



Scotiabank

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Financial Statements
as at December 31, 2022 and 2021
and for the years then ended

(With the Independent Auditors' Report Thereon)

SCOTIABANK CHILE AND SUBSIDIARIES

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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

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SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Financial Position

As at December 31, 2022 and 2021 and opening balances as at January 1, 2021

	Notes	12/31/2022 MCh\$	12/31/2021 MCh\$	01/01/2021 MCh\$
ASSETS				
Cash and deposits in banks	7	1,268,178	1,459,622	1,252,255
Transactions pending settlement	7	565,421	443,080	344,282
Financial assets held for trading at fair value through profit or loss				
Derivative instruments	8	6,813,293	6,334,097	5,209,556
Financial debt securities	8	419,339	474,715	511,424
Other	8	95,439	115,889	239,845
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	2,360,643	1,950,500	2,117,200
Other	11	-	-	-
Derivative instruments for accounting hedge	12	395,111	326,030	84,236
Financial assets at amortized cost				
Rights under resale agreements and securities lending agreements	13	216,976	120,791	74,477
Financial debt securities	13	-	-	-
Loans and advances to banks	13	66,830	2,996	354,374
Loans and accounts receivable from customers - Commercial loans	13	15,421,175	13,834,313	12,062,245
Loans and accounts receivable from customers - Mortgage loans	13	13,544,491	11,590,604	10,029,195
Loans and accounts receivable from customers - Consumer loans	13	3,606,586	3,087,784	2,778,631
Investments in companies	14	26,093	19,973	19,961
Intangible assets	15	240,400	222,409	204,804
Property and equipment	16	90,636	96,122	104,933
Right-of-use assets under lease contracts	17	174,082	181,672	190,708
Current taxes	18	53,478	5,062	17,021
Deferred tax assets	18	330,907	401,691	343,329
Other assets	19	756,372	915,007	834,369
Non-current assets and disposal groups held for sale	20	15,175	15,534	23,112
TOTAL ASSETS		46,460,625	41,597,891	36,795,957

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Consolidated Statements of Financial Position

As at December 31, 2022 and 2021 and opening balances as at January 1, 2021

	Notes	12/31/2022 MCh\$	12/31/2021 MCh\$	01/01/2021 MCh\$
LIABILITIES				
Transactions pending settlement	7	510,643	395,878	299,014
Financial liabilities held for trading at fair value through profit or loss				
Derivative instruments	21	6,213,012	6,048,854	5,127,722
Other	21	-	-	-
Financial liabilities designated at fair value through profit or loss	10	-	-	-
Derivative instruments for accounting hedge	12	1,536,880	831,935	605,614
Financial liabilities at amortized cost				
Deposits and other on-demand liabilities	22	5,076,459	7,221,177	6,801,578
Term and other on-demand deposits	22	13,972,388	9,462,566	8,840,138
Liabilities under repurchase agreements and securities lending	22	205,943	379,970	456,319
Bank borrowings	22	5,342,212	5,658,415	4,386,782
Debt financial instruments issued	22	7,707,165	6,658,039	6,035,106
Other financial liabilities	22	120,225	110,448	47,860
Lease liabilities	17	160,376	163,775	168,763
Regulatory capital financial instruments issued	23	987,943	756,367	730,284
Provisions for contingencies	24	49,891	56,808	53,449
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	25	146,260	127,268	82,626
Special allowances for credit losses	26	191,256	216,986	114,508
Current taxes	18	1,724	85,595	2,355
Deferred taxes liabilities	18	573	588	522
Other liabilities	27	1,050,357	622,055	537,775
Liabilities included in disposal groups held for sale	20	-	-	-
TOTAL LIABILITIES		43,273,307	38,796,724	34,290,415
EQUITY				
Capital	28	1,368,421	1,368,421	1,368,421
Reserves	28	381,405	373,966	373,966
Accumulated other comprehensive income				
Items that will not be reclassified to profit or loss	28	2,588	2,577	3,415
Items that can be reclassified to profit or loss	28	(142,226)	(209,176)	(215,990)
Retained earnings from previous years	28	1,095,630	840,999	675,748
Profit for the period	28	487,533	424,228	275,419
Less: Provisions for dividends, payment of interest and repricing of issued regulatory capital financial instruments	28	(146,260)	(127,268)	(82,626)
Attributable to the owners of the Bank :	28	3,047,091	2,673,747	2,398,353
Non-controlling interest	28	140,227	127,420	107,189
TOTAL EQUITY		3,187,318	2,801,167	2,505,542
TOTAL LIABILITIES AND EQUITY		46,460,625	41,597,891	36,795,957

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Income for the year
for the years ended December 31, 2022 and 2021

	Notes	12/31/2022 MCh\$	12/31/2021 MCh\$
Interest income		1,757,297	1,093,071
Interest expense		(1,111,306)	(312,048)
Net interest income	30	645,991	781,023
Indexation income		1,337,421	651,581
Indexation expense		(846,233)	(462,011)
Net indexation income	31	491,188	189,570
Fee and commission income	32	289,578	258,288
Fee and commission expense	32	(88,643)	(82,999)
Net fee and commission income	32	200,935	175,289
<i>Net financial result for :</i>			
Financial assets and liabilities held for trading	33	115,228	75,865
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	5,898	31,086
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	33	(60,778)	49,854
Reclassifications of financial assets due to change in business model	33	-	-
Other financial result	33	3,216	7,082
Net financial result	33	63,564	163,887
Equity in net income of investees	34	6,513	(6,895)
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	35	4,246	1,665
Other operating income	36	24,592	33,093
TOTAL OPERATING INCOME		1,437,029	1,337,632
Expenses for employee benefit obligations	37	(274,477)	(284,722)
Administrative expenses	38	(230,526)	(207,880)
Depreciation and amortization	39	(60,583)	(56,424)
Impairment of non-financial assets	40	(584)	(262)
Other operating expenses	36	(34,682)	(35,487)
TOTAL OPERATING EXPENSES		(600,852)	(584,775)
OPERATING INCOME BEFORE CREDIT LOSSES		836,177	752,857

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Income for the year
for the years ended December 31, 2022 and 2021

	Notes	12/31/2022 MCh\$	12/31/2021 MCh\$
<i>Credit loss expenses for :</i>			
Provisions for credit losses on loans and advances to banks and loans and accounts receivable from customers	41	(382,709)	(177,137)
Special allowances for credit losses	41	13,120	(102,478)
Recovery of written-off loans	41	69,980	71,785
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	41	(51)	(157)
Credit loss expense	41	<u>(299,660)</u>	<u>(207,987)</u>
OPERATING INCOME		<u>536,517</u>	<u>544,870</u>
Profit or loss from continuing operations before taxes		536,517	544,870
Income tax expense	18	<u>(21,461)</u>	<u>(94,865)</u>
Profit or loss from continuing operations after taxes		<u>515,056</u>	<u>450,005</u>
Profit or loss from discontinued operations before taxes	42	-	-
Taxes from discontinued operations	18	-	-
Income from discontinued operations after taxes	42	<u>-</u>	<u>-</u>
CONSOLIDATED PROFIT FOR THE PERIOD	28	<u>515,056</u>	<u>450,005</u>
Attributable to :			
Owners of the Bank	28	487,533	424,228
Non-controlling interest	28	27,523	25,777
Earnings per share attributable to equity owners :			
Basic and diluted earnings	28	\$39.82	\$34.65

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Other Comprehensive Income
for the years ended December 31, 2022 and 2021

	12/31/2022 MCh\$	12/31/2021 MCh\$
CONSOLIDATED PROFIT FOR THE PERIOD	515,056	450,005
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	(33)	101
Changes in the Fair Value of equity instruments designated at fair value through other comprehensive income	35	(928)
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	2	(827)
Income tax on other comprehensive income that will not be reclassified to profit or loss	9	(11)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX	11	(838)
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS		
Changes in the fair value of financial assets at fair value through other comprehensive income	24,068	(194,518)
Translation differences for foreign entities	-	-
Accounting hedges of net investments in foreign entities	-	-
Cash Flow hedge accounting	67,120	204,586
Undesignated items of hedging accounting instruments	-	-
Other	(120)	-
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	91,068	10,068
Income tax on other comprehensive income that can be reclassified to profit or loss	(24,113)	(3,288)
TOTAL OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	66,955	6,780
OTHER TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	66,966	5,942
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	582,022	455,947
Attributable to :		
Owners of the Bank	554.494	430.204
Non-controlling interest	27.528	25.743

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Cash Flows
for the years ended December 31, 2022 and 2021

	Notes	12/31/2022 MCh\$	12/31/2021 MCh\$
A) CASH FLOWS FROM OPERATING ACTIVITIES :			
CONSOLIDATED INCOME BEFORE TAXES FOR THE PERIOD		536,517	544,870
Debit (credit) to profit or loss not representing movements in cash flows:			
Income tax expense	18	39,260	(89,244)
Changes in deferred tax assets and liabilities	18	(60,721)	(5,621)
Depreciation and amortization	39	60,583	56,424
Impairment of assets	40-41	635	419
Allowances for credit losses	41	369,589	279,615
Net income from assets received in lieu of payment or awarded in legal auction	35	(345)	(28)
Net gain (loss) from non-current assets held for sale	35	(4,438)	(1,971)
Net gain (loss) from disposal groups held for sale	35	-	-
Net interest income	30	(645,991)	(781,023)
Net indexation income	31	(491,188)	(189,570)
Net fee and commission income	32	(200,935)	(175,289)
Equity share of profit (loss) from investments in related companies	34	(6,513)	6,895
Effect of fair value adjustment on derivative instruments		543,527	103,573
Other debits (credits) to profit or loss not representing movements on cash flows		206,103	73,746
Changes due to increase /decrease of assets and liabilities affecting the operating flow :			
(Increase) decrease in financial debt securities		165,035	44,918
(Increase) decrease in loans and advances to banks		(63,431)	351,007
(Increase) decrease under resale agreements and securities lending agreements		68,424	(15,292)
(Increase) decrease in loans and advances to customers		(2,476,103)	(3,346,263)
Increase (decrease) in other assets		144,990	(51,629)
Increase (decrease) in non-current assets and disposal groups held for sale		(998)	2,101
Net change in financial derivative contracts / financial derivative contracts for hedge		(222,361)	(322,455)
(Decrease) increase in deposits and other on-demand liabilities		(2,118,757)	388,488
(Decrease) increase in liabilities under repurchase agreements and securities lending		(171,302)	(76,378)
(Decrease) increase in term and other on-demand deposits		4,791,107	597,274
(Decrease) increase in other liabilities		429,896	91,742
Interest received		1,627,901	1,373,727
Interest paid		(1,113,378)	(354,389)
Indexation received		(277,163)	44,923
Indexation paid		(149,749)	198,638
Fees and commissions received	32	289,578	258,288
Fees and commissions paid	32	(88,643)	(82,999)
Taxes and fines paid	38	(217)	(62)
Collection of remaining balance of taxes from previous years		-	11,312
Total net cash flows generated from (used in) operating activities		1,180,912	(1,064,253)

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Cash Flows
for the years ended December 31, 2022 and 2021

	Notes	12/31/2022 MCh\$	12/31/2021 MCh\$
B) CASH FLOWS FROM INVESTING ACTIVITIES :			
Acquisitions of investments in companies	14	-	(6,806)
Disposals of investments in companies	14	3	191
Dividends received from investments in companies	34	427	318
Acquisitions of Property and equipment	16	(10,750)	(6,753)
Disposals of Property and equipment		6,629	4,081
Acquisitions of intangible assets	15	(51,145)	(45,526)
Disposals of intangible assets		-	-
Disposal of assets received in lieu of payment or awarded		11,980	13,063
Net change in investments securities		(242,727)	(248,086)
Total net cash flows generated from (used in) investing activities		(285,583)	(289,518)
C) CASH FLOWS FROM FINANCING ACTIVITIES :			
Attributable to the interest of the owners:			
Proceeds from issuance of letter of credit		-	-
Redemption and payment of interest / principal on letters of credit		-	-
Issuance of current bonds		1,123,737	201,268
Redemption and payment of interest / principal on current bonds		(1,576,367)	(794,482)
Issuance of mortgage bonds		-	-
Redemption and payment of interest / principal on mortgage bonds		-	-
Payment of interest/principal on lease contracts	17	(14,666)	(14,638)
Subordinated bonds issuance		148,854	-
Payment of interest and principal on subordinated bonds	23	(57,287)	(49,980)
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	(169,754)	(110,168)
Net change in bank borrowings		(815,750)	1,249,379
Net change in debt financial instruments issued		561,873	778,829
Net change in regulatory capital financial instruments issued		69,578	(191,056)
Net change in other financial liabilities		40,610	57,325
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		(16,759)	(5,512)
Total net cash flows generated from (used in) financing activities		(705,931)	1,120,965
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE PERIOD		189,398	(232,806)
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		(5,457)	135,032
INITIAL BALANCE OF CASH AND CASH EQUIVALENTS		2,057,629	2,155,403
FINAL BALANCE OF CASH AND CASH EQUIVALENTS AS AT DECEMBER 31		2,241,570	2,057,629

The Consolidated Statements of Cash Flows as at December 31, 2022 and 2021 were prepared under the indirect method, determining the variation between the balances as at such dates.

SCOTIABANK CHILE AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
for the years ended December 31, 2022 and 2021

Source of changes in equity (MCh\$)	Equity attributable to owners				Non-controlling interest	Total equity
	Capital	Reserves	Accumulated other comprehensive income	Retained earning from previous years and profit for the period		
Closing balances as at December 31, 2020 before restatement (proforma) as at January 1, 2021	1,246,706	496,397	(213,228)	868,482	107,189	2,505,546
Effects of CNC first application to banks for 2020	-	(716)	712	-	-	(4)
Reclassifications due to application of new accounting codes	121,715	(121,715)	(59)	59	-	-
Opening balances as at January 1, 2021	1,368,421	373,966	(212,575)	868,541	107,189	2,505,542
Payment of ordinary shares dividends	-	-	-	(110,168)	(5,512)	(115,680)
Provision for payment of ordinary shares dividends	-	-	-	(44,642)	-	(44,642)
Subtotal: Transactions with the owners for the period	1,368,421	373,966	(212,575)	713,731	101,677	2,345,220
Profit for the period	-	-	-	424,228	25,777	450,005
Other comprehensive income (loss) for the period	-	-	5,976	-	(34)	5,942
Subtotal: Comprehensive income (loss) for the period	-	-	5,976	424,228	25,743	455,947
Closing balances as at December 31, 2021	1,368,421	373,966	(206,599)	1,137,959	127,420	2,801,167
Closing balances as at December 31, 2021 before restatement as at January 1, 2022	1,368,421	373,966	(207,468)	1,137,959	127,420	2,800,298
Effects of CNC application for banks as at 1/1/2021 accumulated result	-	-	869	-	-	869
Opening balances as at January 1, 2022	1,368,421	373,966	(206,599)	1,137,959	127,420	2,801,167
Effects of CNC first application to banks accumulated 2021	-	-	-	157	-	157
Effects of CNC first time application to banks for 2022	-	7,439	-	-	2,038	9,477
Payment of ordinary shares dividends	-	-	-	(169,754)	(16,759)	(186,513)
Provision for payment of ordinary shares dividends	-	-	-	(18,992)	-	(18,992)
Subtotal: Transactions with the owners in the period	1,368,421	381,405	(206,599)	949,370	112,699	2,605,296
Profit for the period	-	-	-	487,533	27,523	515,056
Other comprehensive income (loss) for the period	-	-	66,961	-	5	66,966
Subtotal: Comprehensive income (loss) for the period	-	-	66,961	487,533	27,528	582,022
Closing balances as at December 31, 2022	1,368,421	381,405	(139,638)	1,436,903	140,227	3,187,318

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Consolidated Financial Statements
As at December 31, 2022 and 2021

Note 1 General information

Scotiabank Chile (hereinafter the "Bank") is the Parent of a group of entities, constituted in Chile as a closely-held shareholders' 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. As consolidated group, the Bank has subsidiaries supplementing its line of business (Note 2(b)), in accordance with General Banking Law and subject to the oversight of the Financial Market Commission (hereinafter the "CMF").

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

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

The current ownership structure is composed of Nova Scotia Inversiones Limitada (99.79%) and non-controlling interests (0.21%). 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 Consolidated Financial Statements

As at December 31, 2022 and 2021

Note 2 Significant accounting policies**(a) Basis of preparation**

The Consolidated Financial Statements as at December 31, 2022, which comprise the Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity of Scotiabank Chile 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 do not contradict its instructions, must apply the generally accepted accounting principles, which relate to the technical standards issued by the Colegio de Contadores de Chile A.G., which agree with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

(b) Basis of consolidation

The 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.

The Consolidated Financial Statements have been prepared using consistent accounting policies for similar transactions and other events in equivalent circumstances. Significant intercompany transactions and balances (assets and liabilities, equity, revenue, expenses and cash flows) generated from operations performed between the Bank and its subsidiaries and between such subsidiaries have been eliminated 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.

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

- Consolidated Statements of Financial Position as at December 31, 2022 and 2021 and January 1, 2021.
- Consolidated Statements of Income, Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity for the twelve-month period between January 1 and December 31, 2022 and for the twelve-month period between January 1 and December 31, 2021.

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:

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

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

Company	Direct	Indirect	Direct	Indirect
	December 2022	December 2022	December 2021	December 2021
	%	%	%	%
Scotia Administradora General de Fondos Chile S.A.	99.33	0.67	99.33	0.67
Scotia Corredora de Seguros Chile Limitada	99.90	0.10	99.90	0.10
Centro de Recuperación y Cobranza Limitada	99.90	0.10	99.90	0.10
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	99.91	-	99.91	-
CAT Administradora de Tarjetas S.A.	51.00	-	51.00	-
CAT Corredores de Seguros y Servicios S.A.	51.00	-	51.00	-
Servicios Integrales S.A.	51.00	-	51.00	-
Administradora y Procesos S.A.	51.00	-	51.00	-
Scotia Corredora de Bolsa Chile Limitada	99.19	0.80	99.19	0.80
Scotia Asesorías Financieras Limitada	98.74	-	98.74	-
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	97.49	-	97.49	-

ii) Fund management

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

iii) Non-controlling interests

Non-controlling interest represents the portion of losses and gains and of net assets which the Bank does not control directly or indirectly. It is presented separately in the Consolidated Statements of Income, the Consolidated Statements of Other Comprehensive Income, Consolidated Statements of Changes in Equity and the Consolidated Statements of Financial Position within Equity.

iv) 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.

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(c) Basis of measurement

The 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 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\$850.20 per US\$1 as at December 31, 2022 (Ch\$852.63 as at December 31, 2021).

The loss of MCh\$60,778 as at December 31, 2022, related to "Foreign currency translation differences, indexation and accounting hedge of foreign currencies" (gain of MCh\$49,854 as at December 31, 2021), shown in the 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 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:

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- 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 the significant related parties are detailed in Note 43, 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 Consolidated Financial Statements.

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

(h) Consolidated statements of changes in equity

The Statements of Changes in Equity included in these Consolidated Financial Statements includes movements in Equity occurred between January 1 and December 31, 2022 and 2021.

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

(i) 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 year, distinguishing those 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:

- Consolidated profit or loss for the year.
- 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.

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(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.

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.

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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 had been recognized in other comprehensive income is recognized in profit and loss.

The Bank derecognizes from the Consolidated Statements 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.

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

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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 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.

For financial assets at fair value through other comprehensive income, debt financial instruments at amortized cost and Rights under resale agreements and securities lending, impairment determined by a model of expected credit losses according to IFRS9. 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 occurring over remaining term to maturity is used.
- **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 that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

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.

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- **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 Consolidated Statements of Income.

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 Consolidated Statements of Income.

(k) Cash and deposits in banks

For purposes of the Consolidated Statements of Cash Flows, the Bank considers the sum of cash in banks and on hand, net debit and credit balances of operations pending settlement as well as those investments in fixed-income mutual funds, 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 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 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.

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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.

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 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 Consolidated Statements of Income for the year.

(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 Consolidated Statements 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 December 31, 2022 and 2021, 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 Consolidated Statements of Income.

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

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

Amounts recognized directly in Equity are subsequently recorded in profit or loss in the same periods in which the hedged assets or liabilities affect profit or loss.

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

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

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(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 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.

Lease operations

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

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

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

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 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:

- on the basis of information available the Bank reaches the conclusion that it will not obtain any flows from the loan recorded in assets.
- when a debt owed to the Bank without an enforcement order reaches 90 days past due since being recorded in assets.
- 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.
- 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.

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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.

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ii) Joint ventures

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

iii) Shares or interests in other companies

Entities which are not significantly controlled or influenced by the Bank are recorded in this line item. It includes the minority permanent investments in domestic companies, recorded at their acquisition cost 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 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 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.

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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 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 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 equipment	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.

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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.

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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 Consolidated Statements of Financial Position, and any adjustment to income tax payable in respect of previous years.

The Bank and its subsidiaries recognize, where appropriate, deferred tax assets and liabilities resulting from temporary differences between the financial statement carrying value and tax basis of assets and liabilities (temporary differences). Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences related to the year in which they reverse, based on the laws that have been enacted or substantively enacted at the date of the Consolidated Statements of Financial Position.

Deferred tax expense is recognized except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

A deferred tax asset is recognized only to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each date of the Consolidated Statements of Financial Position and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(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.

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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 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.

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(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 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 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 Consolidated Statements of Income.

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(y) Provisions and contingent liabilities

Provisions are liabilities of uncertain timing or amount. A provision is recognized in the 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 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.

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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	Provision(%)
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

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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.

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.

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Additional allowances for loans:

In conformity with the standards issued by the CMF, the Bank has made additional provisions on its loan portfolio to hedge against the risk of unpredictable adverse economic fluctuations that may affect the macroeconomic environment or the situation in a specific economic sector.

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 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.

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(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 Consolidated Statements of Financial Position.

(ac) Use of judgments and estimates

The preparation of the Consolidated Financial Statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from 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 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 losses.
- 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 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.

Adjustments mainly relate to the indexation associated with changes in the value of Unidad de Fomento (UF), which amounted to Ch\$35,110.98 as at December 31, 2022 (Ch\$30,991.74 as at December 31, 2021).

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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 Consolidated Statements of Financial Position and no income for these items will be recognized in the 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.

Employee benefit expenses and the related benefit obligation are calculated using actuarial methods and assumptions, which are based on Management's best estimate and reviewed and approved annually. They include variables such as personnel turnover rate, expected salary growth, mortality rate, disability, retirement age, beginning of working age, average age of beneficiary personnel and the probability of using this benefit, discounted at the current rate for long-term operations (the rate of in UF at 20 years of Bonds issued by the Banco Central de Chile is used).

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

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

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(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 Consolidated Statements of Income.

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

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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. 2305, February 16, 2022, CNC for Banks. Amends Chapter C-1 "Annual Financial Statements."

The presentation of financial information related to solvency and regulatory capital indicators is amended

Circular No. 2311 dated April 4, 2022 amends Chapter 21-6 "Determination of credit risk-weighted assets" of the Updated Compilation of Standards (RAN)

It established that exposures to a central counterparty entity will have a credit risk weighting of 2% when they are regulated and under the oversight of this Commission, in accordance with Law No.20345.

General Standard No. 484 dated August 4, 2022, Fees on credit operations.

It establishes that any payment that the creditor receives or has the right to receive in any way shall be considered as interest on a credit operation, except for those payments that have a special legal regime and those that comply with the following rules, conditions and requirements, which shall be referred to as "commission":

- Amount calculated based on the cost of providing the service.
- It must be expressly informed to and accepted by the customer prior to collection and provision of the service.
- Information on the services must be available to the public through the same channels used to offer and engage credit operations.
- The service must be real, effectively rendered and different from those inherent to the money credit transaction; i.e. those that have the quality of being part of the substance of that transaction, without which it is not possible for either the debtor or the creditor to initiate, enter into, formalize or terminate it.

The date of application of these regulations is August 1, 2023.

Circular No. 2323 dated October 21, 2022 amends Chapter B-6 "Allowances for country risk" and B-7 "Special allowances for foreign loans" of the CNC for Banks.

In order to include transactions denominated in Chilean pesos in the calculation of allowances for country risk and special allowances for foreign loans, all references to cross-border transactions indicated in Chapters B-6 and B-7 for calculating both types of allowances that are exclusively transactions payable in foreign currency are eliminated.

ii) New pronouncements introduced by the IASB

Current accounting pronouncements

The following amended accounting pronouncements are mandatory for periods beginning on January 1, 2022:

Amendments to IFRS	Mandatory application date
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)	Annual periods beginning on or after January 1, 2022 for contracts existing at the application date.
Annual Improvements to IFRS Standards 2018-2020	Annual periods beginning on or after January 1, 2022.
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022.
Reference to the Conceptual Framework (amendments to IFRS 3)	Annual periods beginning on or after January 1, 2022.
Covid-19- Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)	Annual periods beginning on or after April 1, 2022.

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

In order to clarify the types of costs a company includes as fulfillment costs when assessing whether a contract is onerous, the IASB issued the amendment to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" in May 2020. As a result of this amendment, entities that currently apply the "incremental cost" approach will be required to recognize larger provisions and an increased number of onerous contracts.

The amendment clarifies that cost of fulfilling a contract includes:

- the incremental costs, e.g., direct labor and materials; and
- allocations of other direct costs, e.g. the allocation of a depreciation expense of an item of property and equipment used in fulfilling the contract.

At the date of initial application, the accumulated effect of performing this amendment to the standard is recognized in the opening balances as an adjustment to retained earnings or any other item in equity, as appropriate.

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

Annual Improvements to IFRS Standards 2018-2020

As part of the process of making non-urgent but necessary changes to IFRS Standards, the IASB issued Annual Improvements to IFRS Standards 2018-2020, whose changes clarify wording or correct minor consequences, omissions or conflicts between the requirements of the Standards.

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

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Notes to the Consolidated Financial Statements

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Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16)

In order to provide guidance on the accounting for sales and costs that entities can generate in the process of making an item of property and equipment available for use, the IASB issued in May 2020 the amendment to IAS 16.

In accordance with these amendments, proceeds from the sale of the assets obtained in the process in which an item of Property and Equipment is available for use, should be recognized in the statement of income together with the costs of producing such assets. IAS 2 "Inventories" should be applied in identifying and measuring these items.

Entities will have the need to make the difference between:

- costs associated with producing and selling items before the item of Property and equipment is available for use; and
- costs associated with making the item of Property and equipment available for its intended use.

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

Amendments to the References to the Conceptual Framework in IFRS Standards (Amendments to IFRS 3)

In May 2020, the IASB issued the Reference to Conceptual Framework, which amends IFRS 3 "Business Combinations." The amendment replaces the reference made to a previous version of the Conceptual Framework for Financial Reporting containing a reference to the last version issued in March 2018. In addition, the IASB included an exception to its requirement to the entity to make reference to the Conceptual Framework to determine what is an asset or a liability. This exception establishes that, for certain types of contingent assets and contingent liabilities, the entity that applies IFRS 3 must refer to IAS 37, "Provisions, Contingent Liabilities and Contingent Assets."

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

COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)

The IASB issued COVID-19-Related Rent Concessions, which amended IFRS 16 "Leases", in May 2020. This amendment includes an optional practical expedient, which simplifies the accounting for rent reductions that are the direct result of COVID-19.

Among other conditions, the 2020 amendment permitted lessees to apply the practical expedient only to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. In this regard, the Board has extended the application of the practical expedient by 12 months, allowing lessees to apply it to rental concessions where the reduction in lease payments relates to payments originally due on or before June 30, 2022.

The Bank's Management assessed the impact of the amendment of this Standard and determined that impacts amounted to MCh\$0 as at December 31, 2022 (MCh\$26 as at December 31, 2021) on its Consolidated Financial Statements.

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Accounting pronouncements issued but not yet effective

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

New IFRS	Mandatory application date
IFRS 17 Insurance Contracts	Annual periods beginning on or after January 1, 2023. This date includes the exemption for insurance companies regarding the application of IFRS 9 to allow them to implement IFRS 9 and IFRS 17 simultaneously. Early adoption is permitted for entities applying IFRS 9 and IFRS 15 on or before such date
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, 2023. 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
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS practice Statement 2 Making Materiality Judgements)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted
Definition of Accounting Estimates (Amendments to IAS 8)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted and will be applied prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Annual periods beginning on or after January 1, 2023. Early adoption is permitted
Initial Application of IFRS 17 and IFRS 9 - Comparative Information (Amendments to IFRS 17)	This amendment is applicable beginning on the application of IFRS 17 - Insurance Contracts
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

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 believes the application of this Standard will have no effect on its Consolidated Financial Statements.

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Amendments to IFRS**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."

The amendment is effective retrospectively for annual periods beginning on or after January 1, 2023. Early adoption is permitted. However, companies will consider including disclosures in conformity with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in their next annual financial statements.

The Bank's Management believes the application of this Standard will have no effect on its 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.

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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 evaluated the implications of the adoption of these amendments and determined that there are no material impacts compared to the policies currently disclosed in the 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 believes the application of this Standard will have no effect on its Consolidated Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the Board issued amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", to clarify how companies should account for deferred tax in certain types of transactions where an asset and a liability are recognized, such as leases and decommissioning obligations.

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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 believes the application of this Standard will have no effect on its Consolidated Financial Statements.

Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)

In December 2021, the Board issued amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information, in order to provide relief for operating complexities between the accounting for insurance contract liabilities and related financial assets on initial application of IFRS 17.

The amendments allow the presentation of comparative information on financial assets related to insurance contracts to be presented in a manner consistent with IFRS 9 "Financial Instruments."

The Bank's Management believes the application of this Standard will have no effect on its Consolidated Financial Statements.

Lease Liability on 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 is assessing the impact of adopting these amendments.

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.

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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.

1. Main changes introduced to the CNC for Banks correspond to the following:

- i) New presentation formats for the Statement of Other Comprehensive Income and the Statement of Changes in Equity, as well as new guidelines for investing and financing activities in the Statement of Cash Flows and changes in the formats for the Statements of Financial Position and Statement of Income.
- ii) Incorporation of a Financial Report, which must be prepared in accordance with "Practice Statement No. 1" issued by the IASB.
- iii) Changes to the chart of accounts in Chapter C-3, amending the coding of accounts and their related description.
- iv) Changes in the classification, measurement and presentation of financial instruments in the Statement of Financial Position and Statement of Income, upon adoption of IFRS 9 superseding IAS 39 (except for Chapter 5.5 Impairment).
- v) Amendment of the criteria for the suspension of the recognition of interest and indexation income on an accrual basis for any loan that is 90 days or more past due.
- vi) Definition of standards for measuring and classifying regulatory capital financial instruments issued.
- vii) Obligation to return renegotiated transactions written-off to assets when transactions meet certain conditions.
- viii) Amendment of the percentage of exposure of contingent loans related to unrestricted revolving credit facilities.

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2. Quantitative information regarding the first application of the New Compendium of Accounting Standards

The impacts recorded as at January 1, 2021 due to the application of the regulatory changes effective beginning in this period, in accordance with Chapter E of CNC for Banks, which are treated as adjustments to proforma financial statements, are presented below.

Balance as at January 1, 2021

Assets

	Old CNC 1/1/2021 MCh\$	Adjustments for implementation Reclassification MCh\$	Adjustments MCh\$	New CNC 1/1/2021 MCh\$	Explanation Note
ASSETS					
Cash and deposits in banks	1,252,255	-	-	1,252,255	
Transactions pending settlement	344,282	-	-	344,282	
Financial assets held for trading at fair value through profit or loss					
Derivative instruments	5,293,792	(84,236)	-	5,209,556	a)
Financial debt securities	751,269	(239,845)	-	511,424	b)
Other	-	239,845	-	239,845	b)
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 debt securities	2,121,614	(4,414)	-	2,117,200	c)
Other	-	-	-	-	
Derivative instruments for accounting hedge	-	84,236	-	84,236	a)
Financial assets at amortized cost					
Rights under resale agreements and securities lending agreements	74,482	-	(5)	74,477	e)
Financial debt securities	-	-	-	-	
Loans and advances to banks	354,374	-	-	354,374	
Loans and accounts receivable from customers - Commercial loans	12,062,245	-	-	12,062,245	
Loans and accounts receivable from customers - Mortgage loans	10,029,195	-	-	10,029,195	
Loans and accounts receivable from customers - Consumer loans	2,778,631	-	-	2,778,631	
Investments in companies	18,435	1,526	-	19,961	c), d)
Intangible assets	204,804	-	-	204,804	
Property and equipment	104,933	-	-	104,933	
Right-of-use assets under lease contracts	190,708	-	-	190,708	
Current taxes	17,021	-	-	17,021	
Deferred tax assets	343,328	-	1	343,329	f)
Other assets	854,593	(20,224)	-	834,369	d)
Non-current assets and disposal groups held for sale	-	23,112	-	23,112	d)
TOTAL ASSETS	36,795,961	-	(4)	36,795,957	

Asset standardization adjustments and reclassifications:

- Corresponds to the reclassification of derivative contracts for the incorporation of the caption derivative instruments for accounting hedges.
- Corresponds to the reclassification of mutual funds from the caption Debt financial instruments to Other.
- Corresponds to the reclassification of shares in Bolsa de Comercio de Santiago and Bolsa Electrónica de Chile to the caption Investments in companies
- Corresponds to the reclassification of Assets for disposal for the opening of the new caption Non-current assets and disposal groups held for sale in accordance with the new CNC for Banks.

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- e) Corresponds to the application of the impairment of financial instruments in accordance with the Bank's internal models with an impact on the item Right under resale agreements and securities lending agreements for MCh\$5.
- f) As a result of the application of the CNC for Banks, the Bank recognized impairment in accordance with letter e) above, which generated a temporary difference for which a deferred tax was recognized for MCh\$1.

Balance as at January 1, 2021

Liabilities and Equity

	Old CNC 1/1/2021 MCh\$	Adjustments for implementation Reclassification MCh\$	Adjustments MCh\$	New CNC 1/1/2021 MCh\$
LIABILITIES				
Transactions pending settlement	299,014	-	-	299,014
Financial liabilities held for trading at fair value through profit or loss				
Derivative instruments	5,733,336	(605,614)	-	5,127,722
Other	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Derivative instruments for accounting hedge	-	605,614	-	605,614
Financial liabilities at amortized cost				
Deposits and other on-demand liabilities	6,805,111	(3,533)	-	6,801,578
Term and other on-demand deposits	8,840,138	-	-	8,840,138
Liabilities under repurchase agreements and securities lending	456,319	-	-	456,319
Bank borrowings	4,386,782	-	-	4,386,782
Debt financial instruments issued	6,765,390	(730,284)	-	6,035,106
Other financial liabilities	53,215	(5,355)	-	47,860
Lease liabilities	168,763	-	-	168,763
Regulatory capital financial instruments issued	-	730,284	-	730,284
Provisions for contingencies	53,449	-	-	53,449
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	82,626	-	-	82,626
Special allowances for credit losses	114,508	-	-	114,508
Current taxes	2,355	-	-	2,355
Deferred taxes liabilities	522	-	-	522
Other liabilities	528,887	8,888	-	537,775
Liabilities included in disposal groups held for sale	-	-	-	-
TOTAL LIABILITIES	34,290,415	-	-	34,290,415
EQUITY				
Capital	1,246,706	121,715	-	1,368,421
Reserves	496,397	(121,715)	(716)	373,966
Accumulated other comprehensive income				
Items that will not be reclassified to profit or loss	-	3,415	-	3,415
Items that can be reclassified to profit or loss	(213,227)	(3,475)	712	(215,990)
Retained earnings from previous years	675,688	60	-	675,748
Profit for the period	275,419	-	-	275,419
Less: Provisions for dividends, interest payment and repricing of bonds with no fixed maturity term	(82,626)	-	-	(82,626)
Attributable to the owners of the Bank :	2,398,357	-	(4)	2,398,353
Non-controlling interest	107,189	-	-	107,189
TOTAL EQUITY	2,505,546	-	(4)	2,505,542
TOTAL LIABILITIES AND EQUITY	36,795,961	-	(4)	36,795,957

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Liabilities and equity standardization adjustments and reclassifications:

- g) Corresponds to the reclassification of derivative contracts for the incorporation of the caption derivative instruments for accounting hedges.
- h) Corresponds to the reclassification of subordinated bonds previously recognized in the caption Debt financial instruments issued to the caption Regulatory capital financial instruments issued.
- i) Corresponds to the reclassification of the caption Other financial obligations related to the securitized portfolio for MCh\$5,355 and of the caption Deposits and other on-demand liabilities of MCh\$3,533, to Other liabilities.
- j) Corresponds to the reclassification of the surplus paid for share, previously recognized in Reserves to the caption Capital as established in the CNC for Banks.
- k) Actuarial gains or losses for employee benefit plans relate to items that will not be reclassified to profit or loss, in addition to items that can be reclassified in profit or loss that were reclassified to retained earnings from prior years.
- l) According to the recognition of the impairment of financial instruments and the recognition of their related deferred tax, the effect on Other Reserves amounts to MCh\$716, the detail is as follows:

Concept - First application adjustment	Amount MCh\$
Impairment on debt financial instruments	(715)
Impairment rights under resale agreements and securities lending agreements	(5)
Deferred tax effect of impairment on financial instruments	4
Total effect in other reserves	(716)

- m) Corresponds to the application of the impairment of financial instruments in accordance with the Bank's internal models with an impact on the item Debt financial instruments. Effects are summarized as follows:

Concept - First application adjustment	Amount MCh\$
Impairment on debt financial instruments	(715)
Deferred tax effect of impairment financial instruments	3
Total effect in other accumulated comprehensive income	(712)

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3. Description of impacts as at December 31, 2021:

The impacts recorded as at December 31, 2021 due to the application of the regulatory changes effective beginning in this period, in accordance with Chapter E of CNC for Banks, which are treated as adjustments to proforma financial statements, are presented below.

Balance as at December 31, 2021

Assets

	Old CNC 12/31/2021	Adjustments for implementation Reclassifications	Adjustments	New CNC 12/31/2021	Explanation Note
	MCh\$	MCh\$	MCh\$	MCh\$	
ASSETS					
Cash and deposits in banks	1,459,622	-	-	1,459,622	
Transactions pending settlement	443,080	-	-	443,080	
Financial assets held for trading at fair value through profit or loss					
Derivative instruments	6,660,127	(326,030)	-	6,334,097	a)
Financial debt securities	590,604	(115,889)	-	474,715	b)
Other	-	115,889	-	115,889	b)
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 debt securities	1,953,979	(3,479)	-	1,950,500	c)
Other	-	-	-	-	
Derivative instruments for accounting hedge	-	326,030	-	326,030	a)
Financial assets at amortized cost					
Rights under resale agreements and securities lending agreements	120,796	-	(5)	120,791	e)
Financial debt securities	-	-	-	-	
Loans and advances to banks	2,996	-	-	2,996	
Loans and accounts receivable from customers - Commercial loans	13,834,313	-	-	13,834,313	
Loans and accounts receivable from customers - Mortgage loans	11,590,604	-	-	11,590,604	
Loans and accounts receivable from customers - Consumer loans	3,087,784	-	-	3,087,784	
Investments in companies	16,494	3,479	-	19,973	c)
Intangible assets	222,409	-	-	222,409	
Property and equipment	96,122	-	-	96,122	
Right-of-use assets under lease contracts	181,672	-	-	181,672	
Current taxes	5,062	-	-	5,062	
Deferred tax assets	401,690	-	1	401,691	f)
Other assets	930,541	(15,534)	-	915,007	d)
Non-current assets and disposal groups held for sale	-	15,534	-	15,534	d)
TOTAL ASSETS	41,597,895	-	(4)	41,597,891	

Asset standardization adjustments and reclassifications:

- a) Corresponds to the reclassification of derivative contracts for the incorporation of the caption derivative instruments for accounting hedges.
- b) Corresponds to the reclassification of mutual funds from the caption Debt financial instruments to Other.
- c) Corresponds to the reclassification of shares in Bolsa de Comercio de Santiago and Bolsa Electrónica de Chile to the caption Investments in companies
- d) Corresponds to the reclassification of Assets for disposal for the opening of the new caption Non-current assets and disposal groups held for sale and the shares of Nexus in accordance with the new CNC for Banks.

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- e) Corresponds to the application of the impairment of financial instruments in accordance with the Bank's internal models with an impact on the item Right under resale agreements and securities lending agreements for MCh\$5.
- f) As a result of the application of the CNC for Banks, the Bank recognized impairment in accordance with letter e) above, which generated a temporary difference for which a deferred tax was recognized for MCh\$1.

Balance as at December 31, 2021
Liabilities and Equity

	Old CNC 12/31/2021 MCh\$	Adjustments for implementation Reclassifications MCh\$	Adjustments MCh\$	New CNC 12/31/2021 MCh\$	Explanation Note
LIABILITIES					
Transactions pending settlement	395,878	-	-	395,878	
Financial liabilities held for trading at fair value through profit or loss					
Derivative instruments	6,880,789	(831,935)	-	6,048,854	g)
Other	-	-	-	-	
Financial liabilities designated at fair value through profit or loss	-	-	-	-	
Derivative instruments for accounting hedge	-	831,935	-	831,935	g)
Financial liabilities at amortized cost					
Deposits and other on-demand liabilities	7,221,933	(756)	-	7,221,177	h)
Term and other on-demand deposits	9,462,566	-	-	9,462,566	
Liabilities under repurchase agreements and securities lending	379,970	-	-	379,970	
Bank borrowings	5,658,415	-	-	5,658,415	
Debt financial instruments issued	7,414,406	(756,367)	-	6,658,039	i)
Other financial liabilities	114,824	(4,376)	-	110,448	h)
Lease liabilities	163,775	-	-	163,775	
Regulatory capital financial instruments issued	-	756,367	-	756,367	i)
Provisions for contingencies	56,808	-	-	56,808	
Provisions for dividends, interest payments and repricing of issued regulatory capital financial instruments	127,316	-	(48)	127,268	n)
Special allowances for credit losses	216,986	-	-	216,986	
Current taxes	85,595	-	-	85,595	
Deferred taxes liabilities	588	-	-	588	
Other liabilities	616,923	5,132	-	622,055	h)
Liabilities included in disposal groups held for sale	-	-	-	-	
TOTAL LIABILITIES	38,796,772	-	(48)	38,796,724	
EQUITY					
Capital	1,246,706	121,715	-	1,368,421	j)
Reserves	496,397	(121,715)	(716)	373,966	j), l)
Accumulated other comprehensive income					
Items that will not be reclassified to profit or loss	2,546	31	-	2,577	k)
Items that can be reclassified to profit or loss	(210,045)	-	869	(209,176)	m)
Retained earnings from previous years	841,030	(31)	-	840,999	k)
Profit for the period	424,385	-	(157)	424,228	n)
Less: Provisions for dividends, payments of interests and repricing of bonds with no fixed maturity term	(127,316)	-	48	(127,268)	o)
Attributable to the owners of the Bank :	2,673,703	-	44	2,673,747	
Non-controlling interest	127,420	-	-	127,420	
TOTAL EQUITY	2,801,123	-	44	2,801,167	
TOTAL LIABILITIES AND EQUITY	41,597,895	-	(4)	41,597,891	

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Liabilities and equity standardization adjustments and reclassifications:

- g) Corresponds to the reclassification of derivative contracts for the incorporation of the caption derivative instruments for accounting hedges.
- h) Corresponds to the reclassification of the caption Other financial obligations related to the securitized portfolio for MCh\$4,376 and of the caption Deposits and other on-demand liabilities of MCh\$756, to Other liabilities.
- i) Corresponds to the reclassification of subordinated bonds previously recognized in the caption Debt financial instruments issued to the caption Regulatory capital financial instruments issued.
- j) Corresponds to the reclassification of the surplus paid for share, previously recognized in Reserves to the caption Capital as established in the CNC for Banks.
- k) Actuarial gains or losses for employee benefit plans relate to items that will not be reclassified to profit or loss, which were reclassified from retained earnings from prior years to Other accumulated comprehensive income.
- l) According to the recognition of the impairment of financial instruments and the recognition of their related deferred tax, the effect on Other Reserves amounts to MCh\$716, the detail is as follows:

Concept - First application adjustment	Amount MCh\$
Impairment on debt financial instruments	(715)
Impairment rights under resale agreements and securities lending agreements	(5)
Deferred tax effect of impairment on financial instruments	4
Total effect in other reserves	(716)

- m) Corresponds to the application of the impairment of financial instruments in accordance with the Bank's internal models with an impact on other comprehensive income. Effects are summarized as follows:

Concept - First application adjustment	Amount MCh\$
Impairment on debt financial instruments	(872)
Deferred tax effect of impairment financial instruments	3
Total effect in other accumulated comprehensive income	(869)

- n) Corresponds to the profit or loss generated in 2021 from the recognition of the impairment of financial instruments.
- o) Corresponds to the recalculation of provisional dividends resulting from the implementation of the new CNC for Banks.

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Statements of Income for the year ended December 31, 2021

	Old CNC 12/31/2021 MCh\$	Adjustments for implementation Reclassifications MCh\$	Adjustments MCh\$	New CNC 12/31/2021 MCh\$	Explanation Note
Interest income	1,098,720	(5,649)	-	1,093,071	p)
Interest expense	(312,048)	-	-	(312,048)	
Net interest income	786,672	(5,649)	-	781,023	
Indexation income	651,581	-	-	651,581	
Indexation expense	(462,011)	-	-	(462,011)	
Net indexation income	189,570	-	-	189,570	
Fee and commission income	252,639	5,649	-	258,288	p)
Fee and commission expense	(64,671)	(18,328)	-	(82,999)	q)
Net fee and commission income	187,968	(12,679)	-	175,289	
<i>Net financial result for :</i>					
Financial assets and liabilities held for trading	76,109	(244)	-	75,865	r)
Financial assets not held for trading mandatorily measured at fair value through profit or loss	-	-	-	-	
Financial assets and liabilities designated at fair value through profit or loss	-	-	-	-	
Gain or loss on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income	31,086	-	-	31,086	
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	49,854	-	-	49,854	
Reclassifications of financial assets due to change in business model	-	-	-	-	
Other financial result	7,082	-	-	7,082	
Net financial result	164,131	(244)	-	163,887	
Equity in net income of investees	(7,139)	244	-	(6,895)	r)
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	-	1,665	-	1,665	s)
Other operating income	43,443	(10,350)	-	33,093	s)
TOTAL OPERATING INCOME	1,364,645	(27,013)	-	1,337,632	
Expenses for employee benefit obligations	(284,722)	-	-	(284,722)	
Administrative expenses	(226,208)	18,328	-	(207,880)	q)
Depreciation and amortization	(56,424)	-	-	(56,424)	
Impairment of non-financial assets	(262)	-	-	(262)	
Other operating expenses	(43,003)	7,516	-	(35,487)	s), t)
TOTAL OPERATING EXPENSES	(610,619)	25,844	-	(584,775)	
OPERATING INCOME BEFORE CREDIT LOSSES	754,026	(1,169)	-	752,857	
<i>Credit loss expenses for :</i>					
Provisions for credit losses on loans and advances to banks and loans and accounts receivable from customers	(177,137)	-	-	(177,137)	
Special allowances for credit losses	(103,647)	1,169	-	(102,478)	s)
Recovery of written-off loans	71,785	-	-	71,785	
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	-	-	(157)	(157)	u)
Credit loss expense	(208,999)	1,169	(157)	(207,987)	
OPERATING INCOME	545,027	-	(157)	544,870	
Profit or loss from continuing operations before taxes	545,027	-	(157)	544,870	
Income tax expense	(94,865)	-	-	(94,865)	
Profit or loss from continuing operation after taxes	450,162	-	(157)	450,005	
Profit or loss from continuing operations before taxes	-	-	-	-	
Income tax expense	-	-	-	-	
Income from discontinued operations after taxes	-	-	-	-	
CONSOLIDATED PROFIT FOR THE PERIOD	450,162	-	(157)	450,005	

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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Profit or loss standardization adjustments and reclassifications:

- p) Prepaid commissions were reclassified from the caption Interest income to the caption Fee and commissions income.
- q) Credit card license expenses were reclassified from Administrative expenses to Fee and commission expenses.
- r) Corresponds to dividends received for shares of the Bolsa de Comercio de Santiago, owned by the subsidiary Scotia Corredores de Bolsa S.A., whose investment was reclassified from "Other debt financial instruments issued in Chile" to "Minority investments in other companies in Chile."
- s) Corresponds to reclassifications of MCh\$10,350 million from "Other operating income" to new codes required by the CMF for the following items:
 - Gain on sale of assets received in lieu of payment to the new caption "Net income from assets received in lieu of payment or awarded in legal auction" of (MCh\$5,033).
 - Property, plant and equipment held for sale to the new caption "Non-current assets held for sale" for (MCh\$1,971)
 - Recovery of operating expenses to "Other operating expenses" of (MCh\$2,177)
 - Allowance for country risk to "Allowances for credit losses" of (MCh\$1,169).
- t) Corresponds to the reclassification of assets received in lieu of payment-related expenses from "Other operating expenses" to the new caption "Net income from assets received in lieu payment or awarded in legal auction" of (MCh\$5,339).
- u) Corresponds to the profit or loss generated in 2021 from the recognition of the impairment of financial instruments.

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Statements of Other Comprehensive Income for the year ended December 31, 2021

	Old CNC 12/31/2021 MCh\$	Adjustments for implementation Reclassifications MCh\$	Adjustments MCh\$	New CNC 12/31/2021 MCh\$
CONSOLIDATED PROFIT FOR THE PERIOD	450,162	-	(157)	450,005
Other comprehensive income for the period from :				
ITEMS THAT WILL NOT BE CLASSIFIED IN RESULTS				
Re measurements of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	100	-	-	100
Changes in the Fair Value of equity instruments designated at fair value through other comprehensive income	-	(928)	-	(928)
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 INCOME BEFORE TAXES	100	(928)	-	(828)
Income tax on other comprehensive income that will not be reclassified to income	(11)	-	-	(11)
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO INCOME AFTER TAXES	89	(928)	-	(839)
ITEMS THAT CAN BE RECLASSIFIED IN INCOME				
Changes in the fair value of financial assets at fair value through other comprehensive income	(195,602)	928	157	(194,517)
Translation differences for foreign entities	-	-	-	-
Accounting hedges of net investments in foreign entities	-	-	-	-
Cash Flow hedge accounting	204,586	-	-	204,586
Undesignated items of hedging accounting instruments	-	-	-	-
Other	-	-	-	-
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED IN INCOME BEFORE TAXES	8,984	928	157	10,069
Income tax on other comprehensive income that can be reclassified to profit or loss	(3,288)	-	-	(3,288)
TOTAL OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED IN INCOME AFTER TAXES	5,696	928	157	6,781
OTHER TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,785	-	157	5,942
COMPREHENSIVE INCOME FOR THE CONSOLIDATED PERIOD	455,947	-	-	455,947

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Notes to the Consolidated Financial Statements

As at December 31, 2022 and 2021

4. Description of impacts as at January 1, 2022:

The impacts recorded in January 2022 due to the application of the regulatory changes effective beginning in this period, in accordance with Chapter E of the CNC for Banks, are presented below.

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 is as follows:

Concept - First application adjustment	Loans MCh\$	Provision 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\$	Provision 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

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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	Revolving credit facilities	Credit card	Total
	MCh\$	MCh\$	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 application adjustment	Amount MCh\$
Deferred tax asset - suspension of accruals	435
Deferred tax asset - special allowances for credit losses	52
Total deferred tax asset	487

The credit for deferred tax liabilities consists of:

Concept - First application adjustment	Amount MCh\$
Deferred tax liability - special allowances for credit losses	1,414
Deferred tax liability - renegotiations of transactions written-off	1,136
Deferred tax liability - suspension of accruals	1,540
Total deferred tax liabilities	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

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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 accruals	(3,725)	-	(3,725)
Consumer loans - suspension of accruals	(310)	-	(310)
Mortgage loans - suspension of accruals	953	-	953
Commercial loans - renegotiations of transactions written-off	852	-	852
Consumer loans - renegotiations of transactions written-off	2,012	-	2,012
Mortgage loans - renegotiations of transactions written-off	1,149	-	1,149
Special allowances for credit losses	12,306	-	12,306
Deferred tax asset	487	-	487
Deferred tax liability	(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 year ended December 31, 2022 and due to amendments introduced in the CNC for Banks issued by the CMF, changes in accounting policies have occurred that could affect the interpretation of these Consolidated Financial Statements.

- Change in the credit equivalent of the readily available revolving credit facilities with immediate payment at 10% and Other readily available revolving credit facilities at 40%. Previously, both were merged into readily available revolving credit facilities at 35%. (Chapter B-3).
- Change in the definition of individual and collective portfolio applying the new concept of aggregate exposure for customers belonging to a corporate group whose total debt is equal to or greater than UF20,000. This was presented at the March risk committee for approval. (Chapter B-1).

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Note 5 Significant events

On February 28, 2022, in accordance with the provisions of Article 14 of the General Banking Law, Articles 9 and 10 of Law No. 18045 of the Securities Market Law and Chapter No. 18-10 of the Updated Compilation of Standards issued by the CMF, the following is communicated as essential information of Scotiabank Chile:

On February 27, 2022, The Bank of Nova Scotia ("BNS") reached an agreement with Inversiones Caburga Limitada, Inversiones del Pacífico S.A., Inversiones Santa Virginia Limitada, Inversiones Corinto SpA, Inversiones Valparaíso SpA and Inversiones SH Seis Limitada, hereinafter the "Said Group", to acquire their entire shareholding in Scotiabank Chile equivalent to 16.76% of the subscribed and paid shares of Scotiabank Chile, through an exchange for common shares in BNS. Thus, at the closing of the transaction, BNS will increase its interest in Scotiabank Chile from 83.03% to 99.79%.

The transaction has been measured at approximately CAD\$1.3 billion. At closing, BNS will pay MCAD\$650 in cash and deliver to the Said Group 7 million treasury shares.

Subsequent to closing the transaction, the Said Group will become a significant shareholder of BNS and will maintain its seats and Chairmanship on the Board of Directors of Scotiabank Chile.

The closing of the transaction is subject to the usual conditions for this type of transaction, including the approval to be granted by the CMF and the Canadian regulator. In addition, the Said Group will sell its interest in the other BNS Group companies in Chile and will receive the dividend related to fiscal year 2021 from Scotiabank Chile. It is the intention of BNS, after the closing of the transaction with the Said Group, to transfer the shares acquired to Nova Scotia Inversiones Limitada, the company through which it maintains its interest in Scotiabank Chile.

On March 31, 2022, in accordance with the provisions of Articles 9 and 10 of Law No. 18045 of the Securities Market Law and Chapter No. 18-10 of the Updated Compilation of Standards issued by the CMF, the Bank communicates as essential event that on the same date the shareholders at the Ordinary Shareholders' Meeting of Scotiabank Chile adopted, among others, the following agreements:

1. To distribute 40% of the profits obtained during the 2021; i.e., the amount of MCh\$169,754, equivalent to a dividend of Ch\$13.86326 per share, and to allocate the remaining balance to the retained earnings reserve fund for undistributed profit.
2. Elect the following individuals as the Bank's directors:
 - a) Regular Directors: Salvador Said Somavía, Ignacio Deschamps González, Jaime Said Handal, Manuel José Vial Vial, Gonzalo Said Handal, Ernesto Mario Viola, Sergio Concha Munilla, Fernanda Vicente Mendoza, Karen Ergas Segal, Emilio Deik Morrison and Arturo Tagle Quiroz.
 - b) Alternate Directors: Juan Antonio Guzmán Molinari, as first alternate director and Guillermo Mackenna Rueda as second alternate director.

Subsequently, at the Board of Directors' Meeting held on the same date, Mr. Salvador Said Somavía was appointed as the Chairman of the Board and Mr. Manuel José Vial Vial was appointed as the Vice-Chairman taking office from such same date.

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On April 8, 2022, in accordance with 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 resignation of Mr. Arturo Tagle Quiroz to the position of Director of Scotiabank Chile is communicated as essential information from such date.

On April 29, 2022, in accordance with 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 following is communicated as essential information of Scotiabank Chile:

On such date, BNS, the Bank's Controlling Shareholder formalized the purchase from Inversiones Caburga Limitada, Inversiones del Pacífico S.A., Inversiones Santa Virginia Limitada, Inversiones Corinto SpA, Inversiones Valparaíso SpA and Inversiones SH Seis Limitada, hereinafter the "Said Group", the acquisition of their entire shareholding in the Bank equivalent to 16.76% of the subscribed and paid shares of the Bank (the "Shares"), through an exchange for common shares of BNS and cash. As a result, BNS has increased its ownership interest in the Bank from 83.03% to 99.79%.

In addition, on such same date, BNS transferred the shares to Nova Scotia Inversiones Limitada, the holding company through which it maintains its interest in the Bank.

By virtue of the transaction reported, the Said Group has become a significant shareholder of BNS and will maintain its ownership interest in the Bank's Board of Directors.

On July 28, 2022, in accordance with 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 resignation of Mr. Ernesto Mario Viola to the position of Director of Scotiabank Chile is communicated as essential information from such date.

On September 29, 2022, in accordance with Articles 9 and 10 of Law No. 18045, on the Securities Market, and Chapter No. 18-10 of the Updated Compilation of Rules issued by the CMF, the Board of Directors of Scotiabank Chile unanimously agreed, as essential information, to request from the CMF, in accordance with Article 49 bis paragraph 2 of the General Banking Law, authorization to subsequently summon an Extraordinary Shareholders' Meeting of the Bank to propose a reduction in the number of members of the Board of Directors from 11 regular directors and 2 alternate directors to 7 regular directors and 1 alternate director.

The request is due, among other reasons, to the fact that, with the current shareholders' composition, the reduction does not affect the representativeness of the shareholders on the Board of Directors, as 99.8% of the Bank's shares are controlled by Nova Scotia Inversiones Limitada (a subsidiary of The Bank of Nova Scotia), which has sufficient votes to appoint all of its members.

On September 30, 2022, in accordance with 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 following is communicated as essential information:

As communicated through an essential event dated November 30, 2021, Scotiabank Chile, together with the other shareholder banks of the banking support company "Operadora de Tarjetas de Crédito Nexus S.A." (hereinafter, "Nexus") reached an agreement with Minsait Payments Systems Chile S.A. (a subsidiary of the Spanish company Indra Sistemas S.A.) for the sale of 100% of the shares held by them in Nexus, subject to the compliance with or waiver of several conditions precedent, which include the authorization by the CMF for the sale of 100% of the shares of Nexus and that the transaction be approved by the National Economic Prosecutor's Office (hereinafter, the "Transaction").

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Notes to the Consolidated Financial Statements

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Having complied with the conditions for closing the Transaction, on this same date the formalization of the Transaction has been formalized and, consequently, Minsait Payments Systems Chile S.A. has acquired 100% of the shares of Nexus. The price of the Transaction amounted to MCh\$8,901, notwithstanding any price adjustments that may be made subsequently, in accordance with the Nexus share purchase agreement.

As a result of the above, Minsait Payments Systems Chile S.A. has taken control of Nexus and Scotiabank Chile together with the other shareholder banks have ceased to be shareholders of Nexus.

On October 27, 2022, in accordance with the provisions of Articles 9 and 10 of Law No. 18045 and Chapter 18-10 of the Updated Compilation of Standards issued by the CMF, the Board of Directors of Scotiabank Chile (the "Bank") agreed to summon an Extraordinary Shareholders' Meeting (the "Meeting") for November 14, 2022 at 9:00 a.m., at the Bank's offices located at Avenida Costanera Sur 2710, Las Condes, Santiago, Chile, in order to submit to the Meeting the matters indicated below:

- (i) The reduction of the number of members of the Bank's Board of Directors, from its current 11 directors and 2 alternate directors, to 7 directors and 1 alternate director.
- (ii) The appointment of the new members of the Bank's Board of Directors, if the reduction in the number of members of the Board of Directors is approved; and
- (iii) In general, adopting all other agreements that may be necessary or convenient to formalize the decisions made by the Board of Directors. It is hereby noted that on October 26, 2022, the CMF granted its authorization to submit these matters to the Board of Directors. The Board of Directors formed by the current members will remain in office until the members of the Board of Directors take office in the new structure of the Board.

Lastly, in accordance with General Standard No. 435 and Circulars Nos. 1141 and 1149 issued by the CMF, the Meeting will be held virtually at the registered office, enabling the mechanisms so that shareholders and other persons are able to attend the Meeting, participate and vote remotely, essentially using as a basis the protocol previously used by the Bank for this type of meetings, without prejudice to any changes that may be introduced.

On November 14, 2022, in accordance with the provisions of Articles 9 and 10 of Law No. 18045, the Securities Market Act and Chapter 18-10 of the Updated Compilation of Standards issued by the CMF, the Bank hereby communicates as essential information, that at the Extraordinary Shareholders' Meeting of Scotiabank Chile (the "Bank"), held on this same date, the shareholders agreed to reduce the number of members of the Board of Directors of Scotiabank Chile (the "Bank"), subject to the condition precedent consisting of the approval by the CMF of the related amendment to the bylaws, from the current 11 regular directors and 2 alternate directors, to 7 regular directors and 1 alternate director, amending its Bylaws and introducing the adjustments related to such reduction, including attendance and voting quorums.

Additionally, the aforementioned Meeting subject to the same condition, elected the following persons as the Bank's regular directors: Salvador Said Somavia, Raquel Costa, Emilio Deik Morrison, Karen Ergas Segal, Gonzalo Said Handal, Fernanda Vicente Mendoza and Francisco Matte Risopatrón; and Thayde Olarte as alternate director.

Notwithstanding the foregoing, the current members of the Board of Directors shall remain in office, with the quorums currently effective, until immediately prior to the beginning of the Board of Directors' meeting to change to the new structure, which shall occur within 60 days following the resolution issued by the CMF authorizing the aforementioned amendment of the bylaws.

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Subsidiary Scotia Corredora de Seguros Chile Limitada

By means of exempt resolution 5265 dated August 19, 2022, the CMF decided to impose on Scotia Corredora de Seguros Chile Limitada a fine, for the benefit of the Chilean Treasury, of UF300, payable in its equivalent in Chilean pesos on the effective payment date, for breaching the provisions of Article 10 numbers 3 and 6 of Supreme Decree No. 1055 of 2012 issued by the Chilean Ministry of Finance, as related to Article 537 of the Commercial Code, Circular No. 2114 and General Standard No. 420. This fine was paid last October 17 ending the sanction proceeding.

Subsidiary CAT Corredores de Seguros y Servicios S.A.

By means of Exempt Resolution 5098 dated August 11, 2022, the CMF imposed a fine equivalent to UF3,000 to the company, for considering inadequate the advice and information provided in 76 cases of telephone marketing of insurance services.

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 (Personal and SMEs), Wholesale Banking, 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.

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.

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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.

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.

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The following table shows the consolidated income of Scotiabank Chile, for each of the above-mentioned segments:

	As at December 31, 2022					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Net interest income	460,619	251,850	212,135	(279,693)	1,080	645,991
Other income	126,404	157,282	82,566	419,056	(783)	784,525
Equity in net income of investees	-	-	-	-	6,513	6,513
Total operating income	587,023	409,132	294,701	139,363	6,810	1,437,029
Operating expenses	(295,243)	(110,464)	(110,292)	(7,559)	(16,711)	(540,269)
Depreciation and amortization	(31,707)	(10,166)	(11,003)	(848)	(6,859)	(60,583)
Credit losses expense	(139,014)	(47,803)	(111,376)	-	(1,467)	(299,660)
Segment operating profit (loss)	121,059	240,699	62,030	130,956	(18,227)	536,517
Income tax expense						(21,461)
Profit (loss) for the period						515,056
Spot Volumes						
Assets (loans)	18,453,225	12,335,780	1,664,943	-	118,304	32,572,252
Liabilities (Core and Term deposits)	6,139,951	5,673,146	-	6,786,197	449,553	19,048,847

	As at December 31, 2021					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Net interest income	444,175	220,856	167,612	(53,039)	1,419	781,023
Other income	129,808	151,169	52,199	220,422	9,906	563,504
Equity in net income of investees	-	-	-	-	(6,895)	(6,895)
Total operating income	573,983	372,025	219,811	167,383	4,430	1,337,632
Operating expenses	(301,533)	(107,510)	(101,065)	(7,047)	(11,196)	(528,351)
Depreciation and amortization	(23,681)	(5,615)	(9,753)	(268)	(17,107)	(56,424)
Credit losses expense	(32,799)	(23,297)	(44,285)	-	(107,606)	(207,987)
Segment operating profit (loss)	215,970	235,603	64,708	160,068	(131,479)	544,870
Income tax expense						(94,865)
Profit (loss) for the period						450,005
Spot Volumes						
Assets (loans)	16,337,167	10,939,361	1,158,603	-	77,570	28,512,701
Liabilities (Core and Term deposits)	6,146,142	5,389,137	-	4,843,291	305,173	16,683,743

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.

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Note 7 Cash and cash equivalents

The detail of cash and cash equivalents is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Cash and deposits in banks		
Cash	293,138	167,422
Deposits in Banco Central de Chile (i)	341,007	793,387
Deposits in foreign Central Banks	-	-
Deposits in domestic Banks	5,968	28,047
Deposits in foreign Banks	628,065	470,766
Subtotal - Cash and deposits in Banks	1,268,178	1,459,622
Net trading operations pending settlement (ii)	54,778	47,202
Other cash equivalents (iii)	918,614	550,805
Total cash and cash equivalents	2,241,570	2,057,629

- (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:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Assets		
Notes in charge of other banks (exchange)	34,652	34,121
Transfer of funds pending receipt	530,769	408,959
Subtotal assets	565,421	443,080
Liabilities		
Transfer of funds pending delivery	(510,643)	(395,878)
Subtotal liabilities	(510,643)	(395,878)
Net trading operations pending settlement	54,778	47,202

- (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.

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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:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Derivative instruments		
Forwards	1,227,883	1,650,432
Swaps	5,585,410	4,683,665
Call options	-	-
Put options	-	-
Forwards	-	-
Other	-	-
Financial debt securities		
Government and Banco Central de Chile	214,863	135,386
Other debt financial instruments issued in Chile	196,121	333,785
Debt financial instruments issued abroad	8,355	5,544
Other debt financial instruments		
Investments in mutual funds	90,175	114,208
Equity instruments	5,264	1,681
Loans originated and acquired by the entity	-	-
Other	-	-
Total	7,328,071	6,924,701

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

As at December 31, 2022		Notional amounts of contracts with final maturity (1)						Fair value
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
	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.

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As at December 31, 2021		Notional amounts of contracts with final maturity (1)						Fair value
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
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	25,027	389,402	448,590	362,278	571,860	148,885	-	31,184
Paper forward	-	29,497	-	-	-	-	-	106
Exchange insurance	605,352	8,628,269	2,215,402	9,152,771	11,837,768	619,342	259,682	1,510,918
Inflation insurance	89,611	962,078	2,602,716	1,385,432	3,791,487	1,439,016	3,370,174	108,224
Subtotal forward	719,990	10,009,246	5,266,708	10,900,481	16,201,115	2,207,243	3,629,856	1,650,432
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal options	-	-	-	-	-	-	-	-
Swap								
Cross currency swap	20,907	266,318	5,965,464	804,680	2,731,630	3,906,791	6,216,463	1,789,428
Rate swap	72,291	1,822,105	28,794,798	5,430,875	13,402,927	19,107,757	29,245,003	2,894,237
Subtotal swap	93,198	2,088,423	34,760,262	6,235,555	16,134,557	23,014,548	35,461,466	4,683,665
Total	813,188	12,097,669	40,026,970	17,136,036	32,335,672	25,221,791	39,091,322	6,334,097

(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 December 31, 2022		Notional amount 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	-	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 Bank	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	8,502	-	-	-	8,355
Debt financial instruments of 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.

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As at December 31, 2021	Notional amount 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	-	-	9,912	139	395	-	-	10,578
Bonds or promissory notes issued by the Treasury	3,258	-	-	-	10,901	90,501	22,359	124,808
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile:	3,258	-	9,912	139	11,296	90,501	22,359	135,386
Debt financial instruments issued by other domestic banks	-	31	200,395	101,723	17,470	-	2,742	321,054
Domestic corporate bonds and commercial paper	-	-	50	9,716	-	-	3,502	12,731
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	31	200,445	111,439	17,470	-	6,244	333,785
Debt financial instruments issued by foreign Central Bank	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	5,441	-	-	-	5,544
Debt financial instruments of foreign banks	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	5,441	-	-	-	5,544
Other financial instruments								
Investments in mutual funds	110,859	3,349	-	-	-	-	-	114,208
Equity instruments	1,681	-	-	-	-	-	-	1,681
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	112,540	3,349	-	-	-	-	-	115,889
Total	115,798	3,380	210,357	117,019	28,766	90,501	28,603	590,604

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

As at December 31, 2022 and 2021, the caption "Debt financial instruments of Government and Banco Central de Chile" includes no transactions of securities sold under repurchase agreement to financial institutions or customers.

As at December 31, 2022, under the caption "Other debt financial instruments issued in Chile", there are no instruments sold under repurchase agreements to customers and financial institutions (MCh\$ 212,827 with an average maturity of 7 days as at December 31, 2021).

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

As at December 31, 2022 and 2021, the Bank does not have this type of operations.

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

As at December 31, 2022 and 2021, the Bank does not have this type of 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:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Debt financial instruments	2,360,643	1,950,500
Other	-	-
Total	2,360,643	1,950,500

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

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\$	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

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As at December 31, 2021	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	-	263,000	196,793	46,884	4,581	-	-	511,828
Bonds or promissory notes issued by the Treasury	-	100	-	-	207,514	683,423	578,748	1,402,542
Other Treasury debt financial instruments	-	-	1	10	83	832	10,374	11,300
Government and Banco Central de Chile:	-	263,100	196,794	46,894	212,178	684,255	589,122	1,925,670
Debt financial instruments issued by other domestic banks	-	24,400	500	-	-	-	-	24,830
Domestic corporate bonds and commercial paper	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	24,400	500	-	-	-	-	24,830
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	-	287,500	197,294	46,894	212,178	684,255	589,122	1,950,500

As at December 31, 2022, the caption "Debt financial instruments of Government and Banco Central de Chile" includes securities sold under repurchase agreement to customers and financial institutions of MCh\$25,007 with average maturity of 3 days (MCh\$149,010 with an average maturity of 3 days as at December 31, 2021).

As at December 31, 2022, the caption "Debt financial instruments of Government and Banco Central de Chile" includes no securities purchased under repurchase agreement from financial institutions and customers (MCh\$120,303 with average maturity of 180 days as at December 31, 2021).

As at December 31, 2022, the Financial assets at fair value through other comprehensive income portfolio includes a net unrealized loss of MCh\$165,795 (MCh\$188,265 as at December 31, 2021) recorded as valuation adjustments in equity and a net realized loss of MCh\$655 (gain of MCh\$8,936 as at December 31, 2021) 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."

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c) The reconciliation of changes in fair value and the related allowance for expected credit losses by stage for debt financial instruments measured at fair value through other comprehensive income is as follows:

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)

As at December 31, 2021	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, 2021	2,117,200	(872)	-	-	-	-	2,117,200	(872)
Net changes (purchase / sale) for the period	23,537	-	-	-	-	-	23,537	-
Change in fair value	(202,939)	-	-	-	-	-	(202,939)	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact of transfers in Expected Credit Losses	-	-	-	-	-	-	-	-
Reductions due to discounts	(1,869)	-	-	-	-	-	(1,869)	-
Accrued interest	3,989	-	-	-	-	-	3,989	-
Remeasures of Expected Credit Losses at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	10,582	-	-	-	-	-	10,582	-
Balance as at December 31, 2021	1,950,500	(872)	-	-	-	-	1,950,500	(872)

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

As at December 31, 2022	Amortized cost	Fair Value	Unrealized gains/(losses), gross
	MCh\$	MCh\$	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)

As at December 31, 2021	Amortized cost	Fair Value	Unrealized gains/(losses), gross
	MCh\$	MCh\$	MCh\$
Government and Banco Central de Chile			
Debt financial instruments issued by Banco Central de Chile	511,704	511,828	124
Bonds and promissory notes issued by the Treasury	1,590,873	1,402,542	(188,331)
Other treasury debt financial instruments	11,314	11,300	(14)
Other debt financial instruments issued in Chile			
Debt financial instruments issued by other domestic banks	24,874	24,830	(44)
Domestic corporate bonds and commercial paper	-	-	-
Other debt financial instruments issued in Chile	-	-	-
Debt financial instruments issued abroad	-	-	-
Total	2,138,765	1,950,500	(188,265)

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Note 12 Derivative instruments for accounting hedge

a) Balances by type of hedge are detailed as follows:

	12/31/2022		12/31/2021	
	Asset (in favor) MCh\$	Liability (against) MCh\$	Asset (in favor) MCh\$	Liability (against) MCh\$
Designated derivatives in fair value hedging relationships	81,407	(41,951)	19,703	(14,256)
Designated derivatives in cash flow hedging relationships	313,704	(1,494,929)	306,327	(817,679)
Total derivatives designated in hedging relationships	395,111	(1,536,880)	326,030	(831,935)

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

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)

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

As at December 31, 2021		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	-	-	22,653	31,090	171,975	99,916	77,479	17,822	(9,830)
Rate swap	-	24,948	154,438	117,673	4,550	12,850	69,000	1,881	(4,426)
Subtotal	-	24,948	177,091	148,763	176,525	112,766	146,479	19,703	(14,256)
Cash flow hedge derivatives									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	102,273	-	92,975	-	-	-	31	(2,810)
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	26,352	124,943	636,021	1,435,572	1,799,923	2,735,242	304,146	(806,452)
Rate swap	-	-	-	-	-	290,043	121,096	2,150	(8,417)
Subtotal	-	128,625	124,943	728,996	1,435,572	2,089,966	2,856,338	306,327	(817,679)
Total	-	153,573	302,034	877,759	1,612,097	2,202,732	3,002,817	326,030	(831,935)

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

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

As at December 31, 2021	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	-	25,076	157,153	118,172	-	-	-	300,401
Current bonds	-	-	25,195	36,007	4,662	44,393	181,275	291,532
Subordinated bonds	-	-	-	-	-	-	-	-
Mortgage bonds	-	-	-	-	-	-	-	-
Promissory notes	-	-	-	-	161,361	71,592	-	232,953
Total	-	25,076	182,348	154,179	166,023	115,985	181,275	824,886

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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 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)

As at December 31, 2021	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	411,139	2,150	(8,417)
Cross currency swap	-	-	-
Exchange rate risk			
Cross currency swap	1,256,644	194,215	(2,758)
Inflation risk			
Inflation insurances	195,248	31	(2,810)
Cross currency swap	5,501,409	109,931	(803,694)
Subtotal	7,364,440	306,327	(817,679)
Fair value hedges:			
Interest rate risk			
Rate swap	383,459	1,881	(4,426)
Inflation risk			
Cross currency swap	403,113	17,822	(9,830)
Subtotal	786,572	19,703	(14,256)
Total	8,151,012	326,030	(831,935)

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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 December 31, 2022, the Bank has recorded a loss net of tax of MCh\$24,816 (MCh\$74,264 as at December 31, 2021) in other comprehensive income for the adjustment of cash flow hedging instruments.

As at December 31, 2022, the Bank recorded a gain from cash flow hedging derivatives of MCh\$726,601 (MCh\$128,071 as at December 31, 2021).

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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 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

As at December 31, 2021	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	-	7,141	7,660	80,620	141,980	237,416	342,862	817,679
Hedged Item - Liabilities	-	-	(5,697)	(44,136)	(93,393)	(88,454)	(74,647)	(306,327)
Net cash flows	-	7,141	1,963	36,484	48,587	148,962	268,215	511,352

i) Cash flows forecast for interest rate risk:

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)

As at December 31, 2021	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	-	-	-	-	-	8,225	191	8,416
Outflows	-	-	-	-	-	(1,727)	(423)	(2,150)
Net flows	-	-	-	-	-	6,498	(232)	6,266
Hedging instruments								
Inflows	-	-	-	-	-	1,727	423	2,150
Outflows	-	-	-	-	-	(8,225)	(191)	(8,416)
Net flows	-	-	-	-	-	(6,498)	232	(6,266)

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ii) Cash flows forecast for inflation risk:

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	-	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)

As at December 31, 2021	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	-	7,141	7,660	77,862	141,980	229,191	342,671	806,505
Outflows	-	-	-	(3,303)	(11,362)	(27,048)	(68,249)	(109,962)
Net flows	-	7,141	7,660	74,559	130,618	202,143	274,422	696,543
Hedging instruments								
Inflows	-	-	-	3,303	11,362	27,048	68,249	109,962
Outflows	-	(7,141)	(7,660)	(77,862)	(141,980)	(229,191)	(342,671)	(806,505)
Net flows	-	(7,141)	(7,660)	(74,559)	(130,618)	(202,143)	(274,422)	(696,543)

iii) Cash flows forecast for exchange rate risk:

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	-	-	-	-	-	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

As at December 31, 2021	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	-	-	-	2,758	-	-	-	2,758
Outflows	-	-	(5,697)	(40,833)	(82,031)	(59,679)	(5,975)	(194,215)
Net flows	-	-	(5,697)	(38,075)	(82,031)	(59,679)	(5,975)	(191,457)
Hedging instruments								
Inflows	-	-	5,697	40,833	82,031	59,679	5,975	194,215
Outflows	-	-	-	(2,758)	-	-	-	(2,758)
Net flows	-	-	5,697	38,075	82,031	59,679	5,975	191,457

Ineffectiveness of accounting hedges

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Fair value hedges		
Gain (loss) recorded on the hedged items	(7,876)	8,676
Gain (loss) recorded on hedging instruments	11,177	(8,874)
Ineffectiveness	<u>3,301</u>	<u>(198)</u>
Cash flow hedges		
Ineffectiveness	<u>3,216</u>	<u>7,082</u>

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The ineffectiveness and the reclassified amount of the cash flow hedge reserve to the statement of income for the year, by type of risk management, are presented below.

As at December 31, 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	(75)	56,652
Exchange rate risk	235	7,309
Inflation rate risk	3,056	662,639
Total	3,216	726,600

As at December 31, 2021	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	(22)	1,847
Exchange rate risk	169	(1,343)
Inflation rate risk	6,935	127,567
Total	7,082	128,071

Note 13 Financial assets at amortized cost

Financial assets at amortized cost are detailed as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Rights under resale agreements and securities lending agreements	216,976	120,791
Debt financial instruments	-	-
Loans and advances to banks	66,830	2,996
Loans and advances to customers	32,572,252	28,512,701
Total	32,856,058	28,636,488

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a) Rights under resale agreements and securities lending agreements

The detail is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Operations with domestic banks	-	-
Operations with foreign banks	-	-
Operations with other domestic entities		
Repurchase contracts	215,559	120,526
Securities lending rights	1,426	270
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)	(9)	(5)
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	216,976	120,791

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 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

As at December 31, 2021	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 domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase contracts	-	49,497	15,332	55,697	-	-	-	120,526
Securities lending rights	-	270	-	-	-	-	-	270
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)	-	(5)	-	-	-	-	-	(5)
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	-	49,762	15,332	55,697	-	-	-	120,791

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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, 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)

	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, 2021	74,483	(5)	-	-	-	-	74,483	(5)
New assets originated or purchased	8,544,414	-	-	-	-	-	8,544,414	-
Payments and written-off assets	(8,500,688)	-	-	-	-	-	(8,500,688)	-
Transfers to stage 1	-	-	-	-	-	-	-	-
Transfers to stage 2	-	-	-	-	-	-	-	-
Transfers to stage 3	-	-	-	-	-	-	-	-
Impact on ECL of transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	2,587	-	-	-	-	-	2,587	-
Year-end remeasurements Expected Credit Losses	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	120,796	(5)	-	-	-	-	120,796	(5)

b) Financial debt securities

As at December 31, 2022 and 2021, the Bank has no debt financial instruments at amortized cost.

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As at December 31, 2022 and 2021

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

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

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Notes to the Consolidated Financial Statements

As at December 31, 2022 and 2021

Owed by banks As at December 31, 2021 (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	2,998	-	-	2,998	(2)	-	-	(2)	2,996
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	2,998	-	-	2,998	(2)	-	-	(2)	2,996
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	2,998	-	-	2,998	(2)	-	-	(2)	2,996
Banco Central de Chile	-	-	-	-	-	-	-	-	-
Checking accounts deposits for derivative transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other deposits not available	-	-	-	-	-	-	-	-	-
Other loans	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Total	2,998	-	-	2,998	(2)	-	-	(2)	2,996

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As at December 31, 2022 and 2021

ii) Loans and advances to customers

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		Total	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation				Subtotal	
	Individual	Group	Individual	Individual	Group	Individual		Group	Individual	Individual	Group	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		

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Loans and accounts receivable from customers As at December 31, 2021 (in MCh\$)	Financial assets before provisions						Allowances constituted						Deductible guarantees FOGAPE Covid-19	Total	Net Financial Asset	
	Regular Portfolio		Substandard Portfolio		Default Portfolio		Regular Portfolio		Substandard Portfolio		Default Portfolio					Subtotal
	Individual Evaluation	Group	Individual Evaluation	Individual Evaluation	Group	Individual Evaluation	Group	Individual Evaluation	Individual Evaluation	Group						
Commercial Loans																
Commercial Loans	9,522,697	1,189,974	253,463	93,933	88,578	11,148,645	(60,156)	(10,551)	(21,036)	(56,484)	(22,544)	(170,771)	(17,414)	(188,185)		
Foreign trade loans Chilean exports	762,691	429	214	6,477	-	769,811	(9,573)	(12)	(94)	(5,709)	-	(15,388)	-	(15,388)		
Foreign trade loans Chilean imports	436,406	3,510	1,400	1,892	175	443,383	(10,075)	(91)	(229)	(1,643)	(100)	(12,138)	-	(12,138)		
Foreign trade loans between third countries	1,716	-	-	-	-	1,716	(55)	-	-	-	-	(55)	-	(55)		
Debtors in checking accounts	22,017	5,764	1,531	1,307	1,329	31,948	(362)	(178)	(168)	(1,073)	(678)	(2,459)	-	(2,459)		
Credit card debtors	4,046	3,267	278	7	17	7,615	(83)	(113)	(57)	(6)	(5)	(264)	-	(264)		
Factoring operations	240,238	1,394	513	40	33	242,218	(3,373)	(42)	(69)	(36)	(7)	(3,527)	-	(3,527)		
Commercial financial leasing operations	675,025	35,326	28,502	4,747	2,529	746,129	(2,774)	(890)	(1,413)	(1,687)	(727)	(7,491)	(313)	(7,804)		
Student loans	-	609,182	-	-	82,348	691,530	-	(9,262)	-	-	(10,393)	(19,655)	-	(19,655)		
Other loans and accounts receivable	419	313	1	224	102	1,059	(13)	(10)	-	(198)	(45)	(266)	-	(266)		
Subtotal	11,665,255	1,849,159	285,902	108,627	175,111	14,084,054	(86,464)	(21,149)	(23,066)	(66,836)	(34,499)	(232,014)	(17,727)	(249,741)	13,834,313	
Mortgage Loans																
Loans with letters of credit	-	82,447	-	-	9,492	91,939	-	(84)	-	-	(218)	(302)	-	(302)		
Loans with endorsable mortgage mutuals	-	39,271	-	-	2,899	42,170	-	(13)	-	-	(36)	(49)	-	(49)		
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans with mutual funds for housing	-	11,134,173	-	-	242,131	11,376,304	-	(22,875)	-	-	(11,770)	(34,645)	-	(34,645)		
Financial leasing operations for housing	-	38,656	-	-	3,258	41,914	-	(169)	-	-	(213)	(382)	-	(382)		
Other loans and accounts receivable	-	70,881	-	-	2,995	73,876	-	(125)	-	-	(96)	(221)	-	(221)		
Subtotal	-	11,365,428	-	-	260,775	11,626,203	-	(23,266)	-	-	(12,333)	(35,599)	-	(35,599)	11,590,604	
Consumer Loans																
Consumer loans in installments	-	1,460,770	-	-	84,995	1,545,765	-	(39,432)	-	-	(32,304)	(71,736)	-	(71,736)		
Checking accounts debtors	-	55,671	-	-	2,494	58,165	-	(1,038)	-	-	(925)	(1,963)	-	(1,963)		
Credit card debtors	-	1,574,104	-	-	69,221	1,643,325	-	(60,116)	-	-	(25,993)	(86,109)	-	(86,109)		
Consumer financial leasing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other loans and accounts receivable	-	334	-	-	10	344	-	(4)	-	-	(3)	(7)	-	(7)		
Subtotal	-	3,090,879	-	-	156,720	3,247,599	-	(100,590)	-	-	(59,225)	(159,815)	-	(159,815)	3,087,784	
Total	11,665,255	16,305,466	285,902	108,627	592,606	28,957,856	(86,464)	(145,005)	(23,066)	(66,836)	(106,057)	(427,428)	(17,727)	(445,155)	28,512,701	

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Notes to the Consolidated Financial Statements
As at December 31, 2022 and 2021

iii) Contingent loans

Exposure to credit risk for contingent loans As at December 31, 2022 (in MCh\$)	Exposure for contingent loans before provisions						Allowances constituted						Net exposure for credit risk of contingent loans	
	Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation		Regular Portfolio Evaluation		Substandard Portfolio Evaluation		Default Portfolio Evaluation			Total
	Individual	Group	Individual	Individual	Group	Total	Individual	Group	Individual	Individual	Group			
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	

Exposure to credit risk for contingent loans As at December 31, 2021 (in MCh\$)	Exposure for contingent loans before provisions						Allowances constituted						Total	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			
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group			
Guarantees and Sureties	398,223	-	-	-	263	-	398,486	(1,213)	-	-	(236)	-	(1,449)	397,037
Letters of credit for merchandise circulation operations	40,671	-	3	-	-	-	40,674	(632)	-	-	-	-	(632)	40,042
Debt purchase commitments in local currency abroad	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions related to contingent events	344,220	361	1,773	1,664	-	-	348,018	(3,094)	(8)	(121)	(1,496)	-	(4,719)	343,299
Lines of credit of free disposal of immediate cancellation	216,258	1,681,325	841	20	15,711	-	1,914,155	(1,213)	(17,061)	(127)	(12)	(4,767)	(23,180)	1,890,975
Lines of credit of free disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans for senior studies Law No. 20027 (CAE)	-	3,585	-	-	-	-	3,585	-	(55)	-	-	-	(55)	3,530
Other irrevocable loan commitments	160,431	-	-	-	-	-	160,431	(961)	-	-	-	-	(961)	159,470
Other contingent loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,159,803	1,685,271	2,617	1,947	15,711	-	2,865,349	(7,113)	(17,124)	(248)	(1,744)	(4,767)	(30,996)	2,834,353

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d) Summary of changes in allowances recorded under " Loans and accounts receivable from customers "

i) Loans and advances to banks

Summary of movement in provisions 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 provisions for:				
Change in measurement without portfolio reclassification during the period	(6)	-	-	(6)
Change in measurement due to portfolio reclassification from the beginning to the end of the portfolio period 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

Summary of movement in provisions constituted by category of credit risk in the period As at December 31, 2021 (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, 2021	21	-	-	21
Constitution / (release) of provisions for:				
Change in measurement without portfolio reclassification during the period	(96)	-	-	(96)
Change in measurement due to portfolio reclassification from the beginning to the end of the portfolio period from 1/1/2021 to 12/31/2021:				
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	106	-	-	106
New loans for conversion from contingent to loan	-	-	-	-
New loans purchased	-	-	-	-
Sale or transfers of loans	-	-	-	-
Payment of loans	(29)	-	-	(29)
Application of provisions due to write-offs	-	-	-	-
Recovery of written-off loans	-	-	-	-
Exchange differences	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as at December 31, 2021	2	-	-	2

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As at December 31, 2022 and 2021

ii) Commercial loans

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in provisions constituted by portfolio in the period							Total
	Regular Portfolio Evaluation		Substandard Portfolio	Default Portfolio Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	
	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 measurement due to portfolio reclassification from the beginning to the end of the portfolio period 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

Summary of the movement in provisions constituted by category of credit risk in the period			Movement in provisions constituted by portfolio in the period					
As at December 31, 2021 (in MCh\$)	Regular Portfolio Evaluation		Substandard Portfolio	Default Portfolio Evaluation		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
	Individual	Group		Individual	Group			
Commercial loans								
Balance as at January 1, 2021	84,356	20,167	17,038	117,155	41,977	280,693	11,372	292,065
Constitution / (release) of provisions for:								
Change in measurement without portfolio reclassification during the period	(12,837)	8,886	1,654	79,917	25,669	103,289	7,020	110,309
Change in measurement due to portfolio reclassification from the beginning to the end of the portfolio period from 1/1/2021 to 12/31/2021:								
Regular individual up to substandard	(5,796)	-	12,928	-	-	7,132	54	7,186
Regular individual up to individual default	(10)	-	-	228	-	218	-	218
Substandard up to individual default	-	-	(4,320)	15,878	-	11,558	9	11,567
Substandard up to regular individual	160	-	(263)	-	-	(103)	3	(100)
Individual default up to Substandard	-	-	80	(496)	-	(416)	-	(416)
Individual default up to regular individual	-	-	-	-	-	-	-	-
Regular group up to default group	-	(7,468)	-	-	16,693	9,225	14	9,239
Group default up to group regular	-	1,093	-	-	(12,797)	(11,704)	1	(11,703)
Individual (regular substandard default) up to group (regular, default)	(177)	-	(67)	(135)	-	(236)	8	(228)
Group (regular default) up to Individual (regular, substandard ,default)	993	(664)	63	220	(180)	432	(9)	423
New originated loans	102,442	7,448	7,602	5,048	3,074	125,614	7,169	132,783
New loans for conversion from contingent to loan	1,497	589	211	16	50	2,363	-	2,363
New loans purchased	-	-	-	-	-	-	-	-
Sale or transfers of loans	-	(1,879)	-	(66,919)	(152)	(68,950)	-	(68,950)
Payment of loans	(89,550)	(7,164)	(12,542)	(73,220)	(7,427)	(189,903)	(7,914)	(197,817)
Application of provisions due to write-offs	(4)	(19)	-	(19,407)	(32,428)	(51,858)	-	(51,858)
Recovery of written-off loans	-	-	-	-	-	-	-	-
Changes in models and methodologies	-	-	-	-	-	-	-	-
Exchange differences	5,390	17	682	8,551	20	14,660	-	14,660
Other changes in provisions	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	86,464	21,149	23,066	66,836	34,499	232,014	17,727	249,741

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iii) Mortgage loans

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in provisions 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 measurement due to portfolio reclassification from the beginning to the end of the portfolio period 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

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2021 (in MCh\$)	Movement in provisions constituted by portfolio in the period		
	Group evaluation		Total
	Regular Portfolio	Default Portfolio	
Mortgage loans			
Balance as at January 1, 2021	18,837	19,632	38,469
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	1,941	2,817	4,758
Change in measurement due to portfolio reclassification from the beginning to the end of the portfolio period from 1/1/2021 to 12/31/2021:			
Group regular up to group default	(2,422)	3,590	1,168
Group default up to group regular	184	(3,147)	(2,963)
New originated loans	7,252	292	7,544
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(2,499)	(3,515)	(6,014)
Application of provisions due to write-offs	(27)	(7,336)	(7,363)
Recovery of written-off loans	-	-	-
Changes in models and methodologies	-	-	-
Exchange differences	-	-	-
Other changes in provisions	-	-	-
Balance as at December 31, 2021	23,266	12,333	35,599

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iv) Consumer loans

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in provisions 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 measurement due to portfolio reclassification from the beginning to the end of the portfolio period 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

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2021 (in MCh\$)	Movement in provisions constituted by portfolio in the period		
	Group evaluation		Total
	Regular Portfolio	Default Portfolio	
Consumer loans			
Balance as at January 1, 2021	89,666	86,253	175,919
Constitution/(release) of provisions due to:			
Change in measurement without portfolio reclassification during the period	16,105	92,724	108,829
Change in measurement due to portfolio reclassification from the beginning to the end of the portfolio period from 1/1/2021 to 12/31/2021:			
Group regular up to group default	(17,847)	42,589	24,742
Group default up to group regular	8,964	(35,288)	(26,324)
New originated loans	25,927	11,629	37,556
New loans for conversion from contingent to loan	41,061	4,533	45,594
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(63,203)	(33,061)	(96,264)
Application of provisions due to write-offs	(122)	(110,159)	(110,281)
Recovery of written-off loans	-	-	-
Changes in models and methodologies	-	-	-
Exchange differences	39	5	44
Other changes in provisions	-	-	-
Balance as at December 31, 2021	100,590	59,225	159,815

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v) Contingent loans

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2022 (in MCh\$)	Movement in provisions constituted by portfolio in the period					
	Regular Portfolio		Substandard Portfolio	Default Portfolio		Total
	Evaluation			Evaluation		
	Individual	Group		Individual	Group	
Exposure by contingent loans						
Balance as at January 1, 2022	7,113	17,124	248	1,745	4,767	30,997
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 measurement due to portfolio reclassification from the beginning to the end of the portfolio period 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)	(3)	-	(166)
Other changes in provisions	-	-	-	-	-	-
Balance as at December 31, 2022	5,720	6,094	2,706	3,903	7,072	25,495

Summary of the movement in provisions constituted by category of credit risk in the period As at December 31, 2021 (in MCh\$)	Movement in provisions constituted by portfolio in the period					
	Regular Portfolio		Substandard Portfolio	Default Portfolio		Total
	Evaluation	Group		Evaluation	Group	
	Individual			Individual		
Exposure by contingent loans						
Balance as at January 1, 2021	6,408	12,626	472	3,031	5,765	28,302
Constitution/(release) of provisions due to:						
Change in measurement without portfolio reclassification during the period	(4,965)	21,902	(307)	(5,182)	2,456	13,904
Change in measurement due to portfolio reclassification from the beginning to the end of the portfolio period from 1/1/2021 to 12/31/2021:						
Regular individual up to substandard	(130)	-	335	-	-	205
Regular individual up to individual default	-	-	-	3	-	3
Substandard up to individual default	-	-	(158)	676	-	518
Substandard up to regular individual	5	-	(6)	-	-	(1)
Individual default up to Substandard	-	-	-	(1)	-	(1)
Individual default up to Regular Individual	-	-	-	-	-	-
Regular group up to group default	-	(749)	-	-	5,625	4,876
Group default up to Regular Group	-	256	-	-	(4,676)	(4,420)
Individual (regular , substandard , default) up to Group (regular, default)	(23)	8	(4)	-	-	(19)
Group (regular, default) up to individual (regular, substandard, default)	83	(41)	2	2	-	46
New contingent loans granted	7,067	6,940	128	3,189	180	17,504
Contingent loans due to conversion to loans	(1,691)	(23,818)	(218)	(18)	(4,583)	(30,328)
Changes in models and methodologies	-	-	-	-	-	-
Exchange differences	359	-	4	44	-	407
Other changes in provisions	-	-	-	-	-	-
Balance as at December 31, 2021	7,113	17,124	248	1,744	4,767	30,996

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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 December 31, 2022 (in MCh\$)	Loans and exposure to contingent loans			Provisions constituted			Total	
	Loans within		Total	Loans within		Sub-Total		Deductible guarantees FOGAPE Covid 19
	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)	(121)	(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 service	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)

Composition of economic activity As at December 31, 2021 (in MCh\$)	Loans and exposure to contingent loans			Provisions constituted			Total	
	Loans within		Total	Loans within		Sub-Total		Deductible guarantees FOGAPE Covid 19
	Country	Abroad		Country	Abroad			
Owed by banks	-	2,998	2,998	-	(2)	(2)	-	(2)
Commercial Loans								
Agriculture and Livestock	496,155	-	496,155	(19,502)	-	(19,502)	(892)	(20,394)
Sowing and harvesting of fruits	-	-	-	-	-	-	-	-
Forestry	93,522	-	93,522	(1,736)	-	(1,736)	(259)	(1,995)
Fishing	111,779	6,835	118,614	(3,364)	(292)	(3,656)	(101)	(3,757)
Mining	179,965	-	179,965	(661)	-	(661)	(260)	(921)
Oil and natural gas	141,345	-	141,345	(117)	-	(117)	-	(117)
Product Manufacturing Industry	-	-	-	-	-	-	-	-
Food, beverages and tobacco	591,569	-	591,569	(8,993)	-	(8,993)	(613)	(9,606)
Textile, leather and footwear	55,835	-	55,835	(9,103)	-	(9,103)	(163)	(9,266)
Wood and furniture	61,538	-	61,538	(1,507)	-	(1,507)	(264)	(1,771)
Cellulose, paper and printing	58,222	-	58,222	(1,854)	-	(1,854)	(221)	(2,075)
Chemicals and petroleum derivatives	221,211	-	221,211	(2,405)	-	(2,405)	(553)	(2,958)
Metallic, non-metallic, machinery and others	689,672	-	689,672	(10,426)	-	(10,426)	(1,413)	(11,839)
Electricity, gas and water	625,433	-	625,433	(2,669)	-	(2,669)	(31)	(2,700)
Home building	406,326	-	406,326	(4,167)	-	(4,167)	(560)	(4,727)
Non-residential constructions (office, civil works)	231,084	-	231,084	(7,446)	-	(7,446)	(880)	(8,326)
Wholesale trade	1,554,407	101,259	1,655,666	(40,474)	(191)	(40,665)	(4,293)	(44,958)
Retail trade, restaurants and hotels	389,444	59,817	449,261	(21,455)	(49)	(21,504)	(2,489)	(23,993)
Transport and storage	673,290	-	673,290	(8,103)	-	(8,103)	(1,467)	(9,570)
Telecommunications	365,073	-	365,073	(1,521)	-	(1,521)	(132)	(1,653)
Financial services	2,319,391	-	2,319,391	(12,578)	-	(12,578)	(155)	(12,733)
Business services	-	-	-	-	-	-	-	-
Real estate service	2,297,364	86,970	2,384,334	(26,758)	(113)	(26,871)	(1,766)	(28,637)
Student loans	691,530	-	691,530	(19,655)	-	(19,655)	-	(19,655)
Public administration, defense and police	55,975	-	55,975	(521)	-	(521)	-	(521)
Social services and other community services	693,024	163	693,187	(6,677)	(15)	(6,692)	-	(6,692)
Personnel services	825,856	-	825,856	(19,662)	-	(19,662)	(1,215)	(20,877)
Subtotal	13,829,010	255,044	14,084,054	(231,354)	(660)	(232,014)	(17,727)	(249,741)
Mortgage loans	11,626,203	-	11,626,203	(35,599)	-	(35,599)	-	(35,599)
Consumer loans	3,247,599	-	3,247,599	(159,815)	-	(159,815)	-	(159,815)
Contingent loans exposure	2,865,349	-	2,865,349	(30,997)	-	(30,997)	-	(30,997)

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

As at December 31, 2022		Mortgage loans (MCh\$)					Allowances constituted for Mortgage loans (MCh\$)					
Loan Tranche / Guarantee	Days in arrears at the end of the period						Days in arrears at the end of the period					
Value %	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)

As at December 31, 2021		Mortgage loans (MCh\$)					Allowances constituted for Mortgage loans (MCh\$)					
Loan Tranche / Guarantee		Days in arrears at the end of the period					Days in arrears at the end of the period					
Value %	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%	866,399	23,740	9,850	5,890	9,927	915,806	(77)	(37)	(34)	(30)	(216)	(394)
40% < PVG <= 80%	7,613,444	152,691	57,518	29,288	58,096	7,911,037	(5,645)	(1,826)	(1,198)	(801)	(1,766)	(11,236)
80% < PVG <= 90%	2,429,020	23,236	6,665	3,572	12,866	2,475,359	(14,276)	(1,619)	(916)	(686)	(2,860)	(20,357)
PVG >90%	319,223	2,145	422	206	2,005	324,001	(2,607)	(270)	(76)	(51)	(608)	(3,612)
Total	11,228,086	201,812	74,455	38,956	82,894	11,626,203	(22,605)	(3,752)	(2,224)	(1,568)	(5,450)	(35,599)

Concentration of debts from banks and commercial loans with their provisions constituted by classification category																			Owed by banks and Commercial Loans										Group		Provision deductible		
As at December 31, 2022																			Individual Substandard Portfolio				Default Portfolio						Regular	Default	Total	Total	FOGAPE Covid-19
(in MCh\$)	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal	Total	Portfolio	portfolio	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
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%	0.01%									
Commercial loans	109,350	3,812,048	1,793,611	3,071,917	1,014,780	670,209	10,471,915	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	-	406,536	159,792	261,113	98,685	29,210	955,336	1,195	87	-	-	1,282	7,548	-	-	-	6,607	7,548	14,156	970,774	172	-	-	172	970,946								
Foreign trade loans - Chilean imports	-	6,559	117,831	239,772	89,334	32,896	486,394	5,530	299	85	-	5,914	-	-	-	-	495	1,113	1,608	493,916	1,703	151	1,854	495,770									
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Debtors in checking accounts	-	10,944	7,217	11,196	4,024	11,090	44,441	1,425	370	254	145	2,194	358	51	37	155	422	1,351	2,374	49,000	11,708	2,140	13,938	62,947	-								
Credit card debtors	9	639	829	542	694	2,156	4,871	440	235	98	24	797	4	-	2	17	15	5	43	5,711	6,239	88	6,327	12,038	-								
Factoring operations	6,520	5,848	30,338	154,733	33,742	14,403	245,584	307	-	14	-	321	56	164	349	-	147	597	1,313	247,218	714	145	859	248,077	-								
Commercial financial leasing operations	-	56,550	151,174	332,752	158,638	64,272	763,386	16,452	4,718	1,528	2,281	24,989	3,116	6,498	1,656	3,225	2,199	83	16,777	865,152	33,185	1,817	35,002	840,154	308								
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Other loans and accounts receivable	22	109	51	61	40	100	332	22	-	-	-	22	-	-	-	-	610	89	765	1,659	290	27	317	1,376	-								
Subtotal	115,901	4,299,232	2,260,843	4,072,094	1,399,907	824,743	12,973,436	237,373	85,938	59,640	49,374	432,225	68,542	18,308	11,641	19,578	65,971	52,678	236,518	13,642,273	1,882,730	206,943	2,089,673	15,725,947	-								
Provisions constituted	42	4,464	3,652	35,174	23,347	21,660	88,279	13,225	9,513	7,856	1,794	32,386	1,371	1,821	2,919	7,821	42,889	47,412	104,225	224,902	24,775	38,548	63,323	288,215	16,557								
%provisions constituted	0.04%	0.10%	0.16%	0.86%	1.67%	2.62%	0.67%	5.57%	11.07%	13.17%	3.63%	7.49%	2.00%	10.00%	25.00%	40.00%	65.00%	90.00%	44.05%	1.65%	1.32%	18.18%	3.04%	1.83%									

Concentration of debts from banks and commercial loans with their provisions constituted by classification category																			Owed by banks and Commercial Loans										Group		Provision deductible		
As at December 31, 2021																			Individual Substandard Portfolio				Default Portfolio						Regular	Default	Total	Total	FOGAPE Covid-19
(in MCh\$)	A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal	Total	Portfolio	portfolio	Total	Total									
Owed by Banks																																	
Liquidity interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Commercial interbank loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Foreign trade loans - Chilean exports	1,371	1,627	-	-	-	-	2,998	-	-	-	-	-	-	-	-	-	-	-	-	2,998	-	-	-	-	2,998								
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Subtotal	1,371	1,627	-	-	-	-	2,998	-	-	-	-	-	-	-	-	-	-	-	-	2,998	-	-	-	-	2,998								
Provisions constituted	1	1	-	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2	-	-	-	-	2								
%provisions constituted	0.07%	0.06%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.07%									
Commercial loans	99,771	3,491,669	1,449,238	2,864,742	1,108,080	509,197	9,522,697	135,699	33,526	59,960	24,276	253,463	17,334	3,959	4,483	10,331	6,216	51,610	93,833	9,870,093	1,189,974	88,578	1,278,552	11,148,645	17,414								
Foreign trade loans - Chilean exports	-	186,636	183,739	275,038	103,936	13,342	762,691	-	-	-	214	214	-	-	-	-	483	5,994	6,477	769,382	429	-	429	769,811	-								
Foreign trade loans - Chilean imports	-	3,142	123,722	173,436	100,581	35,255	436,406	1,193	-	-	207	1,400	66	-	-	-	-	1,824	1,892	439,698	3,510	175	3,685	443,383	-								
Foreign trade loans between third countries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-								
Debtors in checking accounts	-	5,020	3,930	2,117	3,023	7,927	22,017	364	333	803	31	1,531	50	11	30	27	71	1,118	1,307	24,855	5,764	1,329	7,093	31,948	-								
Credit card debtors	4	1,328	1,054	366	487	807	4,046	125	75	44	34	278	1	-	-	-	6	7	4,331	3,267	17	3,284	7,615	-	-								
Factoring operations	15,183	6,580	33,734	120,342	46,438	17,961	240,238	498	-	15	-	513	-	-	-	-	40	40	240,791	1,394	33	1,427	242,218	-									
Commercial financial leasing operations	-	65,576	122,152	303,324	130,160	53,813	675,025	14,605	2,422	9,359	2,117	28,502	1,182	850	340	514	1,546	315	4,747	708,274	35,326	2,529	37,855	746,129	313								
Student loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	601,162	82,349	691,539	691,539	-									
Other loans and accounts receivable	-	72	48	177	14	108	419	-	-	-	1	1	4	-	-	-	-	-	220	644	311	102	415	1,059	-								
Subtotal	114,958	3,749,023	1,917,817	3,740,907	1,492,719	639,031	11,665,255	152,484	36,356	70,181	26,881	285,902	18,639	4,820	4,883	10,872	8,318	61,127	108,627	12,059,794	1,849,159	175,111	2,024,270	14,084,054	-								
Provisions constituted	41	3,743	3,195	32,221	28,852	18,412	86,464	11,997	2,380	4,886	3,803	23,066	373	482	1,213	4,349	5,405	55,014	66,836	176,366	21,149	34,499	55,648	232,014	17,727								
%provisions constituted	0.04%	0.10%	0.17%	0.86%	1.93%	2.88%	0.74%	7.87%	6.55%	6.96%	14.15%	8.07%	2.00%	10.00%	24.99%	40.00%	65.00%	90.00%	61.53%	1.46%	1.14%	19.70%	2.75%	1.65%									

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

Concentration of credit risk by days past due As at December 31, 2022 (in MCh\$)	Financial Assets before provision						Provisions 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	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)	52,533
>= 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

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Concentration of credit risk by days past due As at December 31, 2021 (in MCh\$)	Financial Assets before provision						Provisions 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	Individual					Group
Owed by banks																	
0 day	2,083	-	-	-	-	2,083	(2)	-	-	-	-	(2)	-	(2)	2,081		
1 to 29 days	750	-	-	-	-	750	-	-	-	-	-	-	-	-	750		
30 to 59 days	165	-	-	-	-	165	-	-	-	-	-	-	-	-	165		
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Subtotal	2,998	-	-	-	-	2,998	(2)	-	-	-	-	(2)	-	(2)	2,996		
Commercial loans																	
0 day	11,577,269	1,767,488	259,741	30,402	43,741	13,678,641	(84,856)	(15,937)	(21,305)	(19,693)	(8,832)	(150,623)	(16,902)	(167,525)	13,511,116		
1 to 29 days	85,579	47,845	15,735	5,957	11,277	166,393	(1,568)	(2,160)	(1,044)	(1,895)	(2,848)	(9,515)	(488)	(10,003)	156,390		
30 to 59 days	2,312	25,889	5,186	9,948	9,404	52,739	(39)	(2,369)	(258)	(4,877)	(2,002)	(9,545)	(130)	(9,675)	43,064		
60 to 89 days	95	7,209	4,888	3,774	8,272	24,238	(1)	(672)	(363)	(1,935)	(1,849)	(4,820)	(69)	(4,889)	19,349		
>= 90 days	-	728	352	58,546	102,417	162,043	-	(11)	(96)	(38,436)	(18,968)	(57,511)	(138)	(57,649)	104,394		
Subtotal	11,665,255	1,849,159	285,902	108,627	175,111	14,084,054	(86,464)	(21,149)	(23,066)	(66,836)	(34,499)	(232,014)	(17,727)	(249,741)	13,834,313		
Mortgage loans																	
0 day	-	11,129,979	-	-	98,107	11,228,086	-	(18,780)	-	-	(3,825)	(22,605)	-	(22,605)	11,205,481		
1 to 29 days	-	168,444	-	-	33,368	201,812	-	(2,467)	-	-	(1,285)	(3,752)	-	(3,752)	198,060		
30 to 59 days	-	49,158	-	-	25,297	74,455	-	(1,247)	-	-	(977)	(2,224)	-	(2,224)	72,231		
60 to 89 days	-	17,847	-	-	21,109	38,956	-	(772)	-	-	(796)	(1,568)	-	(1,568)	37,388		
>= 90 days	-	-	-	-	82,894	82,894	-	-	-	-	(5,450)	(5,450)	-	(5,450)	77,444		
Subtotal	-	11,365,428	-	-	260,775	11,626,203	-	(23,266)	-	-	(12,333)	(35,599)	-	(35,599)	11,590,604		
Consumer loans																	
0 day	-	2,919,901	-	-	75,468	2,995,369	-	(71,487)	-	-	(24,480)	(95,967)	-	(95,967)	2,899,402		
1 to 29 days	-	128,377	-	-	20,419	148,796	-	(19,042)	-	-	(7,683)	(26,725)	-	(26,725)	122,071		
30 to 59 days	-	28,747	-	-	13,989	42,736	-	(6,588)	-	-	(5,385)	(11,973)	-	(11,973)	30,763		
60 to 89 days	-	13,854	-	-	12,776	26,630	-	(3,473)	-	-	(5,353)	(8,826)	-	(8,826)	17,804		
>= 90 days	-	-	-	-	34,068	34,068	-	-	-	-	(16,324)	(16,324)	-	(16,324)	17,744		
Subtotal	-	3,090,879	-	-	156,720	3,247,599	-	(100,590)	-	-	(59,225)	(159,815)	-	(159,815)	3,087,784		
Total loans	11,668,253	16,305,466	285,902	108,627	592,606	28,960,854	(86,466)	(145,005)	(23,066)	(66,836)	(106,057)	(427,430)	(17,727)	(445,157)	28,515,697		

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i) Lease operations

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

	12/31/2022			12/31/2021		
	Account	Interest and	Net balance	Account	Interest and	Net balance
	Receivable	deferred	receivable	Receivable	deferred	receivable
	MCh\$	VAT	MCh\$	MCh\$	MCh\$	MCh\$
On-demand	1,184	(36)	1,148	799	(20)	779
Up to one month	31,960	(6,518)	25,442	28,173	(5,373)	22,800
More than one up to three months	62,450	(12,804)	49,646	54,737	(10,524)	44,213
More than three months up to one year	266,468	(55,610)	210,858	221,601	(43,168)	178,433
More than one up to three years	479,963	(105,661)	374,302	395,983	(80,193)	315,790
More than three up to five years	178,545	(43,179)	135,366	175,148	(36,939)	138,209
More than five years	114,578	(31,317)	83,261	118,369	(30,550)	87,819
Total	1,135,148	(255,125)	880,023	994,810	(206,767)	788,043

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 Consolidated Statements of Financial Position.

As at December 31, 2022, MCh\$250,125 corresponds to finance leases on real estate (MCh\$241,746 as at December 31, 2021) and MCh\$629,898 to finance leases on non-real estate (MCh\$546,297 as at December 31, 2021).

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

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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	12/31/2022 MCh\$	12/31/2021 MCh\$
Par value	55,049	70,116
Provisions	(1,728)	(2,145)
Net value of provisions	53,321	67,971
Sale value	67,317	84,949
Sale result (1)	13,996	16,978
 Profit in sale (2)	 5,212	 6,554
Income received in advance	8,784	10,424

(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 Consolidated Statements of Financial Position.

k) Sale of Loans

During the year from January 1 through December 31, 2022, loans of the commercial portfolio were sold and/or assigned recording a gain of MCh\$1,224 (MCh\$15,510 as at December 31, 2021), 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 year from January 1 through December 31, 2022, the subsidiary Bandesarrollo Sociedad de Leasing Inmobiliario S.A., recorded a realized gain from the assignment of portfolio of MCh\$118 (MCh\$86 as at December 31, 2021), 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."

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I) Securitization

The subsidiary Banderarrollo 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.

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Housing loan portfolio	3,862	4,452
Carrying amount of associated liabilities	3,646	4,376

As at December 31, 2022, the subsidiary Banderarrollo Sociedad de Leasing Inmobiliario S.A. recognizes a liability pending repayment of MCh\$3,646 (MCh\$4,376 as at December 31, 2021), 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.

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Note 14 Investment in companies

The detail of investments in companies is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Companies locally controlled	-	-
Companies controlled abroad		
Branches controlled abroad	-	-
Other companies controlled abroad	-	-
Companies with significant influence in the country	18,744	12,658
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	7,308	7,274
Minority investments in other companies abroad	41	41
Total Investments in companies	26,093	19,973

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

	Ownership %	Tax ID No.	Country	Company's equity as at 12/31/2022 MCh\$	Investment as at 12/31/2022 MCh\$	Investment as at 12/31/2021 MCh\$
Transbank S.A.	22.69	96.689.310-9	Chile	106,239	18,744	12,658
Total					18,744	12,658

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 year-end is presented below.

	12/31/2022 MCh\$	12/31/2021 MCh\$
Assets and liabilities		
Current assets	1,272,126	1,249,723
Non-current assets	132,911	121,046
Current liabilities	1,297,169	1,288,512
Non-current liabilities	1,630	2,850
Income statements (summary)		
Net sales	113,661	48,466
Operating results	1,637	(26,726)
Profit (loss) for the period	21,341	(17,930)
Depreciation and amortization	(42,104)	(33,832)

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b) Minority investments in other domestic companies

	Country	Investment as at 12/31/2022 MCh\$	Investment as at 12/31/2021 MCh\$
Bolsa de Comercio de Santiago	Chile	3,206	3,169
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	406
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		7,308	7,274

(*) During March 2022, 1,448 shares of "Sociedad Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A." (Combac S.A.) were transferred to Banco Falabella, at a price of assignment of MCh\$5.

c) Minority investments in other companies abroad

	Country	Investment as at 12/31/2022 MCh\$	Investment as at 12/31/2021 MCh\$
Society for Worldwide Interbank Financial Telecommunication	Belgium	10	10
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	31	31
Total		41	41

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Book value as at January 1	19,973	18,435
Capital increase in Transbank S.A.	-	6,806
Sale of investments	(3)	(191)
Transfer to non-current assets held for sale and discontinued operations - Nexus S.A.	-	(1,344)
Participation on results	6,086	(7,213)
Adjustment to market value	37	-
Other	-	1
Subtotal	26,093	16,494
First application new compendium		
Shares - Bolsa de Comercio de Santiago	-	3,169
Shares - Bolsa Electrónica de Chile	-	310
Subtotal	-	3,479
Total	26,093	19,973

During the year ended December 31, 2022, there have been no movements associated with impairment.

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Note 15 Intangible assets
a) The detail of intangible assets is as follows:

Intangible Assets	Years		Average		Gross balance		Accumulated amortization and impairment		Net balance	
	of useful life		Remaining amortization							
	2022	2021	2022	2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
					MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Goodwill for business combinations	-	-	-	-	-	-	-	-	-	-
Other intangibles arising from business combinations (1)										
Exclusivity agreement	15	15	9	10	138,425	138,425	-	-	138,425	138,425
Accumulated amortizations					-	-	(70,751)	(61,522)	(70,751)	(61,522)
Other independently originated intangible assets										
Software or computer programs purchased independently	9	10	5	6	17,906	16,860	-	-	17,906	16,860
Software or computer programs generated internally	9	10	5	6	234,392	184,423	-	-	234,392	184,423
Accumulated amortizations					-	-	(79,572)	(55,777)	(79,572)	(55,777)
Total intangible assets					390,723	339,708	(150,323)	(117,299)	240,400	222,409

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

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b) Intangible assets are detailed as follows:

	Computer Programs MCh\$	Intangible business combinations MCh\$	Other MCh\$	Total MCh\$
Gross balance:				
Balance as at January 1, 2021	158,257	138,425	-	296,682
Acquisitions	45,526	-	-	45,526
Reclassifications	(181)	-	-	(181)
Impairment	(2,319)	-	-	(2,319)
Gross Total	201,283	138,425	-	339,708
Accumulated amortization as at January 1, 2021	(39,584)	(52,294)	(2,457)	(94,335)
Amortization for the period	(18,249)	(9,228)	-	(27,477)
Asset disposals	(1)	-	2,457	2,456
Impairment	2,057	-	-	2,057
Total amortization	(55,777)	(61,522)	-	(117,299)
Balance as at December 31, 2021	145,506	76,903	-	222,409
Gross balance :				
Balance as at January 1, 2022	201,283	138,425	-	339,708
Acquisitions	51,145	-	-	51,145
Reclassifications	-	-	-	-
Asset disposals	-	-	-	-
Impairment	(130)	-	-	(130)
Other	-	-	-	-
Gross Total	252,298	138,425	-	390,723
Accumulated depreciation as at January 1, 2022	(55,777)	(61,522)	-	(117,299)
Amortization for the period	(23,887)	(9,229)	-	(33,116)
Asset disposals	-	-	-	-
Impairment	92	-	-	92
Other	-	-	-	-
Total amortization	(79,572)	(70,751)	-	(150,323)
Balance as at December 31, 2022	172,726	67,674	-	240,400

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

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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	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
	years	years	years	years	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Land and constructions	80	80	35	36	69,131	71,718	(18,600)	(17,457)	50,531	54,261
Equipment	6	6	4	5	124,735	121,855	(94,429)	(88,447)	30,306	33,408
Other	6	6	4	5	23,331	21,215	(13,532)	(12,762)	9,799	8,453
Total					217,197	214,788	(126,561)	(118,666)	90,636	96,122

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, 2021	71,808	117,799	21,731	211,338
Purchase of property, plant	-	9	6,744	6,753
Asset disposal	(1,828)	(914)	(148)	(2,890)
Accounts Reclassification (1)	1,738	4,961	(7,112)	(413)
Transfer to held for sale	-	-	-	-
Impairment	-	-	-	-
Gross Total	71,718	121,855	21,215	214,788
Accumulated depreciation as at January 1, 2021	(16,313)	(78,273)	(11,819)	(106,405)
Depreciation for the period	(1,647)	(10,828)	(1,069)	(13,544)
Asset disposal	503	668	128	1,299
Accounts Reclassification (1)	-	(14)	(2)	(16)
Transfer to held for sale	-	-	-	-
Impairment	-	-	-	-
Total depreciation	(17,457)	(88,447)	(12,762)	(118,666)
Balance as at December 31, 2021	54,261	33,408	8,453	96,122
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)
Transfer to held for sale	-	-	-	-
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)
Transfer to held for sale	-	-	-	-
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

- (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 Consolidated Statements of Income.

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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	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021	12/31/2022	12/31/2021
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Building and land	194,760	192,209	(41,616)	(34,539)	153,144	157,670
Leased property improvements	41,961	45,294	(21,023)	(21,292)	20,938	24,002
Total	236,721	237,503	(62,639)	(55,831)	174,082	181,672

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, 2021	188,235	45,640	233,875
Adjustment due to liability remeasurement	10,327	-	10,327
Additions	-	288	288
Increase due to contract modification	650	-	650
Reclassifications (1)	-	594	594
Withdrawals / Derecognition	(7,003)	(1,228)	(8,231)
Gross Total	192,209	45,294	237,503
Accumulated depreciation as at January 1, 2021	(23,703)	(19,464)	(43,167)
Impairment	-	-	-
Depreciation for the period	(12,507)	(2,896)	(15,403)
Reclassifications	-	16	16
Withdrawals / Derecognition	1,671	1,052	2,723
Total depreciation	(34,539)	(21,292)	(55,831)
Balance as at December 31, 2021	157,670	24,002	181,672
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

(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.

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Debits for depreciation of right-of-use assets are included under "Depreciation and amortization" in the 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 December 31, 2022 and 2021, the Bank has no expenses related to leases of low value. Expenses related to short-term leases amount to MCh\$4,809 as at December 31, 2022 (MCh\$4,544 as at December 31, 2021) and are included under the caption "Administrative expenses" of the Consolidated Statements of Income.

Income received from the sub-lease on right-of-use assets amount to MCh\$1,080 as at December 31, 2022 (MCh\$318 as at December 31, 2021), which are recorded in the caption "Other Operating Income" in the Consolidated Statements of Income.

As at December 31, 2022 and 2021, 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	
	12/31/2022 MCh\$	12/31/2021 MCh\$
Balances as at January 1	163,775	168,763
Lease liabilities generated	140	-
Increase (decrease) due to contract modification	261	650
Modification of contract - subsidiaries	-	-
Interest expense	4,289	4,282
Capital payments (*)	(10,377)	(10,356)
Interest payments (*)	(4,289)	(4,282)
Contract adjustments	19,365	10,327
Payments due to cancellation /termination of leases	(12,788)	(5,559)
Prepaid leases	-	(24)
Concessions effect COVID-19	-	(26)
Total	160,376	163,775
(*) Total Payments associated with lease liabilities in the period	(14,666)	(14,638)

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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 flow	Up to 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As at December 31, 2022	1,273	2,549	11,473	60,024	124,961	200,280
As at December 31, 2021	1,270	2,500	11,238	58,938	129,479	203,425

Note 18 Taxes
a) Current taxes

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Assets:		
Income tax, 27% tax rate	(24,017)	(10,389)
One-off tax under Article 21, 40% tax rate	(22)	-
Income tax ,absorbed subsidiaries	-	-
Less:		
Monthly tax provisional payments	61,439	14,868
Credit for training expenses	742	66
Credit 104 Income Tax Law	949	18
Previous year recoverable tax	14,402	499
Other	(15)	-
Total current tax asset	53,478	5,062
Liabilities:		
Income tax, 27% tax rate	(8,882)	(148,526)
One-off tax under Article 21, 40% tax rate	-	(38)
Previous year income tax	-	-
Income tax ,absorbed subsidiaries	-	-
Less:		
Monthly tax provisional payments	7,096	45,828
Credit for training expenses	62	625
Previous year recoverable tax	-	14,406
Credit 104 Income Tax Law	-	2,142
Other	-	(32)
Total current tax liability	(1,724)	(85,595)

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b) Tax benefit (expense)

The effect of tax expense is composed of the following:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Income tax expenses:		
Current year tax	(15,252)	(103,844)
Excess (deficit) allowance previous year	54,534	3,396
Previous years tax	-	-
Credit (charge) due to deferred taxes:		
Origination and reversal of temporary differences current year	(4,418)	12,529
Origination and reversal of temporary differences prior year	(56,303)	(6,908)
Subtotal	(21,439)	(94,827)
Tax for rejected expenses Article N°21	(22)	(38)
Other	-	-
Net charge to Income due to income tax	(21,461)	(94,865)

The Bank presents no taxes from discontinued operations for the years ended December 31, 2022 and 2021.

c) Effect of taxes recorded in equity

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

	12/31/2022 MCh\$	12/31/2021 MCh\$
Financial investments at fair value with changes in other comprehensive income	(6,441)	52,190
Employee defined benefit plans	9	(11)
Derivatives in cash flow hedges	(17,672)	(55,478)
Effects of first application Accounting Standards Compendium	(3,603)	-
Total charge in equity	(27,707)	(3,299)

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d) Deferred tax assets and liabilities

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

Concept	12/31/2022	12/31/2021
	MCh\$	MCh\$
Deferred tax assets associated to goodwill	-	-
Deferred tax assets associated with mortgage servicing rights	-	-
Deferred tax assets associated with other intangibles	6,263	3,027
Deferred tax assets associated with defined benefit pension plans	470	410
Deferred tax assets associated with deductible temporary differences		
Loans provisions	199,601	170,435
Financial penalties of loans that are tax assets	-	-
Income from interest and adjustments with accrual suspended for loans in impaired portfolio	13,096	3,638
Provisions for employee benefit obligations	8,126	10,876
Leasing operations	4,949	97,864
Tax-financial differences of Property, equipment	10,995	7,961
MTM Financial instruments for trading and other investments	29,348	34,114
Sundry provisions	4,917	4,590
Other	4,947	17,189
Deferred tax assets not associated with deductible temporary differences		
Unused Bank Tax Losses	-	-
Unused tax losses of subsidiaries	4,366	1,326
Unused tax credits	-	-
Deferred Taxes with Changes in Equity	43,829	50,261
Other	-	-
Total deferred tax assets	330,907	401,691
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	(573)	(588)
Leasing operations	-	-
Changes in the fair value of financial assets at fair value with changes in 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	(573)	(588)

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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 %	12/31/2022 MCh\$
Income before corporate income tax	27.00%	144,860
Permanent differences		
Price-level restatement on tax equity	(26.62%)	(142,795)
Other permanent differences	1.19%	6,383
Prior year effect	0.34%	1,798
Other	2.09%	11,193
Effective rate and current year income tax proceeds	4.00%	21,439
One-off tax under Article No.21	0.01%	22
Total income tax expense	4.01%	21,461

	Tax Rate %	12/31/2021 MCh\$
Income before corporate income tax	27.00%	147,153
Permanent differences		
Price-level restatement on tax equity	(12.04%)	(65,601)
Other permanent differences	1.52%	8,309
Taxes not recognized in previous years in results	0.88%	4,772
Prior year effect	0.04%	194
Effective rate and current year income tax proceeds	17.40%	94,827
One-off tax under Article No.21	0.01%	38
Total income tax expense	17.41%	94,865

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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 Consolidated Financial Statements.

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

Type of loan	Assets at carrying amount in the Financial Statements (*)	Assets at tax value		
		Total	Secured overdue portfolio	Unsecured overdue portfolio
	MCh\$	MCh\$	MCh\$	MCh\$
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 Nº 4 first and third sub- paragraphs

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

Loans and accounts receivable from customers as at 12/31/2021

Type of loan	Assets at carrying amount in the Financial Statements (*)	Assets at tax value		
		Total	Secured overdue portfolio	Unsecured overdue portfolio
	MCh\$	MCh\$	MCh\$	MCh\$
Commercial loans	14,027,543	14,328,916	16,201	25,220
Consumer loans	2,016,253	2,103,715	-	4,556
Mortgage loans	11,584,289	11,583,781	6,658	89
Total	27,628,085	28,016,412	22,859	29,865

Allowances on overdue portfolio as at 12/31/2021

Type of loan	Balance as at December 31, 2020	Write-offs against allowances	Allowances Constituted	Released Allowances	Balance as at December 31, 2021
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Commercial loans	87,557	(22,333)	34,496	(74,500)	25,220
Consumer loans	6,826	(13,975)	18,267	(6,562)	4,556
Mortgage loans	57	-	55	(23)	89
Total	94,440	(36,308)	52,818	(81,085)	29,865

Direct write-offs and recoveries as at 12/31/2021

	MCh\$
Direct write-offs per Art. 31 No. 4 second sub-paragraph	63,018
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	47,647

Application of Art. 31 No. 4 first and third 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.

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Note 19 Other assets

Other assets are detailed as follows:

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Assets to assign in financial leasing as lessor	6,653	6,743
Cash guarantees delivered for derivative financial operations	598,920	760,559
Accounts receivable from third parties	98,439	96,765
VAT tax credit receivable	11,207	14,668
Prepaid expenses	8,078	6,522
Income asset from usual activities from contracts with customers	1,962	141
Other cash collateral provided	7,720	5,869
Outstanding operations	1,892	1,121
Other assets	21,501	22,619
Total other assets	756,372	915,007

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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	12/31/2022 MCh\$	12/31/2021 MCh\$
Assets received in payment or adjudicated in judicial auction		
Goods received in payment (*)	381	1,293
Assets adjudicated in judicial auction	12,272	10,037
Provisions for goods received in payment or adjudicated in judicial auction	(18)	(5)
Subtotal	12,635	11,325
Non-current assets held for sale		
Investments in companies	-	1,344
Intangible assets	-	-
Property and equipment	2,029	2,166
Assets for recovery of goods transferred in financial leasing operations	511	699
Other assets	-	-
Subtotal	2,540	4,209
Disposal groups for sale	-	-
Total non-current assets and disposal groups for sale	15,175	15,534

Concept	12/31/2022 MCh\$	12/31/2021 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 0.0092% (0.0358% as at December 31, 2021) of the Bank's effective equity.

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As at December 31, 2022 and 2021

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	Non-current assets held for sale	Total
	MCh\$	MCh\$	MCh\$
<u>Asset</u>			
Balance as at January 1, 2021	16,294	4,024	20,318
Reposessed assets	11,501	2,236	13,737
Write-offs on goods	(3,585)	-	(3,585)
Alienation	(12,580)	-	(12,580)
Regularizations	153	(2)	151
(Constitution)/release	-	(143)	(143)
Sales / disposals	(453)	(3,250)	(3,703)
Reclassification Nexus S.A. classified as held for sale (CNC Adoption for banks)	-	1,344	1,344
Balance as at December 31, 2021	11,330	4,209	15,539
<u>Provisions</u>			
Balance as at January 1, 2021	(93)	-	(93)
Provisions constituted	(25)	-	(25)
Release on provisions	71	-	71
Sales / disposals	4	-	4
Transfer, other movements and exchange differences	38	-	38
Balance as at December 31, 2021	(5)	-	(5)
Net balances as at December 31, 2021	11,325	4,209	15,534
<u>Asset</u>			
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)
Regularizations	-	-	-
(Constitution)/release	-	(417)	(417)
Sales / disposals	(3,718)	(1,922)	(5,640)
Balance as at December 31, 2022	12,653	2,540	15,193
<u>Provisions</u>			
Balance as at January 1, 2022	(5)	-	(5)
Provisions constituted	(151)	-	(151)
Release on provisions	153	-	153
Sales / disposals	(15)	-	(15)
Transfer, other movements and exchange differences	-	-	-
Balance as at December 31, 2022	(18)	-	(18)
Net balances as at December 31, 2022	12,635	2,540	15,175

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

The detail of this line item is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Derivative instruments		
Forwards	1,597,384	1,535,136
Swaps	4,615,628	4,513,718
Call options	-	-
Put options	-	-
Other financial instruments	-	-
Total	6,213,012	6,048,854

Financial derivative contracts are detailed as follows:

As at December 31, 2022		Notional amount of contracts with final maturity (1)						Fair Value
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	
	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.

As at December 31, 2021		Notional amount of contracts with final maturity (1)						Fair Value
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	
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	25,027	389,402	448,590	362,278	571,860	148,885	-	25,502
Paper forward	-	29,497	-	-	-	-	-	-
Exchange insurance	605,352	8,628,269	2,215,402	9,152,771	11,837,768	619,342	259,682	1,047,149
Inflation insurance	89,611	962,078	2,602,716	1,385,432	3,791,487	1,439,016	3,370,174	462,485
Subtotal forward	719,990	10,009,246	5,266,708	10,900,481	16,201,115	2,207,243	3,629,856	1,535,136
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal options	-	-	-	-	-	-	-	-
Swap								
Cross currency swap	20,907	266,318	5,965,464	804,680	2,731,630	3,906,791	6,216,463	2,189,265
Rate swap	72,291	1,822,105	28,794,798	5,430,875	13,402,927	19,107,757	29,245,003	2,324,453
Subtotal swap	93,198	2,088,423	34,760,262	6,235,555	16,134,557	23,014,548	35,461,466	4,513,718
Total	813,188	12,097,669	40,026,970	17,136,036	32,335,672	25,221,791	39,091,322	6,048,854

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

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Note 22 Financial liabilities at amortized cost

The detail of this line item is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Deposits and other on-demand liabilities	5,076,459	7,221,177
Term and on-demand deposits	13,972,388	9,462,566
Liabilities under repurchase agreements and securities lending	205,943	379,970
Bank borrowings	5,342,212	5,658,415
Debt financial instruments issued	7,707,165	6,658,039
Other financial liabilities	120,225	110,448
Total	32,424,392	29,490,615

a) Deposits and other deposits and other on-demand liabilities

	12/31/2022 MCh\$	12/31/2021 MCh\$
Checking accounts	3,965,561	5,297,259
Demand deposit accounts	379,377	792,503
Other on-demand deposits	133,033	275,274
Obligations for fund provision accounts for payment cards	-	-
Other on-demand obligations		
Obligations for other credits granted to be completed to other banks and/or the beneficiary of the loan	190	154
Guarantee bills payable at sight	45,704	39,642
Collections performed to be completed	70,180	64,678
Pending payment orders	75,328	32,716
Payments received on account of loans to be settled	3,308	4,653
Immobilized balances article 156 General Banking Law	21,389	20,548
Overdue time deposits	2,908	16,766
Various mortgage creditors	145,396	379,260
Granting of loans Law No 20027	37	249
Payments to apply	143	51,403
Other sight obligations	233,905	246,072
Total	5,076,459	7,221,177

b) Term and other on-demand deposits

	12/31/2022 MCh\$	12/31/2021 MCh\$
Term deposits	13,866,230	9,354,971
Term saving accounts	106,158	107,595
Other	-	-
Total	13,972,388	9,462,566

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c) Liabilities under repurchase agreements and securities lending

	12/31/2022 MCh\$	12/31/2021 MCh\$
Operations with banks:		
Repurchase agreements - Banco Central de Chile	-	149,040
Operations with banks abroad	-	-
Operations with other domestic entities		
Repurchase agreements	203,337	230,362
Securities lending obligations	2,606	568
Operations with other entities abroad	-	-
Total	205,943	379,970

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

As at December 31, 2021	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	-	149,040	-	-	-	-	-	149,040
Operations with banks abroad	-	-	-	-	-	-	-	-
Operations with other domestic entities								
Repurchase agreements	-	230,362	-	-	-	-	-	230,362
Securities lending obligations	-	568	-	-	-	-	-	568
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	-	379,970	-	-	-	-	-	379,970

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d) Bank borrowings

	12/31/2022 MCh\$	12/31/2021 MCh\$
Local Banks		
Foreign trade financing	-	-
Borrowings and other obligations	-	-
Banks abroad		
Foreign trade financing	1,434,397	1,036,400
Borrowings and other obligations	877,789	1,591,989
Banco Central de Chile		
Borrowings and other obligations	3,030,026	3,030,026
Total	5,342,212	5,658,415

The detail of bank borrowings is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Local Banks	-	-
Banks abroad		
Scotiabank (Bahamas) Ltd.	783,114	1,570,956
Export Development Canada	555,649	510,726
Wells Fargo Bank	171,018	-
Citibank N.A.	68,837	-
Bank of America, N.A.	187,322	238,789
Sumitomo Mitsui Banking Corp	-	127,930
Standard Chartered Bank	107,292	42,410
Toronto-Dominion Bank	86,302	51,380
First Union National Bank	-	51,232
Caixa D'Estalvis	64,516	-
The Bank of Montreal	42,571	-
The Bank of New York	43,059	-
Zuercher Kantonalbank	8,562	-
Banco Latinoamericano de Exportaciones	-	33,933
The Bank Chase Manhattan	64,582	-
Other	129,362	1,033
Banco Central de Chile	3,030,026	3,030,026
Total	5,342,212	5,658,415

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e) Debt financial instruments issued

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Letter of credit (1)	100,235	104,506
Current bonds (2)	7,606,930	6,553,533
Total	<u>7,707,165</u>	<u>6,658,039</u>

- (1) During the year between January 1 and December 31, 2022 and January 1 and December 31, 2021, no new letters of credit have been issued.
- (2) During the year between January 1 and December 31, 2022, and January 1 and December 31, 2021, the following domestic and international current bonds have been issued.

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Period 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

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

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Period between January 1 and December 31, 2021:

Series	Amount	Placement date	Annual Issuance	Issuance term (years)	Issuance annual rate	Currency	Issue date	Maturity date
AR	450,000	03/03/2021	5,000,000	5	0.90	UF	09/04/2020	09/04/2025
AS	200,000	24/03/2021	5,000,000	5.5	1.05	UF	09/04/2020	09/10/2025
AS	150,000	25/03/2021	5,000,000	5.5	1.05	UF	09/04/2020	09/10/2025
AU	300,000	31/03/2021	4,000,000	6	1.20	UF	09/06/2020	09/06/2026
AU	300,000	01/04/2021	4,000,000	6	1.20	UF	09/06/2020	09/06/2026
AY	2,000,000	05/04/2021	6,000,000	10.5	0.60	UF	09/06/2020	09/12/2030
AY	1,000,000	08/04/2021	6,000,000	10.5	0.60	UF	09/06/2020	09/12/2030
AR	580,000	11/05/2021	5,000,000	5	0.90	UF	09/04/2020	09/04/2025
AS	200,000	12/05/2021	5,000,000	5.5	1.05	UF	09/04/2020	09/10/2025
AW	2,000,000	24/05/2021	4,000,000	9	1.40	UF	09/07/2020	09/07/2029
1	175,000,000	29/06/2021	175,000,000	5	0.39	CHF	29/06/2021	22/07/2026
2	50,000,000	19/08/2021	50,000,000	5	1.77	USD	19/08/2021	26/08/2026
AZ	2,000,000	15/09/2021	6,000,000	11.5	0.60	UF	09/06/2020	09/12/2031
3	125,000,000	20/10/2021	125,000,000	5	2.16	USD	20/10/2021	10/11/2026
AZ	4,000,000	21/10/2021	6,000,000	11.5	0.60	UF	09/06/2020	09/12/2031
AY	3,000,000	25/10/2021	6,000,000	10.5	0.60	UF	09/06/2020	09/12/2030
4	5,000,000,000	26/10/2021	5,000,000,000	5	0.50	JPY	26/10/2021	10/11/2026
5	110,000,000	04/11/2021	110,000,000	5	0.42	CHF	04/11/2021	31/03/2027
6	30,000,000	10/11/2021	30,000,000	10	3.35	AUD	10/11/2021	24/11/2031
BE	2,000,000	11/11/2021	5,000,000	13	0.01	UF	09/09/2020	09/09/2033
7	5,000,000,000	18/11/2021	5,000,000,000	10	0.75	JPY	18/11/2021	02/12/2031
8	30,000,000	09/12/2021	30,000,000	5	2.75	AUD	09/12/2021	16/12/2026

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f) Other financial liabilities

	12/31/2022 MCh\$	12/31/2021 MCh\$
Other financial obligations with the public sector	-	-
Other financial obligations in the country		
Due to affiliated establishments for the use of credit cards	622	1,966
Due to operators for debit and credit card operation services	100,115	78,822
Obligations in favor of Chilean exporters	3,363	2,822
Other financial obligations abroad		
Obligations in favor of foreign exporters	16,125	26,838
Total	120,225	110,448

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

	12/31/2022 MCh\$	12/31/2021 MCh\$
Subordinated bonds	987,943	756,367
Bonds with no fixed term of maturity	-	-
Preferred shares	-	-
Total	987,943	756,367

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

	12/31/2022 MCh\$	12/31/2021 MCh\$
Balance at Beginning of Period	756,367	730,285
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)	(41,768)	(29,944)
Principal payment to the holder (subordinated bonds)	(15,519)	(20,036)
Accrued interest (subordinated bonds)	48,432	28,811
Adjustments accrued by the UF and/or the exchange rate (subordinated bonds, bonds with no fixed maturity term)	91,577	47,251
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	987,943	756,367

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c) The detail of subordinated bonds is as follows:

SUBORDINATED BONDS

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	29/09/1999	01/03/2024	5,649.89	198
UDESE10999	270,000	25	6.00	UF	29/09/1999	01/03/2024	50,848.98	1,785
UDESE10999	10,000	25	6.00	UF	21/10/1999	01/03/2024	1,882.52	66
UDESE10999	30,000	25	6.00	UF	04/11/1999	01/03/2024	5,636.01	198
UDESE10999	20,000	25	6.00	UF	08/11/1999	01/03/2024	3,757.34	132
UDESE20999	70,000	26	6.25	UF	16/08/2000	01/09/2025	20,100.89	706
UDESE30999	200,000	28	6.50	UF	05/06/2002	01/09/2027	89,423.29	3,140
UBBV-A1203	20,000	24	6.00	UF	01/04/2004	01/12/2027	7,345.53	258
UBBV-A1203	40,000	24	6.00	UF	01/04/2004	01/12/2027	14,722.14	517
UBBV-A1203	50,000	24	6.00	UF	01/04/2004	01/12/2027	18,320.80	643
UBBV-A1203	50,000	24	6.00	UF	01/04/2004	01/12/2027	18,407.02	646
UBBV-A1203	50,000	24	6.00	UF	01/04/2004	01/12/2027	18,398.35	646
UBBV-A1203	60,000	24	6.00	UF	01/04/2004	01/12/2027	22,072.83	775
UBBV-A1203	100,000	24	6.00	UF	01/04/2004	01/12/2027	36,770.80	1,291
UBBV-A1203	150,000	24	6.00	UF	01/04/2004	01/12/2027	55,182.09	1,938
UBBV-A1203	150,000	24	6.00	UF	01/04/2004	01/12/2027	55,026.85	1,932
UBBV-A1203	150,000	24	6.00	UF	01/04/2004	01/12/2027	54,949.55	1,929
UBBV-A1203	180,000	24	6.00	UF	01/04/2004	01/12/2027	65,954.90	2,316
UBBV-A1203	200,000	24	6.00	UF	01/04/2004	01/12/2027	73,351.97	2,576
UBBV-A1203	250,000	24	6.00	UF	01/04/2004	01/12/2027	91,819.07	3,224
UBBV-A1203	500,000	24	6.00	UF	01/04/2004	01/12/2027	182,993.63	6,425
UBBV-A1203	1,250,000	24	6.00	UF	01/04/2004	01/12/2027	457,270.10	16,055
UBBV-A1203	1,300,000	24	6.00	UF	01/04/2004	01/12/2027	468,529.62	16,451
UBBV-A1203	1,500,000	24	6.00	UF	01/04/2004	01/12/2027	549,366.83	19,289
UDES-F	500,000	25	6.00	UF	30/03/2005	01/10/2029	287,736.04	10,103
UDES-F	500,000	25	6.00	UF	30/03/2005	01/10/2029	287,472.74	10,093
UDES-G	1,000,000	26	4.75	UF	07/10/2005	01/10/2030	638,386.99	22,414
UDES-H-1006	1,000,000	25	5.00	UF	05/10/2006	01/10/2031	819,940.16	28,789
UBBV-G0506	1,000,000	25	5.00	UF	19/10/2006	01/05/2031	1,069,018.92	37,534
UBBV-G0506	2,400,000	25	5.00	UF	19/10/2006	01/05/2031	2,557,122.18	89,783
UDES-I0307	1,000,000	25	4.50	UF	15/03/2007	01/03/2032	1,036,246.59	36,384
UBBVH90607	500,000	25	3.50	UF	24/10/2008	01/06/2032	429,559.92	15,082
UBBVH90607	900,000	25	3.50	UF	24/10/2008	01/06/2032	772,041.76	27,107
UBBVH90607	1,000,000	25	3.50	UF	24/10/2008	01/06/2032	977,151.84	34,309
UBBVH90607	5,600,000	25	3.50	UF	24/10/2008	01/06/2032	5,476,307.12	192,279
UBNS-AC0615	3,000,000	20	3.10	UF	27/08/2015	01/06/2035	3,008,785.97	105,641
UBNS-AA0215	1,000,000	30	3.50	UF	07/12/2018	01/08/2044	1,133,945.43	39,814
UBBVS10616	1,000,000	25	3.50	UF	21/08/2019	09/06/2041	1,409,242.09	49,480
UBBVS10616	1,000,000	25	3.50	UF	21/08/2019	09/06/2041	1,407,206.87	49,408
UBNSAQ1119	1,000,000	23	3.50	UF	11/07/2022	01/11/2042	1,120,944.00	39,357
UBNSAQ1119	200,000	23	3.50	UF	15/07/2022	01/11/2042	222,589.51	7,815
UBNSAQ1119	350,000	23	3.50	UF	15/07/2022	01/11/2042	389,531.64	13,677
UBNSAQ1119	550,000	23	3.50	UF	15/07/2022	01/11/2042	612,121.15	21,492
UBNSAQ1119	1,900,000	23	3.50	UF	15/07/2022	01/11/2042	2,114,600.34	74,246
Total								987,943

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Period ended as at December 31, 2021								
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	29/09/1999	01/03/2024	8,144.20	252
UDESE10999	270,000	25	6.00	UF	29/09/1999	01/03/2024	73,297.76	2,272
UDESE10999	10,000	25	6.00	UF	21/10/1999	01/03/2024	2,713.04	84
UDESE10999	30,000	25	6.00	UF	04/11/1999	01/03/2024	8,113.79	251
UDESE10999	20,000	25	6.00	UF	08/11/1999	01/03/2024	5,409.19	168
UDESE20999	70,000	26	6.25	UF	16/08/2000	01/09/2025	25,748.83	798
UDESE30999	200,000	28	6.50	UF	05/06/2002	01/09/2027	103,155.25	3,197
UBBV-A1203	1,300,000	24	6.00	UF	01/04/2004	01/12/2027	562,659.36	17,438
UBBV-A1203	1,500,000	24	6.00	UF	01/04/2004	01/12/2027	661,504.26	20,501
UBBV-A1203	20,000	24	6.00	UF	01/04/2004	01/12/2027	8,849.07	274
UBBV-A1203	250,000	24	6.00	UF	01/04/2004	01/12/2027	110,613.41	3,428
UBBV-A1203	50,000	24	6.00	UF	01/04/2004	01/12/2027	22,062.20	684
UBBV-A1203	180,000	24	6.00	UF	01/04/2004	01/12/2027	79,423.92	2,461
UBBV-A1203	1,250,000	24	6.00	UF	01/04/2004	01/12/2027	550,501.03	17,061
UBBV-A1203	150,000	24	6.00	UF	01/04/2004	01/12/2027	66,495.62	2,061
UBBV-A1203	50,000	24	6.00	UF	01/04/2004	01/12/2027	22,183.46	688
UBBV-A1203	50,000	24	6.00	UF	01/04/2004	01/12/2027	22,171.28	687
UBBV-A1203	100,000	24	6.00	UF	01/04/2004	01/12/2027	44,306.08	1,373
UBBV-A1203	60,000	24	6.00	UF	01/04/2004	01/12/2027	26,598.25	824
UBBV-A1203	40,000	24	6.00	UF	01/04/2004	01/12/2027	17,741.90	550
UBBV-A1203	150,000	24	6.00	UF	01/04/2004	01/12/2027	66,277.22	2,054
UBBV-A1203	200,000	24	6.00	UF	01/04/2004	01/12/2027	88,345.43	2,738
UBBV-A1203	150,000	24	6.00	UF	01/04/2004	01/12/2027	66,168.51	2,051
UBBV-A1203	500,000	24	6.00	UF	01/04/2004	01/12/2027	220,320.77	6,828
UDES-F	500,000	25	6.00	UF	30/03/2005	01/10/2029	319,533.49	9,903
UDES-F	500,000	25	6.00	UF	30/03/2005	01/10/2029	319,202.96	9,893
UDES-G	1,000,000	26	4.75	UF	07/10/2005	01/10/2030	701,632.37	21,745
UDES-H-1006	1,000,000	25	5.00	UF	05/10/2006	01/10/2031	895,455.23	27,752
UBBV-G0506	2,400,000	25	5.00	UF	19/10/2006	01/05/2031	2,570,750.16	79,672
UBBV-G0506	1,000,000	25	5.00	UF	19/10/2006	01/05/2031	1,075,062.16	33,318
UDES-I0307	1,000,000	25	4.50	UF	15/03/2007	01/03/2032	1,045,078.56	32,389
UBBVH90607	900,000	25	3.50	UF	24/10/2008	01/06/2032	761,715.73	23,607
UBBVH90607	500,000	25	3.50	UF	24/10/2008	01/06/2032	423,868.36	13,136
UBBVH90607	1,000,000	25	3.50	UF	24/10/2008	01/06/2032	974,948.63	30,215
UBBVH90607	5,600,000	25	3.50	UF	24/10/2008	01/06/2032	5,464,334.15	169,349
UBNS-AC0615	3,000,000	20	3.10	UF	27/08/2015	01/06/2035	3,014,822.48	93,435
UBNS-AA0215	1,000,000	30	3.50	UF	07/12/2018	01/08/2044	1,137,846.36	35,263
UBBVS10616	1,000,000	25	3.50	UF	21/08/2019	09/06/2041	1,427,033.91	44,226
UBBVS10616	1,000,000	25	3.50	UF	21/08/2019	09/06/2041	1,429,188.37	43,741
Total								756,367

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Note 24 Provisions for contingencies

a) The detail of this line item is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Allowances for employee benefit obligations	30,618	32,048
Allowances of a foreign bank branch for remittances of profits to its parent company	-	-
Allowances for restructuring plans	-	9,350
Allowances for trials and litigation (1)	12,152	13,197
Allowances due to customer loyalty and merit programs obligations	-	-
Allowances for operational risk	1,030	-
Contract contingency allowance (2)	3,716	1,068
Other allowances due to other contingencies	2,375	1,145
Total	49,891	56,808

(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 MCh\$	Provisions of a foreign bank branch for remittances of profits to its parent company MCh\$	Provisions due to restructuring plans MCh\$	Provisions due to trials and litigation MCh\$	Provisions due to customer loyalty program obligations MCh\$	Provisions due to operational risk MCh\$	Other Provisions for other contingencies MCh\$	Total 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

	Provisions due to employee benefit obligations MCh\$	Provisions of a foreign bank branch for remittances of profits to its parent company MCh\$	Provisions due to restructuring plans MCh\$	Provisions due to trials and litigation MCh\$	Provisions due to customer loyalty program obligations MCh\$	Provisions due to operational risk MCh\$	Other Provisions for other contingencies MCh\$	Total MCh\$
Balance as at January 1, 2021	29,191	-	-	22,735	-	-	1,524	53,450
Provisions constituted	107,554	-	9,350	4,457	-	-	765	122,126
Provisions application	(104,697)	-	-	-	-	-	-	(104,697)
Provisions releases	-	-	-	(13,995)	-	-	(76)	(14,071)
Balance as at December 31, 2021	32,048	-	9,350	13,197	-	-	2,213	56,808

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c) Detail of provisions for employee benefits and salaries:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Provision of short-term employee benefits	27,838	28,539
Provision of benefits to employees post-employment	-	-
Provision of long-term employee benefits (1)	1,759	2,723
Provision of benefits to employees for termination of employment contract (2)	1,021	786
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	30,618	32,048

- (1) As at December 31, 2022, a provision of MCh\$708 has been recorded to cover long-term benefits other than those subject to actuarial calculation (MCh\$1,841 as at December 31, 2021). Provisions subject to actuarial calculation are described in letter d).
- (2) As at December 31, 2022, a provision of MCh\$363 has been recorded to cover severance indemnity payments other than those subject to actuarial calculation (MCh\$250 as at December 31, 2021). Provisions subject to actuarial calculation are described in letter d).

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

	As at December 31, 2022		As at December 31, 2021	
	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	882	536	1,073	599
Included in the result of the period				
Cost of present service	86	27	79	26
Costs of past services	114	38	(27)	-
Interest cost	75	51	17	12
Result from actuarial measurements	266	-	(78)	-
Unprovisioned paid benefits	-	-	-	-
Subtotal	541	116	(9)	38
Included in other comprehensive income :				
Result from actuarial measurements	-	33	-	(101)
Subtotal	-	33	-	(101)
Other:				
Payment of benefits	(372)	(27)	(182)	-
Subtotal	(372)	(27)	(182)	-
Total	1,051	658	882	536

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e) Actuarial assumptions for employee benefits

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

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Discount rate	14.25%	6.00%	14.25%	6.00%
Salary increase rate	N/A	N/A	13.50%	6.25%
Rate of inflation	11.50%	4.25%	11.50%	4.25%

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	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Discount rate	12.25%	1.50%	12.25%	1.50%
Salary increase rate	N/A	N/A	12.75%	5.00%
Rate of inflation	10.75%	2.75%	10.75%	2.75%

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

Years	As at December 31, 2022						As at December 31, 2021					
	Mortality		Rotation		Retirement		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%	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%	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%	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%	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%	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%	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%	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%	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%	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%	1.13%	0.54%	14.53%	14.53%	100.00%	100.00%

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Sensitivity analysis

Allowances of long-term employee benefits							Allowance for employee severance indemnity					
Sensitivity Analysis	As at December 31, 2022			As at December 31, 2021			As at December 31, 2022			As at December 31, 2021		
	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP
Discount rate sensitivity	1,074	1,051	1,028	900	882	864	679	658	637	551	536	520
	23		(23)	18		(18)	21		(21)	16		(15)

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:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Provisions for dividends		
Provision for payment of common shares dividends	146,260	127,268
Provision for payment of preferred shares dividends	-	-
Provision for payment of interest on bonds without a fixed maturity term	-	-
Provision for depreciation of bonds with no fixed maturity term	-	-
Total	146,260	127,268

b) The detail of provisions is 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\$
Balances as at December 31, 2021 before restatement as at January 1, 2022	-	127,268	-	-	-	127,268
Effects of CNC application for banks in 2021	-	48	-	-	-	48
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

	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\$
Balance as at January 1, 2021	-	82,626	-	-	-	82,626
Effects of CNC application for banks in 2021	-	(48)	-	-	-	(48)
Provisions constituted	-	127,316	-	-	-	127,316
Application of provisions	-	(82,626)	-	-	-	(82,626)
Release of provisions	-	-	-	-	-	-
Balance as at December 31, 2021	-	127,268	-	-	-	127,268

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Note 26 Special allowances for credit losses

a) The detail of this line item is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Allowances due to credit risk for contingent loans	25,495	30,996
Allowances due to country risk on operations with debtors domiciled abroad	1,513	229
Special allowances due to loans abroad	-	-
Additional allowances due to commercial loans (1)	87,715	99,138
Additional allowances due to mortgage loans (1)	23,562	32,088
Additional allowances due to consumer loans (1) (2)	52,971	54,535
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	191,256	216,986

- (1) Because of the current behavior of the portfolios and the expected forecasts for 2023, as at December 31, 2022, additional allowances of MCh\$11,423 were redistributed from commercial loans and MCh\$8,526 from mortgage loans to consumer loans while maintaining the same stock, with the objective of maintaining adequate coverage of those portfolios where similar behaviors to those presented before the pandemic have not yet been noted.
- (2) In the subsidiary CAT Administradora de Tarjetas S.A., in accordance with the 2022 expense plan, from July through December, MCh\$21,513 have been released in the consumer loan portfolio.

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, 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

	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, 2021	28,302	1,397	-	84,808	-	-	114,507
Allowances constituted	9,823	400	-	120,953	-	-	131,176
Application of allowances	-	-	-	-	-	-	-
Release of allowances	(7,129)	(1,568)	-	(20,000)	-	-	(28,697)
Balance as at December 31, 2021	30,996	229	-	185,761	-	-	216,986

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Note 27 Other liabilities

The detail of other liabilities is as follows:

Concept	12/31/2022 MCh\$	12/31/2021 MCh\$
Cash guarantees received due to derivative financial operations	829,625	417,141
Creditors due to intermediation of financial instruments	-	-
Accounts payable to third parties	123,923	111,918
Accounts payable by bank subsidiaries (applies only at the individual level of the bank subsidiary)	-	-
Agreed dividends payable	268	213
Valuation adjustments for macro hedges	-	-
Liability for income from regular activities due to contracts with customers	79,309	75,311
VAT Fiscal Debit payable	10,134	8,343
Other cash guarantees received	16	24
Outstanding operations	3,402	4,730
Other liabilities	3,680	4,375
Total other liabilities	1,050,357	622,055

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Note 28 Equity

a) Distribution of shares

As at December 31, 2022 and 2021, 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 12/31/2022	As at 12/31/2021
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 December 31, 2022 and 2021, the Bank or subsidiaries included in consolidation do not hold treasury shares.

As at December 31, 2022 and 2021, the distribution of shares is as follows:

Name of shareholder or Company name	As at December 31, 2022		As at December 31, 2021	
	Number of shares	Ownership %	Number of shares	Ownership %
Nova Scotia Inversiones Ltda.	12,219,759,914	99.79%	10,166,944,924	83.03%
Inversiones Caburga Limitada	-	-	979,844,372	8.00%
Inversiones SH Seis Limitada	-	-	403,299,381	3.29%
Inversiones Santa Virginia S.A.	-	-	266,234,568	2.17%
Inversiones del Pacifico S.A.	-	-	245,033,178	2.00%
Other minority shareholders	25,125,834	0.21%	183,529,325	1.51%
Total	12,244,885,748	100.0%	12,244,885,748	100.00%

b) Capital increases

During the year between January 1, 2022 and December 31, 2022, there were no capital increases.

c) Dividends paid and reserves

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.

At the ordinary shareholders' meeting of Scotiabank Chile held on March 25, 2021, the shareholders agreed to distribute 40% of the profit for 2020 totaling MCh\$110,168, equivalent to a dividend of Ch\$8.99705 per share and allocate the remainder to the reserve fund for undistributed profits.

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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 December 31, 2022 and 2021, the detail of diluted and basic earnings is as follows:

	Balance as at 12/31/2022	Balance as at 12/31/2021
Result attributable to the owners of the Bank (MCh\$)	487,533	424,228
Weighted average number of shares	12,244,885,748	12,244,885,748
Earning per share (in Chilean pesos)	39.82	34.65

As at December 31, 2022 and 2021, the Bank does not have instruments generating dilutive effects.

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e) Other comprehensive income:

The detail of other comprehensive income is as follows:

Items that will not be reclassified in results					Items that can be reclassified in results							
Sources of changes in Accumulated Other Comprehensive Income (MCh\$)	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
Closing balances as at December 31, 2021 before restatement as at January 1, 2022	-	-	-	-	(183,496)	-	-	(101,115)	-	-	77,112	(207,499)
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Effects of First Application CNC for banks in 2021	42	2,546	(11)	2,577	(1,436)	-	-	-	(33)	(208)	-	(1,677)
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	(33)	35	9	11	24,063	-	-	67,120	-	(120)	(24,113)	66,950
Closing balances as at December 31, 2022	9	2,581	(2)	2,588	(160,869)	-	-	(33,995)	(33)	(328)	52,999	(142,226)
Closure balances as at December 31, 2020 before restatement (proforma) as at January 1, 2021	-	-	-	-	12,073	-	-	(305,701)	-	-	80,400	(213,228)
Effects of First Application CNC (Changes in Accounting Standards) for banks in year 2020	(59)	3,474	-	3,415	(2,521)	-	-	-	(33)	(208)	-	(2,762)
Opening balances as at January 1, 2021	(59)	3,474	-	3,415	9,552	-	-	(305,701)	(33)	(208)	80,400	(215,990)
Effects of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Opening balances as at January 1, 2021	(59)	3,474	-	3,415	9,552	-	-	(305,701)	(33)	(208)	80,400	(215,990)
Income (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the period	101	(928)	(11)	(838)	(194,484)	-	-	204,586	-	-	(3,288)	6,814
Closing balances as at December 31, 2021	42	2,546	(11)	2,577	(184,932)	-	-	(101,115)	(33)	(208)	77,112	(209,176)

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f) Accounting equity

Accounting equity is detailed as follows:

	12/31/2022 MCh\$	12/31/2021 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	9,580
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	9	42
Net changes in fair value of equity instruments designated at fair value with changes in other comprehensive income	2,581	2,546
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	(2)	(11)
Items that can be reclassified in results		
Fair value changes of financial assets at fair value with changes in other comprehensive income	(117,047)	(134,671)
Translation differences by entities abroad	-	-
Accounting hedging of net investments in entities abroad	-	-
Cash flow hedge derivatives	(24,816)	(74,264)
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	(330)	(208)
Retained earnings from previous periods	1,095,630	840,999
Profit (loss) for the period	487,533	424,228
Provision for minimum dividends, payment of interest and revaluation of issued regulatory capital financial instruments	(146,260)	(127,268)
Provision of a foreign bank branch for remittances of profits to its parent company	-	-
Owner's equity	3,047,091	2,673,747
From Non-controlling interest	140,227	127,420
Total Equity	3,187,318	2,801,167

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g) Non-controlling interests

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

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)

As at December 31, 2021	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%	114,267	23,107	(3,435)
CAT Corredores de Seguros y Servicios S.A.	49.00%	6,743	1,551	(700)
Servicios Integrales S.A.	49.00%	959	181	(273)
Administradora y Procesos S.A.	49.00%	4,551	761	(962)
Scotia Corredora de Bolsa Chile Limitada	0.01%	7	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	1	-
Scotia Asesorías Financieras Ltda.	1.26%	151	118	(142)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	731	57	-
Total		127,420	25,777	(5,512)

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

As at December 31, 2022	Result of the period MCh\$	Total assets MCh\$	Total liabilities 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
Servicios Integrales S.A.	2,820	6,065	2,656
Administradora y Procesos S.A	5,989	18,997	7,125
Bandesarrollo Leasing Inmobiliario S.A.	(1,493)	22,086	11,206
Scotia Asesorías Financieras Ltda	13,792	18,477	2,095
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	1,448	43,838	13,616

As at December 31, 2021	Result of the period MCh\$	Total assets MCh\$	Total liabilities MCh\$
CAT Administradora de Tarjetas S.A.	47,158	1,294,260	1,079,926
CAT Corredores de Seguros y Servicios S.A.	3,166	24,716	12,222
Administradora y Procesos S.A	370	5,432	3,623
Servicios Integrales S.A.	1,552	12,696	4,029
Bandesarrollo Leasing Inmobiliario S.A.	1,291	26,813	14,763
Scotia Azul Asesorías Financieras S.A.	9,418	12,680	671
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2,268	42,098	13,631

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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	
	12/31/2022 MCh\$	12/31/2021 MCh\$
Guarantees and sureties		
Guarantees and sureties in domestic currency	349,261	163,140
Guarantees and sureties in foreign currency	342,573	235,345
Letters of credit for merchandise circulation operations	126,288	203,374
Debt purchase commitments in local currency abroad	-	-
Transactions related to contingent events		
Transactions related to contingent events in Chilean currency	546,114	539,872
Transactions related to contingent events in foreign currency	183,672	154,339
Unrestricted lines of credit for immediate payment		
Available balance line of credit and agreed overdraft in checking account- commercial portfolio	684,795	631,602
Available balance line of credit on credit card – commercial portfolio	61,320	35,045
Available balance line of credit and agreed overdraft in checking account - consumer portfolio	410,351	424,358
Available balance line of credit on credit card – consumer portfolio	4,710,948	4,348,832
Available balance of 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)	23,630	23,903
Other irrevocable credit commitments	76,249	160,431
Other contingent credits	-	-

b) Contingencies

As at the date of issuance of these Consolidated Financial Statements there are legal actions filed against the Bank and its subsidiaries regarding operations inherent to the business. As at December 31, 2022, provisions for legal contingencies amounted to MCh\$12,152 (MCh\$13,197 as at December 31, 2021), which are part of item "Provisions for contingencies " in the 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 in the court's account the total amount for the judgment. Corfo's claim for interest was rejected in the first instance and then appealed by Corfo.

On April 11, 2016, the Santiago Court of Appeals reversed the decision of the Court of First Instance, ordering the Broker to pay interest on the amount consigned in compliance with the guilty judgement.

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Against the decision of the Court of Appeals, appeals in cassation in form and substance were filed with the Supreme Court.

On May 28, 2021, the Supreme Court accepted the appeal in substance filed by the Brokerage, exempting it from the payment of interest, putting an end to the case regarding the appropriateness or lack of appropriateness of the payment of interest, where the only aspect pending for the final close of the case is paying costs to which the Broker was sentenced by the ruling of December 2, 2014, the amount of which is pending final resolution.

By virtue of the issuance of this acquittal, the Broker released part of the provision it had made for this event, leaving a balance available to cover the payment of pending costs.

Regarding the above-mentioned case as well as other legal actions filed against the Bank, 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 as such from the group of cases, there will be no significant losses not considered in these 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 December 31, 2022, 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:

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Documents in collection	61,857	134,697
Transferred financial assets managed by the Bank	1,383,566	1,208,207
Securities in custody	7,061,010	6,328,973
Assets in guarantee	3,623,916	3,364,694
Total	12,130,349	11,036,571

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d) Guarantees due to operations**i) At Scotia Corredora de Bolsa Chile Limitada**

For purposes of complying with the provisions of articles 30 and 31 of Law No.18045, the Company engaged an insurance policy No. 330-22-00032510 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, 2022 through April 22, 2023.

In order to comply with the requirements of the Stock Exchanges, in terms of comprehensive insurance, the subsidiary engaged from Chilena Consolidada Seguros Generales SA, a policy No. 5697508 for an insured amount of US\$1,000,000 covering the period from May 31, 2022 through May 31, 2023.

To guarantee the operations of the gross settlement compensation system, collateral securities were delivered to the Bolsa de Comercio de Santiago for MCh\$12,300 and Ch\$0 in cash as at December 31, 2022 (collateral securities amounting to MCh\$10,904 and MCh\$1,000 in cash as at December 31, 2021).

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 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. In favor of the Bolsa Electrónica de Chile guarantees were established on securities of MCh\$213 and in cash of MCh\$200 (as at December 31, 2021, guarantees were constituted on securities of MCh\$1,831 and in cash of MCh\$0 in favor of Bolsa de Comercio de Santiago, and guarantees were constituted on securities in favor of Bolsa Electrónica de Chile of MCh\$206 and in cash of MCh\$200).

As at December 31, 2022, cash of MCh\$1,400 (MCh\$0 as at December 31, 2021) was delivered in cash to Bolsa de Comercio de Santiago to guarantee share loan transactions.

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 (As at December 31, 2021, the Company holds collateral for simultaneous transactions of MCh\$2,724 in the Bolsa de Comercio de Santiago and MCh\$756 in the Bolsa Electrónica de Chile, which are held 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.

On January 10, 2022, Scotia Administradora General de Fondos Chile S.A., renewed the guarantees until January 10, 2023 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 UF775,389.55.

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iii) At Scotia Corredora de Seguros Chile Limitada

In accordance with the provisions of Article 58, letter D of DFL No. 251, as at December 31, 2022, the Bank 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°10049683

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, 2023

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

Series A : N°10049679

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.

Term : Up to April 14, 2023

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 31, 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

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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

Series A : N°420001931325

Amount : UF600

In favor of : Scotiabank Chile

Purpose : To ensure 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 and total disability 2/3 insurance associated with the portfolio of debtors of Scotiabank Chile.

Term : Up to April 30, 2023

Series A : N°420001931352

Amount : UF10,000

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 April 30, 2023

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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 December 31, 2022, 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, 2022 and expires on April 14, 2023, which protects 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 that arise 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

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

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Interest Income	1,796,131	1,103,830
Interest Expense	(1,081,928)	(301,688)
Subtotal net interest income	714,203	802,142
Net result of accounting hedges due to interest rate risk	(68,212)	(21,119)
Total net interest income	645,991	781,023

b) Detail of Interest income:

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Interest income:		
Financial assets at amortized cost:		
Rights under resale agreements and securities lending agreements	15,592	2,587
Financial debt securities	-	-
Loans and advances to banks	4,246	542
Commercial loans	784,176	361,787
Mortgage loans	401,070	336,250
Consumer loans	499,459	362,566
Other financial instruments	20,677	6,256
Financial assets at fair value with changes in other comprehensive income		
Debt financial instruments	70,911	33,842
Other financial instruments	-	-
Total	1,796,131	1,103,830

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c) Detail of Interest expenses:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Interest expenses:		
Financial liabilities at amortized cost:		
Deposits and other on-demand liabilities	(49,962)	(20,042)
Term and on-demand deposits	(745,341)	(79,392)
Liabilities under repurchase agreements and securities lending	(20,419)	(2,847)
Bank borrowings	(76,789)	(26,666)
Debt financial instruments issued	(147,855)	(138,173)
Other financial liabilities	-	-
Lease liabilities	(4,289)	(4,282)
Issued regulatory capital financial instruments	(37,273)	(30,286)
Total	(1,081,928)	(301,688)

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

	12/31/2022 MCh\$	12/31/2021 MCh\$
Interest income:		
Result of accounting hedges due to interest rate risk:		
Gain from financial derivative contracts for accounting hedge	6,268	7,995
Loss from financial derivative contracts for accounting hedge	(24,860)	(40)
Results from adjustments of hedged financial assets	(20,242)	(18,715)
Interest expense:		
Result of accounting hedges of interest rate risk:		
Gain from financial derivative contracts for accounting hedge	355	10,747
Loss from financial derivative contracts for accounting hedge	(32,735)	(26,161)
Results from adjustments of hedged financial liabilities	3,002	5,055
Net result of accounting hedges on risk due to interest rate risk	(68,212)	(21,119)

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 Consolidated Statements of Income because they have been effectively received.

	12/31/2022 MCh\$	12/31/2021 MCh\$
Owed by banks	-	-
Commercial loans	4,703	1,011
Mortgage loans	3,645	2,098
Consumer loans	5,882	582
Total	14,230	3,691

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Owed by banks	-	-
Commercial loans	5,695	2,939
Mortgage loans	5,234	2,170
Consumer loans	708	-
Total	11,637	5,109

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Income due to UF adjustments	2,059,461	925,026
Expenses due to UF adjustments	(945,941)	(426,201)
Subtotal net income due to UF adjustments	1,113,520	498,825
Net result of accounting hedges of risk due to UF readjustments	(622,332)	(309,255)
Total net income due to adjustments	491,188	189,570

b) Detail of Indexation income:

	12/31/2022	12/31/2021
	MCh\$	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	469,986	212,397
Mortgage loans	1,547,146	688,950
Consumer loans	2,135	1,396
Other financial instruments	12,889	9,184
Financial assets at fair value with changes in other comprehensive income		
Debt financial instruments	27,305	13,099
Other financial instruments	-	-
Total	2,059,461	925,026

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c) Detail of Indexation expenses:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Expenses due to UF adjustments		
Financial liabilities at amortized cost:		
Deposits and other on-demand obligations	-	-
Deposits and other time deposits	(69,616)	(28,721)
Obligations due to repurchase agreements and securities lending	-	-
Obligations with banks	(137)	(6)
Debt financial instruments issued	(773,452)	(351,697)
Other financial obligations	-	-
Regulatory capital financial instruments issued:		
Subordinated bonds	(102,736)	(45,777)
Bonds with no fixed maturity term	-	-
Total	(945,941)	(426,201)

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

	12/31/2022 MCh\$	12/31/2021 MCh\$
Income due to adjustments:		
Result of accounting hedges due to risk in UF adjustments		
Gain from financial derivative contracts for accounting hedges	105,778	274,560
Loss from financial derivative contracts for accounting hedges	(839,501)	(553,641)
Results from adjustments of hedged financial assets	11,683	5,636
Adjustment expenses:		
Result of accounting hedges due to risk in UF adjustments		
Gain from financial derivative contracts for accounting hedges	101,788	377,871
Loss from financial derivative contracts for accounting hedges	(1,463)	(397,668)
Results from adjustment of hedged financial liabilities	(617)	(16,013)
Net result of accounting hedges on risk due to UF adjustments	(622,332)	(309,255)

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 Consolidated Statements of Income for the Period for having been effectively received.

	12/31/2022 MCh\$	12/31/2021 MCh\$
Owed by banks	-	-
Commercial loans	2,622	163
Mortgage loans	1,722	321
Consumer loans	597	153
Total	4,941	637

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Owed by banks	11,044	-
Commercial loans	24,209	2,404
Mortgage loans	36	6,507
Consumer loans	-	-
Total	35,289	8,911

Note 32 Fee and commission income and expenses

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Commissions due to credits prepayment	2,528	3,922
Commissions due to loans with letters of credit	1,710	1,727
Commissions due to credit lines and overdrafts in checking accounts	1,306	1,025
Commissions due to guarantees and letters of credit	12,954	10,780
Credit card transactions commissions	94,133	80,533
Commissions due to accounts management	20,333	18,816
Commissions due to collections and payments	51,919	45,787
Commissions due to brokerage and securities handling (Stock Brokers and/or Securities Agency)	1,736	1,965
Remuneration for administration of mutual funds, investment funds or others	14,324	15,599
Insurance related to the granting of credits to natural persons	34,959	25,344
Insurance not related to the granting of credits to natural persons	11,676	15,395
Insurance related to the granting of credits to legal entities	631	1,056
Insurance not related to the granting of credits to legal entities	562	624
Commissions due to services on factoring operations	91	97
Commissions due to services in financial lease operations	1,188	1,214
Commissions due to deposit and custody of securities	15	41
Commissions due to financial advise	16,274	13,688
Other commissions earned		
Foreign currency exchange	4	4
Issuance of on-demand vouchers	281	290
Issuance of guarantee bills	388	365
Student loan administration	11,726	11,457
Other remuneration for services rendered	10,840	8,559
Total income due to commissions and services rendered	289,578	258,288
Commissions for card operations	(43,308)	(36,875)
Fees for licensing the use of card brands	(967)	(1,878)
Other commissions due to services related to credit card system and payment cards with provision of funds as means of payment	-	-
Expenses due to obligations on loyalty programs and merits for cardholders	(19,061)	(16,450)
Securities trading commissions	(3,765)	(3,312)
Other commissions for services received		
Commissions by correspondent banks in the country and abroad	(112)	(158)
Commissions for electronic fund transfer services	(16,128)	(17,687)
Other subsidiary commissions	(771)	(2,119)
Other	(4,531)	(4,520)
Total expenses due to commissions and services rendered	(88,643)	(82,999)
Total net income due to commissions	200,935	175,289

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b) Fee and commission income and expenses by segment are detailed as follows:

	As at December 31, 2022					Total MCh\$
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	
Lines of Credit	633	673	-	-	-	1,306
Guarantee bills	531	12,811	-	-	-	13,342
Credit Cards	31,300	361	35,167	-	302	67,130
Checking accounts	1,136	1,386	-	-	(34)	2,488
Collection	4,887	17	17,513	-	2	22,419
Insurance	45,432	533	13,663	-	118	59,746
Other	18,275	25,448	184	-	(9,403)	34,504
Net income due to commissions	102,194	41,229	66,527	-	(9,015)	200,935

	As at December 31, 2021					Total MCh\$
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	
Lines of Credit	619	402	-	-	4	1,025
Guarantee bills	498	9,938	-	-	493	10,929
Credit Cards	23,026	392	22,904	-	(128)	46,194
Checking accounts	7,933	1,162	-	-	(2)	9,093
Collection	4,278	13	16,487	-	1	20,779
Insurance	42,243	615	9,851	-	9	52,718
Other	12,357	26,550	25	-	(4,381)	34,551
Net income due to commissions	90,954	39,072	49,267	-	(4,004)	175,289

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Note 33 Net financial result

The detail of this line item is as follows:

	12/31/2022 MCh\$	12/31/2021 MCh\$
Income from financial assets to be traded at fair value through profit or loss		
Financial derivative contracts	10,050,154	8,116,218
Debt financial instruments	32,041	3,816
Other financial instruments:		
Investments in mutual funds	6,313	1,083
Equity instruments	692	365
Credits originated and acquired by the entity	-	-
Other	200	(10)
Result from financial liabilities to be traded at fair value through profit or loss		
Financial derivative contracts	(9,974,172)	(8,045,607)
Other financial instruments:	-	-
Subtotal	115,228	75,865
Financial result for derecognizing financial assets and liabilities at amortized cost and financial assets at fair value with changes in other comprehensive income		
Financial assets at amortized cost	6,553	22,150
Financial assets at fair value with changes in other comprehensive income	(655)	8,936
Subtotal	5,898	31,086
Financial results for changes readjustments and accounting hedging of foreign currency		
Foreign currency exchange result	(55,102)	(110,806)
Results for adjustments on exchange rate		
Financial assets at amortized cost	1,633	16,084
Net result of derivatives in accounting hedges of foreign currency risk	(7,309)	144,576
Subtotal	(60,778)	49,854
Other financial result due to ineffective accounting hedges		
Result from ineffective cash flow accounting hedges	3,216	7,082
Subtotal	3,216	7,082
Net financial result	63,564	163,887

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Note 34 Gain or loss from investments in companies

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

	Country	12/31/2022 MCh\$	12/31/2021 MCh\$
Companies with significant influence in the country			
Operadora de Tarjetas de Créditos Nexus S.A.	Chile	-	(1,545)
Transbank S.A.	Chile	6,086	(5,668)
Subtotal		6,086	(7,213)
Minority investments in other local companies			
Bolsa de Comercio de Santiago	Chile	330	244
Bolsa Electrónica de Chile	Chile	8	-
Sociedad Interbancaria de Depósitos de Valores	Chile	67	59
Sociedad Servicios de Infraestructura y de Mercado OTC	Chile	-	-
Redbanc S.A.	Chile	-	-
Combanc S.A.	Chile	12	8
Bolsa de Valores de Valparaíso S.A.	Chile	-	-
Club de La Unión	Chile	-	-
Caja Compensación Bolsa de Comercio de Santiago	Chile	-	-
Subtotal		417	311
Minority investments in other companies abroad			
Society for Worldwide Interbank Financial Telecommunication	Belgium	-	-
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	10	7
Subtotal		10	7
Total income from investments in companies		6,513	(6,895)

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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:

	12/31/2022 MCh\$	12/31/2021 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	5,210	4,729
Other income from assets received in payment or legally awarded through auctions	544	304
Provisions for adjustments to the net realizable value of assets received in payment or legally adjudicated through auctions	(874)	(1,120)
Write-offs of assets received in payment or adjudicated in legal auctions	(4,535)	(3,885)
Expenses for maintenance of assets received in payment or awarded in legal auctions	(537)	(334)
Non-current assets held for sale		
Investments in companies (*)	1,741	-
Intangible assets	-	-
Property, equipment	2,697	1,971
Assets for recovery of goods transferred in financial leasing operations	-	-
Other assets	-	-
Disposal groups available for sale	-	-
Total	4,246	1,665

(*) In September 2022, the shares of Operadora de Tarjetas de Crédito Nexus S.A. were transferred to Minsait Payments Systems Chile S.A.

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Note 36 Other operating income and expenses

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Other operating income		
Incentives received from issued credit card brands (VISA, MC etc.)	5,297	6,699
Income other than interest and commissions from lease contracts	1,080	1,419
Income due to reimbursements of expenses	8,469	6,351
Other income		
Various income from leasing operations	2,464	305
Income from consultancies	1,277	1,993
Sundry income from subsidiaries	4,236	15,134
Recovery of expenses from subsidiaries	360	42
Other operating income	1,409	1,150
Total other operating income	24,592	33,093
Other operating expenses		
Recoveries of expenses for operational risk events	(1,030)	-
Recoveries of expenses due to operational risk events	1,411	2,176
Provisions from trials and litigation	(1,279)	(1,176)
Other provisions for other contingencies	616	(3,490)
Expenses for credit operations of financial leasing	(823)	(1,195)
Expenses for factoring credit operations	(41)	(32)
Other operating expenses		
Expenses for provisions of securitized bonds	(10,788)	(6,925)
Operational risk expenses	(11,359)	(10,221)
Write-offs due to business decisions	(854)	(1,800)
Correspondent bank expenses	(2,757)	(1,835)
Clearing Chamber Services	(1,991)	(1,957)
Expenses for legal adverts	(501)	(529)
Other operating expenses Subsidiaries	(4,496)	(6,130)
Compensations granted	-	-
Other operating expenses	(790)	(2,373)
Total other operating expenses	(34,682)	(35,487)
Total	(10,090)	(2,394)

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Note 37 Expenses for employee benefit obligations

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Expenses due to short-term benefits to employees	260,926	257,124
Post-employment employee benefit expense	-	-
Expenses due to long-term benefits to employees	903	2,587
Expenses for employee benefits due to termination of employment contract	11,075	23,666
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	1,573	1,345
Total expenses due to obligations on benefits to employees	274,477	284,722

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Note 38 Administrative expenses

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

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Administration overheads		
Expenses for short-term lease contracts	4,809	4,544
Expenses for low-value leases	-	-
Other expenses of obligations for lease contracts	285	295
Maintenance and repair of property and equipment	6,739	5,915
Insurance premiums except to cover operational risk events	4,854	4,819
Office supplies	1,565	1,678
IT and communication expenses	52,583	56,225
Electricity , heating and other services	2,541	2,534
Security patrol and security transport services	3,510	2,944
Personnel representation and travel expenses	1,001	292
Legal and notary expenses	10,246	10,026
Fees for review and audit of the financial statements by the external auditor	1,197	999
Fees for other technical reports	2,976	1,804
Fines applied by CMF	119	20
Fines applied by other organizations	98	42
Other administrative expenses		
Common expenses buildings	3,575	3,429
Contribution Banks Association	131	267
External consultancies	28,097	25,161
Services Santiago Stock Exchange	1,018	577
Telemarketing services	5,655	5,354
Card distribution servicing	1,266	1,188
Other administrative expenses	5,204	4,249
Outsourced services		
Data processing	818	685
Technological development service, certification and technological testing	165	113
External service of human resources administration and supply of external personnel	2,015	2,403
Call Center service for sales, marketing, quality control customer service	2,812	1,529
External collection service	8,394	7,010
External ATM administration and maintenance service	3,252	1,479
External cleaning service, casino, custody of files and documents, storage of furniture and equipment	3,866	4,080
Sales services and products distribution	-	2
Other outsourced services		
IT and communications expenses	12,923	3,715
Other Services subcontracted by Subsidiaries	18,974	16,593
Other/Scotia Servicios Corporativos SpA	8,539	7,575
Other outsourced	889	1,008
Board expenses	1,164	1,120
Advertising	14,746	15,099
Taxes, contributions and other legal charges	14,500	13,107
Total administrative expenses	230,526	207,880

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Note 39 Depreciation and amortization

The detail of this line item is as follows:

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Amortization of intangible assets		
Other intangible assets arising from business combinations	9,228	9,228
Other intangible assets arising independently	23,888	18,249
Depreciation of Property and Equipment		
Building and Land	1,637	1,647
Other fixed assets	11,231	11,897
Amortization and depreciation of right-of-use asset under lease		
Building and Land		
Building	11,990	12,507
Other fixed assets	-	-
Depreciation for improvements in leased real estate as assets for the right to use leased property	2,609	2,896
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	60,583	56,424

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Note 40 Impairment of non-financial assets

The detail of this line item is as follows:

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Impairment of investments in companies	-	-
Impairment of intangible assets	38	262
Impairment of Property and Equipment	546	-
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	584	262

Note 41 Credit loss expense

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

a) Credit loss expense

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Expenses on allowances due to credit risk on loans	(382,709)	(177,137)
Expense on special allowances due to credit risk	13,120	(102,478)
Recovery of written-off loans	69,980	71,785
Impairment due to credit risk of other financial assets at amortized cost	(4)	-
Impairment due to credit risk of financial assets at fair value with changes in other comprehensive income	(47)	(157)
Total	(299,660)	(207,987)

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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	Expense of allowances due to loans in the period						Deductible guarantees FOGAPE Covid-19	Total	
	Regular Portfolio		Substandard Portfolio	Default Portfolio		Subtotal			
	Evaluation Individual	Group	Evaluation Individual	Evaluation Individual	Group				
As at December 31, 2022 (MCh\$)									
Owed by banks									
Constitution of allowances	(21)	-	-	-	-	(21)			
Release of allowances	16	-	-	-	-	16			
Subtotal	(5)	-	-	-	-	(5)	-	(5)	
Commercial loans									
Constitution of allowances	(198,359)	(27,088)	(46,859)	(115,005)	(53,439)	(440,750)	(175)	(440,925)	
Release of allowances	196,691	20,739	37,642	57,768	15,354	328,194	1,345	329,539	
Subtotal	(1,668)	(6,349)	(9,217)	(57,237)	(38,085)	(112,556)	1,170	(111,386)	
Mortgage loans									
Constitution of allowances	-	(12,666)	-	-	(10,880)	(23,546)			
Release of allowances	-	8,415	-	-	3,560	11,975			
Subtotal	-	(4,251)	-	-	(7,320)	(11,571)	-	(11,571)	
Consumer loans									
Constitution of allowances	-	(108,223)	-	-	(257,417)	(365,640)			
Release of allowances	-	61,929	-	-	43,964	105,893			
Subtotal	-	(46,294)	-	-	(213,453)	(259,747)	-	(259,747)	
Expense of allowances constituted for loan credit risk	(1,673)	(56,894)	(9,217)	(57,237)	(258,858)	(383,879)	1,170	(382,709)	
Recoveries of written-off loans									
Owed by banks									-
Commercial loans									19,353
Mortgage loans									6,346
Consumer loans									44,281
Subtotal									69,980
Expense due to credit loss on loans									(312,729)

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 Individual	Group	Evaluation Individual	Evaluation Individual	Group				
As at December 31, 2021 (MCh\$)									
Owed by banks									
Constitution of allowances	(106)	-	-	-	-	(106)			
Release of allowances	125	-	-	-	-	125			
Subtotal	19	-	-	-	-	19	-	19	
Commercial loans									
Constitution of allowances	(110,482)	(18,176)	(23,220)	(109,839)	(44,848)	(306,565)	(14,279)	(320,844)	
Release of allowances	108,325	14,712	17,144	73,851	20,404	234,436	7,924	242,360	
Subtotal	(2,157)	(3,464)	(6,076)	(35,988)	(24,444)	(72,129)	(6,355)	(78,484)	
Mortgage loans									
Constitution of allowances	-	(9,939)	-	-	(6,761)	(16,700)			
Release of allowances	-	5,341	-	-	6,864	12,205			
Subtotal	-	(4,598)	-	-	103	(4,495)	-	(4,495)	
Consumer loans									
Constitution of allowances	-	(92,043)	-	-	(151,481)	(243,524)			
Release of allowances	-	81,050	-	-	68,297	149,347			
Subtotal	-	(10,993)	-	-	(83,184)	(94,177)	-	(94,177)	
Expense of allowances constituted for loan credit risk	(2,138)	(19,055)	(6,076)	(35,988)	(107,525)	(170,782)	(6,355)	(177,137)	
Recoveries of written-off loans									
Owed by banks									-
Commercial loans									14,915
Mortgage loans									4,703
Consumer loans									52,167
Subtotal									71,785
Expense due to credit loss on loans									(105,352)

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c) Expense for credit risk special allowances

Summary of expenses due to credit risk special provisions	12/31/2022 MCh\$	12/31/2021 MCh\$
Provision expense due to contingent loans	(7,109)	(2,694)
Owed by banks	-	-
Commercial loans	(4,447)	(706)
Consumer loans	(2,662)	(1,988)
Provision expense due to country risk for operations with debtors domiciled abroad	(1,284)	1,169
Expense due to special provisions for credits abroad	-	-
Expense due to additional provisions for credits	21,513	(100,953)
Commercial loans	11,423	(92,092)
Mortgage loans	8,526	(1,977)
Consumer loans	1,564	(6,884)
Expense due to adjustment provisions to minimum provision required for regular portfolio with individual evaluation	-	-
Expense due to other special provisions constituted for credit risk	-	-

Note 42 Gain or loss from discontinued operations

As at December 31, 2022 and 2021, the Bank does not have this type of operations.

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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	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 changes in other comprehensive income	-	-	-	-	-
Financial derivative contracts for accounting hedge	51,529	-	-	-	51,529
Financial assets at amortized cost:					
Rights for repurchase agreements 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
Provisions 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 agreements 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

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Type of current assets and liabilities with related parties according to IAS 24		Type of related party				
As at December 31, 2021		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		1,790,005	-	-	6	1,790,011
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 changes in other comprehensive income		-	-	-	-	-
Financial derivative contracts for accounting hedge		54,000	-	-	-	54,000
Financial assets at amortized cost:						
Rights for repurchase agreements and securities lending		-	-	-	-	-
Debt financial instruments		-	-	-	-	-
Commercial loans		-	-	2,687	311,464	314,151
Mortgage loans		-	-	13,957	88,862	102,819
Consumer loans		-	-	2,433	17,697	20,130
Provisions constituted- Loans		-	-	(104)	(1,344)	(1,448)
Other assets		291	-	-	104	395
Contingent loans		3,710	100	4,224	56,202	64,236
LIABILITIES						
Financial liabilities to be traded at fair value through profit or loss:						
Financial derivative contracts		1,925,752	-	-	9,227	1,934,979
Financial liabilities designated at fair value through profit or loss		-	-	-	-	-
Financial derivative contracts for accounting hedge		67,293	-	-	-	67,293
Financial liabilities at amortized cost:						
Term and on-demand deposits		347	207	4,245	67,089	71,888
Deposits and other term deposits		-	104,079	4,417	-	108,496
Liabilities with repurchase agreements and securities lending		-	-	-	-	-
Obligations with banks		-	-	-	-	-
Debt financial instruments issued		-	-	-	-	-
Other financial obligations		-	-	-	-	-
Lease contracts obligations		-	-	-	748	748
Other liabilities		6,385	587	-	1,134	8,106

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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				
	Parent	Other legal entity	Key staff of the	Other related parties	Total
			Consolidated Bank		
As at December 31, 2022					
(in MCh\$)					
Interest income	-	1	425	19,689	20,115
Adjustments income	-	-	2,022	28,635	30,657
Commission Income	-	163	115	873	1,151
Net financial income	(86,054)	-	4	(1,800)	(87,850)
Other income	-	647	310	8,894	9,851
Total income	(86,054)	811	2,876	56,291	(26,076)
Interest expenses	-	-	(382)	(11,197)	(11,579)
Adjustment expenses	-	-	(178)	(2,487)	(2,665)
Commission expenses	(3)	(8,138)	(49)	(9,239)	(17,429)
Credit loss expense	-	(7)	16	(864)	(855)
Expenses for employee benefit obligations	-	-	(20,774)	(11)	(20,785)
Administration expenses	(17,675)	-	-	(12,992)	(30,667)
Other expenses	(8,307)	-	(16)	(752)	(9,075)
Total expenses	(25,985)	(8,145)	(21,383)	(37,542)	(93,055)

Type of income and expenses from transactions with related parties according to IAS 24	Type of related party				
	Parent	Other legal entity	Key staff of the	Other related parties	Total
			Consolidated Bank		
As at December 31, 2021					
(in MCh\$)					
Interest income	-	9	311	10,192	10,512
Adjustments income	-	-	971	14,272	15,243
Commission Income	-	160	127	1,258	1,545
Net financial income	(133,515)	-	2	3,171	(130,342)
Other income	171	10	95	683	959
Total income	(133,344)	179	1,506	29,576	(102,083)
Interest expenses	(7)	-	(35)	(1,332)	(1,374)
Adjustment expenses	-	-	(40)	(230)	(270)
Commission expenses	-	(11,202)	(30)	(3,007)	(14,239)
Credit loss expense	-	-	37	(474)	(437)
Expenses for employee benefit obligations	-	-	(20,715)	(7)	(20,722)
Administration expenses	(18,768)	(927)	-	(11,458)	(31,153)
Other expenses	-	-	-	(485)	(485)
Total expenses	(18,775)	(12,129)	(20,783)	(16,993)	(68,680)

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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.

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 December 31, 2022		Effect on Statement of Financial Position	
		Type of service	Term	Renewal conditions			Income	Expenses	Accounts Receivable	Accounts payable
Azurian Tecnología Limitada	Other related parties	Facial Biometrics Service	1 year	Automatic Renewal	Conditions equivalent to the market on the date these were made	521	-	521	-	
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Property lease for branch	6 years	Automatic Renewal for 5 years	Conditions equivalent to the market on the date these were made	108	-	108	-	
Sociedad Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A	Other related parties	Compensation service on discharged operations	Undefined	Automatic Renewal	Conditions equivalent to the market on the date these were made	561	-	561	-	
Redbanc S.A.	Other related parties	Update of infrastructure and software license currency App - Financial portability and Windows 7 Operating System in ATM	N/A	Non - applicable	Conditions equivalent to the market on the date these were made	504	-	53	-	
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	3,779	-	3,734	-	45
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	7,398	-	6,690	-	49
Servicios Regionales Tecnología Scotiabank Ltda.	Other related parties	Consulting services, technological support and projects	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	6,215	-	3,396	-	
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	8,190	-	8,190	-	
Scotia Servicios Corporativos SpA.	Other related parties	Provision of services (legal advice, accounting, management control, audit)	Undefined	Undefined	Conditions equivalent to the market on the date these were made	349	-	349	-	
Transbank S.A.	Other legal entity	Credit Card operation services	2 years	Automatic Renewal	Conditions equivalent to the market on the date these were made	27,733	17,439	10,282	-	12
The Bank of Nova Scotia	Parent	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	4,102	3,981	-	121	
The Bank of Nova Scotia	Parent	Technology services and projects	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	16,768	-	16,768	-	
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.	Undefined	Automatic Renewal	Conditions equivalent to the market on the date these were made	1,279	-	988	-	

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Razón Social	Naturaleza de la relación con el banco	Descripción de la transacción			Transacciones en condiciones de equivalencia a aquellas transacciones con independencia mutua entre las partes	Monto MM\$	Al 31 de diciembre de 2021 Efecto en Estado del Resultado		Efecto en Estado de Situación Financiera	
		Tipo de servicio	Plazo	Condiciones de renovación			Ingresos MM\$	Gastos MM\$	Cuentas por Cobrar MM\$	Cuentas por Pagar MM\$
Azurian Tecnología Limitada	Otras partes relacionadas	Servicio Biometría facial	1 año	Renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	236	-	234	-	2
Inmobiliaria Mall Viña del Mar S.A	Otras partes relacionadas	Arriendo de inmueble para sucursal	6 años	Renovación automática por 5 años	Condiciones equivalentes al mercado a la fecha que se realizaron	106	-	19	-	-
Sociedad Operadora de la Cámara de Compensación de Pagos de Alto Valor S.A	Otras partes relacionadas	Servicio de compensación de operaciones de alto	Indefinido	Renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	527	-	483	-	44
Redbanc S.A.	Otras partes relacionadas	Actualización de infraestructura y licencia de software currency App - Portabilidad financiera y Sistema Operativo Windows 7 en ATM	No aplica	No aplica	Condiciones equivalentes al mercado a la fecha que se realizaron	281	-	-	-	-
Redbanc S.A.	Otras partes relacionadas	Servicios de dispensado de dinero y entrega de información y datos a través de cajeros automáticos	5 años	Renovación automática por 3 años	Condiciones equivalentes al mercado a la fecha que se realizaron	2,675	-	2,340	-	335
Redbanc S.A.	Otras partes relacionadas	Servicio de transmisión de datos en forma segura entre instituciones bancarias y proveedores de la industria.	3 años	Renovación automática por un año	Condiciones equivalentes al mercado a la fecha que se realizaron	723	-	720	-	3
Operadora de Tarjetas de Crédito Nexus S.A.	Otra entidad jurídica	Servicio de operación de Tarjetas de Crédito	2 años	Renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	13,096	-	12,905	-	44
Servicios Regionales Tecnología Scotiabank Ltda.	Otras partes relacionadas	Servicios de asesoría, apoyo tecnológico y proyectos.	1 año	Revisión anual, si no hay cambios aplica renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	6,089	-	2,729	-	-
Scotia Servicios Corporativos SpA	Otras partes relacionadas	Servicios de asesoría, apoyo tecnológico y proyectos.	10 años	Renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	7,260	-	7,260	-	-
Transbank S.A.	Otra entidad jurídica	Servicio de operación de Tarjetas de Crédito	2 años	Renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	23,249	15,432	7,636	-	181
The Bank of Nova Scotia	Casa Matriz	Comisiones por clientes referidos	Indefinido	Indefinido	Condiciones equivalentes al mercado a la fecha que se realizaron	4,614	4,614	-	-	-
The Bank of Nova Scotia	Casa Matriz	Servicios de tecnología y proyectos.	1 año	Revisión anual, si no hay cambios aplica renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	14,345	-	12,790	-	1,555
Scotiabank Perú S.A.	Otras partes relacionadas	Soporte Tecnológico Regional.	Indefinido	Renovación automática	Condiciones equivalentes al mercado a la fecha que se realizaron	2,160	-	2,160	-	-

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

	12/31/2022 MCh\$	12/31/2021 MCh\$
Board:		
Payments of Board remunerations and wages – Bank and Bank's subsidiaries	1,164	1,120
Subtotal	1,164	1,120
Key personnel of the Bank's Management and Subsidiaries:		
Short-term payment for employee benefits	19,197	18,287
Payment of post-employment benefits to employees	-	-
Long-term payment for employee benefits	82	-
Payments for benefits to employees for contract termination	331	1,308
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	19,610	19,595
Total	20,774	20,715

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

	N° of Executives	
	12/31/2022	12/31/2021
Board:		
Directors - Bank and Bank's Subsidiaries	10	11
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	69	69
Division/Area Managers - Bank's Subsidiaries	18	19
Total	108	110

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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 December 31, 2022 and 2021 is detailed as follows:

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

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		Recorded amount	Estimated Fair Value
	Note	12/31/2021 MCh\$	12/31/2021 MCh\$
ASSETS			
Cash and deposits in banks	7	1,459,622	1,459,622
Transactions pending settlement	7	443,080	443,080
Financial assets to be traded at fair value through profit or loss			
Financial derivatives contracts	8	6,334,097	6,334,097
Debt financial instruments	8	474,715	474,715
Other	8	115,889	115,889
Financial assets at fair value with changes in other comprehensive income			
Debt financial instruments	11	1,950,500	1,950,500
Financial derivative contracts for accounting hedge	12	326,030	326,030
Financial assets at amortized cost			
Rights for repurchase agreements and securities loans	13	120,791	118,921
Debt financial instruments	13	-	-
Owed by banks	13	2,996	2,996
Loans and accounts receivable from customers - Commercial	13	13,834,313	13,892,092
Loans and accounts receivable from customers - Mortgage	13	11,590,604	11,118,025
Loans and accounts receivable from customers - Consumer	13	3,087,784	3,015,372
Securitized bonds	19	17,417	17,502
LIABILITIES			
Transactions pending settlement	7	395,878	395,878
Financial liabilities to be traded at fair value through profit or loss			
Financial derivatives contracts	21	6,048,854	6,048,854
Financial derivative contracts for accounting hedge	12	831,935	831,935
Financial liabilities at amortized cost			
Deposits and other on-demand obligations	22	7,221,177	7,221,177
Deposits and other time deposits	22	9,462,566	9,537,581
Obligations for repurchase agreements and securities loans	22	379,970	379,744
Obligations with banks	22	5,658,415	5,659,309
Debt financial instruments issued	22	6,658,039	6,639,930
Other financial obligations	22	110,448	110,448
Issued regulatory capital financial instruments	23	756,367	797,413

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.

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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 December 31, 2022 and 2021. 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.

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.

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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).

- **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:

- a) Housing lease bonds (BVL).
- b) Local and foreign investment funds.
- c) 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 December 31, 2022 and 2021:

As at December 31, 2022	Fair Value measures			
	Book value MCh\$	Level 1 MCh\$	Level 2 MCh\$	Level 3 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 with changes in 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	-

As at December 31, 2021	Fair Value measures			
	Book value MCh\$	Level 1 MCh\$	Level 2 MCh\$	Level 3 MCh\$
Assets				
Financial assets to be traded at fair value through profit or loss	6,924,701	179,171	6,745,530	-
Financial assets at fair value with changes in other comprehensive income	1,950,500	703,231	1,247,269	-
Financial derivative contracts for accounting hedge	326,030	-	326,030	-
Securitized bonds	17,417	-	-	17,502
Total assets	9,218,648	882,402	8,318,829	17,502
Liabilities				
Financial derivative contracts	6,048,854	-	6,048,854	-
Financial derivative contracts for accounting hedge	831,935	-	831,935	-
Total liabilities	6,880,789	-	6,880,789	-

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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 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

As at December 31, 2021	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%	(372) 393

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Note 45 Maturity per remaining balances of financial assets and liabilities

The detail of this line item is as follows:

As at December 31, 2022	Note	More than 3							Total
		On-demand	Up to 1 month	More than 1 up to 3 months	More than 1 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\$
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 with changes in 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 with changes in 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 agreements 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 agreements 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

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As at December 31, 2021	Note	More than 3							Total MCh\$
		On-demand MCh\$	Up to 1 month MCh\$	More than 1 up to 3 months MCh\$	months up to 1 year MCh\$	More than 1 up to 3 years MCh\$	More than 3 up to 5 years MCh\$	More than 5 years MCh\$	
Cash and deposits in banks	7	1,459,622	-	-	-	-	-	-	1,459,622
Transactions pending settlement	7	443,080	-	-	-	-	-	-	443,080
Financial assets to be traded at fair value with changes in income									
Financial derivative contracts (1)	8	12,208	254,669	453,602	1,089,665	1,430,366	1,108,656	1,984,931	6,334,097
Debt financial instruments (2)	8	1,577	31	209,050	118,266	28,898	88,291	28,602	474,715
Other	8	113,370	1,693	826	-	-	-	-	115,889
Financial assets at fair value with changes in other comprehensive income									
Debt financial instruments (2)	11	11,087	287,430	197,293	46,885	212,679	616,194	578,932	1,950,500
Other	11	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	12	-	-	5,697	44,134	93,597	93,564	89,038	326,030
Financial assets at amortized cost									
Rights for repurchase agreements and securities loans	13	-	-	120,791	-	-	-	-	120,791
Debt financial instruments	13	-	-	-	-	-	-	-	-
Owed by banks	13	-	2,996	-	-	-	-	-	2,996
Loans and accounts receivable from customers (3)	13	538,631	1,561,797	2,178,848	4,577,893	6,136,928	3,428,715	10,535,044	28,957,856
Total financial assets		2,579,575	2,108,616	3,166,107	5,876,843	7,902,468	5,335,420	13,216,547	40,185,576
Transactions pending settlement	7	395,878	-	-	-	-	-	-	395,878
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	10,885	261,634	376,327	1,034,435	1,464,791	993,092	1,907,690	6,048,854
Other	21	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge (1)	12	-	7,311	11,545	85,303	146,546	238,375	342,855	831,935
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	7,221,177	-	-	-	-	-	-	7,221,177
Deposits and other term deposits	22	287,457	3,827,474	2,241,729	2,390,273	715,633	-	-	9,462,566
Obligations for repurchase agreements and securities lending	22	-	379,970	-	-	-	-	-	379,970
Obligations with banks	22	5,764	776,684	2,301,881	2,488,823	85,263	-	-	5,658,415
Debt financial instruments issued	22	-	-	519,408	303,897	1,844,946	1,766,050	2,223,738	6,658,039
Other Financial Obligations	22	54,681	36,944	11,425	2,997	1,865	2,262	274	110,448
Obligations for lease contracts	17	-	928	2,650	8,318	22,608	22,959	106,312	163,775
Regulatory capital financial instruments issued	23	-	-	-	-	3,027	798	752,542	756,367
Total financial liabilities		7,975,842	5,290,945	5,464,965	6,314,046	4,284,679	3,023,536	5,333,411	37,687,424
Net financial position		(5,396,267)	(3,182,329)	(2,298,858)	(437,203)	3,617,789	2,311,884	7,883,136	2,498,152

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

(2) The tranches of the remaining maturities were determined based on the nominal amounts of the financial instruments

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

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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 N°	As at December 31, 2022										Total MCh\$
		Ch\$ MCh\$	UF MCh\$	US\$ MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other MX 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 with changes in 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	10,160,945	17,475,450	5,181,762	-	-	35,287	-	360	2,254	-	32,856,058
Total financial assets		20,283,084	18,140,546	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	17,242,179	7,654,884	7,085,912	-	598	43,512	259,071	83,658	2,294	52,284	32,424,392
Obligations for lease contracts	17	158,216	2,160	-	-	-	-	-	-	-	-	160,376
Issued regulatory capital financial instruments	23	-	987,943	-	-	-	-	-	-	-	-	987,943
Total financial liabilities		25,467,254	8,644,987	7,271,539	-	3,088	48,956	259,071	83,658	2,294	52,399	41,833,246
Net financial position		(5,184,170)	9,495,559	(1,001,863)	-	7,279	2,715	(258,620)	(81,538)	676	(39,802)	2,940,236

Financial Assets-Liabilities	Note N°	As at December 31, 2021										Total MCh\$
		Ch\$ MCh\$	UF MCh\$	US\$ MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other MX MCh\$	
Cash and deposits in banks	7	857,700	-	568,245	-	6,629	15,958	540	1,962	712	7,876	1,459,622
Transactions pending settlement	7	176,312	-	216,935	-	8,153	34,066	-	5,920	-	1,694	443,080
Financial assets to be traded at fair value through profit or loss	8	6,585,962	333,195	5,544	-	-	-	-	-	-	-	6,924,701
Financial assets at fair value with changes in other comprehensive income	11	1,698,702	251,798	-	-	-	-	-	-	-	-	1,950,500
Financial derivative contracts for accounting hedge	12	326,030	-	-	-	-	-	-	-	-	-	326,030
Financial assets at amortized cost	13	9,068,040	15,107,913	4,435,320	-	-	21,271	-	121	3,823	-	28,636,488
Total financial assets		18,712,746	15,692,906	5,226,044	-	14,782	71,295	540	8,003	4,535	9,570	39,740,421
Transactions pending settlement	7	218,314	-	162,191	-	10,447	3,570	-	-	-	1,356	395,878
Financial liabilities to be traded at fair value through profit or loss	21	6,048,854	-	-	-	-	-	-	-	-	-	6,048,854
Financial derivative contracts for accounting hedge	12	831,935	-	-	-	-	-	-	-	-	-	831,935
Financial liabilities at amortized cost	22	16,158,181	6,279,970	6,646,739	-	537	29,195	261,615	73,315	3,823	37,240	29,490,615
Obligations for lease contracts	17	162,672	1,103	-	-	-	-	-	-	-	-	163,775
Issued regulatory capital financial instruments	23	-	756,367	-	-	-	-	-	-	-	-	756,367
Total financial liabilities		23,419,956	7,037,440	6,808,930	-	10,984	32,765	261,615	73,315	3,823	38,596	37,687,424
Net financial position		(4,707,210)	8,655,466	(1,582,886)	-	3,798	38,530	(261,075)	(65,312)	712	(29,026)	2,052,997

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

Non-Financial Assets-Liabilities	Note N°	As at December 31, 2022										Total MCh\$
		Ch\$ MCh\$	UF MCh\$	US\$ MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other MX 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 to use leased assets	17	174,082	-	-	-	-	-	-	-	-	-	174,082
Current taxes	18	53,478	-	-	-	-	-	-	-	-	-	53,478
Deferred taxes	18	330,907	-	-	-	-	-	-	-	-	-	330,907
Other assets	19	326,491	34,856	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		1,257,252	34,856	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 provisions 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	178,983	87,521	762,053	484	23	16,738	-	5	-	4,550	1,050,357
Total non-financial liabilities		559,012	87,521	771,432	497	24	16,876	5	28	26	4,640	1,440,061
Net financial position		698,240	(52,665)	(377,551)	(497)	(24)	(15,855)	(5)	93	(26)	(4,628)	247,082

Non-Financial Assets-Liabilities	Note N°	As at December 31, 2021										Total MCh\$
		Ch\$ MCh\$	UF MCh\$	US\$ MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other MX MCh\$	
Investment in companies	14	19,962	-	-	-	-	11	-	-	-	-	19,973
Intangible assets	15	222,409	-	-	-	-	-	-	-	-	-	222,409
Property, equipment	16	96,122	-	-	-	-	-	-	-	-	-	96,122
Assets for the right to use leased assets	17	181,672	-	-	-	-	-	-	-	-	-	181,672
Current taxes	18	5,062	-	-	-	-	-	-	-	-	-	5,062
Deferred taxes	18	401,691	-	-	-	-	-	-	-	-	-	401,691
Other assets	19	195,462	34,788	684,603	-	-	-	-	-	-	154	915,007
Non-current assets and disposal groups held for sale	20	15,534	-	-	-	-	-	-	-	-	-	15,534
Total non-financial assets		1,137,914	34,788	684,603	-	-	11	-	-	-	154	1,857,470
Provisions for contingencies	24	56,592	-	-	-	-	-	-	-	-	216	56,808
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	127,268	-	-	-	-	-	-	-	-	-	127,268
Special provisions for credit risk	26	216,986	-	-	-	-	-	-	-	-	-	216,986
Current taxes	18	85,595	-	-	-	-	-	-	-	-	-	85,595
Deferred taxes	18	588	-	-	-	-	-	-	-	-	-	588
Other liabilities	27	252,016	83,430	272,564	364	-	8,690	-	-	-	4,991	622,055
Total non-financial liabilities		739,045	83,430	272,564	364	-	8,690	-	-	-	5,207	1,109,300
Net financial position		398,869	(48,642)	412,039	(364)	-	(8,679)	-	-	-	(5,053)	748,170

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.

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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.

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- **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.

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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 and will only provide 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.

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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)	Non-derivative liabilities (2)	Derivative assets (3)	Derivative liabilities (3)
	MCh\$	MCh\$	MCh\$	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

LIBOR-based operations	Non-derivative assets (1)	Non-derivative liabilities (2)	Derivative assets (3)	Derivative liabilities (3)
	MCh\$	MCh\$	MCh\$	MCh\$
US\$	2,276,837	1,205,619	17,383,135	16,585,793
EUR	-	-	67,942	59,622
Other	-	-	20,413	20,413
As at December 31, 2021	2,276,837	1,205,619	17,471,490	16,665,828

The table above details the Bank's exposures to IBORs through financial assets and liabilities as at December 31, 2022 and 2021, 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.

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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.

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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.

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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.

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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.

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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 December 31, 2022							
	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

Individual Evaluation	As at December 31, 2021							
	Owed by banks	Commercial loans	Commercial Leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
A1	1,371	99,775	-	15,183	-	-	62,752	179,081
A2	1,627	3,687,868	65,575	6,580	-	-	643,849	4,405,499
A3	-	1,761,733	122,152	33,734	-	-	195,889	2,113,508
A4	-	3,317,240	303,324	120,342	-	-	169,768	3,910,674
A5	-	1,316,121	130,160	46,438	-	-	63,896	1,556,615
A6	-	567,253	53,813	17,961	-	-	23,650	662,677
B1	-	137,382	14,605	498	-	-	1,720	154,205
B2	-	33,933	2,422	-	-	-	192	36,547
B3	-	60,808	9,358	14	-	-	697	70,877
B4	-	24,765	2,118	-	-	-	7	26,890
C1	-	17,457	1,182	-	-	-	3	18,642
C2	-	3,970	850	-	-	-	5	4,825
C3	-	4,513	340	-	-	-	-	4,853
C4	-	10,358	514	-	-	-	-	10,872
C5	-	6,769	1,546	-	-	-	-	8,315
C6	-	60,774	315	41	-	-	1,939	63,069
Total	2,998	11,110,719	708,274	240,791	-	-	1,164,367	13,227,149

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As at December 31, 2022 and 2021

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 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

As at December 31, 2021								
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	-	1,812,440	35,326	1,393	3,090,881	11,365,427	1,685,273	17,990,740
Default	-	172,548	2,529	34	156,718	260,776	15,709	608,314
Total	-	1,984,988	37,855	1,427	3,247,599	11,626,203	1,700,982	18,599,054

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	
Stage 3	Credit-impaired assets	C1 to C6	Default

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The classification of financial assets at amortized cost and contingent loans in these stages is as follows:

Credit Risk

As at December 31, 2022	Stage 1	Stage 2	Stage 3	Total
	MCh\$	MCh\$	MCh\$	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

As at December 31, 2021	Stage 1	Stage 2	Stage 3	Total
	MCh\$	MCh\$	MCh\$	MCh\$
Individual				
Owed by banks	2,998	-	-	2,998
Loans and accounts receivable	12,825,057	288,519	110,575	13,224,151
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	17,994,000	-	605,054	18,599,054
Total	30,822,055	288,519	715,629	31,826,203

Collateral

The collateral limitation amount for customers with secured transactions is classified into the following categories:

Type of guarantee	Portfolio	12/31/2022	12/31/2021
		MCh\$	MCh\$
General Guarantee		8,949,247	8,235,402
Specific Guarantee			
	Commercial	8,790,406	8,146,797
	Mortgage	9,452,442	7,592,295
	Consumer	55,213	54,936
	Total	27,247,308	24,029,430

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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.

Probability of Default	As at December 31, 2022		As at December 31, 2021	
	Secured MCh\$	Unsecured MCh\$	Secured MCh\$	Unsecured MCh\$
0,0 - 0,1	152,217	6,460,827	161,005	5,470,234
0,11 - 0,4	469,869	1,969,860	318,066	1,796,930
1,01 - 3,0	1,749,926	2,466,228	1,717,275	2,195,097
3,01 - 6,0	725,807	731,412	608,639	950,128
6,01 - 11,0	420,998	422,502	235,349	427,327
11,01 - 17,0	111,004	153,491	45,769	108,436
17,01 - 25,0	31,356	54,930	14,532	22,015
25,01 - 50,0	74,486	34,987	68,306	29,461
50,01 +	143,238	101,543	47,533	63,040
Total	3,878,901	12,395,780	3,216,474	11,062,668

The information does not consider guarantees for substitution purposes.

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.

Probability of Default	12/31/2022 MCh\$	12/31/2021 MCh\$
Commercial		
0,84 - 3,81	639,489	744,356
3,81 - 8	425,967	433,347
8 - 12,41	320,398	250,797
12,41 - 12,722	235,382	248,094
12,722 - 25,27	91,214	62,538
25,27 +	381,989	305,337
Total commercial	2,094,439	2,044,469
Mortgage		
0,14 - 0,37	8,271,049	7,032,974
0,37 - 1,79	2,751,178	2,591,418
1,79 - 4,5	1,337,288	1,138,178
4,5 - 16,8	33,306	52,353
16,8 - 23,04	846,740	512,525
23,04 +	305,404	257,518
Total mortgage	13,544,965	11,584,966
Consumer		
0,82 - 2,36	562,855	1,210,445
2,36 - 5,61	708,322	783,342
5,61 - 9,94	402,908	413,223
9,94 - 15,59	265,886	228,228
15,59 - 40,58	302,268	209,815
40,58 +	269,332	175,659
Total consumer	2,511,571	3,020,712
Total	18,150,975	16,650,147

SCOTIABANK CHILE AND SUBSIDIARIES

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As at December 31, 2022 and 2021

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 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%

As at December 31, 2021

	Total Obligations	% Effective equity	
	MCh\$	Secured	Unsecured
BNS Group	467,395	13.0%	1.7%
Said Group	200,058	5.5%	1.2%
Generic group by management	129,569	3.6%	0.7%
Pacal Group	27,725	0.8%	0.0%
Other related groups	123,740	3.4%	1.9%
Total main debtors	948,487		
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 Consolidated Financial Statements

As at December 31, 2022 and 2021

Total allowances on loans

The total level of allowances on loans reached MCh\$596,532 as at December 31, 2022, which implies an increase of approximately 34% compared to the stock of allowances as at December 2021, which reached MCh\$445,155. In this sense and considering the increase in total loans (growth of 14.5% in the same period), the percentage of allowances over total loans rose from 1.54% in December 2021 to 1.80% in December 2022.

Risk rates and allowances	12/31/2022	12/31/2021
	MCh\$	MCh\$
Total allowances on loans	596,532	445,155
Total loans	33,168,784	28,957,856
Allowance / Loans Percentage	1.80%	1.54%

The increase in credit loss allowances in the period between January and December 2022 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

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As at December 31, 2022 and 2021

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 December 31, 2022

(Individual Bank)

	Purchase Value MCh\$	Purchase TIR %	Market Value MCh\$	Market TIR %	Unrecognized Result 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)

SCOTIABANK CHILE AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

As at December 31, 2022 and 2021

As at December 31, 2021

(Individual Bank)

	Purchase Value MCh\$	Purchase TIR %	Market Value MCh\$	Market TIR %	Unrecognized Result MCh\$
Papers Ch\$	1,878,871	3.17	1,698,700	5.17	(180,171)
PDBC	445,806	4.43	445,931	3.94	125
BCP	4,833	2.34	4,662	5.65	(171)
BTP	1,403,358	2.80	1,223,277	5.64	(180,081)
Time deposits Ch\$	24,874	1.24	24,830	4.06	(44)
Papers UF	248,581	0.72	240,498	1.03	(8,083)
BCU	61,066	(0.24)	61,234	(0.59)	168
BTU	187,515	1.03	179,264	1.59	(8,251)
Time deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US\$	-	-	-	-	-
Time Deposits US\$	-	-	-	-	-
Total	2,127,452	2.88	1,939,198	4.66	(188,254)

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 December 31, 2022, the total VaR (includes rate and currency) reached a value of MCh\$3,271 (MCh\$1,665 as at December 31, 2021).

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As at December 31, 2022 and 2021

The impact by the risk factor on the VaR at each closing date is shown below:

	12/31/2022	12/31/2021
	MCh\$	MCh\$
Bonds in UF	42	(526)
Derivatives UF	(315)	56
Bonds in Ch\$	(847)	(814)
Derivatives in Ch\$	(1,311)	(252)
Derivatives US\$	(76)	(962)
Basis US\$/Ch\$	(769)	(68)
Basis L3L6	-	10
Other	5	751
FX	-	140
Total	(3,271)	(1,665)

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:

- a) Cash flows are determined by the maturity of fixed rate transactions and by the revaluation period in variable rate transactions.
- b) 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.
- c) Flows consider only principal of transactions.
- d) Interest rate curves do not consider the spread between assets and liabilities.

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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.

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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 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)		

As at December 31, 2021

	VPN	VPN + 1%	VPN - 1%
Ch\$	1,471,476	(122,361)	134,101
UF	1,917,379	(78,239)	61,985
US\$	(477,670)	1,970	(4,695)
MX	51,674	(1,974)	2,063
Usage	(200,604)		

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As at December 31, 2022 and 2021

The impact on the financial margin by currency of a parallel movement of 100 points is illustrated below:

As at December 31, 2022

	Ch\$ MCh\$	Net present value			\$ MCh\$	Financial Margin		
		UF MCh\$	US\$ MCh\$	MX 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

As at December 31, 2021

	Ch\$ MCh\$	Net present value			\$ MCh\$	Financial Margin		
		UF MCh\$	US\$ MCh\$	MX MCh\$		UF MCh\$	US\$ MCh\$	MX MCh\$
1 Month	(594,614)	86,521	(480,555)	3,300	5,698	(861)	1,151	(8)
2 Months	(88,706)	83,252	(365,155)	2,193	776	(757)	798	(5)
3 Months	(119,290)	302,170	(417,594)	3,590	944	(2,418)	826	(8)
4 Months	193,687	21,432	348,468	2,989	(1,372)	(174)	(618)	(6)
5 Months	283,587	145,116	388,168	2,681	(1,773)	(926)	(607)	(5)
6 Months	518,305	203,984	448,647	2,536	(2,808)	(1,122)	(608)	(4)
7 Months	113,027	(87,075)	(2,219)	(782)	(519)	385	2	-
8 Months	5,827	159,018	47,930	296	(22)	(608)	(45)	(1)
9 Months	(65,070)	180,858	15,570	236	189	(536)	(12)	(1)
10 Months	48,718	13,037	19,551	1,368	(102)	(33)	(11)	(1)
11 Months	415,018	(43,797)	29,517	449	(519)	51	(10)	(1)
12 Months	52,034	(19,185)	(15,276)	116	(22)	6	1	(1)
Total					470	(6,993)	867	(41)

Inflation exposure

10,852

Usage 16,523

Net present value, equivalent to the net present value of asset and liability flows

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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.

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As at December 31, 2022 and 2021

The following tables show the exposures to the different currencies, whether of banking products or derivatives in their equivalent in local currency:

	As at December 31, 2022			As at December 31, 2021		
	Assets MCh\$	Liabilities MCh\$	Net MCh\$	Assets MCh\$	Liabilities MCh\$	Net MCh\$
US\$	52,013,637	51,886,787	126,850	55,850,034	56,056,578	(206,544)
CAD	20,894	19,638	1,256	29,218	29,022	196
BRL	10,290	10,258	32	16,590	16,592	(2)
PEN	41,688	42,411	(723)	42,036	42,598	(562)
AUD	226,590	228,690	(2,100)	258,371	253,081	5,290
CNY	96,315	94,972	1,343	198,981	198,111	870
DKK	-	-	-	-	-	-
JPY	371,766	366,629	5,137	286,496	277,697	8,799
CHF	505,914	514,589	(8,675)	545,083	531,717	13,366
NOK	2,953	2,868	85	5,450	5,328	122
NZD	550	535	15	9	-	9
GBP	163,933	158,653	5,280	234,319	229,844	4,475
SEK	21,339	20,908	431	20,336	20,332	4
HKD	75	-	75	2,581	2,501	80
ZAR	34	-	34	37	-	37
COP	44,171	45,099	(928)	60,727	61,200	(473)
MXN	106,450	102,536	3,914	141,638	140,992	646
EUR	1,143,322	1,122,988	20,334	1,388,910	1,382,454	6,456
Other currencies	1,401	-	1,401	8,694	8,665	29

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.

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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 December 31, 2022 Mismatch due to term				As at December 31, 2021 Mismatch due to term			
	Ch\$	UF	US\$	MX (*)	Ch\$	UF	US\$	MX (*)
00002-00030	(1,963,521)	79,692	(903,878)	13,238	(1,903,299)	(325,689)	(781,791)	3,300
00031-00060	450,206	(5,014)	(522,896)	7,296	(131,922)	80,983	(371,011)	2,193
00061-00090	1,058,222	177,663	(625,297)	6,022	(155,492)	300,171	(424,104)	3,590
00091-00120	225,528	202,531	96,155	3,439	160,673	19,648	342,100	2,989
00121-00150	381,267	(254,299)	381,079	1,807	250,496	143,433	383,773	2,681
00151-00180	38,087	74,261	731,092	3,531	486,827	202,336	444,698	2,536
00181-00210	(30,896)	(319,870)	69,832	350	81,550	(88,723)	(5,966)	(782)
00211-00240	40,232	192,644	39,586	(728)	(26,144)	157,016	44,158	296
00241-00270	(81,935)	(12,352)	17,761	215	(96,876)	179,152	13,558	236
00271-00300	46,502	119,608	(35,861)	908	13,655	11,387	15,566	1,368
00301-00330	145,175	(56,371)	(33,987)	865	383,994	(45,476)	25,753	449
00331-00360	358,198	(41,856)	68,557	1,025	21,289	(20,760)	(19,099)	116
00361-00720	(1,621,458)	664,568	(4,909)	1,647	1,880,303	210,148	(39,176)	1,131
00721-01080	1,730,977	534,739	(14,321)	1,647	(1,703,823)	647,191	(28,471)	1,131
01081-01440	835,601	(273,009)	(31,762)	19,065	1,001,537	(116,672)	(12,431)	1,131
01441-01800	354,972	4,844	(128,810)	1,217	438,972	(322,126)	(16,214)	19,617
01801-02160	(202,315)	542,512	(48,969)	1,291	227,296	(2,523)	(24,241)	719
02161-02520	(285,304)	432,428	(54,352)	1,170	(297,038)	429,114	(23,569)	621
02521-02880	502,825	288,415	(56,575)	1,170	(292,113)	326,242	(23,307)	621
02881-03240	909,200	(607,429)	(4,762)	50,764	879,777	406,027	(1,985)	621
03241-03600	180,130	(339,640)	1,697	(14,735)	898,139	(582,152)	(1)	56,171
03601-05400	68,120	1,146,473	-	-	227,268	428,042	(1)	(37,139)
05401-07200	198	(134,503)	-	-	218	33,354	(1)	-
07201-09000	121	(24,957)	-	-	151	(20,036)	(1)	-
09001-10800	101	736	-	-	122	774	(1)	-
10800->>>>	67	21	-	-	71	23	-	-
NRS	(1,266,764)	3,255	(722,220)	-	(1,273,741)	(3,529)	(288,253)	-

(*) MX Any foreign currency other than the US dollar

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 12/31/2022 MCh\$	Amount 12/31/2021 MCh\$
Short-term (Margin)		
Short-term interest rate risk	59,161	93,631
Readjustment risk	32,356	25,751
Lower income due to commissions sens.	-	-
Total Short-term Risk	91,517	119,382
Short-term risk limit (35% of the margin)	321,676	280,404
Short-term Limit Usage Percentage	28.45%	42.57%
Long-term (Value)		
Long-term interest rate risk	749,437	681,448
Interest rate optional risk	-	863
Total Long-term Risk	749,437	682,311
Long-term limit (30% of Capital)	1,236,825	1,082,216
Long-term Limit Usage Percentage	60.59%	63.05%

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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.

The following tables show the regulatory measure of risks on the trading book:

	Amount 12/31/2022 MCh\$	Amount 12/31/2021 MCh\$
Interest rate risk	228,900	236,071
Currency risk	13,343	17,260
Shares risk	1,158	370
Currency optional risk	-	-
Consolidated risk-weighted assets	30,528,390	27,804,005
Credit Risk Regulatory Capital (8% APR)	2,003,712	1,814,894
Regulatory Market Risk Capital (8% APRM)	243,400	253,700
Regulatory Capital Operational Risk (8% APRO)	195,159	155,726
Total Regulatory Capital	2,442,271	2,224,320
Consolidated effective equity	4,122,749	3,607,387
Consumption % (includes RC and RM)	59.24%	61.66%
Basel Ratio (including market risk)	13.50%	12.97%

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.

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Cybersecurity & IT risk

Information Technology (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 with 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.

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As at December 31, 2022, the Bank and its subsidiaries have recognized MCh\$14,470 for operational risk expenses (MCh\$10,294 as at December 31, 2021).

Net loss expense, gross loss and expense recoveries from operational risk events	12/31/2022 MCh\$	12/31/2021 MCh\$
Internal fraud	(1,106)	(483)
External fraud	(11,417)	(6,590)
Labor practices and safety in the business	(56)	(101)
Customers, products and business practices	(170)	(63)
Damage to physical assets	(21)	(61)
Business interruption and system failures	(612)	(1,386)
Execution, delivery and process management	(4,336)	(3,788)
Gross loss in the period due to operational risk events	(17,718)	(12,472)
Internal fraud	-	557
External fraud	2,381	1,290
Labor practices and safety in the business	-	-
Customers, products and business practices	-	-
Damage to physical assets	3	258
Business interruption and system failures	123	33
Execution, delivery and process management	741	40
Gross loss recoveries in the period due to operational risk events	3,248	2,178
Net loss in the period due to operational risk events	(14,470)	(10,294)

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.

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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.

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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.

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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.

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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:

- a) Accumulated mismatches at different terms.
- b) Proportion of liquid assets/enforceable liabilities.
- c) Concentration of depositors.
- d) Liquidity stress tests.
- e) 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).

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, horizon of survival, state of internal and regulatory limits.

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:** include 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.

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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 December 31, 2022		Mismatches				Available Margin			
Consolidated Bank		7 days MCh\$	15 days MCh\$	30 days MCh\$	90 days MCh\$	7 days MCh\$	15 days MCh\$	30 days MCh\$	90 days 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			
						2 Basic Capital			
						Limit File C46 "Liquidity situation"			
						3,144,544			
						6,289,088			

As at December 31, 2021		Mismatches				Available Margin			
Consolidated Bank		7 days MCh\$	15 days MCh\$	30 days MCh\$	90 days MCh\$	7 days MCh\$	15 days MCh\$	30 days MCh\$	90 days MCh\$
Domestic currency									
Expenses	(4,839,199)	(5,416,691)	(6,098,678)	(9,759,948)					
Income	2,632,795	3,473,587	4,578,060	7,482,931					
Mismatch	(2,206,404)	(1,943,104)	(1,520,618)	(2,277,017)		-	-	-	-
Foreign currency									
Expenses	(892,531)	(1,384,248)	(2,153,234)	(4,168,393)					
Income	1,151,980	1,329,207	1,639,705	2,449,644					
Mismatch	259,449	(55,041)	(513,529)	(1,718,749)		-	-	2,253,270	-
Consolidated currencies									
Expenses	(5,731,730)	(6,800,939)	(8,251,912)	(13,928,341)					
Income	3,784,775	4,802,794	6,217,765	9,932,575					
Mismatch	(1,946,955)	(1,998,145)	(2,034,147)	(3,995,766)		-	-	732,652	1,537,834
						Basic Capital			
						2 Basic Capital			
						Limit File C46 "Liquidity situation"			
						2,801,123			
						5,602,246			

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Volume and composition of liquid assets

	12/31/2022 MCh\$	12/31/2021 MCh\$
Available funds	293,151	172,046
Exchange and overnight	723,273	527,325
Escrow fund	341,007	793,387
Financial investments	3,297,830	2,411,228
Total liquid assets	4,655,261	3,903,986

Composition of main sources of financing

	12/31/2022 MCh\$	12/31/2021 MCh\$
Deposits and other on-demand obligations	5,096,474	7,202,730
Deposits and term loans	14,070,551	9,498,332
Obligations with banks	5,358,338	5,685,253
Debt instruments issued	8,688,099	7,415,757
Other financial obligations	9,439,561	8,349,283
Total	42,653,023	38,151,355

Maturities of assets and liabilities reported as at December 31, 2022 and 2021 are detailed as follows:

As at December 31, 2022	Up to 1 month MCh\$	Up to 3 months MCh\$	Up to 1 year MCh\$	Up to maturity MCh\$
Available	1,262,127	-	-	-
Effective loans	977,053	1,782,947	3,801,981	31,968,144
Loans in LCHR	1,759	2,987	12,620	94,714
Leased contracts	-	53,786	196,882	745,988
Covenants	225,421	-	-	-
Financial investments	1,846,916	833,397	15,092	82,932
Other asset accounts	752,011	-	-	524,016
Total asset	5,065,287	2,673,117	4,026,575	33,415,794
On-demand obligations	(2,289,726)	-	(1,875,508)	(937,754)
Time deposits, bonds and other	(3,159,809)	(3,571,556)	(7,388,116)	(10,106,657)
Covenants	(213,157)	-	-	(3,030,026)
Obligations due to LCHR	(5,178)	(352)	(14,683)	(101,993)
Obligations within the country	(1)	-	-	-
Obligations abroad	(76,106)	(433,721)	(1,313,248)	(601,059)
Other liability accounts	(715,077)	(2,400)	(138,567)	(511,169)
Total Liability	(6,459,054)	(4,008,029)	(10,730,122)	(15,288,658)

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As at December 31, 2021	Up to 1 month MCh\$	Up to 3 months MCh\$	Up to 1 year MCh\$	Up to maturity MCh\$
Available	1,459,622	-	-	-
Effective loans	902,899	1,430,611	2,902,904	27,044,096
Loans in LCHR	1,691	3,107	13,429	104,777
Leased contracts	24,179	45,836	160,682	671,214
Covenants	49,673	15,161	55,662	-
Financial investments	1,749,803	593,232	43,464	34,877
Other asset accounts	592,897	-	-	525,347
Total asset	4,780,764	2,087,947	3,176,141	28,380,311
On-demand obligations	(3,359,302)	-	(2,589,067)	(1,294,534)
Time deposits, bonds and other	(2,120,572)	(2,969,366)	(4,643,943)	(8,041,568)
Covenants	(379,401)	(578,783)	-	(2,451,400)
Obligations due to LCHR	(4,967)	(401)	(14,988)	(108,200)
Obligations within the country	(1)	-	-	-
Obligations abroad	(5,764)	(225,043)	(1,830,955)	(612,056)
Other liability accounts	(601,467)	(326)	(6,184)	(645,664)
Total Liability	(6,471,474)	(3,773,919)	(9,085,137)	(13,153,422)

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.

12/31/2022	Fair Value Asset MCh\$	Credit risk adjustment MCh\$
Total	(527,841)	13,141

12/31/2021	Fair Value Asset MCh\$	Credit risk adjustment MCh\$
Total	(213,063)	6,678

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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.

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.

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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.

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 12/31/2022	Local Consolidated 12/31/2021
	MCh\$	MCh\$
Total assets as per the statement of financial position	46,460,625	41,597,895
Investment in subsidiaries not subject to consolidation	-	-
Assets discounted from regulatory capital , other than item 2	(44,299)	-
Credit equivalent	(4,621,630)	(3,985,722)
Contingent loans	1,771,354	1,509,712
Assets generated by the intermediation of financial instruments	-	-
Total assets for regulatory purposes	43,566,050	39,121,885
Assets weighted by credit risk, estimated according to standard methodologies (APRC)	25,046,401	22,686,175
Assets weighted by credit risk, estimated according to internal methodologies (APRC)	-	-
Assets weighted by market risk (APRM)	3,042,505	3,171,256
Assets weighted by operational risk (APRO)	2,439,484	1,946,574
Risk-weighted Assets (APR)	30,528,390	27,804,005
Risk-weighted Assets , after application of the output floor (APR)	30,528,390	27,804,005
Equity of Owners	3,047,091	2,673,703
Non-controlling interest	140,227	127,420
Goodwill	-	-
Excess of minority investments	-	-
Common equity level 1 equivalent (CET1)	3,187,318	2,801,123
Additional deductions to common capital level 1, other than item 2	(51,339)	-
Common Equity level 1 (CET1)	3,135,979	2,801,123
Voluntary provisions (Additional) imputed as additional equity level 1 (AT1)	-	-
Subordinated bonds imputed as additional equity level 1 (AT1)	152,642	278,040
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)	152,642	278,040
Capital level 1	3,288,621	3,079,163
Voluntary provisions (Additional) imputed as additional equity level 2 (AT2)	164,248	185,761
Subordinated bonds imputed as capital level 2 (AT2)	669,880	342,463
Equivalent level 2 equity (T2)	834,128	528,224
Discounts applied to AT2	-	-
Capital Level 2 (T2)	834,128	528,224
Effective equity	4,122,749	3,607,387
Additional Basic Capital required for the constitution of the conservation reserve	381,605	173,775
Additional Basic Capital required to set up the countercyclical reserve	-	-
Additional Basic Capital required for banks qualified as systemic	95,401	-
Additional Capital required for the evaluation on the adequacy of effective equity (Pillar 2)	-	-

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Information on regulatory capital and capital adequacy indicators

Item N°	Solvency indicators and regulatory compliance indicators according to Basel III (in % with two decimals)	Local Consolidated 12/31/2022 %
1	Leverage Indicator (T1_I18/T1_I7)	7.20%
1.a	Leverage indicator that the bank must meet, considering the minimum requirements	3.00%
2	Common equity indicator (T1_I18/T1_I11.b)	10.27%
2.a	Indicator of basic capital that the bank must meet, considering the minimum requirements	4.81%
2.b	Equity reserves deficit	0.00%
3	Equity indicator level 1 (T1_I25/T1_I11.b)	10.77%
3a	Level 1 capital indicator that the bank must meet, considering the minimum requirements	6.31%
4	Effective equity indicator (T1_I31/T1_I11.b)	13.50%
4.a	Effective equity indicator that the bank must meet, considering the minimum requirements	8.31%
4.b	Effective equity indicator that the bank must comply with, considering the charge for article 35bis, if applicable	8.31%
4.c	Effective equity indicator that the bank must meet, considering the minimum requirements, conservation reserve and countercyclical reserve.	9.56%
5	Solvency Rating	A
	Regulatory compliance indicators for solvency	
6	Voluntary provisions (additional) imputed in Tier 2 capital (T2) in relation to APRC (T1_I26/(T1_I8.a or 8.b))	0.66%
7	Subordinated bonds imputed in Tier 2 capital (T2) in relation to Common Equity Tier 1 (CET1)	21.36%
8	Additional Tier 1 capital (AT1) in relation to basic capital (T1_I24/T1_I18)	4.87%
9	Voluntary provisions (additional) and subordinated bonds that are charged to additional tier 1 capital (AT1) in relation to RWAs ((T1_I19+T1_I20)/T1_I11.b)	0.50%

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Capital requirements according to Annex No. 5 of Chapter C-1 of the CNC
As at December 31, 2021

Balance Assets (net of provisions)	Consolidated Assets MCh\$	Risk-weighted assets MCh\$
Cash and deposits in banks	1,459,622	-
Transactions pending settlement	443,080	254,340
Instruments for trading	590,604	210,856
Repurchase agreement and securities lending	120,796	73,819
Financial derivative contracts	2,216,335	1,727,523
Owed by banks	2,996	599
Loans and accounts receivable from customers	28,512,701	22,900,992
Investment instruments available for sale	1,953,979	149,829
Investment instruments until maturity	-	-
Investments in companies	16,494	16,494
Intangible	222,409	222,409
Property, Equipment	96,122	96,122
Asset for the right to use leased assets	181,672	181,672
Current taxes	5,062	506
Deferred taxes	401,690	40,169
Other assets	263,882	221,913
Off-balance sheet assets		
Contingent loans	2,834,367	1,698,947
Total risk-weighted assets		27,796,190

	Amount MCh\$	Ratio %
Basic equity	2,801,123	7.12%
Effective equity	3,607,387	12.98%

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Note 49 Subsequent events

The Consolidated Financial Statements were approved by the Audit Committee of Scotiabank Chile on February 23, 2023.

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.

In the view of the Bank's Management and its subsidiaries, between January 1, 2023 and the date of issuance of these Consolidated Financial Statements, no other 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