Commercial financial leasing operations	763,969	30,306	30,458	15,673	2,174	842,580	(3,438)	(635)	(960)	(3,601)	(574)	(9,208)	(291)	(9,499)		
Student loans	-	608,047	-	-	95,936	703,983	-	(9,318)	-	-	(11,982)	(21,300)	-	(21,300)		
Other loans and accounts receivable	298	263	21	3,620	26	4,228	(2)	(9)	(3)	(2,064)	(12)	(2,090)	-	(2,090)		
Subtotal	11,840,064	1,825,691	524,823	285,101	226,806	14,702,485	(86,640)	(20,891)	(25,611)	(114,049)	(44,368)	(291,559)	(15,539)	(307,098)	14,395,387	
Mortgage Loans																
Loans with letters of credit	-	71,270	-	-	9,040	80,310	-	(102)	-	-	(190)	(292)	-	(292)		
Loans with endorsable mortgage mutuals	-	33,726	-	-	2,528	36,254	-	(15)	-	-	(17)	(32)	-	(32)		
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans with mutual funds for housing	-	13,294,468	-	-	335,729	13,630,197	-	(26,874)	-	-	(13,689)	(40,563)	-	(40,563)		
Financial leasing operations for housing	-	34,718	-	-	3,103	37,821	-	(256)	-	-	(385)	(641)	-	(641)		
Other loans and accounts receivable	-	74,431	-	-	4,400	78,831	-	(146)	-	-	(139)	(285)	-	(285)		
Subtotal	-	13,508,613	-	-	354,800	13,863,413	-	(27,393)	-	-	(14,420)	(41,813)	-	(41,813)	13,821,600	
Consumer Loans																
Consumer loans in installments	-	1,397,110	-	-	133,211	1,530,321	-	(48,650)	-	-	(56,230)	(104,880)	-	(104,880)		
Checking accounts debtors	-	70,572	-	-	7,151	77,723	-	(1,586)	-	-	(2,537)	(4,123)	-	(4,123)		
Credit card debtors	-	2,098,498	-	-	202,397	2,300,895	-	(101,349)	-	-	(78,104)	(179,453)	-	(179,453)		
Consumer financial leasing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans and accounts receivable	-	366	-	-	12	378	-	(8)	-	-	(2)	(10)	-	(10)		
Subtotal	-	3,566,546	-	-	342,771	3,909,317	-	(151,593)	-	-	(136,873)	(288,466)	-	(288,466)	3,620,851	
Total	11,840,064	18,900,850	524,823	285,101	924,377	32,475,215	(86,640)	(199,877)	(25,611)	(114,049)	(195,661)	(621,838)	(15,539)	(637,377)	31,837,830	

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Loans and accounts receivable from customers As at December 31, 2022 (in MCh\$)	Financial assets before provisions						Allowances constituted						Deductible guarantees FOGAPE Covid-19	Total	Net financial asset	
	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation		Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation					Subtotal
	Individual	Group	Individual	Individual	Group	Individual	Group	Individual	Individual	Group						
Commercial Loans :																
Commercial loans	10,471,915	1,221,484	396,706	199,642	103,326	12,393,073	(60,325)	(11,284)	(30,141)	(85,081)	(25,033)	(211,864)	(16,249)	(228,113)		
Foreign trade loans Chilean exports	955,336	172	1,282	14,156	-	970,946	(10,132)	(5)	(179)	(11,088)	-	(21,404)	-	(21,404)		
Foreign trade loans Chilean imports	486,394	1,703	5,914	1,608	151	495,770	(10,389)	(66)	(512)	(1,324)	(80)	(12,371)	-	(12,371)		
Foreign trade loans between third countries	1,171	-	-	-	-	1,171	(52)	-	-	-	-	(52)	-	(52)		
Debtors in checking accounts	44,441	11,798	2,194	2,374	2,140	62,947	(720)	(345)	(374)	(1,574)	(1,186)	(4,199)	-	(4,199)		
Credit card debtors	4,871	6,239	797	43	88	12,038	(192)	(244)	(130)	(21)	(49)	(636)	-	(636)		
Factoring operations	245,584	714	321	1,313	145	248,077	(2,943)	(39)	(45)	(738)	(52)	(3,817)	-	(3,817)		
Commercial financial leasing operations	763,386	33,185	24,989	16,777	1,817	840,154	(3,524)	(821)	(1,005)	(3,920)	(469)	(9,739)	(308)	(10,047)		
Student loans	-	607,145	-	-	93,250	700,395	-	(11,958)	-	-	(11,666)	(23,624)	-	(23,624)		
Other loans and accounts receivable	332	290	22	705	27	1,376	(2)	(13)	(2)	(479)	(13)	(509)	-	(509)		
Subtotal	12,973,430	1,882,730	432,225	236,618	200,944	15,725,947	(88,279)	(24,775)	(32,388)	(104,225)	(38,548)	(288,215)	(16,557)	(304,772)	15,421,175	
Mortgage Loans																
Loans with letters of credit	-	76,489	-	-	9,013	85,502	-	(101)	-	-	(192)	(293)	-	(293)		
Loans with endorsable mortgage mutuels	-	36,150	-	-	2,683	38,833	-	(16)	-	-	(19)	(35)	-	(35)		
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans with mutual funds for housing	-	13,051,247	-	-	289,981	13,341,228	-	(27,027)	-	-	(11,480)	(38,507)	-	(38,507)		
Financial leasing operations for housing	-	36,366	-	-	3,503	39,869	-	(195)	-	-	(353)	(548)	-	(548)		
Other loans and accounts receivable	-	74,997	-	-	3,712	78,709	-	(150)	-	-	(117)	(267)	-	(267)		
Subtotal	-	13,275,249	-	-	308,892	13,584,141	-	(27,489)	-	-	(12,161)	(39,650)	-	(39,650)	13,544,491	
Consumer Loans																
Consumer loans in installments	-	1,494,587	-	-	111,697	1,606,284	-	(50,717)	-	-	(47,427)	(98,144)	-	(98,144)		
Checking accounts debtors	-	70,675	-	-	5,621	76,296	-	(1,537)	-	-	(1,919)	(3,456)	-	(3,456)		
Credit card debtors	-	2,034,104	-	-	141,606	2,175,710	-	(94,620)	-	-	(55,880)	(150,500)	-	(150,500)		
Consumer financial leasing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans and accounts receivable	-	400	-	-	6	406	-	(9)	-	-	(1)	(10)	-	(10)		
Subtotal	-	3,599,766	-	-	258,930	3,858,696	-	(146,883)	-	-	(105,227)	(252,110)	-	(252,110)	3,606,586	
Total	12,973,430	18,757,745	432,225	236,618	768,766	33,168,784	(88,279)	(199,147)	(32,388)	(104,225)	(155,936)	(579,975)	(16,557)	(596,532)	32,572,252	

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

iii) Contingent loans

Exposure to credit risk for contingent loans	Exposure for contingent loans before allowances						Allowances constituted						Net exposure for credit risk of contingent loans
	Regular Portfolio		Substandard Portfolio		Default Portfolio		Regular Portfolio		Substandard Portfolio		Default Portfolio		
	As at June 30, 2023 (in MCh\$)	Evaluation	Evaluation	Evaluation	Evaluation	Total	Evaluation	Evaluation	Evaluation	Evaluation	Evaluation	Total	
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group		
Guarantees and Sureties	644,619	-	1,119	1,183	-	646,921	(1,645)	-	(155)	(66)	-	(1,866)	645,055
Letters of credit for merchandise circulation operations	24,883	-	68	-	-	24,951	(313)	-	-	-	-	(313)	24,638
Debt purchase commitments in local currency abroad	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions related to contingent events	301,816	326	18,184	4,059	-	324,385	(2,865)	(6)	(4,257)	(3,379)	-	(10,507)	313,878
Lines of credit of free disposal of immediate cancellation	68,089	530,946	498	138	23,096	622,767	(429)	(5,993)	(72)	(72)	(7,326)	(13,892)	608,875
Lines of credit of free disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans for senior studies Law No. 20027 (CAE)	-	3,275	-	-	-	3,275	-	(50)	-	-	-	(50)	3,225
Other irrevocable loan commitments	58,644	-	-	-	-	58,644	(4,045)	-	-	-	-	(4,045)	54,599
Other contingent loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,098,051	534,547	19,869	5,380	23,096	1,680,943	(9,297)	(6,049)	(4,484)	(3,517)	(7,326)	(30,673)	1,650,270

Exposure to credit risk for contingent loans	Exposure for contingent loans before allowances						Allowances constituted						Net exposure for credit risk of contingent loans
	Regular Portfolio		Substandard Portfolio		Default Portfolio		Regular Portfolio		Substandard Portfolio		Default Portfolio		
	Evaluation		Evaluation		Evaluation		Evaluation		Evaluation		Evaluation		
As at December 31, 2022 (in MCh\$)	Individual	Group	Individual	Individual	Group	Total	Individual	Group	Individual	Individual	Group	Total	
Guarantees and Sureties	690,063	-	-	1,771	-	691,834	(1,445)	-	-	(80)	-	(1,525)	690,309
Letters of credit for merchandise circulation operations	25,166	-	92	-	-	25,258	(282)	-	(3)	-	-	(285)	24,973
Debt purchase commitments in local currency abroad	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions related to contingent events	334,078	294	27,531	5,980	-	367,883	(2,805)	(5)	(2,647)	(3,758)	-	(9,215)	358,668
Lines of credit of free disposal of immediate cancellation	67,477	516,668	406	413	21,339	606,303	(404)	(6,035)	(56)	(65)	(7,072)	(13,632)	592,671
Lines of credit of free disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans for senior studies Law No. 20027 (CAE)	-	3,544	-	-	-	3,544	-	(54)	-	-	-	(54)	3,490
Other irrevocable loan commitments	76,249	-	-	-	-	76,249	(784)	-	-	-	-	(784)	75,465
Other contingent loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,193,033	520,506	28,029	8,164	21,339	1,771,071	(5,720)	(6,094)	(2,706)	(3,903)	(7,072)	(25,495)	1,745,576

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Summary of changes in allowances recorded under "Loans and advances to banks" and "Loans and advances to customers."
i) Loans and advances to banks

Summary of movement in allowances constituted by category of credit risk in the period As at June 30, 2023 (in MCh\$)	Movement in provisions constituted by category in the period			
	Regular Portfolio	Individual evaluation Substandard Portfolio	Default Portfolio	Total
Owed by Banks				
Balance as at January 1, 2023	7	-	-	7
Constitution / (release) of allowances for:				
Change in measurement without portfolio reclassification during the period	(6)	-	-	(6)
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2023 to 6/30/2023:				
Regular individual up to Substandard	-	-	-	-
Regular individual up to Individual default	-	-	-	-
Substandard up to individual default	-	-	-	-
Substandard up to regular individual	-	-	-	-
Individual default up to substandard	-	-	-	-
Individual default up to individual regular	-	-	-	-
New originated loans	42	-	-	42
New loans for conversion from contingent to loan	-	-	-	-
New loans purchased	-	-	-	-
Sale or transfers of loans	-	-	-	-
Payment of loans	(34)	-	-	(34)
Application of provisions due to write-offs	-	-	-	-
Recovery of written-off loans	-	-	-	-
Exchange differences	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as at June 30, 2023	9	-	-	9

Summary of movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in provisions constituted by category in the period			
	Regular Portfolio	Individual evaluation Substandard Portfolio	Default Portfolio	Total
Owed by Banks				
Balance as at January 1, 2022	2	-	-	2
Constitution / (release) of allowances for:				
Change in measurement without portfolio reclassification during the period	(6)	-	-	(6)
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2022 to 12/31/2022:				
Regular individual up to Substandard	-	-	-	-
Regular individual up to Individual default	-	-	-	-
Substandard up to individual default	-	-	-	-
Substandard up to regular individual	-	-	-	-
Individual default up to substandard	-	-	-	-
Individual default up to individual regular	-	-	-	-
New originated loans	21	-	-	21
New loans for conversion from contingent to loan	-	-	-	-
New loans purchased	-	-	-	-
Sale or transfers of loans	(9)	-	-	(9)
Payment of loans	-	-	-	-
Application of provisions due to write-offs	-	-	-	-
Recovery of written-off loans	(1)	-	-	(1)
Exchange differences	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as at December 31, 2022	7	-	-	7

SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

ii) Commercial loans

Summary of the movement in allowances constituted by category of credit risk in the period	Movement in allowances constituted by portfolio in the period								
	As at June 30, 2023 (in MCh\$)	Regular Portfolio		Substandard Portfolio	Default Portfolio		Subtotal	Deductible guarantees FOGAPE	Total
		Individual	Group		Individual	Group			
Commercial loans									
Balance as at January 1, 2023	88,279	24,775	32,388	104,225	38,548	288,215	16,557	304,772	
Constitution / (release) of provisions for:									
Change in measurement without portfolio reclassification during the period	4,026	5,167	5,902	6,919	8,714	30,728	(364)	30,364	
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2023 to 6/30/2023:									
Regular individual up to substandard	(2,629)	-	6,830	-	-	4,201	-	4,201	
Regular individual up to individual default	(90)	-	-	2,144	-	2,054	-	2,054	
Substandard up to individual default	-	-	(4,141)	13,240	-	9,099	-	9,099	
Substandard up to regular individual	4,768	-	(7,312)	-	-	(2,544)	-	(2,544)	
Individual default up to Substandard	-	-	27	(78)	-	(51)	-	(51)	
Individual default up to regular individual	-	-	-	-	-	-	-	-	
Regular group up to default group	-	(7,243)	-	-	16,617	9,374	-	9,374	
Group default up to group regular	-	325	-	-	(3,998)	(3,673)	-	(3,673)	
Individual (regular, substandard, default) up to group (regular, default)	(79)	23	-	-	-	(56)	-	(56)	
Group (regular, default) up to Individual (regular, substandard, default)	534	(417)	179	223	(30)	489	-	489	
New originated loans	49,110	3,020	4,841	10,760	2,875	70,606	12	70,618	
New loans for conversion from contingent to loan	1,285	677	255	43	193	2,453	-	2,453	
New loans purchased	-	-	-	-	-	-	-	-	
Sale or transfers of loans	-	(749)	-	-	(4)	(753)	-	(753)	
Payment of loans	(56,217)	(4,682)	(13,153)	(9,957)	(4,302)	(88,311)	(646)	(88,957)	
Application of provisions due to write-offs	-	(5)	-	(11,210)	(14,239)	(25,454)	(20)	(25,474)	
Recovery of written-off loans	-	3	-	-	-	3	-	3	
Changes in models and methodologies	-	-	-	-	-	-	-	-	
Exchange differences	(2,347)	(3)	(205)	(2,260)	(6)	(4,821)	-	(4,821)	
Other changes in provisions	-	-	-	-	-	-	-	-	
Balance as at June 30, 2023	86,640	20,891	25,611	114,049	44,368	291,559	15,539	307,098	

Summary of the movement in allowances constituted by category of credit risk in the period	Movement in allowances constituted by portfolio in the period								
	As at December 31, 2022 (in MCh\$)	Regular Portfolio		Substandard Portfolio	Default Portfolio		Subtotal	Deductible guarantees FOGAPE	Total
		Individual	Group		Individual	Group			
Commercial loans									
Balance as at January 1, 2022	86,464	21,149		23,066	66,836	34,499	232,014	17,727	249,741
Constitution / (release) of provisions for:									
Change in measurement without portfolio reclassification during the period	(65,932)	16,366		(3,290)	(40,194)	25,471	(67,579)	(195)	(67,774)
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2022 to 12/31/2022:									
Regular individual up to substandard	(5,683)	-		14,932	-	-	9,249	1	9,250
Regular individual up to individual default	(273)	-		-	2,740	-	2,467	-	2,467
Substandard up to individual default	-	-		(14,065)	47,281	-	33,216	-	33,216
Substandard up to regular individual	979	-		(1,567)	-	-	(588)	-	(588)
Individual default up to Substandard	-	-		69	(3)	-	66	-	66
Individual default up to regular individual	-	-		-	-	-	-	-	-
Regular group up to default group	-	(11,371)		-	-	24,090	12,719	(1)	12,718
Group default up to group regular	-	619		-	-	(6,356)	(5,737)	-	(5,737)
Individual (regular, substandard, default) up to group (regular, default)	(98)	22		(34)	(62)	-	(172)	-	(172)
Group (regular, default) up to Individual (regular, substandard, default)	2,906	(1,007)		401	525	(505)	2,320	-	2,320
New originated loans	192,572	7,623		30,887	64,410	3,146	298,638	174	298,812
New loans for conversion from contingent to loan	1,900	1,334		287	48	282	3,851	-	3,851
New loans purchased	-	-		-	-	-	-	-	-
Sale or transfers of loans	-	(1,723)		-	-	(5)	(1,728)	-	(1,728)
Payment of loans	(122,673)	(8,217)		(18,390)	(15,810)	(7,219)	(172,309)	(546)	(172,855)
Application of provisions due to write-offs	-	(51)		-	(19,290)	(34,856)	(54,197)	(603)	(54,800)
Recovery of written-off loans	-	29		-	-	1	30	-	30
Changes in models and methodologies	-	-		-	-	-	-	-	-
Exchange differences	(1,883)	2		92	(2,256)	-	(4,045)	-	(4,045)
Other changes in provisions	-	-		-	-	-	-	-	-
Balance as at December 31, 2022	88,279	24,775		32,388	104,225	38,548	288,215	16,557	304,772

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

iii) Mortgage loans

Summary of the movement in allowances constituted by category of credit risk in the period As at June 30, 2023 (in MCh\$)	Movement in allowances constituted by portfolio in the period		
	Group evaluation		Total
	Regular Portfolio	Default Portfolio	
Mortgage loans			
Balance as at January 1, 2023	27,489	12,161	39,650
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	5,279	1,751	7,030
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2023 to 6/30/2023:			
Group regular up to group default	(5,077)	6,616	1,539
Group default up to group regular	128	(1,229)	(1,101)
New originated loans	779	-	779
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(1,205)	(942)	(2,147)
Application of provisions due to write-offs	-	(3,937)	(3,937)
Recovery of written-off loans	-	-	-
Changes in models and methodologies	-	-	-
Exchange differences	-	-	-
Other changes in provisions	-	-	-
Balance as at June 30, 2023	27,393	14,420	41,813

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in allowances constituted by portfolio in the period		
	Group evaluation		Total
	Regular Portfolio	Default Portfolio	
Mortgage loans			
Balance as at January 1, 2022	23,266	12,333	35,599
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	9,835	2,739	12,574
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2022 to 12/31/2022:			
Group regular up to group default	(6,311)	7,911	1,600
Group default up to group regular	175	(1,734)	(1,559)
New originated loans	2,660	101	2,761
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(2,104)	(1,831)	(3,935)
Application of provisions due to write-offs	(36)	(7,358)	(7,394)
Recovery of written-off loans	4	-	4
Changes in models and methodologies	-	-	-
Exchange differences	-	-	-
Other changes in provisions	-	-	-
Balance as at December 31, 2022	27,489	12,161	39,650

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

iv) Consumer loans

Summary of the movement in allowances constituted by category of credit risk in the period As at June 30, 2023 (in MCh\$)	Movement in allowances constituted by portfolio in the period		
	Group evaluation		Total
	Regular Portfolio	Default Portfolio	
Consumer loans			
Balance as at January 1, 2023	146,883	105,227	252,110
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	66,919	83,331	150,250
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2023 to 6/30/2023:			
Group regular up to group default	(52,754)	114,690	61,936
Group default up to group regular	6,434	(18,491)	(12,057)
New originated loans	10,646	19,871	30,517
New loans for conversion from contingent to loan	42,291	4,896	47,187
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(69,498)	(25,658)	(95,156)
Application of provisions due to write-offs	(228)	(146,990)	(147,218)
Recovery of written-off loans	919	-	919
Changes in models and methodologies	-	-	-
Exchange differences	(19)	(3)	(22)
Other changes in provisions	-	-	-
Balance as at June 30,2023	151,593	136,873	288,466

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in allowances constituted by portfolio in the period		
	Group evaluation		Total
	Regular Portfolio	Default Portfolio	
Consumer loans			
Balance as at January 1, 2022	100,590	59,225	159,815
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	68,361	131,108	199,469
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2022 to 12/31/2022:			
Group regular up to group default	(36,224)	94,368	58,144
Group default up to group regular	4,394	(14,959)	(10,565)
New originated loans	29,159	27,044	56,203
New loans for conversion from contingent to loan	73,604	7,011	80,615
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(93,355)	(31,359)	(124,714)
Application of provisions due to write-offs	(130)	(167,245)	(167,375)
Recovery of written-off loans	483	33	516
Changes in models and methodologies	-	-	-
Exchange differences	1	1	2
Other changes in provisions	-	-	-
Balance as at December 31, 2022	146,883	105,227	252,110

SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

v) Contingent loans

Summary of the movement in allowances constituted by category of credit risk in the period As at June 30, 2023 (in MCh\$)	Movement in allowances constituted by portfolio in the period					Total
	Regular Portfolio		Substandard Portfolio	Default Portfolio		
	Individual	Group		Individual	Group	
Exposure by contingent loans						
Balance as at January 1, 2023	5,720	6,094	2,706	3,903	7,072	25,495
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	5	15,675	1,532	(958)	(857)	15,397
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2023 to 6/30/2023:						
Regular individual up to substandard	(266)	-	494	-	-	228
Regular individual up to individual default	(4)	-	-	337	-	333
Substandard up to individual default	-	-	(5)	130	-	125
Substandard up to regular individual	38	-	(58)	-	-	(20)
Individual default up to Substandard	-	-	-	-	-	-
Individual default up to Regular Individual	-	-	-	-	-	-
Regular group up to group default	-	(494)	-	-	9,037	8,543
Group default up to Regular Group	-	101	-	-	(2,876)	(2,775)
Individual (regular, substandard, default) up to Group (regular, default)	(1)	-	-	-	-	(1)
Group (regular, default) up to individual (regular, substandard, default)	17	(8)	6	-	-	15
New contingent loans granted	5,261	1,044	32	149	39	6,525
Contingent loans due to conversion to loans	(1,317)	(16,363)	(215)	(39)	(5,089)	(23,023)
Changes in models and methodologies	-	-	-	-	-	-
Exchange differences	(156)	-	(8)	(5)	-	(169)
Other changes in provisions	-	-	-	-	-	-
Balance as at June 30, 2023	9,297	6,049	4,484	3,517	7,326	30,673

Summary of the movement in allowances constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in allowances constituted by portfolio in the period					
	Regular Portfolio		Substandard Portfolio	Default Portfolio		Total
	Individual	Group		Individual	Group	
Exposure by contingent loans						
Balance as at January 1, 2022	7,113	17,124	248	1,744	4,767	30,996
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	(8,378)	20,347	(2,276)	(4,443)	1,657	6,907
Change in the measurement due to portfolio reclassification from the beginning to the end of the portfolio year from 1/1/2022 to 12/31/2022:						
Regular individual up to substandard	(970)	-	1,687	-	-	717
Regular individual up to individual default	(2)	-	-	38	-	36
Substandard up to individual default	-	-	(419)	1,910	-	1,491
Substandard up to regular individual	14	-	(21)	-	-	(7)
Individual default up to Substandard	-	-	-	-	-	-
Individual default up to Regular Individual	-	-	-	-	-	-
Regular group up to group default	-	(805)	-	-	10,554	9,749
Group default up to Regular Group	-	158	-	-	(3,934)	(3,776)
Individual (regular, substandard, default) up to Group (regular, default)	(2)	-	-	-	-	(2)
Group (regular, default) up to individual (regular, substandard, default)	95	(42)	4	-	(7)	50
New contingent loans granted	10,119	3,009	3,756	4,696	1,328	22,908
Contingent loans due to conversion to loans	(2,112)	(33,697)	(267)	(40)	(7,293)	(43,409)
Changes in models and methodologies	-	-	-	-	-	-
Exchange differences	(157)	-	(6)	(2)	-	(165)
Other changes in provisions	-	-	-	-	-	-
Balance as at December 31, 2022	5,720	6,094	2,706	3,903	7,072	25,495

SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022
e) Gross loans and allowances recorded grouped by type of debtor's economic activity and concentration of credit risk.

Composition of economic activity As at June 30, 2023 (in MCh\$)	Loans and exposure to contingent loans			Allowances constituted				
	Loans within			Loans within		Sub-Total	Deductible guarantees FOGAPE Covid 19	Total
	Country	Abroad	Total	Country	Abroad			
Owed by banks	313,197	13,225	326,422	-	(9)	(9)	-	(9)
Commercial Loans								
Agriculture and Livestock	391,864	-	391,864	(12,565)	-	(12,565)	(765)	(13,330)
Sowing and harvesting of fruits	-	-	-	-	-	-	-	-
Forestry	49,507	-	49,507	(1,712)	-	(1,712)	(248)	(1,960)
Fishing	164,959	-	164,959	(3,368)	-	(3,368)	(120)	(3,488)
Mining	279,370	-	279,370	(1,019)	-	(1,019)	(204)	(1,223)
Oil and natural gas	141,303	-	141,303	(117)	-	(117)	-	(117)
Product Manufacturing Industry	-	-	-	-	-	-	-	-
Food, beverages and tobacco	581,430	-	581,430	(9,933)	-	(9,933)	(624)	(10,557)
Textile, leather and footwear	29,049	-	29,049	(6,280)	-	(6,280)	(160)	(6,440)
Wood and furniture	51,336	-	51,336	(814)	-	(814)	(245)	(1,059)
Cellulose, paper and printing	112,674	-	112,674	(2,283)	-	(2,283)	(187)	(2,470)
Chemicals and petroleum derivatives	283,913	-	283,913	(2,148)	-	(2,148)	(559)	(2,707)
Metallic, non-metallic, machinery and others	743,770	-	743,770	(12,668)	-	(12,668)	(1,301)	(13,969)
Electricity, gas and water	1,543,134	-	1,543,134	(6,318)	-	(6,318)	(50)	(6,368)
Home building	347,128	-	347,128	(6,728)	-	(6,728)	(388)	(7,116)
Non-residential constructions (office, civil works)	216,848	-	216,848	(10,224)	-	(10,224)	(730)	(10,954)
Wholesale trade	1,221,622	94,480	1,316,102	(59,818)	(99)	(59,917)	(3,699)	(63,616)
Retail trade, restaurants and hotels	391,271	56,718	447,989	(20,445)	(47)	(20,492)	(2,271)	(22,763)
Transport and storage	615,467	81,230	696,697	(9,522)	(123)	(9,645)	(1,355)	(11,000)
Telecommunications	545,417	-	545,417	(6,034)	-	(6,034)	(87)	(6,121)
Financial services	1,298,069	19,344	1,317,413	(14,361)	(16)	(14,377)	(141)	(14,518)
Business services	-	-	-	-	-	-	-	-
Real estate services	2,952,890	97,908	3,050,798	(44,016)	(91)	(44,107)	(1,518)	(45,625)
Student loans	703,983	-	703,983	(21,300)	-	(21,300)	-	(21,300)
Public administration, defense and police	18,690	-	18,690	(18)	-	(18)	-	(18)
Social services and other community services	723,359	-	723,359	(13,917)	-	(13,917)	(873)	(14,790)
Personnel services	945,752	-	945,752	(25,575)	-	(25,575)	(14)	(25,589)
Subtotal	14,352,805	349,680	14,702,485	(291,183)	(376)	(291,559)	(15,539)	(307,098)
Mortgage loans	13,863,413	-	13,863,413	(41,813)	-	(41,813)	-	(41,813)
Consumer loans	3,909,317	-	3,909,317	(288,466)	-	(288,466)	-	(288,466)
Contingent loans exposure	1,680,943	-	1,680,943	(30,673)	-	(30,673)	-	(30,673)

Composition of economic activity As at December 31, 2022 (in MCh\$)	Loans and exposure to contingent loans			Allowances constituted				
	Loans within		Total	Loans within		Sub-Total	Deductible guarantees FOGAPE Covid 19	Total
	Country	Abroad		Country	Abroad			
Owed by banks	58,659	8,178	66,837	-	-	(7)	-	(7)
Commercial Loans								
Agriculture and Livestock	463,597	-	463,597	(13,828)	-	(13,828)	(796)	(14,624)
Sowing and harvesting of fruits	-	-	-	-	-	-	-	-
Forestry	56,669	-	56,669	(1,389)	-	(1,389)	(250)	(1,639)
Fishing	121,439	-	121,439	(2,709)	-	(2,709)	(100)	(2,809)
Mining	221,049	-	221,049	(777)	-	(777)	(248)	(1,025)
Oil and natural gas	141,324	-	141,324	(117)	-	(117)	-	(117)
Product Manufacturing Industry	-	-	-	-	-	-	-	-
Food, beverages and tobacco	668,495	-	668,495	(9,846)	-	(9,846)	(644)	(10,490)
Textile, leather and footwear	32,185	-	32,185	(5,984)	-	(5,984)	(160)	(6,144)
Wood and furniture	56,213	-	56,213	(1,079)	-	(1,079)	(268)	(1,347)
Cellulose, paper and printing	84,147	-	84,147	(2,352)	-	(2,352)	(187)	(2,539)
Chemicals and petroleum derivatives	294,489	-	294,489	(2,343)	-	(2,343)	(539)	(2,882)
Metallic, non-metallic, machinery and others	731,368	-	731,368	(13,771)	-	(13,771)	(1,385)	(15,156)
Electricity, gas and water	1,389,843	-	1,389,843	(5,614)	-	(5,614)	(41)	(5,655)
Home building	326,522	-	326,522	(5,119)	-	(5,119)	(476)	(5,595)
Non-residential constructions (office, civil works)	214,688	-	214,688	(10,388)	-	(10,388)	(780)	(11,168)
Wholesale trade	1,363,105	100,132	1,463,237	(61,751)	(98)	(61,849)	(3,990)	(65,839)
Retail trade, restaurants and hotels	428,810	60,147	488,957	(18,377)	(50)	(18,427)	(2,329)	(20,756)
Transport and storage	690,189	43,239	733,428	(7,885)	(95)	(7,980)	(1,331)	(9,311)
Telecommunications	711,893	-	711,893	(6,425)	-	(6,425)	(87)	(6,512)
Financial services	2,269,807	20,517	2,290,324	(14,349)	(17)	(14,366)	(151)	(14,517)
Business services	-	-	-	-	-	-	-	-
Real estate services	2,728,044	103,644	2,831,688	(39,043)	(94)	(39,137)	(1,625)	(40,762)
Student loans	700,395	-	700,395	(23,623)	-	(23,623)	-	(23,623)
Public administration, defense and police	23,460	-	23,460	(16)	-	(16)	-	(16)
Social services and other community services	722,975	54	723,029	(18,015)	(2)	(18,017)	(934)	(18,951)
Personnel services	957,508	-	957,508	(23,059)	-	(23,059)	(236)	(23,295)
Subtotal	15,398,214	327,733	15,725,947	(287,859)	(356)	(288,215)	(16,557)	(304,772)
Mortgage loans	13,584,141	-	13,584,141	(39,650)	-	(39,650)	-	(39,650)
Consumer loans	3,858,696	-	3,858,696	(252,110)	-	(252,110)	-	(252,110)
Contingent loans exposure	1,771,071	-	1,771,071	(25,495)	-	(25,495)	-	(25,495)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

f) Mortgage loans and their allowances made by outstanding loan principal owed to value of mortgage collateral and past due days, respectively

As at June 30, 2023		Mortgage loans (MCh\$)					Allowances constituted for Mortgage loans (MCh\$)					
		Days in arrears at the end of the period					Days in arrears at the end of the period					
Loan Tranche / Guarantee (%)	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
PVG <= 40%	1,072,488	38,820	19,751	10,297	20,009	1,161,365	(96)	(38)	(44)	(44)	(395)	(617)
40% < PVG <= 80%	9,675,846	266,766	102,425	57,921	120,178	10,223,136	(6,423)	(2,924)	(1,955)	(1,500)	(3,655)	(16,457)
80% < PVG <= 90%	2,254,443	40,525	15,158	8,057	13,676	2,331,859	(13,151)	(2,731)	(1,830)	(1,468)	(3,040)	(22,220)
PVG >90%	138,369	3,621	3,038	633	1,392	147,053	(1,150)	(299)	(482)	(167)	(421)	(2,519)
Total	13,141,146	349,732	140,372	76,908	155,255	13,863,413	(20,820)	(5,992)	(4,311)	(3,179)	(7,511)	(41,813)

As at December 31, 2022		Mortgage loans (MCh\$)					Allowances constituted for Mortgage loans (MCh\$)					
		Days in arrears at the end of the period					Days in arrears at the end of the period					
Loan Tranche / Guarantee (%)	0	1 to 29	30 to 59	60 to 89	>= 90	Total	0	1 to 29	30 to 59	60 to 89	>= 90	Total
PVG <= 40%	1,013,637	36,418	15,797	10,670	18,276	1,094,798	(91)	(39)	(39)	(42)	(361)	(572)
40% < PVG <= 80%	9,276,641	224,568	93,453	56,435	107,220	9,758,317	(5,927)	(2,365)	(1,806)	(1,473)	(3,261)	(14,832)
80% < PVG <= 90%	2,479,769	38,574	12,686	6,843	10,135	2,548,007	(14,017)	(2,548)	(1,594)	(1,235)	(2,253)	(21,647)
PVG >90%	176,560	3,378	1,331	881	869	183,019	(1,558)	(321)	(236)	(220)	(264)	(2,599)
Total	12,946,607	302,938	123,267	74,829	136,500	13,584,141	(21,593)	(5,273)	(3,675)	(2,970)	(6,139)	(39,650)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

g) Loans and advances to banks and commercial loans with allowances for credit losses made by classification category

Concentration of debts from banks and commercial loans with their provisions constituted by classification category As at June 30, 2023	Owed by banks and Commercial Loans																								Group Default	Total	Total	Provision deductible guarantees FOGAPE Covid-19
	Regular Portfolio								Individual Substandard Portfolio								Default Portfolio											
	(in MCh\$)	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal	Total	Regular portfolio	Portfolio	Total				
Owed by Banks																												
Liquidity interbank loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Commercial interbank loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Overdrafts on checking accounts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Foreign trade loans - Chilean exports	8,645	3,178	1,402	-	-	-	-	13,225	-	-	-	-	-	-	-	-	-	-	-	-	13,225	-	-	-	13,225			
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deposits in checking accounts in foreign banks for derivative operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other loans with banks	313,197	-	-	-	-	-	-	313,197	-	-	-	-	-	-	-	-	-	-	-	-	313,197	-	-	-	313,197			
Subtotal	321,842	3,178	1,402	-	-	-	-	326,422	-	-	-	-	-	-	-	-	-	-	-	-	326,422	-	-	-	326,422			
Provisions constituted	3	3	3	-	-	-	-	9	-	-	-	-	-	-	-	-	-	-	-	-	9	-	-	-	9			
% provisions constituted	0.00%	0.09%	0.00%	-	-	-	-	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%			
Commercial loans																												
Commercial loans	110,423	3,188,639	1,369,232	2,687,980	1,169,276	692,055	9,217,605	257,901	99,594	57,749	67,845	483,089	90,603	17,997	16,976	14,687	61,545	43,919	245,727	9,946,421	1,165,621	125,474	1,291,095	11,237,516	15,248			
Foreign trade loans - Chilean exports	-	613,292	108,188	300,722	126,997	19,488	1,168,687	1,017	445	1,467	-	2,929	-	-	-	-	5,651	7,766	13,417	1,185,083	392	-	392	1,185,425	-			
Foreign trade loans - Chilean imports	-	6,434	59,200	187,584	85,122	30,354	371,394	1,936	514	92	-	2,542	-	82	-	-	466	1,256	1,904	378,740	1,144	-	1,144	378,894	-			
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Debtors in checking accounts	-	4,038	8,512	7,063	3,916	12,388	35,917	1,793	594	426	115	2,928	427	343	37	312	959	1,197	3,275	42,120	12,967	2,936	16,903	58,023	-			
Credit card debtors	11	625	1,013	716	1,005	2,301	5,671	521	134	156	41	852	-	10	-	7	12	8	37	6,560	6,410	99	6,509	13,069	-			
Factoring operations	634	7,875	40,347	166,183	44,992	16,184	276,195	2,034	-	-	-	2,004	56	-	184	564	764	1,548	279,747	541	161	702	280,449	-	-			
Commercial financial leasing operations	-	44,563	167,316	322,129	169,247	60,714	763,969	21,745	3,023	2,787	2,903	30,458	3,380	6,062	1,843	1,809	3,306	287	15,673	810,100	30,306	2,174	32,480	842,590	291			
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	608,047	95,936	703,983	703,983	-			
Other loans and accounts receivable	10	85	13	38	25	127	298	7	-	14	-	21	-	-	1,291	-	1,422	907	3,620	3,939	263	26	289	4,228	-			
Subtotal	111,078	3,865,551	1,753,821	3,672,560	1,603,580	833,474	11,840,054	286,924	104,304	62,691	70,904	524,823	94,466	24,494	20,147	16,979	72,931	56,084	285,101	12,649,988	1,825,691	226,806	2,052,497	14,702,485	-			
Provisions constituted	40	4,230	2,780	32,895	23,338	22,977	86,640	5,772	6,329	6,587	6,923	25,611	1,889	2,449	5,037	6,792	47,406	50,476	114,049	226,380	20,691	44,368	65,289	291,559	15,539			
Provisions constituted/total	0.04%	0.11%	0.16%	0.09%	0.01%	0.03%	0.07%	0.02%	0.01%	0.01%	0.01%	0.05%	0.02%	0.01%	0.01%	0.01%	0.08%	0.09%	0.04%	0.02%	0.01%	0.02%	0.03%	0.02%	0.01%			

Concentration of debts from banks and commercial loans with their provisions constituted by classification category As at December 31, 2022										Owed by banks and Commercial Loans														Group Default		Provision deductible guarantees FOGAPE Covid-19	
	Regular Portfolio							Individual Substandard Portfolio				Default Portfolio						Regular portfolio	Portfolio	Total	Total						
(in MCh\$)	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal	Total			Total	Total			
Owed by Banks																											
Liquidity interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Foreign trade loans - Chilean exports	160	7,893	125	-	-	-	8,178	-	-	-	-	-	-	-	-	-	-	-	-	8,178	-	-	-	-	8,178		
Foreign trade loans - Chilean imports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Deposits in checking accounts in foreign banks for derivative operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Non-transferable deposits in banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans with banks	58,659	-	-	-	-	-	58,659	-	-	-	-	-	-	-	-	-	-	-	-	58,659	-	-	-	-	58,659		
Subtotal	58,819	7,893	125	-	-	-	66,837	-	-	-	-	-	-	-	-	-	-	-	-	66,837	-	-	-	-	66,837		
Provisions constituted	-	7	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-	-	-	7	-	-	-	-	7		
% provisions constituted	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.01%		
Commercial loans																											
Commercial loans	109,350	3,812,548	1,793,611	3,071,917	1,014,780	670,209	10,471,918	211,892	80,229	57,661	46,924	396,706	65,008	11,490	9,597	16,181	55,476	41,890	199,642	11,068,263	1,221,484	103,326	1,324,810	12,393,073	16,249		
Foreign trade loans - Chilean exports	-	496,536	159,732	251,113	96,695	29,210	955,336	1,195	87	-	-	1,282	-	-	-	-	6,607	7,540	14,155	970,774	172	-	172	970,946	-		
Foreign trade loans - Chilean imports	-	6,559	117,831	239,772	89,334	32,898	486,394	5,330	299	85	-	5,914	-	-	-	-	495	1,113	1,608	493,916	1,703	151	1,854	495,770	-		
Foreign trade loans between third countries	-	-	-	738	-	433	1,171	-	-	-	-	-	-	-	-	-	-	-	-	1,171	-	-	-	1,171	-		
Debtors in checking accounts	-	10,944	7,217	11,196	4,024	11,060	44,441	1,425	370	254	145	2,194	358	51	37	155	422	1,351	2,374	49,009	11,798	2,140	13,938	62,947	-		
Credit card debtors	9	639	629	542	694	2,158	4,071	440	235	98	24	797	4	-	2	17	15	5	43	5,711	6,239	88	6,327	12,038	-		
Factoring operations	6,520	5,948	30,338	154,733	33,742	14,403	245,984	307	14	221	56	164	349	147	597	1,213	714	145	859	247,216	145	859	248,077	-	-		
Commercial financial leasing operations	-	56,550	151,174	332,752	158,638	64,272	763,386	16,462	4,718	1,528	2,281	24,989	3,116	6,498	1,656	3,225	2,199	83	16,777	805,152	33,185	1,817	35,002	840,154	308		
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	607,145	93,250	700,395	700,395	-		
Other loans and accounts receivable	22	108	51	41	10	100	332	22	-	-	-	22	-	5	-	-	610	90	705	1,059	290	27	317	1,376	-		
Subtotal	115,901	4,299,232	2,280,843	4,072,804	1,999,907	824,743	12,973,430	237,273	85,938	89,640	49,374	432,225	68,542	18,208	11,641	19,578	85,971	52,678	236,618	13,642,273	1,882,730	200,944	2,083,674	15,725,947	-		
Provisions constituted	-	4,464	3,652	23,347	21,890	88,273	13,225	9,351	7,858	1,730	32,388	1,621	2,100	7,830	42,890	47,471	194,225	224,892	24,775	63,322	28,215	63,322	288,215	16,557	-		
% provisions constituted	0.04%	0.10%	0.16%	0.58%	1.07%	10.7%	0.08%	3.9%	8.9%	1.7%	6.5%	0.4%	3.1%	42.7%	66.5%	250.0%	220.0%	44.0%	10.4%	0.18%	1.5%	1.3%	19.1%	3.04%	1.83%		

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

h) Loans and allowances made by tranche of past due days

Concentration of credit risk by days past due As at June 30, 2023 (in MCh\$)	Financial Assets before provision						Allowances constituted						Deductible guarantees FOGAPE Covid-19	Total	Net financial asset		
	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation		Total	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation				Subtotal	
	Individual	Group	Individual	Individual	Group	Individual		Group	Individual	Individual	Group						
Owed by banks																	
0 day	326,297	-	-	-	-	-	326,297	(9)	-	-	-	-	(9)	-	(9)	326,288	
1 to 29 days	125	-	-	-	-	-	125	-	-	-	-	-	-	-	-	125	
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	326,422	-	-	-	-	-	326,422	(9)	-	-	-	-	(9)	-	(9)	326,413	
Commercial loans																	
0 day	11,458,642	1,727,442	410,956	70,676	48,660	13,716,376	(83,356)	(15,117)	(16,397)	(22,933)	(10,183)	(147,986)	(13,884)	(161,870)	13,554,506		
1 to 29 days	352,153	61,318	59,967	13,482	15,990	502,910	(2,988)	(2,616)	(3,402)	(3,138)	(3,570)	(15,714)	(746)	(16,460)	486,450		
30 to 59 days	29,262	23,445	30,763	11,430	10,625	105,525	(296)	(1,845)	(1,243)	(2,806)	(2,128)	(8,318)	(258)	(8,576)	96,949		
60 to 89 days	7	13,486	23,126	12,807	11,271	60,697	-	(1,313)	(4,566)	(3,578)	(2,541)	(11,998)	(151)	(12,149)	48,548		
>= 90 days	-	-	11	176,706	140,260	316,977	-	-	(3)	(81,594)	(25,946)	(107,543)	(500)	(108,043)	208,934		
Subtotal	11,840,064	1,825,691	524,823	285,101	226,806	14,702,485	(86,640)	(20,891)	(25,611)	(114,049)	(44,368)	(291,559)	(15,539)	(307,098)	14,395,387		
Mortgage loans																	
0 day	-	13,046,325	-	-	94,821	13,141,146	-	(17,409)	-	-	(3,411)	(20,820)	-	(20,820)	13,120,326		
1 to 29 days	-	304,513	-	-	45,219	349,732	-	(4,454)	-	-	(1,538)	(5,992)	-	(5,992)	343,740		
30 to 59 days	-	108,340	-	-	32,032	140,372	-	(3,333)	-	-	(978)	(4,311)	-	(4,311)	136,061		
60 to 89 days	-	49,435	-	-	27,473	76,908	-	(2,197)	-	-	(982)	(3,179)	-	(3,179)	73,729		
>= 90 days	-	-	-	-	155,255	155,255	-	-	-	-	(7,511)	(7,511)	-	(7,511)	147,744		
Subtotal	-	13,508,613	-	-	354,800	13,863,413	-	(27,393)	-	-	(14,420)	(41,813)	-	(41,813)	13,821,600		
Consumer loans																	
0 day	-	3,260,644	-	-	140,733	3,401,377	-	(94,207)	-	-	(44,198)	(138,405)	-	(138,405)	3,262,972		
1 to 29 days	-	201,740	-	-	41,766	243,506	-	(33,600)	-	-	(15,247)	(48,847)	-	(48,847)	194,659		
30 to 59 days	-	66,958	-	-	31,283	98,241	-	(14,694)	-	-	(11,890)	(26,584)	-	(26,584)	71,657		
60 to 89 days	-	37,204	-	-	25,114	62,318	-	(9,092)	-	-	(11,077)	(20,169)	-	(20,169)	42,149		
>= 90 days	-	-	-	-	103,875	103,875	-	-	-	-	(54,461)	(54,461)	-	(54,461)	49,414		
Subtotal	-	3,566,546	-	-	342,771	3,909,317	-	(151,593)	-	-	(136,873)	(288,466)	-	(288,466)	3,620,851		
Total loans	12,166,486	18,900,850	524,823	285,101	924,377	32,801,637	(86,649)	(199,877)	(25,611)	(114,049)	(195,661)	(621,847)	(15,539)	(637,386)	32,164,251		

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Concentration of credit risk by days past due As at December 31, 2022 (in MCh\$)	Financial Assets before provision						Allowances constituted						Deductible guarantees FOGAPE Covid-19	Total	Net financial asset		
	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation		Total	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation				Subtotal	
	Individual	Group	Individual	Group	Individual	Group		Individual	Group	Individual	Group						
Owed by banks																	
0 day	66,837	-	-	-	-	-	66,837	(7)	-	-	-	-	(7)	-	(7)	66,830	
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	66,837	-	-	-	-	-	66,837	(7)	-	-	-	-	(7)	-	(7)	66,830	
Commercial loans																	
0 day	12,793,127	1,768,753	371,762	39,893	41,429	15,014,964	(86,447)	(17,049)	(27,341)	(18,579)	(8,165)	(157,581)	(15,133)	(172,714)	14,842,250		
1 to 29 days	167,716	66,484	41,122	19,793	11,108	306,223	(1,754)	(3,361)	(3,772)	(8,561)	(2,309)	(19,757)	(705)	(20,462)	285,761		
30 to 59 days	12,385	33,016	16,219	16,486	10,969	89,075	(67)	(2,900)	(993)	(2,500)	(2,366)	(8,826)	(181)	(9,007)	80,068		
60 to 89 days	202	14,477	3,083	42,204	15,315	75,281	(11)	(1,465)	(265)	(17,510)	(3,378)	(22,629)	(121)	(22,750)	52,531		
>= 90 days	-	-	39	118,242	122,123	240,404	-	-	(17)	(57,075)	(22,330)	(79,422)	(417)	(79,839)	160,565		
Subtotal	12,973,430	1,882,730	432,225	236,618	200,944	15,725,947	(88,279)	(24,775)	(32,388)	(104,225)	(38,548)	(288,215)	(16,557)	(304,772)	15,421,175		
Mortgage loans																	
0 day	-	12,865,897	-	-	80,710	12,946,607	-	(18,749)	-	-	(2,844)	(21,593)	-	(21,593)	12,925,014		
1 to 29 days	-	269,530	-	-	33,408	302,938	-	(4,078)	-	-	(1,195)	(5,273)	-	(5,273)	297,665		
30 to 59 days	-	93,189	-	-	30,078	123,267	-	(2,572)	-	-	(1,103)	(3,675)	-	(3,675)	119,592		
60 to 89 days	-	46,633	-	-	28,196	74,829	-	(2,090)	-	-	(880)	(2,970)	-	(2,970)	71,859		
>= 90 days	-	-	-	-	136,500	136,500	-	-	-	-	(6,139)	(6,139)	-	(6,139)	130,361		
Subtotal	-	13,275,249	-	-	308,892	13,584,141	-	(27,489)	-	-	(12,161)	(39,650)	-	(39,650)	13,544,491		
Consumer loans																	
0 day	-	3,341,746	-	-	104,426	3,446,172	-	(92,473)	-	-	(32,876)	(125,349)	-	(125,349)	3,320,823		
1 to 29 days	-	174,544	-	-	29,445	203,989	-	(29,520)	-	-	(10,982)	(40,502)	-	(40,502)	163,487		
30 to 59 days	-	54,408	-	-	23,705	78,113	-	(15,220)	-	-	(9,221)	(24,441)	-	(24,441)	53,672		
60 to 89 days	-	29,068	-	-	20,098	49,166	-	(9,670)	-	-	(9,175)	(18,845)	-	(18,845)	30,321		
>= 90 days	-	-	-	-	81,256	81,256	-	-	-	-	(42,973)	(42,973)	-	(42,973)	38,283		
Subtotal	-	3,599,766	-	-	258,930	3,858,696	-	(146,883)	-	-	(105,227)	(252,110)	-	(252,110)	3,606,586		
Total loans	13,040,267	18,757,745	432,225	236,618	768,766	33,235,621	(88,286)	(199,147)	(32,388)	(104,225)	(155,936)	(579,982)	(16,557)	(596,539)	32,639,082		

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

i) Lease operations

Gross loans for finance lease contracts have the following remaining terms until maturity:

	6/30/2023 Interest and			12/31/2022 Interest and		
	Account Receivable	deferred VAT	Net balance receivable	Account Receivable	deferred VAT	Net balance receivable
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
On-demand	939	(28)	911	1,184	(36)	1,148
Up to one month	34,447	(6,890)	27,557	31,960	(6,518)	25,442
More than one up to three months	66,246	(13,589)	52,657	62,450	(12,804)	49,646
More than three months up to one year	278,744	(58,736)	220,008	266,468	(55,610)	210,858
More than one up to three years	479,309	(107,957)	371,352	479,963	(105,661)	374,302
More than three up to five years	171,078	(42,527)	128,551	178,545	(43,179)	135,366
More than five years	110,192	(30,827)	79,365	114,578	(31,317)	83,261
Total	1,140,955	(260,554)	880,401	1,135,148	(255,125)	880,023

The Bank finances its customers for the acquisition of assets, both real estate and non-real estate, through finance lease contracts between 1 and 20 years depending on each contract, which are presented under "finance lease operations" in the Interim Consolidated Statements of Financial Position.

As at June 30, 2023, MCh\$250,637 corresponds to finance leases on real estate (MCh\$250,125 as at December 31, 2022) and MCh\$629,764 to finance leases on non-real estate (MCh\$629,898 as at December 31, 2022).

Interest and indexation income on receivables from finance leases of real estate and non-real estate is disclosed in Note 30 "Interest income and expense" and Note 31 "Indexation income and expenses."

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

j) Sale of loans for higher education studies per Law No. 20027

Pursuant to the provisions of the public bidding bases for the award of financing and credit administration service for senior education of Law No. 20027, the Bank sold to the Chilean Treasury a percentage of the related loan portfolio, transferring substantially all the risks and benefits associated with the loans assigned. Only the administration service of the transactions sold was maintained, which considers granting new loans and their collection.

The summary of sales performed is as follows:

Concept	6/30/2023 MCh\$	12/31/2022 MCh\$
Par value	7,831	55,049
Provisions	(753)	(1,728)
Net value of provisions	7,078	53,321
Sale value	7,134	67,317
Sale result (1)	56	13,996
 (Loss) profit in sale (2)	 (31)	 5,212
Income received in advance	87	8,784

(1) The gain or loss on the sale is obtained from the sales value less the net value of allowances.

(2) The gain on sale is included in the Consolidated Statements of Income for the year under the caption "Net financial result from derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

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 in caption "Other liabilities" in the Interim Consolidated Statements of Financial Position.

k) Sale of Loans

During the period from January 1 through June 30, 2023, there were no sales and/or assignments of loans. During the period from January 1 through June 30, 2022, loans of the commercial portfolio were sold and/or assigned recording a gain of MCh\$1,107, in the caption "Financial result from derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

During the period from January 1 through June 30, 2023, the subsidiary Banderarrollo Sociedad de Leasing Inmobiliario S.A., recorded a realized gain from the assignment of portfolio of MCh\$39 (MCh\$58 as at June 30, 2022), in the caption "Financial result from derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

I) Securitization

The subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A. maintains in its statement of financial position financial assets transferred and not derecognized, as it retains substantially all the risks and rewards, mainly the credit risk. Under the agreement, customers remit cash directly to the subsidiary and the subsidiary transfers the proceeds to the final beneficiary.

The information below shows the carrying amount of financial assets that have been transferred but not derecognized and their associated liabilities.

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Housing loan portfolio	3,417	3,862
Carrying amount of associated liabilities	3,146	3,646

As at June 30, 2023, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A. recognizes a liability pending repayment of MCh\$3,146 (MCh\$3,646 as at December 31, 2022), related to the price obtained or part of the price obtained in 2006, in sales of housing lease contracts portfolio for securitization purposes, but such portfolios have not been derecognized, following the instructions issued by the CMF. Not derecognizing the fully or partially-assigned assets is due to the fact that the subsidiary acquired the securitized subordinated bonds issued by the separate equity constituted with such assets, which implies the retention of significant risks and rewards associated with such assets.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 14 Investment in companies

The detail of investments in companies is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Companies locally controlled	-	-
Companies controlled abroad		
Branches controlled abroad	-	-
Other companies controlled abroad	-	-
Companies with significant influence in the country	21,501	18,744
Companies with significant influence abroad	-	-
Investments in companies as a joint venture in the country	-	-
Investments in companies as a joint venture abroad	-	-
Minority investments in other companies in the country	7,664	7,308
Minority investments in other companies abroad	41	41
Total Investments in companies	29,206	26,093

a) Companies in which the Bank has significant influence in Chile

	Ownership %	Tax ID No	Country	Company's equity as at 6/30/2023 MCh\$	Investment as at 6/30/2023 MCh\$	Investment as at 12/31/2022 MCh\$
Transbank S.A.	22.69	96.689.310-9	Chile	112,562	21,501	18,744
Total					21,501	18,744

Transbank S.A.

It is a closely-held shareholders' corporation that supports the banking business, and its purpose is to operate payment cards and provide services aimed at facilitating the fulfillment of the purposes of financial institutions.

A summary of the significant items in the Financial Statements at each period-end is presented below.

Assets and liabilities

Current assets	1,363,063	1,272,126
Non-current assets	155,810	132,911
Current liabilities	1,397,245	1,297,169
Non-current liabilities	3,249	1,630

Income statements (summary)

Net sale	61,067	113,661
Operating results	12,026	1,637
Profit for the period	9,575	21,341
Depreciation and amortization	(22,794)	(42,104)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) Minority investments in other domestic companies

	Country	Investment as at 6/30/2023 MCh\$	Investment as at 12/31/2022 MCh\$
Bolsa de Comercio de Santiago	Chile	662	3,206
Sociedad de Infraestructura de Mercado S.A. (*)	Chile	2,900	-
Bolsa Electrónica de Chile	Chile	310	310
Sociedad Interbancaria de Depósitos de Valores	Chile	204	204
Sociedad Servicios de Infraestructura y de Mercado OTC	Chile	2,291	2,291
Redbanc S.A.	Chile	860	860
Combanc S.A.	Chile	403	403
Bolsa de Valores de Valparaíso S.A.	Chile	11	11
Club de La Unión	Chile	15	15
Caja Compensación Bolsa de Comercio de Santiago	Chile	8	8
Total		7,664	7,308

(*) In March 2023, Bolsa de Comercio de Santiago spun off resulting in the incorporation of Sociedad de Infraestructura de Mercado S.A., which is engaged in making investments in Chile and abroad in all kinds of movable, immovable, tangible and intangible assets, as well as in directly and indirectly, through any means (technological or other), providing services to market infrastructure entities and other players in the financial industry (including the capital markets industry). Bolsa de Comercio de Santiago will maintain its normal operations.

c) Minority investments in other companies abroad

	Country	Investment as at 6/30/2023 MCh\$	Investment as at 12/31/2022 MCh\$
Society for Worldwide Interbank Financial Telecommunication	Belgium	10	10
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	31	31
Total		41	41

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Movements in Investments in companies are detailed as follows:

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Book value as at January 1	26,093	19,973
Division of Bolsa de Comercio de Santiago	(2,577)	-
Incorporation of Sociedad de Infraestructura de Mercado S.A	2,577	-
Sale of investments	-	(3)
Participation on results	2,754	6,086
Adjustment to market value	356	37
Other	3	-
Total	29,206	26,093

During the period ended June 30, 2023, there have been no movements associated with impairment.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 15 Intangible assets

a) The detail of intangible assets is as follows:

Intangible Assets	Years of		Average		Gross balance		Accumulated		Net balance	
	useful life		remaining				amortization and			
	2023	2022	2023	2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
					MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Goodwill for business combinations	-	-	-	-	-	-	-	-	-	-
Other intangibles arising from business combinations (1)										
Exclusivity agreement	15	15	8	9	138,425	138,425	-	-	138,425	138,425
Accumulated amortizations					-	-	(75,365)	(70,751)	(75,365)	(70,751)
Other independently originated intangible assets										
Software or computer programs purchased independently	9	9	4	5	17,908	17,906	-	-	17,908	17,906
Software or computer programs generated internally	9	9	4	5	258,827	234,392	-	-	258,827	234,392
Accumulated amortizations					-	-	(94,406)	(79,572)	(94,406)	(79,572)
Total intangible assets					415,160	390,723	(169,771)	(150,323)	245,389	240,400

(1) Intangible assets from business combinations refer to those arising from the purchase of 51% of shares of CAT Administradora de Tarjetas de Crédito S.A. ("CAT") and CAT Corredores de Seguros y Servicios S.A.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

b) Intangible assets are detailed as follows:

	Computer Programs	Intangible business combinations	Other	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Gross balance :				
Balance as at January 1, 2022	201,283	138,425	-	339,708
Acquisitions	51,145	-	-	51,145
Impairment	(130)	-	-	(130)
Gross Total	252,298	138,425	-	390,723
Accumulated amortization as at January 1, 2022	(55,777)	(61,522)	-	(117,299)
Amortization for the period	(23,887)	(9,229)	-	(33,116)
Impairment	92	-	-	92
Total amortization	(79,572)	(70,751)	-	(150,323)
Balance as at December 31, 2022	172,726	67,674	-	240,400
Gross balance :				
Balance as at January 1, 2023	252,298	138,425	-	390,723
Acquisitions	24,705	-	-	24,705
Deterioro	(268)	-	-	(268)
Gross Total	276,735	138,425	-	415,160
Accumulated amortization as at January 1, 2023	(79,572)	(70,751)	-	(150,323)
Amortization for the period	(14,932)	(4,614)	-	(19,546)
Impairment	98	-	-	98
Total amortization	(94,406)	(75,365)	-	(169,771)
Balance as at June 30, 2023	182,329	63,060	-	245,389

As at June 30, 2023, there were impacts associated with impairment of intangible assets, which relate to discontinued IT developments, amounting to MCh\$170.

Debits for amortization or impairment of intangible assets are included under "Depreciation and amortization" in the Interim Consolidated Statements of Income.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 16 Property and equipment

a) The caption Property and equipment is composed of the following:

Property and equipment	Average useful life		Remaining average depreciation		Gross balance		Accumulated Depreciation		Net balance	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
	years	years	years	years	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Land and constructions	80	80	35	35	68,879	69,131	(19,407)	(18,600)	49,472	50,531
Equipment	6	6	4	4	130,655	124,735	(99,407)	(94,429)	31,248	30,306
Other	6	6	4	4	19,746	23,331	(13,785)	(13,532)	5,961	9,799
Total					219,280	217,197	(132,599)	(126,561)	86,681	90,636

b) Movements in Property and equipment are detailed as follows:

	Building and land	Equipment	Other	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2022	71,718	121,855	21,215	214,788
Purchase of property, plant	-	1,811	8,939	10,750
Asset disposal	(2,230)	(1,977)	(166)	(4,373)
Accounts Reclassification (1)	-	6,387	(6,656)	(269)
Impairment	(357)	(3,341)	(1)	(3,699)
Gross Total	69,131	124,735	23,331	217,197
Accumulated depreciation as at January 1, 2022	(17,457)	(88,447)	(12,762)	(118,666)
Depreciation for the period	(1,637)	(10,393)	(838)	(12,868)
Asset disposal	494	1,295	67	1,856
Accounts Reclassification (1)	-	(36)	-	(36)
Impairment	-	3,152	1	3,153
Total depreciation	(18,600)	(94,429)	(13,532)	(126,561)
Balance as at December 31, 2022	50,531	30,306	9,799	90,636
Balance as at January 1, 2023	69,131	124,735	23,331	217,197
Purchase of property, plant	-	728	2,213	2,941
Asset disposal	(252)	-	(66)	(318)
Accounts Reclassification (1)	-	5,192	(5,732)	(540)
Impairment	-	-	-	-
Gross Total	68,879	130,655	19,746	219,280
Accumulated depreciation as at January 1, 2023	(18,600)	(94,429)	(13,532)	(126,561)
Depreciation for the period	(807)	(4,978)	(319)	(6,104)
Asset disposal	-	-	66	66
Accounts Reclassification (1)	-	-	-	-
Impairment	-	-	-	-
Total depreciation	(19,407)	(99,407)	(13,785)	(132,599)
Balance as at June 30, 2023	49,472	31,248	5,961	86,681

(1) Mainly relates to amounts for which in the beginning there is no individual identification. Upon completion of the purchase these are transferred to the final asset.

Debits for depreciation of Property and equipment are included in the caption "Depreciation and amortization" of the Interim Consolidated Statements of Income.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 17 Right-of-use lease assets and lease liabilities under lease contracts

a) The detail of right-of-use assets under lease contracts is as follows:

Assets for the right-to-use lease assets	Gross balance		Accumulated Depreciation		Net balance	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022	6/30/2023	12/31/2022
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Building and land	198,742	194,760	(46,761)	(41,616)	151,981	153,144
Leased property improvements	42,438	41,961	(22,232)	(21,023)	20,206	20,938
Total	241,180	236,721	(68,993)	(62,639)	172,187	174,082

b) Movements in right-of-use assets under lease contracts are detailed as follows:

	Building and land	Leased property improvements	Total
	MCh\$	MCh\$	MCh\$
Gross balance:			
Balance as at January 1, 2022	192,209	45,294	237,503
Adjustment due to liability remeasurement	19,365	-	19,365
Additions	140	60	200
Increase due to contract modification	1,209	-	1,209
Decrease due to contract modification	(1,247)	-	(1,247)
Reclassifications (1)	-	269	269
Withdrawals / Derecognition	(16,916)	(3,662)	(20,578)
Gross Total	194,760	41,961	236,721
Accumulated depreciation as at January 1, 2022	(34,539)	(21,292)	(55,831)
Impairment	-	-	-
Depreciation for the period	(11,990)	(2,609)	(14,599)
Decrease due to contract modification	299	-	299
Reclassifications	-	36	36
Withdrawals / Derecognition	4,614	2,842	7,456
Total depreciation	(41,616)	(21,023)	(62,639)
Balance as at December 31, 2022	153,144	20,938	174,082
Balance as at January 1, 2023	194,760	41,961	236,721
Adjustment due to liability remeasurement	4,223	-	4,223
Additions	1,042	-	1,042
Increase due to contract modification	1,674	-	1,674
Decrease due to contract modification	(2,500)	-	(2,500)
Reclassifications (1)	-	540	540
Withdrawals / Derecognition	(457)	(63)	(520)
Gross Total	198,742	42,438	241,180
Accumulated depreciation as at January 1, 2023	(41,616)	(21,023)	(62,639)
Impairment	-	-	-
Depreciation for the period	(6,237)	(1,237)	(7,474)
Decrease due to contract modification	714	-	714
Withdrawals / Derecognition	378	28	406
Total depreciation	(46,761)	(22,232)	(68,993)
Balance as at June 30, 2023	151,981	20,206	172,187

(1) Mainly relates to amounts for which in the beginning there is no individual identification. Upon completion of the purchase or construction (for the remodeling of leased offices) these are transferred to the final asset.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Debits for depreciation of right-of-use assets are included under "Depreciation and amortization" in the Interim Consolidated Statements of Income.

The Bank's lease contracts consist mainly of real estate leases, intended for the performance of its operating functions. Contracts contain renewal options and for those for which there is reasonable certainty that this option will be exercised, the lease term used to measure the liability and the asset corresponds to an estimate of future renewals.

As at June 30, 2023 and 2022, the Bank has no expenses related to leases of low value. Expenses related to short-term leases amount to MCh\$2,412 as at June 30, 2023 (MCh\$2,329 as at June 30, 2022) and are included in "Administrative expenses" in the Interim Consolidated Statements of Income.

Income received from the sub-lease on right-of-use assets amount to MCh\$316 as at June 30, 2023 (MCh\$773 as at June 30, 2022), which are in "Other Operating Income" in the Interim Consolidated Statements of Income.

As at June 30, 2023 and 2022, no gains or losses were generated from sale-with- leaseback transactions.

c) Liabilities under lease contracts

Movements of liabilities under lease contracts and cash flows are detailed as follows:

Lease liability	Movements for the periods ended as at	
	6/30/2023 MCh\$	12/31/2022 MCh\$
Balances as at January 1	160,376	163,775
Lease liabilities generated	1,042	140
Modification of contract	(112)	261
Interest expense	2,230	4,289
Capital payments (*)	(5,557)	(10,377)
Interest payments (*)	(2,230)	(4,289)
Contract adjustments	4,223	19,365
Payments due to cancellation /termination of leases	(81)	(12,788)
Total	159,891	160,376
(*) Total Payments associated with lease liabilities in the period	(7,787)	(14,666)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

d) Cash flows from liabilities under lease contracts

The Bank holds lease contracts on certain assets for its operating functions. The table below shows the analysis of the cash flows of contractual maturities:

Lease contracts 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 June 30, 2023	1,312	2,623	11,746	61,512	121,047	198,240
As at June 30, 2022	1,205	2,411	10,826	56,708	124,826	195,976

Note 18 Taxes
a) Current taxes

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Assets:		
Income tax, 27% tax rate	(90,382)	(24,017)
One-off tax under Article 21, 40% tax rate	(22)	(22)
Less:		
Monthly tax provisional payments	39,589	61,439
Credit for training expenses	-	742
Credit 104 Income Tax Law	-	949
Previous year recoverable tax	60,444	14,402
Other	-	(15)
Total current tax asset	9,629	53,478
Liabilities:		
Income tax, 27% tax rate	(7,735)	(8,882)
One-off tax under Article 21, 40% tax rate	-	-
Previous year income tax	-	-
Less:		
Monthly tax provisional payments	5,208	7,096
Credit for training expenses	-	62
Previous year recoverable tax	354	-
Other	(52)	-
Total current tax liability	(2,225)	(1,724)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

b) Tax benefit (expense)

The effect of tax expense is composed of the following:

	6/30/2023 MCh\$	6/30/2022 MCh\$
Income tax expenses:		
Current year tax	(76,759)	(40,957)
Excess (deficit) allowance previous year	(2,170)	54,273
Previous years tax	-	-
Credit (charge) due to deferred taxes:		
Origination and reversal of temporary differences current year	37,190	10,326
Origination and reversal of temporary differences prior year	(433)	(56,061)
Subtotal	<u>(42,172)</u>	<u>(32,419)</u>
Tax for rejected expenses Article N°21	(22)	(11)
Other	-	-
Net charge to Income due to income tax	<u>(42,194)</u>	<u>(32,430)</u>

The Bank presents no taxes from discontinued operations for the periods ended June 30, 2023 and 2022.

c) Effect of taxes recorded in equity

The effect of taxes recorded in equity correspond to the following concepts:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Financial investments at fair value with changes in other comprehensive income	(7,730)	(6,441)
Employee defined benefit plans	42	9
Derivatives in cash flow hedges	(21,861)	(17,672)
Effects of first application Accounting Standards Compendium	-	(3,603)
Total charge in equity	<u>(29,549)</u>	<u>(27,707)</u>

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Deferred tax assets and liabilities

Taxable and deductible differences that make up the deferred tax balances are detailed as follows:

Concept	6/30/2023 MCh\$	12/31/2022 MCh\$
Deferred tax assets associated to goodwill	-	-
Deferred tax assets associated with mortgage servicing rights	-	-
Deferred tax assets associated with other intangibles	5,305	6,263
Deferred tax assets associated with defined benefit pension plans	529	470
Deferred tax assets associated with deductible temporary differences		
Loans provisions	206,101	199,601
Financial penalties of loans that are tax assets	-	-
Income from interest and adjustments with accrual suspended for loans in impaired portfolio	15,180	13,096
Provisions for employee benefit obligations	11,416	8,126
Leasing operations	26,879	4,949
Tax-financial differences of property and equipment	11,379	10,995
MTM Financial instruments for trading and other investments	27,798	29,348
Sundry provisions	5,260	4,917
Other	10,083	4,947
Deferred tax assets not associated with deductible temporary differences		
Unused Bank Tax Losses	-	-
Unused tax losses of subsidiaries	4,085	4,366
Unused tax credits	-	-
Deferred taxes with changes in equity	36,101	43,829
Other	-	-
Total deferred tax assets	360,116	330,907
Deferred tax liabilities associated to goodwill	-	-
Deferred tax liabilities associated with mortgage servicing rights	-	-
Deferred tax liabilities associated with other intangibles	-	-
Deferred tax liabilities associated with defined benefit pension plans	-	-
Deferred tax liabilities associated with taxable temporary differences		
Tax- financial differences of property, equipment	(609)	(573)
Leasing operations	-	-
Changes in the fair value of financial assets at fair value through other comprehensive income	-	-
Other changes in accumulated other comprehensive income	-	-
Other	-	-
Deferred tax liabilities not associated with taxable temporary differences	-	-
Goodwill for significant investments in companies measured using equity method (associates and/or joint ventures)	-	-
Total deferred tax liabilities	(609)	(573)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

e) Reconciliation of effective tax rate

The reconciliation between income tax rate and effective rate applied for determining tax expense is detailed in the table below.

	Tax Rate %	6/30/2023 MCh\$
Income before corporate income tax	27.00%	65,789
Permanent differences		
Price-level restatement on tax equity	(12.85%)	(31,308)
Other permanent differences	0.36%	887
Taxes not recognized on profit or loss in previous years	-	-
Prior year effect	1.07%	2,604
Other	1.72%	4,200
Effective rate and current year income tax proceeds	17.30%	42,172
One-off tax under Article No.21	0.01%	22
Total income tax expense	17.31%	42,194

	Tax Rate %	6/30/2022 MCh\$
Income before corporate income tax	27.00%	77,187
Permanent differences		
Price-level restatement on tax equity	(26.39%)	(75,444)
Other permanent differences	0.83%	2,385
Taxes not recognized on profit or loss in previous years	0.63%	1,788
Prior year effect	9.27%	26,503
Other	0.00%	-
Effective rate and current year income tax proceeds	11.34%	32,419
One-off tax under Article No.21	0.00%	11
Total income tax expense	11.34%	32,430

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

f) Joint Circular No.47 issued by the Chilean IRS and No.3478 issued by the CMF

Transactions and effects generated by the application of article 31, number 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 Interim Consolidated Financial Statements.

Loans and accounts receivable from customers as at 6/30/2023

Type of loan	Assets at carrying amount in the Financial Statements (*)	Assets at tax value		
	MCh\$	Total	Secured overdue portfolio	Unsecured overdue portfolio
Commercial loans	14,973,761	15,260,735	72,120	50,837
Consumer loans	2,169,952	2,448,800	-	16,673
Mortgage loans	13,825,592	14,108,501	5,827	24
Total	30,969,305	31,818,036	77,947	67,534

Allowances on overdue portfolio as at 6/30/2023

Type of loan	Balance as at December 31, 2022	Write-offs against allowances	Allowances Constituted	Released Allowances	Balance as at June 30, 2023
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Commercial loans	32,988	(9,295)	39,980	(12,836)	50,837
Consumer loans	13,708	(21,010)	32,584	(8,609)	16,673
Mortgage loans	55	(36)	5	-	24
Total	46,751	(30,341)	72,569	(21,445)	67,534

Direct write-offs and recoveries as at 6/30/2023

	MCh\$
Direct write-offs per Art. 31 No. 4 second sub-paragraph	63,452
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	22,866

Application of Art. 31 N° 4 first and third sub- paragraphs

	MCh\$
Write-offs per first sub- paragraph	-
Forgiveness per third sub-paragraph	-

Loans and accounts receivable from customer as at 12/31/2022

Type of loan	Assets at carrying amount in the Financial Statements (*)	Assets at tax value		
	MCh\$	Total	Secured overdue portfolio	Unsecured overdue portfolio
Commercial loans	15,966,281	16,232,353	17,071	32,988
Consumer loans	2,189,550	2,491,236	(3,990)	13,708
Mortgage loans	13,544,271	13,744,807	4,963	55
Total	31,700,102	32,468,396	18,044	46,751

Allowances on overdue portfolio as at 12/31/2022

Type of loan	Balance as at December 31, 2021	Write-offs against allowances	Allowances Constituted	Released Allowances	Balance as at December 31, 2022
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Commercial loans	25,220	(17,175)	37,048	(12,105)	32,988
Consumer loans	4,556	(19,121)	38,224	(9,951)	13,708
Mortgage loans	89	(42)	14	(6)	55
Total	29,865	(36,338)	75,286	(22,062)	46,751

Direct write-offs and recoveries as at 12/31/2022

	MCh\$
Direct write-offs per Art. 31 No. 4 second sub-paragraph	96,584
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	51,409

Application of Art. 31 N° 4 first and third sub- paragraphs

	MCh\$
Write-offs per first sub- paragraph	-
Forgiveness per third sub-paragraph	-

(*) In accordance with the above-mentioned Circular and instructions issued by the Chilean Internal Revenue Service, the value of assets in financial statements is presented on an individual basis and does not include lease operations and factoring transactions.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 19 Other assets

Other assets are detailed as follows:

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Assets to assign in financial leasing as lessor	5,792	6,653
Cash guarantees delivered for derivative financial operations	531,246	598,920
Accounts receivable from third parties	114,982	98,439
VAT tax credit receivable	7,975	11,207
Prepaid expenses	10,806	8,078
Income asset from usual activities from contracts with customers	24	1,962
Other cash collateral provided	4,780	7,720
Outstanding operations	1,958	1,892
Other assets	47,609	21,501
Total other assets	725,172	756,372

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 20 Non-current assets and disposal groups held for sale and liabilities included in disposal groups held for sale
a) This line item is detailed as follows:

Concept	6/30/2023 MCh\$	12/31/2022 MCh\$
Assets received in payment or adjudicated in judicial auction		
Goods received in payment (*)	515	381
Assets adjudicated in judicial auction	13,863	12,272
Provisions for goods received in payment or adjudicated in judicial auction	(21)	(18)
Subtotal	14,357	12,635
Non-current assets held for sale		
Investments in companies	-	-
Intangible assets	-	-
Property and equipment	2,029	2,029
Assets for recovery of goods transferred in financial leasing operations	722	511
Other assets	-	-
Subtotal	2,751	2,540
Disposal groups for sale	-	-
Total non-current assets and disposal groups for sale	17,108	15,175

Concept	6/30/2023 MCh\$	12/31/2022 MCh\$
Liabilities included in disposal groups for sale	-	-
Total liabilities included in disposal groups for sale	-	-

(*) Assets received in lieu of payment correspond to assets received for the payment of customers' past due debt obligations. The group of assets acquired as such must not exceed 20% of the Bank's effective equity at any time. These assets currently represent 0.0119% (0.0092% as at December 31, 2022) of the Bank's effective equity.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) Movements in non-current assets and disposal groups held for sale and liabilities included in disposal groups held for sale:

	Assets received in payment or adjudicated in judicial auction MCh\$	Non-current assets held for sale MCh\$	Total MCh\$
Asset			
Balance as at January 1, 2022	11,330	4,209	15,539
Reposessed assets	15,219	537	15,756
Write-offs on goods	(3,779)	133	(3,646)
Alienation	(6,399)	-	(6,399)
(Constitution)/release	-	(417)	(417)
Sales / disposals	(3,718)	(1,922)	(5,640)
Balance as at December 31, 2022	12,653	2,540	15,193
Provisions			
Balance as at January 1, 2022	(5)	-	(5)
Provisions constituted	(151)	-	(151)
Release on provisions	153	-	153
Sales / disposals	(15)	-	(15)
Balance as at December 31, 2022	(18)	-	(18)
Net balances as at December 31, 2022	12,635	2,540	15,175
Asset			
Balance as at January 1, 2023	12,653	2,540	15,193
Reposessed assets	9,432	1,708	11,140
Write-offs on goods	(1,185)	(313)	(1,498)
Alienation	(256)	(155)	(411)
Regularizations	172	23	195
(Constitution)/release	-	(1,052)	(1,052)
Sales / disposals	(6,438)	-	(6,438)
Balance as at June 30, 2023	14,378	2,751	17,129
Provisions			
Balance as at January 1, 2023	(18)	-	(18)
Provisions constituted	(338)	-	(338)
Release on provisions	356	-	356
Sales / disposals	-	-	-
Transfers, other movements and exchange differences	(21)	-	(21)
Balance as at June 30, 2023	(21)	-	(21)
Net balance as at June 30, 2023	14,357	2,751	17,108

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 21 Financial liabilities held for trading at fair value through profit or loss

The detail of this line item is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Derivative instruments		
Forwards	1,129,694	1,597,384
Swaps	4,070,748	4,615,628
Call options	290	-
Put options	-	-
Other financial instruments	-	-
Total	5,200,732	6,213,012

Financial derivative contracts are detailed as follows:

As at June 30, 2023		Notional amounts of contracts with final maturity (1)						
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Fair Value
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	-	457,019	628,459	571,462	289,504	40,172	-	41,567
Paper forward	-	-	-	-	-	-	-	-
Exchange insurance	-	10,962,189	8,485,256	7,682,258	1,866,322	810,893	563,490	678,510
Inflation insurance	-	536,071	1,698,899	5,233,671	3,290,884	1,250,409	3,834,000	409,617
Subtotal forward	-	11,955,279	10,812,614	13,487,391	5,446,710	2,101,474	4,397,490	1,129,694
Options								
Call option	-	-	-	8,031	-	-	-	-
Put option	-	-	-	8,882	-	-	-	290
Subtotal options	-	-	-	16,913	-	-	-	290
Swap								
Cross currency swap	-	902,572	2,139,561	7,943,403	14,230,129	8,096,234	13,270,892	2,282,564
Rate Swap	-	6,287,476	17,740,620	31,416,848	31,784,692	16,616,525	18,797,638	1,788,184
Subtotal swap	-	7,190,048	19,880,181	39,360,251	46,014,821	24,712,759	32,068,530	4,070,748
Total	-	19,145,327	30,692,795	52,864,555	51,461,531	26,814,233	36,466,020	5,200,732

(1) The amounts of the maturities were determined based on the notional values of the financial instruments

As at December 31, 2022			Notional amounts of contracts with final maturity (1)					
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years	Fair Value
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	-	387,348	464,712	521,998	308,790	68,222	-	39,674
Paper forward	-	20,685	-	-	-	-	-	-
Exchange insurance	-	8,327,025	7,213,782	8,452,776	2,623,041	786,049	639,437	891,953
Inflation insurance	-	791,312	3,606,313	4,127,076	3,599,745	1,265,890	4,349,518	665,757
Subtotal forward	-	9,526,370	11,284,807	13,101,850	6,531,576	2,120,161	4,988,955	1,597,384
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal options	-	-	-	-	-	-	-	-
Swap								
Cross currency swap	-	1,236,105	2,858,651	7,744,920	14,383,830	9,888,402	14,405,853	2,751,292
Rate Swap	-	4,679,594	12,152,237	22,050,888	20,937,549	14,918,159	19,677,894	1,864,336
Subtotal swap	-	5,915,699	15,010,888	29,795,808	35,321,379	24,806,561	34,083,747	4,615,628
Total	-	15,442,069	26,295,695	42,897,658	41,852,955	26,926,722	39,072,702	6,213,012

(1) The amounts of the maturities were determined based on the notional values of the financial instruments

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 22 Financial liabilities at amortized cost

The detail of this line item is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Deposits and other on-demand liabilities	4,654,010	5,076,459
Term and on-demand deposits	13,601,244	13,972,388
Liabilities under repurchase agreements and securities lending	106,487	205,943
Bank borrowings	5,303,396	5,342,212
Debt financial instruments issued	8,277,903	7,707,165
Other financial liabilities	133,676	120,225
Total	32,076,716	32,424,392

a) Deposits and other on-demand liabilities

	6/30/2023 MCh\$	12/31/2022 MCh\$
Checking accounts	3,655,429	3,965,561
Demand deposit accounts	311,729	379,377
Other on-demand deposits	120,425	133,033
Other on-demand obligations		
Obligations for other credits granted to be completed to other banks and/or the beneficiary of the loan	188	190
Guarantee bills payable at sight	40,311	45,704
Collections performed to be completed	72,164	70,180
Pending payment orders	32,028	75,328
Payments received on account of loans to be settled	3,539	3,308
Immobilized balances article 156 General Banking Law	17,618	21,389
Overdue time deposits	3,197	2,908
Various mortgage creditors	110,519	145,396
Granting of loans Law No 20027	40,186	37
Payments to apply	62,599	143
Other sight obligations	184,078	233,905
Total	4,654,010	5,076,459

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) Term and other on-demand deposits

	6/30/2023 MCh\$	12/31/2022 MCh\$
Term deposits	13,498,046	13,866,230
Term saving accounts	103,198	106,158
Other	-	-
Total	13,601,244	13,972,388

c) Liabilities under repurchase agreements and securities lending

	6/30/2023 MCh\$	12/31/2022 MCh\$
Operations with banks:		
Repurchase agreements - Banco Central de Chile	-	-
Operations with banks abroad	-	-
Operations with other domestic entities		
Repurchase agreements	106,355	203,337
Securities lending obligations	132	2,606
Operations with other entities abroad	-	-
Total	106,487	205,943

As at June 30, 2023	On-demand MCh\$	Up to 1 month MCh\$	More than 1 up to 3 months MCh\$	More than 3 up to 12 months MCh\$	More than 1 up to 3 years MCh\$	More than 3 up to 5 years MCh\$	More than 5 years MCh\$	Total MCh\$
Operations with banks:								
Repurchase agreements - Banco Central de Chile	-	-	-	-	-	-	-	-
Operations with banks abroad	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase agreements	-	103,882	2,473	-	-	-	-	106,355
Securities lending obligations	-	132	-	-	-	-	-	132
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	-	104,014	2,473	-	-	-	-	106,487

As at December 31, 2022	On-demand MCh\$	Up to 1 month MCh\$	More than 1 up to 3 months MCh\$	More than 3 up to 12 months MCh\$	More than 1 up to 3 years MCh\$	More than 3 up to 5 years MCh\$	More than 5 years MCh\$	Total MCh\$
Operations with banks:								
Repurchase agreements - Banco Central de Chile	-	-	-	-	-	-	-	-
Operations with banks abroad	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase agreements	-	203,337	-	-	-	-	-	203,337
Securities lending obligations	-	2,606	-	-	-	-	-	2,606
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	-	205,943	-	-	-	-	-	205,943

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Bank borrowings

	6/30/2023 MCh\$	12/31/2022 MCh\$
Local Banks		
Foreign trade financing	-	-
Borrowings and other obligations	-	-
Banks abroad		
Foreign trade financing	1,493,003	1,434,397
Borrowings and other obligations	780,367	877,789
Banco Central de Chile		
Borrowings and other obligations	3,030,026	3,030,026
Total	5,303,396	5,342,212

The detail of bank borrowings is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Local Banks	-	-
Banks abroad		
Scotiabank (Bahamas) Ltd	698,574	783,114
Export Development Canada	525,869	555,649
Bank of America, N.A.	337,367	187,322
The Bank Chase Manhattan	102,919	64,582
Wells Fargo Bank	97,599	171,018
Caixa D'Estalvis	60,237	64,516
Citibank N.A.	56,464	68,837
Standard Chartered Bank	46,329	107,292
Corporación Andina de Fomento	40,810	42,959
Toronto-Dominion Bank	40,609	86,302
Zuercher Kantonalbank	40,502	8,562
The Bank of Montreal	40,289	42,571
Barclays Bank PLC	40,255	42,977
The Bank of New York	20,324	43,059
Other	125,223	43,426
Banco Central de Chile	3,030,026	3,030,026
Total	5,303,396	5,342,212

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

e) Debt financial instruments issued

	6/30/2023 MCh\$	12/31/2022 MCh\$
Letter of credit (1)	94,460	100,235
Current bonds (2)	8,183,443	7,606,930
Total	8,277,903	7,707,165

- (1) During the period between January 1 and June 30, 2023 and January 1 and December 31, 2022, no new letters of credit have been issued.
- (2) During the period between January 1 and June 30, 2023, and January 1 and December 31, 2022, the following domestic and international current bonds have been issued.

Period between January 1 and June 30, 2023:

Series	Amount	Placement date	Annual Issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
BF	5,000,000,000	2023-01-10	100,000,000,000	4	2.50	\$	2020-12-01	2024-12-01
BA	300,000	2023-01-13	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BG	700,000	2023-01-16	4,000,000	7	3.00	UF	2021-03-09	2028-03-09
BI	200,000	2023-01-16	4,000,000	9	3.00	UF	2021-03-09	2030-03-09
BL	520,000	2023-02-08	3,000,000	9	2.70	UF	2022-08-01	2031-08-01
BB	150,000	2023-02-15	5,000,000	10	0.40	UF	2020-09-09	2030-09-09
BG	330,000	2023-02-15	4,000,000	7	3.00	UF	2021-03-09	2028-03-09
BQ	300,000	2023-02-15	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
11	5,000,000,000	2023-02-16	5,000,000,000	4	0.90	JPY	2023-03-02	2027-03-02
BA	500,000	2023-02-24	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BA	500,000	2023-02-28	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BH	900,000	2023-03-07	4,000,000	8	3.00	UF	2021-03-09	2029-03-09
BI	100,000	2023-03-13	4,000,000	9	3.00	UF	2021-03-09	2030-03-09
BT	2,000,000	2023-03-15	3,000,000	8	2.50	UF	2023-02-01	2031-02-01
BS	100,000,000,000	2023-03-16	100,000,000,000	7	6.10	\$	2023-02-01	2030-02-01
BQ	390,000	2023-04-18	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
BQ	350,000	2023-04-21	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
12	100,000,000	2023-05-02	100,000,000	2	2.78	CHF	2023-05-23	2025-05-23
BQ	325,000	2023-05-05	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
BQ	250,000	2023-05-08	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
BR	10,000,000,000	2023-05-11	100,000,000,000	5	8.10	\$	2022-08-01	2027-08-01
13	13,000,000	2023-05-12	13,000,000	2	5.09	USD	2023-05-23	2025-05-23
BR	14,000,000,000	2023-05-16	100,000,000,000	5	8.10	\$	2022-08-01	2027-08-01
BH	750,000	2023-05-30	4,000,000	8	3.00	UF	2021-03-09	2029-03-09
14	2,000,000,000	2023-06-01	2,000,000,000	1	0.70	JPY	2023-06-12	2024-12-12
BZ	19,000,000,000	2023-06-05	100,000,000,000	6	6.40	\$	2023-04-01	2029-04-01
BX	300,000	2023-06-06	3,000,000	13	2.50	UF	2023-02-01	2036-02-01
BQ	200,000	2023-06-09	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
BW	3,000,000	2023-06-09	3,000,000	12	2.50	UF	2023-02-01	2035-02-01
BZ	3,000,000,000	2023-06-09	100,000,000,000	6	6.40	\$	2023-04-01	2029-04-01
BA	1,000,000	2023-06-12	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BZ	19,000,000,000	2023-06-13	100,000,000,000	6	6.40	\$	2023-04-01	2029-04-01
BA	60,000	2023-06-14	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BL	30,000	2023-06-14	3,000,000	9	2.70	UF	2022-08-01	2031-08-01
BT	370,000	2023-06-14	3,000,000	8	2.50	UF	2023-02-01	2031-02-01
BL	250,000	2023-06-15	3,000,000	9	2.70	UF	2022-08-01	2031-08-01
BX	150,000	2023-06-15	3,000,000	13	2.50	UF	2023-02-01	2036-02-01
BZ	10,000,000,000	2023-06-20	100,000,000,000	6	6.40	\$	2023-04-01	2029-04-01
BZ	40,000,000,000	2023-06-22	100,000,000,000	6	6.40	\$	2023-04-01	2029-04-01
BZ	7,000,000,000	2023-06-23	100,000,000,000	6	6.40	\$	2023-04-01	2029-04-01
15	5,000,000,000	2023-06-27	5,000,000,000	2	0.75	JPY	2023-07-11	2025-07-11
BM	925,000	2023-06-29	3,000,000	8	2.70	UF	2022-08-01	2030-08-01

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Year between January 1 and December 31, 2022:

Series	Amount	Placement date	Annual Issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
9	30,000,000	12-01-2022	30,000,000	10	3.40	AUD	27-01-2022	27-01-2032
AV	765,000	28-01-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AU	673,000	01-02-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AV	220,000	16-02-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AU	100,000	17-02-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AU	150,000	21-02-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AU	200,000	23-02-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
10	3,000,000,000	24-02-2022	3,000,000,000	5	0.52	JPY	24-03-2022	24-03-2027
BE	2,000,000	25-02-2022	5,000,000	13	0.60	UF	09-09-2020	09-09-2033
AU	420,000	01-03-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AU	620,000	09-03-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AU	200,000	10-03-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AV	200,000	10-03-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AU	100,000	14-03-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AU	100,000	18-03-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AS	330,000	21-03-2022	5,000,000	5.5	1.05	UF	09-04-2020	09-10-2025
AV	230,000	22-03-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AW	2,000,000	24-03-2022	4,000,000	9	1.40	UF	09-07-2020	09-07-2029
AU	1,257,000	25-03-2022	4,000,000	6	1.20	UF	09-06-2020	09-06-2026
AV	400,000	25-03-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
BD	2,000,000	07-04-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
AS	300,000	22-04-2022	5,000,000	5.5	1.05	UF	09-04-2020	09-10-2025
AS	150,000	26-04-2022	5,000,000	5.5	1.05	UF	09-04-2020	09-10-2025
AV	100,000	05-05-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AS	70,000	12-05-2022	5,000,000	5.5	1.05	UF	09-04-2020	09-10-2025
AV	50,000	12-05-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AV	50,000	13-05-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AV	100,000	16-05-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
BJ	4,000,000	16-05-2022	4,000,000	12	3.00	UF	03-03-2021	03-03-2033
BB	2,000,000	01-06-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BE	1,000,000	08-06-2022	5,000,000	13	0.60	UF	09-09-2020	09-09-2033
BB	600,000	15-06-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BB	50,000	16-06-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
AV	170,000	30-06-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
AV	315,000	01-07-2022	4,000,000	7.5	1.30	UF	09-06-2020	09-12-2027
BD	2,000,000	07-07-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BD	2,000,000	07-07-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
AQ	1,000,000	11-07-2022	4,000,000	23	3.50	UF	01-11-2019	01-11-2042
AQ	200,000	15-07-2022	4,000,000	23	3.50	UF	01-11-2019	01-11-2042
AQ	350,000	15-07-2022	4,000,000	23	3.50	UF	01-11-2019	01-11-2042
AQ	550,000	15-07-2022	4,000,000	23	3.50	UF	01-11-2019	01-11-2042
AQ	1,900,000	15-07-2022	4,000,000	23	3.50	UF	01-11-2019	01-11-2042
BG	400,000	22-07-2022	4,000,000	7	3.00	UF	09-03-2021	09-03-2028
BG	1,790,000	09-08-2022	4,000,000	7	3.00	UF	09-03-2021	09-03-2028
BA	2,000,000	31-08-2022	5,000,000	9	0.40	UF	09-12-2020	09-12-2029
BF	6,000,000,000	09-09-2022	100,000,000,000	4	2.50	\$	01-12-2020	01-12-2024
BF	15,500,000,000	09-09-2022	100,000,000,000	4	2.50	\$	01-12-2020	01-12-2024
BF	7,000,000,000	13-09-2022	100,000,000,000	4	2.50	\$	01-12-2020	01-12-2024
BF	14,000,000,000	14-09-2022	100,000,000,000	4	2.50	\$	01-12-2020	01-12-2024
BF	1,000,000,000	14-09-2022	100,000,000,000	4	2.50	\$	01-12-2020	01-12-2024
BA	150,000	22-09-2022	5,000,000	9	0.40	UF	09-12-2020	09-12-2029
BA	200,000	27-09-2022	5,000,000	9	0.40	UF	09-12-2020	09-12-2029
BB	200,000	27-09-2022	5,000,000	10	0.40	UF	09-09-2020	09-09-2030
BA	100,000	12-10-2022	5,000,000	9	0.40	UF	09-12-2020	09-12-2029
BD	400,000	14-10-2022	5,000,000	12	0.60	UF	09-09-2020	09-09-2032
BF	5,000,000,000	26-10-2022	100,000,000,000	4	2.50	\$	01-12-2020	01-12-2024

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Year between January 1 and December 31, 2022, continued:

Series	Amount	Placement date	Annual Issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
BD	300,000	2022-11-09	5,000,000	12	0.60	UF	2020-09-09	2032-09-09
BF	8,000,000,000	2022-11-14	100,000,000,000	4	2.50	\$	2020-12-01	2024-12-01
BD	150,000	2022-11-17	5,000,000	12	0.60	UF	2020-09-09	2032-09-09
BA	350,000	2022-11-23	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BG	430,000	2022-11-23	4,000,000	7	3.00	UF	2021-03-09	2028-03-09
BA	50,000	2022-11-23	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BG	100,000	2022-11-24	4,000,000	7	3.00	UF	2021-03-09	2028-03-09
BG	50,000	2022-11-24	4,000,000	7	3.00	UF	2021-03-09	2028-03-09
BB	50,000	2022-12-01	5,000,000	10	0.40	UF	2020-09-09	2030-09-09
BB	150,000	2022-12-01	5,000,000	10	0.40	UF	2020-09-09	2030-09-09
BD	150,000	2022-12-01	5,000,000	12	0.60	UF	2020-09-09	2032-09-09
BF	5,500,000,000	2022-12-02	100,000,000,000	4	2.50	\$	2020-12-01	2024-12-01
BB	1,700,000	2022-12-07	5,000,000	10	0.40	UF	2020-09-09	2030-09-09
BA	400,000	2022-12-12	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BA	50,000	2022-12-12	5,000,000	9	0.40	UF	2020-12-09	2029-12-09
BB	100,000	2022-12-13	5,000,000	10	0.40	UF	2020-09-09	2030-09-09
BI	100,000	2022-12-14	4,000,000	9	3.00	UF	2021-03-09	2030-03-09
BI	500,000	2022-12-14	4,000,000	9	3.00	UF	2021-03-09	2030-03-09
BK	3,000,000	2022-12-21	3,000,000	12	2.70	UF	2022-08-01	2034-08-01
BQ	200,000	2022-12-28	3,000,000	5	2.50	UF	2022-08-01	2027-08-01
BG	200,000	2022-12-28	4,000,000	7	3.00	UF	2021-03-09	2028-03-09

f) Other financial liabilities

	6/30/2023 MCh\$	12/31/2022 MCh\$
Other financial obligations with the public sector	-	-
Other financial obligations in the country		
Due to affiliated establishments for the use of credit cards	1,111	622
Due to operators for debit and credit card operation services	95,401	100,115
Obligations in favor of Chilean exporters	2,651	3,363
Other financial obligations abroad		
Obligations in favor of foreign exporters	34,513	16,125
Total	133,676	120,225

Note 23 Regulatory capital financial instruments issued
a) The detail of this line item is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Subordinated bonds	1,001,717	987,943
Bonds with no fixed term of maturity	-	-
Preferred shares	-	-
Total	1,001,717	987,943

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) Movements in regulatory capital financial instruments issued are detailed as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Balance at Beginning of Period	987,943	756,367
New issues performed (subordinated bonds, bonds with no fixed maturity term, preferred shares)	-	148,854
Acquisition or redemption by the issuer (bonds with no fixed maturity term, preferred shares)	-	-
Modification of issuance conditions (subordinated bonds, bonds with no fixed maturity term, preferred shares)	-	-
Payments of interest to the holder (subordinated bonds)	(19,190)	(41,768)
Principal payment to the holder (subordinated bonds)	(12,378)	(15,519)
Accrued interest (subordinated bonds)	19,133	48,432
Adjustments accrued by the UF and/or the exchange rate (subordinated bonds, bonds with no fixed maturity term)	26,209	91,577
Exchange differences (subordinated bonds, bonds with no fixed maturity term)	-	-
Depreciation (bonds with no fixed maturity term)	-	-
Repricing (bonds with no fixed maturity term)	-	-
Expiration (bonds with no fixed maturity period)	-	-
Conversion to common shares (subordinated bonds, bonds with no fixed maturity term, preferred shares)	-	-
Other	-	-
Balance at the end of the period	1,001,717	987,943

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) The detail of subordinated bonds is as follows:

Period ended as at June 30, 2023								
Series	Amount in issue currency	Issuance term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh\$
UBNSAQ1119	1,000,000	23	3.50	UF	2022-07-11	2042-11-01	1,118,602	40,370
UBNSAQ1119	200,000	23	3.50	UF	2022-07-15	2042-11-01	222,154	8,017
UBNSAQ1119	350,000	23	3.50	UF	2022-07-15	2042-11-01	388,769	14,030
UBNSAQ1119	550,000	23	3.50	UF	2022-07-15	2042-11-01	610,922	22,048
UBNSAQ1119	1,900,000	23	3.50	UF	2022-07-15	2042-11-01	2,110,460	76,165
UBBV-A1203	1,300,000	24	6.00	UF	2004-04-01	2027-12-01	421,412	15,209
UBBV-A1203	1,500,000	24	6.00	UF	2004-04-01	2027-12-01	493,455	17,809
UBBV-A1203	20,000	24	6.00	UF	2004-04-01	2027-12-01	6,596	238
UBBV-A1203	250,000	24	6.00	UF	2004-04-01	2027-12-01	82,455	2,976
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	16,456	594
UBBV-A1203	180,000	24	6.00	UF	2004-04-01	2027-12-01	59,240	2,138
UBBV-A1203	1,250,000	24	6.00	UF	2004-04-01	2027-12-01	410,771	14,825
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	49,547	1,788
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	16,526	596
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	16,519	596
UBBV-A1203	100,000	24	6.00	UF	2004-04-01	2027-12-01	33,017	1,192
UBBV-A1203	60,000	24	6.00	UF	2004-04-01	2027-12-01	19,819	715
UBBV-A1203	40,000	24	6.00	UF	2004-04-01	2027-12-01	13,218	477
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	49,420	1,784
UBBV-A1203	200,000	24	6.00	UF	2004-04-01	2027-12-01	65,879	2,378
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	49,356	1,781
UBBV-A1203	500,000	24	6.00	UF	2004-04-01	2027-12-01	164,379	5,932
UBBV-G0506	2,400,000	25	5.00	UF	2006-10-19	2031-05-01	2,549,663	92,016
UBBV-G0506	1,000,000	25	5.00	UF	2006-10-19	2031-05-01	1,065,726	38,461
UBBVH90607	900,000	25	3.50	UF	2008-10-24	2032-06-01	777,245	28,050
UBBVH90607	500,000	25	3.50	UF	2008-10-24	2032-06-01	432,427	15,606
UBBVH90607	1,000,000	25	3.50	UF	2008-10-24	2032-06-01	978,134	35,300
UBBVH90607	5,600,000	25	3.50	UF	2008-10-24	2032-06-01	5,481,620	197,828
UDESE10999	30,000	25	6.00	UF	1999-09-29	2024-03-01	4,322	156
UDESE10999	270,000	25	6.00	UF	1999-09-29	2024-03-01	38,895	1,404
UDESE10999	10,000	25	6.00	UF	1999-10-21	2024-03-01	1,440	52
UDESE10999	30,000	25	6.00	UF	1999-11-04	2024-03-01	4,314	156
UDESE10999	20,000	25	6.00	UF	1999-11-08	2024-03-01	2,876	104
UDESE20999	70,000	26	6.25	UF	2000-08-16	2025-09-01	17,087	617
UDESE30999	200,000	28	6.50	UF	2002-06-05	2027-09-01	82,072	2,962
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	271,008	9,781
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	270,776	9,772
UDES-G	1,000,000	26	4.75	UF	2005-10-07	2030-10-01	605,899	21,867
UDES-H-1006	1,000,000	25	5.00	UF	2006-10-05	2031-10-01	782,646	28,245
UDES-I0307	1,000,000	25	4.50	UF	2007-03-15	2032-03-01	1,034,713	37,342
UBNS-AC0615	3,000,000	20	3.10	UF	2015-08-27	2035-06-01	3,008,522	108,576
UBNS-AA0215	1,000,000	30	3.50	UF	2018-12-07	2044-08-01	1,131,827	40,847
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,397,156	50,423
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,399,132	50,494
Total								1,001,717

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Period ended as at December 31, 2022								
Series	Amount in issue currency	Issuance term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh\$
UDESE10999	30,000	25	6.00	UF	1999-09-29	2024-03-01	5,649.89	198
UDESE10999	270,000	25	6.00	UF	1999-09-29	2024-03-01	50,848.98	1,785
UDESE10999	10,000	25	6.00	UF	1999-10-21	2024-03-01	1,882.52	66
UDESE10999	30,000	25	6.00	UF	1999-11-04	2024-03-01	5,636.01	198
UDESE10999	20,000	25	6.00	UF	1999-11-08	2024-03-01	3,757.34	132
UDESE20999	70,000	26	6.25	UF	2000-08-16	2025-09-01	20,100.89	706
UDESE30999	200,000	28	6.50	UF	2002-06-05	2027-09-01	89,423.29	3,140
UBBV-A1203	20,000	24	6.00	UF	2004-04-01	2027-12-01	7,345.53	258
UBBV-A1203	40,000	24	6.00	UF	2004-04-01	2027-12-01	14,722.14	517
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	18,320.80	643
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	18,407.02	646
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	18,398.35	646
UBBV-A1203	60,000	24	6.00	UF	2004-04-01	2027-12-01	22,072.83	775
UBBV-A1203	100,000	24	6.00	UF	2004-04-01	2027-12-01	36,770.80	1,291
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	55,182.09	1,938
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	55,026.85	1,932
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	54,949.55	1,929
UBBV-A1203	180,000	24	6.00	UF	2004-04-01	2027-12-01	65,954.90	2,316
UBBV-A1203	200,000	24	6.00	UF	2004-04-01	2027-12-01	73,351.97	2,576
UBBV-A1203	250,000	24	6.00	UF	2004-04-01	2027-12-01	91,819.07	3,224
UBBV-A1203	500,000	24	6.00	UF	2004-04-01	2027-12-01	182,993.63	6,425
UBBV-A1203	1,250,000	24	6.00	UF	2004-04-01	2027-12-01	457,270.10	16,055
UBBV-A1203	1,300,000	24	6.00	UF	2004-04-01	2027-12-01	468,529.62	16,451
UBBV-A1203	1,500,000	24	6.00	UF	2004-04-01	2027-12-01	549,366.83	19,289
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	287,736.04	10,103
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	287,472.74	10,093
UDES-G	1,000,000	26	4.75	UF	2005-10-07	2030-10-01	638,386.99	22,414
UDES-H1006	1,000,000	25	5.00	UF	2006-10-05	2031-10-01	819,940.16	28,789
UBBV-G0506	1,000,000	25	5.00	UF	2006-10-19	2031-05-01	1,069,018.92	37,534
UBBV-G0506	2,400,000	25	5.00	UF	2006-10-19	2031-05-01	2,557,122.18	89,783
UDES-I0307	1,000,000	25	4.50	UF	2007-03-15	2032-03-01	1,036,246.59	36,384
UBBVH90607	500,000	25	3.50	UF	2008-10-24	2032-06-01	429,559.92	15,082
UBBVH90607	900,000	25	3.50	UF	2008-10-24	2032-06-01	772,041.76	27,107
UBBVH90607	1,000,000	25	3.50	UF	2008-10-24	2032-06-01	977,151.84	34,309
UBBVH90607	5,600,000	25	3.50	UF	2008-10-24	2032-06-01	5,476,307.12	192,279
UBNS-AC0615	3,000,000	20	3.10	UF	2015-08-27	2035-06-01	3,008,785.97	105,641
UBNS-AA0215	1,000,000	30	3.50	UF	2018-12-07	2044-08-01	1,133,945.43	39,814
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,409,242.09	49,480
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,407,206.87	49,408
UBNSAQ1119	1,000,000	23	3.50	UF	2022-07-11	2042-11-01	1,120,944.00	39,357
UBNSAQ1119	200,000	23	3.50	UF	2022-07-15	2042-11-01	222,589.51	7,815
UBNSAQ1119	350,000	23	3.50	UF	2022-07-15	2042-11-01	389,531.64	13,677
UBNSAQ1119	550,000	23	3.50	UF	2022-07-15	2042-11-01	612,121.15	21,492
UBNSAQ1119	1,900,000	23	3.50	UF	2022-07-15	2042-11-01	2,114,600.34	74,246
Total								987,943

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 24 Provisions for contingencies
a) The detail of this line item is as follows:

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Allowances for employee benefit obligations	42,894	30,618
Allowances for trials and litigation (1)	11,344	12,152
Allowances for operational risk	1,030	1,030
Contract contingency allowance (2)	2,829	3,716
Other allowances due to other contingencies	2,543	2,375
Total	60,640	49,891

(1) For a better understanding of provisions, please refer to Note 29 "Contingencies and commitments."

(2) Relates to the provision for methodical savings contracts of the subsidiary Scotia Azul Sociedad de Leasing Inmobiliario S.A. and the Bank's lease contract transactions.

b) Movements in provisions are detailed as follows:

	Provisions due to employee benefit obligations	Provisions of a foreign bank branch for remittances of profits to its parent company	Provisions due to restructuring plans	Provisions due to trials and litigation	Provisions due to customer loyalty program obligations	Provisions due to operational risk	Other Provisions for other contingencies	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2023	30,618	-	-	12,152	-	1,030	6,091	49,891
Provisions constituted	49,709	-	19	116	-	-	179	50,023
Provisions application	(37,433)	-	(19)	(924)	-	-	(898)	(39,274)
Provisions releases	-	-	-	-	-	-	-	-
Balance as at June 30, 2023	42,894	-	-	11,344	-	1,030	5,372	60,640

	Provisions due to employee benefit obligations	Provisions of a foreign bank branch for remittances of profits to its parent company	Provisions due to restructuring plans	Provisions due to trials and litigation	Provisions due to customer loyalty program obligations	Provisions due to operational risk	Other Provisions for other contingencies	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2022	32,048	-	9,350	13,197	-	-	2,213	56,808
Provisions constituted	90,192	-	7,643	1	-	1,030	3,899	102,765
Provisions application	(91,622)	-	(16,993)	-	-	-	-	(108,615)
Provisions releases	-	-	-	(1,046)	-	-	(21)	(1,067)
Balance as at December 31, 2022	30,618	-	-	12,152	-	1,030	6,091	49,891

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Detail of provisions for employee benefits and salaries:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Provision of short-term employee benefits	39,184	27,838
Provision of benefits to employees post-employment	-	-
Provision of long-term employee benefits (1)	2,904	1,759
Provision of benefits to employees for termination of employment contract (2)	806	1,021
Provision for payments to employees based on shares or equity instruments	-	-
Provision obligations post-employment plans on defined contribution	-	-
Provision obligations post-employment plans on defined contribution	-	-
Provision for other staff obligations	-	-
Total	42,894	30,618

(1) As at June 30, 2023, a provision of MCh\$1,598 has been recorded to cover long-term benefits other than those subject to actuarial calculation (MCh\$708 as at December 31, 2022). Provisions subject to actuarial calculation are described in letter d).

(2) As at June 30, 2023, a provision of MCh\$159 has been recorded to cover severance indemnity payments other than those subject to actuarial calculation (MCh\$363 as at December 31, 2022). Provisions subject to actuarial calculation are described in letter d).

d) Movements in provisions for employee benefits subject to actuarial calculation

	As at June 30, 2023		As at December 31, 2022	
	Provision of long-term employee benefits	Provision of benefits to employees for termination of employment contract	Provision of long-term employee benefits	Provision of benefits to employees for termination of employment contract
	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1	1,051	658	882	536
Included in the result of the period				
Cost of present service	59	18	86	27
Costs of past services	122	(15)	114	38
Interest cost	73	44	75	51
Result from actuarial measurements	100	-	266	-
Unprovisioned paid benefits	-	-	-	-
Subtotal	354	47	541	116
Included in other comprehensive income:				
Result from actuarial measurements	-	158	-	33
Subtotal	-	158	-	33
Other:				
Payment of benefits	(99)	(216)	(372)	(27)
Subtotal	(99)	(216)	(372)	(27)
Total	1,306	647	1,051	658

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

e) Actuarial assumptions for employee benefits

The main weighted average assumptions to determine the employee benefit obligations at the end of the period are detailed as follows:

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Discount rate	10.00%	14.25%	10.00%	14.25%
Salary increase rate	N/A	N/A	10.00%	13.50%
Rate of inflation	8.00%	11.50%	8.00%	11.50%

The main weighted average assumptions to determine the cost of the defined benefit are:

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	6/30/2023	12/31/2022	6/30/2023	12/31/2022
Discount rate	14.00%	12.25%	14.00%	12.25%
Salary increase rate	N/A	N/A	13.50%	12.75%
Rate of inflation	11.50%	10.75%	11.50%	10.75%

The main demographic assumptions used for both benefits are shown in the table below.

As at June 30, 2023							As at December 31, 2022						
Years	Mortality		Rotation		Retirement		Years	Mortality		Rotation		Retirement	
	Men	Women	Men	Women	Men	Women		Men	Women	Men	Women	Men	Women
20	0.06%	0.02%	13.87%	13.87%	0.00%	0.00%	20	0.06%	0.02%	13.87%	13.87%	0.00%	0.00%
25	0.08%	0.02%	13.87%	13.87%	0.00%	0.00%	25	0.08%	0.02%	13.87%	13.87%	0.00%	0.00%
30	0.08%	0.02%	13.87%	13.87%	0.00%	0.00%	30	0.08%	0.02%	13.87%	13.87%	0.00%	0.00%
35	0.10%	0.03%	13.87%	13.87%	0.00%	0.00%	35	0.10%	0.03%	13.87%	13.87%	0.00%	0.00%
40	0.13%	0.04%	13.87%	13.87%	0.00%	0.00%	40	0.13%	0.04%	13.87%	13.87%	0.00%	0.00%
45	0.19%	0.07%	13.87%	13.87%	0.00%	0.00%	45	0.19%	0.07%	13.87%	13.87%	0.00%	0.00%
50	0.28%	0.12%	13.87%	13.87%	0.00%	0.00%	50	0.28%	0.12%	13.87%	13.87%	0.00%	0.00%
55	0.43%	0.19%	14.53%	14.53%	0.00%	0.00%	55	0.43%	0.19%	14.53%	14.53%	0.00%	0.00%
60	0.73%	0.33%	14.53%	14.53%	0.00%	0.00%	60	0.73%	0.33%	14.53%	14.53%	0.00%	0.00%
65 and more	1.13%	0.54%	14.53%	14.53%	100.00%	100.00%	65 and more	1.13%	0.54%	14.53%	14.53%	100.00%	100.00%

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Sensitivity analysis

Allowances of long-term employee benefits							Allowance for employee severance indemnity					
As at June 30, 2023							As at December 31, 2022					
	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP
Discount rate sensitivity	1,336	1,306	1,277	1,074	1,051	1,028	668	647	627	679	658	637
	30		(29)	23		(23)	21		(20)	21		(21)

	-50BP	Original	+50BP	-50BP	Original	+50BP	-50BP	Original	+50BP	-50BP	Original	+50BP
Salary sensitivity	N/A	1,306	N/A	N/A	1,051	N/A	631	647	662	640	658	676
	-		-	-		-	(16)		15	(18)		18

Note 25 Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments
a) The detail of this line item is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Provisions for dividends		
Provision for payment of common shares dividends	58,440	146,260
Provision for payment of preferred shares dividends	-	-
Provision for payment of interest on bonds without a fixed maturity term	-	-
Provision for reappreciation of bonds with no fixed term to maturity	-	-
Total	58,440	146,260

b) Movements in provisions are detailed as follows:

	Payment of interest and repricing of regulatory capital financial instruments issued MCh\$	Provision for payment of common shares dividends MCh\$	Provision for payment of dividends on preferred shares MCh\$	Provision for payment of interest on bonds with no fixed term of maturity MCh\$	Provision for repricing of bonds with no fixed term of maturity MCh\$	Total MCh\$
Opening balances as at January 1, 2023	-	146,260	-	-	-	146,260
Provisions constituted	-	106,882	-	-	-	106,882
Application of provisions	-	(194,702)	-	-	-	(194,702)
Release of provisions	-	-	-	-	-	-
Balance as at June 30, 2023	-	58,440	-	-	-	58,440

	Payment of interest and repricing of regulatory capital financial instruments issued MCh\$	Provision for payment of common shares dividends MCh\$	Provision for payment of dividends on preferred shares MCh\$	Provision for payment of interest on bonds with no fixed term of maturity MCh\$	Provision for repricing of bonds with no fixed term of maturity MCh\$	Total MCh\$
Opening balances as at January 1, 2022	-	127,316	-	-	-	127,316
Provisions constituted	-	146,260	-	-	-	146,260
Application of provisions	-	(127,316)	-	-	-	(127,316)
Release of provisions	-	-	-	-	-	-
Balance as at December 31, 2022	-	146,260	-	-	-	146,260

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 26 Special allowances for credit losses
a) The detail of this line item is as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Allowances due to credit risk for contingent loans	30,673	25,495
Allowances due to country risk on operations with debtors domiciled abroad	2,093	1,513
Special allowances due to loans abroad	-	-
Additional allowances due to commercial loans	87,715	87,715
Additional allowances due to mortgage loans	23,562	23,562
Additional allowances due to consumer loans	52,971	52,971
Allowances due to adjustments to the minimum provision required for normal portfolio with individual evaluation	-	-
Allowances constituted for credit risk as a result of complementary prudential requirements	-	-
Total	197,014	191,256

b) Movements in allowances are detailed as follows:

	Allowances due to credit risk for contingent loans MCh\$	Allowances due to country risk on operations with debtors domiciled abroad MCh\$	Special allowances due to loans abroad MCh\$	Additional allowances for loans MCh\$	Allowances for adjustments to the minimum provision required for normal portfolio with individual evaluation MCh\$	Allowances constituted for credit risk as a result of complementary prudential requirements MCh\$	Total MCh\$
Balance as at January 1, 2023	25,495	1,513	-	164,248	-	-	191,256
Allowances constituted	8,347	1,114	-	-	-	-	9,461
Application of allowances	-	-	-	-	-	-	-
Release of allowances	(2,638)	(534)	-	-	-	-	(3,172)
Exchange rate effect on allowances	(531)	-	-	-	-	-	(531)
Balance as at June 30, 2023	30,673	2,093	-	164,248	-	-	197,014

	Allowances due to credit risk for contingent loans MCh\$	Allowances due to country risk on operations with debtors domiciled abroad MCh\$	Special allowances due to loans abroad MCh\$	Additional allowances for loans MCh\$	Allowances for adjustments to the minimum provision required for normal portfolio with individual evaluation MCh\$	Allowances constituted for credit risk as a result of complementary prudential requirements MCh\$	Total MCh\$
Balance as at January 1, 2022	30,996	229	-	185,761	-	-	216,986
First application adjustment	(12,306)	-	-	-	-	-	(12,306)
Allowances constituted	14,082	2,589	-	-	-	-	16,671
Application of allowances	-	-	-	-	-	-	-
Release of allowances	(6,973)	(1,305)	-	(21,513)	-	-	(29,791)
Exchange rate effect on allowances	(304)	-	-	-	-	-	(304)
Balance as at December 31, 2022	25,495	1,513	-	164,248	-	-	191,256

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 27 Other liabilities

The detail of other liabilities is as follows:

Concept	6/30/2023 MCh\$	12/31/2022 MCh\$
Cash guarantees received due to derivative financial operations	909,321	829,625
Creditors due to intermediation of financial instruments	-	-
Accounts payable to third parties	107,753	123,923
Accounts payable by bank subsidiaries (applies only at the individual level of the bank subsidiary)	-	-
Agreed dividends payable	378	268
Valuation adjustments for macro hedges	-	-
Liability for income from regular activities due to contracts with customers	72,782	79,309
VAT Fiscal Debit payable	9,310	10,134
Other cash guarantees received	16	16
Outstanding operations	3,156	3,402
Other liabilities	9,606	3,680
Total other liabilities	1,112,322	1,050,357

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 28 Equity

a) Distribution of shares

As at June 30, 2023 and December 31, 2022, the Bank's authorized capital is composed of 12,244,885,748 registered, single series shares with no par value, all of them subscribed and fully-paid.

	As at 6/30/2023	As at 12/31/2022
Number of shares	12,244,885,748	12,244,885,748
Issuance of paid shares	-	-
Issuance of subscribed and unpaid shares	-	-
Issued shares	12,244,885,748	12,244,885,748

As at June 30, 2023 and December 31, 2022, the Bank or subsidiaries included in consolidation do not hold treasury shares.

As at June 30, 2023 and December 31, 2022, the distribution of shares is as follows:

Name of shareholder or Company name	As at June 30, 2023		As at December 31, 2022	
	Number of shares	Ownership %	Number of shares	Ownership %
Nova Scotia Inversiones Ltda.	12,219,803,633	99.80%	12,219,759,914	99.79%
Other minority shareholders	25,082,115	0.20%	25,125,834	0.21%
Total	12,244,885,748	100.00%	12,244,885,748	100.00%

b) Capital increases

During the period between January 1 and June 30, 2023, there were no capital increases.

c) Dividends paid and reserves

At the ordinary shareholders' meeting of Scotiabank Chile held on March 30, 2023, the shareholders agreed to distribute 30% of the profit for 2022 totaling MCh\$146,260 equivalent to a dividend of Ch\$11.94457 per share and allocate the remainder to the reserve fund for undistributed profits.

At the ordinary shareholders' meeting of Scotiabank Chile held on March 31, 2022, the shareholders agreed to distribute 40% of the profit for 2021 totaling MCh\$169,754 equivalent to a dividend of Ch\$13.86326 per share and allocate the remainder to the reserve fund for undistributed profits.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Earnings per share
Basic earnings per share:

It is calculated by dividing the profit or loss for the period, less preference shares, by the weighted average number of ordinary and investment shares outstanding during the period.

Diluted earnings per share:

Dilution is the reduction in earnings per share or increase in loss per share resulting from the assumption that convertible instruments will be converted, that options or warrants will be exercised or that ordinary shares will be issued, if the expected conditions are met.

As at June 30, 2023 and 2022, the detail of diluted and basic earnings is as follows:

	Balance as at 6/30/2023	Balance as at 6/30/2022
Result attributable to the owners of the Bank (MCh\$)	194,801	242,787
Weighted average number of shares	12,244,885,748	12,244,885,748
Earning per share (in Chilean pesos)	15.91	19.83

As at June 30, 2023 and 2022, the Bank does not have instruments generating dilutive effects.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

e) Other comprehensive income:

The detail of other comprehensive income is as follows:

Sources of changes in Accumulated Other Comprehensive Income (MCh\$)	Items that will not be reclassified in results				Items that can be reclassified in results							
	New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit	Net changes in fair value of equity instruments designated at fair value with changes in other comprehensive income	Income Tax	Subtotal	Changes in the fair value of financial assets at fair value with changes in other comprehensive income	Translation differences by entities abroad	Accounting hedging of net investments in entities abroad	Cash flow accounting hedge	Participation in other comprehensive income of entities registered under equity method	Other	Income Tax	Subtotal
Opening balances as at January 1, 2023	9	2,581	(2)	2,588	(160,869)	-	-	(33,995)	(33)	(328)	52,999	(142,226)
Income (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	(158)	356	42	240	28,557	-	-	79,299	-	(5)	(29,591)	78,260
Closing balances as at June 30, 2023	(149)	2,937	40	2,828	(132,312)	-	-	45,304	(33)	(333)	23,408	(63,966)
Opening balances as at January 1, 2022	42	2,546	(11)	2,577	(184,932)	-	-	(101,115)	(33)	(208)	77,112	(209,176)
Income (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	(77)	36	(2)	(43)	(21,493)	-	-	(241,115)	-	-	71,829	(190,779)
Closing balances as at June 30, 2022	(35)	2,582	(13)	2,534	(206,425)	-	-	(342,230)	(33)	(208)	148,941	(399,955)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

f) Accounting equity

Accounting equity is detailed as follows:

	6/30/2023 MCh\$	12/31/2022 MCh\$
Capital		
Paid-in capital	1,246,706	1,246,706
Surcharge paid for shares	121,715	121,715
Shares acquired by the Bank	-	-
Reserves		
Other reserves not related to earnings	17,019	17,019
Reserves from earnings	364,386	364,386
Reserves for depreciation of bonds without a fixed maturity term	-	-
Reserves for expiration of bonds without a fixed maturity term	-	-
Accumulated Other Comprehensive Income		
Items that will not be reclassified in results		
New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit plans	(149)	9
Net changes in fair value of equity instruments designated at fair value with changes in other comprehensive income	2,937	2,581
Fair value changes of financial liabilities designated at fair value through profit or loss attributable to changes in the credit risk of the financial liability	-	-
Participation in other comprehensive income of entities registered under equity method	-	-
Non-current assets and disposal groups held for sale	-	-
Other	40	(2)
Items that can be reclassified in results		
Fair value changes of financial assets at fair value with changes in other comprehensive income	(96,215)	(117,047)
Translation differences by entities abroad	-	-
Accounting hedging of net investments in entities abroad	-	-
Cash flow hedge derivatives	32,621	(24,816)
Elements not designated of accounting hedge instruments	-	-
Participation in other comprehensive income of entities registered under equity method	(33)	(33)
Non-current assets and disposal groups held for sale	-	-
Other	(333)	(330)
Retained earnings from previous periods	1,436,903	1,095,630
Profit (loss) for the period	194,801	487,533
Provision for minimum dividends, payment of interest and revaluation of issued regulatory capital financial instruments	(58,440)	(146,260)
Provision of a foreign bank branch for remittances of profits to its parent company	-	-
Owner's equity	3,261,958	3,047,091
From Non-controlling interest	136,880	140,227
Total Equity	3,398,838	3,187,318

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

g) Non-controlling interests

Non-controlling interest in subsidiaries composed of the following entities:

As at June 30, 2023	Non-controlling interest %	Non-controlling interest	Results attributable to non-controlling interest	Payment of dividends to non-controlling interest
		MCh\$	MCh\$	MCh\$
CAT Administradora de Tarjetas S.A.	49.00%	117,090	2,980	(7,212)
CAT Corredores de Seguros y Servicios S.A.	49.00%	9,097	1,466	(1,067)
Servicios Integrales S.A.	49.00%	1,998	272	(497)
Administradora y Procesos S.A.	49.00%	7,797	1,863	(1,057)
Scotia Corredora de Bolsa Chile Limitada	0.01%	8	-	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	1	-
Scotia Asesorías Financieras Ltda.	1.26%	62	30	(174)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	817	54	-
Total		136,880	6,666	(10,007)

As at December 31, 2022	Non-controlling interest %	Non-controlling interest	Results attributable to non-controlling interest	Payment of dividends to non-controlling interest
		MCh\$	MCh\$	MCh\$
CAT Administradora de Tarjetas S.A.	49.00%	121,322	20,034	(15,020)
CAT Corredores de Seguros y Servicios S.A.	49.00%	8,698	2,963	(1,008)
Servicios Integrales S.A.	49.00%	2,223	1,382	(118)
Administradora y Procesos S.A.	49.00%	6,991	2,934	(494)
Scotia Corredora de Bolsa Chile Limitada	0.01%	8	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	10	(1)	-
Scotia Asesorías Financieras Ltda.	1.26%	206	174	(119)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	769	36	-
Total		140,227	27,523	(16,759)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The summary of the financial information of the Bank's subsidiaries with significant non-controlling interest is as follows:

As at June 30, 2023	Result of the period	Total assets	Total liabilities
	MCh\$	MCh\$	MCh\$
CAT Administradora de Tarjetas S.A.	6,081	1,752,991	1,516,465
CAT Corredores de Seguros y Servicios S.A.	2,992	27,243	9,874
Servicios Integrales S.A.	556	6,041	2,186
Administradora y Procesos S.A	3,801	19,675	5,282
Bandesarrollo Leasing Inmobiliario S.A.	157	20,607	9,427
Scotia Asesorías Financieras Ltda	2,331	6,457	1,532
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2,171	39,643	7,735

As at December 31, 2022	Result of the period	Total assets	Total liabilities
	MCh\$	MCh\$	MCh\$
CAT Administradora de Tarjetas S.A.	40,887	1,698,518	1,467,276
CAT Corredores de Seguros y Servicios S.A.	6,048	26,289	10,957
Administradora y Procesos S.A	2,820	6,065	2,656
Servicios Integrales S.A.	5,989	18,997	7,125
Bandesarrollo Leasing Inmobiliario S.A.	(1,493)	22,086	11,206
Scotia Azul Asesorías Financieras S.A.	13,792	18,477	2,095
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	1,448	43,838	13,616

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 29 Contingencies and commitments
a) Contingent loans

The following table shows the amounts of contingent loans assumed by the Bank:

Amount for different contingent loans	Contingent loans as at	
	6/30/2023 MCh\$	12/31/2022 MCh\$
Guarantees and sureties		
Guarantees and sureties in domestic currency	284,426	349,261
Guarantees and sureties in foreign currency	362,495	342,573
Letters of credit for merchandise circulation operations	124,753	126,288
Debt purchase commitments in local currency abroad	-	-
Transactions related to contingent events		
Transactions related to contingent events in Chilean currency	493,979	546,114
Transactions related to contingent events in foreign currency	150,731	183,672
Unrestricted lines of credit for immediate payment		
Available balance line of credit and agreed overdraft in checking account- commercial portfolio	692,957	684,795
Available balance line of credit on credit card – commercial portfolio	61,689	61,320
Available balance line of credit and agreed overdraft in checking account - consumer portfolio	403,368	410,351
Available balance line of credit on credit card – consumer portfolio	4,860,637	4,710,948
Available balance line of credit and agreed overdraft in checking account – portfolio owed by banks	-	-
Free disposal lines of credit		
Available balance line of credit and agreed overdraft in checking account – commercial portfolio	-	-
Available balance line of credit in credit card – commercial portfolio	-	-
Available balance line of credit and agreed overdraft in checking account – consumer portfolio	-	-
Available balance line of credit in credit card – consumer portfolio	-	-
Available balance line of credit and agreed overdraft in checking account – portfolio owed by banks	-	-
Other credit commitments		
Credit for senior studies Law No. 20027 (CAE)	21,832	23,630
Other irrevocable credit commitments	58,644	76,249
Other contingent credits	-	-

b) Contingencies

As at the date of issuance of these Consolidated Interim Financial Statements, there are legal actions filed against the Bank and its subsidiaries regarding operations inherent to the business. As at June 30, 2023, provisions for legal contingencies amounted to MCh\$11,344 (MCh\$12,152 as at December 31, 2022), which are part of item "Provisions" in the Interim Consolidated Statements of Financial Position.

b1) Corfo – Inverlink Case

In the case ID# 176739-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 the total amount payable for the sentence in the court's account and Corfo's claim to charge interest on the amount of the sentence was finally rejected in all its parts. On March 22, 2023, the Broker paid against provisions Ch\$600,916,250 for legal costs, in accordance with the resolution issued by the First Instance Court that established such amount, and on April 11, 2023, the appeal filed by the Broker against the resolution that established the amount of legal costs was rejected. On May 9, 2023, the First Instance Court ordered the payment of costs to Corfo, thus terminating the case.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Regarding the above-mentioned case as well as other legal actions filed against the Bank and its subsidiaries, Management believes, as reported by its Prosecutor's Office on the basis of the status and background available to date of such legal actions, that sufficient provisions have been made for contingencies arising from litigation against the Bank and its subsidiaries and as such from the group of cases, there will be no significant losses not considered in these Interim Consolidated Financial Statements.

b2) Covenants

The Bank has four current financing contracts entered into with Export Development Canada on August 3, 2018 (MUS\$200), May 31, 2019 (MUS\$200), July 28, 2021 (MUS\$100) and July 13, 2022 (MUS\$250). These contracts establish the Bank's compliance with covenants related mainly to the provision of financial and non-financial information, regulatory compliance and compliance with certain obligations such as: compliance with the laws and authorizations necessary to perform its business and operations in general, perform all aspects necessary to preserve, renew and maintain its legal existence in full force and effect. Note that these financing agreements do not require compliance with specific financial ratios.

As at June 30, 2023, 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 arising from the normal course of their businesses:

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Documents in collection	57,331	61,857
Transferred financial assets managed by the Bank	1,418,646	1,383,566
Securities in custody	7,744,920	7,061,010
Assets in guarantee	4,578,112	3,623,916
Total	13,799,009	12,130,349

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

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.18045, the Company engaged an insurance policy No. 330-23-00034876 from MAPFRE Seguros Generales S.A. equivalent to UF20,000, to secure the proper and full compliance with its obligations as a Stockbroker, covering the period from April 22, 2023 through April 22, 2024.

In order to comply with the requirements of the Stock Exchanges, in terms of comprehensive insurance, the subsidiary engaged from Zurich Chile Seguros Generales S.A., a policy No. 5837889 for an insured amount of US\$1,000,000 covering the period from May 31, 2023 through May 31, 2024.

To guarantee the operations of the gross settlement compensation system, collateral securities were delivered to the Bolsa de Comercio de Santiago for MCh\$12,606 and MCh\$0 in cash as at June 30, 2023 (collateral securities amounting to MCh\$12,300 and MCh\$0 in cash as at December 31, 2022).

In accordance with the internal regulations of the Stock Exchange, in order to guarantee the proper performance of and compliance with the operations of Stockbrokers, as at June 30, 2023, guarantees were constituted on securities of MCh\$2,114 and in cash of MCh\$0 in favor of the Bolsa de Comercio de Santiago. In favor of Bolsa Electrónica de Chile guarantees were established on securities of MCh\$0 and in cash of MCh\$420 (as at December 31, 2022, guarantees were constituted on securities of MCh\$2,031 and in cash of MCh\$0 in favor of the Bolsa de Comercio de Santiago, and guarantees were constituted on securities in favor of Bolsa Electrónica de Chile of MCh\$213 and in cash of MCh\$200).

As at June 30, 2023, cash of MCh\$0 (MCh\$1,400 as at December 31, 2022) was delivered in cash to Bolsa de Comercio de Santiago to guarantee share loan transactions.

As at June 30, 2023, cash of MCh\$150 (MCh\$0 as at December 31, 2022) was delivered in cash to Bolsa Electrónica de Chile to guarantee share loan transactions.

As at June 30, 2023, the Company holds collateral for simultaneous transactions of MCh\$2,315 in Bolsa de Comercio de Santiago and MCh\$0 in Bolsa Electrónica de Chile. (As at December 31, 2022, the Company holds collateral for simultaneous transactions of MCh\$1,560 in the Bolsa de Comercio de Santiago and of MCh\$905 in the Bolsa Electrónica de Chile), which are maintained in the Custody Department of Bolsa de Comercio de Santiago or Bolsa Electrónica de Chile).

ii) At Scotia Administradora General de Fondos Chile S.A.

Scotia Administradora General de Fondos Chile S.A. has guarantees until January 10, 2024 for each of the managed funds, in accordance with the provisions of Article 13 of Law No.20712 of Administration of third-party funds and individual portfolios. The guarantees constituted by the managing funds through performance bonds with Scotiabank Chile correspond to a total amounting to UF683,263.59.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

iii) At Scotia Corredora de Seguros Chile Limitada

In accordance with the provisions of article 58, letter D of DFL 251, as at June 30, 2023, the Company holds insurance policies that protect it from possible damages that could affect it as a result of breaches of the law, regulations and complementary standards that regulate insurance brokers, and especially when the breach arises from acts, errors and omissions by the broker, its representatives, attorneys-in-fact or dependents that participate in the intermediation.

Series A : N°6301424

Amount : UF60,000

In favor of : Scotiabank Chile

Purpose : To cover in accordance with the general terms of the professional civil liability for insurance brokers, registered with the policy record under POL120130969 of CMF.

Term : Up to April 14, 2024

Additionally, the Company maintains six guarantee certificates in favor of Scotiabank Chile to comply with its obligations as an intermediary of the title insurance portfolio.

Series A : N°6301416

Amount : UF500

In favor of : Scotiabank Chile

Purpose : To guarantee the proper compliance with the obligations that the insurance broker, individualized in this policy as the insured, has reason for its operations as an intermediary in engaging insurance policies in accordance with the rules established in Circular N°1584 dated January 21, 2002 issued by the CMF under code POL120130965.

Term : Up to April 14m 2024

Series A : N°420001907726

Amount : UF100

In favor of : Scotiabank Chile

Purpose : To ensure the proper and timely compliance with the obligations of Scotia Corredora de Seguros Chile Limitada and that arise from its performance as a broker of the title insurance associated with the portfolio of debtors of Scotiabank Chile.

Term : Up to August 31m 2023

Series A : N°420001907106

Amount : UF100

In favor of : Scotiabank Chile

Purpose : To ensure the proper and timely compliance with the obligations of Scotia Corredora de Seguros Chile Limitada and that arise from its performance as a broker of the title insurance associated with the portfolio of debtors of Scotiabank Chile.

Term : Up to August 31, 2023

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Series A : N°420001907084

Amount : UF100

In favor of : Scotiabank Chile

Purpose : To ensure the proper and timely compliance with the obligations of Scotia Corredora de Seguros Chile Limitada and that arise from its performance as a broker of the title insurance associated with the portfolio of debtors of Scotiabank Chile.

Term : Up to August 31, 2023

Series A : N°420001907076

Amount : UF100

In favor of : Scotiabank Chile

Purpose : To ensure the proper and timely compliance with the obligations of Scotia Corredora de Seguros Chile Limitada and that arise from its performance as a broker of the title insurance associated with the portfolio of debtors of Scotiabank Chile.

Term : Up to August 31, 2023

Series A : N°420001916814

Amount : UF100

In favor of : Scotiabank Chile

Purpose : To ensure the proper and timely compliance with the obligations of Scotia Corredora de Seguros Chile Limitada and that arise from its performance as a broker of the title insurance associated with the portfolio of debtors of Scotiabank Chile.

Term : Up to August 31, 2023

e) At CAT Corredores de Seguros y Servicios S.A.

In accordance with the provisions of article 58, letter D of DFL 251, which states that "Insurance Brokers, to perform their activities, must comply with the requirement to engage insurance policies as determined by the CMF, for the proper and full compliance with the obligations arising from their activities and especially of the damages that may be caused to the insured who contract through it", is that as at June 30, 2023, the Company maintains contracts with the Compañía de Seguros Generales Consorcio Nacional de Seguros S.A., the following policies, whose validity begins on April 15, 2023 and expires on April 14, 2024, which protect it from possible damages that could affect it as a result of breaches of law, regulations and complementary standards that regulate insurance brokers, and especially when the breach arises from acts, errors and omissions of the broker, their representatives, attorneys-in- fact or dependents entities that participate in the intermediation.

The related documents are the following:

Policy N°	Insured /Contracting	Insured Item	Amount UF
10049440	CAT Corredores de Seguros y Servicios S.A.	Brokers guarantee	500
10049442	CAT Corredores de Seguros y Servicios S.A.	Civil Liability	60,000

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

f) Guarantees on real estate leasing operations

As established in contracts of "Administration of Housing Lease Contracts with Purchase Promise" held by Banderarrollo Sociedad de Leasing Inmobiliario S.A. with Securitizadora Bice S.A., where the former assumes in favor of the Separate Equities identified below, the obligation to acquire the housing units that are part of the related Separate Equities, when the related lease contract with purchase promise ends early, either by agreement by the parties or by enforceable judicial resolution. The price at which Banderarrollo Sociedad de Leasing Inmobiliario S.A. must acquire these housing units is detailed below:

Entity		% of the property value	Definition on property value
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

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 30 Interest income and expenses
a) Summary of Interest income and expenses

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Interest Income	1,214,961	754,494	621,468	409,483
Interest Expense	(822,220)	(382,171)	(423,536)	(228,377)
Subtotal net interest income	392,741	372,323	197,932	181,106
Net result of accounting hedges due to interest rate risk	(6,025)	(15,951)	(31,097)	(7,280)
Total net interest income	386,716	356,372	166,835	173,826

b) Detail of Interest income:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Interest income:				
Financial assets at amortized cost:				
Rights under resale agreements and securities lending agreements	7,177	5,859	3,827	3,811
Financial debt securities	-	-	-	-
Loans and advances to banks	4,462	2,142	3,228	946
Commercial loans	555,328	302,982	281,769	171,856
Mortgage loans	225,030	190,146	113,656	97,802
Consumer loans	319,879	219,051	162,139	117,501
Other financial instruments	21,446	5,091	11,376	3,129
Financial assets at fair value through other comprehensive income				
Debt financial instruments	81,639	29,223	45,473	14,438
Other financial instruments	-	-	-	-
Total	1,214,961	754,494	621,468	409,483

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Detail of Interest expenses:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Interest expenses:				
Financial liabilities at amortized cost:				
Deposits and other on-demand liabilities	(20,574)	(27,604)	(9,486)	(12,644)
Term and on-demand deposits	(618,050)	(231,565)	(318,549)	(155,399)
Liabilities under repurchase arrangements and securities lending	(9,383)	(8,668)	(4,644)	(5,538)
Bank borrowings	(69,004)	(22,727)	(36,938)	(8,635)
Debt financial instruments issued	(83,752)	(72,657)	(43,073)	(36,225)
Other financial liabilities	-	-	-	-
Lease liabilities	(2,229)	(2,113)	(1,117)	(1,055)
Issued regulatory capital financial instruments	(19,228)	(16,837)	(9,729)	(8,881)
Total	(822,220)	(382,171)	(423,536)	(228,377)

d) Detail of gain or loss from accounting hedge for the interest rate risk:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-months period ended 6/30/2023 MCh\$	3-months period ended 6/30/2022 MCh\$
Interest income:				
Result of accounting hedges due to interest rate risk:				
Gain from financial derivative contracts for accounting hedge	7,415	6,284	1,739	2,838
Loss from financial derivative contracts for accounting hedge	(41,945)	(11,473)	(37,475)	(4,499)
Results from adjustments of hedged financial assets	24,756	(5,290)	3,729	(2,096)
Interest expense:				
Result of accounting hedges of interest rate risk:				
Gain from financial derivative contracts for accounting hedge	9,714	7,926	109	7,663
Loss from financial derivative contracts for accounting hedge	(1,051)	(24,080)	686	(21,756)
Results from adjustments of hedged financial liabilities	(4,914)	10,682	115	10,570
Net result of accounting hedges on risk due to interest rate risk	(6,025)	(15,951)	(31,097)	(7,280)

e) Detail of interest on loans subject to suspension of income recognition on an accrual basis:

The following is a detail of interest on receivables with suspension of income recognition on an accrual basis recognized in the Interim Consolidated Statements of Income because they have been effectively received.

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-months period ended 6/30/2023 MCh\$	3-months period ended 6/30/2022 MCh\$
Owed by banks	-	-	-	-
Commercial loans	3,012	2,380	1,389	1,121
Mortgage loans	5,926	1,788	3,052	1,156
Consumer loans	3,037	247	655	166
Total	11,975	4,415	5,096	2,443

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Interest that was not recognized in the Interim Consolidated Statements of Income because recognition on an accrual basis was suspended is detailed below.

	6/30/2023 MCh\$	12/31/2022 MCh\$
Owed by banks	-	-
Commercial loans	7,647	5,695
Mortgage loans	6,125	5,234
Consumer loans	857	708
Total	14,629	11,637

Note 31 Indexation income and expenses
a) Summary of Indexation income and expenses:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Income due to UF adjustments	489,109	1,041,408	257,029	677,678
Expenses due to UF adjustments	(242,130)	(470,180)	(127,583)	(305,862)
Subtotal net income due to UF adjustment	246,979	571,228	129,446	371,816
Net result of accounting hedges of risk due to UF readjustments	(62,215)	(362,921)	(17,358)	(250,363)
Total net income due to adjustments	184,764	208,307	112,088	121,453

b) Detail of Indexation income:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Income due to UF adjustments				
Financial assets at amortized cost				
Rights due to repurchase agreements and securities lending	-	-	-	-
Debt financial instruments	-	-	-	-
Owed by banks	-	-	-	-
Commercial loans	105,338	237,685	56,026	155,505
Mortgage loans	371,237	782,317	194,357	508,489
Consumer loans	393	1,183	201	736
Other financial instruments	2,669	5,910	1,591	4,140
Financial assets at fair value through in other comprehensive income				
Debt financial instruments	9,472	14,313	4,854	8,808
Other financial instruments	-	-	-	-
Total	489,109	1,041,408	257,029	677,678

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Detail of Indexation expenses:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Expenses due to UF adjustments				
Financial liabilities at amortized cost:				
Deposits and other on-demand obligations	-	-	-	-
Deposits and other time deposits	(21,980)	(31,512)	(11,399)	(20,477)
Obligations due to repurchase agreements and securities lending	-	-	-	-
Obligations with banks	-	(37)	-	(37)
Debt financial instruments issued	(194,037)	(389,824)	(102,504)	(253,773)
Other financial obligations	-	-	-	-
Regulatory capital financial instruments issued:				
Subordinated bonds	(26,113)	(48,807)	(13,680)	(31,575)
Bonds with no fixed maturity term	-	-	-	-
Total	(242,130)	(470,180)	(127,583)	(305,862)

d) Detail of gain or loss from accounting hedge for indexation of UF:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Income due to adjustments:				
Result of accounting hedges due to risk in UF adjustments				
Gain from financial derivative contracts for accounting hedges	39,078	356,603	(121,439)	153,498
Loss from financial derivative contracts for accounting hedges	(98,910)	(762,966)	94,419	(433,478)
Results from adjustments of hedged financial assets	(18,076)	(3,425)	(1,886)	(2,223)
Adjustment expenses:				
Result of accounting hedges due to risk in UF adjustments				
Gain from financial derivative contracts for accounting hedges	37,913	414,913	(25,225)	367,313
Loss from financial derivative contracts for accounting hedges	(25,444)	(363,015)	15,064	(330,203)
Results from adjustment of hedged financial liabilities	3,224	(5,031)	21,709	(5,270)
Net result of accounting hedges on risk due to UF adjustments	(62,215)	(362,921)	(17,358)	(250,363)

e) Detail of indexation on loans subject to suspension of income recognition on an accrual basis:

Below is a detail of the indexation on loans subject to suspension of income recognition on an accrual basis recognized in the Interim Consolidated Statements of Income for having been effectively received.

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Owed by banks	-	-	-	-
Commercial loans	1,076	1,149	927	1,149
Mortgage loans	1,205	975	827	975
Consumer loans	7	8	5	8
Total	2,288	2,132	1,759	2,132

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The detail of the indexation that was not recognized in the Interim Consolidated Statements of Income as its recognition was suspended on an accrual basis is provided below.

	6/30/2023	12/31/2022
	MCh\$	MCh\$
Owed by banks	-	-
Commercial loans	10,127	11,044
Mortgage loans	28,859	24,209
Consumer loans	32	36
Total	39,018	35,289

Note 32 Fee and commission income and expenses

Fee and commission income and expenses are included in the Interim Consolidated Statements of Income include the following:

	6-month period ended 6/30/2023	6-month period ended 6/30/2022	3-month period ended 6/30/2023	3-month period ended 6/30/2022
	MCh\$	MCh\$	MCh\$	MCh\$
Commissions due to credits prepayment	1,455	1,250	836	585
Commissions due to loans with letters of credit	794	841	398	423
Commissions due to credit lines and overdrafts in checking accounts	573	616	345	362
Commissions due to guarantees and letters of credit	7,824	5,791	4,235	3,332
Credit card transactions commissions	49,678	45,362	25,377	22,762
Commissions due to accounts management	11,115	9,948	5,598	4,746
Commissions due to collections and payments	25,724	25,241	12,575	12,598
Commissions due to brokerage and securities handling (Stock Brokers and/or Securities Agency)	845	970	391	522
Remuneration for administration of mutual funds, investment funds or others	6,436	7,556	3,266	3,646
Insurance related to the granting of credits to natural persons	16,136	16,177	6,972	8,066
Insurance not related to the granting of credits to natural persons	6,744	6,345	3,644	2,800
Insurance related to the granting of credits to legal entities	1,551	264	1,414	180
Insurance not related to the granting of credits to legal entities	242	244	132	80
Commissions due to services on factoring operations	37	45	19	22
Commissions due to services in financial lease operations	470	602	236	336
Commissions due to deposit and custody of securities	4	10	2	4
Commissions due to financial advise	3,192	5,283	1,639	1,883
Other commissions earned				
Foreign currency exchange	1	1	1	-
Issuance of on-demand vouchers	121	151	60	71
Issuance of guarantee bills	209	165	100	89
Student loan administration	5,876	5,865	2,927	2,975
Other remuneration for services rendered	2,843	4,261	1,226	2,065
Total income due to commissions and services rendered	141,870	136,988	71,393	67,547
Commissions for card operations	(23,010)	(20,446)	(11,190)	(10,645)
Fees for licensing the use of card brands	(628)	(470)	(330)	(200)
Expenses due to obligations on loyalty programs and merits for cardholders	(10,992)	(8,915)	(5,284)	(4,648)
Securities trading commissions	(2,089)	(1,612)	(1,072)	(908)
Other commissions for services received				
Commissions by correspondent banks in the country and abroad	(54)	(59)	(29)	(26)
Commissions for electronic fund transfer services	(7,982)	(10,019)	(4,066)	(5,062)
Other subsidiary commissions	(723)	(287)	(350)	(134)
Other	(2,647)	(2,262)	(1,281)	(1,096)
Total expenses due to commissions and services rendered	(48,125)	(44,070)	(23,602)	(22,719)
Total net income due to commissions	93,745	92,918	47,791	44,828

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 33 Net financial result

The detail of this line item is as follows:

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	3-month period ended 6/30/2022 MCh\$
Income from financial assets to be traded at fair value through profit or loss				
Financial derivative contracts	3,115,372	5,324,110	1,240,564	3,896,503
Debt financial instruments	13,375	15,148	5,893	8,280
Other financial instruments:				
Investments in mutual funds	3,838	2,094	2,155	1,087
Equity instruments	802	348	599	(97)
Credits originated and acquired by the entity	-	-	-	-
Other	120	170	7	170
Result from financial liabilities to be traded at fair value through profit or loss				
Financial derivative contracts	(3,136,433)	(5,234,626)	(1,192,379)	(3,742,708)
Other financial instruments:	-	-	-	-
Subtotal	(2,926)	107,244	56,839	163,235
Financial result for financial assets not intended for trading mandatorily valued at fair value through profit or loss	-	-	-	-
Financial result for financial assets and liabilities designated at fair value through profit or loss	-	-	-	-
Financial result from derecognising financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income				
Financial assets at amortized cost	8	1,158	21	1,141
Financial assets at fair value through in other comprehensive income	868	377	48	3
Subtotal	876	1,535	69	1,144
Financial results for changes readjustments and accounting hedging of foreign currency				
Foreign currency exchange result	121,189	(159,625)	(24,560)	(333,057)
Results for adjustments on exchange rate				
Financial assets at amortized cost	(8,304)	10,382	1,834	20,441
Net result of derivatives in accounting hedges of foreign currency risk	(54,082)	64,740	15,038	176,754
Subtotal	58,803	(84,503)	(7,688)	(135,862)
Financial result from reclassifications of financial assets due to a change in business model	-	-	-	-
Other financial result from changes in financial assets and liabilities	-	-	-	-
Other result from ineffective cash flow accounting hedges				
Result from ineffective cash flow accounting hedges	(1,665)	2,122	(668)	924
Other financial result from other types of accounting hedges	-	-	-	-
Subtotal	(1,665)	2,122	(668)	924
Net financial result	55,088	26,398	48,552	29,441

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 34 Gain or loss from investments in companies

The detail of gain or loss from investments in companies is as follows:

	Country	6/30/2023 MCh\$	6/30/2022 MCh\$
Companies with significant influence in the country			
Transbank S.A.	Chile	2,754	3,742
Subtotal		2,754	3,742
Minority investments in other local companies			
Bolsa de Comercio de Santiago	Chile	13	263
Sociedad de Infraestructura de Mercado S.A.	Chile	249	-
Bolsa Electrónica de Chile	Chile	12	8
Sociedad Interbancaria de Depósitos de Valores	Chile	76	67
Combanc S.A.	Chile	28	12
Subtotal		378	350
Minority investments in other companies abroad			
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	4	4
Subtotal		4	4
Total income from investments in companies		3,136	4,096

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 35 Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations

Non-current assets result detail is as follows:

	6/30/2023	6/30/2022
	MCh\$	MCh\$
Result from assets received in lieu of payment or legally adjudicated		
Result from assets received in lieu of payment or legally awarded with related parties	-	-
Result from the sale of assets received in payment or legally awarded with non-related third parties	2,584	2,927
Other income from assets received in payment or legally awarded through auctions	332	176
Provisions for adjustments to the net realizable value of assets received in payment or legally adjudicated through auctions	(475)	(317)
Write-offs of assets received in payment or adjudicated in legal auctions	(1,513)	(2,413)
Expenses for maintenance of assets received in payment or awarded in legal auctions	(299)	(209)
Non-current assets held for sale		
Investments in companies	79	-
Intangible assets	-	-
Property, equipment	316	(7)
Assets for recovery of goods transferred in financial leasing operations	-	-
Other assets	-	-
Disposal groups available for sale	-	-
Total	1,024	157

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 36 Other operating income and expenses

Other operating income and expenses shown in the Interim Consolidated Statements of Income include the following:

	6/30/2023	6/30/2022
	MCh\$	MCh\$
Other operating income		
Compensation from insurance companies for claims other than operational risk events	-	-
Net income from investment properties	-	-
Incentives received from issued credit card brands (VISA, MC etc.)	2,746	4,090
Income from correspondent banks	-	-
Income other than interest and commissions from lease contracts	316	773
Income due to reimbursements of expenses	6,017	3,756
Other income		
Various income from leasing operations	1,731	1,835
Lease received	22	20
Income from consultancies	-	-
Recovery of expenses	3	356
Sundry income from subsidiaries	2,389	2,610
Compensation received	20,162	-
Other operating income	784	2,004
Total other operating income	34,170	15,444
Other operating expenses		
Expenditure of insurance premiums to cover operational risk events	-	-
Gross loss expense due to operational risk events	-	-
Recoveries of expenses due to operational risk events	1,659	572
Expense of provisions for unearned insurance brokerage commissions	-	-
Expense of provisions for unearned insurance premium collection commissions	-	-
Provisions for restructuring plans	-	-
Provisions from trials and litigation	43	63
Other provisions for other contingencies	(64)	(872)
Expenses for credit operations of financial leasing	(641)	(552)
Expenses for factoring credit operations	(17)	(23)
Expenses for administration, maintenance and support of automatic teller machines (ATM)	-	-
Expenses for adoption of new card technologies	-	-
Expenses for issuance of financial instruments of regulatory capital	-	-
Other operating expenses		
Expenses for provisions of securitized bonds	(3,302)	(5,588)
Operational risk expenses	(5,334)	(4,402)
Write-offs due to business decisions	(936)	(834)
Correspondent bank expenses	(765)	(880)
Clearing Chamber Services	(1,097)	(850)
Expenses for legal adverts	(485)	(216)
Other operating expenses Subsidiaries	(5,616)	(3,100)
Other operating expenses	(717)	(325)
Total other operating expenses	(17,272)	(17,007)
Total	16,898	(1,563)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 37 Expenses for employee benefit obligations

Expenses for employee benefit obligations shown in the Interim Consolidated Statements of Income include the following:

	6/30/2023	6/30/2022
	MCh\$	MCh\$
Expenses due to short-term benefits to employees	142,165	128,330
Post-employment employee benefit expense	-	-
Expenses due to long-term benefits to employees	1,358	1,183
Expenses for employee benefits due to termination of employment contract	9,442	5,744
Expenses for payments to employees based on shares or equity instruments	-	-
Expenses for obligations for defined contribution post-employment plans	-	-
Expenses for obligations for post-employment defined benefit plans	-	-
Expenses for other personnel obligations	-	-
Other staff expenses	868	801
Total expenses due to obligations on benefits to employees	153,833	136,058

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 38 Administrative expenses

Administrative expenses shown in the Interim Consolidated Statements of Income include the following:

	6/30/2023	6/30/2022
	MCh\$	MCh\$
Administration overheads		
Expenses for short-term lease contracts	2,412	2,329
Expenses for low-value leases	-	-
Other expenses of obligations for lease contracts	164	132
Maintenance and repair of property and equipment	2,973	2,697
Insurance premiums except to cover operational risk events	2,097	2,407
Office supplies	753	783
IT and communication expenses	25,098	27,675
Electricity , heating and other services	1,410	1,219
Security patrol and security transport services	1,756	1,613
Personnel representation and travel expenses	556	345
Legal and notary expenses	6,262	4,766
Fees for review and audit of the financial statements by the external auditor	602	514
Fees for advice and consultancies carried out by the external auditor	-	-
Fees for advice and consultancies carried out by other audit firms	-	-
Title Classification Fees	-	-
Fees for other technical reports	948	1,046
Fines applied by CMF	-	6
Fines applied by other organizations	25	20
Other administration overhead expenses		
Common expenses buildings	1,895	1,765
Contribution Banks Association	28	106
External consultancies	16,204	12,540
Services Santiago Stock Exchange	565	470
Telemarketing services	2,962	2,930
Card distribution servicing	761	1,006
External consultancies Subsidiaries	-	-
Other general administrative expenses	2,625	2,612
Outsourced services		
Data processing	519	378
Technological development, certification and technological testing service	101	86
External service for the administration of human resources and supply of outsourced personnel	873	881
Appraisal service	-	-
Call Center service for sales, marketing, quality control, customer service	1,817	956
Outsourced collection service	6,902	3,819
Outsourced ATM administration and maintenance service	1,052	1,178
Outsourced cleaning service, casino, custody of files and documents, storage of furniture and equipment	1,628	2,021
Product sales and distribution services	-	-
Outsourced credit evaluation service	-	-
Other outsourced		
IT and communications expenses	6,835	6,565
Other Services subcontracted by Subsidiaries	8,906	9,164
Other/Scotia Servicios Corporativos SpA	659	4,166
Other outsourced services	1,065	486
Board expenses	398	577
Advertising	8,389	7,048
Taxes, contributions and other legal charges	8,226	7,050
Total administrative expenses	117,466	111,356

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 39 Depreciation and amortization

The detail of this line item is as follows:

	6/30/2023 MCh\$	6/30/2022 MCh\$
Amortization of intangible assets		
Other intangible assets arising from business combinations	4,614	4,614
Other intangible assets arising independently	14,932	11,077
Depreciation of Property and Equipment		
Building and Land	807	824
Other fixed assets	5,297	5,755
Amortization and depreciation of right-of-use asset under lease		
Building and Land		
Building	6,237	5,931
Other fixed assets	-	-
Depreciation for improvements in leased real estate as assets for the right to use leased property	1,237	1,327
Amortization for the right to use other intangible assets under lease	-	-
Depreciation of other assets for investment properties	-	-
Amortization of other assets per revenue asset from regular activities from contracts with customers	-	-
Total depreciation and amortization	33,124	29,528

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 40 Impairment of non-financial assets

The detail of this line item is as follows:

	6/30/2023 MCh\$	6/30/2022 MCh\$
Impairment of investments in companies	-	-
Impairment of intangible assets	170	-
Impairment of Property and Equipment	-	357
Impairment of assets for the right to use leased assets	-	-
Impairment of assets for investment properties	-	-
Impairment of revenue assets due to regular activities arising from contracts with customers	-	-
Gain from an acquisition through a highly advantageous business combination	-	-
Total impairment of non-financial assets	170	357

Note 41 Credit loss expense

The result corresponding to allowances for credit risk reported in the Interim Consolidated Statements of Income is explained as follows:

a) Credit loss expense

	6-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2023 MCh\$	6-month period ended 6/30/2022 MCh\$
Expenses on allowances due to credit risk on loans	(223,457)	(158,490)	(106,291)	(95,828)
Expense on special allowances due to credit risk	(6,289)	(207)	(5,186)	60
Recovery of written-off loans	36,863	35,230	21,978	17,454
Impairment due to credit risk of other financial assets at amortized cost	(10)	1	(7)	(1)
Impairment due to credit risk of financial assets at fair value through in other comprehensive income	(224)	(44)	78	(54)
Total	(193,117)	(123,510)	(89,428)	(78,369)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) Expense for allowances for credit risk and expense for credit losses on loans

Summary of expense on allowances due to credit risk and expense for credit losses on loans in the period 6-month period ended 6-30-2023 (MCh\$)	Regular Portfolio		Expense of allowances due to loans in the period			Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Evaluation		Substandard Portfolio Evaluation	Default Portfolio Evaluation				
	Individual	Group		Individual	Group			
Owed by banks								
Constitution of allowances	(42)	-	-	-	-	(42)		
Release of allowances	40	-	-	-	-	40		
Subtotal	(2)	-	-	-	-	(2)	-	(2)
Commercial loans								
Constitution of allowances	(59,728)	(9,362)	(18,034)	(35,689)	(28,401)	(151,214)	(12)	(151,226)
Release of allowances	58,641	12,107	24,553	12,290	8,847	116,438	1,030	117,468
Subtotal	(1,087)	2,745	6,519	(23,399)	(19,554)	(34,776)	1,018	(33,758)
Mortgage loans								
Constitution of allowances	-	(6,159)	-	-	(8,294)	(14,453)		
Release of allowances	-	6,253	-	-	2,099	8,352		
Subtotal	-	94	-	-	(6,195)	(6,101)	-	(6,101)
Consumer loans								
Constitution of allowances	-	(49,519)	-	-	(202,976)	(252,495)		
Release of allowances	-	44,575	-	-	24,324	68,899		
Subtotal	-	(4,944)	-	-	(178,652)	(183,596)	-	(183,596)
Expense of allowances constituted for loan credit risk	(1,089)	(2,105)	6,519	(23,399)	(204,401)	(224,475)	1,018	(223,457)
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								6,733
Mortgage loans								3,950
Consumer loans								26,180
Subtotal								36,863
Expense due to credit loss on loans								(186,594)

Summary of expense on allowances due to credit risk and expense for credit losses on loans in the period 6-month period ended 6-30-2022 (MCh\$)	Regular Portfolio		Expense of allowances due to loans in the period			Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Evaluation		Substandard Portfolio Evaluation	Default Portfolio Evaluation				
	Individual	Group		Individual	Group			
Owed by banks								
Constitution of allowances	(9)	-	-	-	-	(9)		
Release of allowances	3	-	-	-	-	3		
Subtotal	(6)	-	-	-	-	(6)	-	(6)
Commercial loans								
Constitution of allowances	(132,106)	(13,878)	(34,290)	(69,001)	(25,294)	(274,569)		(274,569)
Release of allowances	128,751	9,638	24,430	60,097	8,458	231,374	475	231,849
Subtotal	(3,355)	(4,240)	(9,860)	(8,904)	(16,836)	(43,195)	475	(42,720)
Mortgage loans								
Constitution of allowances	-	(6,289)	-	-	(4,442)	(10,731)		
Release of allowances	-	3,245	-	-	2,033	5,278		
Subtotal	-	(3,044)	-	-	(2,409)	(5,453)	-	(5,453)
Consumer loans								
Constitution of allowances	-	(56,840)	-	-	(106,654)	(163,494)		
Release of allowances	-	26,833	-	-	26,350	53,183		
Subtotal	-	(30,007)	-	-	(80,304)	(110,311)	-	(110,311)
Expense of allowances constituted for loan credit risk	(3,361)	(37,291)	(9,860)	(8,904)	(99,549)	(158,965)	475	(158,490)
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								9,286
Mortgage loans								3,164
Consumer loans								22,780
Subtotal								35,230
Expense due to credit loss on loans								(123,260)

SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Summary of expense on allowances due to credit risk and expense for credit losses on loans in the period	Expense of allowances due to loans in the period						Deductible guarantees FOGAPE Covid-19	Total
	Regular Portfolio		Substandard Portfolio	Default Portfolio		Subtotal		
	Evaluation		Evaluation	Evaluation				
3-month period ended 6/30/2023 (MCh\$)	Individual	Group	Individual	Individual	Group			
Owed by banks								
Constitution of allowances	(24)	-	-	-	-	-	(24)	
Release of allowances	32	-	-	-	-	-	32	
Subtotal	8	-	-	-	-	-	8	-
Commercial loans								
Constitution of allowances	(32,057)	(4,517)	(8,285)	(18,023)	(13,688)	(76,570)	(5)	(76,575)
Release of allowances	28,646	5,951	14,302	8,238	4,689	61,826	725	62,551
Subtotal	(3,411)	1,434	6,017	(9,785)	(8,999)	(14,744)	720	(14,024)
Mortgage loans								
Constitution of allowances	-	(3,263)	-	-	(4,231)	(7,494)		
Release of allowances	-	3,283	-	-	1,133	4,416		
Subtotal	-	20	-	-	(3,098)	(3,078)	-	(3,078)
Consumer loans								
Constitution of allowances	-	(20,277)	-	-	(105,157)	(125,434)		
Release of allowances	-	23,534	-	-	12,703	36,237		
Subtotal	-	3,257	-	-	(92,454)	(89,197)	-	(89,197)
Expense of allowances constituted for loan credit risk	(3,403)	4,711	6,017	(9,785)	(104,551)	(107,011)	720	(106,291)
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								3,492
Mortgage loans								2,387
Consumer loans								16,099
Subtotal								21,978
Expense due to credit loss on loans								(84,313)

Summary of expense on allowances due to credit risk and expense for credit losses on loans in the period	Expense of allowances due to loans in the period						Deductible guarantees FOGAPE Covid-19	Total
	Regular Portfolio		Substandard Portfolio	Default Portfolio		Subtotal		
	Evaluation		Evaluation	Evaluation				
3-month period ended 6/30/2022 (MCh\$)	Individual	Group	Individual	Individual	Group			
Owed by banks								
Constitution of allowances	(8)	-	-	-	-	-	(8)	
Release of allowances	1	-	-	-	-	-	1	
Subtotal	(7)	-	-	-	-	-	(7)	- (7)
Commercial loans								
Constitution of allowances	(104,107)	(8,462)	(28,264)	(62,331)	(12,634)	(215,798)		(215,798)
Release of allowances	105,005	5,301	17,984	54,269	4,854	187,413	343	187,756
Subtotal	898	(3,161)	(10,280)	(8,062)	(7,780)	(28,385)	343	(28,042)
Mortgage loans								
Constitution of allowances	-	(4,364)	-	-	(2,539)	(6,903)		
Release of allowances	-	1,713	-	-	810	2,523		
Subtotal	-	(2,651)	-	-	(1,729)	(4,380)	-	(4,380)
Consumer loans								
Constitution of allowances	-	(16,726)	-	-	(60,833)	(77,559)		
Release of allowances	-	(145)	-	-	14,305	14,160		
Subtotal	-	(16,871)	-	-	(46,528)	(63,399)	-	(63,399)
Expense of allowances constituted for loan credit risk	891	(22,683)	(10,280)	(8,062)	(56,037)	(96,171)	343	(95,828)
Recoveries of written-off loans								
Owed by banks								-
Commercial loans								5,372
Mortgage loans								1,479
Consumer loans								10,603
Subtotal								17,454
Expense due to credit loss on loans								(78,374)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Expense for credit risk special allowances

Summary of expenses due to credit risk special allowances	6-month period ended	6-month period ended	3-month period ended	3-month period ended
	6/30/2023	6/30/2022	6/30/2023	6/30/2022
	MCh\$	MCh\$	MCh\$	MCh\$
Allowances expense due to contingent loans	(5,709)	1,977	(5,547)	1,614
Owed by banks	-	-	-	-
Commercial loans	(5,209)	1,691	(5,226)	2,062
Consumer loans	(500)	286	(321)	(448)
Allowances expense due to country risk for operations with debtors domiciled abroad	(580)	(2,184)	361	(1,554)
Expense due to special allowances for credits abroad	-	-	-	-
Expense due to additional allowances for credits	-	-	-	-
Commercial loans	-	-	-	-
Mortgage loans	-	-	-	-
Consumer loans	-	-	-	-
Expense due to adjustment allowances to minimum allowances required for regular portfolio with individual evaluation	-	-	-	-
Expense due to other special allowances constituted for credit risk	-	-	-	-

Note 42 Gain or loss from discontinued operations

As at June 30, 2023 and 2022, the Bank does not have this type of operations.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 43 Related party disclosures

As established in Chapter 12-4 of the Updated Compilation of Standards (RAN), related parties are persons or entities that, directly or through third parties, hold an interest in the Bank's ownership when such interest exceeds 1 % of the shares, as well as persons who, without holding an interest in the Bank's ownership, have authority and responsibility in the planning, management and control of activities of the Bank or its subsidiaries. Persons or entities related to the Bank holding, directly, through third parties or both, a share higher than 5% are also considered related parties or where they act as director, general manager or other equivalent position.

Article 89 of the Law on Public Companies, also applied to banks, establishes that any transaction with a related party should be performed in fair conditions, similar to the ones commonly prevailing in the market.

On the other hand, article 84 of the General Banking Law establishes the limits for the loans that can be granted to related parties and the prohibition to grant loans to the directors, managers or general representatives of the Bank.

a) Assets and liabilities for transactions with related parties

Type of current assets and liabilities with related parties according to IAS 24 As at June 30, 2023 (In MCh\$)	Type of related party				Total
	Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	
ASSETS					
Financial assets to be traded at fair value through profit or loss:					
Financial derivative contracts	2,131,105	-	-	1,408	2,132,513
Debt financial instruments	-	-	-	-	-
Financial assets not intended for mandatorily trading at fair value through profit or loss	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Financial assets at fair value with through other comprehensive income	-	-	-	-	-
Financial derivative contracts for accounting hedge	65,595	-	-	-	65,595
Financial assets at amortized cost:					
Rights for repurchase arrangements and securities lending	-	-	-	-	-
Debt financial instruments	-	-	-	-	-
Commercial loans	-	17	3,541	310,008	313,566
Mortgage loans	-	-	16,959	114,130	131,089
Consumer loans	-	-	2,049	18,952	21,001
Allowances constituted- Loans	-	-	(89)	(1,583)	(1,672)
Other assets	-	-	-	-	-
Contingent loans	12,576	29,977	3,543	30,825	76,921
LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss:					
Financial derivative contracts	1,403,677	-	-	4,191	1,407,868
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-
Financial derivative contracts for accounting hedge	223,776	-	-	-	223,776
Financial liabilities at amortized cost:					
Term and on-demand deposits	4,176	232	1,065	51,306	56,779
Deposits and other term deposits	-	-	9,260	122,952	132,212
Liabilities with repurchase arrangements and securities lending	-	-	-	-	-
Obligations with banks	-	-	-	-	-
Debt financial instruments issued	-	-	-	-	-
Other financial obligations	-	-	-	-	-
Lease contracts obligations	-	-	-	767	767
Other liabilities	5,020	-	-	129	5,149

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Type of current assets and liabilities with related parties according to IAS 24		Type of related party				
As at December 31, 2022		Parent	Other legal entity	Key staff of the Consolidated Bank	Other related parties	Total
(in MCh\$)						
ASSETS						
Financial assets to be traded at fair value through profit or loss:						
Financial derivative contracts		2,302,138	-	-	728	2,302,866
Debt financial instruments		-	-	-	-	-
Financial assets not intended for mandatorily trading at fair value through profit or loss		-	-	-	-	-
Financial assets designated at fair value through profit or loss		-	-	-	-	-
Financial assets at fair value with through other comprehensive income		-	-	-	-	-
Financial derivative contracts for accounting hedge		51,529	-	-	-	51,529
Financial assets at amortized cost:						
Rights for repurchase arrangements and securities lending		-	-	-	-	-
Debt financial instruments		-	-	-	-	-
Commercial loans		-	-	2,801	335,846	338,647
Mortgage loans		-	-	15,832	103,941	119,773
Consumer loans		-	-	2,288	18,185	20,473
Allowances constituted- Loans		-	-	(84)	(1,925)	(2,009)
Other assets		68	-	-	-	68
Contingent loans		19,380	29,994	4,242	31,436	85,052
LIABILITIES						
Financial liabilities to be traded at fair value through profit or loss:						
Financial derivative contracts		1,645,519	-	-	25,388	1,670,907
Financial liabilities designated at fair value through profit or loss		-	-	-	-	-
Financial derivative contracts for accounting hedge		179,322	-	-	-	179,322
Financial liabilities at amortized cost:						
Term and on-demand deposits		796	1,046	1,784	66,272	69,898
Deposits and other term deposits		-	-	10,185	155,526	165,711
Liabilities with repurchase arrangements and securities lending		-	-	-	-	-
Obligations with banks		-	-	-	-	-
Debt financial instruments issued		-	-	-	-	-
Other financial obligations		-	-	-	-	-
Lease contracts obligations		-	-	-	781	781
Other liabilities		5,120	-	-	1,591	6,711

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) Income and expenses for transactions with related parties

Type of income and expenses from transactions with related parties according to IAS 24	Type of related party				
As at June 30, 2023			Key staff of the Consolidated Bank	Other related parties	Total
(in MCh\$)	Parent	Other legal entity			
Interest income	-	17	240	11,750	12,007
Adjustments income	-	-	526	7,343	7,869
Commission Income	-	55	46	955	1,056
Net financial income	38,404	-	-	(3,676)	34,728
Other income	-	-	4	44	48
Total income	38,404	72	816	16,416	55,708
Interest expenses	-	-	(408)	(8,175)	(8,583)
Adjustment expenses	-	(55)	(46)	(955)	(1,056)
Commission expenses	-	(4,911)	(21)	(5,316)	(10,248)
Credit loss expense	-	-	(13)	347	334
Expenses for employee benefit obligations	-	-	(8,231)	-	(8,231)
Administration expenses	(6,177)	-	-	(2,809)	(8,986)
Other expenses	-	-	-	(324)	(324)
Total expenses	(6,177)	(4,966)	(8,719)	(17,232)	(37,094)

Type of income and expenses from transactions with related parties according to IAS 24	Type of related party				
As at June 30, 2022			Key staff of the Consolidated Bank	Other related parties	Total
(in MCh\$)	Parent	Other legal entity			
Interest income	-	1	201	8,056	8,258
Adjustments income	-	-	1,122	15,276	16,398
Commission Income	-	6	62	845	913
Net financial income	(104,623)	-	3	540	(104,080)
Other income	-	281	223	6,033	6,537
Total income	(104,623)	288	1,611	30,750	(71,974)
Interest expenses	-	-	(1,122)	(15,276)	(16,398)
Adjustment expenses	-	-	(66)	(1,263)	(1,329)
Commission expenses	(2)	(3,792)	(28)	(4,637)	(8,459)
Credit loss expense	-	7	(29)	(124)	(146)
Expenses for employee benefit obligations	-	-	(8,067)	(10)	(8,077)
Administration expenses	(8,760)	-	-	(6,230)	(14,990)
Other expenses	(3,747)	-	(1)	(301)	(4,049)
Total expenses	(12,509)	(3,785)	(9,313)	(27,841)	(53,448)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

c) Individual transactions with related parties

The Bank has the following individual transactions exceeding UF2,000 with related parties that are legal entities which do not correspond to regular business operations in general performed with customers.

Nature of relationship with the bank	Transaction Description			Transactions in conditions of equivalence to those transactions with mutual independence between the parties	Amount	As at June 30, 2023			
						Effect on Income Statement		Effect on Statement of Financial Position	
						Income	Expenses	Accounts Receivable	Accounts payable
	Type of service	Term	Renewal conditions		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Other related parties	Facial Biometrics Service	1 year	Automatic Renewal	Conditions equivalent to the market on the date these were made	297	-	297	-	-
Other related parties	Compensation service on discharged operations	Undefined	Automatic Renewal	Conditions equivalent to the market on the date these were made	312	-	312	-	-
Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	Automatic Renewal for 3 years	Conditions equivalent to the market on the date these were made	2,523	-	2,522	-	1
Other related parties	Credit Card operation service	2 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	5,062	-	4,537	-	16
Other related parties	Consulting services, technological support and projects	1 year	Annual review, if there are no changes apply Automatic renewal	Conditions equivalent to the market on the date these were made	2,064	-	1,176	-	-
Other related parties	Consulting services, technological support and projects	10 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	626	-	626	-	-
Other legal entity	Credit Card operation service	2 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	13,609	7,757	5,838	-	14
Parent Company	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	365	365	-	-	-
Parent Company	Technology services and projects	1 year	Annual review, if there are no changes apply Automatic renewal	Conditions equivalent to the market on the date these were made	9,724	-	7,028	-	2,696
Other related parties	Regional Technological Support	Undefined	Automatic Renewal	Conditions equivalent to the market on the date these were made	1,114	-	720	-	-

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Company Name	Nature of relationship with the bank	Transaction Description			Transactions in conditions of equivalence to those transactions with mutual independence between the parties	Amount	As at June 30, 2022		Effect on Statement of Financial Position	
		Type of service	Term	Renewal conditions			Income	Expenses	Accounts Receivable	Accounts payable
						MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Azurian Tecnología Limitada	Other related parties	Facial Biometrics Service	1 year	Automatic Renewal	Conditions equivalent to the market on the date these were made	1,029	-	1,029	-	-
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Lease of property for branch	6 years	Automatic Renewal for 5 years	Conditions equivalent to the market on the date these were made	83	-	83	-	-
Sociedad Operadora de la Cámara de Compensación	Other related parties	Compensation service on discharged operations	Undefined	Automatic Renewal	Conditions equivalent to the market on the date these were made	395	-	395	-	-
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	Automatic Renewal for 3 years	Conditions equivalent to the market on the date these were made	3,097	-	2,654	-	402
Operadora de Tarjetas de Crédito Nexus S.A.	Other legal entity	Credit Card operation service	2 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	5,793	-	4,728	-	463
Servicios Regionales Tecnología Scotiabank Ltda.	Other related parties	Consulting services, technological support and projects	1 year	Annual review, if there are no changes apply Automatic renewal	Conditions equivalent to the market on the date these were made	3,786	-	2,268	-	-
Scotia Servicios Corporativos SpA	Other related parties	Consulting services, technological support and projects	10 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	5,980	-	5,980	-	-
Transbank S.A.	Other legal entity	Credit Card operation service	2 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	17,044	10,648	6,183	-	213
The Bank of Nova Scotia	Parent Company	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	1,321	1,321	-	-	-
The Bank of Nova Scotia	Parent Company	Technology services and projects	1 year	Annual review, if there are no changes apply Automatic renewal	Conditions equivalent to the market on the date these were made	11,152	-	8,593	-	2,559
Scotiabank Perú S.A.	Other related parties	Regional Technological Support	Undefined	Automatic Renewal	Conditions equivalent to the market on the date these were made	445	-	445	-	-

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

d) Payments to the Board and key management personnel of the Bank and its subsidiaries

	6/30/2023 MCh\$	6/30/2022 MCh\$
Board:		
Payments of Board remunerations and wages – Bank and Bank's subsidiaries	398	577
Subtotal	398	577
Key personnel of the Bank's Management and Subsidiaries:		
Short-term payment for employee benefits	7,669	7,459
Payment of post-employment benefits to employees	-	-
Long-term payment for employee benefits	-	-
Payments for benefits to employees for contract termination	164	31
Payment to employees based on shares or equity instruments	-	-
Payment for obligations for defined contribution post-employment plans	-	-
Payment for obligations for post-employment defined benefit plans	-	-
Payment for other staff obligations	-	-
Subtotal	7,833	7,490
Total	8,231	8,067

e) Composition of the Board of Directors and key management personnel of the Bank and its subsidiaries

	N° of Executives	
	6/30/2023	6/30/2022
Board		
Directors - Bank and Bank's Subsidiaries	8	10
Key personnel of the Bank's Management and Subsidiaries		
General Manager - Bank	1	1
General Managers - Bank's subsidiaries	10	10
Division/Area Managers - Bank	62	74
Division/Area Managers - Bank's Subsidiaries	20	18
Total	101	113

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 44 Fair Value of financial assets and liabilities
Determination of the fair value of financial instruments

A comparison between the carrying amount at which the Bank's financial assets and liabilities are recorded and their related fair value as at June 30, 2023 and December 31, 2022 is detailed as follows:

		Recorded amount	Estimated Fair Value
	Note	6/30/2023 MCh\$	6/30/2023 MCh\$
ASSETS			
Cash and deposits in banks	7	1,145,975	1,145,975
Transactions pending settlement	7	485,611	485,611
Financial assets to be traded at fair value through profit or loss			
Financial derivatives contracts	8	5,995,248	5,995,248
Debt financial instruments	8	254,804	254,804
Other	8	64,843	64,843
Financial assets at fair value with through other comprehensive income			
Debt financial instruments	11	3,049,509	3,049,509
Financial derivative contracts for accounting hedge	12	352,242	352,242
Financial assets at amortized cost			
Rights for repurchase arrangements and securities loans	13	149,183	148,159
Debt financial instruments	13		
Owed by banks	13	326,413	326,413
Loans and accounts receivable from customers - Commercial	13	14,395,387	14,768,409
Loans and accounts receivable from customers - Mortgage	13	13,821,600	11,869,161
Loans and accounts receivable from customers - Consumer	13	3,620,851	3,519,055
Securitized bonds		15,829	16,356
LIABILITIES			
Transactions pending settlement	7	578,349	578,349
Financial liabilities to be traded at fair value through profit or loss			
Financial derivatives contracts	21	5,200,732	5,200,732
Financial derivative contracts for accounting hedge	12	1,459,661	1,459,661
Financial liabilities at amortized cost			
Deposits and other on-demand obligations	22	4,654,010	4,654,709
Deposits and other time deposits	22	13,601,244	13,840,620
Obligations for repurchase arrangements and securities loans	22	106,487	106,487
Obligations with banks	22	5,303,396	5,324,505
Debt financial instruments issued	22	8,277,903	7,897,285
Other financial obligations	22	133,676	133,676
Issued regulatory capital financial instruments	23	1,001,717	969,993

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

		Recorded amount	Estimated Fair Value
		12/31/2022	12/31/2022
	Note	MCh\$	MCh\$
ACTIVOS			
ASSETS	7	1,268,178	1,268,178
Cash and deposits in banks	7	565,421	565,421
Transactions pending settlement			
Financial assets to be traded at fair value through profit or loss	8	6,813,293	6,813,293
Financial derivatives contracts	8	419,339	419,339
Debt financial instruments	8	95,439	95,439
Other			
Financial assets at fair value with through other comprehensive income	11	2,360,643	2,360,643
Debt financial instruments	12	395,111	395,111
Financial derivative contracts for accounting hedge			
Financial assets at amortized cost	13	216,976	214,525
Rights for repurchase arrangements and securities loans	13		
Debt financial instruments	13	66,830	66,830
Owed by banks	13	15,421,175	14,258,407
Loans and accounts receivable from customers - Commercial	13	13,544,491	11,697,782
Loans and accounts receivable from customers - Mortgage	13	3,606,586	3,459,540
Loans and accounts receivable from customers - Consumer		15,527	15,883
Securitized bonds			
LIABILITIES	7	510,643	510,643
Transactions pending settlement			
Financial liabilities to be traded at fair value through profit or loss	21	6,213,012	6,213,012
Financial derivatives contracts	12	1,536,880	1,536,880
Financial derivative contracts for accounting hedge			
Financial liabilities at amortized cost	22	5,076,459	5,075,458
Deposits and other on-demand obligations	22	13,972,388	14,251,085
Deposits and other time deposits	22	205,943	205,770
Obligations for repurchase arrangements and securities loans	22	5,342,212	5,225,273
Obligations with banks	22	7,707,165	7,575,793
Debt financial instruments issued	22	120,225	120,225
Other financial obligations	23	987,943	1,082,984
Issued regulatory capital financial instruments			

The fair value presented above does not attempt to estimate the value of the Bank's profit generated by its business, or future business activities, and accordingly, does not represent the value of the Bank as a going concern.

Analysis and explanation of calculations

For assets recorded at amortized cost, to determine their fair value, the market curve of each currency was used plus an estimate of the spread of each of the main types of products as at June 30, 2023 and December 31, 2022. The greatest differences occur in the values of the mortgage portfolio and the bonds issued, due to the fact that these are long-term. This has an influence on two key aspects:

- There are old loans/issues made at rates which are different from current rates.
- Value is more sensitive to rate fluctuations.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Fair value measurement and hierarchy

The Bank establishes a fair value hierarchy, which segregates the inputs and/or assumptions of the valuation techniques used in measuring the fair value of financial instruments. The hierarchy assigns the highest priority to quoted prices in active markets, for identical assets or liabilities (level 1), and the lowest priority to measures involving significant unobservable inputs (level 3). The three levels of the fair value hierarchy are as follows:

- **Level 1:** inputs correspond to quoted prices without adjustment or with a defined quote frequency that allows the reasonableness of the fair value of the instrument at all times. Instruments and criteria defined are the following:
 - a) Local sovereign debt securities issued by Banco Central de Chile or the Chilean Treasury, which meet the following two criteria:
 - The instrument has been traded during 15 days of the last month.
 - The instrument has been traded during 2 of the last 3 days prior to the date of generation of the report.
 - b) Domestic equity securities traded in a stock exchange.
 - c) Local mutual funds with unit values published daily by the regulator (CMF).
 - d) Treasury Bonds and Treasury Bills.

For shares and Government bonds, prices are observed directly in the Stock Exchange, Bloomberg or Riskamerica (provider of financial information on the local market).

For Treasury, the information is directly observed in Bloomberg. For domestic mutual funds, the information can be noted on the page of the local regulator (CMF).

- **Level 2:** These 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 (i.e., as prices) or indirectly (i.e., derived from prices). In this category, instruments are measured through the discount of contractual cash flows based on a zero-coupon curve determined through the prices of instruments with similar features and issuer risk. Instruments and criteria defined are the following:
 - a) Local Government debt securities that do not meet the requirements defined for Level 1.
 - b) Corporate debt securities.
 - c) Domestic equity securities not complying with the requirement of being traded in the stock market defined by Bolsa de Santiago.

For shares and Government bonds, prices are observed directly in the Stock Exchange, Bloomberg or Riskamerica (provider of financial information on the local market).

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

- **Level 3:** the fair value is based on models which use significant inputs that are not based on observable inputs. It is used when the necessary prices, inputs are not observable, directly or indirectly, for similar instruments for the asset or liability at the measurement date. These fair value measurement models are subjective in nature. Accordingly, they base their price estimates on a number of assumptions that are widely accepted by the market. Instruments and criteria defined are the following:

- Housing lease bonds (BVL).
- Local and foreign investment funds.
- Domestic equity securities 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 that is significant to the fair value measurement in its entirety. The table below presents the assets and liabilities that are measured at fair value on a recurring basis as at June 30, 2023 and December 31, 2022:

As at June 30, 2023	Book Value	Fair Value measures		
		Level 1	Level 2	Level 3
	MCh\$	MCh\$	MCh\$	MCh\$
Assets				
Financial assets to be traded at fair value through profit or loss	6,314,895	64,843	6,250,052	-
Financial assets at fair value through other comprehensive income	3,049,509	-	3,049,509	-
Financial derivative contracts for accounting hedge	352,242	-	352,242	-
Securitized bonds	15,829	-	-	16,356
Total assets	9,732,475	64,843	9,651,803	16,356
Liabilities				
Financial derivative contracts	5,200,732	-	5,200,732	-
Financial derivative contracts for accounting hedge	1,459,661	-	1,459,661	-
Total liabilities	6,660,393	-	6,660,393	-

As at December 31, 2022	Book Value	Fair Value measures		
		Level 1	Level 2	Level 3
	MCh\$	MCh\$	MCh\$	MCh\$
Assets				
Financial assets to be traded at fair value through profit or loss	7,328,071	103,794	7,224,277	-
Financial assets at fair value through other comprehensive income	2,360,643	-	2,360,643	-
Financial derivative contracts for accounting hedge	395,111	-	395,111	-
Securitized bonds	15,527	-	-	15,883
Total assets	10,099,352	103,794	9,980,031	15,883
Liabilities				
Financial derivative contracts	6,213,012	-	6,213,012	-
Financial derivative contracts for accounting hedge	1,536,880	-	1,536,880	-
Total liabilities	7,749,892	-	7,749,892	-

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Sensitivity analysis for financial instruments under Level 3

The table below provides information about significant unobservable inputs used in measuring financial instruments classified as Level 3 in the fair value hierarchy.

As at June 30, 2023	Valuation Technique	Significant unobservable data	Range of estimates for unobservable data	Changes in Fair Value from reasonably possible alternatives (in MCh\$)
Other assets				
Securitized bonds	Comparable in the market	Market TIR	+1% -1%	(348) 363

As at December 31, 2022	Valuation Technique	Significant unobservable data	Range of estimates for unobservable data	Changes in Fair Value from reasonably possible alternatives (in MCh\$)
Other assets				
Securitized bonds	Comparable in the market	Market TIR	+1% -1%	(343) 359

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 45 Maturity per remaining balances of financial assets and liabilities

The detail of this line item is as follows:

As at June 30, 2023	Note	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	to 3 years More than 3 up to 5 years	More than 5 years	Total
		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Cash and deposits in banks	7	1,145,975	-	-	-	-	-	-	1,145,975
Transactions pending settlement	7	369,531	116,080	-	-	-	-	-	485,611
Financial assets to be traded at fair value through income									
Financial derivative contracts (1)	8	-	253,345	314,943	1,072,592	1,448,555	1,093,313	1,812,500	5,995,248
Debt financial instruments (2)	8	-	27,516	13,775	115,759	34,280	10,039	53,435	254,804
Other	8	57,871	6,972	-	-	-	-	-	64,843
Financial assets at fair value through other comprehensive income									
Debt financial instruments (2)	11	-	952,259	1	63,130	554,486	628,860	850,773	3,049,509
Other	11	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	12	-	3,029	30,509	32,201	75,811	78,957	131,735	352,242
Financial assets at amortized cost									
Rights for repurchase arrangements and securities loans	13	-	138,702	301	10,180	-	-	-	149,183
Debt financial instruments	13	-	-	-	-	-	-	-	-
Owed by banks	13	294,717	19,470	12,169	57	-	-	-	326,413
Loans and accounts receivable from customers (3)	13	1,428,216	1,508,267	2,364,031	5,006,398	5,803,840	4,086,209	12,278,254	32,475,215
Total financial assets		3,296,310	3,025,640	2,735,729	6,300,317	7,916,972	5,897,378	15,126,697	44,299,043
Transactions pending settlement	7	474,224	104,125	-	-	-	-	-	578,349
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	-	161,495	282,962	733,018	1,309,334	1,018,094	1,695,829	5,200,732
Other	21	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge (1)	12	-	39,160	-	124,302	403,056	472,250	420,893	1,459,661
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	4,646,725	7,285	-	-	-	-	-	4,654,010
Deposits and other term deposits	22	550,074	5,234,062	2,817,681	3,119,959	1,879,330	96	42	13,601,244
Obligations for repurchase arrangements and securities lending	22	-	104,014	2,473	-	-	-	-	106,487
Obligations with banks	22	46,992	58,183	646,046	3,282,359	989,392	280,424	-	5,303,396
Debt financial instruments issued	22	4,738	364,851	233,134	555,685	1,986,841	1,546,257	3,586,397	8,277,903
Other Financial Obligations	22	51,053	32,256	39,660	10,600	107	-	-	133,676
Obligations for lease contracts	17	-	966	2,789	8,785	23,629	24,666	99,056	159,891
Regulatory capital financial instruments issued	23	-	-	-	1,871	616	73,988	925,242	1,001,717
Total financial liabilities		5,773,806	6,106,397	4,024,745	7,836,579	6,592,305	3,415,775	6,727,459	40,477,066
Net financial position		(2,477,496)	(3,080,757)	(1,289,016)	(1,536,262)	1,324,667	2,481,603	8,399,238	3,821,977

SCOTIABANK CHILE AND SUBSIDIARIES
Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

As at December 31, 2022	Note	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 months up to 1 year	More than 1 up to 3 years	to 3 years More than 3 up to 5 years	More than 5 years	Total
		MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Cash and deposits in banks	7	1,268,178	-	-	-	-	-	-	1,268,178
Transactions pending settlement	7	520,362	45,059	-	-	-	-	-	565,421
Financial assets to be traded at fair value through income									
Financial derivative contracts (1)	8	-	311,669	542,111	1,019,701	1,739,851	1,186,858	2,013,103	6,813,293
Debt financial instruments (2)	8	-	3,054	142,355	176,890	43,657	29,835	23,548	419,339
Other	8	91,938	3,501	-	-	-	-	-	95,439
Financial assets at fair value through other comprehensive income									
Debt financial instruments (2)	11	-	194,207	297,052	118,581	323,659	596,187	830,957	2,360,643
Other	11	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	12	-	-	5,358	52,034	82,253	118,168	137,298	395,111
Financial assets at amortized cost									
Rights for repurchase arrangements and securities loans	13	-	210,014	5,116	1,846	-	-	-	216,976
Debt financial instruments	13	-	-	-	-	-	-	-	-
Owed by banks	13	19,896	28,872	15,806	2,256	-	-	-	66,830
Loans and accounts receivable from customers (3)	13	1,109,851	1,994,721	2,591,729	5,101,349	5,739,599	4,042,549	12,588,986	33,168,784
Total financial assets		3,010,225	2,791,097	3,599,527	6,472,657	7,929,019	5,973,597	15,593,892	45,370,014
Transactions pending settlement	7	480,579	30,064	-	-	-	-	-	510,643
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	-	333,840	437,102	986,809	1,312,993	1,148,866	1,993,402	6,213,012
Other	21	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge (1)	12	-	23,191	83,893	92,357	342,230	537,008	458,201	1,536,880
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	5,070,463	5,996	-	-	-	-	-	5,076,459
Deposits and other term deposits	22	82,236	5,416,334	3,178,905	3,847,716	1,370,024	77,124	49	13,972,388
Obligations for repurchase arrangements and securities lending	22	-	205,943	-	-	-	-	-	205,943
Obligations with banks	22	35,252	59,506	413,697	1,259,604	3,276,583	297,570	-	5,342,212
Debt financial instruments issued	22	1,156	3,850	461,129	737,932	1,762,710	1,711,935	3,028,453	7,707,165
Other Financial Obligations	22	51,442	29,235	25,601	13,912	35	-	-	120,225
Obligations for lease contracts	17	-	939	2,668	8,424	22,709	23,537	102,099	160,376
Regulatory capital financial instruments issued	23	-	-	-	-	3,085	80,050	904,808	987,943
Total financial liabilities		5,721,128	6,108,898	4,602,995	6,946,754	8,090,369	3,876,090	6,487,012	41,833,246
Net financial position		(2,710,903)	(3,317,801)	(1,003,468)	(474,097)	(161,350)	2,097,507	9,106,880	3,536,768

(1) The amounts of the maturities were determined based on the fair values (MTM) of the financial instruments.

(2) The amounts of the maturities were determined based on the nominal values of the financial instruments.

(3) Gross loans, without considering provisions for credit risk.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 46 Financial and non-financial assets and liabilities by currency

a) The detail of financial assets and liabilities is as follows:

Financial Assets-Liabilities	Note	As at June 30, 2023												
		\$	UF	Adjustable	US\$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total	
		N°	MCh\$	MCh\$	Exchange Rate	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Cash and deposits in banks	7	783,983	-	-	314,673	-	5,444	35,036	173	132	806	5,728	1,145,975	
Transactions pending settlement	7	285,386	-	-	163,553	-	3,496	7,595	3	833	-	24,745	485,611	
Financial assets to be traded at fair value through profit or loss	8	6,180,236	124,487	-	10,172	-	-	-	-	-	-	-	6,314,895	
Financial assets at fair value through other comprehensive income	11	2,659,280	356,589	-	32,870	-	-	770	-	-	-	-	3,049,509	
Financial derivative contracts for accounting hedge	12	352,242	-	-	-	-	-	-	-	-	-	-	352,242	
Financial assets at amortized cost	13	9,046,437	18,067,315	115,147	5,037,960	-	-	22,641	-	6,856	17,075	3	32,313,434	
Total financial assets		19,307,564	18,548,391	115,147	5,559,228	-	8,940	66,042	176	7,821	17,881	30,476	43,661,666	
Transactions pending settlement	7	355,885	-	-	208,667	-	2,459	10,794	3	331	-	210	578,349	
Financial liabilities to be traded at fair value through profit or loss	21	5,200,732	-	-	-	-	-	-	-	-	-	-	5,200,732	
Financial derivative contracts for accounting hedge	12	1,459,661	-	-	-	-	-	-	-	-	-	-	1,459,661	
Financial liabilities at amortized cost	22	16,857,984	7,932,975	-	6,698,369	-	662	34,228	342,308	144,540	17,387	48,263	32,076,716	
Obligations for lease contracts	17	10	159,881	-	-	-	-	-	-	-	-	-	159,891	
Issued regulatory capital financial instruments	23	-	1,001,717	-	-	-	-	-	-	-	-	-	1,001,717	
Total financial liabilities		23,874,272	9,094,573	-	6,907,036	-	3,121	45,022	342,311	144,871	17,387	48,473	40,477,066	
Net financial position		(4,566,708)	9,453,818	115,147	(1,347,808)	-	5,819	21,020	(342,135)	(137,050)	494	(17,997)	3,184,600	

Financial Assets-Liabilities	As at December 31, 2022													
	Note	\$	UF	Adjustable Exchange Rate	US\$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	Total	
	N°	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Cash and deposits in banks	7	522,288	-	-	710,064	-	6,313	14,528	444	1,760	716	12,065	1,268,178	
Transactions pending settlement	7	255,804	-	-	303,168	-	4,054	1,856	7	-	-	532	565,421	
Financial assets to be traded at fair value through profit or loss	8	6,978,951	336,512	-	12,608	-	-	-	-	-	-	-	7,328,071	
Financial assets at fair value through other comprehensive income	11	1,969,985	328,584	-	62,074	-	-	-	-	-	-	-	2,360,643	
Financial derivative contracts for accounting hedge	12	395,111	-	-	-	-	-	-	-	-	-	-	395,111	
Financial assets at amortized cost	13	10,016,277	17,493,889	126,229	5,181,762	-	-	35,287	-	360	2,254	-	32,856,058	
Total financial assets		20,138,416	18,158,985	126,229	6,269,676	-	10,367	51,671	451	2,120	2,970	12,597	44,773,482	
Transactions pending settlement	7	316,967	-	-	185,627	-	2,490	5,444	-	-	-	115	510,643	
Financial liabilities to be traded at fair value through profit or loss	21	6,213,012	-	-	-	-	-	-	-	-	-	-	6,213,012	
Financial derivative contracts for accounting hedge	12	1,536,880	-	-	-	-	-	-	-	-	-	-	1,536,880	
Financial liabilities at amortized cost	22	17,242,155	7,654,908	-	7,085,912	-	598	43,512	259,071	83,658	2,294	52,284	32,424,392	
Obligations for lease contracts	17	11	160,365	-	-	-	-	-	-	-	-	-	160,376	
Issued regulatory capital financial instruments	23	-	987,943	-	-	-	-	-	-	-	-	-	987,943	
Total financial liabilities		25,309,025	8,803,216	-	7,271,539	-	3,088	48,956	259,071	83,658	2,294	52,399	41,833,246	
Net financial position		(5,170,609)	9,355,769	126,229	(1,001,863)	-	7,279	2,715	(258,620)	(81,538)	676	(39,802)	2,940,236	

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

b) The detail of non-financial assets and liabilities is as follows:

Non-Financial Assets-Liabilities	Note	As at June 30, 2023											Total
		\$	UF	Adjustable	US\$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	
		MCh\$	MCh\$	Exchange Rate MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Investment in companies	14	29,196	-	-	-	-	-	10	-	-	-	-	29,206
Intangible assets	15	245,389	-	-	-	-	-	-	-	-	-	-	245,389
Property, equipment	16	86,681	-	-	-	-	-	-	-	-	-	-	86,681
Assets for the right-of-use leased assets	17	172,187	-	-	-	-	-	-	-	-	-	-	172,187
Current taxes	18	56,926	(47,297)	-	-	-	-	-	-	-	-	-	9,629
Deferred taxes	18	360,116	-	-	-	-	-	-	-	-	-	-	360,116
Other assets	19	342,673	24,238	-	329,488	-	-	1,012	-	27,761	-	-	725,172
Non-current assets and disposal groups held for sale	20	17,108	-	-	-	-	-	-	-	-	-	-	17,108
Total non-financial assets		1,310,276	(23,059)	-	329,488	-	-	1,022	-	27,761	-	-	1,645,488
Provisions for contingencies	24	59,935	-	-	518	-	1	111	-	8	-	67	60,640
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	58,440	-	-	-	-	-	-	-	-	-	-	58,440
Special allowances for credit risk	26	186,357	-	-	10,573	14	1	47	11	11	-	-	197,014
Current taxes	18	2,225	-	-	-	-	-	-	-	-	-	-	2,225
Deferred taxes	18	609	-	-	-	-	-	-	-	-	-	-	609
Other liabilities	27	218,486	36,632	-	783,149	330	31	69,603	-	4	-	4,087	1,112,322
Total non-financial liabilities		526,052	36,632	-	794,240	344	33	69,761	11	23	-	4,154	1,431,250
Net non-financial position		784,224	(59,691)	-	(464,752)	(344)	(33)	(68,739)	(11)	27,738	-	(4,154)	214,238

Non-Financial Assets-Liabilities	Note	As at December 31, 2022											Total
		\$	UF	Adjustable	US\$	COP	GBP	EUR	CHF	JPY	CNY	Other MX	
		MCh\$	MCh\$	Exchange Rate MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Investment in companies	14	26,083	-	-	-	-	-	10	-	-	-	-	26,093
Intangible assets	15	240,400	-	-	-	-	-	-	-	-	-	-	240,400
Property, equipment	16	90,636	-	-	-	-	-	-	-	-	-	-	90,636
Assets for the right-of-use leased assets	17	174,082	-	-	-	-	-	-	-	-	-	-	174,082
Current taxes	18	16,328	37,150	-	-	-	-	-	-	-	-	-	53,478
Deferred taxes	18	330,907	-	-	-	-	-	-	-	-	-	-	330,907
Other assets	19	336,796	24,551	-	393,881	-	-	1,011	-	121	-	12	756,372
Non-current assets and disposal groups held for sale	20	15,175	-	-	-	-	-	-	-	-	-	-	15,175
Total non-financial assets		1,230,407	61,701	-	393,881	-	-	1,021	-	121	-	12	1,687,143
Provisions for contingencies	24	49,223	-	-	454	-	1	114	-	9	-	90	49,891
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	146,260	-	-	-	-	-	-	-	-	-	-	146,260
Special allowances for credit risk	26	182,249	-	-	8,925	13	-	24	5	14	26	-	191,256
Current taxes	18	1,724	-	-	-	-	-	-	-	-	-	-	1,724
Deferred taxes	18	573	-	-	-	-	-	-	-	-	-	-	573
Other liabilities	27	232,863	33,641	-	762,053	484	23	16,738	-	5	-	4,550	1,050,357
Total non-financial liabilities		612,892	33,641	-	771,432	497	24	16,876	5	28	26	4,640	1,440,061
Net non-financial position		617,515	28,060	-	(377,551)	(497)	(24)	(15,855)	(5)	93	(26)	(4,628)	247,082

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 47 Risk Management and Reporting**1) Introduction**

The Bank and its subsidiaries operate in a highly technological, regulated and competitive market exposed to a number of risks, which can have a negative impact on the organization both in financial terms and in corporate image. These risks need to be managed through the use of structures and methodologies consistent with the volumes, complexity of the transactions and levels of automation, in order to ensure that such risks are managed within levels consistent with the risk appetite defined by Management and in accordance with the strategy defined by Corporate Governance. This allows the Bank and its subsidiaries to establish a balance between risks and benefits in order to maximize value for the shareholders.

Principles

The activities that involve assuming and managing risks in the Bank are guided by the following principles:

- Risk and benefit balance - Business and risk decisions are consistent with strategies and risk appetite.
- Understanding risks - All material risks to which the Bank is exposed, including financial and non-financial risks, are identified and managed.
- Progressive thinking - Emerging risks and potential vulnerabilities are proactively identified and managed.
- Shared responsibility - All employees are responsible for managing risk.
- Focus on customers - 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 - Be operationally and financially prepared to respond in a timely manner 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 the 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 Bank's Board of Directors of in the supervision of risk management, which includes institutional risk, credit risk, market risk and operational risk faced by the Bank, to facilitate its 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 Bank's policies. 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 several issues concerning growth, funding, products, pricing, risks and Bank's profit or loss.

- **Model committee**

The model committee is a body created to define and approve the preparation, application, monitoring, validation and implementation of the models and strategies defined in the risk management policy, as well as their modifications and relevant changes.

- **Capital management and profitability committee**

The Capital Management and Profitability Committee's mission is to provide strategic guidelines to maximize the Bank's profitability within the internal and regulatory risk appetite, in accordance with the objectives set by the Board of Directors and the policies of Scotiabank Chile (SBC).

- **Committee for the prevention of money laundering and financing of terrorism of the Bank and its 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

- **Consequence Management Committee**

The Consequence Management Committee is intended to oversee the management of conduct risk in the Bank, through general direction and guidance, promoting the consistent and collaborative application of the guiding principles contained in the Code of Conduct throughout the Bank, being responsible for the governance and oversight of local conduct risk. In line with this, it is responsible for ensuring effective conduct risk management that ensures clear and permanent communication of the Bank's values and its global principles with respect to the required ethical conduct.

- **External Suppliers Committee of Scotiabank Chile and Subsidiaries**

It manages in a central and unified manner the issues related to the different aspects of outsourcing of the Bank and its Subsidiaries with external suppliers, or with other members of the Group.

- **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 meeting, 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 the Bank 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**

Corresponds to a support committee for the Bank's Board of Directors, which is in charge of the different aspects that involve efficiency, maintenance, application and operation of the internal control systems of the Bank and its subsidiaries; carefully monitor compliance with the regulatory standards and procedures that govern their practice; have a clear understanding of the risks that the business performed may mean for the institution; reinforce and support the function of the Comptroller's Office, as well as its independence from management and serve as a link and coordinator of tasks between the internal audit and the external auditors, also acting as a link between them and the Bank's Board of Directors.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Risk division

This Division supports the Bank's objectives and must maintain an efficient and ongoing management framework at all the Bank's levels. 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 the shareholders.

Certain key tasks in risk management performed by the risk units are, but are not limited to:

Retail credit management

- Evaluation of credit risk, exceptions and other credit operations of the different service channels, for Consumer Finance, Persons, Retail Finance, Micro-enterprises and SMEs.
- Carry out comprehensive strategic collection management hand in hand and aligned with the Bank's policy compliance and lead projects related to automation or improvements in collection systems.

Wholesale credit management

- Evaluate loans, exceptions and other operations of the different service channels for the business, large business, wholesale, corporate and real estate portfolios.

Standardization companies and BRP

- Manages debtors transferred from the commercial areas (corporate, large companies, wholesale, real estate and companies) including the lease operations and factoring transactions portfolio, which present problems in meeting their obligations with the bank or show impairment in their economic or financial position. It should be noted that this management is also responsible for managing assets received in lieu of payment.

Market risk management

- Correctly measure and report to senior management the risks incurred by Scotiabank Group in Chile due to changes in prices and liquidity, so that these are managed in accordance with the Bank's risk appetite and expectations.
- In view of the announcement issued by the Financial Conduct Authority (FCA), regarding that LIBOR rates would no longer be published, the Chilean market is evaluating its replacement by new benchmark rates such as SOFR, ESTR, SONIA, within the steps followed by Scotiabank we indicate the following:
 - The Bank agreed to stop providing loans in LIBOR beginning in January 2022, and only provides financing to third parties at SOFR rates.
 - Bank adapted systems for new benchmark rates.
 - Customers/Bank must get used to the use of new benchmark rates.
 - Price changes from valuation at SOFR curves.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The Bank has adopted the required actions to comply with the standard "Interest Rate Benchmark Reform Stage 2", 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.

A summary of the exposure of the different LIBOR-indexed products (notional amounts) is presented below.

LIBOR-based operations	Non- derivative assets (1) MCh\$	Non- derivative liabilities (2) MCh\$	Derivative assets (3) MCh\$	Derivative liabilities (3) MCh\$
US\$	2,730,988	-	-	2,345
EUR	-	-	-	-
Other	-	-	-	-
As at June 30, 2023	2,730,988	-	-	2,345

LIBOR-based operations	Non- derivative assets (1) MCh\$	Non- derivative liabilities (2) MCh\$	Derivative assets (3) MCh\$	Derivative liabilities (3) MCh\$
US\$	1,907,934	1,108,661	18,518,606	17,943,678
EUR	-	-	63,965	56,131
Other	-	-	19,067	19,067
As at December 31, 2022	1,907,934	1,108,661	18,601,638	18,018,876

The table above details the Bank's exposures to IBORs through financial assets and liabilities as at December 31, 2022 and June 30, 2023, subject to the IBOR reform which has not yet begun a process of transition to alternative benchmark rates. The Bank's exposure to IBOR through financial instruments includes U.S. dollar LIBOR maturing after June 30, 2023. These exposures could remain outstanding until the IBOR is suspended and the transition process begins in the future.

- (1) Non-derivative assets mainly relate to foreign trade loans in US\$.
- (2) Non-derivative liabilities correspond to loan obligations and term deposits in US\$.
- (3) Mostly relates to cross-currency interest rate swap products the tranches of which are based on the rates that are directly affected by the IBOR reform. The relevant notional amount for both tranches is shown separately to reflect the reform-related risks for each rate.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Enterprise risk management

Develop and implement methods to identify, assess, measure, and monitor the risk operational model, technological, data, and information security risks, perform a challenge to 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 adverse financial or non-financial consequences due to mismanagement, misinterpretation or misuse 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, income, losses) 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 Bank's risk profile.

Compliance

- Support management through the 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 Bank's code of conduct; and support senior management in the identification and management of the risk of non-compliance.
- Collaborate with Management to establish a crime prevention model as required by Law No.20393, 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 terrorist financing, reducing the associated reputational risk.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

3) Loss risk

Relates 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 number of tools that include procedures, models, validation, controls, behavioral monitoring, etc. This is part of a global strategy. Different limits and models are established based on the features of the 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 allowances.
- Monitoring of impaired portfolio.
- Control of write-offs and loan recoveries.

The Bank also has differentiated models to establish the appropriate amount of potential losses, based on the following models based on individual and collective analysis of debtors:

Individual assessment:

Debtors having the characteristics described in Note 2 "Significant accounting policies", letter (aa) "Special allowances for credit losses" are considered as individually evaluated commercial portfolio.

In accordance with Chapter B-1 of the CNC for Banks issued by the CMF, the individual assessment 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) Portfolio in default: Includes debtors with insufficient payment capacity in foreseeable situations. The categories used range from C1 to C6.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Collective assessment - Collective 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.

In addition, a model committee exists to which the development of the models, their validation and their follow-up are presented for approval, both from the performance and sufficiency of allowances standpoint, which allows for adequate control of collective allowances. The aforementioned validation is performed by an internal area different from the area developing such models, carrying out an objective review and without conflicts of interest.

There is a model risk 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 stages in the model life cycle such as: collective models methodology, monitoring and control, data validation, model validation and model development, and adequacy of allowances.

In addition, in order to have adequate support and analysis, there are technical notes that cover relevant points in the development of 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 based on their use, maturity, typology, materiality and complexity.

Thus, the allowance models are integrated with the management of account administration, collections and account origination.

The different collective credit risk models are presented below according to the Bank's portfolios:

Non-retail collective commercial model

This Model is applied to single customers, small businesses, separating customers belonging to commercial loan portfolio from customers belonging to retail portfolio (customers with loans other than commercial loans). Commercial customers with sales above MUS\$1 or debt above MCh\$500 are evaluated individually.

Customers are evaluated at Taxpayer ID level, which are grouped as follows: renegotiated customers, and non-renegotiated customers.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: lease, student and other commercial. These matrices are generally double-entry where an expected loss (EL) assigned according to the delinquency tranche and guarantee coverage must be applied. The model providing the greatest allowances between the internal or standard model is then applied.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Retail collective commercial model

This Model is applied to single customers (natural persons) 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 (PD) and are: CAE Education, CORFO Education, Micro-enterprises (for new and old customers), general purpose mortgage loan and model for renegotiated customers.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: lease, student and other commercial. These matrices are generally double-entry where an EL assigned according to the delinquency tranche and guarantee coverage must be applied. The model providing the greatest allowances between the internal or standard model is then applied.

Mortgage model

Mortgage model is applicable to customers with an operation classified as mortgage loans (for new and old customers). Customers are evaluated at Taxpayer ID No. level. In addition, has a standard model determined by CMF in a double-entry matrix where an EL must be applied by tranches of default and tranches of loan to value (LTV). The model that calculates the highest expected losses is then 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 PD calculation. Models are: quota consumption (for new and old customers), revolving consumption, renegotiated consumption (at customer level) and agreements.

CAT subsidiary allowance model

The model used for subsidiary CAT uses the same formulation as for the collective consumption model, based on a statistical model with probability of default (PD) and a loss given default (LGD). Models are integrated with the management of the customer; e.g., for non-payment of obligations, considering the different CAT recovery and collection strategies.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Credit quality by class of financial asset – Individual assessment

For individual evaluation, credit quality is presented (A1 to C6), tabulating loans according to the class of financial asset.

Individual Evaluation	As at June 30, 2023							
	Owed by banks	Commercial loans	Commercial Leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
A1	321,842	110,444	-	634	-	-	109,737	542,657
A2	3,178	3,813,112	44,564	7,875	-	-	578,618	4,447,347
A3	1,402	1,546,157	167,317	40,347	-	-	144,520	1,899,743
A4	-	3,184,247	322,130	166,183	-	-	163,601	3,836,161
A5	-	1,389,342	169,246	44,992	-	-	39,703	1,643,283
A6	-	756,598	60,713	16,163	-	-	61,873	895,347
B1	-	263,174	21,746	2,004	-	-	3,348	290,272
B2	-	101,281	3,023	-	-	-	5,672	109,976
B3	-	59,905	2,786	-	-	-	10,377	73,068
B4	-	68,001	2,903	-	-	-	471	71,375
C1	-	91,030	3,380	56	-	-	1,226	95,692
C2	-	18,432	6,062	-	-	-	11	24,505
C3	-	18,304	1,843	-	-	-	11	20,158
C4	-	15,006	1,809	164	-	-	14	16,993
C5	-	70,056	2,311	564	-	-	893	73,824
C6	-	55,052	267	765	-	-	3,225	59,309
Total	326,422	11,560,141	810,100	279,747	-	-	1,123,300	14,099,710

As at December 31, 2022								
Individual Evaluation	Owed by banks	Commercial loans	Commercial Leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
A1	58,819	109,382	-	6,519	-	-	188,465	363,185
A2	7,893	4,236,834	56,550	5,848	-	-	614,331	4,921,456
A3	125	2,079,331	151,174	30,338	-	-	176,284	2,437,252
A4	-	3,585,318	332,753	154,733	-	-	140,441	4,213,245
A5	-	1,207,527	158,638	33,742	-	-	54,755	1,454,662
A6	-	746,068	64,272	14,403	-	-	18,757	843,500
B1	-	220,504	16,462	307	-	-	27,222	264,495
B2	-	81,220	4,718	-	-	-	349	86,287
B3	-	58,098	1,528	14	-	-	366	60,006
B4	-	47,094	2,280	-	-	-	93	49,467
C1	-	65,370	3,116	56	-	-	1,794	70,336
C2	-	11,546	6,498	164	-	-	1,561	19,769
C3	-	9,636	1,656	349	-	-	25	11,666
C4	-	16,353	3,225	-	-	-	507	20,085
C5	-	63,625	2,199	147	-	-	1,395	67,366
C6	-	51,997	83	598	-	-	2,881	55,559
Total	66,837	12,589,903	805,152	247,218	-	-	1,229,226	14,938,336

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Credit quality by class of financial asset – Collective assessment

For collective assessment, credit quality is presented (regular or in default), tabulating loans according to the class of financial asset.

As at June 30, 2023								
Group Evaluation	Owed by banks	Commercial loans	Commercial Leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Regular	-	1,794,841	30,305	542	3,566,545	13,508,613	534,548	19,435,394
Default	-	224,474	2,175	160	342,772	354,800	23,095	947,476
Total	-	2,019,315	32,480	702	3,909,317	13,863,413	557,643	20,382,870

As at December 31, 2022								
Group Evaluation	Owed by banks	Commercial loans	Commercial Leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Regular	-	1,848,830	33,185	715	3,599,766	13,274,625	520,507	19,277,628
Default	-	198,983	1,817	144	258,930	309,516	21,338	790,728
Total	-	2,047,813	35,002	859	3,858,696	13,584,141	541,845	20,068,356

Financial assets at amortized cost

The following stages are defined for individual and collective assessment:

Stage	Description	Individual	Group
Stage 1	Assets without a significant increase in credit risk since initial recognition	A1 to A6	Regular
Stage 2	Assets with a significant increase in credit risk since initial recognition but without credit impairment	B1 to B4	Substandard
Stage 3	Credit-impaired assets	C1 to C6	Default

The classification of financial assets at amortized cost and contingent loans in these stages is as follows:

As at June 30, 2023	Stage 1 MCh\$	Stage 2 MCh\$	Stage 3 MCh\$	Total MCh\$
Individual				
Owed by banks	326,422	-	-	326,422
Loans and accounts receivable	12,938,116	544,691	290,481	13,773,288
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	19,435,394	-	947,476	20,382,870
Total	32,699,932	544,691	1,237,957	34,482,580

As at December 31, 2022	Stage 1 MCh\$	Stage 2 MCh\$	Stage 3 MCh\$	Total MCh\$
Individual				
Owed by banks	66,837	-	-	66,837
Loans and accounts receivable	14,166,463	460,255	244,781	14,871,499
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	19,277,628	-	790,728	20,068,356
Total	33,510,928	460,255	1,035,509	35,006,692

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Collateral

For the collective and individual evaluation, the guaranteed amount used for the calculation of allowances is included below:

Individual	As at June 30, 2023			As at December 31, 2022		
	Loans MCh\$	Guarantee MCh\$	Allowance MCh\$	Loans MCh\$	Guarantee MCh\$	Allowance MCh\$
Commercial loans	12,649,988	4,149,633	226,300	13,642,273	3,849,362	224,892
Consumer loans	-	-	-	-	-	-
Mortgage loans	-	-	-	-	-	-
	12,649,988	4,149,633	226,300	13,642,273	3,849,362	224,892

Group (*)	As at June 30, 2023			As at December 31, 2022		
	Loans MCh\$	Guarantee MCh\$	Allowance MCh\$	Loans MCh\$	Guarantee MCh\$	Allowance MCh\$
Commercial loans	2,063,299	2,502,780	65,721	2,094,439	2,494,452	63,717
Consumer loans	2,504,079	-	146,051	2,511,571	-	135,328
Mortgage loans	13,826,274	23,763,168	41,229	13,544,965	22,940,236	39,106
	18,393,652	26,265,948	253,001	18,150,975	25,434,688	238,151

(*) For the group portfolio, subsidiaries are not considered

Individual portfolio risk profile by probability of default

The table below shows a tabulated breakdown by probability of default (PD) of the Bank's individual portfolio of secured and unsecured debt.

Trenches for Probability of Default	As at June 30, 2023		As at December 31, 2022	
	Secured MCh\$	Unsecured MCh\$	Secured MCh\$	Unsecured MCh\$
0,0 - 0,1	137,155	5,985,334	152,217	6,460,827
0,11 - 0,4	381,860	1,521,479	469,869	1,969,860
1,01 - 3,0	1,693,296	2,142,864	1,749,926	2,466,228
3,01 - 6,0	962,254	683,316	725,807	731,412
6,01 - 11,0	439,537	455,811	420,998	422,502
11,01 - 17,0	224,035	70,641	111,004	153,491
17,01 - 25,0	62,842	47,133	31,356	54,930
25,01 - 50,0	90,481	53,964	74,486	34,987
50,01 +	182,401	108,080	143,238	101,543
Total	4,173,861	11,068,622	3,878,901	12,395,780

The information does not consider guarantees for substitution effect.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Risk profile of the collective portfolio by probability of default

The table below shows a tabulated breakdown by probability of default (PD) of the Bank's different collective portfolio banking.

Tranche for Probability of Default	6/30/2023 MCh\$	12/31/2022 MCh\$
Commercial		
0,84 - 3,81	716,473	639,489
3,81 - 8	448,516	425,967
8 - 12,41	196,700	320,398
12,41 - 12,722	241,527	235,382
12,722 - 25,27	80,038	91,214
25,27 +	380,045	381,989
Total commercial	2,063,299	2,094,439
Mortgage		
0,14 - 0,37	8,220,192	8,271,049
0,37 - 1,79	2,877,779	2,751,178
1,79 - 4,5	1,380,631	1,337,288
4,5 - 16,8	17,408	33,306
16,8 - 23,04	978,554	846,740
23,04 +	351,710	305,404
Total Mortgage	13,826,274	13,544,965
Consumer		
0,82 - 2,36	591,760	562,855
2,36 - 5,61	698,553	708,322
5,61 - 9,94	369,861	402,908
9,94 - 15,59	256,991	265,886
15,59 - 40,58	288,335	302,268
40,58 +	298,579	269,332
Total consumer	2,504,079	2,511,571
Total	18,393,652	18,150,975

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Offset of financial assets and liabilities

For accounting purposes, Scotiabank does not offset derivatives.

Credit limits to related groups

For groups related to Scotiabank, the total of their obligations may not exceed 5% of the Bank's effective equity, this limit increases to 25% only if that exceeding 5% corresponds to obligations with collateral (article 84, number 2 of the General Banking Law).

All Groups related to Scotiabank are within the regulatory limits, detailed as follows:

As at June 30, 2023

	Total Obligations	% Effective equity	
	MCh\$	Secured	Unsecured
BNS Group	548,029	12.5%	0.1%
Said Group	210,800	3.8%	1.1%
Generic group by management	162,243	3.0%	0.7%
Karen Ergas Group	42,152	0.3%	0.7%
Turn support group	30,000	0.0%	0.7%
Salvador Said Group	26,346	0.0%	0.6%
Víctor Carpio Group	17,950	0.3%	0.1%
Emilio Deik Group	13,828	0.1%	0.3%
Other related groups	52,649	0.9%	0.3%
Total main debtors	1,103,997		
Regulatory Limits		25.0%	5.0%

As at December 31, 2022

	Total Obligations	% Effective equity	
	MCh\$	Secured	Unsecured
BNS Group	631,263	15.1%	0.3%
Said Group	211,150	4.2%	0.9%
Generic group by management	148,478	2.9%	0.7%
Paz Group	37,891	0.2%	0.7%
Salvador Said Group	32,549	0.0%	0.8%
Turn support group	31,253	0.0%	0.8%
Other related groups	95,503	1.5%	0.8%
Total main debtors	1,188,087		
Regulatory Limits		25.0%	5.0%

Concentration by industries

See information on concentration by industry in letter e) "Gross loans and allowances made grouped by type of economic activity of debtors and concentration of credit risk" in note 13 "Financial assets at amortized cost."

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Total allowances on loans

The total level of allowances on loans reached MCh\$637,377 as at June 30, 2023, which implies an increase of approximately 6.85% compared to the stock of allowances as at December 31, 2022, which reached MCh\$596,532. Accordingly, and considering a decrease in total loans (decrease of 2.09% in the same period), the percentage of allowances on total loans was up from 1.80% in December 2022 to 1.96% in June 2023.

Risk rates and allowances	6/30/2023	12/31/2022
	MCh\$	MCh\$
Total allowances on loans	637,377	596,532
Total loans	32,475,215	33,168,784
Allowance / Loans Percentage	1.96%	1.80%

The increase in credit loss allowances in the period between January and December 2022 and June 2023 occurs mainly in retail and CAT Administradora de Tarjetas S.A.

4) Market risk

Refers to the risk of losses arising from adverse movements 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 is 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 of the yield curve.
- **Spread – Base risk**
Spread risk is the risk of losses related to adverse changes in spreads existing in the performance of different financial assets and liabilities. These may reflect particular liquidity conditions of assets, credit and/or specific prepayment clauses whose exercise may result in a deterioration on 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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 adjustments, maintaining a high proportion of demand deposits for which interest is not paid and of short-term deposits, granting loans for longer periods allowing 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 Chilean pesos. To mitigate balance 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 portfolio of financial assets held for trading at fair value through profit or loss of the Individual Bank, is detailed as follows:

As at June 30, 2023

(Individual Bank)

	Purchase Value MCh\$	Purchase TIR %	Market Value MCh\$	Market TIR %	Unrecognized Result MCh\$
Papers Ch\$	2,780,816	6.86	2,690,305	8.01	(90,511)
PDBC	1,390,121	10.79	1,407,392	10.25	17,271
BCP	-	-	-	-	-
BTP	1,390,695	2.94	1,282,913	5.55	(107,782)
Time deposits Ch\$	-	-	-	-	-
Papers UF	357,722	1.68	345,494	2.93	(12,228)
BCU	-	-	-	-	-
BTU	357,722	1.68	345,494	2.93	(12,228)
Time deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US\$	34,055	4.18	33,659	6.63	(396)
Time Deposits US\$	34,055	4.18	33,659	6.63	(396)
Total	3,172,593	6.25	3,069,458	7.43	(103,135)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

As at December 31, 2022
(Individual Bank)

	Purchase Value	Purchase TIR	Market Value	Market TIR	Unrecognized Result
	MCh\$	%	MCh\$	%	MCh\$
Papers Ch\$	2,124,887	5.45	1,988,132	7.78	(136,755)
PDBC	610,231	11.67	612,403	11.47	2,172
BCP	4,668	2.34	4,639	11.19	(29)
BTP	1,509,988	2.95	1,371,090	6.12	(138,898)
Time deposits Ch\$	-	-	-	-	-
Papers UF	324,886	0.95	316,791	3.31	(8,095)
BCU	35	0.25	34	6.11	(1)
BTU	324,851	0.95	316,757	3.31	(8,094)
Time deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US\$	65,077	4.22	62,489	6.63	(2,588)
Time Deposits US\$	65,077	4.22	62,489	6.63	(2,588)
Total	2,514,850	4.84	2,367,412	7.15	(147,438)

Trading activities/customers

The Bank has a Trading area responsible for the active trading of highly liquid instruments, whether these are Banco Central de Chile, 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 spread), but 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.

Complementarily, 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 June 30, 2023, the total VaR (includes rate and currency) reached a value of MCh\$2,625 (MCh\$3,271 as at December 31, 2022).

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

The impact by the risk factor on the VaR at each closing date is shown below:

	6/30/2023 MChS	12/31/2022 MChS
Bonds in UF	(1)	42
Derivatives UF	(1,151)	(315)
Bonds in Ch\$	(255)	(847)
Derivatives in Ch\$	(81)	(1,311)
Derivatives US\$	(577)	(76)
Basis US\$/Ch\$	(559)	(769)
Basis L3L6	-	-
Other	-	5
FX	(1)	-
Total	(2,625)	(3,271)

Where others, corresponds to the diversification effect, product of having books with different risk measurements.

Interest rate flow sensitivity

Structural interest rate risk is measured using a metric that sensitizes the flows of asset and liability positions.

The metric considers financial assets, liabilities and derivatives not belonging to the trading portfolio. Items, or a portion thereof, that are previously designated as not sensitive to changes in interest rates are excluded, such as:

- Cash.
- Other assets and liabilities.
- Past due portfolio.
- Allowances.
- Capital and reserves.

Interest rate mismatches are built as follows:

- Cash flows are determined by the maturity of fixed rate transactions and by the revaluation period in variable rate transactions.
- Assets, liabilities and derivatives used in balance management should be grouped according to their currency of accrual: Chilean pesos (Ch\$), Unidad de Fomento (UF), U.S. dollars (US\$) and other foreign currencies combined.
- Flows consider only principal of transactions.
- Interest rate curves do not consider the spread between assets and liabilities.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

e) Adjustments:

To properly calculate the sensitivity of assets and liabilities to changes in interest rates, the flows of financial products having particular characteristics must be modified:

- i) The balance in chequing accounts is distributed in terms of up to 8 years for the local report and up to 5 years for regulatory report. Both as obtained in the stability models of demand accounts with no maturity.
- ii) The ability of customers to prepay loans modifies the risk profile of the balance sheet, as actual maturities differ from the contractual maturities.
- iii) For education loans, the expected flow should be estimated according to the factors that determine the maturity profile of this portfolio. In addition, all disbursements and resales that will be accounted for in the current year, related to those students who are pursuing their studies and that the Bank has committed to deliver the necessary funds, must be entered.

Short-term sensitivity (Net interest income sensitivity)

Quantifies the impact of an adverse change in interest rates in the short term. This impact discloses the deviation that the budgeted financial margin may experience at a year-end.

The interest rate shock is weighted by the residual term of each time band, i.e., a 100 bp shock is applied to the overnight band until it is gradually reduced to 8.33 bp in the eleventh month.

The calculation is made for each currency, then the individual results are aggregated to obtain the overall risk exposure.

$$St = ABS (\sum Spm)$$

Where:

St: Short-term sensitivity to a change in interest rates.

Sp: Sensitivity of a change in interest rate (100 bps) weighted by the annual residual term.

m: The currencies of each book measured: Ch\$, UF, US\$, MX.

Long-term sensitivity (Economic value sensitivity)

Quantifies the impact of an adverse change in interest rates on the Bank's equity, or in other words, represents the variation that the value of the share would experience in the event of a movement in the yield curve.

This impact is obtained by comparing the market value of the balance sheet structure with the present value of the mismatches discounted at market rates modified by a sensitivity factor equivalent to +/- 100bp.

$$Stl = ABS (\min (\sum St+m, \sum St-m))$$

Where:

Stl: Long-term sensitivity to a change in interest rates.

St: Sensitivity to an increase (+) and drop (-) in interest rates.

m: The currencies of each book measured: Ch\$, UF, US\$, MX.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Inflation position sensitivity

The sensitivity of the inflation position results from applying a 100 bp shock to the difference between assets and liabilities denominated in Unidad de Fomento (UF). The mismatch considers on and off-balance sheet transactions, except for those of the trading portfolio. Derivatives the maturity date of which falls within the known UF term are excluded from the measurement.

$$I_f = ABS(P_i) * 1\%$$

Where:

I_f : Inflation sensitivity

P_i : Inflation position

The Bank uses long-term sensitivity (EvE), short-term sensitivity (NII) and sensitivity to inflation risk to quantify the interest rate risk of the balance sheet book (banking book). These measures include all assets and liabilities, except for trading portfolios.

The impact on present value per currency of a parallel movement of 100 points is illustrated below.

As at June 30, 2023

	VPN	VPN + 1%	VPN - 1%
Ch\$	2,386,336	(92,163)	106,371
UF	2,464,147	(144,398)	82,364
US\$	(1,054,193)	2,761	(3,071)
MX	53,036	(1,601)	1,708
Usage	(235,401)		

As at December 31, 2022

	VPN	VPN + 1%	VPN - 1%
Ch\$	2,213,078	(118,632)	125,503
UF	2,132,627	(78,212)	58,401
US\$	(937,888)	6,190	(6,702)
MX	72,954	(1,852)	1,982
Usage	(192,506)		

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The impact on the financial margin by currency of a parallel movement of 100 points is illustrated below:

As at June 30, 2023

	Net present value				Financial Margin			
	\$ MCh\$	UF MCh\$	US\$ MCh\$	MX MCh\$	\$ MCh\$	UF MCh\$	US\$ MCh\$	MX MCh\$
1 Month	422,512	(249,107)	(916,207)	1,886	(4,049)	2,321	8,780	(19)
2 Months	(577,023)	264,441	(731,274)	1,586	5,049	(2,354)	6,399	(14)
3 Months	346,721	148,341	(458,802)	4,156	(2,745)	(1,211)	3,632	(33)
4 Months	149,901	196,699	371,096	2,858	(1,062)	(1,424)	(2,629)	(20)
5 Months	486,779	(74,274)	290,305	1,917	(3,042)	438	(1,814)	(12)
6 Months	865,583	(164,734)	439,786	2,552	(4,689)	869	(2,382)	(14)
7 Months	181,942	37,860	59,373	1,181	(834)	(192)	(272)	(5)
8 Months	235,961	7,854	26,768	262	(885)	(45)	(100)	(1)
9 Months	354,202	(168,420)	11,035	441	(1,033)	480	(32)	(1)
10 Months	88,368	107,778	62,170	463	(184)	(233)	(130)	(1)
11 Months	(2,373,701)	6,927	85,407	1,758	2,967	(13)	(107)	(2)
12 Months	166,604	30,326	45,529	116	(69)	(14)	(19)	-
Total					(10,576)	(1,378)	11,326	(122)

Inflation exposure

13,971

Usage 14,721

As at December 31, 2022

	Net present value				Financial Margin			
	\$ MCh\$	UF MCh\$	US\$ MCh\$	MX MCh\$	\$ MCh\$	UF MCh\$	US\$ MCh\$	MX MCh\$
1 Month	(1,630,008)	223,940	(695,713)	13,238	(15,621)	2,083	(6,667)	127
2 Months	496,849	(3,955)	(512,508)	7,296	4,347	(91)	(4,484)	64
3 Months	1,106,315	178,698	(618,373)	6,022	8,758	1,363	(4,895)	48
4 Months	269,502	203,565	105,031	3,439	1,909	1,398	744	24
5 Months	426,786	(253,265)	387,466	1,807	2,667	(1,621)	2,422	11
6 Months	90,443	75,295	736,690	3,532	490	375	3,990	19
7 Months	14,575	(318,834)	77,155	351	67	(1,488)	354	2
8 Months	84,872	193,683	47,273	(727)	318	704	177	(3)
9 Months	(38,694)	(11,318)	26,217	216	(113)	(49)	76	1
10 Months	89,185	120,645	(29,486)	908	186	240	(62)	2
11 Months	195,360	(55,328)	(28,311)	866	244	(76)	(36)	1
12 Months	402,360	(40,822)	74,451	1,026	169	(19)	31	-
Total					3,421	2,819	(8,350)	296

Inflation exposure

8,762

Usage 10,576

Net present value, equivalent to the net present value of asset and liability flows.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Accounting hedges

Transactions under the accounting hedging modality are governed by the technical and procedure specifications described in the Accounting Hedging Policy, managed by the Finance Division. This policy indicates the strategies for hedging with derivatives, specific risk being hedged, effectiveness testing, accounting for hedging relationships and general descriptions related to this product.

As a general concept, a derivative position, which is hedging a certain financial instrument, that arises in the ALM book continues to belong to that book in the event that the hedged item has, for instance, been sold. This translates into no effect on the related regulatory reports and follows the logical determination to separate products and instruments from the trading book and the banking book, as established in RAN Chapter 21-7.

The Market Risk Management Department supervises the deals entered under this modality in the peak system, reviewing concepts such as type of strategy, type of product entered, currency, term and counterparty, making an effective comparison between the system and the confirmation forms received from the back office area, in order to subsequently provide its final approval.

Additionally, for the management process, on a monthly basis it compares the amounts of results that were entered on a daily basis and the final results received from the Parent, making the related adjustments should differences exist.

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 the volatility in 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

The following tables show the exposures to the different currencies, whether of banking products or derivatives in their equivalent in local currency:

	As at June 30, 2023			As at December 31, 2022		
	Assets MCh\$	Liabilities MCh\$	Net MCh\$	Assets MCh\$	Liabilities MCh\$	Net MCh\$
US\$	56,938,557	56,849,761	88,796	52,013,637	51,886,787	126,850
CAD	18,738	17,525	1,213	20,894	19,638	1,256
BRL	22,821	22,833	(12)	10,290	10,258	32
PEN	60,224	60,465	(241)	41,688	42,411	(723)
AUD	219,183	242,014	(22,831)	226,590	228,690	(2,100)
CNY	90,492	89,968	524	96,315	94,972	1,343
DKK	-	-	-	-	-	-
JPY	387,989	380,409	7,580	371,766	366,629	5,137
CHF	583,978	591,249	(7,271)	505,914	514,589	(8,675)
NOK	5,662	5,671	(9)	2,953	2,868	85
NZD	57	1	56	550	535	15
GBP	174,616	173,171	1,445	163,933	158,653	5,280
SEK	15,905	16,036	(131)	21,339	20,908	431
HKD	1,280	1,196	84	75	-	75
ZAR	28	-	28	34	-	34
COP	83,373	84,365	(992)	44,171	45,099	(928)
MXN	218,697	220,499	(1,802)	106,450	102,536	3,914
EUR	1,301,961	1,301,956	5	1,143,322	1,122,988	20,334
Other currencies	1,439	-	1,439	1,401	-	1,401

Balance Book interest rate risk

The Bank is exposed to the volatility in the structure of market interest rates over its structural exposures. As a result of the 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 this must be reported monthly to CMF.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

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

Range of days	As at June 30, 2023 Mismatch due to term				As at December 31, 2022 Mismatch due to term			
	Ch\$	UF	US\$	MX (*)	Ch\$	UF	US\$	MX (*)
00002-00030	(619,051)	263,374	(739,348)	1,585	(1,963,521)	79,692	(903,878)	13,238
00031-00060	303,516	147,299	(464,238)	4,155	450,206	(5,014)	(522,896)	7,296
00061-00090	109,750	195,656	364,050	2,857	1,058,222	177,663	(625,297)	6,022
00091-00120	445,444	(75,316)	285,248	1,917	225,528	202,531	96,155	3,439
00121-00150	819,240	(165,777)	435,285	2,551	381,267	(254,299)	381,079	1,807
00151-00180	140,297	36,817	53,567	1,180	38,087	74,261	731,092	3,531
00181-00210	194,840	6,807	20,679	261	(30,896)	(319,870)	69,832	350
00211-00240	313,998	(169,462)	4,246	440	40,232	192,644	39,586	(728)
00241-00270	49,384	106,733	57,121	462	(81,935)	(12,352)	17,761	215
00271-00300	(2,418,124)	5,875	80,851	1,757	46,502	119,608	(35,861)	908
00301-00330	126,256	29,284	40,761	116	145,175	(56,371)	(33,987)	865
00331-00360	(771,142)	6,213	(32)	272	358,198	(41,856)	68,557	1,025
00361-00720	1,643,311	735,312	(21,447)	1,592	(1,621,458)	664,568	(4,909)	1,647
00721-01080	1,233,687	(184,939)	(23,752)	1,591	1,730,977	534,739	(14,321)	1,647
01081-01440	617,020	297,756	(31,623)	17,413	835,601	(273,009)	(31,762)	19,065
01441-01800	14,143	434,228	(38,149)	1,097	354,972	4,844	(128,810)	1,217
01801-02160	(325,924)	112,191	(39,696)	825	(202,315)	542,512	(48,969)	1,291
02161-02520	(232,160)	530,851	(43,858)	1,972	(285,304)	432,428	(54,352)	1,170
02521-02880	1,177,098	(858,648)	(45,353)	1,081	502,825	288,415	(56,575)	1,170
02881-03240	165,808	(179,877)	1,795	32,870	909,200	(607,429)	(4,762)	50,764
03241-03600	5,236	(19,059)	-	-	180,130	(339,640)	1,697	(14,735)
03601-05400	63,687	2,107,193	-	-	68,120	1,146,473	-	-
05401-07200	15	(140,284)	-	-	198	(134,503)	-	-
07201-09000	4	(26,513)	-	-	121	(24,957)	-	-
09001-10800	3	464	-	-	101	736	-	-
10800->>>>	(1,106,169)	17,424	(899,582)	-	67	21	-	-
NRS	(706,898)	11,652	(980,044)	-	(1,266,764)	3,255	(722,220)	-

(*) MX Any foreign currency other than the US dollar

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Regulatory limits

The following table shows the regulatory measurement of interest rate risk and indexation of banking book for the short and long-term.

	Amount 6/30/2023 MCh\$	Amount 12/31/2022 MCh\$
Short-term (Margin)		
Short-term interest rate risk	25,051	59,161
Readjustment risk	35,250	32,356
Lower income due to commissions sens.	-	-
Total Short-term Risk	60,301	91,517
Short-term risk limit (35% of the margin)	311,021	321,676
Short-term Limit Usage Percentage	19.39%	28.45%
Long-term (Value)		
Long-term interest rate risk	499,676	749,437
Interest rate optional risk	-	-
Total Long-term Risk	499,676	749,437
Long-term limit (*)	1,083,850	1,236,825
Long-term Limit Usage Percentage	46.10%	60.59%

(*) At the Board's Meeting of April 2023 an amendment to the "Long-term limit" was approved, which was established at 25% of Equity (30% up to March 2023). Such limit is considered in disclosures beginning on June 30, 2023 (the limit amendment has been reported to the CMF).

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 Banco Central de 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 the CMF on its positions at risk and compliance with these limits. It must also report monthly to the CMF 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 credit risk and market risk weighted assets.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

The following tables show the regulatory measure of risks on the trading book:

	Amount 6/30/2023 MCh\$	Amount 12/31/2022 MCh\$
Interest rate risk	241,666	228,900
Currency risk	7,980	13,343
Shares risk	1,490	1,158
Currency optional risk	5	-
Consolidated risk-weighted assets	31,033,287	30,528,390
Credit Risk Regulatory Capital (8% APR)	2,025,172	2,003,712
Regulatory Market Risk Capital (8% APRM)	251,140	243,400
Regulatory Capital Operational Risk (8% APRO)	206,351	195,159
Total Regulatory Capital	2,482,663	2,442,271
Consolidated effective equity	4,335,400	4,122,749
Consumption % (includes RC and RM)	57.26%	59.24%
Basel Ratio (including market risk)	13.97%	13.50%

5) Enterprise risk management (operational risk, models risk, cybersecurity & IT Risk, business continuity and risk management)

The Bank recognizes cybersecurity & IT, data, operational, continuity and models risks as the 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 is in charge of managing all the risks that the Bank defined as main risks.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Cybersecurity & IT risk

Cybersecurity & IT risk relates to 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 Board approves the related policies and frameworks that focus on safeguarding the Bank and its customers' information, ensuring that the Bank's IT environment is reliable, secure, resilient and robust in support of our business objectives.

Cybersecurity risk is addressed within the cybersecurity strategy, which is the adoption of the National Institute of Standards and Technology (NIST). Within this strategy, the functions of identify, detect, protect, respond and recover have been implemented. These functions contain a series of controls that manage cybersecurity risk and indicators have been established to measure it, one of them is the Security Risk Index (SRI) – Protect, that measures the risk of exposure of all technology platforms. Activities and action plans are constantly developed when the level of risk is outside the threshold.

Operational risk

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.

Operational risk exists, in a certain way, in each of the business and support activities of the Bank and its subsidiaries, and could give rise to financial losses, regulatory sanctions or damage to the reputation of the institution.

Operational risk management is a continuous process that goes 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 related responsibilities for managing operational risk.

The Bank manages its operational risks with a governance structure made up of 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.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

As at June 30, 2023, the Bank and its subsidiaries have recognized MCh\$8,313 for operational risk events (MCh\$14,469 as at December 31, 2022).

Net loss expense, gross loss and expense recoveries from operational risk events	6/30/2023 MCh\$	12/31/2022 MCh\$
Internal fraud	(9)	(1,106)
External fraud	(9,020)	(11,417)
Labor practices and safety in the business	(54)	(56)
Customers, products and business practices	(38)	(170)
Damage to physical assets	(10)	(21)
Business interruption and system failures	(69)	(615)
Execution, delivery and process management	(1,047)	(4,336)
Gross loss in the period due to operational risk events	(10,247)	(17,721)
Internal fraud	-	-
External fraud	1,578	2,381
Labor practices and safety in the business	1	-
Customers, products and business practices	-	-
Damage to physical assets	7	3
Business interruption and system failures	-	123
Execution, delivery and process management	348	745
Gross loss recoveries in the period due to operational risk events	1,934	3,252
Net loss in the period due to operational risk events	(8,313)	(14,469)

Operational incident management

The management on operational incidents begins with the identification of an incident by one of the operational risk coordinators present in each division of the Bank, they will be responsible for consolidating, preparing and communicating the related background information. Each incident is subject to an impact analysis and the need to generate an action plan to mitigate the impact and/or frequency of the incident and prevent its future occurrence. Operational incidents are reported to the related instances as appropriate with their related status and action plans and according to RAN Chapter 20-8 to the CMF.

Data risk

Data risk is the exposure to adverse financial and non-financial consequences (e.g., loss of revenue, reputational risk, regulatory risk, suboptimal management decisions) caused by mismanagement, misinterpretation, or misuse of the Bank's data assets. This risk can arise from lack of data risk knowledge; insufficient data risk oversight, governance and controls; inappropriate data management and poor data quality; poor data security and protection; and inappropriate, unplanned or unethical data use.

The Data Risk Management Framework (DRMF) describes the general guiding principles of data risk management and defines the governance structure of the institutional data risk management program. The Data Risk Management Policy (DRMP) categorizes and explains data-related risks and describes the interaction model and the duties and responsibilities of the key stakeholders involved in data risk management within the organization.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Model risk

Model risk is that type of 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 is in charge of managing model risk within the Bank and presenting it to the non-financial risk committees and the 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 model's risk management cycle have procedures at the unit level, where appropriate, which regulate the stages of the cycle for which they 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 such 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 will imply an update of 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 for supervising the actions of management to eliminate deficiencies identified and measure efficiency of the measures.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Cloud computing

In compliance with the CISO Directive (Chief information security officer) on Cloud Outsourcing, TPRM (Third party risk management) has adopted the definition of Cloud Computing published in the National Institute of Standards and Technology (NIST) "NIST Definition of Cloud Computing - special publication No. 800-145".

Cloud computing refers to the practice of using a network of remote servers hosted on the Internet to store, manage, and process data, rather than a local server or personal computer. Cloud computing is a model for enabling convenient, on-demand network access to a shared pool of configurable computing resources (for example, networks, servers, storage, applications, and services) that can be rapidly supplied and released with minimal management effort and interaction by the service provider.

Outsourcing of strategic and non-strategic services

A service is strategic for the Bank when it has the greater potential to impact or have a significant influence (either quantitative or qualitative) on the Bank's operations or reputation. Services that are not classified in the previous category correspond to non-strategic services.

Business continuity

The Bank is committed to take reasonably necessary steps to ensure business continuity during conditions that could disrupt the operations of the workplace or its environment. To achieve this, all business units must incorporate business continuity management practices to create resilient, alternative and/or redundant mechanisms to guarantee the continuity of operations based on the criticality rating established by the business unit itself.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

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 indices.
- 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, cash 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 to achieve an effective management.

The Bank's Board of Directors approves this liquidity management policy and supervises its compliance through the Bank's Audit division. Likewise, 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 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 the senior management, committees and appropriate departments.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Daily management of liquidity is the responsibility of the treasury unit, particularly, ALM management, which is in charge of implementing efficient investment and financing strategies compared to our significant competitors. For such purpose, it must adjust the liability maturity profile considering revenue, capital and liquidity recorded in the current and forecasted scenarios, minimizing the risk caused by an excessive mismatch or high concentration of liabilities.

The tools used to measure and control liquidity risk are:

- Accumulated mismatches at different terms.
- Proportion of liquid assets/enforceable liabilities.
- Concentration of depositors.
- Liquidity stress tests.
- Measurement of liquidity ratios such as the liquidity coverage ratio and net stable financing.

Finally, and based on continuous monitoring, the Bank reviews all aspects of the liquidity management process considering the potential risks to which it is exposed in this matter. Liquidity contingency planning is a critical component of this review, and its objective is to provide a framework to establish appropriate actions in the face of liquidity crisis events. For such purpose, the Bank has a "liquidity contingency plan" that is reviewed and approved on an annual basis by the local Board of Directors and is recommended by our Headquarters.

In order to become aware of and quantify the risk profile, Management focuses on the maturity flows, the concentration of financing, the maintenance of sufficient liquid assets, the quantification of assets committed and liquidity stress tests. The development, implementation and quantification of metrics is performed by the market risk management with A&C of global risk management market risk management (GRM MRM).

As at June 30, 2023 All currencies	Individual Crisis		Systemic crisis		Global Crisis	
	30 days	100 days	30 days	100 days	30 days	100 days
Liquidity gap	(1,287,547)	(2,549,546)	(1,214,943)	(2,566,692)	(1,015,385)	(2,028,770)
Liquid assets hedge	3,135,134	3,096,914	3,135,134	3,096,914	3,135,134	3,096,914
Liquidity Need/Excess	1,847,587	547,368	1,920,191	530,222	2,119,749	1,068,144

As at December 31, 2022 All currencies	Individual Crisis		Systemic crisis		Global Crisis	
	30 days	100 days	30 days	100 days	30 days	100 days
Liquidity gap	(162,678)	(1,068,397)	(53,662)	(1,066,160)	97,076	(461,666)
Liquid assets hedge	2,339,764	3,100,861	2,339,764	3,100,861	2,339,764	3,100,861
Liquidity Need/Excess	2,177,086	2,032,464	2,286,102	2,034,701	2,436,840	2,639,195

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. This is strengthened by the proper segregation of duties, accountability and control by opposition defined in the Bank's organizational structure and its subsidiaries, allowing liquidity management to be performed without conflict of interest.

Supplementing the liquidity management, liquidity stress tests are performed. Indeed, such tests estimate the impact that the different internal, systemic and global liquidity 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 (liquidity excess), horizon of survival, state of internal and regulatory limits.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Scotiabank Chile controls its exposure to liquidity risks at the individual and consolidated level through a tight term mismatch approach, which is complemented by the measurement of liquid assets, concentration and liquidity ratios.

In addition, it has complementary tools that allow managing the concentration of assets and liabilities compared to sources, counterparties, terms and currencies.

Regarding the measurement of adjusted term mismatches, the Bank separates its exposures into two large groups of currencies.

- **Local currency:** includes operations designated in domestic currency, including revalued currencies under local indexation units.
- **Foreign currency:** refers to operations designated in some foreign currency or whose settlement is in foreign currency.

These measurements report mismatches up to a horizon of 90 days, including the flows from operations with financial derivatives. Additionally, the institution projects the movements of income and expense flows for the next 10 days.

As at June 30, 2023					Available Margin			
Consolidated Bank	Mismatches				7 days	15 days	30 days	90 days
	7 days	15 days	30 days	90 days	7 days	15 days	30 days	90 days
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Domestic currency								
Expenses	(4,067,915)	(4,774,496)	(6,338,062)	(10,677,744)				
Income	4,166,765	4,877,074	6,275,751	9,244,122				
Mismatch	98,850	102,578	(62,311)	(1,433,622)	-	-	-	-
Foreign currency								
Expenses	(1,075,656)	(1,732,257)	(2,930,463)	(6,524,298)				
Income	743,649	884,651	1,616,585	3,420,506				
Mismatch	(332,007)	(847,606)	(1,313,878)	(3,103,792)	-	-	1,984,254	-
Consolidated currencies								
Expenses	(5,143,571)	(6,506,753)	(9,268,525)	(17,202,042)				
Income	4,910,414	5,761,725	7,892,336	12,664,628				
Mismatch	(233,157)	(745,028)	(1,376,189)	(4,537,414)	-	-	1,921,943	2,058,850
					Basic Capital			
					3,298,132			
					2 Basic Capital			
					6,596,264			
					Limit File C46 "Liquidity situation"			

As at December 31, 2022					Available Margin			
Consolidated Bank	Mismatches				7 days	15 days	30 days	90 days
	7 days	15 days	30 days	90 days	7 days	15 days	30 days	90 days
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Domestic currency								
Expenses	(4,048,782)	(4,551,607)	(6,306,585)	(12,378,842)				
Income	2,606,698	3,656,794	5,920,206	12,296,783				
Mismatch	(1,442,084)	(894,813)	(386,379)	(82,059)	-	-	-	-
Foreign currency								
Expenses	(1,024,595)	(1,605,258)	(2,782,452)	(6,388,563)				
Income	1,251,190	1,435,934	1,881,943	3,890,052				
Mismatch	226,595	(169,324)	(900,509)	(2,498,511)	-	-	2,244,035	-
Consolidated currencies								
Expenses	(5,073,377)	(6,156,865)	(9,089,037)	(18,767,405)				
Income	3,857,888	5,092,728	7,802,149	16,186,835				
Mismatch	(1,215,489)	(1,064,137)	(1,286,888)	(2,580,570)	-	-	1,857,656	3,708,518
					Basic Capital			
					3,144,544			
					2 Basic Capital			
					6,289,088			
					Limit File C46 "Liquidity situation"			

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Volume and composition of liquid assets

	6/30/2023 MCh\$	12/31/2022 MCh\$
Available funds	160,682	293,151
Exchange and overnight	583,296	723,273
Escrow fund	750,305	341,007
Financial investments	2,150,388	3,297,830
Total liquid assets	3,644,671	4,655,261

Composition of main sources of financing

	6/30/2023 MCh\$	12/31/2022 MCh\$
Deposits and other on-demand obligations	4,663,606	5,096,474
Deposits and term loans	13,655,630	14,070,551
Obligations with banks	5,337,909	5,358,338
Debt instruments issued	9,274,851	8,688,099
Other financial obligations	7,978,131	9,439,561
Total	40,910,127	42,653,023

Maturities of assets and liabilities reported as at June 30, 2023 and December 31, 2022 are detailed as follows:

As at June 30, 2023	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Available	1,143,801	-	-	-	-	-	-
Effective loans	68,968	937,107	1,709,364	3,961,802	30,816,307	72,437	290,557
Loans in LCHR	46	1,598	3,034	12,340	87,258	-	-
Leased contracts	-	-	58,297	223,480	586,695	73,307	62,646
Covenants	4,372	134,607	10,177	-	-	-	-
Financial investments	1,094,165	971,733	-	-	884,351	8,447	302,388
Other asset accounts	290,663	-	-	-	-	-	483,766
TOTAL ASSET	2,602,015	2,045,045	1,780,872	4,197,622	32,374,611	154,191	1,139,357
On-demand obligations	(1,925,477)	(50,455)	(160,333)	(1,688,623)	(844,312)	-	-
Time deposits, bonds and other	(480,638)	(3,209,164)	(3,846,805)	(5,640,902)	(4,373,813)	(1,818,741)	(5,097,114)
Covenants	(3,030,026)	(86,372)	(2,496)	-	-	-	-
Obligations due to LCHR	(4,737)	-	(287)	(14,344)	(31,610)	(20,346)	(43,335)
Obligations within the country	-	-	-	-	-	-	-
Obligations abroad	(353)	(56,622)	(724,770)	(1,136,687)	(166,640)	(314,728)	-
Other liability accounts	(360,892)	-	(513)	(49,845)	-	-	(519,981)
TOTAL LIABILITY	(5,802,123)	(3,402,613)	(4,735,204)	(8,530,401)	(5,416,375)	(2,153,815)	(5,660,430)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

As at December 31, 2022	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 1 year	More than 1 up to 3 years	More than 3 up to 5 years	More than 5 years
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Available	1,262,127	-	-	-	-	-	-
Effective loans	37,241	939,812	1,782,947	3,801,981	31,593,880	73,609	300,655
Loans in LCHR	15	1,744	2,987	12,620	94,714	-	-
Leased contracts	-	-	53,786	196,882	609,165	66,138	70,685
Covenants	4,881	220,540	-	-	-	-	-
Financial investments	242,789	1,604,127	833,397	15,092	5,645	973	76,314
Other asset accounts	752,011	-	-	-	-	-	524,016
TOTAL ASSET	2,299,064	2,766,223	2,673,117	4,026,575	32,303,404	140,720	971,670
On-demand obligations	(2,289,726)	-	-	(1,875,508)	(937,754)	-	-
Time deposits, bonds and other	(63,149)	(3,096,660)	(3,571,556)	(7,388,116)	(3,592,103)	(2,021,970)	(4,492,584)
Covenants	(63,411)	(149,746)	-	-	(3,030,026)	-	-
Obligations due to LCHR	(1)	(5,177)	(352)	(14,683)	(33,555)	(21,859)	(46,579)
Obligations within the country	(1)	-	-	-	-	-	-
Obligations abroad	(135)	(75,971)	(433,721)	(1,313,248)	(268,793)	(332,266)	-
Other liability accounts	(715,077)	-	(2,400)	(138,567)	-	-	(511,169)
TOTAL LIABILITY	(3,131,500)	(3,327,554)	(4,008,029)	(10,730,122)	(7,862,231)	(2,376,095)	(5,050,332)

7) Counterparty risk

As a result of the activity with customers, the Bank has counterparty exposures due to the probability that its debtors could not comply with payments generated due to financial derivative contracts. The Bank limits credit risk 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 risks is managed through regular analysis on the capacity of debtors and potential debtors to meet payments in accordance with the contractual terms of the loans and is mitigated by obtaining admissible guarantees.

The Bank controls its positions in derivative contracts with its counterparties. This exposure to credit risk 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 risk exposure given the current contracts.

6/30/2023	Fair Value Asset MCh\$	Credit risk adjustment MCh\$
Total	(303,620)	9,845

12/31/2022	Fair Value Asset MCh\$	Credit risk adjustment MCh\$
Total	(527,841)	13,141

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements
As at June 30, 2023 and 2022 and December 31, 2022

Note 48 Disclosure on regulatory capital and capital adequacy ratios

Capital management

The Bank's capital management objective is to maintain adequate equity strength and thus ensure capital adequacy, complying with internal objectives and regulatory capital adequacy requirements, which allows the Bank to sustain its business strategy and face possible stress scenarios that may materialize in the short and medium-term, maintaining its solvency and credit rating. It should be noted that the capital levels maintained by the Bank exceed the levels required by current regulations.

For this purpose, the Bank has a capital and profitability management committee, whose objective is to provide strategic guidelines to maximize the Bank's profitability within the internal and regulatory risk appetite, in accordance with the objectives established by the Board of Directors and the policies defined for this purpose, and a Capital Management Department, reporting to the Chief Financial Officer, responsible for the permanent monitoring and control of capital adequacy, this unit is responsible for ensuring capital levels that allow sustained and profitable growth of the business units, and the monitoring of early warnings defined in the risk appetite framework that both this Committee and the Board of Directors have approved as part of the Corporate Governance structure for capital matters.

All the aspects relevant to capital management are contained in the capital management policy, which includes a permanent internal evaluation process for the availability of capital, the definition of standards for conducting stress tests and the calculation of regulatory and internal capital.

Implementation of Basel III

In 2019, the CMF initiated the regulatory process for the implementation of Basel III standards in Chile, in accordance with the provisions of Law No.21130 modernizing Banking Legislation. Through the present date, the CMF enacted the different standards to adapt the Basel III standard to local banks, which are applicable beginning on December 1, 2021. These regulations describe requirements and conditions applicable to: equity definition and calculations of risk-weighted assets (Pillar 1), the issuance of hybrid capital instruments and subordinated bonds, the criteria for determining additional equity requirements for banks with deficiencies identified in the supervisory process (Pillar 2), requirements on disclosures to the market (Pillar 3), and definitions for the determination of capital buffers (countercyclical and conservation), and additional requirements to which banks defined as systemically important (systemic buffer) may be subject, among others.

As at December 1, 2021, in accordance with the implementation schedule of the CMF and the regulatory convergence process towards the Basel III standards, the new determination of the calculation of Risk-Weighted Assets (RWA) starts being implemented, as described in the following regulations, RAN 21-6 for Credit Risk Weighted Assets, RAN 21-7 for Market Risk Weighted Assets and RAN 21-8 for Operational Risk Weighted Assets.

In April 2023, the first full IAPE was delivered as established in the schedule for the implementation of Basel III, such report is intended to perform a self-assessment process (Pillar II), which ensures that banks keep a capital level that is in accordance with their risk profile and foster development and the use of proper processes for monitoring and managing the risks they face. Such internal evaluation process, which subsequently the CMF uses to assess such process fulfilling its oversight role will allow it to require capital additional to the floor requirement in the event of noting risks not hedged by Pillar I to guarantee a level adequate to face risks, especially in adverse credit cycles.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Additionally, in March 2023 and June 2023, information tables required by Pillar III have started being reported. Pillar III refers to market discipline and financial transparency through disclosing significant and timely information, which allows keeping the different market players informed and allows information users to have access to a better assessment of each entity's position, by being aware of the risk profile of the different local banking institutions, their position and capital structure in a unique format, thereby decreasing information mismatch.

Capital requirements

In accordance with the General Banking Law, the Bank must maintain minimum effective equity to risk-weighted consolidated assets ratio of 8%, net of allowances required, and a minimum basic capital ratio of 4.5% over risk-weighted assets and 3% on total consolidated assets, net of allowances required. In addition, and in accordance with the regulatory implementation schedule of said law, capital buffers such as the conservation buffer, the systemically important buffer, the countercyclical buffer and/or Pillar 2 capital charges must be complied with.

For these purposes, effective equity is determined based on capital and reserves or basic capital with the following adjustments:

- Adding bonds with no maturity and/or preference shares that meet the requirements and conditions contained in RAN 21-2, if any.
- Adding subordinated bonds that meet the requirements established in RAN 21-3 with a limit of 50% of the Basic Capital.
- Additional allowances are added with a limit of 1.25% of credit risk weighted assets.

Note that, regarding the equity adjustments, described in RAN 21-1, they are applicable at 15% from December 1, 2022.

In March 2023, the CMF reported that Scotiabank maintains its rating as a systemically important bank, confirming the 1.25% systemic buffer already required from the Bank. In addition, during May, Banco Central de Chile informed that its Board decided to activate the countercyclical capital requirement (CCR) of 0.5% of RWA, which will be enforceable in one year. Finally, in accordance with the effective equity self-assessment report (IAPE), the CMF did not establish additional Pillar 2 capital charges for the Bank.

As at June 2023, in accordance with the transitional provisions applicable to the systemic charge, considering 100% of the conservation buffer in order to maintain grade A solvency, the minimum required level of regulatory capital for the Bank is 10.81%.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Basic capital and effective equity levels at each closing date are detailed as follows:

Information on regulatory capital and capital adequacy indicators

Total Assets, risk weighted assets and components of effective equity as per Basel III	Local Consolidated 6/30/2023	Local Consolidated 12/31/2022
	MCh\$	MCh\$
Total assets as per the statement of financial position	45,307,154	46,460,625
Investment in subsidiaries not subject to consolidation	-	-
Assets discounted from regulatory capital , other than item 2	(45,733)	(44,299)
Credit equivalent	(3,900,925)	(4,621,630)
Contingent loans	1,650,652	1,771,354
Assets generated by the intermediation of financial instruments	-	-
Total assets for regulatory purposes	43,011,148	43,566,050
Assets weighted by credit risk, estimated according to standard methodologies (APRC)	25,314,647	25,046,401
Assets weighted by credit risk, estimated according to internal methodologies (APRC)	-	-
Assets weighted by market risk (APRM)	3,139,249	3,042,505
Assets weighted by operational risk (APRO)	2,579,391	2,439,484
Risk-weighted Assets (APR)	31,033,287	30,528,390
Risk-weighted Assets , after application of the output floor (APR)	31,033,287	30,528,390
Equity of Owners	3,261,958	3,047,091
Non-controlling interest	136,880	140,227
Goodwill	-	-
Excess of minority investments	-	-
Common equity level 1 equivalent (CET1)	3,398,838	3,187,318
Additional deductions to common capital level 1, other than item 2	(61,841)	(51,339)
Common Equity level 1 (CET1)	3,336,997	3,135,979
Voluntary provisions (Additional) imputed as additional equity level 1 (AT1)	-	-
Subordinated bonds imputed as additional equity level 1 (AT1)	155,166	152,642
Preferred shares imputed to additional equity level 1 (AT1)	-	-
Bonds with no fixed term of maturity imputed to additional equity level 1 (AT1)	-	-
Discounts applied to AT1	-	-
Additional equity level 1 (AT1)	155,166	152,642
Capital level 1	3,492,163	3,288,621
Voluntary provisions (Additional) imputed as additional equity level 2 (AT2)	164,248	164,248
Subordinated bonds imputed as additional equity level 1 (AT1)	678,989	669,880
Equivalent level 2 equity (T2)	843,237	834,128
Discounts applied to AT2	-	-
Capital Level 2 (T2)	843,237	834,128
Effective equity	4,335,400	4,122,749
Additional Basic Capital required for the constitution of the conservation reserve	387,916	381,605
Additional Basic Capital required to set up the countercyclical reserve	-	-
Additional Basic Capital required for banks qualified as systemic	96,979	95,401
Additional Capital required for the evaluation on the adequacy of effective equity (Pillar 2)	-	-

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Information on regulatory capital and capital adequacy indicators

Item No.	Solvency indicators and regulatory compliance indicators according to Basel III (in % with two decimals)	Local Consolidated	Local Consolidated
		6/30/2023 %	12/31/2022 %
1	Leverage Indicator (T1_I18/T1_I7)	7.76%	7.20%
1.a	Leverage indicator that the bank must meet, considering the minimum requirements	3.00%	3.00%
2	Common equity indicator (T1_I18/T1_I1.b)	10.75%	10.27%
2.a	Indicator of basic capital that the bank must meet, considering the minimum requirements	5.81%	4.81%
2.b	Equity reserves deficit	0.00%	0.00%
3	Equity indicator level 1 (T1_I25/T1_I11.b)	11.25%	10.77%
3a	Level 1 capital indicator that the bank must meet, considering the minimum requirements	6.31%	6.31%
4	Effective equity indicator (T1_I31/T1_I11.b)	13.97%	13.50%
4.a	Effective equity indicator that the bank must meet, considering the minimum requirements	8.31%	8.31%
4.b	Effective equity indicator that the bank must comply with, considering the charge for article 35bis, if applicable	8.31%	8.31%
4.c	Effective equity indicator that the bank must meet, considering the minimum requirements, conservation reserve and countercyclical reserve	9.56%	9.56%
5	Solvency Rating	A	A
	Regulatory compliance indicators for solvency		
	Voluntary provisions (additional) imputed in Tier 2 capital (T2) in relation to APRC		
6	(T1_I26/(T1_I8.a or 8.b))	0.65%	0.66%
	Subordinated bonds imputed in Tier 2 capital (T2) in relation to Common Equity Tier 1		
7	(CET1)	20.35%	21.36%
8	Additional Tier 1 capital (AT1) in relation to basic capital (T1_I24/T1_I18)	4.65%	4.87%
	Voluntary provisions (additional) and subordinated bonds that are charged to additional		
9	tier 1 capital (AT1) in relation to RWAs ((T1_I19+T1_I20)/T1_I11.b)	0.50%	0.50%

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

As at June 30, 2023 and 2022 and December 31, 2022

Note 49 Subsequent events

The Interim Consolidated Financial Statements were approved by the Audit Committee of Scotiabank Chile on August 10, 2023.

In the view of the Bank's Management and its subsidiaries, between July 1, 2023 and the date of issuance of these Interim Consolidated Financial Statements, no subsequent events have occurred that could have a significant effect on the figures presented herein or on the economic and financial position of the Bank and its subsidiaries.

CHRISTIAN HURTADO F.

Chief Accountant

LUIS ALVAREZ P.

Finance Division Manager

DIEGO MASOLA

Chief Executive Officer