



SCOTIABANK CHILE AND SUBSIDIARIES

Interim Consolidated Financial Statements
as at June 30, 2022 and 2021 and December 31, 2021 (Proforma unaudited)

(Free translation of Consolidated Financial Statements originally issued in Spanish)

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
MCAD\$	Amounts expressed in millions of Canadian dollars
MAUD	Amounts expressed in millions of Australian dollars

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Interim Consolidated Statements of Financial Position

As at June 30, 2022, December 31, 2021 and opening balances as at January 1, 2021

	Notes	6/30/2022 MCh\$	Proforma 12/31/2021 MCh\$	Proforma 1/1/2021 MCh\$
ASSETS				
Cash and deposits in banks	7	1,205,215	1,459,622	1,252,255
Transactions pending settlement	7	659,793	443,080	344,282
Financial assets held for trading at fair value through profit or loss				
Derivative instruments	8	7,951,658	6,334,097	5,209,556
Financial debt securities	8	288,402	474,687	511,424
Other	8	59,071	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	2,411,014	1,950,500	2,117,200
Other	11	-	-	-
Derivative instruments for accounting hedge	12	533,141	326,030	84,236
Financial assets at amortized cost				
Rights under resale agreements and securities lending agreements	13	141,422	120,791	74,477
Financial debt securities	13	-	-	-
Loans and advances to banks	13	343,846	2,996	354,374
Loans and advances to customers - Commercial loans	13	15,139,375	13,834,313	12,062,245
Loans and advances to customers - Mortgage loans	13	12,643,671	11,590,604	10,029,195
Loans and advances to customers - Consumer loans	13	3,367,964	3,087,784	2,778,631
Investments in companies	14	23,749	19,973	19,961
Intangible assets	15	227,757	222,409	204,804
Property and equipment	16	93,094	96,122	104,933
Right-of-use assets under lease contracts	17	172,049	181,672	190,708
Current taxes	18	68,657	5,062	17,021
Deferred tax assets	18	358,148	401,691	343,329
Other assets	19	943,230	916,351	834,369
Non-current assets and disposal groups held for sale	20	16,282	14,190	23,112
TOTAL ASSETS		46,647,538	41,597,863	36,795,957

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Interim Consolidated Statements of Financial Position

As at June 30, 2022, December 31, 2021 and opening balances as at January 1, 2021

	Notes	6/30/2022 MCh\$	Proforma 12/31/2021 MCh\$	Proforma 1/1/2021 MCh\$
LIABILITIES				
Transactions pending settlement	7	826,092	395,878	299,014
Financial liabilities held for trading at fair value through profit or loss				
Derivative instruments	21	7,416,715	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	1,610,474	831,935	605,614
Financial liabilities at amortized cost				
Deposits and other on-demand liabilities	22	5,909,686	7,221,450	6,801,578
Term and on-demand deposits	22	12,798,986	9,462,540	8,840,138
Liabilities under repurchase agreements and securities lending	22	208,958	379,970	456,319
Bank borrowings	22	5,745,164	5,658,415	4,386,782
Debt financial instruments issued	22	7,147,039	6,658,037	6,035,106
Other financial liabilities	22	105,385	110,448	47,860
Lease liabilities	17	156,514	163,775	168,763
Regulatory capital financial instruments issued	23	795,393	756,367	730,284
Provisions for contingencies	24	66,555	56,808	53,449
Provisions for dividends, interest payments and repricing of bonds with no fixed maturity date	25	72,836	127,268	82,626
Special allowances for credit losses	26	205,332	216,986	114,508
Current taxes	18	2,088	85,595	2,355
Deferred tax liabilities	18	475	588	522
Other liabilities	27	838,502	621,782	537,775
Liabilities included in disposal groups held for sale	20	-	-	-
TOTAL LIABILITIES		43,906,194	38,796,696	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	2,534	2,577	3,415
Items that can be reclassified to profit or loss	28	(399,959)	(209,176)	(215,990)
Retained earnings from previous years	28	1,095,630	840,999	675,748
Profit for the period	28	242,787	424,228	275,419
Less: Provisions for dividends, payment of interest and repricing of bonds with no fixed maturity	28	(72,836)	(127,268)	(82,626)
Attributable to the owners of the Bank:	28	2,617,982	2,673,747	2,398,353
Non-controlling interests	28	123,362	127,420	107,189
TOTAL EQUITY		2,741,344	2,801,167	2,505,542
TOTAL LIABILITIES AND EQUITY		46,647,538	41,597,863	36,795,957

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Interim Consolidated Statements of Income

for the periods ended June 30, 2022 and 2021 and 3-month periods ended June 30, 2022 and 2021

	Notes	6-month period ended 6/30/2022 MCh\$	Proforma 6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	Proforma 3-month period ended 6/30/2021 MCh\$
Interest income	30	744,015	527,243	405,727	262,522
Interest expense	30	(387,643)	(130,925)	(231,901)	(61,478)
Net interest income	30	356,372	396,318	173,826	201,044
Indexation income	31	631,621	224,375	395,477	105,435
Indexation expenses	31	(423,314)	(155,672)	(274,024)	(69,174)
Net indexation income	31	208,307	68,703	121,453	36,261
Fee and commission income	32	136,988	122,973	67,547	60,867
Fee and commission expense	32	(44,070)	(40,977)	(22,719)	(19,432)
Net fee and commission income	32	92,918	81,996	44,828	41,435
<i>Net financial result for:</i>					
Financial assets and liabilities held for trading	33	107,244	35,561	163,235	14,761
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	1,535	17,773	1,144	9,458
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	33	(84,503)	16,484	(135,862)	14,159
Reclassifications of financial assets due to change of business model	33	-	-	-	-
Other financial result	33	2,122	1,861	924	1,072
Net financial result	33	26,398	71,679	29,441	39,450
Equity in net income of investees	34	4,096	(7,240)	2,000	(2,012)
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	35	157	(475)	(146)	505
Other operating income	36	15,444	22,858	6,476	18,056
TOTAL OPERATING INCOME		703,692	633,839	377,878	334,739
Expenses for employee benefit obligations	37	(136,058)	(131,672)	(71,685)	(66,296)
Administrative expenses	38	(111,356)	(100,054)	(57,624)	(49,421)
Depreciation and amortization	39	(29,528)	(27,901)	(14,858)	(14,061)
Impairment of non-financial assets	40	(357)	(4)	(357)	(4)
Other operating expenses	36	(17,007)	(14,486)	(8,848)	(8,189)
TOTAL OPERATING EXPENSES		(294,306)	(274,117)	(153,372)	(137,971)
OPERATING INCOME BEFORE CREDIT LOSSES		409,386	359,722	224,506	196,768

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Interim Consolidated Statements of Income

for the periods ended June 30, 2022 and 2021 and 3-month periods ended June 30, 2022 and 2021

		6-month period ended 6/30/2022 MCh\$	Proforma 6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	Proforma 3-month period ended 6/30/2021 MCh\$
	Notes				
<i>Credit loss expenses for:</i>					
Provisions for credit losses for loans and advances to banks and loans and accounts receivable from customers	41	(158,490)	(55,881)	(95,828)	(31,165)
Special allowances for credit losses	41	(207)	(56,136)	60	(47,792)
Recovery of written-off loans	41	35,230	34,647	17,454	18,074
Impairment for credit risk on other financial assets at amortized cost and financial assets at fair value through other comprehensive income	41	(43)	(175)	(55)	34
Credit loss expense	41	(123,510)	(77,545)	(78,369)	(60,849)
OPERATING INCOME		285,876	282,177	146,137	135,919
Profit or loss from continuing operation before taxes		285,876	282,177	146,137	135,919
Income tax expense	18	(32,430)	(63,704)	(12,485)	(30,465)
Profit or loss from continuing operations after taxes		253,446	218,473	133,652	105,454
Profit or loss from discontinued operations before taxes	42	-	-	-	-
Taxes from discontinued operations	18	-	-	-	-
Income from discontinued operations after taxes	42	-	-	-	-
CONSOLIDATED PROFIT FOR THE PERIOD	28	253,446	218,473	133,652	105,454
Attributable to:					
Owners of the Bank	28	242,787	200,995	129,513	98,162
Non-controlling interest	28	10,659	17,478	4,139	7,292
Earnings per share attributable to equity holders:					
Basic and diluted earnings	28	\$19.83	\$ 16.41	\$ 10.58	\$ 8.02

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Interim Consolidated Statements of Other Comprehensive Income

for the periods ended June 30, 2022 and 2021 and 3-month periods ended June 30, 2022 and 2021

	Notes	6-month period ended 6/30/2022 MCh\$	Proforma 6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	Proforma 3-month period ended 6/30/2021 MCh\$
CONSOLIDATED PROFIT FOR THE PERIOD	28	253,446	218,473	133,652	105,454
Other comprehensive income for the year from:					
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
Re- measurement of the net defined benefit liability (asset) and actuarial results for other employee benefit plans	28	(77)	35	(84)	52
Changes in fair value of equity instruments designated at fair value through other comprehensive income	28	36	(600)	74	(509)
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	28	-	-	-	-
Other	28	-	-	-	-
COMPONENTS OF OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAX	28	(41)	(565)	(10)	(457)
Income tax on other comprehensive income that will not be reclassified to profit or loss	18	(2)	6	-	7
TOTAL OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAX	28	(43)	(559)	(10)	(450)
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS					
Changes in fair value of financial assets at fair value through other comprehensive income	28	(21,493)	(127,085)	6,061	(81,539)
Translation differences for foreign entities	28	-	-	-	-
Accounting hedges of net investments in foreign entities	28	-	-	-	-
Cash flow hedge accounting	28	(241,115)	161,013	(84,262)	88,574
Undesignated items of hedging accounting instruments	28	-	-	-	-
Other	28	-	-	-	-
OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS BEFORE TAXES	28	(262,608)	33,928	(78,201)	7,035
Income tax on other comprehensive income that can be reclassified to profit or loss	18	71,829	(9,435)	21,821	(2,305)
TOTAL OTHER COMPREHENSIVE INCOME THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS AFTER TAXES	28	(190,779)	24,493	(56,380)	4,730
OTHER TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	28	(190,822)	23,934	(56,390)	4,280
CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD	28	62,624	242,407	77,262	109,734
Attributable to:					
Owners of the Bank	28	51,961	224,958	73,117	102,460
Non-controlling interest	28	10,663	17,449	4,145	7,274

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Interim Consolidated Statements of Cash Flows
for the periods ended June 30, 2022 and 2021

	Notes	6/30/2022 MCh\$	6/30/2021 MCh\$
A) CASH FLOWS FROM OPERATING ACTIVITIES:			
CONSOLIDATED INCOME BEFORE TAXES FOR THE PERIOD		285,876	282,177
Debit (credit) to profit or loss not representing movements in cash flows:			
Income tax expense	18	13,305	(53,722)
Changes in deferred tax assets and liabilities	18	(45,735)	(9,982)
Depreciation and amortization	39	29,528	27,901
Impairment of assets	40-41	400	4
Allowances for credit losses	41	158,697	112,017
Net income from assets received in lieu of payment or awarded	35	(373)	476
Net gain (loss) from non-current assets held for sale	35	7	(174)
Net gain (loss) from disposal groups held for sale	35	-	-
Net interest income	30	(356,372)	(396,152)
Net indexation income	31	(208,307)	(68,706)
Net fee and commission income	32	(92,918)	(81,845)
Equity share of profit (loss) from investments in related companies	34	(4,096)	7,240
Effect of fair value adjustment on derivative instruments		478,099	76,647
Other debits (credits) to profit or loss not representing movements in cash flows		(65,819)	35,231
Increase (decrease) in assets and liabilities not affecting cash flows from operating activities:			
(Increase) decrease in financial debt securities		174,245	260,370
(Increase) decrease in loans and advances to banks		(339,754)	251,748
(Increase) decrease under resale agreements and securities lending agreements		54,836	(1,305)
(Increase) decrease in loans and advances to customers		(1,610,462)	(1,074,540)
Increase (decrease) in other assets		(57,276)	(216,430)
Increase (decrease) in non-current assets and disposal groups held for sale		(2,088)	2,434
Net change in financial derivative contracts and financial derivative contracts for hedge		(156,031)	(27,207)
(Decrease) increase in deposits and other on-demand liabilities		(1,290,618)	595,856
(Decrease) increase in liabilities under repurchase agreements and securities lending		(171,004)	(353,894)
(Decrease) increase in term and other on-demand deposits		3,727,979	163,101
(Decrease) increase in other liabilities		207,326	(110,517)
Interest received		720,861	744,606
Interest paid		(321,336)	(186,253)
Indexation received		(218,415)	75,899
Indexation paid		(97,748)	274,705
Fees and commissions received	32	136,988	124,756
Fees and commissions paid	32	(44,070)	(42,912)
Taxes and fines paid	38	(26)	(20)
Collection of remaining balance of taxes from previous years		-	-
Total net cash flows generated from (used in) operating activities		905,699	411,509

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Interim Consolidated Statements of Cash Flows
for the periods ended June 30, 2022 and 2021

	Notes	6/30/2022 MCh\$	6/30/2021 MCh\$
B) CASH FLOW FROM INVESTING ACTIVITIES:			
Acquisitions of investments in companies	14	-	(2,269)
Disposals of investments in companies	14	3	-
Dividends received from investments in other companies	34	354	282
Acquisitions of property and equipment	16	(4,488)	(2,500)
Disposals of property and equipment		691	1,740
Acquisition of intangible assets	15	(21,039)	(20,442)
Disposal of intangible assets		-	-
Disposal of assets received in lieu of payment or awarded		5,571	7,966
Net change in investments securities		(40,310)	(57,879)
Total net cash flows generated from (used in) investing activities		(59,218)	(73,102)
C) CASH FLOWS FROM FINANCING ACTIVITIES:			
Attributable to the interest of the owners :			
Proceeds from issuance of letters of credit		-	-
Redemption and payment of interest/principal on letters of credit		-	-
Issuance of current bonds		574,685	155,131
Redemption and payment of interest/principal on current bonds		(1,177,187)	(487,196)
Issuance of mortgage bonds		-	-
Redemption and payment of interest/principal on mortgage bonds		-	-
Payment of interest/principal on lease contracts	17	(7,245)	(7,298)
Subordinated bond issuance		-	-
Payment of interest and principal on subordinated bonds		(26,618)	(24,668)
Issuance of bonds with no fixed maturity date		-	-
Redemption and interest payments on bonds with no fixed maturity date		-	-
Issuance of preference shares		-	-
Redemption of preference shares and payment of preference share dividends		-	-
Increase in paid-in capital by issuance of ordinary shares		-	-
Payment of ordinary share dividends	28	(169,754)	(110,168)
Net change in bank borrowings		(384,079)	636,662
Net change in debt financial instruments issued		221,684	101,178
Net change in regulatory capital financial instruments issued		43,420	(141,573)
Net change in other financial liabilities		20,433	18,016
Attributable to non-controlling interest:			
Payment of dividends and/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		(921,420)	134,572
D) INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR		(74,939)	472,979
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		33,998	842
CASH AND CASH EQUIVALENTS AS AT JANUARY 1		2,057,629	2,155,403
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31		2,016,688	2,629,224

The Interim Consolidated Statements of Cash Flows as at June 30, 2022 and 2021 were prepared under the indirect method, determining the variation between the balances as at such dates.

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Interim Consolidated Statements of Changes in Equity
for the periods ended June 30, 2022 and 2021

Sources of changes in equity (MCh\$)	Equity attributable to owners				Total	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)	1,246,706	496,397	(213,228)	868,482	2,398,357	107,189	2,505,546
Effects of CNC First Time application for banks for 2020	-	(716)	712	-	(4)	-	(4)
Reclassifications due to application of new accounting codes	121,715	(121,715)	(59)	59	-	-	-
Opening balance as at January 1, 2021	1,368,421	373,966	(212,575)	868,541	2,398,353	107,189	2,505,542
Payment of ordinary shares dividends	-	-	-	(110,168)	(110,168)	(5,512)	(115,680)
Provision for payment of ordinary shares dividends	-	-	-	22,327	22,327	-	22,327
Subtotal: Transactions with the owners in the period	1,368,421	373,966	(212,575)	780,700	2,310,512	101,677	2,412,189
Profit for the period	-	-	-	200,995	200,995	17,478	218,473
Other comprehensive income (loss) for the period	-	-	23,963	-	23,963	(29)	23,934
Subtotal: comprehensive income (loss) for the period	-	-	23,963	200,995	224,958	17,449	242,407
Closing balances as at June 30, 2021 (proforma)	1,368,421	373,966	(188,612)	981,695	2,535,470	119,126	2,654,596
Closing balances as at December 31, 2021 before restatement as at January 1, 2022	1,368,421	373,966	(207,468)	1,137,959	2,672,878	127,420	2,800,298
Effects of CNC application for banks in 2021 accumulated result	-	-	869	-	869	-	869
Opening balances as at January 1, 2022	1,368,421	373,966	(206,599)	1,137,959	2,673,747	127,420	2,801,167
Effects of CNC application for banks accumulated 2021	-	-	-	109	109	-	109
Effects of CNC First Time application to banks for year 2022	-	7,439	-	-	7,439	2,038	9,477
Payment of ordinary shares dividends	-	-	-	(169,754)	(169,754)	(16,759)	(186,513)
Provision for payment of ordinary shares dividends	-	-	-	54,480	54,480	-	54,480
Subtotal: Transactions with the owners in the period	1,368,421	381,405	(206,599)	1,022,794	2,566,021	112,699	2,678,720
Profit for the period	-	-	-	242,787	242,787	10,659	253,446
Other comprehensive income (loss) for the period	-	-	(190,826)	-	(190,826)	4	(190,822)
Subtotal: comprehensive income (loss) for the period	-	-	(190,826)	242,787	51,961	10,663	62,624
Closing balances as at June 30, 2022	1,368,421	381,405	(397,425)	1,265,581	2,617,982	123,362	2,741,344

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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. The Bank's 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 (formerly Chilean Superintendence of Banks and Financial Institutions) through Resolution No.196 dated September 2, 2009. The name of the merged entity changed to Scotiabank Chile S.A. and may also use the names Scotiabank Sud Americano and Scotiabank. The merger between both Banks became effective on November 1, 2009.

At the Extraordinary Shareholders' Meeting of Scotiabank Chile and Banco Bilbao Vizcaya Argentaria, Chile held on August 2, 2018, the new bylaws were established, which were approved by the CMF (formerly - Chilean Superintendence of Banks and Financial Institutions) 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.

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Note 2 Significant accounting policies

(a) Basis of preparation

The Interim Consolidated Financial Statements as at June 30, 2022, which comprise the Interim Consolidated Statements of Financial Position, Interim Consolidated Statements of Income, Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Changes in Equity and Interim Consolidated Statements of Cash Flows of the Bank and its subsidiaries, have been prepared in accordance with accounting criteria issued by the CMF, and in relation to all issues not addressed therein and as long as they do not contradict its instructions, must apply the generally accepted accounting principles, which relate to the accounting principles issued by the Colegio de Contadores de Chile A.G., which agree with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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

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

The Interim Consolidated Financial Statements as at June 30, 2022 and their explanatory notes were prepared in accordance with the provisions of Chapter C-2 of the Compendium of Accounting Standards for Banks (CNC) issued by the CMF.

Accordingly, the Bank prepared the Interim Consolidated Financial Statements presenting comparative information only for the cumulative periods as at June 30, 2022 and December 31, 2021 for the Interim Consolidated Statements of Financial Position, and in addition, the cumulative periods as at June 30, 2022 and 2021 for the Interim Consolidated Statements of Income, Interim Consolidated Statements of Other Comprehensive Income, Interim Consolidated Statements of Cash Flows and Interim Consolidated Statements of Changes in Equity. For the Interim Consolidated Statements of Income and the Interim Consolidated Statements of Other Comprehensive Income, in addition to presenting the cumulative periods, the last quarter ended June 30, 2022 and 2021 is disclosed.

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

(b) Basis of consolidation

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

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The Interim Consolidated Financial Statements have been prepared using consistent accounting policies for similar transactions and other events in equivalent circumstances. Significant intercompany transactions and balances (assets and liabilities, equity, revenue, expenses and cash flows) generated from operations performed between the Bank and its subsidiaries and between such subsidiaries have been eliminated on consolidation, in addition to recognize non-controlling interest related to third party ownership percentage in the subsidiaries of which the Bank is not the owners wither directly or indirectly and is shown separately in the Bank's equity and profit or loss.

i) Subsidiaries

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

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

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

Company	Direct June 2022 %	Indirect June 2022 %	Direct December 2021 %	Indirect 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.

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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 Interim Consolidated Statements of Income, the Interim Consolidated Statements of Other Comprehensive Income, the Interim Consolidated Statements of Changes in Equity and the Interim Consolidated Statements of Financial Position within Equity.

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.

(c) Basis of measurement

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

- Financial assets held for trading at fair value through profit or loss.
- Financial assets not held for trading mandatorily measured at fair value through profit or loss.
- Financial assets designated at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income.
- Financial derivative contracts and financial derivative contracts for accounting hedge.

(d) Functional and presentation currency

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

(e) Foreign currency transactions

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

Assets and liabilities in foreign currency US dollar are recognized at their equivalent amount in Chilean pesos, calculated at the accounting representation exchange rate of Ch\$922.79 per US\$1 as at June 30, 2022 (Ch\$731.90 as at June 30, 2021 and Ch\$852.63 as at December 31, 2021).

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The loss of MCh\$84,503 as at June 30, 2022, related to "Financial gain or loss from foreign currency translation, indexation and accounting hedges" (gain of MCh\$16,484 as at June 30, 2021), shown in the Interim Consolidated Statements of Income, includes the recognition of the effects of exchange rate fluctuations on assets and liabilities denominated in foreign currency or adjusted for foreign exchange rates, and the net gain or loss from derivatives in accounting hedges for foreign currency risk of the Bank and its subsidiaries.

(f) Business segments

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

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

The Bank's operating segments are determined based on identifiable components providing products or services related to the business. These business segments deliver products and services subject to risks and yields different from those of other segments and their operating results are reviewed by Management for operating administration and decision-making purposes. Management has decided that there are five reportable segments: "Retail", "Wholesale", "CAT", "Treasury" and "Others", the details of which are included in Note 6.

(g) Transactions with related parties

Disclosures on the most 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 Interim Consolidated Financial Statements.

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

(h) Interim consolidated statements of changes in equity

The Statements of Changes in Equity included in these Interim Consolidated Financial Statements includes movements in Equity occurred between January 1 and June 30, 2022 and 2021.

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

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(i) Interim consolidated statements of other comprehensive income

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

Accordingly, this statement includes:

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

(j) Financial assets and financial liabilities

1. Recognition

Initially, the Bank recognizes loans and advances to customers, financial assets held for trading at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial liabilities at amortized cost on the date they were originated. Regular purchases and sales of financial assets are recognized on the trade date; i.e., the date at which the Bank commits to purchase or sell the asset.

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

2. Classification

Accounting policies associated with each classification are addressed in letters:

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

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

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

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

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

3. Derecognition

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

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

4. Offsetting

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

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

5. Measurement at amortized cost

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

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6. Fair value measurement

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

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

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

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

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

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

7. Identification and measurement of impairment

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

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

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For financial assets "Loans and advances to banks" and "Loans and advances to customers", impairment is applied based on Chapter B-1 "Allowances for credit losses" of CNC for banks, which are described in Note 2 letter (aa).

For financial assets at fair value through other comprehensive income, debt financial instruments at amortized cost and rights under resale agreements and securities lending agreements, impairment is measured based on the following phases:

- Phase 1: Impairment of financial assets without a significant increase in credit risk from initial recognition.
- Phase 2: Impairment of financial assets with a significant increase in credit risk from initial recognition, but without credit impairment.
- Phase 3: Credit-impaired financial assets.

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

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

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

(k) Cash and deposits in banks

For purposes of the Interim Consolidated Statements of Cash Flows, the Bank considers the sum of cash in banks and on hand, net debit and credit balances of operations pending settlement as well as those investments in fixed-income mutual funds, debt financial instruments, and investments sold under repurchase agreements with high liquidity are readily convertible to known amounts of cash from the initial investment date and have low risk of change in value, with maturities of 90 days or less from the acquisition date to be cash and cash equivalents.

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

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

i) Cash flow

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

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ii) Operating activities

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

iii) Investing activities

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

iv) Financing activities

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

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

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

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 gains (losses)" in the Interim Consolidated Statements of Income.

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

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

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

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

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

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

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their characteristics and risk are not closely related to those of the host contract and not measured at fair

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value with the related unrealized gains or losses included in profit or loss. As at June 30, 2022 and December 31, 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 Interim Consolidated Statements of Income.

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 regard to the risk being hedged continuously throughout the 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 the measures in the fair value, both for the hedged item and the hedging derivative, are recognized in profit or loss for the period. The fair value measurement adjustment of the hedged item is presented in the Interim Consolidated Statement of Financial Position of the same caption including such item.

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

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

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

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

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

(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 foreign Central Banks.

iii) Loans and advances to customers

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

Factoring transactions

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

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Lease operations

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

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

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

iv) Write-off of loans and advances

Impaired loans are written-off when deemed to be uncollectible or when reasonable time has passed without obtaining recovery. For this purpose, the outstanding balance of the loan recorded within assets is written-off as a debit to the accrued allowances for credit risk.

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

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

- a) on the basis of information available, the Bank reaches the conclusion that it will not obtain any flows from the loan recorded in assets.
- b) when a debt owed to the Bank without an enforcement order reaches 90 days past due since being recorded in assets.
- c) upon expiration of the statute of limitations for actions to demand collection through an executive judgment or at the time of rejection or abandonment of the execution of the title by enforceable judicial resolution.
- d) When the time of delay of a transaction reaches the term limit for write-off as set forth below:

Type of loans	Term
Secured or unsecured consumer loans	6 months
Other unsecured transactions	24 months
Secured commercial loans	36 months
Mortgage loans	48 months

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

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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 term corresponds to the time elapsed from the date on which the payment that is in arrears became due.

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 Interim Consolidated Financial Statements, the Bank assessed and determined it is not involved in any joint venture.

iii) Shares or interests in other companies

Entities which are not significantly controlled or influenced by the Bank are recorded in this line item. It includes the minority permanent investments in domestic 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 Interim Consolidated Statements of Income on a straight-line basis over the estimated useful life of IT software from the date on which they are available for use. In general, estimated useful lives of IT software have been established between 5 or 10 years.

ii) Other identifiable intangible assets

Corresponds to intangible assets identified in which the asset cost can be measured reliably and it is likely to generate future economic benefits. Amortization is recognized in profit or loss under "Depreciation and amortization" in the Interim Consolidated Statements of Income on a straight-line basis over the estimated useful life of identifiable intangible assets. The estimated useful life of these intangible assets is up to 3 years.

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

(r) Property and equipment

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

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of the assets, including the related debits to profit or loss within the caption "Depreciation and amortization" in the Interim Consolidated Statements of Income.

Maintenance and repair costs are debited to profit or loss. The cost of improvements is capitalized when the useful life of assets or their capacity increases significantly.

The estimated useful life of the Bank's items of property and equipment are the following:

Asset Group	Useful life
Buildings	80 years
Furniture, machinery, vehicles, other property and equipment	Between 2 and 10 years
Computer equipment	Between 3 and 10 years
Facilities, own property improvements	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, the Bank acts as lessee, it 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.

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.

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If the Bank or its subsidiaries elect not to recognize a right-of-use asset or lease liabilities, they shall recognize the lease payments associated with those leases as an expense in the Consolidated Statement of Income for the period on a straight-line basis over the lease term or another systematic basis (another systematic basis will be applied if that basis is more representative of the pattern of the lessee's benefit.)

At the commencement date, the Bank shall measure the right-of-use asset at cost, which includes:

- a) the amount of the initial measurement of the lease liability;
- 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.

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.

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(t) Current tax and deferred taxes

The determination of income tax expense is performed in accordance with IAS 12 "Income Taxes" and the Income Tax Law. Income tax expense comprises current tax and deferred taxes.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the Interim Consolidated Statements of Financial Position, and any adjustment to income tax payable in respect of previous years.

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

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

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

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

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

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

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

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

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."

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ii) Assets received in lieu of payment or awarded

Assets received in lieu of payment or awarded in legal auction of loans and advances to customers recorded, in the case of assets received in lieu of payment, at the price agreed by the parties, or for those cases where there is no agreement between the parties, at the amount for which the Bank is awarded such assets in a court-ordered public auction.

Subsequently, such assets are measured at the lower of the initial carrying amount or net realizable value, which corresponds to its fair value (liquidity value determined through an independent appraisal) less the related costs to sell. Differences between both amounts are recognized as "Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations" in the Interim Consolidated Statement 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.

(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

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

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

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

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

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

(y) Provisions and contingent liabilities

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

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

A contingent asset or liability is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Bank.

Provisions (that are calculated considering the best information available on the consequences of the event that gave rise to them and 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).

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(z) Provisions for minimum dividends

In Article No.79 in Chile's Law of Public Companies it is established that, unless different from the adopted in the meeting and by the issued shares unanimously, public companies will have to distribute annually as dividend in cash to its shareholders, proportionally of its shares or the proportion established by the by-laws at least the 30% of liquid gains of each year, except when accumulated losses coming from previous year are to be absorbed.

Minimum dividends are accounted for net of the portion of the provisional dividends that has been approved during the course of the year and are registered in the caption "Provisions for dividends, interest payments and repricing of regulatory capital financial instruments issued" 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.

In order to determine its allowances for credit risk, the Bank uses models or methodologies based on the individual and collective analyses of debtors to make allowances 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 CNC for banks 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:

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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

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.

Additional allowances for loans:

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

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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 in special allowances for credit losses' in the Interim Consolidated Statements of Income.

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

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

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

(ab) Financial guarantees

Financial guarantees are contracts that require the issuer to make specific payments to repay the holder for the loss incurred on specific obligor default according to the conditions of a debt instrument.

Liabilities related to financial guarantees are initially recognized at fair value, and initial fair value is amortized through the life of the financial guarantee. The guaranteed liability is recorded at the higher of the amortized amount or the present value of any expected payment (when a payment under the guarantee becomes probable). Financial guarantees are included in "Other liabilities" in the Interim Consolidated Statements of Financial Position.

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(ac) Use of judgments and estimates

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

Estimations and underlying assumptions are reviewed on an ongoing basis by the Bank's Senior Management in order to quantify some assets, liabilities, revenues, expenses and uncertainties. Adjustments to accounting estimates are recognized in the period in which the estimate is revised and any future periods affected.

Particularly, the information about the most significant areas of estimation of uncertainty and critical judgments in the applying accounting policies that have most significant effect on amounts recognized in the Interim Consolidated Financial Statements, are described in the following notes:

- Notes 8, 11, and 12 : Measurement of financial instruments.
- Notes 13, 26, and 41 : Allowances for credit 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 Interim Consolidated Statements of Income for the period 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 UF, which was Ch\$33,086.83 as at June 30, 2022 (Ch\$29,709.83 as at June 30, 2021).

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

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(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 Interim Consolidated Statements of Other Comprehensive Income.

The effect of the provisions for such benefits are recognized in the caption "Provisions for contingencies" in the Interim Consolidated statement of financial position.

(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.

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An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Interim Consolidated Statements of Income.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized.

(ah) Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit or loss attributable to the Bank by the number of ordinary shares outstanding during the period.

The calculation of diluted earnings per share has been based on the profit attributable to the Bank divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

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

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 of February 16, 2022, Compendium of Accounting Standards for Banks. It amends Chapter 1.

Table No.2 of Annex No.6 Compendium of Accounting Standards for Banks (CNC) is amended. This table is part of the solvency indicators for regulatory compliance.

For the interim financial statements for March, June and September 2022, Table 2 as amended in this Circular should be reported without the prior period comparative.

Additionally, for the interim financial statements of March, June and September 2022, banks must disclose information on capital requirements according to the format of Appendix No. 5 effective through 2021.

Circular No.2311 of April 4, 2022, CNC. It amends Chapter 21-6.

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

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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. Early adoption is permitted.
Annual Improvements to IFRS Standards 2018-2020	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Amendments to the References to the Conceptual Framework in IFRS Standards (Amendments to IFRS3)	Annual periods beginning on or after January 1, 2022. Early adoption is permitted.
Covid-19- Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)	Annual periods beginning on or after April 1, 2021. Early adoption is permitted.

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 Interim 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 this Standard and determined there are no effects on its Interim 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, plant and equipment is available for use; and
- costs associated with making the item of Property, plant and equipment available for its intended use.

The Bank's Management assessed the impact of the adoption of this Standard and determined there are no effects on its Interim 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 Interim 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 June 30, 2022 (MCh\$26 as at December 31, 2021) on its Consolidated Interim 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)	Mandatory 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

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

Sale or Contribution of Assets Between and Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

On September 11, 2014, the IASB issued this amendment that requires that when transferring subsidiaries to an associate or joint venture, the total gain should be recognized when assets transferred meet the definition of "business" under IFRS 3 "Business Combinations". This amendment establishes strong pressure on the definition of a "business" for recognition in profit or loss. Also, it introduces new and unforeseen recognition for transactions that partially consider maintenance in assets that are not businesses.

The effective application of this amendment has been deferred indefinitely.

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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 is assessing the impact of adopting these amendments.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the Board issued amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates, with the main focus on the definition and clarification of accounting estimates.

Amendments clarify the relationship between accounting policies and accounting estimates, specifying that a company develops an accounting estimate to achieve the objective defined previously in an accounting policy.

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

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

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

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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 is assessing the impact of adopting these amendments.

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

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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 CNC for banks effective beginning on January 1, 2022.

Changes in the new compendium correspond mainly to amendments introduced by the IASB, allowing a 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 mainly 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 readily available 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 1/1/2021

Assets

	CNC old 1/1/2021 MCh\$	Adjustments from Implementation Reclassifications MCh\$	Adjustments MCh\$	CNC new 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)
Debt financial instruments	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					
Debt financial instruments	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)
Debt financial instruments	-	-	-	-	
Loans and advances to banks	354,374	-	-	354,374	
Loans and advances to customers - Commercial loans	12,062,245	-	-	12,062,245	
Loans and advances to customers - Mortgage loans	10,029,195	-	-	10,029,195	
Loans and advances to 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:

- a) Corresponds to the reclassification of derivative contracts for the incorporation of the caption Financial derivative contracts 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 caption Non-current assets and disposal groups held for sale in accordance with the new CNC for banks.
- 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.

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- 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 1/1/2021

Liabilities and Equity

	CNC old 1/1/2021 MCh\$	Adjustments from Implementation Reclassifications MCh\$	Adjustments MCh\$	CNC new 1/1/2021 MCh\$	Explanation Note
LIABILITIES					
Transactions pending settlement	299,014	-	-	299,014	
Financial liabilities held for trading at fair value through profit or loss					
Financial derivative instruments	5,733,336	(605,614)	-	5,127,722	g)
Other	-	-	-	-	
Financial liabilities designated at fair value through profit or loss	-	-	-	-	
Derivative instruments for accounting hedge	-	605,614	-	605,614	g)
Financial liabilities at amortized cost					
Deposits and other on-demand liabilities	6,805,111	(3,533)	-	6,801,578	i)
Term and 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	h)
Other financial liabilities	53,215	(5,355)	-	47,860	i)
Lease liabilities	168,763	-	-	168,763	
Regulatory capital financial instruments issued	-	730,284	-	730,284	h)
Provisions for contingencies	53,449	-	-	53,449	
Provisions for dividends, interest payments and repricing of bonds with no fixed maturity date	82,626	-	-	82,626	
Special allowances for credit losses	114,508	-	-	114,508	
Current taxes	2,355	-	-	2,355	
Deferred tax liabilities	522	-	-	522	
Other liabilities	528,887	8,888	-	537,775	i)
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	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	-	3,415	-	3,415	k)
Items that can be reclassified to profit or loss	(213,227)	(3,475)	712	(215,990)	k), m)
Retained earnings from previous years	675,688	60	-	675,748	k)
Profit for the period	275,419	-	-	275,419	
Less: Provisions for dividends, payment of interest and repricing of bonds with no fixed term maturity	(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:

- g) Corresponds to the reclassification of derivative contracts for the incorporation of the caption Financial derivative contracts 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 of 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 12/31/2021

Assets

	CNC old 12/31/2021	Adjustments from implementation		CNC new 12/31/2021	Explanation Note
	MCh\$	Reclassifications MCh\$	Adjustments 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)
Debt financial instruments	590,576	(115,889)	-	474,687	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					
Debt financial instruments	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)
Debt financial instruments	-	-	-	-	
Loans and advances to banks	2,996	-	-	2,996	
Loans and advances to customers - Commercial loans	13,834,313	-	-	13,834,313	
Loans and advances to customers - Mortgage loans	11,590,604	-	-	11,590,604	
Loans and advances to 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	(14,190)	-	916,351	d)
Non-current assets and disposal groups held for sale	-	14,190	-	14,190	d)
TOTAL ASSETS	41,597,867	-	(4)	41,597,863	

Asset standardization adjustments:

- Corresponds to the reclassification of derivative contracts for the incorporation of the caption Financial derivative contracts 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 caption Non-current assets and disposal groups held for sale in accordance with the new CNC for banks.
- 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.

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- 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 12/31/2021
Liabilities and Equity

	CNC old 12/31/2021	Adjustments from implementation Reclassifications	Adjustments	CNC new 12/31/2021	Explanation Note
	MCh\$	MCh\$	MCh\$	MCh\$	
LIABILITIES					
Transactions pending settlement	395,878	-	-	395,878	
Financial liabilities held for trading at fair value through profit or loss					
Financial 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	7,222,206	(756)	-	7,221,450	h)
Term and on-demand deposits	9,462,540	-	-	9,462,540	
Liabilities under repurchase agreements and securities lending	379,970	-	-	379,970	
Bank borrowings	5,658,415	-	-	5,658,415	
Debt instruments issued	7,414,404	(756,367)	-	6,658,037	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 bonds with no fixed maturity date	127,316	-	(48)	127,268	n)
Special allowances for credit losses	216,986	-	-	216,986	
Current taxes	85,595	-	-	85,595	
Deferred tax liabilities	588	-	-	588	
Other liabilities	616,650	5,132	-	621,782	h)
Liabilities included in disposal groups held for sale	-	-	-	-	
TOTAL LIABILITIES	38,796,744	-	(48)	38,796,696	
EQUITY					
Capital	1,246,706	121,715	-	1,368,421	j)
Reserves	496,397	(121,715)	(716)	373,966	jj, 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, payment of interest and repricing of bonds with no fixed term maturity	(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	41,597,867	-	(4)	41,597,863	

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Liabilities and equity standardization adjustments:

- g) Corresponds to the reclassification of derivative contracts for the incorporation of the caption Financial derivative contracts 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 of 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 as at 12/31/2021

	CNC old 12/31/2021 MCh\$	Adjustments from implementation Reclassifications MCh\$	Adjustments MCh\$	CNC new 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	252,845	5,649	-	258,494	p)
Fee and commissions expenses	(60,166)	(22,833)	-	(82,999)	q)
Net fee and commission income	192,679	(17,184)	-	175,495	
Net financial result for:					
Financial assets and liabilities held for trading	75,865	-	-	75,865	
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 (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 of business model	-	-	-	-	
Other financial result	7,082	-	-	7,082	
Net financial result	163,887	-	-	163,887	
Equity in net income of investees	(6,895)	-	-	(6,895)	
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	1,665	-	-	1,665	
Other operating income	32,887	-	-	32,887	
TOTAL OPERATING INCOME	1,360,465	(22,833)	-	1,337,632	
Expenses for employee benefit obligations	(284,722)	-	-	(284,722)	
Administrative expenses	(230,713)	22,833	-	(207,880)	q)
Depreciation and amortization	(56,424)	-	-	(56,424)	
Impairment of non-financial assets	(143)	-	-	(143)	
Other operating expenses	(35,622)	-	-	(35,622)	
TOTAL OPERATING EXPENSES	(607,624)	22,833	-	(584,791)	
OPERATING INCOME BEFORE CREDIT LOSSES	752,841	-	-	752,841	
Credit loss expense for:					
Provisions for credit losses for loans and advances to banks and loans and accounts receivable from customers	(177,137)	-	-	(177,137)	
Special allowances for credit losses	(102,478)	-	-	(102,478)	
Recovery of written-off loans	71,785	-	-	71,785	
Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value through other comprehensive income	-	-	(157)	(157)	r)
Credit loss expense	(207,830)	-	(157)	(207,987)	
OPERATING INCOME	545,011	-	(157)	544,854	
Profit or loss from continuing operations before taxes	545,011	-	(157)	544,854	
Income tax expense	(94,849)	-	-	(94,849)	
Profit or loss from continuing operations after taxes	450,162	-	(157)	450,005	
Profit or loss from discontinued operations before taxes	-	-	-	-	
Taxes from discontinued operations	-	-	-	-	
Income from discontinued operations after taxes	-	-	-	-	
CONSOLIDATED PROFIT FOR THE PERIOD	450,162	-	(157)	450,005	
Attributable to :					

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Profit or loss standardization adjustments:

- 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 the profit or loss generated in 2021 from the recognition of the impairment of financial instruments.

Statements of Other Comprehensive Income as at 12/31/2021

	CNC old 12/31/2021 MCh\$	Adjustments from implementation Reclassifications MCh\$	Adjustments MCh\$	CNC new 12/31/2021 MCh\$	Explanation Note
CONSOLIDATED PROFIT FOR THE PERIOD	450,162	-	(157)	450,005	s)
Other comprehensive income for the period :					
ITEMS THAT WILL NOT BE CLASSIFIED IN RESULTS					
New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit plans	100	-	-	100	
Fair value changes of equity instruments designated at fair value with changes in other comprehensive income	-	(928)	-	(928)	
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	-	-	-	-	
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 with changes in other comprehensive income	(195,602)	928	157	(194,517)	
Translation differences by entities abroad	-	-	-	-	
Accounting hedge of net investments in entities abroad	-	-	-	-	
Cash flow accounting hedge	204,586	-	-	204,586	
Undesignated items of accounting hedge 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 in results	(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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4. Description of impacts as at June 30, 2021:

The impacts recorded as at June 30, 2021 due to the application of the regulatory changes effective beginning in this period, in accordance with Chapter E of CNC for banks, are presented below.

Statements of Income as at 06/30/2021

	CNC old 06/30/2021 MCh\$	Adjustments from implementation Reclassifications MCh\$	Adjustments MCh\$	CNC new 06/30/2021 MCh\$	Explanation Note
Interest income	530,446	(3,203)	-	527,243	a)
Interest expense	(130,925)	-	-	(130,925)	
Net interest income	399,521	(3,203)	-	396,318	
Indexation income	224,375	-	-	224,375	
Indexation expenses	(155,672)	-	-	(155,672)	
Net indexation income	68,703	-	-	68,703	
Fee and commission income	119,770	3,203	-	122,973	a)
Fee and commissions expenses	(30,451)	(10,526)	-	(40,977)	b)
Net fee and commission income	89,319	(7,323)	-	81,996	
Net financial result for:					
Financial assets and liabilities held for trading	35,561	-	-	35,561	
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 (loss) on derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income	17,773	-	-	17,773	
Foreign currency translation differences, indexation and accounting hedge of foreign currencies	16,484	-	-	16,484	
Reclassifications of financial assets due to change of business model	-	-	-	-	
Other financial result	1,861	-	-	1,861	
Net financial result	71,679	-	-	71,679	
Equity in net income of investees	(7,240)	-	-	(7,240)	
Gain or loss from non-current assets and disposal groups not qualifying as discontinued operations	(475)	-	-	(475)	
Other operating income	22,858	-	-	22,858	
TOTAL OPERATING INCOME	644,365	(10,526)	-	633,839	
Expenses for employee benefit obligations	(131,672)	-	-	(131,672)	
Administrative expenses	(110,580)	10,526	-	(100,054)	b)
Depreciation and amortization	(27,901)	-	-	(27,901)	
Impairment of non-financial assets	(4)	-	-	(4)	
Other operating expenses	(14,486)	-	-	(14,486)	
TOTAL OPERATING EXPENSES	(284,643)	10,526	-	(274,117)	
OPERATING INCOME BEFORE CREDIT LOSSES	359,722	-	-	359,722	
Credit loss expense for:					
Provisions for credit losses for loans and advances to banks and loans and accounts receivable from customers	(55,881)	-	-	(55,881)	
Special allowances for credit losses	(56,136)	-	-	(56,136)	
Recovery of written-off loans	34,647	-	-	34,647	
Impairment due to credit risk of other financial assets at amortized cost and financial assets at fair value through other comprehensive income	-	-	(175)	(175)	c)
Credit loss expense	(77,370)	-	(175)	(77,545)	
OPERATING INCOME	282,352	-	(175)	282,177	
Profit or loss from continuing operations before taxes	282,352	-	(175)	282,177	
Income tax expense	(63,704)	-	-	(63,704)	
Profit or loss from continuing operations after taxes	218,648	-	(175)	218,473	
Profit or loss from discontinued operations before taxes	-	-	-	-	
Taxes from discontinued operations	-	-	-	-	
Income from discontinued operations after taxes	-	-	-	-	
CONSOLIDATED PROFIT FOR THE PERIOD	218,648	-	(175)	218,473	

Profit or loss standardization adjustments:

- Prepaid commissions were reclassified from the caption Interest income to the caption Fee and commissions income.
- Credit card license expenses were reclassified from Administrative expenses to Fee and commission expenses.
- Corresponds to the profit or loss generated in 2021 from the recognition of the impairment of financial instruments.

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5. 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 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 Bank recognized a net credit in loans of MCh\$3,082 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

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 allowances of MCh\$12,306 in the Revolving Credit Facilities and Credit Cards.

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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 Statement 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

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 proforma 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.

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

Equity Reconciliation - First application	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 six-month period ended June 30, 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 Interim 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:

Communicates that an agreement has been entered into between The Bank of Nova Scotia and the Said Group: 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, 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 Pacifico 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.

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.

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The following are the business segments established by the Bank:

1. Retail

Personal Banking: This segment addresses individual customers whose income is over Ch\$200.000. The main products offered by the Bank in this segment include consumer loans, overdraft credit line, credit cards, and mortgage loans. In addition, the Bank has liability products for this tranche, and offers chequing accounts and diverse saving products such as term deposits, agreements, mutual funds and short-term investments. In addition, the Bank provides this segment of customers with a variety of financial services such as foreign currency exchange, shares sales, insurance products, and self-service in branch offices where customers can directly perform a series of transactions in their own account.

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

2. Wholesale banking

This business segment includes enterprise customers with annual sales over MUS\$4 and corporate customers with annual sales over MUS\$150. The main products offered by the Bank to this segment include working capital financing, foreign trade loans, lease operations, factoring transactions and structured finance (syndicated loans, project finance, etc.). These customers also use liability products such as domestic and foreign currency chequing accounts, term deposits and mutual funds.

Additionally, the Bank provides a wide range of non-credit services such as collection, bill payment, insurance products, salary payment administration, quotation and procurement, electronic invoicing and a wide range of treasury products such as foreign currency exchange, derivative products, foreign currency or interest rate risk hedging and short-term investments.

3. 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.

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5. Other

This segment includes all items that bear no connection with customer segments and other minor income and expenses not related to any of the above-mentioned lines of business.

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

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

Spot Volumes

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

	As at June 30, 2021					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Net interest income	217,077	107,430	84,442	(2,825)	(9,806)	396,318
Other income	62,640	69,849	25,696	87,726	(1,150)	244,761
Equity in net income of investees	-	-	-	-	(7,240)	(7,240)
Total operating income	279,717	177,279	110,138	84,901	(18,196)	633,839
Operating expenses	(143,373)	(52,301)	(50,393)	(3,629)	3,480	(246,216)
Depreciation and amortization	(15,829)	(3,758)	(4,636)	(179)	(3,499)	(27,901)
Credit losses expense	562	(4,977)	(8,857)	-	(64,273)	(77,545)
Segment operating profit (loss)	121,077	116,243	46,252	81,093	(82,488)	282,177
Income tax expense						(63,704)
Profit (loss) for the period						218,473

Spot Volumes

Assets (loans)	15,052,851	9,706,992	989,412	-	134,008	25,883,263
Liabilities (Core and Term deposits)	5,811,396	5,180,616	-	5,063,968	290,914	16,346,894

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:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Cash and deposits in banks		
Cash	435,389	167,422
Deposits in Banco Central de Chile (i)	292,931	793,387
Deposits in foreign central Banks	-	-
Deposits in domestic Banks	23,708	28,047
Deposits in foreign Banks	453,187	470,766
Subtotal - Cash and deposits in Banks	<u>1,205,215</u>	<u>1,459,622</u>
Net trading operations pending settlement (ii)	(166,299)	47,202
Other cash equivalents (iii)	<u>977,772</u>	<u>550,805</u>
Total cash and cash equivalents	<u>2,016,688</u>	<u>2,057,629</u>

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

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Assets		
Notes in charge of other banks (exchange)	28,244	34,121
Transfer of funds pending receipt	631,549	408,959
Subtotal assets	<u>659,793</u>	<u>443,080</u>
Liabilities		
Transfer of funds pending delivery	(826,092)	(395,878)
Subtotal liabilities	<u>(826,092)</u>	<u>(395,878)</u>
Net trading operations pending settlement	<u>(166,299)</u>	<u>47,202</u>

- (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:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Derivative instruments		
Forwards	2,199,484	1,650,432
Swaps	5,752,174	4,683,665
Call options	-	-
Put options	-	-
Forwards	-	-
Other	-	-
Financial debt securities		
Government and Banco Central de Chile	116,954	135,386
Other debt financial instruments issued in Chile	162,296	333,757
Debt financial instruments issued abroad	9,152	5,544
Other debt financial instruments		
Investments in mutual funds	55,664	114,208
Equity instruments	3,407	1,681
Loans originated and acquired by the entity	-	-
Other	-	-
Total	8,299,131	6,924,673

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

As at June 30, 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	Assets
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	21,386	261,217	464,972	1,240,898	399,202	118,449	-	83,006
Paper forward	-	32,817	-	-	-	-	-	-
Exchange insurance	1,413,883	10,827,656	7,695,118	8,787,281	2,347,402	643,586	732,954	1,809,124
Inflation insurance	4,963	683,673	1,605,037	6,278,992	3,897,252	1,322,408	3,948,447	307,354
Subtotal forward	1,440,232	11,805,363	9,765,127	16,307,171	6,643,856	2,084,443	4,681,401	2,199,484
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal options	-	-	-	-	-	-	-	-
Swap								
Cross currency swap	-	180,296	772,167	3,287,069	6,342,748	3,657,553	6,322,733	3,878,360
Rate swap	85,694	679,262	2,702,325	15,863,649	26,071,948	17,010,262	18,750,761	1,873,814
Subtotal swap	85,694	859,558	3,474,492	19,150,718	32,414,696	20,667,815	25,073,494	5,752,174
Total	1,525,926	12,664,921	13,239,619	35,457,889	39,058,552	22,752,258	29,754,895	7,951,658

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Product	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	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	-	-	-	-	-	-	-	-
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

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

As at June 30, 2022	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	-	-	149	195	-	-	-	349
Bonds or promissory notes issued by the Treasury	-	-	-	19,887	3,167	31,450	67,800	116,605
Other Treasury debt financial instruments	-	-	-	-	-	-	-	-
Government and Banco Central de Chile:	-	-	149	20,082	3,167	31,450	67,800	116,954
Debt financial instruments issued by other domestic banks	-	692	28,311	122,091	3,447	1,699	755	156,998
Domestic corporate bonds and commercial paper	-	-	-	-	-	2,881	2,713	5,298
Other debt financial instruments issued in Chile	-	-	-	-	-	-	-	-
Other debt financial instruments issued in Chile	-	692	28,311	122,091	3,447	4,580	3,468	162,296
Debt financial instruments issued by foreign	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	9,228	-	-	-	9,152
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Bond and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	9,228	-	-	-	9,152
Other financial instruments								
Investments in mutual funds	51,674	3,990	-	-	-	-	-	55,664
Equity instruments	3,407	-	-	-	-	-	-	3,407
Loans originated and acquired by the entity	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Investments in mutual funds	55,081	3,990	-	-	-	-	-	59,071
Total	55,081	4,682	28,460	151,401	6,614	36,030	71,268	347,473

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As at December 31, 2021	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	321,026
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	333,757
Debt financial instruments issued by foreign	-	-	-	-	-	-	-	-
Debt financial instruments of foreign governments and fiscal entities abroad	-	-	-	5,441	-	-	-	5,544
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
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	590,576

As at June 30, 2022 and December 31, 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 of June 30, 2022, the caption "Other debt financial instruments issued in Chile" includes securities sold under repurchase agreement to customers and financial institutions of MCh\$128,333 with average maturity of 33 days (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 June 30, 2022 and December 31, 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 June 30, 2022 and December 31, 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:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Debt financial instruments	2,411,014	1,950,500
Other	-	-
Total	2,411,014	1,950,500

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

As at June 30, 2022	Nominal amounts							Fair value MCh\$
	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\$	
Debt financial instruments								
Debt financial instruments issued by Banco Central de Chile	-	800,000	49,186	4,583	-	-	-	852,154
Bonds or promissory notes issued by the Treasury	-	-	-	150,397	650,182	174,298	599,018	1,457,884
Other Treasury debt financial instruments	-	-	1	19	309	1,132	113,571	100,976
Government and Banco Central de Chile	-	800,000	49,187	154,999	650,491	175,430	712,589	2,411,014
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	-	-	-	-	-	-	-	-
Bonds and commercial paper of companies abroad	-	-	-	-	-	-	-	-
Other debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Debt financial instruments issued abroad	-	-	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-	-	-
Total	-	800,000	49,187	154,999	650,491	175,430	712,589	2,411,014

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As at December 31, 2021	Nominal amounts							Fair value MCh\$
	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\$	
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	-	-	-	-	-	-	-	-
Bonds 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 June 30 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\$29,948 with average maturity of 7 days (MCh\$149,010 with an average maturity of 3 days as at December 31, 2021).

As at June 30, 2022, the caption "Debt financial instruments of Government and Banco Central de Chile" includes no transactions of securities sold under repurchase agreement to financial institutions and customers (MCh\$120,303 with average maturity of 180 days as at December 31, 2021).

As at June 30, 2022, the Financial assets at fair value through other comprehensive income portfolio includes a net unrealized loss of MCh\$151,124 (MCh\$133,235 as at December 31, 2021) recorded as valuation adjustments in equity and a net realized gain of MCh\$377 (MCh\$8,882 as at June 30, 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 phase for debt financial instruments measured at fair value through other comprehensive income is as follows:

As at June 30, de 2022	Phase 1		Phase 2		Phase 3		TOTAL	
	Fair value	ECL (1)	Fair value	ECL (1)	Fair value	ECL (1)	Fair value	ECL (1)
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As at January 1, 2022	1,950,500	(872)					1,950,500	(872)
New assets generated or acquired	473,989	(44)	-	-	-	-	473,989	(44)
Change in Fair Value	(27,463)	-	-	-	-	-	(27,463)	-
Transfers to Phase 1	-	-	-	-	-	-	-	-
Transfers to Phase 2	-	-	-	-	-	-	-	-
Transfers to Phase 3	-	-	-	-	-	-	-	-
Impact of transfers in ECL	-	-	-	-	-	-	-	-
Reductions in discounts	195	-	-	-	-	-	195	-
Accrued interest	3,243	-	-	-	-	-	3,243	-
Remeasurements of ECL at year-end	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	10,550	-	-	-	-	-	10,550	-
Balance as at June 30, 2022	2,411,014	(916)	-	-	-	-	2,411,014	(916)

As at December 31, 2021	Phase 1		Phase 2		Phase 3		TOTAL	
	Fair value	ECL (1)	Fair value	ECL (1)	Fair value	ECL (1)	Fair value	ECL (1)
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As at January 1, 2021	2,117,200	(872)					2,117,200	(872)
New assets generated or acquired	23,537	-	-	-	-	-	23,537	-
Change in Fair Value	(202,939)	-	-	-	-	-	(202,939)	-
Transfers to Phase 1	-	-	-	-	-	-	-	-
Transfers to Phase 2	-	-	-	-	-	-	-	-
Transfers to Phase 3	-	-	-	-	-	-	-	-
Impact of transfers in ECL	-	-	-	-	-	-	-	-
Reductions in discounts	(1,869)	-	-	-	-	-	(1,869)	-
Accrued interest	3,989	-	-	-	-	-	3,989	-
Remeasurements of ECL 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)

(1) ECL= Expected Credit Loss

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

As at June 30, 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	852,328	852,154	174
Bonds and promissory notes issued by the Treasury	1,671,509	1,457,884	213,625
Other Treasury debt financial instruments	102,710	100,976	1,734
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	2,626,547	2,411,014	215,533

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:

	6/30/2022		12/31/2021	
	In favor MCh\$	Against MCh\$	In favor MCh\$	Against MCh\$
Designated derivatives in fair value hedging relationships	52,994	(30,219)	19,703	(14,256)
Designated derivatives in cash flow hedging relationships	480,147	(1,580,255)	306,327	(817,679)
Total derivatives designated in hedging relationships	533,141	(1,610,474)	326,030	(831,935)

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

As at June 30, 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 2 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	-	-	31,090	42,020	210,648	55,354	409,119	44,846	(18,244)
Rate swap	-	-	-	834,293	-	12,850	69,000	8,148	(11,975)
Subtotal	-	-	31,090	876,313	210,648	68,204	478,119	52,994	(30,219)
Cash flow hedge derivatives									
Future arbitration	-	-	-	-	-	-	-	-	-
Inflation insurance	-	-	-	482,075	66,174	-	-	-	(27,627)
Call option	-	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-	-
Cross currency swap	-	146,244	164,992	1,367,144	1,690,346	1,889,406	2,448,934	480,147	(1,526,510)
Rate swap	-	-	-	55,367	-	433,792	19,143	-	(26,118)
Subtotal	-	146,244	164,992	1,904,586	1,756,520	2,323,198	2,468,077	480,147	(1,580,255)
Total	-	146,244	196,082	2,780,899	1,967,168	2,391,402	2,946,196	533,141	(1,610,474)

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 2 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)

c) 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.

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Balances by risk management are presented below.

As at June 30, 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	508,302	-	(26,118)
Cross currency swap	-	-	-
Exchange Rate Risk			
Cross currency swap	1,553,579	261,170	(14,567)
Inflation Risk			
Inflation Insurances	548,249	-	(27,627)
Cross currency swap	6,153,487	218,977	(1,511,943)
Subtotal	8,763,617	480,147	(1,580,255)
Fair value hedges:			
Interest rate risk			
Rate Swap	916,143	8,148	(11,975)
Inflation risk			
Cross currency swap	748,231	44,846	(18,244)
Subtotal	1,664,374	52,994	(30,219)
Total	10,427,991	533,141	(1,610,474)

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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c.1) Fair value accounting hedge derivatives

For fair value hedges, changes in fair value of hedge instruments are offset in the Interim Consolidated Statement of Profit or Loss through fair value of the hedged item attributable to the hedged risk. The Bank uses fair value hedges primarily to translate fixed rate financial instruments to floating rate financial instruments. Hedged items include commercial loans granted at fixed rate in foreign currency and term deposits issued at a fixed rate in Chilean 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).

c.2) Cash flow accounting hedge derivatives

For cash flow hedges, the changes in fair value of the hedging instruments are recorded in equity, to the extent that it is effective, until the corresponding gains or losses associated with the hedged item are recognized in profit or loss. The Bank uses cash flow hedges primarily to hedge the fluctuations in cash flows related to floating rate financial instruments, foreign currency and highly probable projected income. Hedged items include mortgage loans in UF, term deposits at floating rate in Chilean pesos, floating rate foreign currency foreign bank borrowings, available-for-sale securities in Euro, and commercial loans granted at floating rate in foreign currency. Hedging instruments include forward contracts and cross-currency interest rate swaps (CC and IRS).

As at June 30, 2022, the Bank has recorded a loss, net of tax of MCh\$249,509 (MCh\$74,264 as at December 31, 2021) in other comprehensive income for the adjustment of cash flow hedging instruments.

As at June 30, 2022, a profit was recognized in profit or loss for Cash flow hedge derivatives amounting to MCh\$236,036 (MCh\$42,597 as at June 30, 2021).

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

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As at June 30, de 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\$
Hedged Item - Assets	-	40,464	16,503	22,389	139,585	162,080	99,126	480,147
Hedged Item - Liabilities	-	(26,243)	(6,577)	(221,130)	(238,900)	(493,575)	(593,830)	(1,580,255)
Net cash flows	-	14,221	9,926	(198,741)	(99,315)	(331,495)	(494,704)	(1,100,108)

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

Ineffectiveness of accounting hedges

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

	6/30/2022 MCh\$	6/30/2021 MCh\$
<u>Fair value hedges</u>		
Gain (loss) recorded on the hedged items	(3,084)	7,904
Gain (loss) recorded on hedging instruments	4,097	(7,536)
Ineffectiveness	1,013	368
<u>Cash flow hedges</u>		
Ineffectiveness	2,122	1,861

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

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

As at June 30, 2021	Hedge ineffectiveness recognized in the result for the period	Amount reclassified from the cash flow hedge reserve to profit for the period
Interest rate risk	-	(6,043)
Exchange rate risk	(21)	10,892
Inflation rate risk	1,882	37,748
Total	1,861	42,597

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Note 13 Financial assets at amortized cost

Financial assets at amortized cost are detailed as follows:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Rights under resale agreements and securities lending agreements	141,422	120,791
Debt financial instruments	-	-
Loans and advances to banks	343,846	2,996
Loans and advances to customers	31,151,010	28,512,701
Total	31,636,278	28,636,488

a) Rights under resale agreements and securities lending agreements

The detail is as follows:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Operations with domestic banks	-	-
Operations with foreign banks	-	-
Operations with other domestic entities		
Repurchase contracts	141,417	120,526
Securities lending rights	9	270
Transactions with other entities abroad	-	-
Accumulated impairment of financial assets amortized at cost - Rights for repurchase agreements and securities lending		
Financial assets without a significant increase in credit risk since initial recognition (phase 1)	(4)	(5)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)	-	-
Financial assets with credit impairment (phase 3)	-	-
Total	141,422	120,791

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As at June 30, 2022 and 2021 and December 31, 2021 (Proforma unaudited)

As at June 30, 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\$
Operations with domestic banks	-	-	-	-	-	-	-	-
Operations with foreign banks	-	-	-	-	-	-	-	-
Operations with other domestic entities	-	-	-	-	-	-	-	-
Repurchase contracts	-	114,234	27,134	49	-	-	-	141,417
Securities lending rights	-	9	-	-	-	-	-	9
Transactions with other entities abroad	-	-	-	-	-	-	-	-
Accumulated impairment of financial assets amortized at cost - Rights for repurchase agreements and securities lending	-	-	-	-	-	-	-	-
Financial assets without a significant increase in credit risk since initial recognition (phase 1)	-	(4)	-	-	-	-	-	(4)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (phase 3)	-	-	-	-	-	-	-	-
Total	-	114,239	27,134	49	-	-	-	141,422

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\$
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 amortized at cost - Rights for repurchase agreements and securities lending	-	-	-	-	-	-	-	-
Financial assets without a significant increase in credit risk since initial recognition (phase 1)	-	(5)	-	-	-	-	-	(5)
Financial assets with a significant increase in credit risk since initial recognition, but without credit impairment (phase 2)	-	-	-	-	-	-	-	-
Financial assets with credit impairment (phase 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.

	Phase 1		Phase 2		Phase 3		TOTAL	
	Book Value	ECL	Book Value	ECL	Book Value	ECL	Book Value	ECL
	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	20,018	1	-	-	-	-	20,018	1
Transfers Phase 1	-	-	-	-	-	-	-	-
Transfers to Phase 2	-	-	-	-	-	-	-	-
Transfers to Phase 3	-	-	-	-	-	-	-	-
Impact on PCE of Transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	612	-	-	-	-	-	612	-
Year-end remeasurements ECL	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at June 30, 2022	141,426	(4)	-	-	-	-	141,426	(4)

	Phase 1		Phase 2		Phase 3		TOTAL	
	Book Value	ECL	Book Value	ECL	Book Value	ECL	Book Value	ECL
	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	45,280	-	-	-	-	-	45,280	-
Transfers Phase 1	-	-	-	-	-	-	-	-
Transfers to Phase 2	-	-	-	-	-	-	-	-
Transfers to Phase 3	-	-	-	-	-	-	-	-
Impact on PCE of Transfers	-	-	-	-	-	-	-	-
Rebates on discounts	-	-	-	-	-	-	-	-
Accrued interest	1,033	-	-	-	-	-	1,033	-
Year-end remeasurements ECL	-	-	-	-	-	-	-	-
Changes in assumptions	-	-	-	-	-	-	-	-
Exchange rate adjustments	-	-	-	-	-	-	-	-
Balance as at December 31, 2021	120,796	(5)	-	-	-	-	120,796	(5)

ECL= Expected Credit Loss

b) Debt financial instruments

As at June 30, 2022 and December 31, 2021, the Bank has no debt financial instruments at amortized cost.

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

i) Loans and advances to banks

Owed by Banks as at June 30, 2022 (in MCh\$)	Financial assets before provisions				Provisions 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	12,626	-	-	12,626	(8)	-	-	(8)	12,618
Liquidity interbank loans	-	-	-	-	-	-	-	-	-
Commercial interbank loans	-	-	-	-	-	-	-	-	-
Overdrafts on checking accounts	-	-	-	-	-	-	-	-	-
Foreign trade loans Chilean exports	12,626	-	-	12,626	(8)	-	-	(8)	12,618
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	12,626	-	-	12,626	(8)	-	-	(8)	12,618
Banco Central de Chile	331,228	-	-	331,228	-	-	-	-	331,228
Checking accounts deposits for derivative transactions with a central counterparty	-	-	-	-	-	-	-	-	-
Other deposits not available	-	-	-	-	-	-	-	-	-
Other loans	331,228	-	-	331,228	-	-	-	-	331,228
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	331,228	-	-	331,228	-	-	-	-	331,228
TOTAL	343,854	-	-	343,854	(8)	-	-	(8)	343,846

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Owed by Banks as at December 31, 2021 (in MCh\$)	Financial assets before provisions				Provisions 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

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ii) Loans and advances to customers

Loans and accounts receivable from customers As at June 30, 2022 (in MCh\$)	Financial assets before provisions						Allowances constituted						Deductible guarantees FOGAPE Covid-19	Total	Net Financial asset
	Regular portfolio		Substandard portfolio Evaluation	Default portfolio		Total	Regular portfolio		Substandard portfolio Evaluation	Default portfolio		Subtotal			
	Individual	Group		Individual	Group		Individual	Group		Individual	Group				
Commercial loans:															
Commercial loans	10,156,254	1,256,153	357,230	123,462	90,713	11,983,812	(61,909)	(11,940)	(31,381)	(58,699)	(22,502)	(186,431)			
Foreign trade loans Chilean exports	981,302	1,313	958	6,792	-	990,365	(12,388)	(46)	-	(5,975)	-	(18,409)			
Foreign trade loans Chilean imports	564,127	1,894	132	2,612	118	568,883	(12,067)	(55)	(27)	(2,072)	(67)	(14,288)			
Foreign trade loans between third countries	2,154	-	-	-	-	2,154	(73)	-	-	-	-	(73)			
Debtors in checking accounts	44,440	8,919	2,330	1,325	1,378	58,392	(552)	(269)	(274)	(1,051)	(711)	(2,857)			
Credit card debtors	4,657	4,940	459	12	83	10,151	(116)	(191)	(81)	(7)	(40)	(435)			
Factoring operations	264,626	1,381	384	243	148	266,782	(3,913)	(28)	(14)	(182)	(53)	(4,190)			
Commercial financial leasing operations	717,760	33,609	27,880	8,517	1,689	789,455	(3,287)	(775)	(1,362)	(2,449)	(483)	(8,356)			
Student loans	-	664,552	-	-	76,664	741,216	-	(10,566)	-	-	(9,725)	(20,291)			
Other loans and accounts receivable	380	307	7	91	98	883	(4)	(10)	-	(78)	(44)	(136)			
Subtotal	12,735,700	1,973,068	389,380	143,054	170,891	15,412,093	(94,309)	(23,880)	(33,139)	(70,513)	(33,625)	(255,466)	(17,252)	(272,718)	15,139,375
Mortgage loans															
Loans with letters of credit	-	80,503	-	-	8,558	89,061	-	(101)	-	-	(188)	(289)			
Loans with endorsable mortgage mutuals	-	37,949	-	-	2,701	40,650	-	(15)	-	-	(25)	(40)			
Loans with mutual funds financed with mortgage bonds	-	-	-	-	-	-	-	-	-	-	-	-			
Other loans with mutual funds for housing	-	12,184,773	-	-	249,195	12,433,968	-	(25,884)	-	-	(10,040)	(35,924)			
Financial leasing operations for housing	-	37,440	-	-	3,314	40,754	-	(188)	-	-	(313)	(501)			
Other loans and accounts receivable	-	73,180	-	-	3,053	76,233	-	(146)	-	-	(95)	(241)			
Subtotal	-	12,413,845	-	-	266,821	12,680,666	-	(26,334)	-	-	(10,661)	(36,995)	-	(36,995)	12,643,671
Consumer loans															
Consumer loans in installments	-	1,494,928	-	-	94,670	1,589,598	-	(45,987)	-	-	(39,219)	(85,206)			
Checking accounts debtors	-	62,929	-	-	3,773	66,702	-	(1,366)	-	-	(1,348)	(2,714)			
Credit card debtors	-	1,828,669	-	-	88,479	1,917,148	-	(83,354)	-	-	(34,559)	(117,913)			
Consumer financial leasing operations	-	-	-	-	-	-	-	-	-	-	-	-			
Other loans and accounts receivable	-	357	-	-	3	360	-	(10)	-	-	(1)	(11)			
Subtotal	-	3,386,883	-	-	186,925	3,573,808	-	(130,717)	-	-	(75,127)	(205,844)	-	(205,844)	3,367,964
Total	12,735,700	17,773,796	389,380	143,054	624,637	31,666,567	(94,309)	(180,931)	(33,139)	(70,513)	(119,413)	(498,305)	(17,252)	(515,557)	31,151,010

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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	Default portfolio		Total	Regular portfolio		Substandard	Default portfolio		Subtotal			
	Evaluation Individual	Group	portfolio Evaluation Individual	individual	Group		Evaluation Individual	Group	portfolio Evaluation Individual	Individual	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)			
Foreign trade loans Chilean exports	762,691	429	214	6,477	-	769,811	(9,573)	(12)	(94)	(5,709)	-	(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)			
Foreign trade loans between third countries	1,716	-	-	-	-	1,716	(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)			
Credit card debtors	4,046	3,267	278	7	17	7,615	(83)	(113)	(57)	(6)	(5)	(264)			
Factoring operations	240,238	1,394	513	40	33	242,218	(3,373)	(42)	(69)	(36)	(7)	(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)			
Student loans	-	609,182	-	-	82,348	691,530	-	(9,262)	-	-	(10,393)	(19,655)			
Other loans and accounts receivable	419	313	1	224	102	1,059	(13)	(10)	-	(198)	(45)	(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)			
Loans with endorsable mortgage mutuals	-	39,271	-	-	2,899	42,170	-	(13)	-	-	(36)	(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)			
Financial leasing operations for housing	-	38,656	-	-	3,258	41,914	-	(169)	-	-	(213)	(382)			
Other loans and accounts receivable	-	70,881	-	-	2,995	73,876	-	(125)	-	-	(96)	(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)			
Checking accounts debtors	-	55,671	-	-	2,494	58,165	-	(1,038)	-	-	(925)	(1,963)			
Credit card debtors	-	1,574,104	-	-	69,221	1,643,325	-	(60,116)	-	-	(25,993)	(86,109)			
Consumer financial leasing operations	-	-	-	-	-	-	-	-	-	-	-	-			
Other loans and accounts receivable	-	334	-	-	10	344	-	(4)	-	-	(3)	(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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iii) Contingent loans

Exposure to credit risk for contingent loans	Exposure for contingent loans before provisions						Provisions constituted					Net exposure for credit risk of contingent loans	
	Regular portfolio		Substandard portfolio	Default portfolio		Total	Regular portfolio		Substandard portfolio	Default portfolio			Total
	Evaluation		Evaluation		Evaluation		Evaluation		Evaluation		Evaluation		
As at June 30, de 2022 (in MCh\$)	Individual	Group	Individual	Group	Group		Individual	Group	Individual	Group	Group		
Guarantees and Sureties	478,742	-	-	77	-	478,819	(1,409)	-	-	(69)	-	(1,478)	477,341
Letters of credit for merchandise circulation operations	32,900	41	-	-	-	32,941	(493)	-	-	-	-	(493)	32,448
Debt purchase commitments in local currency abroad	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions related to contingent events	359,619	381	2,202	971	-	363,173	(3,303)	(8)	(164)	(619)	-	(4,094)	359,079
Lines of credit of free disposal of immediate cancellation	66,918	518,659	304	20	17,614	603,515	(365)	(5,438)	(43)	(10)	(5,115)	(10,971)	592,544
Lines of credit of free disposal	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans for senior studies Law N°20027 (CAE)	-	3,536	-	-	-	3,536	-	(54)	-	-	-	(54)	3,482
Other irrevocable loan commitments	15,984	-	-	-	-	15,984	(66)	-	-	-	-	(66)	15,918
Other contingent loans	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	954,163	522,617	2,506	1,068	17,614	1,497,968	(5,636)	(5,500)	(207)	(698)	(5,115)	(17,156)	1,480,812

Exposure to credit risk for contingent loans	Exposure for contingent loans before provisions						Provisions constituted					Net exposure for credit risk of contingent loans	
	Regular portfolio		Substandard portfolio	Default portfolio		Total	Regular portfolio		Substandard portfolio	Default portfolio			Total
	Evaluation		Evaluation	Evaluation			Evaluation		Evaluation	Evaluation			
As at December 31,2021 (in MCh\$)	Individual	Group	Individual	Group	Group		Individual	Group	Individual	Group	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)	(1,497)	-	(4,720)	343,298
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 N°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)	(1,745)	(4,767)	(30,997)	2,834,352

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

i) Loans and advances to banks

Summary of movement in provisions constituted by category of credit risk in the period As at June 30, 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 due to:				
Change in measurement without portfolio reclassification during the period	-	-	-	-
Change in measurement due to portfolio reclassification from the beginning to the closure of portfolio period from 1/1/2022 to 6/30/2022:	(1)	-	-	(1)
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	-	-	-	-
New loans for conversion from contingent to loan	9	-	-	9
New loans purchased	-	-	-	-
Sale or transfers of loans	-	-	-	-
Payment of loans	(2)	-	-	(2)
Application of provisions due to write-offs	-	-	-	-
Recovery of written-off loans	-	-	-	-
Exchange differences	-	-	-	-
Other changes in provisions	-	-	-	-
Balance as at June 30, 2022	8	-	-	8

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 due to:				
Change in measurement without portfolio reclassification during the period	(96)	-	-	(96)
Change in measurement due to portfolio reclassification from the beginning to the closure of 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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ii) Commercial loans

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 June 30, 2022 (in MCh\$)	Regular Portfolio		Substandard Portfolio	Default Portfolio		Subtotal	Deductible guarantees FOGAPE Covid-19	Total
		Evaluation Individual	Group		Evaluation 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 due to:									
Change in measurement without portfolio reclassification during the period	(58,664)	7,803	(6,456)	(45,472)	13,734	(89,055)		(89,055)	
Change in measurement due to portfolio reclassification from the beginning to the closure of portfolio period from 1/1/2022 to 6/30/2022:									
Regular individual up to substandard	(990)	-	2,116	-	-	1,126		1,126	
Regular individual up to individual default	(21)	-	-	310	-	289		289	
Substandard up to individual default	-	-	(1,433)	6,128	-	4,695		4,695	
Substandard up to regular individual	276	-	(481)	-	-	(205)		(205)	
Individual default up to substandard	-	-	-	-	-	-		-	
Individual default up to regular individual	-	-	-	-	-	-		-	
Regular group up to default group	-	(4,695)	-	-	9,882	5,187		5,187	
Group default up to group regular	-	320	-	-	(3,379)	(3,059)		(3,059)	
Individual (regular, substandard , default) up to group (regular, default)	(1)	1	-	(28)	-	(28)		(28)	
Group (regular, default) up to individual (regular, substandard, default)	805	(675)	130	345	(428)	177		177	
New originated loans	128,526	4,366	28,503	61,363	1,125	223,883		223,883	
New loans for conversion from contingent to loan	678	541	96	12	96	1,423		1,423	
New loans purchased	-	-	-	-	-	-		-	
Sale or transfers of loans	-	(924)	-	-	(5)	(929)		(929)	
Payment of loans	(64,586)	(4,039)	(12,587)	(11,515)	(3,616)	(96,343)		(96,343)	
Application of provisions due to write-offs	-	(1)	-	(8,309)	(18,291)	(26,601)		(26,601)	
Recovery of written-off loans	-	26	-	-	-	26		26	
Changes in models and methodologies	-	-	-	-	-	-		-	
Exchange differences	1,822	8	185	843	8	2,866		2,866	
Other changes in provisions	-	-	-	-	-	-	(475)	(475)	
Balance as at June 30, 2022	94,309	23,880	33,139	70,513	33,625	255,466	17,252	272,718	

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							
	Portfolio Evaluation		Substandard portfolio	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 due to:								
Change in measurement without portfolio reclassification during the period	(12,837)	8,886	1,654	79,917	25,669	103,289		103,289
Change in measurement due to portfolio reclassification from the beginning to the closure of portfolio period from 1/1/2021 to 12/31/2021:								
Regular individual up to substandard	(5,796)	-	12,928	-	-	7,132		7,132
Regular individual up to individual default	(10)	-	-	228	-	218		218
Substandard up to individual default	-	-	(4,320)	15,878	-	11,558		11,558
Substandard up to regular individual	160	-	(263)	-	-	(103)		(103)
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		9,225
Group default up to group regular	-	1,093	-	-	(12,797)	(11,704)		(11,704)
Individual (regular, substandard , default) up to group (regular, default)	(177)	143	(67)	(135)	-	(236)		(236)
Group (regular, default) up to individual (regular, substandard, default)	993	(664)	63	220	(180)	432		432
New originated loans	102,442	7,448	7,602	5,048	3,074	125,614		125,614
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)		(189,903)
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	-	-	-	-	-	-	6,355	6,355
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 June 30, 2022 (in MCh\$)	Movement in provisions constituted by portfolio in the period Group evaluation		
	Regular	Default	Total
	Portfolio	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	4,805	1,472	6,277
Change in measurement due to portfolio reclassification from the beginning to the closure of portfolio period from 1/1/2022 to 6/30/2022:			
Group regular up to group default	(2,165)	2,776	611
Group default up to group regular	93	(935)	(842)
New originated loans	1,391	40	1,431
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(1,025)	(1,125)	(2,150)
Application of provisions due to write-offs	(34)	(3,900)	(3,934)
Recovery of written-off loans	3	-	3
Changes in models and methodologies	-	-	-
Exchange differences	-	-	-
Other changes in provisions	-	-	-
Balance as at June 30, 2022	26,334	10,661	36,995

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		
	Regular	Default	Total
	Portfolio	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 closure of 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 June 30, 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	32,346	46,962	79,308
Change in measurement due to portfolio reclassification from the beginning to the closure of portfolio period from 1/1/2022 to 6/30/2022:			
Group regular up to group default	(18,292)	43,923	25,631
Group default up to group regular	3,091	(9,497)	(6,406)
New originated loans	16,906	9,542	26,448
New loans for conversion from contingent to loan	41,371	2,923	44,294
New loans purchased	-	-	-
Sale or transfers of loans	-	-	-
Payment of loans	(45,503)	(13,811)	(59,314)
Application of provisions due to write-offs	(61)	(64,176)	(64,237)
Recovery of written-off loans	240	32	272
Changes in models and methodologies	-	-	-
Exchange differences	29	4	33
Other changes in provisions	-	-	-
Balance as at June 30, 2022	130,717	75,127	205,844

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 closure of 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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As at June 30, 2022 and 2021 and December 31, 2021 (Proforma unaudited)

v) Contingent loans

Summary of the movement in provisions constituted by category of credit risk in the period As at June 30, 2022 (in MCh\$)	Movement in provisions constituted by portfolio in the period					Total
	Regular Portfolio		Substandard Portfolio	Default Portfolio		
	Evaluation	Group		Evaluation	Group	
	Individual			Individual		
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	(7,645)	2,259	(150)	(3,335)	1,270	(7,601)
Change in measurement due to portfolio reclassification from the beginning to the closure of portfolio period from 1/1/2022 to 6/30/2022:						
Regular individual up to substandard	(36)	-	48	-	-	12
Regular individual up to individual default	-	-	-	-	-	-
Substandard up to individual default	-	-	(2)	21	-	19
Substandard up to regular individual	11	-	(16)	-	-	(5)
Individual default up to substandard	-	-	-	-	-	-
Individual default up to regular individual	-	-	-	-	-	-
Regular group up to group default	-	(407)	-	-	3,880	3,473
Group default up to group regular	-	76	-	-	(1,824)	(1,748)
Individual (regular, substandard, default) up to group (regular, default)	-	-	-	-	-	-
Group (regular, default) up to individual (regular, substandard, default)	13	(11)	1	-	-	3
New contingent loans granted	6,933	1,359	174	2,274	41	10,781
Contingent loans due to conversion to loans	(789)	(14,900)	(98)	(9)	(3,019)	(18,815)
Changes in models and methodologies	-	-	-	-	-	-
Exchange differences	36	-	2	2	-	40
Other changes in provisions	-	-	-	-	-	-
Balance as at June 30, 2022	5,636	5,500	207	698	5,115	17,156

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					Total
	Regular Portfolio Evaluation		Substandard portfolio	Default portfolio Evaluation		
	Individual	Group		Individual	Group	
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 closure of 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 group regular	-	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, substandar, 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	45	-	408
Other changes in provisions	-	-	-	-	-	-
Balance as at December 31, 2021	7,113	17,124	248	1,745	4,767	30,997

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- e) Gross loans and allowances recorded grouped by type of debtor's economic activity and concentration of credit risk**

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Composition of economic activity As at June 30, 2022 (in MCh\$)	Loans and exposure to contingent loans			Provisions constituted			Deductible guarantees FOGAPE Covid 19	Total
	Loans within			Loans within		Sub-Total		
	Country	Abroad	Total	Country	Abroad			
Owed by banks	331,228	12,626	343,854	-	(8)	(8)		(8)
Commercial loans								
Agriculture and Livestock	551,380	-	551,380	(22,760)	-	(22,760)		
Sowing and harvesting of fruits	16,649	-	16,649	(187)	-	(187)		
Forestry	89,393	-	89,393	(1,374)	-	(1,374)		
Fishing	150,851	-	150,851	(3,846)	-	(3,846)		
Mining	147,194	-	147,194	(635)	-	(635)		
Oil and natural gas	141,310	-	141,310	(117)	-	(117)		
Product Manufacturing Industry	-	-	-	-	-	-		
Food, beverages and tobacco	924,495	-	924,495	(9,157)	-	(9,157)		
Textile, leather and footwear	60,372	-	60,372	(8,348)	-	(8,348)		
Wood and furniture	77,228	-	77,228	(1,121)	-	(1,121)		
Cellulose, paper and printing	94,310	-	94,310	(2,297)	-	(2,297)		
Chemicals and pteroleum derivatives	275,023	-	275,023	(2,047)	-	(2,047)		
Metallic, non-metallic, machinery and others	637,721	-	637,721	(10,546)	-	(10,546)		
Electricity, gas and water	1,012,154	-	1,012,154	(3,003)	-	(3,003)		
Home building	548,920	-	548,920	(12,983)	-	(12,983)		
Non-residential contructions (office, civil works)	264,797	-	264,797	(9,519)	-	(9,519)		
Wholesale trade	1,326,652	109,456	1,436,108	(48,058)	(127)	(48,185)		
Retail trade, restaurantsand hotels	598,002	64,930	662,932	(17,205)	(54)	(17,259)		
Transport and storage	677,015	-	677,015	(7,731)	-	(7,731)		
Telecommunications	555,688	-	555,688	(1,944)	-	(1,944)		
Financial services	2,181,001	-	2,181,001	(16,825)	-	(16,825)		
Business services	-	-	-	-	-	-		
Real estate service	2,357,549	112,084	2,469,633	(28,306)	(105)	(28,411)		
Student loans	741,216	-	741,216	(20,292)	-	(20,292)		
Public administration, defense and police	-	-	-	-	-	-		
Social services and other community services	-	-	-	-	-	-		
Personel services	1,696,587	116	1,696,703	(26,874)	(5)	(26,879)		
Subtotal	15,125,507	286,586	15,412,093	(255,175)	(291)	(255,466)	(17,252)	(272,718)
Mortgage loans	12,680,666	-	12,680,666	(36,995)	-	(36,995)		(36,995)
Consumer loans	3,573,808	-	3,573,808	(205,844)	-	(205,844)		(205,844)
Contingent loans exposure	1,497,968	-	1,497,968	(17,156)	-	(17,156)		(17,156)

Composition of economic activity As at December 31, 2021 (in MCh\$)	Loans and exposure to contingent loans			Loans within		Provisions constituted		Deductible guarantees FOGAPE Covid 19	Total
	Loans within		Total	Loans within		Sub-Total			
	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)			
Sowing and harvesting of fruits	-	-	-	-	-	-			
Forestry	93,522	-	93,522	(1,736)	-	(1,736)			
Fishing	111,779	6,835	118,614	(3,364)	(292)	(3,656)			
Mining	179,965	-	179,965	(661)	-	(661)			
Oil and natural gas	141,345	-	141,345	(117)	-	(117)			
Product Manufacturing Industry	-	-	-	-	-	-			
Food, beverages and tobacco	591,569	-	591,569	(8,993)	-	(8,993)			
Textile, leather and footwear	55,835	-	55,835	(9,103)	-	(9,103)			
Wood and furniture	61,538	-	61,538	(1,507)	-	(1,507)			
Cellulose, paper and printing	58,222	-	58,222	(1,854)	-	(1,854)			
Chemicals and pteroleum derivatives	221,211	-	221,211	(2,405)	-	(2,405)			
Metallic, non-metallic, machinery and others	689,672	-	689,672	(10,426)	-	(10,426)			
Electricity, gas and water	625,433	-	625,433	(2,669)	-	(2,669)			
Home building	406,326	-	406,326	(4,167)	-	(4,167)			
Non-residential contructions (office, civil works)	231,084	-	231,084	(7,446)	-	(7,446)			
Wholesale trade	1,554,407	101,259	1,655,666	(40,474)	(191)	(40,665)			
Retail trade, restaurantsand hotels	389,444	59,817	449,261	(21,455)	(49)	(21,504)			
Transport and storage	673,290	-	673,290	(8,103)	-	(8,103)			
Telecommunications	365,073	-	365,073	(1,521)	-	(1,521)			
Financial services	2,319,391	-	2,319,391	(12,578)	-	(12,578)			
Business services	-	-	-	-	-	-			
Real estate service	2,297,364	86,970	2,384,334	(26,758)	(113)	(26,871)			
Student loans	691,530	-	691,530	(19,655)	-	(19,655)			
Public administration, defense and police	55,975	-	55,975	(521)	-	(521)			
Social services and other community services	693,024	163	693,187	(6,677)	(15)	(6,692)			
Personel services	825,856	-	825,856	(19,662)	-	(19,662)			
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 June 30, 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%	934,607	32,641	13,577	8,719	13,083	1,002,627	(75)	(40)	(44)	(42)	(318)	(519)
40% < PVG <= 80%	8,472,960	228,643	82,010	44,633	74,568	8,902,814	(5,609)	(2,452)	(1,607)	(1,187)	(2,268)	(13,123)
80% < PVG <= 90%	2,485,628	36,713	10,826	4,162	6,549	2,543,878	(14,347)	(2,421)	(1,375)	(773)	(1,456)	(20,372)
PVG >90%	224,737	3,674	1,045	1,093	798	231,347	(1,918)	(371)	(169)	(280)	(243)	(2,981)
Total	12,117,932	301,671	107,458	58,607	94,998	12,680,666	(21,949)	(5,284)	(3,195)	(2,282)	(4,285)	(36,995)

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)

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

Concentration of debts from banks and commercial loans with their provisions constituted by classification category																								Owed by banks and Commercial Loans												Group		Provision deductible guarantees																																			
As at June 30, 2022																																																																									
(in MCh\$)																																																																									
Regular Portfolio												Individual Substandard Portfolio				Default Portfolio				Regular		Default Portfolio		Total																																																	
A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal	Total	Portfolio	Default Portfolio	Total	Total																																																		
Owed by Banks																																																																									
Liquidity interbank loans																																																																									
Commercial interbank loans																																																																									
Overdrafts on checking accounts																																																																									
Foreign trade loans - Chilean exports																								6,310		6,013		303				12,626								12,626				12,626																													
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																								331,228								331,228								331,228				331,228																													
Subtotal																								337,538		6,013		303				343,854								343,854				343,854																													
Provisions constituted																								2		5		1				8								8				8																													
% provisions constituted																								0.00%		0.08%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%																													
Commercial loans																								82,603		3,555,170		1,781,373		3,143,984		1,069,807		523,317		10,156,254		149,831		96,651		90,029		20,719		357,230		39,077		4,314		5,933		15,004		12,877		46,257		123,462		10,636,946		1,256,153		90,713		1,346,866		11,993,812			
Commercial loans																										293,266		202,282		324,839		143,247		17,668		981,302						958						958				132		74				551		6,241		6,792		989,052		1,313		990,365					
Foreign trade loans - Chilean exports																										5,951		147,492		261,043		112,480		37,161		564,127						132						132								857		1,681		2,612		566,871		1,894		118		2,012		568,883			
Foreign trade loans - Chilean imports																														1,673				481		2,154																						2,154				2,154											
Foreign trade loans between third countries																										12,129		6,668		10,637		3,944		11,162		44,440		965		455		839		71		2,330		35		15		28		96		132		1,019		1,325		48,095		8,919		1,378		10,297		58,392			
Deposits in checking accounts																								17		1,455		809		455		721		1,200		4,657		238		117		79		25		459								7		6		12		5,128		4,940		83		5,023		10,151					
Credit card debtors																										2,685		39,324		146,409		45,702		18,646		264,626		344		40						384						147		96		243		265,253		1,381		148		1,529		266,782							
Factoring operations																																				717,760		15,002		1,775		9,449		1,654		27,880		1,926		1,409		318		4,121		510		233		8,517		754,157		33,609		1,689		35,298		789,455			
Commercial financial leasing operations																										63,074		130,655		317,535		142,940		63,556																										76,664		741,216		741,216									
Students loans																																																												98		405		883									
Other loans and accounts receivable																										67		35		207		14		57		380		2		5																87		91		478		307		98		883							
Subtotal																								94,480		3,933,797		2,308,638		4,206,782		1,516,755		673,248		12,735,700		166,382		100,128		100,401		22,468		389,380		41,116		5,738		6,279		19,228		15,074		55,619		143,054		13,268,134		1,973,068		170,891		2,143,959		15,412,093			
Provisions constituted																								35		4,011		3,830		38,208		27,448		26,777		94,309		12,350		10,139		6,087		2,563		33,139		822		574		1,570		7,691		9,797		50,059		70,513		197,961		23,880		33,625		57,505		255,466		17,252	
% provisions constituted																								0.04%		0.10%		0.17%		0.91%		1.81%		3.09%		0.74%		7.42%		10.13%		8.05%		11.41%		8.51%		2.00%		10.00%		25.00%		40.00%		64.99%		90.00%		49.29%		1.49%		1.21%		19.68%		2.68%		1.66%			

Concentration of debts from banks and commercial loans with their provisions constituted by classification category																								Owed by banks and Commercial Loans												Group		Provision deductible guarantees																																					
As at December 31, 2021																																																																											
(in MCh\$)																																																																											
Regular Portfolio												Individual Substandard Portfolio				Default Portfolio				Regular		Default Portfolio		Total																																																			
A1	A2	A3	A4	A5	A6	Subtotal	B1	B2	B3	B4	Subtotal	C1	C2	C3	C4	C5	C6	Subtotal	Total	Portfolio	Default 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																								1,371		1,627						2,998								2,998						2,998																													
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%		0.07%		0.00%		0.00%		0.00%		0.07%		0.00%		0.00%		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		24,278		253,463		17,334		3,959		4,483		10,331		6,216		51,610		93,933		9,870,093		1,189,974		88,578		1,278,552		11,148,645					
Commercial loans																										186,636		183,739		275,038		103,936		13,342		762,691						483		5,994		6,477		769,382		429						483		5,994		6,477		769,382		429		769,811									
Foreign trade loans - Chilean exports																										3,142		123,722		173,436		100,581		35,525		436,406		1,193						207		1,400		68								1,824		1,892		439,698		3,510		175		3,685		443,383							
Foreign trade loans - Chilean imports																														1,365				351		1,716																								1,716				1,716											
Foreign trade loans between third countries																										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		31,648					
Deposits in checking accounts																								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							
Credit card debtors																								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									
Factoring operations																										65,576		122,152		303,324		130,160		53,813		675,025		14,605		2,422		9,358		2,117		28,592		1,182		850		340		514		1,546		315		4,747		708,274		2,529		37,855		746,129							
Commercial financial leasing operations																																																																609,182		82,348		691,530		691,530					
Students loans																																																														220		224		644		313		102		415		1,059	
Other loans and accounts receivable																										72		48		177		14		108		419								1		4																													
Subtotal																								114,958		3,760,023		1,917,617		3,740,907		1,492,719		639,031		11,665,255		152,484		36,356		70,181		26,881		285,902		16,639		4,820		4,853		10,872		6,316		61,127		108,627		12,059,784		1,849,189		175,111		2,024,270		14,084,054					
Provisions constituted																								41		3,743		3,195		32,321		20,852		18,412		86,464		11,997		2,380		4,886		3,383		23,066		373		482		1,213		4,345		5,405		55,014		66,636		176,366		21,148		34,499		55,648		232,014					
% provisions constituted																								0.04%		0.10%		0.17%		0.86%		1.83%		2.89%		0.74%		7.87%		5.55%		8.98%		14.10%		8.07%		2.00%		10.00%		24.99%		40.00%		81.53%		46.5%		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 June 30, de 2022 (in MCh\$)	Financial assets before provisions					Provisions constituted					Deductible guarantees FOGAPE Covid-19	Total	Net financial asset		
	Regular Portfolio		Substandard	Default Portfolio		Total	Regular Portfolio		Substandard	Default Portfolio				Subtotal	
	Evaluation		portfolio	Evaluation			Evaluation		portfolio	Evaluation					
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual	Group				
Owed by banks															
0 days	343,854	-	-	-	-	343,854	(8)	-	-	-	-	(8)		343,846	
1 to 29 days	-	-	-	-	-	-	-	-	-	-	-	-		-	
30 to 59 days	-	-	-	-	-	-	-	-	-	-	-	-		-	
60 to 89 days	-	-	-	-	-	-	-	-	-	-	-	-		-	
>= 90 days	-	-	-	-	-	-	-	-	-	-	-	-		-	
Subtotal	343,854	-	-	-	-	343,854	(8)	-	-	-	-	(8)	-	343,846	
Commercial loans															
0 days	12,500,540	1,866,897	298,105	41,341	39,167	14,746,050	(91,072)	(17,536)	(24,571)	(18,520)	(7,668)	(159,367)		14,586,683	
1 to 29 days	230,462	72,079	50,790	9,469	9,633	372,433	(3,148)	(3,368)	(3,801)	(1,859)	(1,924)	(14,100)		358,333	
30 to 59 days	4,018	21,844	28,428	8,074	10,404	72,768	(87)	(1,770)	(4,061)	(1,283)	(2,382)	(9,583)		63,185	
60 to 89 days	680	12,239	12,057	6,358	9,651	40,985	(2)	(1,206)	(706)	(1,031)	(1,978)	(4,923)		36,062	
>= 90 days	-	9	-	77,812	102,036	179,857	-	-	-	(47,820)	(19,673)	(67,493)		112,364	
Subtotal	12,735,700	1,973,068	389,380	143,054	170,891	15,412,093	(94,309)	(23,880)	(33,139)	(70,513)	(33,625)	(255,466)	(17,252)	(272,718)	15,139,375
Mortgage loans															
0 days	-	12,035,540	-	-	82,392	12,117,932	-	(18,772)	-	-	(3,177)	(21,949)		12,095,983	
1 to 29 days	-	266,406	-	-	35,265	301,671	-	(4,001)	-	-	(1,283)	(5,284)		296,387	
30 to 59 days	-	79,262	-	-	28,196	107,458	-	(2,199)	-	-	(996)	(3,195)		104,263	
60 to 89 days	-	32,637	-	-	25,970	58,607	-	(1,362)	-	-	(920)	(2,282)		56,325	
>= 90 days	-	-	-	-	94,998	94,998	-	-	-	-	(4,285)	(4,285)		90,713	
Subtotal	-	12,413,845	-	-	266,821	12,680,666	-	(26,334)	-	-	(10,661)	(36,995)	-	(36,995)	12,643,671
Consumer loans															
0 days	-	3,158,194	-	-	75,948	3,234,142	-	(84,184)	-	-	(24,262)	(108,446)		3,125,696	
1 to 29 days	-	161,186	-	-	22,941	184,127	-	(27,100)	-	-	(8,727)	(35,827)		148,300	
30 to 59 days	-	44,376	-	-	17,250	61,626	-	(12,257)	-	-	(6,750)	(19,007)		42,619	
60 to 89 days	-	23,123	-	-	17,364	40,487	-	(7,175)	-	-	(7,717)	(14,892)		25,595	
>= 90 days	-	4	-	-	53,422	53,426	-	(1)	-	-	(27,671)	(27,672)		25,754	
Subtotal	-	3,386,883	-	-	186,925	3,573,808	-	(130,717)	-	-	(75,127)	(205,844)	-	(205,844)	3,367,964
Total loans	13,079,554	17,773,796	389,380	143,054	624,637	32,010,421	(94,317)	(180,931)	(33,139)	(70,513)	(119,413)	(498,313)	(17,252)	(515,565)	31,494,856

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Concentration of credit risk by days past due As at December 31, 2021 (in MCh\$)	Financial assets before provisions					Provisions constituted					Deductible guarantees FOGAPE Covid-19	Total	Net financial asset		
	Regular Portfolio		Substandard portfolio	Default Portfolio		Total	Regular Portfolio		Substandard portfolio	Default Portfolio				Subtotal	
	Individual	Group	Individual	Individual	Group		Individual	Group	Individual	Individual					Group
Owed by banks															
0 days	2,083	-	-	-	-	2,083	(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)	-	2,996	
Commercial loans															
0 days	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)		13,528,018	
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)		156,878	
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)		43,194	
60 to 89 days	95	7,209	4,888	3,774	8,272	24,238	(1)	(672)	(363)	(1,935)	(1,849)	(4,820)		19,418	
>= 90 days	-	728	352	58,546	102,417	162,043	-	(11)	(96)	(38,436)	(18,968)	(57,511)		104,532	
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 days	-	11,129,979	-	-	98,107	11,228,086	-	(18,780)	-	-	(3,825)	(22,605)		11,205,481	
1 to 29 days	-	168,444	-	-	33,368	201,812	-	(2,467)	-	-	(1,285)	(3,752)		198,060	
30 to 59 days	-	49,158	-	-	25,297	74,455	-	(1,247)	-	-	(977)	(2,224)		72,231	
60 to 89 days	-	17,847	-	-	21,109	38,956	-	(772)	-	-	(796)	(1,568)		37,388	
>= 90 days	-	-	-	-	82,894	82,894	-	-	-	-	(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 days	-	2,919,901	-	-	75,468	2,995,369	-	(71,487)	-	-	(24,480)	(95,967)		2,899,402	
1 to 29 days	-	128,377	-	-	20,419	148,796	-	(19,042)	-	-	(7,683)	(26,725)		122,071	
30 to 59 days	-	28,747	-	-	13,989	42,736	-	(6,588)	-	-	(5,385)	(11,973)		30,763	
60 to 89 days	-	13,854	-	-	12,776	26,630	-	(3,473)	-	-	(5,353)	(8,826)		17,804	
>= 90 days	-	-	-	-	34,068	34,068	-	-	-	-	(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

SCOTIABANK CHILE AND SUBSIDIARIES

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i) Lease operations

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

	6/30/2022 Interest and			12/31/2021 Interest and		
	Account Receivable	deferred VAT	Net balance receivable	Account Receivable	deferred VAT	Net balance receivable
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
On-demand	1,059	(26)	1,033	799	(20)	779
Up to one month	29,833	(5,818)	24,015	28,173	(5,373)	22,800
More than one up to three months	57,629	(11,363)	46,266	54,737	(10,524)	44,213
More than three months up to one year	238,100	(47,756)	190,344	221,601	(43,168)	178,433
More than one up to three years	438,933	(91,826)	347,107	395,983	(80,193)	315,790
More than three up to five years	175,468	(38,950)	136,518	175,148	(36,939)	138,209
More than five years	115,290	(30,364)	84,926	118,369	(30,550)	87,819
Total	1,056,312	(226,103)	830,209	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 Interim Consolidated Statements of Financial Position.

As at June 30 2022, MCh\$243,761 corresponds to finance leases on real estate (MCh\$241,746 as at December 31, 2021) and MCh\$586,448 to finance leases on non-real estate assets (MCh\$546,297 as at December 31, 2021).

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

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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	6/30/2022 MCh\$	12/31/2021 MCh\$
Par value	8,483	70,116
Provisions	(930)	(2,145)
Net value of provisions	7,553	67,971
Sale value	7,575	84,949
Sale result (1)	22	16,978
 (Loss) Profit in sale (2)	 (7)	 6,554
Income received in advance	29	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 Interim Consolidated Statements of Income under the caption "Net financial result from derecognition of financial assets and liabilities at amortized cost and financial assets at fair value through other comprehensive income."

Deferred income/revenue corresponds to revenue obtained for the interest rate spread of loans granted at a rate of 2%. Deferred income/revenue is included in caption "Other liabilities" in the Interim Consolidated Statements of Financial Position.

k) Sale of Loans

During the period from January 1 through June 30, 2022, loans of the commercial portfolio were sold and/or assigned recording a gain of MCh\$1,107 (MCh\$8,525 as at June 30, 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 period from January 1 through June 30, 2022, the subsidiary Banderarrollo Sociedad de Leasing Inmobiliario S.A., recorded a realized gain from the assignment of portfolio of MCh\$58 (MCh\$39 as at June 30, 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.

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Mortgage loan Portfolio	4,226	4,452
Book value of related liabilities	4,091	4,376

As at June 30, 2022, the subsidiary Banderarrollo Sociedad de Leasing Inmobiliario S.A. recognizes a liability pending repayment of MCh\$4,091 (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:

	6/30/2022 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	16,400	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	23,749	19,973

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

	Ownership %	Tax ID No.	Country	Company's equity as at 6/30/2022 MCh\$	Investment as at 6/30/2022 MCh\$	Investment as at 12/31/2021 MCh\$
Transbank S.A.	22.69	96.689.310-9	Chile	95,899	16,400	12,658
Total					16,400	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 related to joint ventures and associates at each year-end is presented below.

	6/30/2022 MCh\$	12/31/2021 MCh\$
Assets and liabilities		
Current assets	1,415,744	1,249,723
Non-current assets	114,846	121,046
Current liabilities	1,432,580	1,288,512
Non-current liabilities	2,111	2,850
Income Statements (Summary)		
Net sales	397,182	48,466
Operating results	12,763	(26,726)
Profit (loss) for the period	11,001	(17,930)
Depreciation and amortization	(18,103)	(33,832)

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b) Minority investments in other domestic companies

	Country	Investment as at 6/30/2022 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 6/30/2022 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:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Initial book value	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.	-	(1,345)
Participation on results	3,742	(7,213)
Adjustment of investments to equity value	-	-
Adjustment to market value	37	-
Other	-	2
Sub total	23,749	16,494
First application new compendium		
Shares - Bolsa de Comercio de Santiago	-	3,169
Shares - Bolsa Electrónica de Chile	-	310
Total	23,749	19,973

During the period ended June 30, 2022, there have been no movements due to impairment.

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Note 15 Intangible assets

a) The detail of intangible assets is as follows:

Intangible Assets	Years of		Average		Gross balance		Accumulated amortization and impairment		Net balance	
	useful life		Remaining amortization							
	2022	2021	2022	2021	6/30/2022 MCh\$	12/31/2021 MCh\$	6/30/2022 MCh\$	12/31/2021 MCh\$	6/30/2022 MCh\$	12/31/2021 MCh\$
Goodwill for business combinations					-	-	-	-	-	-
Other intangibles arising from business combinations (1)										
Exclusivity agreement	15	15	10	10	138,425	138,425	-	-	138,425	138,425
Accumulated amortizations					-	-	(66,136)	(61,522)	(66,136)	(61,522)
Other independently originated intangible assets										
Software or computer programs purchased independently	10	10	6	6	17,180	16,860	-	-	17,180	16,860
Software or computer programs generated internally	10	10	6	6	205,142	184,423	-	-	205,142	184,423
Accumulated amortizations					-	-	(66,854)	(55,777)	(66,854)	(55,777)
Total intangible assets					360,747	339,708	(132,990)	(117,299)	227,757	222,409

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

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b) Intangible assets are detailed as follows:

	Computer Programs MCh\$	Intangibles 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)
Assets disposal	(119)	-	-	(119)
Impairment	(2,200)	-	-	(2,200)
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	21,039	-	-	21,039
Reclassifications	-	-	-	-
Assets disposal	-	-	-	-
Impairment	-	-	-	-
Other	-	-	-	-
Gross total	222,322	138,425	-	360,747
Accumulated amortization as at January 1, 2022	(55,777)	(61,522)	-	(117,299)
Amortization for the period	(11,077)	(4,614)	-	(15,691)
Assets disposal	-	-	-	-
Impairment	-	-	-	-
Other	-	-	-	-
Total amortization	(66,854)	(66,136)	-	(132,990)
Balance as at June 30, 2022	155,468	72,289	-	227,757

Debits for amortization or impairment of intangible assets are included under "Depreciation and amortization" in the Interim 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, plant	Average useful life		Remaining average depreciation		Gross balance		Accumulated depreciation		Net balance	
	6/30/2022	12/31/2021	6/30/2022	12/31/2021	6/30/2022	12/31/2021	6/30/2022	12/31/2021	6/30/2022	12/31/2021
	years	years	years	years	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Land and constructions	80	80	35	36	71,718	71,718	(18,638)	(17,457)	53,080	54,261
Equipment	6	6	5	5	123,124	121,855	(92,942)	(88,447)	30,182	33,408
Other	6	6	5	5	23,050	21,215	(13,218)	(12,762)	9,832	8,453
Total					217,892	214,788	(124,798)	(118,666)	93,094	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 and equipment	-	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	-	-	-	-
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 depreciations	(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 and equipment	-	142	4,346	4,488
Asset disposal	-	(1,301)	(96)	(1,397)
Accounts reclassification (1)	-	2,428	(2,415)	13
Transfer to held for sale	-	-	-	-
Gross total	71,718	123,124	23,050	217,892
Accumulated depreciation as at January 1, 2022	(17,457)	(88,447)	(12,762)	(118,666)
Depreciation for the period	(824)	(5,299)	(456)	(6,579)
Asset disposal	-	840	-	840
Accounts Reclassification (1)	-	(36)	-	(36)
Transfer to held for sale	-	-	-	-
Impairment	(357)	-	-	(357)
Total depreciations	(18,638)	(92,942)	(13,218)	(124,798)
Balance as at June 30, 2022	53,080	30,182	9,832	93,094

(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.

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Debits for depreciation of Property and equipment are included in the caption "Depreciation and amortization" of the Interim 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	
	6/30/2022	12/31/2021	6/30/2022	12/31/2021	6/30/2022	12/31/2021
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Building and land	186,015	192,209	(35,928)	(34,539)	150,087	157,670
Leased property improvements	41,721	45,294	(19,759)	(21,292)	21,962	24,002
Total	227,736	237,503	(55,687)	(55,831)	172,049	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)	(2,897)	(15,404)
Reclassifications	-	16	16
Withdrawals / Derecognition	1,671	1,053	2,724
Total depreciation	(34,539)	(21,292)	(55,831)
Balance as at December 31, 2021	157,670	24,002	181,672
Balance as at January 1, 2022	192,209	45,294	237,503
Adjustment due to liability remeasurement	10,097	-	10,097
Additions	140	55	195
Increase due to contract modification	212	-	212
Reclassifications (1)	-	(13)	(13)
Withdrawals / Derecognition	(16,643)	(3,615)	(20,258)
Gross total	186,015	41,721	227,736
Accumulated Depreciation as at January 1, 2022	(34,539)	(21,292)	(55,831)
Impairment	-	-	-
Depreciation for the period	(5,931)	(1,327)	(7,258)
Reclassifications	-	36	36
Withdrawals / Derecognition	4,542	2,824	7,366
Total depreciation	(35,928)	(19,759)	(55,687)
Balance as at June 30, 2022	150,087	21,962	172,049

- (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 Interim Consolidated Statements of Income.

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

As at June 30, 2022 and 2021, the Bank has no expenses related to low value leases. Expenses related to short-term leases amount to MCh\$2,329 as at June 30, 2022 (MCh\$2,269 as at June 30, 2021) and are included under the caption "Administrative expenses" of the Interim Consolidated Statements of Income.

Income received from the sublease on right-of- use assets amount to MCh\$773 as at June 30, 2022 (MCh\$870 as at June 30, 2021), which are recorded under the caption "Other operating income" in the Interim Statement of Income. As at June 30, 2022 and 2021, no gains or losses were generated by sale and leaseback transactions.

As at June 30, 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	
	6/30/2022 MCh\$	12/31/2021 MCh\$
Balances as at January 1	163,775	168,763
Lease liabilities generated	140	-
Increase due to contract modification	212	650
Modification of contract - subsidiaries	-	-
Interest expense	2,113	4,282
Capital payments (*)	(5,132)	(10,356)
Interest payments (*)	(2,113)	(4,282)
Contract adjustments	10,097	10,327
Payments due to cancellation /termination of leases	(12,578)	(5,559)
Prepaid leases	-	(24)
Concessions effect COVID-19	-	(26)
Total	156,514	163,775
(*) Total Payments associated with lease liabilities in the period	(7,245)	(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 year and 5 years	More than 5 years	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
As at June 30, de 2022	1,205	2,411	10,826	56,708	124,826	195,976
As at June 30, 2021	1,238	2,477	11,110	57,057	133,815	205,697

Note 18 Taxes

a) Current taxes

	6/30/2022 MCh\$	12/31/2021 MCh\$
Assets:		
Income tax, 27% tax rate	31,770	(10,389)
One-off tax under Article 21, 40% tax rate	(11)	-
Income tax ,absorbed subsidiaries	-	-
Less:		
Monthly tax provisional payments	21,864	14,868
Credit for training expenses	-	66
Credit 104 Income Tax Law	945	18
Previous year recoverable tax	14,089	499
Otros	-	-
Total current tax asset	68,657	5,062
Liabilities:		
Income tax, 27% tax rate	(7,108)	(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	5,020	45,828
Credit for training expenses	-	625
Previous year recoverable tax	-	14,406
Credit 104 Income Tax Law	-	2,142
Other	-	(32)
Total current tax liability	(2,088)	(85,595)

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b) Tax benefit (expense)

The effect of tax expense is composed of the following:

	6/30/2022 MCh\$	6/30/2021 MCh\$
Income tax expenses:		
Current year tax	(40,957)	(58,642)
Excess (deficit) allowance previous year	54,273	5,034
Previous years tax	-	-
Credit (charge) due to deferred taxes:		
Origination and reversal of temporary differences current year	10,326	(4,734)
Origination and reversal of temporary differences prior year	(56,061)	(5,354)
Subtotal	(32,419)	(63,696)
Tax for rejected expenses Article N°21	(11)	(8)
Other	-	-
Net charge to Income for income tax	(32,430)	(63,704)

The Bank presents no taxes from discontinued operations for the periods ended June 30, 2022 and 2021.

c) Effect of taxes recorded in equity

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

	6/30/2022 MCh\$	12/31/2021 MCh\$
Financial investments at fair value with changes in other comprehensive income	5,959	52,190
Employee defined benefit plans	(2)	(11)
Derivatives in cash flow hedges	65,870	(55,478)
Effects of first application Accounting Standards Compendium	(2,081)	-
Total (charge) credit in equity	69,746	(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	6/30/2022	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	4,778	3,027
Deferred tax assets associated with defined benefit pension plans	421	410
Deferred tax assets associated with deductible temporary differences	-	-
Loans provisions	189,339	170,435
Financial penalties of loans that are tax assets	-	-
Income from interest and adjustments with accrual suspended for loans in impaired portfolio	8,170	3,638
Provisions for employee benefit obligations	12,433	10,876
Leasing operations	52,506	97,864
Tax-financial differences of Property, equipment	9,784	7,961
MTM Financial instruments for trading and other investments	16,020	34,114
Sundry provisions	4,859	4,590
Other	783	17,189
Deferred tax assets not associated with deductible temporary differences	-	-
Unused Bank Tax Losses	-	-
Tax losses of unused subsidiaries	2,814	1,326
Unused tax credits	-	-
Deferred Taxes with Changes in Equity	56,241	50,261
Other	-	-
Total deferred tax assets	358,148	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	(475)	(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 changes in accumulated other comprehensive income	-	-
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	(475)	(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 %	6/30/2021 MCh\$
Income before corporate income tax	27.00%	76,235
Permanent differences	(6.53%)	(18,428)
Taxes not recognized in previous years in results		-
Prior year effect	0.11%	320
Rate change adjustment Law No. 20780		-
Monthly tax provisional payment for unabsorbed profits		-
Accounting hedge in equity		-
Other	1.98%	5,569
Effective rate and current year income tax proceeds	22.56%	63,696
One-off tax under Article N° 21, 40% tax rate	0.00%	8
Total income tax expense	22.56%	63,704

	Tax rate %	6/30/2022 MCh\$
Income before corporate income tax	27.00%	77,187
Permanent differences	(25.56%)	(73,059)
Taxes not recognized in previous years in results	0.63%	1,788
Prior year effect	9.27%	26,503
Rate change adjustment Law No. 20780		-
Monthly tax provisional payment for unabsorbed profits		-
Accounting hedge in equity		-
Other		-
Effective rate and current year income tax proceeds	11.34%	32,419
One-off tax under Article N° 21, 40% tax rate	0.00%	11
Total income tax expense	11.34%	32,430

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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, No.4 of the Income Tax Law is detailed below. This information relates solely to the Bank's loan transactions and does not consider the operations of subsidiaries which consolidate in these Interim Consolidated Financial Statements.

Loans and accounts receivable from customers as at 06/30/2022

Type of loans	Assets at carrying amount in the Financial Statements (*)	Total	Assets at tax value	
	MCh\$	MCh\$	Secured overdue portfolio	Unsecured overdue portfolio
Commercial loans:	15,515,795	15,724,867	11,443	19,544
Consumer loans:	2,113,184	385,279	1	7,590
Mortgage loans:	12,639,910	12,754,890	16,520	51
Total	30,268,889	28,865,036	27,964	27,185

Allowances on overdue portfolio as at 06/30/2022

Type of loans	Balance as at December 31, 2021	Write-offs against allowances	Allowances Constituted	Allowances Released	Balance as at June 30, 2022
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Commercial loans:	25,220	(8,998)	7,805	(4,483)	19,544
Consumer loans:	4,556	(3,678)	7,581	(869)	7,590
Mortgage loans:	89	(40)	5	(3)	51
Total	29,865	(12,716)	15,391	(5,355)	27,185

Direct write-offs and recoveries as at 06/30/2022

	MCh\$
Direct write-offs per Art. 31 No. 4 second sub-paragraph	44,402
Debt forgiveness which resulted in the release of allowances	-
Recoveries or renegotiation of loans written-off	24,977

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

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

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

Type of loans	Assets at carrying amount in the Financial	Total	Assets at tax value	
	MCh\$	MCh\$	Secured overdue portfolio	Unsecured overdue portfolio
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 loans	Balance as at December 31, 2020	Write-offs against allowances	Allowances Constituted	Allowances Released	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 N° 4 first and third sub- paragraphs

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

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

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Note 19 Other assets

Other assets are detailed as follows:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Assets to assign in financial leasing as lessor	13,353	6,743
Cash guarantees delivered for derivative financial operations	741,131	760,559
Debtors for brokerage of financial instruments	-	-
Accounts receivable for use of payment cards with provision of funds	-	-
Accounts receivable from third parties	88,504	96,291
Accounts receivable from bank subsidiaries for services rendered (applies only at the individual bank)	-	-
Investment properties	-	-
VAT tax credit receivable	11,140	14,668
Prepaid expenses	9,258	6,522
Valuation adjustments for macro hedges	-	-
Assets to support obligations for defined benefit post-employment plans	-	-
Income asset from usual activities from contracts with customers	40,483	581
Investments in gold	-	-
Other cash collateral provided	13,623	5,869
Outstanding operations	2,952	2,069
Other assets	22,786	23,049
Accumulated impairment in respect of other assets receivable	-	-
Total other assets	943,230	916,351

(*) As at June 30, 2022, the subsidiary Scotia Administradora General de Fondos Chile S.A., includes the redemptions of shares of the mutual fund Scotia Money Market of MCh\$40,420.

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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	6/30/2022 MCh\$	12/31/2021 MCh\$
Assets received in payment or adjudicated in judicial auction		
Goods received in payment (*)	485	1,293
Assets adjudicated in judicial auction	11,474	10,037
Provisions for goods received in payment or adjudicated in judicial auction	(1)	(5)
Non-current assets held for sale		
Investments in companies	1,344	-
Intangible assets	-	-
Property and equipment	2,166	2,166
Assets for recovery of assets transferred in financial leasing operations	814	699
Other assets	-	-
Disposal groups for sale	-	-
Total non-current assets and disposal groups for sale	16,282	14,190

Concept	6/30/2022 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 0.0136% (0.0358% as at December 31, 2021) of the Bank's effective equity.

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b) Movements in assets received in lieu of payment or awarded in legal auction

	Assets received in payment	Assets obtained through court- ordered public auction	Investment in companies	Non-current assets held for sale	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Asset					
Balance as at January 1, 2021	3,613	12,681	-	4,024	20,318
Reposessed assets	998	10,503	-	2,236	13,737
Write-offs on goods	(686)	(2,899)	-	-	(3,585)
Alienation	(2,179)	(10,401)	-	-	(12,580)
Regularizations	-	153	-	(2)	151
(Constitution)/release	-	-	-	(143)	(143)
(Constitution)/release	(453)	-	-	(3,250)	(3,703)
Balance as at December 31, 2021	1,293	10,037	-	2,865	14,195
Provisions					
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	1,288	10,037	-	2,865	14,190
Asset					
Balance as at January 1, 2022	1,293	10,037	-	2,865	14,195
Reposessed assets	626	7,350	-	378	8,354
Write-offs on goods	(51)	(2,233)	-	-	(2,284)
Alienation	(790)	(2,172)	-	-	(2,962)
Reclassification Nexus S.A. classified as held for sale	-	-	1,344	-	1,344
Regularizations	-	-	-	-	-
(Constitution)/release	-	-	-	(72)	(72)
Sales/disposals	(593)	(1,508)	-	(191)	(2,292)
Balance as at June 30, 2022	485	11,474	1,344	2,980	16,283
Provisions					
Balance as at January 1, 2022	(5)	-	-	-	(5)
Provisions constituted	(2)	-	-	-	(2)
Release on provisions	21	-	-	-	21
Sales/disposals	(15)	-	-	-	(15)
Transfer, other movements and exchange differences	-	-	-	-	-
Balance as at June 30, 2022	(1)	-	-	-	(1)
Net balances as at June 30, 2022	484	11,474	1,344	2,980	16,282

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

Financial liabilities held for trading at fair value through profit or loss are detailed as follows:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Derivative instruments	7,416,715	6,048,854
Other	-	-
Total	7,416,715	6,048,854

Financial derivative contracts are detailed as follows:

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As at June 30, de 2022		Notional amount of contracts with final maturity (1)						
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 year up to 3 years	More than 3 up to 5 years	More than 5 years	Fair value
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	21,386	261,217	464,972	1,240,898	399,202	118,449	-	59,897
Paper Forward	-	32,817	-	-	-	-	-	198
Exchange Insurance	1,413,883	10,827,656	7,695,118	8,787,281	2,347,402	643,586	732,954	1,346,331
Inflation insurance	4,963	683,673	1,605,037	6,278,992	3,897,252	1,322,408	3,948,447	849,209
Subtotal Forward	1,440,232	11,805,363	9,765,127	16,307,171	6,643,856	2,084,443	4,681,401	2,255,635
Options								
Call option	-	-	-	-	-	-	-	-
Put option	-	-	-	-	-	-	-	-
Subtotal Options	-	-	-	-	-	-	-	-
Swap								
Cross Currency Swap	-	180,296	772,167	3,287,069	6,342,748	3,657,553	6,322,733	3,737,197
Rate Swap	85,694	679,262	2,702,325	15,863,649	26,071,948	17,010,262	18,750,761	1,423,883
Subtotal Swap	85,694	859,558	3,474,492	19,150,718	32,414,696	20,667,815	25,073,494	5,161,080
Total	1,525,926	12,664,921	13,239,619	35,457,889	39,058,552	22,752,258	29,754,895	7,416,715

As at December 31, 2021		Notional amount of contracts with final maturity (1)						
Product	On-demand	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	More than 1 year up to 3 years	More than 3 up to 5 years	More than 5 years	Fair value
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Forward								
Future arbitration	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 tranches of the remaining maturities were determined based on the notional amounts of the financial instruments

Note 22 Financial liabilities at amortized cost

Financial liabilities at amortized cost are detailed as follows:

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	6/30/2022 MCh\$	12/31/2021 MCh\$
Deposits and other on-demand liabilities	5,909,686	7,221,450
Term and on-demand deposits	12,798,986	9,462,540
Liabilities under repurchase agreements and securities lending	208,958	379,970
Bank borrowings	5,745,164	5,658,415
Debt financial instruments issued	7,147,039	6,658,037
Other financial liabilities	105,385	110,448
Total	31,915,218	29,490,860

a) Deposits and other on-demand liabilities

	6/30/2022 MCh\$	12/31/2021 MCh\$
Checking accounts	4,472,561	5,297,259
Demand deposit accounts	523,777	792,503
Other on-demand deposits	171,678	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	286	427
Guarantee bills payable at sight	48,798	39,642
Collections performed to be completed	88,973	64,678
Pending payment orders	30,417	32,716
Payments received on account of loans to be settled	5,684	4,653
Immobilized balances article 156 GBL	18,793	20,548
Overdue time deposits	8,139	16,766
Various mortgage creditors	174,571	379,260
Granting of loans Law No 20027	60,145	249
Payments to apply	58,202	51,403
Other sight obligations	247,662	246,072
Total	5,909,686	7,221,450

b) Term and on-demand deposits

	6/30/2022 MCh\$	12/31/2021 MCh\$
Time deposits	12,691,979	9,354,945
Term saving accounts	107,007	107,595
Other	-	-
Total	12,798,986	9,462,540

c) Liabilities under repurchase agreements and securities lending

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	6/30/2022 MCh\$	12/31/2021 MCh\$
Operations with banks:		
Repurchase agreements - Banco Central de Chile	-	149,040
Operations with banks abroad	-	-
Operations with other local entities		
Repurchase agreements	208,948	230,362
Securities lending obligations	10	568
Operations with other entities abroad	-	-
Total	208,958	379,970

As at June 30, 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 local entities								
Repurchase agreements	-	208,948	-	-	-	-	-	208,948
Securities lending obligations	-	10	-	-	-	-	-	10
Operations with other entities abroad	-	-	-	-	-	-	-	-
Total	-	208,958	-	-	-	-	-	208,958

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 local 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

	6/30/2022 MCh\$	12/31/2021 MCh\$
Local Banks		
Foreign trade financing	-	-
Borrowings and other obligations	-	-
Banks abroad		
Foreign trade financing	1,511,279	1,036,400
Borrowings and other obligations	1,203,859	1,591,989
Banco Central de Chile		
Borrowings and other obligations(*)	3,030,026	3,030,026
Total	5,745,164	5,658,415

(*) Banco Central de Chile established a number of measures to provide liquidity to the economy, support the flow of credits and the transmission of monetary policy. A pivotal component of these measures is the Credit Facility Conditional on Increase in Loans (FCIC) and the Liquidity Credit Facility (LCL).

The detail of bank borrowings is as follows:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Local Banks	-	-
Banks abroad		
Scotiabank (Bahamas) Ltd	1,057,065	1,570,956
Export Development Canada	553,075	510,726
Bank of America, N.A.	286,316	238,789
Wells Fargo Bank	258,833	-
Citibank N.A.	185,181	-
Sumitomo Mitsui Banking Corp	138,555	127,930
Caixa D'Estalvis	69,196	-
The Bank of New York	46,313	-
Standard Chartered Bank	46,130	42,410
Banco Latinoamericano de Exportaciones	36,999	33,933
Zuercher Kantonalbank	36,922	-
Toronto-Dominion Bank	-	51,380
First Union National Bank	-	51,232
Other	553	1,033
Banco Central de Chile	3,030,026	3,030,026
Total	5,745,164	5,658,415

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e) Debt financial instruments issued

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Letter of credit (1)	102,649	104,504
Current bonds (2)	7,044,390	6,553,533
Total	<u>7,147,039</u>	<u>6,658,037</u>

- (1) During the period between January 1 and June 30, 2022 and January 1 and December 31, 2021, no new letters of credit have been issued.
- (2) During the period between January 1 and June 30, 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 June 30, 2022:

Series	Amount	Term (years)	Annual issuance	Term (years)	Issuance Annual Rate	Currency	Issue date	Maturity date
9	30,000,000	2022-01-27	30,000,000	10	3.40	AUD	2022-01-27	2032-01-27
AV	765,000	2022-01-28	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
AU	673,000	2022-02-01	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AV	220,000	2022-02-16	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
AU	100,000	2022-02-17	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AU	150,000	2022-02-21	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AU	200,000	2022-02-23	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
BE	2,000,000	2022-02-25	5,000,000	13	0.60	UF	2020-09-09	2033-09-09
AU	420,000	2022-03-01	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AU	620,000	2022-03-09	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AU	200,000	2022-03-10	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AV	200,000	2022-03-10	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
AU	100,000	2022-03-14	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AU	100,000	2022-03-18	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AS	330,000	2022-03-21	5,000,000	5.5	1.05	UF	2020-04-09	2025-10-09
AV	230,000	2022-03-22	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
10	3,000,000,000	2022-03-24	3,000,000,000	5	0.52	JPY	2022-03-24	2027-03-24
AW	2,000,000	2022-03-24	4,000,000	9	1.40	UF	2020-07-09	2029-07-09
AU	1,257,000	2022-03-25	4,000,000	6	1.20	UF	2020-06-09	2026-06-09
AV	400,000	2022-03-25	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
BD	2,000,000	2022-04-07	5,000,000	12	0.01	UF	2020-09-09	2032-09-09
AS	300,000	2022-04-22	5,000,000	5.5	1.05	UF	2020-04-09	2025-10-09
AS	150,000	2022-04-26	5,000,000	5.5	1.05	UF	2020-04-09	2025-10-09
AV	100,000	2022-05-05	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
AS	70,000	2022-05-12	5,000,000	5.5	1.05	UF	2020-04-09	2025-10-09
AV	50,000	2022-05-12	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
AV	50,000	2022-05-13	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
AV	100,000	2022-05-16	4,000,000	6	1.30	UF	2020-06-09	2027-12-09
BJ	4,000,000	2022-05-16	4,000,000	11	3.00	UF	2021-03-03	2033-03-03
BB	2,000,000	2022-06-01	5,000,000	10	0.00	UF	2020-09-09	2030-09-09
BE	1,000,000	2022-06-08	5,000,000	13	0.01	UF	2020-09-09	2033-09-09
BB	600,000	2022-06-15	5,000,000	10	0.00	UF	2020-09-09	2030-09-09
BB	50,000	2022-06-16	5,000,000	10	0.00	UF	2020-09-09	2030-09-09
AV	170,000	2022-06-30	4,000,000	6	1.30	UF	2020-06-09	2027-12-09

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Fiscal year between January 1 and December 31, 2021:

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

The Bank had no principal or interest defaults or other defaults with respect to its debt financial instruments issued during the periods ended June 30, 2022 and December 31, 2021.

f) Other financial liabilities

	6/30/2022 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	1,102	1,966
Due to operators for debit and credit card operation services	81,331	78,822
Obligations in favor of Chilean exporters	494	2,822
Other financial obligations abroad		
Obligations in favor of foreign exporters	22,458	26,838
Total	105,385	110,448

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Note 23 Regulatory capital financial instruments issued

a) Regulatory capital financial instruments issued are detailed as follows:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Subordinated bonds	795,393	756,367
Bonds with no fixed term of maturity	-	-
Preferred shares	-	-
Total	795,393	756,367

During the period between January 1 and June 30, 2022 and January 1 and December 31, 2021, no new subordinated bonds have been issued.

The Bank had no principal or interest defaults or other defaults with respect to its subordinated liabilities during the periods ended June 30, 2022 and December 31, 2021

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

	6/30/2022 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)	-	-
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)	(14,202)	(29,944)
Principal payment to the holder (subordinated bonds)	(10,128)	(20,036)
Accrued interest (subordinated bonds)	15,331	28,811
Adjustments accrued by the UF and/or the exchange rate (subordinated bonds, bonds with no fixed maturity term)	48,025	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	795,393	756,367

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c) The detail of subordinated bonds is as follows:

SUBORDINATED BONDS

Period ended June 30, 2022								
Series	Amount in issue currency	Term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh\$
UDESE10999	270,000	25	6.00	UF	1999-09-29	2024-03-01	62,281.40	2,061
UDESE10999	10,000	25	6.00	UF	1999-10-21	2024-03-01	2,305.52	76
UDESE10999	30,000	25	6.00	UF	1999-11-04	2024-03-01	6,898.61	228
UDESE10999	20,000	25	6.00	UF	1999-11-08	2024-03-01	4,599.07	152
UDESE10999	30,000	25	6.00	UF	1999-09-29	2024-03-01	6,920.16	229
UDESE20999	70,000	26	6.25	UF	2000-08-16	2025-09-01	22,975.78	760
UDESE30999	200,000	28	6.50	UF	2002-06-05	2027-09-01	96,400.56	2,648
UBBV-A1203	1,300,000	24	6.00	UF	2004-04-01	2027-12-01	515,457.39	17,055
UBBV-A1203	1,500,000	24	6.00	UF	2004-04-01	2027-12-01	605,223.64	20,025
UBBV-A1203	20,000	24	6.00	UF	2004-04-01	2027-12-01	8,094.35	268
UBBV-A1203	250,000	24	6.00	UF	2004-04-01	2027-12-01	101,179.34	3,348
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	20,184.38	668
UBBV-A1203	180,000	24	6.00	UF	2004-04-01	2027-12-01	72,663.78	2,404
UBBV-A1203	1,250,000	24	6.00	UF	2004-04-01	2027-12-01	503,712.17	16,666
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	60,816.06	2,012
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	20,287.57	671
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	20,277.21	671
UBBV-A1203	100,000	24	6.00	UF	2004-04-01	2027-12-01	40,523.36	1,341
UBBV-A1203	60,000	24	6.00	UF	2004-04-01	2027-12-01	24,326.43	805
UBBV-A1203	40,000	24	6.00	UF	2004-04-01	2027-12-01	16,225.91	537
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	60,630.29	2,006
UBBV-A1203	200,000	24	6.00	UF	2004-04-01	2027-12-01	80,819.78	2,674
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	60,537.76	2,003
UBBV-A1203	500,000	24	6.00	UF	2004-04-01	2027-12-01	201,587.29	6,670
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	303,803.40	10,052
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	303,506.94	10,042
UDES-G	1,000,000	26	4.75	UF	2005-10-07	2030-10-01	670,726.44	22,192
UBBV-G0506	2,400,000	25	5.00	UF	2006-10-19	2031-05-01	2,563,572.06	84,820
UBBV-G0506	1,000,000	25	5.00	UF	2006-10-19	2031-05-01	1,071,890.85	35,465
UDES-H-1006	1,000,000	25	5.00	UF	2006-10-05	2031-10-01	859,514.05	28,439
UDES-I0307	1,000,000	25	4.50	UF	2007-03-15	2032-03-01	1,043,260.25	34,518
UBBVH90607	900,000	25	3.50	UF	2008-10-24	2032-06-01	766,639.12	25,366
UBBVH90607	500,000	25	3.50	UF	2008-10-24	2032-06-01	426,581.95	14,114
UBBVH90607	1,000,000	25	3.50	UF	2008-10-24	2032-06-01	975,888.63	32,289
UBBVH90607	5,600,000	25	3.50	UF	2008-10-24	2032-06-01	5,469,423.64	180,966
UBNS-AC0615	3,000,000	20	3.10	UF	2015-08-27	2035-06-01	3,014,198.68	99,730
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,417,086.12	46,887
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,419,180.26	46,956
UBNS-AA0215	1,000,000	30	3.50	UF	2018-12-07	2044-08-01	1,135,781.66	37,579
								795,393

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SUBORDINATED BONDS

Period ended on December 31, 2021								
Series	Amount in issue currency	Term (years)	Annual issuance rate	Currency	Issue date	Maturity date	Balance due in currency of issue	Equivalent balance owed in MCh\$
UDESE10999	30,000	25	6.00	UF	1999-09-29	2024-03-01	8,144.20	252
UDESE10999	270,000	25	6.00	UF	1999-09-29	2024-03-01	73,297.76	2,272
UDESE10999	10,000	25	6.00	UF	1999-10-21	2024-03-01	2,713.04	84
UDESE10999	30,000	25	6.00	UF	1999-11-04	2024-03-01	8,113.79	251
UDESE10999	20,000	25	6.00	UF	1999-11-08	2024-03-01	5,409.19	168
UDESE20999	70,000	26	6.25	UF	2000-08-16	2025-09-01	25,748.83	798
UDESE30999	200,000	28	6.50	UF	2002-06-05	2027-09-01	103,155.25	3,197
UBBV-A1203	1,300,000	24	6.00	UF	2004-04-01	2027-12-01	562,659.36	17,438
UBBV-A1203	1,500,000	24	6.00	UF	2004-04-01	2027-12-01	661,504.26	20,501
UBBV-A1203	20,000	24	6.00	UF	2004-04-01	2027-12-01	8,849.07	274
UBBV-A1203	250,000	24	6.00	UF	2004-04-01	2027-12-01	110,613.41	3,428
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	22,062.20	684
UBBV-A1203	180,000	24	6.00	UF	2004-04-01	2027-12-01	79,423.92	2,461
UBBV-A1203	1,250,000	24	6.00	UF	2004-04-01	2027-12-01	550,501.03	17,061
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	66,495.62	2,061
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	22,183.46	688
UBBV-A1203	50,000	24	6.00	UF	2004-04-01	2027-12-01	22,171.28	687
UBBV-A1203	100,000	24	6.00	UF	2004-04-01	2027-12-01	44,306.08	1,373
UBBV-A1203	60,000	24	6.00	UF	2004-04-01	2027-12-01	26,598.25	824
UBBV-A1203	40,000	24	6.00	UF	2004-04-01	2027-12-01	17,741.90	550
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	66,277.22	2,054
UBBV-A1203	200,000	24	6.00	UF	2004-04-01	2027-12-01	88,345.43	2,738
UBBV-A1203	150,000	24	6.00	UF	2004-04-01	2027-12-01	66,168.51	2,051
UBBV-A1203	500,000	24	6.00	UF	2004-04-01	2027-12-01	220,320.77	6,828
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	319,533.49	9,903
UDES-F	500,000	25	6.00	UF	2005-03-30	2029-10-01	319,202.96	9,893
UDES-G	1,000,000	26	4.75	UF	2005-10-07	2030-10-01	701,632.37	21,745
UBBV-G0506	2,400,000	25	5.00	UF	2006-10-19	2031-05-01	2,570,750.16	79,672
UBBV-G0506	1,000,000	25	5.00	UF	2006-10-19	2031-05-01	1,075,062.16	33,318
UDES-H1006	1,000,000	25	5.00	UF	2006-10-05	2031-10-01	895,455.23	27,752
UDES-I0307	1,000,000	25	4.50	UF	2007-03-15	2032-03-01	1,045,078.56	32,389
UBBVH90607	900,000	25	3.50	UF	2008-10-24	2032-06-01	761,715.73	23,607
UBBVH90607	500,000	25	3.50	UF	2008-10-24	2032-06-01	423,868.36	13,136
UBBVH90607	1,000,000	25	3.50	UF	2008-10-24	2032-06-01	974,948.63	30,215
UBBVH90607	5,600,000	25	3.50	UF	2008-10-24	2032-06-01	5,464,334.15	169,349
UBNS-AC0615	3,000,000	20	3.10	UF	2015-08-27	2035-06-01	3,014,822.48	93,435
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,427,033.91	44,226
UBBVS10616	1,000,000	25	3.50	UF	2019-08-21	2041-06-09	1,429,188.37	43,741
UBNS-AA0215	1,000,000	30	3.50	UF	2018-12-07	2044-08-01	1,137,846.36	35,263
								756,367

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Note 24 Provisions for contingencies

a) Provisions for contingencies are detailed as follows:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Allowances for employee benefit obligations	44,493	32,048
Allowances of a foreign bank branch for remittances of profits to its parent company	-	-
Allowances for restructuring plans (1)	4,454	9,350
Allowances for trials and litigation (2)	12,994	13,197
Allowances due to customer loyalty and merit programs obligations	-	-
Allowances for operational risk	-	-
Contract contingency allowance (3)	1,227	1,068
Other allowances due to contingencies	3,387	1,145
Total	66,555	56,808

- (1) As at June 30, 2022, a provision exists amounting to MCh\$4,454 (MCh\$9,350 as at December 31, 2021) related to restructuring plans due to restructuring implemented by Scotiabank as part of the company's strategic plan, which is in process of modernization and digital transformation, and relates to the ongoing assessment of the business.
- (2) For a better understanding of provisions, please refer to Note 29 "Contingencies and commitments".
- (3) Relates to the provision for methodical savings contracts of the subsidiary Scotia Azul Sociedad de Leasing Inmobiliario S.A.

b) Movements in provisions are detailed as follows:

	Allowances due to employee benefit obligations	Allowances of a foreign bank branch for remittances of profits to its parent company	Allowances due to restructuring plans	Allowances due to trials and litigation	Allowances due to customer loyalty program obligations	Allowances due to operational risk	Other contingent allowances	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2022	32,048	-	9,350	13,197	-	-	2,213	56,808
Allowances constituted	17,462	-	7,626	-	-	-	2,439	27,527
Allowances application	(5,017)	-	(12,522)	(203)	-	-	(38)	(17,780)
Allowances releases	-	-	-	-	-	-	-	-
Balance as at June 30, 2022	44,493	-	4,454	12,994	-	-	4,614	66,555

	Allowances due to employee benefit obligations	Allowances of a foreign bank branch for remittances of profits to its parent company	Allowances due to restructuring plans	Allowances due to trials and litigation	Allowances due to customer loyalty program obligations	Allowances due to operational risk	Other contingent allowances	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
Balance as at January 1, 2021	29,191	-	-	22,735	-	-	1,524	53,450
Allowances constituted	107,554	-	9,350	4,457	-	-	765	122,126
Allowances application	(104,697)	-	-	-	-	-	-	(104,697)
Allowances 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) Details of provisions for employee benefits and salaries:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Provision of short-term employee benefits	39,783	28,539
Provision of benefits to employees post-employment	-	-
Provision of long-term employee benefits	3,871	2,723
Provision of benefits to employees for termination of employment contract	839	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	44,493	32,048

d) Movements of provisions for employee benefits

	As at June 30, 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	35	11	79	25
Costs of past services	49	13	(27)	-
Interest cost	19	15	17	12
Result from actuarial measurements	322	-	(78)	-
Unprovisioned paid benefits	-	-	-	-
Sub-Total	425	39	(9)	37
Included in other comprehensive income :				
Result from actuarial measurements	-	77	-	(100)
Sub-Total	-	77	-	(100)
Other:				
Payment of benefits	(283)	(27)	(182)	-
Sub-Total	(283)	(27)	(182)	-
Total	1,024	625	882	536

As at June 30, 2022, a provision of MCh\$2,847 has been recorded to cover long-term benefits other than those subject to actuarial calculation (MCh\$1,841 as at December 31, 2021).

As at June 30, 2022, a provision of MCh\$214 has been recorded to cover severance indemnity payments other than those subject to actuarial calculation (MCh\$250 as at December 31, 2021).

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e) Actuarial assumptions for employee benefits

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

	Provision of long-term employee benefits		Provision of benefits to employees for termination of employment contract	
	6/30/2022	12/31/2021	6/30/2022	12/31/2021
Discount rate	9.75%	6.00%	9.75%	6.00%
Salary increase rate	N/A	N/A	10.25%	6.25%
Rate of inflation	8.25%	4.25%	8.25%	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	
	6/30/2022	12/31/2021	6/30/2022	12/31/2021
Discount rate	6.00%	1.50%	6.00%	1.50%
Salary increase rate	N/A	N/A	6.25%	5.00%
Rate of inflation	4.25%	2.75%	4.25%	2.75%

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

Years	As at June 30, de 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%

Sensitivity analysis:

Allowances of long-term employee benefits							Allowance for employee severance indemnity					
Sensitivity analysis	As at June 30, de 2022			As at December 31,2021			As at June 30, de 2022			As at December 31,2021		
	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP	-100BP	Original	+100BP
Discount rate sensitivity	1,046	1,024	1,002	900	882	864	645	625	605	551	536	520
	22		(22)	18		(18)	20		(20)	16		(15)

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Note 25 Provisions for dividends, payment of interests and repricing of regulatory capital financial instruments issued

Provisions for dividends, payment of interests and repricing of regulatory capital financial instruments issued are detailed as follows:

	Payment of interest and repricing of regulatory capital financial instruments issued MCh\$	Provision for payment of common shares dividends MCh\$	Provision for payment of dividends on preferred shares MCh\$	Provision for payment of interest on bonds with no fixed term of maturity MCh\$	Provision for repricing of bonds with no fixed term of maturity MCh\$	Total MCh\$
Balance as at December 31, 2021	-	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	-	74,820	-	-	-	74,820
Application of provisions	-	(129,300)	-	-	-	(129,300)
Release of provisions	-	-	-	-	-	-
Balance as at June 30, 2022	-	72,836	-	-	-	72,836

	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
Effect of first application year 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) Special allowances for credit losses are detailed as follows:

	6/30/2022 MCh\$	12/31/2021 MCh\$
Allowances due to credit risk for contingent loans	17,158	30,996
Allowances due to country risk on operations with debtors domiciled abroad	2,413	229
Special allowances due to loans abroad	-	-
Additional allowances due to commercial loans	99,138	99,138
Additional allowances due to mortgage loans	32,088	32,088
Additional allowances due to consumer loans	54,535	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	205,332	216,986

b) Movements in allowances are detailed as follows:

	Allowances due to credis 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
Adjustment first application	(12,306)	-	-	-	-	-	(12,306)
Allowances constituted	3,150	2,227	-	-	-	-	5,377
Application of allowances	-	-	-	-	-	-	-
Release of allowances	(5,127)	(43)	-	-	-	-	(5,170)
Exchange rate effect on allowances	445	-	-	-	-	-	445
Balance as at June 30, 2022	17,158	2,413	-	185,761	-	-	205,332

	Allowances due to credis 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	6/30/2022 MCh\$	12/31/2021 MCh\$
Cash guarantees received due to derivative financial operations	640,784	417,141
Creditors due to intermediation of financial instruments	-	-
Accounts payable to third parties	112,584	112,136
Accounts payable by bank subsidiaries (applies only at the individual level of the bank subsidiary)	-	-
Agreed dividends payable	366	213
Valuation adjustments for macro hedges	-	-
Liability for income from regular activities due to contracts with customers	68,592	74,820
VAT Fiscal Debit payable	8,125	8,343
Other cash guarantees received	24	24
Outstanding operations	3,917	4,730
Other liabilities	4,110	4,375
Total other liabilities	838,502	621,782

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Note 28 Equity

a) Distribution of shares

As at June 30, 2022 and December 31, 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 6/30/2022	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 June 30, 2022 and December 31, 2021, the Bank or subsidiaries included in consolidation do not hold treasury shares.

As of June 30, 2022 and December 31, 2021, the distribution of shares is as follows:

Name of shareholder or Company Name	As at June 30, de 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	-	0.00%	979,844,372	8.00%
Inversiones SH Seis Limitada	-	0.00%	403,299,381	3.29%
Inversiones Santa Virginia S.A.	-	0.00%	266,234,568	2.17%
Inversiones del Pacifico S.A.	-	0.00%	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 increase

During the period between January 1, 2022 and June 30, 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 June 30, 2022 and December 31, 2021, the detail of diluted and basic earnings is as follows:

	Balance as at 6/30/2022	Balance as at 6/30/2021
Result attributable to the owners of the Bank (MCh\$)	242,787	200,995
Weighted average number of shares	12,244,885,748	12,244,885,748
Earning per share (in Chilean pesos)	<u>19.83</u>	<u>16.41</u>

As at June 30, 2022 and December 31, 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 plans	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 year 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	(77)	36	(2)	(43)	(21,497)	-	-	(241,115)	-	-	71,829	(190,783)
Closure balances as at June 30, 2022	(35)	2,582	(13)	2,534	(206,429)	-	-	(342,230)	(33)	(208)	148,941	(399,959)
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	35	(600)	6	(559)	(127,056)	-	-	161,013	-	-	(9,435)	24,522
Closure balances as at June 30, 2021	(24)	2,874	6	2,856	(117,504)	-	-	(144,688)	(33)	(208)	70,965	(191,468)

CNC= Compendium of Accounting Standards

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f) Accounting equity

Accounting equity is detailed as follows:

	6/30/2022 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 are not reclassified in results		
New measurements of the liability (asset) for net defined benefits and actuarial results for other employee benefit plans	(35)	42
Net changes in fair value of equity instruments designated at fair value with changes in other comprehensive income	2,582	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	(13)	(11)
Items that can be reclassified in results		
Fair value changes of financial assets at fair value with changes in other comprehensive income	(150,208)	(135,010)
Translation differences by entities abroad	-	-
Accounting hedging of net investments in entities abroad	-	-
Adjustment of cash flow hedge derivatives	(249,509)	(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	(209)	131
Retained earnings from previous periods	1,095,630	840,999
Profit (loss) for the period	242,787	424,228
Provision for minimum dividends, payment of interest and revaluation of issued regulatory capital financial instruments	(72,836)	(127,268)
Provision of a foreign bank branch for remittances of profits to its parent company	-	-
Owner's equity	2,617,982	2,673,747
From Non-controlling interest	123,362	127,420
Total Equity	2,741,344	2,801,167

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g) Non-controlling interest

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

As at June 30, de 2022	Non-controlling interest %	Non-controlling interest MCh\$	Results attributable to non-controlling interest MCh\$	Payment of dividends to non-controlling interest MCh\$
CAT Administradora de Tarjetas S.A.	49.00%	108,755	7,467	(15,020)
CAT Corredores de Seguros y Servicios S.A.	49.00%	7,069	1,334	(1,008)
Servicios Integrales S.A.	49.00%	1,552	711	(118)
Administradora y Procesos S.A.	49.00%	5,090	1,033	(494)
Scotia Corredora de Bolsa Chile Limitada	0.01%	7	-	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	12	1	-
Scotia Asesorías Financieras Ltda.	1.26%	83	51	(119)
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2.51%	794	62	-
Total		123,362	10,659	(16,759)

As at December 31, 2021	Non-controlling interest %	Non-controlling interest MCh\$	Results attributable to non-controlling interest MCh\$	Payment of dividends to non-controlling interest MCh\$
CAT Administradora de Tarjetas S.A.	49.00%	114,267	23,107	(3,435)
CAT Corredores de Seguros y Servicios S.A.	49.00%	6,743	1,551	(700)
Servicios Integrales S.A.	49.00%	959	181	(273)
Administradora y Procesos S.A.	49.00%	4,551	761	(962)
Scotia Corredora de Bolsa Chile Limitada	0.01%	7	1	-
Bandesarrollo Sociedad de Leasing Inmobiliario S.A.	0.09%	11	1	-
Scotia Asesorías Financieras 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 June 30, de 2022	Profit for the period MCh\$	Total Assets MCh\$	Total Liabilities MCh\$
CAT Administradora de Tarjetas S.A.	15,239	1,499,860	1,284,007
CAT Corredores de Seguros y Servicios S.A.	2,722	23,920	10,584
Servicios Integrales S.A.	1,451	6,245	3,657
Administradora y Procesos S.A	2,109	15,693	6,149
Bandesarrollo Leasing Inmobiliario S.A.	1,025	26,395	13,302
Scotia Asesorías Financieras Ltda	4,040	6,905	274
Scotia Azul Sociedad de Leasing Inmobiliario S.A.	2,459	45,315	14,410

As at December 31,2021	Profit for the period MCh\$	Total Assets MCh\$	Total Liabilities MCh\$
CAT Administradora de Tarjetas S.A.	47,158	1,294,260	1,079,926
CAT Corredores de Seguros y Servicios S.A.	3,166	24,716	12,222
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 contractual amounts of the operations that oblige the Bank to grant contingent loans:

Amount for different contingent loans	Contingen Loans as at	
	6/30/2022	12/31/2021
	MCh\$	MCh\$
Guarantees and sureties		
Guarantees and sureties in domestic currency	255,328	163,140
Guarantees and sureties in foreign currency	223,492	235,345
Letters of credit for merchandise circulation operations	164,703	203,374
Debt purchase commitments in local currency abroad	-	-
Transactions related to contingent events		
Transactions related to contingent events in Chilean currency	551,233	539,872
Transactions related to contingent events in foreign currency	174,141	154,339
Lines of credit with immediate availability		
Available balance line of credit and agreed overdraft in checking account- commercial portfolio	684,707	631,602
Available balance line of credit on credit card – commercial portfolio	52,634	35,045
Available balance line of credit and agreed overdraft in checking account - consumer portfolio	419,624	424,358
Available balance line of credit on credit card – consumer portfolio	4,719,558	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 N°20027 (CAE)	23,572	23,903
Other irrevocable credit commitments	15,984	160,431
Other contingent credits	-	-

b) Contingencies

As at the date of issuance of these Consolidated Interim Financial Statements, there are legal actions filed against the Bank and its subsidiaries regarding operations inherent to the business. As at June 30, 2022, provisions for legal contingencies amounted to MCh\$12,994 (MCh\$13,197 as at December 31, 2021), which are part of item "Provisions for contingencies " in the Interim Consolidated Statements of Financial Position.

b1) Corfo – Inverlink Case

In the case ID# 176.739-MV filed with the 2nd Criminal Court of Santiago, the judgment was executed condemning BBVA Corredores de Bolsa Ltda., currently Scotia Azul Corredores de Bolsa Limitada, as a third party under the civil code responsible for the fact associated with two former employees.

The Broker deposited in the court's account the total amount for the judgment. Corfo's claim for interest was rejected in the first instance and then appealed by Corfo.

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

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

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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 regulating costs to which the Broker was sentenced by the ruling of December 2, 2014, which should be established by the first instance court during the first half of 2022.

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

Regarding the abovementioned case as well as other legal actions filed against the Bank, Management believes, based on the information provided by its Prosecutor's Office, 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 Interim Consolidated Financial Statements.

b2) Covenants

The Bank has four current financing contracts entered into with Export Development Canada on April 17, 2017 (MUS\$200), August 3, 2018 (MUS\$200), May 31, 2019 (MUS\$100), July 28, 2021 (MUS\$100). These contracts establish the Bank's compliance with covenants related mainly to the provision of financial and non-financial information, regulatory compliance and compliance with certain obligations such as: compliance with the laws and authorizations necessary to perform its business and operations in general, perform all aspects necessary to preserve, renew and maintain its legal existence in full force and effect. Note that these financing agreements do not require compliance with specific financial ratios.

As at June 30, 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:

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Documents in collection	74,281	134,697
Transferred financial assets managed by the Bank	1,278,126	1,208,207
Securities in custody	8,188,888	6,328,973
Assets in guarantee	3,988,775	3,364,694
Total	13,530,070	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 No. 30 and No. 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 S.A., 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\$1,553 and Ch\$9,350 in cash as at June 30, 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 and compliance with the operations of Stockbrokers, as at June 30, 2022, guarantees were constituted on securities of MCh\$1,313 and in cash for MCh\$650 in favor of the Bolsa de Comercio de Santiago. In favor of the Electronic Stock Exchange of Chile, guarantees were established on securities for MCh\$211 and in cash for MCh\$200 (as at December 31, 2021, guarantees were constituted on securities for MCh\$1,831 and in cash for MCh\$0 in favor of Bolsa de Comercio de Santiago, and in favor of the Bolsa Electrónica de Chile guarantees were constituted on securities for MCh\$206 and in cash for MCh\$200).

The company holds simultaneous guarantees as at June 30, 2022 for MCh\$3,563 for the Santiago Stock Exchange and for MCh\$999 for the Chilean Electronic Stock Exchange (as at December 31, 2021, the company maintains guarantees for simultaneous operations for MCh\$2,724 for Bolsa de Comercio de Santiago and MCh\$756 for the Bolsa Electrónica de Chile, which are maintained in the Custody department of the 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 No. 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 UF735,389.55.

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iii) At Scotia Corredora de Seguros Chile Limitada

In accordance with the provisions of Article No. 58, letter D of D.F.L. 251, as at June 30, 2022, the Company maintains insurance policies that protect it from possible damages that could affect it as a result of breaches of law, regulations and complementary standards that regulate insurance brokers, and especially when the breach arises from acts, errors and omissions of the broker, its representatives, attorneys-in-fact or dependents that participate in the intermediation.

Series A	:	No.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 code 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	:	No.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 No.1584 dated January 21, 2002 issued by the CMF.
Term	:	Up to April 14, 2023

Series A	:	No.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

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Series A	: No.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
Series A	: No.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	: No.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	: No.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

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Series A	: No.420001931325
Amount	: UF600
In favor of	: Scotiabank Chile
Purpose	: To ensure proper and timely compliance with obligations of Scotia Corredora de Seguros Chile Limitada which 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	: No.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

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

In accordance with the provisions of Article No. 58, letter D of DFL 251, which states that "Insurance Brokers, to perform their activities, must comply with the requirement to engage insurance policies as determined by the CMF, for the proper and full compliance with the obligations arising from their activities and especially of the damages that may be caused to the insured who contract through it", is that as at June 30, 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 No.	Insured/Contracting	Insured Item	Amount
10049440	CAT Corredores de Seguros y Servicios S.A.	Brokers guarantee	UF 500
10049442	CAT Corredores de Seguros y Servicios S.A.	Civil Liability	UF 60,000

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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

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Interest Income	754,494	526,458	409,483	262,619
Interest expense	(382,171)	(127,518)	(228,377)	(62,127)
Subtotal net interest income	372,323	398,940	181,106	200,492
Net result of accounting hedges due to interest rate risk	(15,951)	(2,622)	(7,280)	552
Total net interest income	356,372	396,318	173,826	201,044

b) Detail of Interest income:

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Interest income:				
Financial assets at amortized cost				
Rights under resale agreements and securities lending agre	5,859	638	3,811	440
Financial debt securities	-	-	-	-
Loans and advances to banks	2,142	182	946	134
Commercial loans	302,982	163,846	171,856	81,456
Mortgage loans	190,146	164,220	97,802	82,631
Consumer loans	219,051	182,121	117,501	89,602
Other financial instruments	5,091	2,859	3,129	1,513
Financial assets at fair value with changes in other comprehensive income				
Debt financial instruments	29,223	12,592	14,438	6,843
Other financial instruments	-	-	-	-
Total	754,494	526,458	409,483	262,619

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c) Detail of Interest expenses:

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Interest expenses:				
Financial liabilities at amortized cost:				
Deposits and other on-demand liabilities	(27,604)	(5,564)	(12,644)	(2,528)
Term and on-demand deposits	(231,565)	(24,934)	(155,399)	(11,042)
Liabilities under repurchase agreements and securities lending	(8,668)	(227)	(5,538)	(79)
Bank borrowings	(22,727)	(12,019)	(8,635)	(6,164)
Debt financial instruments issued	(72,657)	(68,087)	(36,225)	(33,897)
Other financial liabilities	-	-	-	-
Lease liabilities	(2,113)	(2,152)	(1,055)	(1,072)
Issued regulatory capital financial instruments	(16,837)	(14,535)	(8,881)	(7,345)
Total	(382,171)	(127,518)	(228,377)	(62,127)

d) Detail of interest from hedges:

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Interest income:				
Result of accounting hedges due to interest rate risk:				
Gain from financial derivative contracts for accounting hedge	6,284	112	2,838	(5,654)
Loss from financial derivative contracts for accounting hedge	(11,473)	6,112	(4,499)	6,112
Results from adjustments of hedged financial assets	(5,290)	(5,438)	(2,096)	(554)
Interest expense:				
Result of accounting hedges due to interest rate risk:				
Gain from financial derivative contracts for accounting hedge	7,926	2,813	7,663	24
Loss from financial derivative contracts for accounting hedge	(24,080)	(9,381)	(21,756)	(1,525)
Results from adjustments of hedged financial liabilities	10,682	3,160	10,570	2,149
Net result of accounting hedges on risk due to interest rate risk	(15,951)	(2,622)	(7,280)	552

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

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

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Owed by banks	-	-	-	-
Commercial loans	2,380	834	1,121	441
Mortgage loans	1,788	1,341	1,146	607
Consumer loans	247	6	166	2
Total	4,415	2,181	2,433	1,050

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

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Owed by banks	-	-
Commercial loans	4,298	2,939
Mortgage loans	4,228	2,170
Consumer loans	446	-
Total	8,972	5,109

Note 31 Indexation income and expenses

a) Summary of Indexation income and expenses:

	6-month period ended 6/30/2022	6-month period ended 6/30/2021	3-month period ended 6/30/2022	3-month period ended 6/30/2021
	MCh\$	MCh\$	MCh\$	MCh\$
Income due to UF adjustments	1,041,408	301,169	677,678	148,437
Expenses due to UF adjustments	(470,180)	(144,290)	(305,862)	(70,371)
Subtotal net income due to UF adjustments	571,228	156,879	371,816	78,066
Net result of accounting hedges on interest rate risk	(362,921)	(88,176)	(250,363)	(41,805)
Total net income due to adjustments	208,307	68,703	121,453	36,261

b) Detail of Indexation income:

	6-month period ended 6/30/2022	6-month period ended 6/30/2021	3-month period ended 6/30/2022	3-month period ended 6/30/2021
	MCh\$	MCh\$	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	237,685	72,082	155,505	34,700
Mortgage loans	782,317	223,074	508,489	110,665
Consumer loans	1,183	524	736	249
Other financial instruments	5,910	1,891	4,140	1,111
Financial assets at fair value with changes in other comprehensive income:				
Debt financial instruments	14,313	3,598	8,808	1,712
Other financial instruments	-	-	-	-
Total	1,041,408	301,169	677,678	148,437

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c) Detail of Indexation expenses:

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Expenses due to UF adjustments				
Financial liabilities at amortized cost:				
Deposits and other on-demand obligations	-	-	-	-
Deposits and other time deposits	(31,512)	(8,437)	(20,477)	(4,151)
Obligations due to repurchase agreements and securities lending	-	-	-	-
Obligations with banks	(37)	-	(37)	-
Debt financial instruments issued	(389,824)	(120,367)	(253,773)	(58,657)
Other financial obligations	-	-	-	-
Regulatory capital financial instruments issued:				
Subordinated bonds	(48,807)	(15,486)	(31,575)	(7,563)
Bonds with no fixed maturity term	-	-	-	-
Total	(470,180)	(144,290)	(305,862)	(70,371)

d) Detail of indexation from hedges:

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Income due to adjustments:				
Result of accounting hedges due to risk in UF adjustments				
Gain from financial derivative contracts for accounting hedges	356,603	74,386	153,498	(5,444)
Loss from financial derivative contracts for accounting hedges	(762,966)	(135,075)	(433,478)	(30,941)
Results from adjustments of hedged financial assets	(3,425)	(16,104)	(2,223)	(6,618)
Adjustment expenses:				
Result of accounting hedges due to risk in UF adjustments				
Gain from financial derivative contracts for accounting hedges	414,913	214,608	367,313	109,049
Loss from financial derivative contracts for accounting hedges	(363,014)	(246,392)	(330,203)	(115,173)
Results from adjustment of hedged financial liabilities	(5,032)	20,401	(5,270)	7,322
Net result of accounting hedges on risk due to UF adjustments	(362,921)	(88,176)	(250,363)	(41,805)

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

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

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Owed by banks	-	-	-	-
Commercial loans	1,149	57	1,000	48
Mortgage loans	975	159	596	59
Consumer loans	8	-	6	-
Total	2,132	216	1,602	107

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

	6/30/2022 MCh\$	12/31/2021 MCh\$
Owed by banks	-	-
Commercial loans	7,671	2,404
Mortgage loans	12,799	6,507
Consumer loans	27	-
Total	20,497	8,911

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Note 32 Fee and commission income and expenses

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

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Commissions due to credits prepayment	1,250	2,412	585	1,378
Commissions due to loans with letters of credit	841	831	423	416
Commissions due to credit lines and overdrafts in checking accounts	616	475	362	295
Commissions due to guarantees and letters of credit	5,791	5,166	3,332	2,451
Credit card transactions	45,362	36,847	22,762	18,193
Commissions due to accounts management	9,948	9,240	4,746	4,614
Commissions due to collections and payments	25,241	22,193	12,598	9,032
Commissions due to brokerage and securities handling (Stock Brokers and/or Securities Agency)	970	1,081	522	502
Remuneration for administration of mutual funds, investment funds or others	7,556	7,521	3,646	3,787
Insurance related to the granting of credits	16,177	12,444	8,066	5,676
Insurance not related to the granting of credits	6,345	8,367	2,800	6,019
Insurance related to the granting of credits to legal entities	264	124	180	124
Insurance not related to the granting of credits to legal entities	244	362	80	154
Commissions due to services on factoring operations	45	47	22	23
Commissions due to services in financial lease operations	602	636	336	333
Commissions due to deposit and custody of securities	10	26	4	12
Commissions due to financial advise	5,283	5,803	1,883	3,138
Other commissions earned				
Foreign currency exchange	1	36	-	16
Issuance of on-demand vouchers	151	126	71	62
Issuance of guarantee bills	165	188	89	104
Student loan administration	5,865	5,665	2,975	2,854
Other remuneration for services rendered	4,261	3,383	2,065	1,684
Total income due to commissions and services rendered	136,988	122,973	67,547	60,867
Credit card transactions	(20,446)	(17,751)	(10,645)	(9,245)
Fees for licensing the use of card brands	(470)	(1,076)	(200)	686
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	(8,915)	(7,975)	(4,648)	(3,949)
Securities trading commissions	(1,612)	(1,860)	(908)	(1,055)
Other commissions for services received				
Commissions by correspondent banks in the country and abroad	(59)	(84)	(26)	(15)
Commissions for electronic fund transfer services	(10,019)	(8,441)	(5,062)	(4,275)
Other subsidiary commissions	(287)	(1,157)	(134)	(528)
Other	(2,262)	(2,633)	(1,096)	(1,051)
Total expenses due to commissions and services rendered	(44,070)	(40,977)	(22,719)	(19,432)
Total net income due to commissions	92,918	81,996	44,828	41,435

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

	6-month period ended 06/30/2022					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Lines of credit	320	295	-	-	-	615
Guarantee bills	217	5,739	-	-	-	5,956
Credit cards	15,997	210	16,538	-	68	32,813
Checking accounts	616	669	-	-	(1)	1,284
Collection	2,186	7	7,830	-	1	10,024
Insurance	22,170	283	6,362	-	58	28,873
Other	9,435	9,088	56	-	(5,226)	13,353
Net income due to commissions	50,941	16,291	30,786	-	(5,100)	92,918

	6-month period ended 06/30/2021					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Lines of credit	318	153	-	-	4	475
Guarantee bills	254	4,999	-	-	101	5,354
Credit cards	9,602	183	9,919	-	(186)	19,518
Checking accounts	4,857	541	-	-	(1)	5,397
Collection	2,263	5	7,882	-	(1)	10,149
Insurance	21,752	165	4,624	-	168	26,709
Other	6,046	10,974	-	-	(2,626)	14,394
Net income due to commissions	45,092	17,020	22,425	-	(2,541)	81,996

	3-month period ended 06/30/22					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Lines of credit	161	200	-	-	-	361
Guarantee bills	121	3,301	-	-	-	3,422
Credit cards	7,980	98	7,965	-	11	16,054
Checking accounts	124	334	-	-	(1)	457
Collection	1,159	4	3,847	-	-	5,010
Insurance	10,650	138	3,079	-	36	13,903
Other	4,335	4,008	25	-	(2,747)	5,621
Net income due to commissions	24,530	8,083	14,916	-	(2,701)	44,828

	3-month period ended 06/30/21					
	Retail MCh\$	Wholesale MCh\$	CAT MCh\$	Treasury MCh\$	Other MCh\$	Total MCh\$
Lines of credit	167	125	-	-	2	294
Guarantee bills	122	2,375	-	-	57	2,554
Credit cards	4,802	89	4,626	-	(78)	9,439
Checking accounts	2,418	277	-	-	(1)	2,694
Collection	1,106	3	3,600	-	-	4,709
Insurance	11,080	70	2,161	-	42	13,353
Other	3,204	6,044	-	-	(856)	8,392
Net income due to commissions	22,899	8,983	10,387	-	(834)	41,435

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Note 33 Net financial result

Net financial result is detailed as follows:

	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Income from financial assets to be traded at fair value through profit or loss				
Financial derivative contracts	5,324,110	3,210,143	3,896,503	2,611,931
Debt financial instruments	15,148	(1,346)	8,280	(3,437)
Other financial instruments:				
Investments in mutual funds	2,094	165	1,087	87
Equity instruments	348	743	(97)	743
Credits originated and acquired by the entity	-	-	-	-
Other	170	(37)	170	(16)
Result from financial liabilities to be traded at fair value through profit or loss				
Financial derivative contracts	(5,234,626)	(3,174,107)	(3,742,708)	(2,594,547)
Other financial instruments	-	-	-	-
Financial result for financial assets not held for trading mandatorily valued at fair value through profit or loss	-	-	-	-
Financial result for financial assets and liabilities designated at fair value through profit or loss	-	-	-	-
Financial result 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	1,158	8,890	1,141	9,456
Financial assets at fair value with changes in other comprehensive income	377	8,883	3	2
Financial result for changes, readjustments and accounting hedging of foreign currency				
Foreign currency exchange result	(159,625)	28	(333,057)	6,682
Results from adjustments for exchange rate				
Financial assets at amortized cost	10,382	2,452	20,441	284
Net result of derivatives in accounting hedges of foreign currency risk	64,740	14,004	176,754	7,193
Financial result from reclassification of financial assets due to change in business model	-	-	-	-
Other financial result from changes in financial assets and liabilities	-	-	-	-
Other financial result due to ineffective accounting hedges				
Result from ineffective cash flow accounting hedges	2,122	1,861	924	1,072
Other financial result for different accounting hedges	-	-	-	-
Net financial result	26,398	71,679	29,441	39,450

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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	6/30/2022 MCh\$	6/30/2021 MCh\$
Companies with locally significant influence			
Operadora de Tarjetas de Créditos Nexus S.A.	Chile	-	(2,069)
Transbank S.A.	Chile	3,742	(5,453)
Subtotal		3,742	(7,522)
Minority investments in other local companies			
Bolsa de Comercio de Santiago	Chile	263	212
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		350	279
Minority investments in other companies abroad			
Society for Worldwide Interbank Financial Telecommunication	Belgium	-	-
Banco Latinoamericano de Comercio Exterior S.A. (Bladex)	Panama	4	3
Subtotal		4	3
Total income from investments in companies		4,096	(7,240)

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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:

	6/30/2022	6/30/2021
	MCh\$	MCh\$
Result from assets received in lieu of payment or legally adjudicated		
Result from assets received in lieu of payment or legally awarded with related parties		-
Result from the sale of assets received in payment or legally awarded with non-related third parties	2,927	2,659
Other income from assets received in payment or legally awarded through auctions	176	140
Provisions for adjustments to the net realizable value of assets received in payment or legally adjudicated through :	(317)	(847)
Write-offs of assets received in payment or adjudicated in in legal auctions	(2,413)	(2,428)
Expenses for maintenance of assets received in payment or awarded in legal auctions	(209)	(173)
Non-current assets held for sale		
Investments in companies	-	-
Intangible assets	-	-
Property, equipment	(7)	174
Assets for recovery of goods transferred in financial leasing operations	-	-
Other assets	-	-
Disposal groups available for sale	-	-
Total	157	(475)

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Note 36 Other operating income and expenses

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

	6/30/2022	6/30/2021
	MCh\$	MCh\$
Other operating income		
Incentives received from credit card brands	4,090	2,842
Income other than interest and commissions from lease contracts	773	870
Income due to reimbursements of expenses	3,756	2,863
Other income		
Various income from leasing operations	1,835	165
Income from consultancies	1,260	1,678
Sundry income from subsidiaries	142	14,258
Recovery of expenses from subsidiaries	2,468	-
Other operating income	1,120	182
Total other operating income	15,444	22,858
Other operating expenses		
gross loss expense for operational risk events	571	1,181
Provisions for trials and litigation	63	(129)
Other provisions for other contingencies	(872)	(3)
Expenses for credit operations of financial leasing	(552)	(835)
Expenses for factoring credit operations	(23)	(12)
Other operating expenses		
Expenses for provisions of securitized bonds	(5,588)	(2,264)
Operational risk expenses	(6,314)	(5,146)
Write-offs due to business decisions	(835)	(860)
Correspondent bank expenses	(964)	(809)
Clearing Chamber Services	(850)	(933)
Expenses for legal advts	(212)	(161)
Other operating expenses Subsidiaries	(647)	(472)
Compensations granted	-	(2,025)
Other operating expenses	(784)	(2,018)
Total other operating expenses	(17,007)	(14,486)
Total	(1,563)	8,372

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Note 37 Expenses for employee benefit obligations

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

	6/30/2022	6/30/2021
	MCh\$	MCh\$
Expenses due to short-term benefits to employees	128,330	125,660
Post-employment employee benefit expense	-	-
Expenses due to long-term benefits to employees	1,183	1,281
Expenses for employee benefits due to termination of employment contract	5,744	4,161
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	801	570
Total expenses due to obligations on benefits to employees	136,058	131,672

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Note 38 Administrative expenses

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

	6/30/2022	6/30/2021
	MCh\$	MCh\$
Administration expenses		
Expenses for short-term lease contracts	2,329	2,269
Expenses for low-value leases	-	-
Other expenses of obligations for lease contracts	132	161
Maintenance and repair of property and equipment	2,697	2,906
Insurance premiums except to cover operational risk events	2,407	2,508
Office supplies	783	796
IT and communication expenses	27,675	26,352
Electricity, heating and other services	1,219	1,275
Security patrol and security transport services	1,613	1,487
Personnel representation and travel expenses	345	123
Legal and notary expenses	4,766	5,124
Fees for review and audit of the financial statements by the external auditor	514	444
Fees for other technical reports	1,046	931
Fines applied by CMF	6	1
Fines applied by other organizations	20	19
Other administrative expenses		
Common expenses buildings	1,765	1,756
Contribution Banks Association	106	121
External consultancies	12,540	12,160
Services Santiago Stock Exchange	470	135
Telemarketing services	2,930	2,307
Card distribution servicing	1,006	518
Other administrative expenses	2,612	1,793
Outsourced services		
Data processing	378	243
Technological development service, certification and technological testing	86	71
External service of human resources administration and supply of external personnel	881	1,350
Call Center service for sales, marketing, quality control customer service	956	614
External collection service	3,819	3,220
External ATM administration and maintenance service	1,178	745
External cleaning service, casino, custody of files and documents, storage of furniture and equipment	2,021	1,984
Sales services and products distribution	-	1
Other outsourced services		
IT and communications expenses	6,565	1,784
Other Services subcontracted by Subsidiaries	9,164	7,903
Other/Scotia Servicios Corporativos SpA	4,166	3,774
Other outsourced services	486	498
Board expenses	577	552
Advertising	7,048	7,609
Taxes, contributions and other legal charges	7,050	6,520
Total administrative expenses	111,356	100,054

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Note 39 Depreciation and amortization

Depreciation and amortization are detailed as follows:

	6/30/2022	6/30/2021
	MCh\$	MCh\$
Amortization of intangible		
Other intangible assets arising from business combinations	4,614	4,614
Other intangible assets arising independently	11,077	8,673
Depreciation of Property and Equipment		
Building and Land	824	817
Other fixed assets	5,755	6,040
Amortization and depreciation of the asset for the right to use assets under lease		
Building and Land		
Building	5,931	6,289
Other fixed assets	-	-
Depreciation for improvements in leased real estate as assets for the right to use leased property	1,327	1,468
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	29,528	27,901

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Note 40 Impairment of non-financial assets

Impairment of non-financial assets is detailed as follows:

	6/30/2022 MCh\$	6/30/2021 MCh\$
Impairment of investments in companies	-	-
Impairment of intangible assets	-	4
Impairment of Property and Equipment	357	-
Impairment of assets for the right to use leased assets	-	-
Impairment of assets for investment properties	-	-
Impairment of revenue assets due to regular activities arising from contracts with customers	-	-
Gain from an acquisition through a highly advantageous business combination	-	-
Total impairment of non-financial assets	357	4

Note 41 Credit loss expenses

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

a) Credit loss expense

Summary of expense for credit losses in the period	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Expenses on allowances due to credit risk on loans	(158,490)	(55,881)	(95,828)	(31,165)
Expense on special allowances due to credit risk	(207)	(56,136)	60	(47,792)
Recovery of write-off loans	35,230	34,647	17,454	18,074
Impairment due to credit risk of other financial assets at amortized cost	1	-	(1)	-
Impairment due to credit risk of financial assets at fair value with changes in other comprehensive income	(44)	(175)	(54)	34
Total	(123,510)	(77,545)	(78,369)	(60,849)

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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			Subtotal	Deductible guarantees FOGAPE Covid-19	Total
6-month period ended 06/30/2022 (MCh\$)		Regular Portfolio Evaluation	Substandard Portfolio Evaluation	Default Portfolio Evaluación					
		Individual	Group	Individual	Individual	Group			
Owed by banks									
Constitution of allowances		(9)	-	-	-	-	(9)		
Release of allowances		3	-	-	-	-	3		
Subtotal		(6)	-	-	-	-	(6)	-	(6)
Commercial loans									
Constitution of allowances		(132,106)	(13,878)	(34,290)	(69,001)	(25,294)	(274,569)		(274,569)
Release of allowances		128,751	9,638	24,430	60,097	8,458	231,374	475	231,849
Subtotal		(3,355)	(4,240)	(9,860)	(8,904)	(16,836)	(43,195)	475	(42,720)
Mortgage loans									
Constitution of allowances		-	(6,289)	-	-	(4,442)	(10,731)		
Release of allowances		-	3,245	-	-	2,033	5,278		
Subtotal		-	(3,044)	-	-	(2,409)	(5,453)	-	(5,453)
Consumer loans									
Constitution of allowances		-	(56,840)	-	-	(106,654)	(163,494)		
Release of allowances		-	26,833	-	-	26,350	53,183		
Subtotal		-	(30,007)	-	-	(80,304)	(110,311)	-	(110,311)
Expense of allowances constituted for loan credit risk									
		(3,361)	(37,291)	(9,860)	(8,904)	(99,549)	(158,965)	475	(158,490)
Recoveries of write-off loans									
Owed by banks									-
Commercial loans									9,286
Mortgage loans									3,164
Consumer loans									22,780
Subtotal									35,230
Expense due to credit loss on loans									
									(123,260)

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			Subtotal	Deductible guarantees FOGAPE Covid-19	Total
6-month period ended 06/30/2021 (MCh\$)		Regular Portfolio Evaluation	Substandard Portfolio Evaluation	Default Portfolio Evaluación					
		Individual	Group	Individual	Individual	Group			
Owed by banks									
Constitution of allowances		(90)	-	-	-	-	(90)		
Release of allowances		74	-	-	-	-	74		
Subtotal		(16)	-	-	-	-	(16)		(16)
Commercial loans									
Constitution of allowances		(50,885)	(7,219)	(15,493)	(45,524)	(19,371)	(138,492)	(5,206)	(143,698)
Release of allowances		57,280	7,738	10,393	31,372	11,556	118,339		118,339
Subtotal		6,395	519	(5,100)	(14,152)	(7,815)	(20,153)	(5,206)	(25,359)
Mortgage loans									
Constitution of allowances		-	(4,262)	-	-	(3,122)	(7,384)		
Release of allowances		-	2,462	-	-	3,663	6,125		
Subtotal		-	(1,800)	-	-	541	(1,259)		(1,259)
Consumer loans									
Constitution of allowances		-	(17,782)	-	-	(98,403)	(116,185)		
Release of allowances		-	23,654	-	-	63,284	86,938		
Subtotal		-	5,872	-	-	(35,119)	(29,247)		(29,247)
Expense of allowances constituted for loan credit risk									
		6,379	4,591	(5,100)	(14,152)	(42,393)	(50,675)	(5,206)	(55,881)
Recoveries of write-off loans									
Owed by banks									-
Commercial loans									6,219
Mortgage loans									1,649
Consumer loans									26,779
Subtotal									34,647
Expense due to credit loss on loans									
									(21,234)

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Expense of allowances due to loans in the period											
Summary of expense on allowances due to credit risk and expense for credit losses on loans in the period		Regular Portfolio		Substandard Portfolio		Default Portfolio		Subtotal	Deductible guarantees FOGAPE Covid-19	Total	
3-month period ended 06/30/22 (MCh\$)		Evaluation		Evaluation		Evaluación					
		Individual	Group	Individual	Individual	Group					
Owed by banks											
Constitution of allowances		(8)	-	-	-	-	-	(8)			
Release of allowances		1	-	-	-	-	-	1			
Subtotal		(7)	-	-	-	-	-	(7)		(7)	
Commercial loans											
Constitution of allowances		(104,107)	(8,462)	(28,264)	(62,331)	(12,634)		(215,798)	-	(215,798)	
Release of allowances		105,005	5,301	17,984	54,269	4,854		187,413	343	187,756	
Subtotal		898	(3,161)	(10,280)	(8,062)	(7,780)		(28,385)	343	(28,042)	
Mortgage loans											
Constitution of allowances		-	(4,364)	-	-	(2,539)		(6,903)			
Release of allowances		-	1,713	-	-	810		2,523			
Subtotal		-	(2,651)	-	-	(1,729)		(4,380)	-	(4,380)	
Consumer loans											
Constitution of allowances		-	(16,726)	-	-	(60,833)		(77,559)			
Release of allowances		-	(145)	-	-	14,305		14,160			
Subtotal		-	(16,871)	-	-	(46,528)		(63,399)	-	(63,399)	
Expense of allowances constituted for loan credit risk		891	(22,683)	(10,280)	(8,062)	(56,037)	(96,171)		343	(95,828)	
Recoveries of write-off loans											
Owed by banks										-	
Commercial loans										5,372	
Mortgage loans										1,479	
Consumer loans										10,603	
Subtotal										17,454	
Expense due to credit loss on loans											(78,374)

Gasto de provisiones constituidas de colocaciones en el periodo											
Summary of expense on allowances due to credit risk and expense for credit losses on loans in the period		Cartera Normal		Cartera Subestándar		Cartera en Incumplimiento		Subtotal	Deductible garantías FOGAPE Covid-19	Total	
3-month period ended 06/30/21 (MCh\$)		Evaluación		Evaluación		Evaluación					
		Individual	Group	Individual	Individual	Group					
Owed by banks											
Constitution of allowances		(84)	-	-	-	-	-	(84)			
Release of allowances		50	-	-	-	-	-	50			
Subtotal		(34)	-	-	-	-	-	(34)		(34)	
Commercial loans											
Constitution of allowances		(24,633)	(3,846)	(7,366)	(36,150)	(9,144)		(81,139)	(4,554)	(86,693)	
Release of allowances		27,398	4,259	6,663	28,982	5,515		72,817	-	72,817	
Subtotal		2,765	413	(703)	(7,168)	(3,629)		(8,322)	(4,554)	(12,876)	
Mortgage loans											
Constitution of allowances		-	(2,105)	-	-	(1,516)		(3,621)			
Release of allowances		-	1,317	-	-	1,404		2,721			
Subtotal		-	(788)	-	-	(112)		(900)	-	(900)	
Consumer loans											
Constitution of allowances		-	(8,362)	-	-	(68,079)		(76,441)			
Release of allowances		-	10,950	-	-	48,136		59,086			
Subtotal		-	2,588	-	-	(19,943)		(17,355)	-	(17,355)	
Expense of allowances constituted for loan credit risk		2,731	2,213	(703)	(7,168)	(23,684)	(26,611)		(4,554)	(31,165)	
Recoveries of write-off loans											
Owed by banks										-	
Commercial loans										3,960	
Mortgage loans										882	
Consumer loans										13,232	
Subtotal										18,074	
Expense due to credit loss on loans											(13,091)

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c) Expense for credit risk special allowances

Summary of expenses due to credit risk special provisions	6-month period ended 6/30/2022 MCh\$	6-month period ended 6/30/2021 MCh\$	3-month period ended 6/30/2022 MCh\$	3-month period ended 6/30/2021 MCh\$
Provision expense due to contingent loans	1,977	1,643	1,613	(328)
Owed by banks	-	-	-	-
Commercial loans	1,691	1,227	2,062	(286)
Consumer loans	286	416	(449)	(42)
Provision expense due to country risk for operations with debtors domiciled abroad	(2,184)	662	(1,553)	221
Expense due to special provisions for credits abroad	-	-	-	-
Expense due to additional provisions for credits	-	(58,441)	-	(47,685)
Commercial loans	-	(51,092)	-	(47,685)
Mortgage loans	-	(1,977)	-	-
Consumer loans	-	(5,372)	-	-
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 June 30, 2022 and December 31, 2021, the Bank does not have this type of operations.

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Note 43 Related parties disclosures

As established in Chapter 12-4 of the Updated Compilation of Standards , 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 of 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 No.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 June 30, 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	2,241,863	2,116	-	-	2,243,979
Debt financial instruments	-	-	-	-	-
Financial assets not intended for mandatory 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	42,229	-	-	-	42,229
Financial assets at amortized cost:					
Rights for repurchase agreements and securities lending	-	-	-	-	-
Debt financial instruments	-	-	-	-	-
Commercial loans	-	-	2,859	330,090	332,949
Mortgage loans	-	-	14,834	98,011	112,845
Consumer loans	-	-	2,617	18,745	21,362
Provisions constituted- Loans	-	-	(110)	(1,483)	(1,593)
Other assets	-	-	-	-	-
Contingent loans	2,793	29,993	4,609	59,778	97,173
LIABILITIES					
Financial liabilities to be traded at fair value through profit or loss:					
Financial derivative contracts	1,951,532	25,555	-	-	1,977,087
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-
Financial derivative contracts for accounting hedge	123,882	-	-	-	123,882
Financial liabilities at amortized cost:					
Term and on-demand deposits	347	7,529	2,221	80,074	90,171
Deposits and other term deposits	-	-	9,895	114,024	123,919
Liabilities with repurchase agreements and securities lending	-	-	-	-	-
Obligations with banks	-	-	-	-	-
Debt financial instruments issued	-	-	-	-	-
Other financial obligations	-	-	-	-	-
Lease contracts obligations	-	-	-	768	768
Other liabilities	8,615	200	-	938	9,753

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Type of current assets and liabilities with related parties according to IAS 24 As at December 31, 2021 (In MCh\$)	Type of related party				Total
	Parent	Other legal entity	Key staff of		
			the Consolidated Bank	Other related parties	
ASSETS					
Financial assets to be traded at fair value through profit or loss:					
Financial derivative contracts	1,790,005	-	-	6	1,790,011
Debt financial instruments	-	-	-	-	-
Financial assets not intended for mandatory 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				
As at June 30, de 2022					
(in MCh\$)	Parent	Other legal entity	Consolidated Bank's key staff	Other related parties	Total
Interest income	-	1	201	8,056	8,258
Adjustments income	-	-	1,122	15,276	16,398
Commission Income	-	6	62	845	913
Net financial income	(104,623)	-	3	540	(104,080)
Other income	-	281	223	6,033	6,537
Total income	(104,623)	288	1,611	30,750	(71,974)
Interest expenses	-	-	(1,122)	(15,276)	(16,398)
Adjustment expenses	-	-	(66)	(1,263)	(1,329)
Commission expenses	(2)	(3,792)	(28)	(4,637)	(8,459)
Credit loss expense	-	7	(29)	(124)	(146)
Expenses for employee benefit obligations	-	-	(8,067)	(10)	(8,077)
Administration expenses	(8,760)	-	-	(6,230)	(14,990)
Other expenses	(3,747)	-	(1)	(301)	(4,049)
Total expenses	(12,509)	(3,785)	(9,313)	(27,841)	(53,448)

Type of income and expenses from transactions with related parties according to IAS 24	Type of related party				
As at June 30, 2021	Parent	Other legal entity	Consolidated Bank's key staff	Other related parties	Total
(in MCh\$)					
Interest income	-	8	113	4,620	4,741
Adjustments income	-	-	252	5,324	5,576
Commission Income	-	51	53	726	830
Net financial income	88,370	-	1	1,766	90,137
Other income	161	1	39	318	519
Total income	88,531	60	458	12,754	101,803
Interest expenses	(5)	-	(9)	(387)	(401)
Adjustment expenses	-	-	(3)	(71)	(74)
Commission expenses	-	(5,375)	-	(1,326)	(6,701)
Credit loss expense	-	-	-	307	307
Expenses for employee benefit obligations	-	-	(7,486)	(6)	(7,492)
Administration expenses	(8,998)	(571)	(1)	(5,481)	(15,051)
Other expenses	-	-	-	(237)	(237)
Total expenses	(9,003)	(5,946)	(7,499)	(7,201)	(29,649)

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c) Individual transactions with related parties

As at June 30, 2022 and 2021, 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	Description Type of service	Term	Renewal conditions	Transactions in conditions of equivalence to those transactions with mutual independence between the parties	Amount MCh\$	As at June 30, de 2022			
							Effect on income statement Income	Expenses	Effect on Statement of Financial Position Accounts receivable	Accounts payable
							MCh\$	MCh\$	MCh\$	MCh\$
Azurian Tecnología Limitada	Other related parties	Facial Biometrics Service	1 year	Automatic renewal	Conditions equivalent to the market on the date these were made	1,029	-	1,029	-	-
Inmobiliaria Mall Viña del Mar S.A	Other related parties	Property lease for branch	6 years	5-years Automatic renewal	Conditions equivalent to the market on the date these were made	83	-	83	-	-
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	395	-	395	-	-
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs	5 years	3-years Automatic renewal	Conditions equivalent to the market on the date these were made	3,097	-	2,654	-	402
Operadora de Tarjetas de Crédito Nexus S.A.	Other legal entity	Credit Card operation service	2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	5,793	-	4,728	-	463
Servicios Regionales Tecnología Scotiabank Ltda.	Other related parties	Consulting services, technological support and projects	1 year	Annual review, if there are no changes, automatic renewal applies	Conditions equivalent to the market on the date these were made	3,786	-	2,268	-	-
Scotia Servicios Corporativos SpA	Other related parties	Consulting services, technological support and projects	10 years	Automatic renewal	Conditions equivalent to the market on the date these were made	5,980	-	5,980	-	-
Transbank S.A.	Other legal entity	Credit Card operation service	2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	17,044	10,648	6,183	-	213
The Bank of Nova Scotia	Parent	Commissions for referred customers	Undefined	Undefined	Conditions equivalent to the market on the date these were made	1,321	1,321	-	-	-
The Bank of Nova Scotia	Parent	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	11,152	-	8,593	-	2,559
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.	Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	445	-	445	-	-

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Company Name	Nature of relationship with the bank	Description		Term	Renewal conditions	Transactions in conditions of equivalence to those transactions with mutual independence between the parties	Amount	As at June 30, 2021			
								Effect on income statement		Effect on Statement of Financial Position	
		Type of service					MCh\$	Income MCh\$	Expenses MCh\$	Accounts receivable MCh\$	Accounts payable MCh\$
Azurian Tecnología Limitada	Other related parties	Facial Biometrics Service		1 year	Automatic renewal	Conditions equivalent to the market on the date these were made	62		60		2
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	277		235		42
Redbanc S.A.	Other related parties	Money dispensing services and delivery of information and data through ATMs		5 years	3-years Automatic renewal	Conditions equivalent to the market on the date these were made	1,226		1,216		10
Redbanc S.A.	Other related parties	Secure data transmission service between banking institutions and industry providers.		3 years	1-year Automatic renewal	Conditions equivalent to the market on the date these were made	306		306		
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	6,786		6,309		449
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	2,894		1,326		
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	3,619		3,619		
Transbank S.A.	Other legal entity	Credit Card operation service		2 years	Automatic renewal	Conditions equivalent to the market on the date these were made	10,341	6,629	3,712		
The Bank of Nova Scotia	Parent	Commissions for referred customers		Undefined	Undefined	Conditions equivalent to the market on the date these were made	7,842		6,281		1,561
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	1,233	1,027		206	
Scotiabank Perú S.A.	Other related parties	Regional Technological Support.		Undefined	Automatic renewal	Conditions equivalent to the market on the date these were made	1,380		930		

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

	6/30/2022 MCh\$	6/30/2021 MCh\$
Board:		
Payment of Board's remuneration and wages - Bank and Bank's subsidiaries	577	552
Key personnel of the Bank's Management and Subsidiaries:		
Short-term payment for employee benefits	7,459	6,934
Payment of post-employment benefits to employees	-	-
Long-term payment for employee benefits	-	-
Payments for benefits to employees for contract termination	31	-
Payment to employees based on shares or equity instruments	-	-
Payment for obligations for defined contribution post-employment plans	-	-
Payment for obligations for post-employment defined benefit plans	-	-
Payment for other staff obligations	-	-
Subtotal - Payments for employee benefit obligations	7,490	6,934
Total	8,067	7,486

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

	N° of Executives	
	6/30/2022	6/30/2021
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	74	73
Division/Area Managers - Bank's Subsidiaries	18	18
Subtotal:	103	102
Total:	113	113

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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 June 30, 2022 and December 31, 2021 is detailed as follows:

		Recorded Amount	Estimated Fair Value
	Note	6/30/2022 MCh\$	6/30/2022 MCh\$
ASSETS			
Cash and deposits in banks	7	1,205,215	1,205,215
Transactions pending settlement	7	659,793	659,793
Financial assets to be traded at fair value through profit or loss			
Financial derivatives contracts	8	7,951,658	7,951,658
Debt financial instruments	8	288,402	288,402
Other	8	59,071	59,071
Financial assets at fair value with changes in other comprehensive income			
Debt financial instruments	11	2,411,014	2,411,014
Financial derivative contracts for accounting hedge	12	533,141	533,141
Financial assets at amortized cost			
Rights for repurchase agreements and securities loans	13	141,422	139,377
Debt financial instruments	13	-	-
Owed by banks	13	343,846	343,846
Loans and accounts receivable from customers - Commercial	13	15,139,375	14,606,321
Loans and accounts receivable from customers - Mortgage	13	12,643,671	11,282,831
Loans and accounts receivable from customers - Consumer	13	3,367,964	3,229,380
Securitized bonds	19	14,846	15,143
LIABILITIES			
Transactions pending settlement	7	826,092	826,092
Financial liabilities to be traded at fair value through profit or loss			
Financial derivatives contracts	21	7,416,715	7,416,715
Financial derivative contracts for accounting hedge	12	1,610,474	1,610,474
Financial liabilities at amortized cost			
Deposits and other on-demand obligations	22	5,909,686	5,909,001
Deposits and other time deposits	22	12,798,986	12,705,671
Obligations for repurchase agreements and securities loans	22	208,958	208,807
Obligations with banks	22	5,745,164	5,680,738
Debt financial instruments issued	22	7,147,039	7,210,030
Other financial obligations	22	105,385	105,385
Obligations for lease contracts	17	156,514	155,943
Issued regulatory capital financial instruments	23	795,393	916,814

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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	474,687	474,687
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	7,221,450	7,221,450
Deposits and other time deposits	22	9,462,540	9,537,555
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	6,658,037	6,639,930
Other financial obligations	22	110,448	110,448
Obligations for lease contracts	17	163,775	154,695
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 June 30, 2022 and December 31, 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 June 30, 2022 and December 31, 2021:

As at June 30, de 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	8,299,131	68,315	8,202,093	28,723
Financial assets at fair value with changes in other comprehensive income	2,411,014	191,597	2,130,758	88,659
Financial derivative contracts for accounting hedge	533,141	-	533,141	-
Securitized bonds	14,846	-	-	15,143
Total Assets	11,258,132	259,912	10,865,992	132,525
Liabilities				
Financial derivative contracts	7,416,715	-	7,416,715	-
Financial derivative contracts for accounting hedge	1,610,474	-	1,610,474	-
Obligations for lease contracts	156,514	-	-	155,943
Total Liabilities	9,183,703	-	9,027,189	155,943

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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	6,924,673	179,171	6,745,502	-
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	9,218,620	882,402	8,318,801	17,502
Liabilities				
Financial derivative contracts	6,048,854	-	6,048,854	-
Financial derivative contracts for accounting hedge	831,935	-	831,935	-
Obligations for lease contracts	163,775	-	-	154,695
Total Liabilities	7,044,564	-	6,880,789	154,695

Sensitivity analysis for financial instruments under Level 3

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

As at June 30, de 2022	Valuation Technique	Significant unobservable data	Range of estimates for unobservable data	Changes in fair value from reasonably possible alternatives (in MCh\$)
Assets				
Financial assets to be traded at fair value through profit or loss	Comparable in the market	Market Tir	+0,01% -0,01%	(8) 8
Financial assets at fair value with changes in other comprehensive income	Comparable in the market	Market Tir	+0,01% -0,01%	(12) 12
Other assets				
Securitized bonds	Comparable in the market	Market Tir	+1% -1%	(398) 417
Obligations for lease contracts				
Obligations for lease contracts	Comparable in the market	Market Tir	+1% -1%	(10,881) 12,194

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
Obligations for lease contracts				
Obligations for lease contracts	Comparable in the market	Market Tir	+1% -1%	(10,238) 11,530

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Note 45 Maturity per remaining balances of financial assets and liabilities

The composition of item "Maturity per remaining terms of financial assets and liabilities" is as follows

As at June 30, de 2022	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	1,205,215	-	-	-	-	-	-	1,205,215
Transactions pending settlement	7	-	659,793	-	-	-	-	-	659,793
Financial assets to be traded at fair value with changes in income									
Financial derivative contracts (1)	8	65,076	493,404	466,977	1,543,120	1,934,853	1,137,928	2,310,300	7,951,658
Debt financial instruments (2)	8	-	252	14,216	68,968	127,150	72,156	5,660	288,402
Other	8	55,081	3,990	-	-	-	-	-	59,071
Financial assets at fair value with changes in other comprehensive income									
Debt financial instruments (2)	11	-	797,417	50,153	153,445	596,382	169,842	643,775	2,411,014
Other	11	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge	12	-	40,463	16,503	24,403	139,585	171,111	141,076	533,141
Financial assets at amortized cost									
Rights for repurchase agreements and securities loans	13	-	114,476	26,918	28	-	-	-	141,422
Debt financial instruments	13	-	-	-	-	-	-	-	-
Owed by banks	13	279,198	34,650	29,998	-	-	-	-	343,846
Loans and accounts receivable from customers (3)	13	3,072,949	1,938,861	2,496,525	6,064,260	5,085,684	3,321,024	9,687,264	31,666,567
Total financial assets		4,677,519	4,083,306	3,101,290	7,854,224	7,883,654	4,872,061	12,788,075	45,260,129
Transactions pending settlement	7	-	826,092	-	-	-	-	-	826,092
Financial liabilities to be traded at fair value through profit or loss									
Financial derivative contracts (1)	21	77,375	485,448	577,814	1,330,243	1,643,113	1,009,939	2,292,783	7,416,715
Other	21	-	-	-	-	-	-	-	-
Financial derivative contracts for accounting hedge (1)	12	-	26,243	11,079	233,168	252,643	493,575	593,766	1,610,474
Financial liabilities at amortized cost									
Deposits and other on-demand obligations	22	5,902,614	7,072	-	-	-	-	-	5,909,686
Deposits and other term deposits	22	2,809,203	4,438,634	2,036,681	108,749	3,405,652	59	8	12,798,986
Obligations for repurchase agreements and securities loans	22	-	208,958	-	-	-	-	-	208,958
Obligations with banks	22	-	173,907	610,383	3,482,193	1,386,402	92,279	-	5,745,164
Debt financial instruments issued	22	4,914	168,662	151,689	455,750	1,865,810	1,988,194	2,512,020	7,147,039
Other Financial Obligations	22	63,376	20,259	13,731	7,979	40	-	-	105,385
Obligations for lease contracts	17	-	863	2,501	7,776	21,149	21,932	102,293	156,514
Regulatory capital financial instruments issued	23	-	-	-	-	2,746	760	791,887	795,393
Total financial liabilities		8,857,482	6,356,138	3,403,878	5,625,858	8,577,555	3,606,738	6,292,757	42,720,406
Net Financial Position		(4,179,963)	(2,272,832)	(302,588)	2,228,366	(693,901)	1,265,323	6,495,318	2,539,723

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As at December 31, 2021	Note	On-demand MCh\$	Up to 1 month MCh\$	More than 1 up to 3 months MCh\$	More than 3 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\$	Total 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	28,574	474,687
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	13,216,519	40,185,548
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	7,221,450	-	-	-	-	-	-	7,221,450
Deposits and other term deposits	22	287,457	3,827,474	2,241,729	2,390,247	715,633	-	-	9,462,540
Obligations for repurchase agreements and securities loans	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	2,223,736	6,658,037
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		7,976,115	5,290,945	5,464,965	6,314,020	4,284,679	3,023,536	5,333,409	37,687,669
Net Financial Position		(5,396,540)	(3,182,329)	(2,298,858)	(437,177)	3,617,789	2,311,884	7,883,110	2,497,879

(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 June 30, de 2022										Total MCh\$
		CLP MCh\$	UF MCh\$	USD MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other FC MCh\$	
Cash and deposits in banks	7	630,738	-	362,044	-	6,170	188,405	414	2,902	731	13,811	1,205,215
Transactions pending settlement	7	369,352	-	245,804	-	6,864	9,516	41	16,123	10,120	1,973	659,793
Financial assets to be traded at fair value through profit or loss	8	8,109,974	180,004	9,153	-	-	-	-	-	-	-	8,299,131
Financial assets at fair value with changes in other comprehensive income	11	2,113,333	208,385	89,296	-	-	-	-	-	-	-	2,411,014
Financial derivative contracts for accounting hedge	12	533,141	-	-	-	-	-	-	-	-	-	533,141
Financial assets at amortized cost	13	9,736,523	16,602,526	5,256,579	-	-	36,017	-	-	4,633	-	31,636,278
Total financial assets		21,493,061	16,990,915	5,962,876	-	13,034	233,938	455	19,025	15,484	15,784	44,744,572
Transactions pending settlement	7	560,076	-	224,891	-	6,860	15,887	22	1,036	16,391	929	826,092
Financial liabilities to be traded at fair value through profit or loss	21	7,416,715	-	-	-	-	-	-	-	-	-	7,416,715
Financial derivative contracts for accounting hedge	12	1,610,474	-	-	-	-	-	-	-	-	-	1,610,474
Financial liabilities at amortized cost	22	16,699,603	6,810,427	7,789,752	-	770	191,640	272,318	87,610	4,715	58,383	31,915,218
Obligations for lease contracts	17	154,834	1,680	-	-	-	-	-	-	-	-	156,514
Issued regulatory capital financial instruments	23	-	795,393	-	-	-	-	-	-	-	-	795,393
Total financial liabilities		26,441,702	7,607,500	8,014,643	-	7,630	207,527	272,340	88,646	21,106	59,312	42,720,406
Net financial position		(4,948,641)	9,383,415	(2,051,767)	-	5,404	26,411	(271,885)	(69,621)	(5,622)	(43,528)	2,024,166

Financial Assets-Liabilities	Note N°	As at December 31, 2021										Total MCh\$
		CLP MCh\$	UF MCh\$	USD MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other FC 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	6,585,934	333,195	5,544	-	-	-	-	-	-	-	6,924,673
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		18,712,718	15,692,906	5,226,044	-	14,782	71,295	540	8,003	4,535	9,570	39,740,393
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	16,158,426	6,279,970	6,646,739	-	537	29,195	261,615	73,315	3,823	37,240	29,490,860
Obligations for lease contracts	17	162,672	1,103	-	-	-	-	-	-	-	-	163,775
Issued regulatory capital financial instruments	23	-	756,367	-	-	-	-	-	-	-	-	756,367
Total financial liabilities		23,420,201	7,037,440	6,808,930	-	10,984	32,765	261,615	73,315	3,823	38,596	37,687,669
Net financial position		(4,707,483)	8,655,466	(1,582,886)	-	3,798	38,530	(261,075)	(65,312)	712	(29,026)	2,052,724

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

Non-Financial Assets-Liabilities	Note N°	As at June 30, 2022										Total MCh\$
		CLP MCh\$	UF MCh\$	USD MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other FC MCh\$	
Investment in companies	14	23,738	-	-	-	-	11	-	-	-	-	23,749
Intangible assets	15	227,757	-	-	-	-	-	-	-	-	-	227,757
Property, equipment	16	93,094	-	-	-	-	-	-	-	-	-	93,094
Assets for the right to use leased assets	17	172,049	-	-	-	-	-	-	-	-	-	172,049
Current taxes	18	68,657	-	-	-	-	-	-	-	-	-	68,657
Deferred taxes	18	358,148	-	-	-	-	-	-	-	-	-	358,148
Other assets	19	352,811	31,478	558,148	-	-	793	-	-	-	-	943,230
Non-current assets and disposal groups held for sale	20	16,282	-	-	-	-	-	-	-	-	-	16,282
Total non-financial assets		1,312,536	31,478	558,148	-	-	804	-	-	-	-	1,902,966
Provisions for contingencies	24	65,847	-	495	-	1	122	-	10	-	80	66,555
Provisions for dividends, payment of interest and revaluation of issued regulatory capital financial instruments	25	72,836	-	-	-	-	-	-	-	-	-	72,836
Special provisions for credit risk	26	198,899	-	6,369	16	-	33	5	-	10	-	205,332
Current taxes	18	2,088	-	-	-	-	-	-	-	-	-	2,088
Deferred taxes	18	475	-	-	-	-	-	-	-	-	-	475
Other liabilities	27	198,752	78,679	509,387	489	-	43,954	-	-	-	7,241	838,502
Total non-financial liabilities		538,897	78,679	516,251	505	1	44,109	5	10	10	7,321	1,185,788
Net Financial Position		773,639	(47,201)	41,897	(505)	(1)	(43,305)	(5)	(10)	(10)	(7,321)	717,178

Non-Financial Assets-Liabilities	Note N°	As at December 31, 2021										Total MCh\$
		CLP MCh\$	UF MCh\$	USD MCh\$	COP MCh\$	GBP MCh\$	EUR MCh\$	CHF MCh\$	JPY MCh\$	CNY MCh\$	Other FC 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	196,806	34,788	684,603	-	-	-	-	-	-	154	916,351
Non-current assets and disposal groups held for sale	20	14,190	-	-	-	-	-	-	-	-	-	14,190
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	251,743	83,430	272,564	364	-	8,690	-	-	-	4,991	621,782
Total non-financial liabilities		738,772	83,430	272,564	364	-	8,690	-	-	-	5,207	1,109,027
Net Financial Position		399,142	(48,642)	412,039	(364)	-	(8,679)	-	-	-	(5,053)	748,443

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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.

As a result of the health emergency caused by COVID-19 pandemic, from 2020 the Bank and its subsidiaries have noted an increase in their liquidity and exposure to certain risks, the impact of which on business and financial position is explained more in full mainly in the notes on accounting changes, significant events, risk management and provisions.

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.

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.

• 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.

• 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

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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 Board of Directors of Scotiabank, 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.

Risk Division

The Risk Division supports the Bank's objectives and must maintain an effective and continuous Risk Management Framework at all levels of the institution. The Risk Division is responsible for providing reasonable assurance to Senior Management, the Board of Directors and Shareholders that risks are actively identified, managed and communicated to all key stakeholders. This is achieved by presenting information in an effective and timely manner. The mission of the Risk Division is to ensure that the results of risk-taking activities are consistent with the Bank's risk appetite and strategies, and that there is an appropriate balance between risk and reward in order to maximize value for 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.

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Standardization Companies and Assets Received in Lieu of Payment

- 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

- 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:
 - Bank agreed not to deliver more loans in LIBOR from January.
 - 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.

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 financial or non-financial consequences due to mismanagement of the Bank's Data Assets.
- Operational Risk is the risk of loss derived from people, from inadequate processes and systems or their failures or from external events. Operational risk includes risk management with third parties and legal risk but excludes strategic risk and reputational risk.
- Model Risk is one that produces adverse financial results (for example, capital, 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.

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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 Scotiabank 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.

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.

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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 with the following features will be considered as an individually assessed commercial portfolio:

All Wholesale customers, that is, those belonging to the portfolios of the Corporate, Real Estate, Large Companies and Wholesale segments.

Those debtors other than Wholesale, who present any of the following conditions:

- Annual sales equal to or greater than MCh\$1,000.
- Customers whose commercial debts equal or exceed MCh\$500. It is understood by commercial debts, loan operations, contingent loans, lease operations and factoring transactions.
- 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.
- All those debtors who record cross-border operations among their loans will be included as individual customers.

In accordance with Chapter B-1 of the Compendium of Accounting Standards 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.

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 area different from the area developing such models, carrying out an objective review and without conflicts of interest.

There is a Model Management Policy that has guidelines that allow developments to show a standard defined by the Bank, regardless of the team that performs the work. The guidelines cover different topics such as Group Models Methodology, Monitoring and Control, Data Validation, Model Validation and Model Development, and Adequacy of Allowances.

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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.

The Group Credit Risk Models are presented below according to the Bank's portfolios:

Scotiabank Chile Portfolio

Non-Retail Group 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 No. level, which are grouped as follows: Renegotiated Customer, Non-Renegotiated Customer and Miscellaneous VDE Debtors.

In addition, the commercial portfolio has a standard model published by CMF that is divided into three sub-matrices: Leasing, Students and Commercial Rest. These matrices are generally double-entry where an Expected Loss (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.

Retail Group 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: Leasing, Students and Commercial Rest. 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 LTV (Loan To Value). The model that calculates the highest Expected Losses is then applied.

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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. The models are: Quota Consumption (for new and old customers), Revolving Consumption, Renegotiated Consumption (at customer level) and Agreements.

Allowances 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. The 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 terms, 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.

CAT Subsidiary Allowance Model

The model used for CAT subsidiary uses the same formulation as for the group model, based on a statistical model that is aligned with the Basel II Treaty and that proposes finding a Probability of Default (PD) and a Loss Given Default (LGD). The 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, 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.

As at June 30, de 2022								
Individual Evaluation	Owed by banks	Commercial loans	Commercial leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
A1	337,538	82,620	-	11,860	-	-	100,383	532,401
A2	6,013	3,868,040	63,074	2,685	-	-	460,788	4,400,600
A3	303	2,138,659	130,655	39,324	-	-	153,372	2,462,313
A4	-	3,742,838	317,536	146,409	-	-	175,213	4,381,996
A5	-	1,330,112	142,940	45,702	-	-	46,142	1,564,896
A6	-	591,046	63,555	18,647	-	-	18,264	691,512
B1	-	151,036	15,002	344	-	-	1,598	167,980
B2	-	98,313	1,775	40	-	-	60	100,188
B3	-	90,952	9,449	-	-	-	831	101,232
B4	-	20,815	1,654	-	-	-	17	22,486
C1	-	39,190	1,926	-	-	-	24	41,140
C2	-	4,329	1,409	-	-	-	4	5,742
C3	-	5,961	318	-	-	-	6	6,285
C4	-	15,107	4,121	-	-	-	467	19,695
C5	-	14,416	510	147	-	-	-	15,073
C6	-	55,290	233	95	-	-	568	56,186
Total	343,854	12,248,724	754,157	265,253	-	-	957,737	14,569,725

As at December 31, 2021								
Individual Evaluation	Owed by banks	Commercial loans	Commercial leasing	Factoring	Consumer loans	Mortgage loans	Contingent loans	Total
	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$
A1	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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Credit quality by class of financial asset – Collective Assessment

For Collective assessment, credit quality is presented (Regular or In Default), tabulating loans according to the class of financial asset.

As at June 30, de 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	-	1,938,078	33,609	1,381	3,386,883	12,413,847	522,617	18,296,415
Default	-	169,054	1,689	148	186,925	266,819	17,614	642,249
Total	-	2,107,132	35,298	1,529	3,573,808	12,680,666	540,231	18,938,664

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 phases are defined for individual and collective assessment:

Phase	Description	Individual	Group
Phase 1	Assets without a significant increase in credit risk since initial recognition	A1 to A6	Regular
Phase 2	Assets with a significant increase in credit risk since initial recognition but without credit impairment	B1 to B4	
Phase 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 phases is as follows:

As at June 30, de 2022	Phase 1 MCh\$	Phase 2 MCh\$	Phase 3 MCh\$	Total MCh\$
Individual				
Owed by banks	343,854			343,854
Loans and accounts receivable	13,689,862	391,887	144,122	14,225,871
Group				
Owed by banks	-	-	-	-
Loans and accounts receivable	18,296,417	-	642,247	18,938,664
Total	32,330,133	391,887	786,369	33,508,389

As at December 31, 2021	Phase 1 MCh\$	Phase 2 MCh\$	Phase 3 MCh\$	Total 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	6/30/2022 MCh\$	12/31/2021 MCh\$
General Guarantee			
	Several	9,142,665	8,235,402
Specific Guarantee			
	Commercial	9,752,113	8,146,797
	Mortgage	8,587,431	7,592,295
	Consumer	54,291	54,936
	Total	27,536,500	24,029,430

Offset of Financial Assets and Liabilities

For accounting purposes, Scotiabank does not offset derivatives.

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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 No.2 of the General Banking Law).

All Groups related to Scotiabank are within the regulatory limits.

As at June 30, 2022

Art. 85 Related to Scotiabank Chile	Total Obligations	% Effective equity	
	MCh\$	Secured	Unsecured
BNS group	744,478	20.8%	0.1%
Said group	207,283	5.8%	1.4%
Generic group by management	145,897	4.1%	0.9%
Paz group	35,958	1.0%	0.9%
Turn support group	31,261	0.9%	0.9%
Salvador Said group	21,974	0.6%	0.6%
Other related groups	110,398	3.1%	1.3%
Total main debtors	1,297,249		
	Regulatory limits	25.0%	5.0%

As at December 31, 2021

Art. 85 Related to Scotiabank Chile	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."

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Total Allowances on Loans

The total level of allowances on loans reached MCh\$515,557 as at June 30, 2022, which implies an increase of approximately 15.8% 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 9.4% in the same period), the percentage of allowances over total loans rose from 1.54% in December 2021 to 1.63% in June 2022.

Risk rates and allowances	6/30/2022	12/31/2021
	MCh\$	MCh\$
Total allowances on loans	515,557	445,155
Total loans	31,666,567	28,957,856
Allowance / Loans Percentage	1.63%	1.54%

The increase in credit loss allowances in the period between January and June 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**

Risk of losses associated with adverse movements in spreads that exist after performing 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.

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Balance Sheet Management

The Bank's assets are mainly made up of mortgage loans (mainly denominated at a fixed rate), commercial loans (including those used to finance foreign trade operations), loans for education and consumption.

The Bank manages its balance sheet with the purpose of maximizing its net income from interest and adjustments, maintaining a high proportion of demand deposits for which interest is not paid and of short-term deposits, granting loans for longer periods allowing to take advantage in this way, the slope of the yield curve within an agreed financial risk management context.

The main risks of the Balance Sheet are due to the interest rate risk produced by long-term assets financed with short-term liabilities, and the risk of inflation, where the Bank lends in UF and is funded in Chilean pesos. To mitigate Balance risks, the Bank has short-term interest and inflation risk limits, as well as long-term interest risk limits to maintain the level of risk desired by the institution.

The Bank also manages a portfolio of non-derivative financial instruments in order to take advantage of the differences in the yield curve, and at the same time maintain positions in liquid instruments in order to meet eventual resource needs.

Additionally, the Bank performs hedging derivatives to manage risks arising from its mortgage portfolio, its deposit portfolio and specific cases.

The portfolio of financial assets held for trading at fair value through profit or loss of the Individual Bank, is detailed as follows:

As at June 30, de 2022

(Individual Bank)

	Purchase value MCh\$	Purchase Tir %	Market value MCh\$	Market Tir %	Unrecognized Result MCh\$
Papers \$	2,319,790	4.34	2,127,070	7.59	(192,720)
PDBC	810,258	7.02	811,907	9.09	1,649
BCP	4,750	2.34	4,589	9.21	(161)
BTP	1,504,782	2.90	1,310,574	6.65	(194,208)
Time Deposits Pesos	-	-	-	-	-
Papers UF	204,044	0.25	196,700	0.90	(7,344)
BCU	37,319	(0.24)	37,516	(1.91)	197
BTU	166,725	0.36	159,184	1.56	(7,541)
Time Deposits UF	-	-	-	-	-
Securitized bonds	-	-	-	-	-
Papers US\$	91,212	4.16	90,196	4.52	(1,016)
Time Deposits US\$	91,212	4.16	90,196	4.52	(1,016)
Total Papers	2,615,046	4.02	2,413,966	6.93	(201,080)

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As at June 30, 2022 and 2021 and December 31, 2021 (Proforma unaudited)

As at December 31,2021		(Individual Bank)				
		Purchase value	Purchase Tir	Market value	Market Tir	Unrecognized Result
		MCh\$	%	MCh\$	%	MCh\$
Papers \$		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 Pesos		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 Papers		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 Central Bank, bank and/or corporate paper, interest rate and/or currency derivatives (including UF). This area is responsible for finding profit opportunities in a short-term horizon, taking advantage of transitory no arbitrations in prices and differentials in the yield curve (base and spread), but is also responsible for providing financial solutions to our customers.

Value at Risk

The Bank uses value-at-risk (VaR) tools to quantify the risk associated with the Trading portfolio positions. This includes papers and derivatives classified in the trading portfolio, as well as the exchange risk of mismatches in foreign currency derived from operations with customers and proprietary positions (directional) in currencies.

In line with our Head Office, Market Risk Management uses the historical simulation method with a confidence level: 99% and 300 days of observations.

Complementarily, the Market Risks Department extensively uses comparison tests in order to establish the predictive quality of its value at risk model (excess frequency test).

As at June 30, 2022, the total VaR (includes rate and currency) reached a value of MCh\$4,121 (MCh\$1,665 as at December 31, 2021).

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The impact by the Risk Factor on the VaR at each closing date is shown below:

	6/30/2022	12/31/2021
	MChS	MChS
Bonds in UF	(18)	(526)
Derivatives UF	71	56
Bonds in \$	(73)	(814)
Derivatives \$	(593)	(252)
Derivatives US\$	(5,020)	(962)
Basis US\$/	(80)	(68)
Basis L3L6	1,586	10
Other	4	751
FX	2	140
Total	(4,121)	(1,665)

Where "Other" corresponds to the diversification effect, product of having books with different risk measurements.

Sensitivity of Equity and Financial Margin

The Bank uses the sensitivity of Equity Value and Financial Margin to quantify the interest rate risk of the balance book. Both measures include all assets and liabilities, except for trading portfolios.

Items sensitive to interest rates are represented as:

- At contractual maturity in the case of fixed-rate products.
- Next repricing date in the case of variable rate products.
- Duration as determined by internal models in the case of products without contractual expiration (e.g., chequing accounts, credit cards and lines of credit, among others).

Non-interest-bearing assets and liabilities without cost are recorded as not sensitive to interest rates:

- Cash.
- Other assets and liabilities.
- Past due portfolio.
- Allowances.
- Capital and reserves.

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The change in equity value is determined by assuming a parallel movement of 100 bps (basis points) up and down in the interest rate structure. The exercise is done separately for domestic currency (UF+\$) and foreign currency (US\$ and the rest of the currencies). The total risk will be the sum of the impact of the shock that is most negative for the set of currencies.

The impact on present value per currency of a parallel movement of 100 points is illustrated below.

As at June 30, de 2022

	VPN	VPN + 1%	VPN - 1%
\$	1,513,380	(119,279)	129,296
UF	2,122,390	(90,794)	71,948
US\$	(912,917)	3,685	(3,976)
MX	73,106	(2,348)	2,526
Usage	(208,736)		

As at December 31, 2021

	VPN	VPN + 1%	VPN - 1%
\$	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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The impact on the financial margin by currency of a parallel movement of 100 points is illustrated below:

As at June 30, de 2022

	Net present value				Financial Margin			
	\$ MCh\$	UF MCh\$	US\$ MCh\$	MX MCh\$	\$ MCh\$	UF MCh\$	US\$ MCh\$	MX MCh\$
1 Month	(1,791,462)	69,105	(146,552)	5,083	(17,168)	604	(1,404)	49
2 Months	(14,785)	247,663	(396,956)	5,698	(129)	2,115	(3,473)	50
3 Months	284,691	332,661	(716,260)	5,113	2,254	2,586	(5,670)	40
4 Months	339,077	155,951	201,369	3,539	2,402	1,064	1,426	25
5 Months	337,395	45,866	(14,489)	3,430	2,109	251	(91)	21
6 Months	523,347	(53,982)	552,225	3,351	2,835	(323)	2,991	18
7 Months	379,235	53,001	(57,923)	2,259	1,738	218	(265)	10
8 Months	482,426	(106,420)	12,659	95	1,809	(420)	47	-
9 Months	137,726	(12,195)	4,112	447	402	(51)	12	1
10 Months	94,685	164,029	64,127	714	197	331	134	1
11 Months	165,895	(278,786)	(59,896)	447	207	(355)	(75)	1
12 Months	(152,816)	81,552	159,749	1,739	(64)	32	67	1
					(3,408)	6,052	(6,301)	217

Inflation exposure

Usage 17,304

13,863

As at December 31, 2021

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

Inflation exposure

Usage 16,523

10,852

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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.

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

	As at June 30, de 2022			As at December 31, 2021		
	Assets MCh\$	Liabilities MCh\$	Net MCh\$	Assets MCh\$	Liabilities MCh\$	Net MCh\$
US\$	58,390,018	58,619,884	(229,866)	55,850,034	56,056,578	(206,544)
CAD	29,767	28,982	785	29,218	29,022	196
BRL	33,752	33,798	(46)	16,590	16,592	(2)
PEN	66,052	66,608	(556)	42,036	42,598	(562)
AUD	255,825	256,941	(1,116)	258,371	253,081	5,290
CNY	186,505	182,983	3,522	198,981	198,111	870
DKK	-	-	-	-	-	-
JPY	345,557	335,422	10,135	286,496	277,697	8,799
CHF	544,005	546,016	(2,011)	545,083	531,717	13,366
NOK	3,460	3,356	104	5,450	5,328	122
NZD	62	51	11	9	-	9
GBP	194,065	190,351	3,714	234,319	229,844	4,475
SEK	22,359	21,885	474	20,336	20,332	4
HKD	2,056	1,978	78	2,581	2,501	80
ZAR	39	-	39	37	-	37
COP	97,827	98,714	(887)	60,727	61,200	(473)
MXN	190,339	188,040	2,299	141,638	140,992	646
EUR	1,572,708	1,567,829	4,879	1,388,910	1,382,454	6,456
Other currencies	1,509	-	1,509	8,694	8,665	29

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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.

The following chart shows the structural exposure by interest rate of assets and liabilities, considering the terms of change or renewal of rates; otherwise, the expiration dates of the transactions are considered.

Range of days	As at June 30, de 2022 Mismatch due to term				As at December 31, 2021 Mismatch due to term			
	\$	UF	US\$	MX (*)	\$	UF	US\$	MX (*)
00002-00030	(2,467,396)	(135,586)	(486,686)	5,082	(1,903,299)	(325,689)	(781,791)	3,300
00031-00060	(60,709)	245,363	(405,431)	5,697	(131,922)	80,983	(371,011)	2,193
00061-00090	246,931	330,641	(724,500)	5,112	(155,492)	300,171	(424,104)	3,590
00091-00120	304,982	154,047	193,667	3,539	160,673	19,648	342,100	2,989
00121-00150	303,480	44,040	(19,989)	3,430	250,496	143,433	383,773	2,681
00151-00180	491,040	(55,743)	546,337	3,350	486,827	202,336	444,698	2,536
00181-00210	347,177	51,239	(62,652)	2,259	81,550	(88,723)	(5,966)	(782)
00211-00240	449,770	(108,155)	8,177	94	(26,144)	157,016	44,158	296
00241-00270	105,241	(13,908)	(462)	447	(96,876)	179,152	13,558	236
00271-00300	59,372	162,320	59,439	714	13,655	11,387	15,566	1,368
00301-00330	134,564	(280,497)	(64,362)	446	383,994	(45,476)	25,753	449
00331-00360	(183,889)	79,896	155,195	1,739	21,289	(20,760)	(19,099)	116
00361-00720	(520,743)	178,169	34,190	1,809	1,880,303	210,148	(39,176)	1,131
00721-01080	766,357	992,200	(33,868)	1,809	(1,703,823)	647,191	(28,471)	1,131
01081-01440	620,617	(336,162)	(28,413)	1,809	1,001,537	(116,672)	(12,431)	1,131
01441-01800	409,783	(245,973)	(42,684)	19,785	438,972	(322,126)	(16,214)	19,617
01801-02160	17,370	342,150	(28,767)	1,415	227,296	(2,523)	(24,241)	719
02161-02520	(228,649)	257,544	(26,297)	1,288	(297,038)	429,114	(23,569)	621
02521-02880	(199,780)	602,122	(26,759)	1,288	(292,113)	326,242	(23,307)	621
02881-03240	1,701,547	(719,754)	(2,684)	1,288	879,777	406,027	(1,985)	621
03241-03600	223,103	23,064	1,226	38,955	898,139	(582,152)	(1)	56,171
03601-05400	110,685	745,565	-	-	227,268	428,042	(1)	(37,139)
05401-07200	217	32,544	-	-	218	33,354	(1)	-
07201-09000	140	(19,295)	-	-	151	(20,036)	(1)	-
09001-10800	114	883	-	-	122	774	(1)	-
10800->>>>	69	20	-	-	71	23	-	-
NRS	(1,123,871)	(6,662)	(694,830)	-	(1,273,741)	(3,529)	(288,253)	-

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

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Regulatory Limits

The following table shows the regulatory measurement of interest rate risk and indexation of banking book for the short and long-term.

	Amount 6/30/2022 MCh\$	Amount 12/31/2021 MCh\$
Short-term (Margin)		
Short-term interest rate risk	49,497	93,631
Readjustability risk	25,682	25,751
Lower income due to commissions sens.	-	-
Total Short-term Risk	75,179	119,382
Short-term risk limit (35% of the margin)	309,906	280,404
Short-term Limit Usage Percentage	24.26%	42.57%
Long-term (Value)		
Long-term interest rate risk	743,611	681,448
Interest rate optionality risk	828	863
Total Long-term Risk	744,439	682,311
Long-term limit (30% of Capital)	1,073,672	1,082,216
Long-term Limit Usage Percentage	69.34%	63.05%

Balance Book Exposure (Bank)

Market risks arise from exposures to interest rate and price risks on trading positions and currency risk on its global positions.

The Central Bank of Chile establishes a regulatory limit for the sum of interest rate risks in trading positions (including derivatives) and currency risk. The Bank, at an individual level, must permanently observe these limits and report weekly to 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.

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

	Amount 6/30/2022 MCh\$	Amount 12/31/2021 MCh\$
Interest rate risk	227,631	236,071
Currency risk	18,819	17,260
Shares risk	375	370
Currency option risk	-	-
Consolidated risk-weighted assets	29,594,226	27,804,005
Credit Risk Regulatory Capital (8% APR)	1,947,272	1,814,894
Regulatory Market Risk Capital (8% APRM)	247,199	253,700
Regulatory Capital Operational Risk (8% APRO)	173,067	155,726
Total Regulatory Capital	2,367,538	2,224,320
Consolidated effective equity	3,578,905	3,607,387
Consumption % (includes RC and RM)	66.15%	61.66%
Basel Ratio (including market risk)	12.09%	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.

Cybersecurity & IT Risk

The Risk of Information Technology (IT) and cybersecurity 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 Bank has essential policies and frameworks to control IT and cybersecurity risk management. These frameworks cover a comprehensive set of organizational resources such as policies, risk management processes, practices, and key roles and responsibilities. In that context, IT refers to the digital assets, networks, equipment, software, personnel and processes used by the Bank (internally or through external service providers) in order to acquire, develop, maintain and operate technological services that support the provision of financial services to their customers and other stakeholders.

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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.

As at June 30, 2022, the Bank and its subsidiaries have recognized MCh\$5,348 for operational risk expenses (MCh\$10,294 as at December 31, 2021).

Net loss expense, gross loss and expense recoveries from operational risk events	6/30/2022	12/31/2021
	MCh\$	MCh\$
Internal fraud	(76)	(483)
External fraud	(3,952)	(6,590)
Labor practices and safety in the business	(31)	(101)
Customers, products and business practices	(87)	(63)
Damage to physical assets	(13)	(61)
Business interruption and system failures	(184)	(1,386)
Execution, delivery and process management	(1,704)	(3,788)
Gross loss in the period due to operational risk events	(6,047)	(12,472)
Internal fraud	-	557
External fraud	555	1,290
Labor practices and safety in the business	-	-
Customers, products and business practices	-	-
Damage to physical assets	4	258
Business interruption and system failures	1	33
Execution, delivery and process management	139	40
Gross loss recoveries in the period due to operational risk events	699	2,178
Net loss in the period due to operational risk events	(5,348)	(10,294)

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How does the Bank approach "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 Non-Financial Risks Committee with their related statements and action plans and according to RAN 20-8 to the CMF.

Data Risk

Data risk is the exposure to adverse financial and non-financial consequences (for example, 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 a lack of knowledge on the risk of the data; insufficient oversight, governance and data risk controls; inadequate data management and poor data quality; inferior security and data protection; and inappropriate, unintentional, or unethical use of data. The Data Risk Management is in charge of managing the Bank's Data Risk.

The Data Risk Management Framework describes the general principles and governance structure, on which the Bank's capacity is managed to generate the availability of quality and secure data in order to create value for the business, adopt the best practices of the industry and, most importantly, increasing data accountability across the Bank. security of the data. Scotiabank's Data Governance and Management Policy establishes the data life cycle based on governance principles for all Lines of Business, Corporate Functions and countries or regions with which it must comply; and highlights an engagement model including multiple forums for stakeholders to communicate and resolve data-related observations/findings. The Policy also identifies the main functions and responsibilities for the management and governance of the Bank's data, creating responsibility by bringing a positive impact on the quality and security of the data.

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.

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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.

Cloud Computing

In compliance with the CISO Directive on Cloud Outsourcing, TPRM 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, this test estimates the impact that the different internal, systemic and global illiquidity scenarios have on the financing of the Bank and its subsidiaries, through the analysis of liquidity gaps, coverage of liquid assets, amount of additional financing, horizon of survival, state of internal and regulatory limits.

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.

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Regarding the measurement of adjusted term mismatches, Scotiabank 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.

These measurements report mismatches up to a horizon of 120 days, including the flows from operations with financial derivatives. Additionally, the institution projects the movements of income and expense flows to determine mismatches in the next 10 days.

As at June 30, de 2022		Mismatches				Available Margin			
	7 Days	15 Days	30 Days	90 Days	7 Days	15 Days	30 Days	90 Days	
Consolidated Bank	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	
Domestic Currency									
Expenses	(4,281,371)	(5,420,923)	(6,439,872)	(9,343,341)					
Income	3,127,012	4,384,482	5,756,214	8,336,882					
Mismatch	(1,154,359)	(1,036,441)	(683,658)	(1,006,459)	-	-	-	-	
Foreign Currency									
Expenses	(1,294,840)	(2,113,844)	(3,232,488)	(5,770,047)					
Income	1,122,227	1,361,358	1,812,099	3,440,756					
Mismatch	(172,613)	(752,486)	(1,420,389)	(2,329,291)	-	-	1,320,040	-	
Consolidated Currencies									
Expenses	(5,576,211)	(7,534,767)	(9,672,360)	(15,113,388)					
Income	4,249,239	5,745,840	7,568,313	11,777,638					
Mismatch	(1,326,972)	(1,788,927)	(2,104,047)	(3,335,750)	-	-	636,382	2,145,107	
					Basic Capital		2,741,344		
					2 Basic Capital		5,482,688		
As at December 31, 2021		Mismatches				Available Margin			
	7 Days	15 Days	30 Days	90 Days	7 Days	15 Days	30 Days	90 Days	
Consolidated Bank	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	MCh\$	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		2,801,123		
					2 Basic Capital		5,602,246		

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Volume and Composition of Liquid Assets

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Available funds	441,122	172,046
Exchange and overnight	817,713	527,325
Escrow fund	292,931	793,387
Financial investments	2,692,810	2,411,228
Total Liquid Assets	4,244,576	3,903,986

Composition of Main Sources of Financing

	6/30/2022	12/31/2021
	MCh\$	MCh\$
Deposits and other on-demand obligations	5,939,838	7,202,730
Deposits and term loans	12,869,076	9,498,332
Obligations with banks	5,767,621	5,685,253
Debt instruments issued	7,937,663	7,415,757
Other financial obligations	10,742,302	8,349,283
Total	43,256,500	38,151,355

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Maturities of assets and liabilities reported as at June 30, 2022 and December 31, 2021 are detailed as follows:

As at June 30, 2022	Up to 1 month MCh\$	Up to 3 months MCh\$	Up to 1 year MCh\$	Up to Maturity MCh\$
Available	1,198,429	-	-	-
Effective loans	1,173,759	1,623,748	3,475,491	29,363,655
Loans in LCHR	1,808	3,201	12,928	99,945
Leased contracts	1,061	49,115	177,934	708,644
Covenants	115,714	25,669	-	-
Financial investments	1,937,310	93,529	31,641	653,094
Other asset accounts	865,340	-	-	488,308
Total Asset	5,293,421	1,795,262	3,697,994	31,313,646

On-demand obligations	(2,652,888)	-	(2,195,983)	(1,097,992)
Time deposits, bonds and other	(3,209,897)	(2,372,123)	(7,109,430)	(9,304,785)
Covenants	(208,923)	-	-	(3,030,487)
Obligations due to LCHR	(4,918)	(380)	(15,198)	(105,285)
Obligations within the country	(0)	-	-	-
Obligations abroad	(191,383)	(613,690)	(1,400,378)	(566,014)
Other liability accounts	(992,901)	-	(59,523)	(516,873)
Total Liability	(7,260,910)	(2,986,193)	(10,780,512)	(14,621,436)

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)

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7) Counterparty Risk

As a result of the activity with customers, the Bank has counterparty exposures due to the probability that its debtors could not comply with payments generated due to financial derivative contracts. The Bank limits credit risk levels by setting exposure limits in terms of individual debtors, which in turn are aggregated into groups of debtors, industry segments and countries. Such risks are permanently monitored by the Risk Division and the limits by debtor, debtor groups, products, industry and country are reviewed at least once a year and approved by the Board of Directors and the Senior Risk Committee.

Exposure to credit risks is managed through regular analysis on the capacity of debtors and potential debtors to meet payments in accordance with the contractual terms of the loans and is mitigated by obtaining admissible guarantees.

The Bank controls its positions in derivative contracts with its counterparties. This exposure to credit risk is managed as part of the limits on loans to customers, together with potential exposures due to market fluctuations. Likewise, it adjusts the valuation of the contracts according to the credit quality of the counterparty and the expected credit risk exposure given the current contracts.

6/30/2022	Fair Value Asset	Credit risk adjustment
	MCh\$	MCh\$
Total	(699,883)	7,471

12/31/2021	Fair Value Asset	Credit risk adjustment
	MCh\$	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 by 0% through December 1, 2022.

Basic capital and effective equity levels at each closing date are detailed as follows:

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Information on regulatory capital and capital adequacy indicators

Total Assets, risk weighted assets and components of effective equity as per Basel III	Local Consolidated 6/30/2022	Local Consolidated 12/31/2021
	MCh\$	MCh\$
Total assets as per the statement of financial position	46,647,538	41,597,895
Investment in subsidiaries not subject to consolidation	-	-
Assets discounted from regulatory capital , other than item 2	-	-
Credit equivalent	(5,827,918)	(3,985,722)
Contingent loans	1,498,272	1,509,712
Assets generated by the intermediation of financial instruments	-	-
Total assets for regulatory purposes	42,317,892	39,121,885
Assets weighted by credit risk, estimated according to standard methodologies (APRC)	24,340,895	22,686,175
Assets weighted by credit risk, estimated according to internal methodologies (APRC)	-	-
Assets weighted by market risk (APRM)	3,089,991	3,171,256
Assets weighted by operational risk (APRO)	2,163,340	1,946,574
Risk-weighted Assets (APR)	29,594,226	27,804,005
Risk-weighted Assets , after application of the output floor (APR)	29,594,226	27,804,005
Equity of Owners	2,617,982	2,673,703
Non-controlling interest	123,362	127,420
Goodwill	-	-
Excess of minority investments	-	-
Common equity level 1 equivalent (CET1)	2,741,344	2,801,123
Additional deductions to common capital level 1, other than item 2	-	-
Common Equity level 1 (CET1)	2,741,344	2,801,123
Voluntary provisions (Additional) imputed as additional equity level 1 (AT1)	-	-
Subordinated bonds imputed as additional equity level 1 (AT1)	295,942	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)	295,942	278,040
Capital level 1	3,037,286	3,079,163
Voluntary provisions (Additional) imputed as additional equity level 2 (AT2)	185,761	185,761
Bonos subordinados imputados como capital nivel 2 (AT2)	355,858	342,463
Equivalent level 2 equity (T2)	541,619	528,224
Discounts applied to AT2	-	-
Capital Level 2 (T2)	541,619	528,224
Effective equity	3,578,905	3,607,387
Additional Basic Capital required for the constitution of the conservation reserve	184,964	173,775
Additional Basic Capital required to set up the countercyclical reserve	-	-
Additional Basic Capital required for banks qualified as systemic	-	-
Additional Capital required for 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 6/30/2022 %
1	Leverage Indicator (T1_I18/T1_I7)	6.48%
1.a	Leverage indicator that the bank must meet, considering the minimum requirements	3.00%
2	Common equity indicator (T1_I18/T1_I11.b)	9.26%
2.a	Indicator of basic capital that the bank must meet, considering the minimum requirements	4.50%
2.b	Equity reserves deficit	0.00%
3	Equity indicator level 1 (T1_I25/T1_I11.b)	10.26%
3a	Level 1 capital indicator that the bank must meet, considering the minimum requirements	6.00%
4	Effective equity indicator (T1_I31/T1_I11.b)	12.09%
4.a	Effective equity indicator that the bank must meet, considering the minimum requirements	8.00%
4.b	Effective equity indicator that the bank must comply with, considering the charge for article 35bis, if applicable	8.00%
4.c	Effective equity indicator that the bank must meet, considering the minimum requirements, conservation reserve and countercyclical reserve.	8.63%
5	Solvency Rating	A
	<i>Regulatory compliance indicators for solvency</i>	
6	Voluntary provisions (additional) imputed in Tier 2 capital (T2) in relation to APRC (T1_I26/(T1_I8.a or 8.b))	0.76%
7	Subordinated bonds imputed in Tier 2 capital (T2) in relation to Common Equity Tier 1 (CET1)	12.98%
8	Tier 1 additional capital (AT1) in relation to basic capital (T1_I24/T1_I18)	10.80%
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)	1.00%

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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		
Contingen 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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Notes to the Interim Consolidated Financial Statements

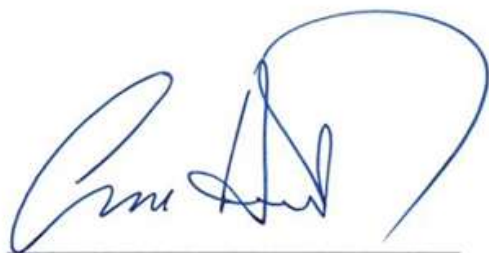
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Note 49 Subsequent events

The Interim Consolidated Financial Statements were approved by the Audit Committee of Scotiabank Chile on August 10, 2022.

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.

In the view of the Bank's Management and its subsidiaries, between July 1, 2022 and the date of issuance of these Interim 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 Accounting Officer



DIEGO MASOLA
Chief Executive Officer